Investigating online complaint intention and service recovery expectations of clothing retail customers

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ABSTRACT

The retail industry is faced with increased customer service demands and a competitive market environment. For retailers to survive in a competitive marketplace, a customer orientation is vital in order to establish and maintain long-term relationships with customers. As the clothing retail industry is characterised as an industry with high human involvement, employee-related service failures are inevitable. Service failures cause the disconfirmation of service expectations which lead to customer dissatisfaction, a motivator of customer complaint behaviour.

Given that the resolution of a customer complaint is critical in order to restore customer satisfaction, retailers are providing customers with a variety of innovative complaint channels, such as online complaining. Although online complaint channels have become commonplace, little research has been undertaken regarding the effect of a complaint channel on customers' complaint behaviour and customers' expectations in the clothing retail industry. South African clothing retailers could therefore benefit from an understanding of customers' online complaint intention and ensuing service recovery expectations.

Scholars profess that complaint intention correlates positively with service recovery expectations as customers decide to post a complaint when they generally have high recovery expectations. Furthermore, complaint intention and service recovery expectations are increased by a positive attitude towards complaining. Consequently, attitude towards complaining plays a significant role in forecasting complaint behaviour of dissatisfied customers. Moreover, service failure severity has been used to measure how customers assess the intensity of service failures and is said to also influence customers' complaint intention and their subsequent service recovery expectation.

The primary objective of this study was to uncover customers' online complaint intention and subsequent service recovery expectations after experiencing an employee-related service failure in the clothing retail industry. The empirical study was based on a descriptive research design in which a structured, self-administered questionnaire was fielded amongst respondents within the Johannesburg metropolitan area of South Africa. A non-probability, convenience sampling method was used and a total of 400 respondents participated in this study.

The results indicate that although the majority of respondents use the Internet daily and exhibit a high propensity to complain, they prefer to complain in-store. After respondents had been presented with a fictional employee-related service failure scenario, they did not indicate a high intention to complain online. Very few differences were uncovered between different groups of

respondents pertaining to their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation. Finally – with respect to an empirically tested theoretical model – respondents' attitude towards complaining in general and their perceptions of the severity of the service failure experienced, significantly and positively influence their strength of service recovery expectations, while no significant positive influences were uncovered for paths linking the aforementioned constructs with online complaint intention. As a result, online complaint intention was omitted from the measurement model seeing that respondents who participated in this study did not indicate a high tendency to complain online.

It is recommended that clothing retailers recognise the importance of in-store complaint management programmes and ensure that in-store complaint channels are easily accessible, efficient and pleasant to use. Clothing retailers should actively educate customers regarding alternative mechanisms and channels available for complaining. In order to increase customers' online complaint intention, clothing retailers should provide a visible complaint portal on their website and communicate the benefits of online complaining during in-store advertising. Clothing retailers should furthermore provide the appropriate strength of service recovery for particular levels of service failure severity when managing customer complaints. Consequently, it is recommended that clothing retailers provide their employees with sufficient training that will educate them regarding their interaction with customers and the best practice thereof, the difference between minor and major service failures, and the selection of an appropriate service recovery strategy during different service failure severity encounters.

It is recommended that this study is extended to other service settings in order to uncover online complaint intention and strength of service recovery expectations of customers in other industries. Finally, seeing that respondents' strength of service recovery expectations vary according to the severity of the service failure, scenarios representing different levels of service failure severity can be used as basis to measure the key constructs measured in this study.

UITTREKSEL

Die kleinhandelindustrie word gekonfronteer met verhoogde kliëntediensvereistes sowel as 'n mededingende markomgewing. Vir kleinhandelaars om in hierdie mededingende mark te oorleef, is 'n kliënte-oriëntasie van uiterste belang om sodoende langtermyn verhoudings met kliënte daar te stel en te handhaaf. Aangesien die klere-kleinhandelindustrie gekenmerk word as 'n industrie met hoë mense-betrokkenheid, is werknemer-verwante diensmislukkings onafwendbaar. Diensmislukkings veroorsaak die diskonfirmasie van diensverwagtinge, wat lei tot ontevredenheid, 'n teelaarde aan die kant van die kliënt wat klagtes wil lê.

Gegewe dat dit krities is om 'n kliënt se klagte op te los – om sodoende die kliënt se tevredenheid te herstel – verskaf kleinhandelaars 'n verskeidenheid innoverende klagtekanale aan kliënte, soos om aanlyn te kla. Alhoewel aanlynklagtekanale alledaags geword het, is weinig navorsing gedoen oor die effek van hierdie klagtekanaal op kliënte se klagtegedrag en kliënte se verwagtinge in die klerekleinhandelindustrie. Suid-Afrikaanse klere-kleinhandelaars kan dus voordeel trek uit 'n begrip van kliënte se voornemens ten opsigte van aanlynklagtes, en die gevolglike diensherstellingsverwagtinge.

Vakkundiges beweer dat voornemens om klagtes te opper positief korreleer met diensherstellingsverwagtinge omdat kliënte sal besluit om 'n klagte te plaas wanneer hulle oor die algemeen hoë herstellingsverwagtinge het. Verder word voornemens om klagtes te opper en diensherstellingsverwagtinge verhoog deur 'n positiewe houding teenoor klagtes. Gevolglik speel houdings teenoor klagtes 'n beduidende rol in die voorspelling van ontevrede kliënte se klagte-gedrag. Boonop word die felheid van diensmislukkings gebruik om te meet hoe kliënte die intensiteit van diensmislukkings bepaal, en daar word ook beweer dat dit kliënte se voornemens om klagtes te opper en hul gevolglike diensherstellingsverwagting beïnvloed.

Die primêre doel van hierdie studie was om kliënte se voornemens om klagtes aanlyn te lê en gevolglike diensherstellingsverwagtinge bloot te lê, nadat hulle 'n werknemer-verwante diensmislukking in die klerekleinhandelindustrie ervaar het. Die empiriese studie was gebaseer op 'n beskrywende navorsingsontwerp waarin 'n gestruktureerde, self-toegediende vraelys versprei is onder respondente in die Johannesburg metropolitaanse area van Suid-Afrika. 'n Nie-waarskynlikheids-, gerieflikheidsteekproefnemingsmetode is gebruik, en 'n totaal van 400 respondente het aan die studie deelgeneem.

Die resultate toon dat, alhoewel die meerderheid van respondente die Internet op 'n daaglikse basis gebruik en 'n hoë geneigdheid toon om te kla, hulle verkies om binne die winkel te kla. Nadat 'n fiktiewe werknemer-verwante diensmislukkingscenario aan respondente voorgelê is,

het hulle nie hoë intensie (voorneme) getoon om aanlyn te kla nie. Baie min verskille is uitgewys tussen verskillende groepe respondente ten opsigte van hul houdings teenoor kla, voornemens om aanlyn te kla, persepsie ten opsigte van die felheid van die diensmislukking, en die mate van verwagting ten opsigte van diensherstelling. Laastens – ten opsigte van 'n empiries-getoetste teoretiese model – beïnvloed respondente se houding teenoor klagtes oor die algemeen, sowel as hul persepsies van die felheid van die diensmislukking wat ervaar is, die mate van hul verwagtinge ten opsigte van diensherstellings beduidend en positief, terwyl geen beduidende positiewe invloede vir die maniere waarop die bogenoemde konstrukte aan voornemens om aanlyn te kla, gevind is nie. Gevolglik is voornemens om aanlyn te kla weggelaat uit die metingsmodel, aangesien die respondente wat aan hierdie studie deelgeneem het nie 'n hoë geneigdheid getoon het om aanlyn te kla nie.

Daar word aanbeveel dat klerekleinhandelaars die belangrikheid van klagtebestuursprogramme binne die winkel moet besef, en dat hulle moet verseker dat kanale vir kliënte om binne die winkel te kla maklik toeganklik, doeltreffend en aangenaam is om te gebruik. Klerekleinhandelaars behoort kliënte aktief in te lig ten opsigte van alternatiewe meganismes en kanale wat beskikbaar is om deur te kla. Om kliënte se voornemens om aanlyn te kla te verbeter, moet klerekleinhandelaars 'n sigbare klagtekanaal op hul webwerf hê, en moet hulle die voordele verbonde daaraan om aanlyn te kla aan kliënte kommunikeer deur middel van reklame binne die winkel. Klerekleinhandelaars behoort verder ook 'n toepaslike mate van diensherstelling vir spesifieke vlakke van felheid van diensmislukking daar te stel wanneer kliënteklagtes bestuur word. Gevolglik word dit aanbeveel dat klerekleinhandelaars voldoende opleiding aan hul werknemers bied wat hulle sal toerus met vaardighede aangaande hul interaksie met kliënte en die beste gebruik daarvan, die verskil tussen klein en groot diensmislukkings (felheid), sowel as die selektering van 'n toepaslike diensherstellingstrategie gedurende verskeie voorvalle van diensmislukkings.

Daar word aanbeveel dat hierdie studie uitgebrei word na ander dienste-omgewings om die voornemens om aanlyn te kla en die mate van diensherstellingsverwagtinge van kliënte in ander industrieë te bepaal. Laastens – aangesien respondente se vlak van diensherstellingsverwagtinge verskil volgens die felheid van die diensmislukking – kan scenario's wat verskillende vlakke van diensherstellingsverwagtinge verteenwoordig gebruik word as basis om die sleutelkonstrukte wat in hierdie studie gemeet is, te bepaal.

LIST OF KEY TERMS

This section presents the key terms used in this study in order to ensure clarity and consistency. The key terms are subsequently listed and defined.

- **Attitude towards complaining**

Attitude towards complaining refers to the customer's perception of the goodness or badness of the act of complaining (Singh & Wilkes, 1996:353) and is not confined to an isolated incident of dissatisfaction (Kim, Kim, Im & Shin, 2003:354).

- **Complaint intention**

Complaint intention can be defined as the willingness of a customer to engage in complaint action after a service failure is experienced (Evanschitzky, Brock & Blut, 2011:413-414; Kim & Boo, 2011:217; Yang & Mattila, 2012:403).

- **Online**

Online refers to Internet and web-based actions available through a collection of interconnected computer networks called the Internet, in which individual thoughts, reactions and opinions can be communicated, independent of distance and time constraints, while connected to a device with Internet access under the direct control of the customer (Dellarocas, 2003:1407; Gorman, 2006:481; Lee & Cude, 2012:90).

- **Service failure**

Service failure can be defined as a real or perceived breakdown in service delivery where something has gone wrong and does not meet the expectations of customers which could lead to customer dissatisfaction (Hoffman & Bateson, 2006:361; Maxham, 2001:11; Palmer, Beggs & Keown-McMullen, 2000:514; Singhal, Krishna & Lazarus, 2013:192; Suh, Greene, Rho & Qi, 2013:192).

- **Service failure severity**

Service failure severity can be defined as customers' perceived intensity of a service problem experienced, and ranges from minor irritations to major aggravations (McQuilken, McDonald & Vocino, 2013:42; McQuilken & Robertson, 2011:955; Weun, Beatty & Jones, 2004:135).

- **Service recovery**

Service recovery can be defined as the systematic action taken by a service organisation to correct a service failure with the objective to reduce the possible negative effects of service failures and to retain customers by preventing further defections and failures (Lovelock & Wirtz, 2011:376; Lovelock, Wirtz & Chew, 2009:343; Suh *et al.,* 2013:192; Wilson, Zeithaml, Bitner & Gremler, 2012:340).

- **Service recovery expectation**

Service recovery expectation refers to customers' expectations with regards to the service recovery outcome or follow-up actions required after the occurrence of a service failure (Hoyer & MacInnis, 2008:280; Lin, 2010:880; Wilson *et al.*, 2012:346).

- **Clothing retailer**

Clothing retailers can be defined as organisations that execute the final business activities concerning the selling of clothing, fur, umbrellas, footwear, leather goods, travel accessories as well as accessories such as gloves, ties or braces produced somewhere else for customers (Levy & Weitz, 2009:6; Stats SA, 2012:168) while providing related services such as credit, home delivery and the displaying of merchandise to customers (Berman & Evans, 2013:33; Levy & Weitz, 2009:7,39; Lusch, Dunne & Carver, 2011:4; Roberts-Lombard, 2009:409; Zeithaml, Bitner & Gremler, 2006:5).

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CHAPTER 1

CONTEXTUALISATION OF THE STUDY

1.1 INTRODUCTION

The purpose of this chapter is to present the problem statement of this study and to explain the manner in which the research problem is addressed throughout the course of this dissertation. This chapter commences with a discussion relating to the background of this study followed by an overview of the clothing retail industry which is the industry on which this study focuses. Next, the identified research problem is presented with the subsequent research objectives of this study. The proposed theoretical model for this study follows as well as the succeeding hypotheses formulated. This chapter continues by presenting a brief explanation of this study's research methodology. Chapter 1 concludes with a chapter outline for the rest of this study.

1.2 BACKGROUND TO THE STUDY

The global marketplace continuously increases in competition within all industries, and the arrival of electronic commerce (e-commerce) has further opened a new world of opportunities for business and in particular the retail sector (Forbes, Kelley & Hoffman, 2005:280). Customers are therefore confronted with various choices that could have an effect on retailers' profitability as well as their customer relationship management (Shapiro & Nieman-Gonder, 2006:124). Subsequently, globalisation has increased competition and has forced retailers to become more customer orientated (Hansen, Wilke & Zaichkowsky, 2010:6), resulting in the rising and the noteworthy role of relationship marketing within the retail industry (Adjei, Griffith & Noble, 2009:493).

Consequently, the acquiring and retaining of customers have increased in difficulty as customers are confronted with several choices within the market place (Little & Mirandi, 2003:14). Retailers do not only have to contend with competition within the traditional marketplace anymore, but now also in an online setting (Aurdain-Pontevia & Balague, 2008:481).

By means of the innate unpredictability of services, the occurrences of service failures are inevitable (Hoffman & Bateson, 2006:361; Little & Marandi, 2003:155). Service failures can be ascribed to the magnitude of human and non-human errors present in the service industry which consequently leads to the inescapable occurrence of customer dissatisfaction (Boshoff, 1997:110; Kau & Loh, 2006:101). As a result, the survival of any service organisation

significantly depends on converting customer dissatisfaction to satisfaction (Kau & Loh, 2006:101).

Moreover, service failures vary in severity; some service failures are minor irritations, while other service failures are major stressors that have a profound effect on customer complaint behaviour (McQuilken & Robertson, 2011:953,955). Consequently, service failure severity has a significant influence on customers' attitudes towards complaining and voicing behaviours. Findings by Singh and Wilkes (1996:363) indicate that the effect on attitude towards complaining and voicing behaviours is more influential in a low service failure severity and dissatisfaction level than that of a high service failure severity level. Singh and Wilkes (1996:362) further declare that customers' voicing behaviour increases when service failure severity and customer dissatisfaction increase. Subsequently, minor service failures can discourage customers from voicing their negative experiences (McQuilken & Robertson, 2011:955). It is therefore vital for retailers to implement effective complaint management as it has a positive impact on customer satisfaction and is known to develop long-term relationships (Strauss & Hill, 2001:63). This approach is crucial seeing as the cost of acquiring new customers significantly surpasses the costs of retaining a current customer (Egan, 2011:75; Fornell & Wernerfelt, 1987:337; Jena, Guin & Dash, 2011:23; Lamb, Hair, McDaniel, Boshoff, Terblanche, Elliott & Klopper, 2010:14).

Situations in the service industry where dissatisfaction occurs are diverse and usually random in nature. Customers may be unsure on how to react to these dissatisfying situations and will be guided by more general traits, dispositions and situational factors (Thøgersen, Juhl & Poulsen, 2009:760). The most important determinant of a customer's behaviour is attitude towards performing or not performing a specific action (Ekiz & Au, 2011:327). More specifically, attitude towards complaining refers to the customer's perception of the goodness or badness of the act of complaining (Singh & Wilkes, 1996:353) and is not confined to an isolated incident of dissatisfaction (Kim *et al.*, 2003:354). As a result, customers' attitude towards complaining has substantial value in predicting customer complaint behaviour (Bodey & Grace, 2007:580).

Although extensive research exists relating to customer complaint behaviour, a small number of researchers have studied the variety of complaint channel choices made possible by the arrival of the Internet (Cho, Im, Hiltz & Fjermestad, 2002:318; Lee & Cude, 2012:91). E-complaining as a complaint channel entered society amidst multiple other complaint channels, seeing as customers have become more accustomed to the Internet (Tyrrell & Woods, 2004:184). However, online complaining differs a great deal from offline complaining, which could possibly be more preferred by customers who shop online (Lee & Cude, 2012:91). Findings by TeaLeaf Technology Inc. (2008) support the aforementioned by stating that 58 per cent of adults who

participated in their study chose an online channel to post their complaints, where 39 per cent used the organisation's website (TeaLeaf Technology, 2008). Holloway and Beatty (2003:102) support these results by stating that customers are more likely to complain online than they would in a traditional shopping environment. Unfortunately online complaint behaviour has received limited attention and an in-depth understanding of customers' online complaint intention is still lacking (Zaugg, 2009:2).

Although Cho *et al.* (2002:318) studied the different antecedents of customers' online versus offline complaint behaviour, they did not consider the customer's choice to complain online or offline. Lee and Cude (2012:90) studied the impact of an online versus offline shopping environment as well as the degree of customer satisfaction/dissatisfaction with the purchase in an online versus offline complaint channel choice. It therefore stands to reason that prior studies have investigated certain aspects of online complaint behaviour, but did not determine the relationship of channel-specific online complaint intention with general attitude towards complaining and service failure severity. Based on findings of previous research regarding attitude towards complaining, complaint intention and service failure severity, it can be argued and hypothesised that retail customers' online complaint intention is positively influenced by their attitude towards complaining (De Matos, Rossi, Veiga & Veira*., 2009:471; Kim *et al.,* 2003:352; Kim & Boo, 2011:217; Thøgersen *et al.*, 2009:760; Velázquez, Blasco, Saura & Contri, 2010:540) as well as their service failure severity perception (De Matos *et al.*, 2009:470; Thøgersen *et al.*, 2009:760; Velázquez, Contri, Saura and Blasco, 2006:500-510; Von der Heyde Fernandes & Dos Santos, 2008:584; Wilson *et al.*, 2012:344; Zhao & Othman, 2010:229).

The strategic significance of the complaining process and service recovery in an online setting is noticeable (Audrain-Pontevia & Balague, 2008:481), seeing that service organisations' relationship with customers is critically influenced by service failures and recovery encounters (Smith & Bolton, 1998:65). A service recovery effort is an organisational response attempt to sustain happy customers through presenting fitting compensation after a product or service failure has occurred (Black & Kelley, 2009:172; Priluck & Lala, 2009:44; Weun *et al.,* 2004:133). Therefore, service recovery forms part of complaint management and entails the reception, examination, resolution and prevention of customer complaints in order to recover customers (Johnston, 2001:61). As a result, angry disappointed customers can be transformed to loyal customers through effective complaint management (Audrain-Pontevia & Balague, 2008:475; Boshoff, 1997:110), as service recovery focuses on greater satisfaction with the relationship (Priluck & Lala, 2009:44).

Effective complaint management, compensation or service recovery accurately balances the harm done (Walster, Berscheid & Walster, 1973:158). As an element of the equity theory, exchange within relationships should always be balanced (Walster *et al.,* 1973:174). As soon as a service failure arises, the relationship between the customer and service organisation is thrown out of balance as the costs extend beyond the rewards experienced by the customer (Smith, Bolton & Wagner*,* 1999:360; Walster *et al.,* 1973:174). As a result, customers choose to complain in order to recover their economic loss by being in search of a refund, compensation and/or additional services as potential service recovery strategies (Lovelock & Wirtz, 2011:373). In addition, customers generally have high recovery expectations when they ultimately decide to post a complaint (Wilson *et al.,* 2012:346). Some customers are more likely to complain if they believe that a positive outcome may occur, whilst other customers refrain from taking any action as they hold the opposite belief (Wilson *et al.,* 2012:347). Smith *et al.* (1999:356) agree by stating that some customers have a strong reaction to service failures and therefore the recovery effort of the service organisation should be equally strong and effective. It is therefore clear that outcome and process elements play a vital role in the formation of customers' attitude towards complaining (Andreassen & Streukens, 2013:18) and complaint intention (Smith *et al.,* 1999:356; Wilson *et al.,* 2012:373,346).

For service organisations to re-establish the balance in relationships, they must execute service recovery relative to the type of service failure, therefore providing an adequate gain to cover the loss (Smith *et al.,* 1999:360). The service recovery expectations of customers are less during a minor service failure than what it would be in the case of a major service failure where damage in terms of time, effort, annoyance, or anxiety is created (Lovelock & Wirtz, 2011:377). Findings by Smith *et al.* (1999:356) suggest that customers expect organisational service recovery to be equivalent to the type of service failure experienced relating to the total that corresponds with the severity of the service failure experienced.

Therefore, an understanding of retail customers' strength of service recovery expectation is essential. Based on findings by several authors, regarding research done on attitude towards complaining, service failure severity, online complaint intention and service recovery expectation, it can be argued and hypothesised that retail customers' strength of service recovery expected is positively influenced by customers' general attitudes towards complaining (De Matos *et al.*, 2009;470; Lovelock & Wirtz, 2011:373; Smith *et al.*, 1999:356; Wilson *et al.,* 2012:343,347), service failure severity perception (Lovelock & Wirtz, 2011:377,380; McQuilken, 2010:218; Weun *et al.*, 2004:139) and online complaint intention (Kim, Wang & Matilla, 2010:975; Priluck & Lala, 2009:49; Wilson *et al.,* 2012:347).

1.3   OVERVIEW OF THE CLOTHING RETAIL INDUSTRY

In this section the clothing retail industry of South Africa is briefly discussed. This section commences by defining the clothing retail industry, followed by an industry analysis of the clothing retail industry. Next, the major clothing retail groups in South Africa are presented after which trends and challenges of the clothing retail industry is discussed.

1.3.1   Defining the clothing retail industry

The Standard Industrial Classification (SIC) is commonly used as basis to categorise business activities as it consists of a clear and consistent classification structure of economic activities for South African conditions (Stats SA, 2012:10). The SIC contains a set of agreed concepts, principles, definitions and classification rules used to classify economic activities and was subsequently used to define the retail industry (Stats SA, 2012:10). The retail trade industry is categorised under division 47 of the SIC (Stats SA, 2012:33) and forms part of Section G which includes wholesale and retail trade, repair of motor vehicles and motor cycles (Stats SA, 2012:33). Within division 47, "retail trade (except of motor vehicles and motor cycles)" the class "retail sale of clothing, footwear and leather articles in specialised stores" is part of the group "retail sale of goods in specialised stores" (Stats SA, 2012:33) (refer to Figure 1.1).

Figure 1.1:   Standard Industrial Classification (SIC) of the clothing retail industry
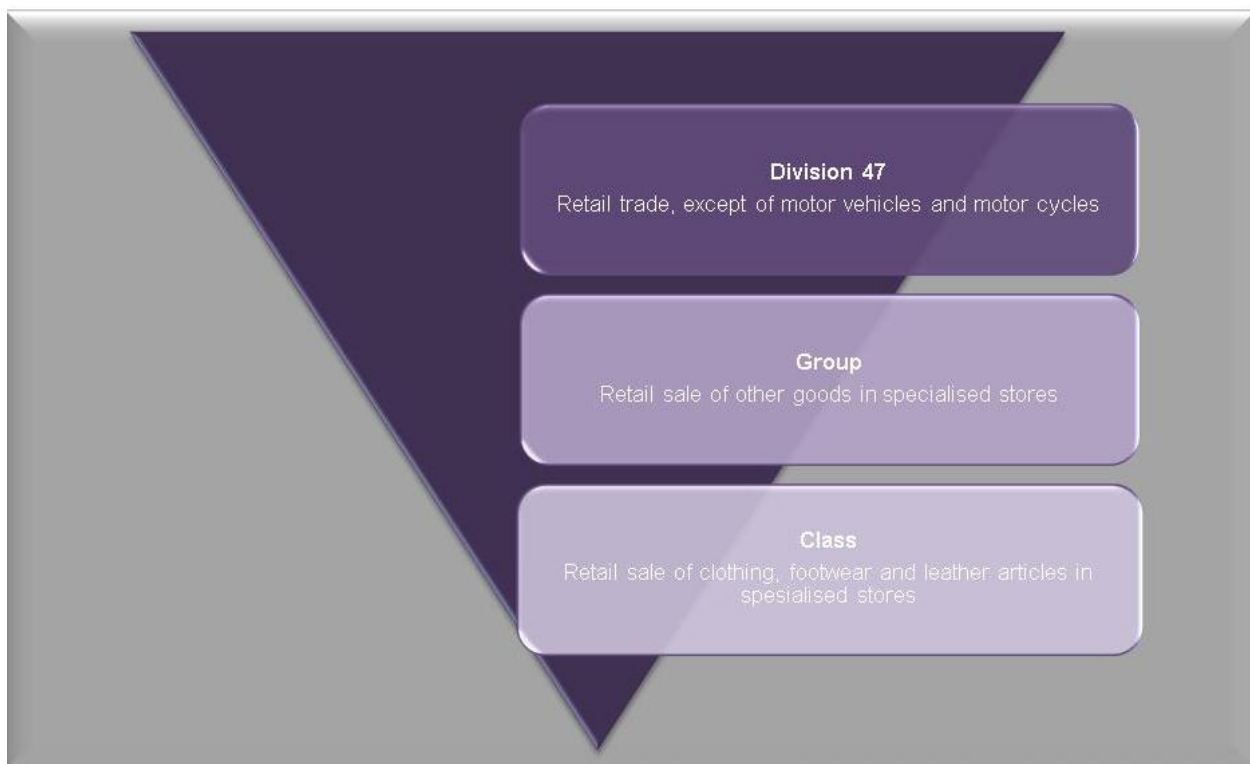
Source: Stats SA (2012:33)

Based on the SIC the "retail sale of clothing, footwear and leather articles in specialised stores" includes the retail sale of articles of clothing, fur, umbrellas, footwear, leather goods, travel accessories as well as accessories such as gloves, ties or braces (Stats SA, 2012:168). This class, however, excludes the sale of textiles (Stats SA, 2012:168). The apparel retail industry is an accepted term for the sale of the aforementioned (Marketline, 2013) and in the remainder of this study referred to as the clothing retail industry.

1.3.1   South African retail industry analysis

An increased growth rate has been noted within the retail industry over the past years (Gauteng Province: Provincial Treasury, 2012). The growth of the industry can be ascribed to the increase in the supply of retail space and the vast number of shopping centres situated all over the country (Gauteng Province: Provincial Treasury, 2012). Due to the decline in mining and manufacturing of South Africa, the country is becoming globally uncompetitive relying more on imports (Gauteng Province: Provincial Treasury, 2012:4). Subsequently, the task of industry expansion relies on retailers seeing that the South African economy evolved as one that is consumer driven (Gauteng Province: Provincial Treasury, 2012:4).

Statistics published in 2013 indicate the real GDP at market prices for the second quarter of 2013 and present an increase of 3.0 per cent at an annualised rate in which the wholesale, retail and motor trade industry contributes 0.4 of a percentage point to the increase of the economic activity in South Africa (SA Government Info, 2013). More specifically, the retail trade sales report for June 2013 measured in real terms at constant 2012 prices indicates an increase in retail sales of 1.9 per cent year-on-year in June 2013 (Stats SA, 2013a:2). Stats SA (2013a:2) further indicates that retailers in textiles, clothing, footwear and leather goods are the main contributor by contributing 0.8 of a percentage point. This can be ascribed to the fact that retailers in textiles, clothing, footwear and leather goods recorded the third largest annual growth rate for June 2013 indicating a 4.0 per cent growth rate (Stats SA, 2013a:2). Consequently, sales and employment within the retail industry are crucial economic contributors (Berman & Evans, 2013:34).

In 2012, the retail industry contributed significantly to employment opportunities in South Africa (Gauteng Province: Provincial Treasury, 2012:31). Employment by industry statistics between the first quarter and second quarter of 2013 indicates an increase in employment for only five of the ten industries amongst which employment gains are concentrated in wholesale and retail trade industries (52 000) (Stats SA, 2013b:vi). Stats SA (2013b:vii) quarterly labour force survey for the second quarter of 2013 further reports that Gauteng (55 000) is the largest contributor to the employment increase in eight of the nine provinces when compared with the year ended

2012. Therefore, the profitability of service organisations is important for any country's economy, as it contributes a great deal to the Gross Domestic Product (GDP) as well as the employment rate of the country (Roberts-Lombard, 2009:409).

1.3.2 Retail industry in Gauteng

Gauteng, with only 1.4 per cent of South Africa's land area is responsible for over 34.8 per cent of South Africa's total GDP (SouthAfrica.info, 2013; South African Government information, 2012). This can be ascribed to the retail industry attracting a vast population to Gauteng as the province is seen as a shopping magnet in South Africa (Gauteng Province: Provincial Treasury, 2012:28). Furthermore, the development of shopping centres in metropolitan areas such as Johannesburg is not surprising considering latest retail and population statistics (SA Commercial Prop News, 2013). From the eight super regional centres in South Africa, four are located in Gauteng namely Sandton City, Menlyn Park Shopping Centre, Eastgate Shopping Centre and Westgate Shopping Centre indicating the incremental impact of the retail industry within the province (Gauteng Province: Provincial Treasury, 2012:29).

Although the growth of the clothing retail industry can be accredited to improved disposable income (Osman, 2012:19; Makholwa, 2011), residential growth, population size and growth, household income and expenditure patterns, seasonal aspects and existing quality of retail space (Gauteng Province: Provincial Treasury, 2012:26) the industry has also benefited from an uncompetitive landscape (Osman, 2012:19).

1.3.3 South African major clothing retail groups

The South African clothing retail industry has been dominated by major retail groups, such as Edcon, Woolworths, Foschini, Truworths, Mr Price and Pepkor (International Trade Centre, 2010:23; Imrie, 2013:3) which accounted for roughly 60% of 2010's total sales (Osman, 2012:19). Furthermore, Standard & Poor's Rating Services of November 2012 (2012:36) ranked Edcon, Mr Price and The Foschini Group (TFG) in the top three positions followed by Woolworths, Truworths and Pepcor. The International Trade Centre (2010:9) reports that Edcon has a 30% share of the domestic clothing, footwear and textiles market while Woolworths Holdings possesses a 14.5% market share. Furthermore, PEP is the largest single brand retailer in South Africa with over 1 394 stores targeting the mass lower- to middle-income market (International Trade Centre, 2010:24). Figure 1.2 presents the six major clothing retail groups dominating the clothing retail industry of South Africa each with their different clothing retail formats.

Figure 1.2:   Major retail groups and clothing retail formats
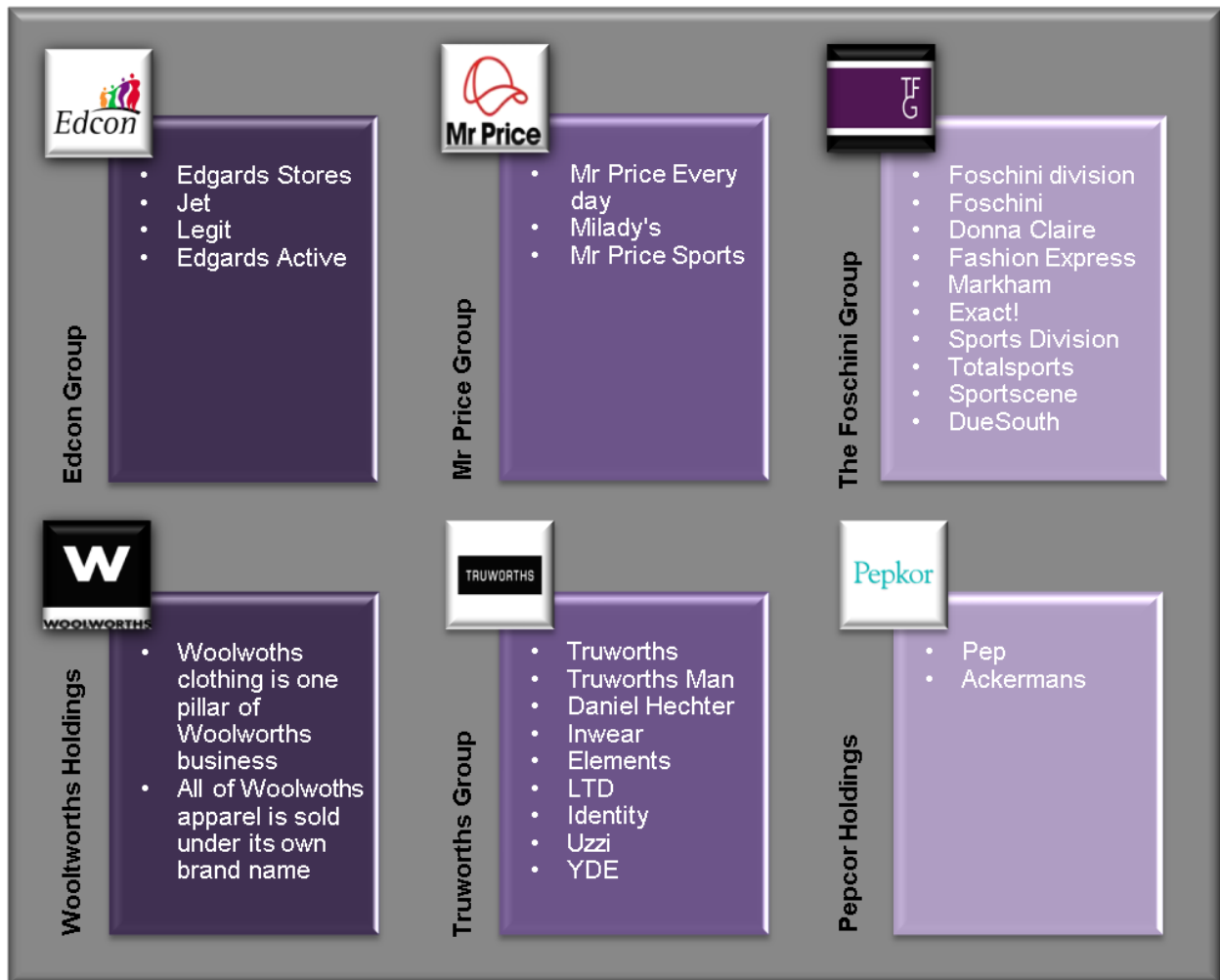
Source: International Trade Centre (2010:9, 23-26)

Additional to the market served by the major groups, speciality stores exist which focuses on a smaller, yet higher end market (International Trade Centre, 2013:23). Normally these stores can either be classified within a major group (e.g. The Platinum group or The Queenspark Group) or are owned and managed independently (International Trade Centre, 2013:23). The Platinum group for example deals with designer labels and include stores such as Jenni Button, Hilten Weiner, Urban, Aca Joe and Vertigo (International Trade Centre, 2013:23). Independently owned stores target markets within higher income groups as they offer major international brands in smaller volumes to their customers (International Trade Centre, 2013:23). PicknPay clothing has also entered the South African clothing retail industry in addition to Walmart's arrival on South African shores already selling small quantities of clothing at Makro outlets (Makholwa, 2011).

1.3.4   South African clothing retail industry trends

Two occurring trends within the clothing retail industry are identified as they should be taken note of seeing that trends within the retail industry are mostly representative of the overall trends in a nation's economy (Berman & Evans, 2013:34).

- The Internet in South Africa has grown into a vital tool for organisations by means of their communications, collaborations and transactions (Wold Wide Worx, 2012). Consequently, online retailing in South Africa has entered a stage of unrelenting acceleration (Wold Wide Worx, 2012) as a magnitude of services and physical goods are bought on the Internet, such as electronics, books, clothes, groceries, air tickets, travel, accommodation as well as online games (Swarm digital, 2013). Furthermore, findings by World Wide Worx (2012) indicate that the Internet economy contributes about 2% to the GDP and that e-commerce is increasing at a rate of 30% per year with no signs of slowing down. This increase in online retailing is mostly ascribed to the rapid growth of skilled South African Internet users and the rising awareness amongst organisations and government regarding the importance of the Internet (World Wide Worx, 2011; 2012). Subsequently, the online retail trend and its growth in South Africa does not necessarily indicate an increase in shopping activity, but instead a transferral of shopping activities from the physical space to an online space (World Wide Worx, 2011).

- The development of shopping centres is another rising trend in the South African clothing retail industry. The motivation behind the development of shopping centres is best described by ATKearney (2013:3) as the "drive behind the progress of organised retail". ATKearney (2013:3) further explains that shopping centres solve various problems that retailers are confronted with during their expansion such as regulatory and real estate issues while also providing local, urban, and regional attractions for shoppers. Subsequently, the growth in outlet numbers are highly influenced by the continued construction of shopping centres leading to a 4% increase of clothing retail outlets in 2012 reaching 19 658 outlets nationwide (De Angelis, 2012). Furthermore, South Africans can expect an increase in construction of new shopping centres in 2013, despite the decrease in economic performance (SA Commercial Prop News: 2013).

1.3.5   Challenges facing the South African retail industry

There are a number of challenges facing the clothing retail industry. According to Osman (2012:28), these challenges should not be seen as imminent threats to the industry, but rather as opportunities which changes the current dynamics of the South African clothing retail industry.

- The entry of international clothing retailers and offshore entrants (e.g. Walmart) in South Africa pressures local retailers (Gauteng Province: Provincial Treasury, 2012:35). Main concerns include increased market rivalry, pricing competitiveness as well as market share rivalry (Gauteng Province: Provincial Treasury, 2012:35; Osman, 2012:24; Trend Tracker, 2011:33).

- Steep pricing due to the import tariff structure in South Africa serves as a challenge in establishing a powerful grip in the local retail industry (Osman, 2012:26).

- The increased level of operational costs, electricity and transport, the severe depreciation of the rand exchange and import prices of clothing and footwear negatively effects the profit margins for semi-durable goods (clothing, footwear, toys and CD's) (Biz Community, 2013; Gauteng Province: Provincial Treasury, 2012:35).

- Weak global economic growth and poor job creation combined with restrained customer confidence negatively impacts the growth rate of the retail sector (BD Live, 2013; Biz Community, 2013; SA Good News, 2012).

- Skill shortage within the retail industry poses as a major challenge seeing that a perception of a 'sunset industry' is created amongst professionals which consequently leads to the avoidance of entering the corporate arena (Gauteng Province: Provincial Treasury, 2012:35; NEDLAC, 2005:11). Retail store managers, retail buyers, merchandisers and sales managers are specifically seen as the scarce skills in the retail industry (Gauteng Province: Provincial Treasury, 2012:35).

- Due to extensive bureaucracy and red tape experienced by shopping centre developers in South Africa, developers are discouraged from further shopping centre development in the country (Schnehage, 2012).

Regardless of the challenges facing the industry, South African clothing retailers are well positioned to effectively manage the entry of international competitors and will most likely not face immediate competitive pressure (Osman, 2012:29). However, in order to remain in the clothing retail industry, South African clothing retailers should reanalyse and perfect their business models whilst increasing their focus on the highly fashion conscious South African customer (Osman, 2012:29).

1.4   PROBLEM STATEMENT

Based upon the background of the study and the overview of the South African retail industry, the following problem statement is formulated for the proposed study:

It is important for clothing retailers to be aware of customer complaint behaviour and to take complaints seriously when they occur, since service failures within the highly competitive

clothing retail industry are inevitable. Given that customer complaint behaviour and the subsequent resolution of a complaint play such a critical role in customer satisfaction and retention, clothing retailers are increasingly expanding their customers' opportunities to complain by offering innovative channels to voice their complaints, such as online complaining. However, limited research exists pertaining to online complaint intention in general, as well as the relationship with strength of service recovery expected. Knowledge concerning retail customers' online complaint behaviour is lacking which will enable retail managers to develop strategies to deliver the expected service recovery efforts and increase retail customers' satisfaction and subsequent retention after experiencing a service failure.

1.5   RESEARCH OBJECTIVES, HYPOTHESES AND PROPOSED THEORETICAL MODEL

Based on the research problem identified in the aforementioned section, the following primary and secondary objectives, hypotheses, and theoretical model are proposed for the study. This study specifically focuses on in-store employee-related service failures experienced by clothing retail customers in order to determine the effect of such a service failure on these customers' online complaint intention.

1.5.1   Primary objective

The primary objective of this study is to determine customers' online complaint intention and subsequent service recovery expectations when an employee-related service failure is experienced in the clothing retail industry.

1.5.2   Secondary objectives

Table 1.1 presents the secondary objectives that were formulated to support the primary objective:

Table 1.1:   Secondary objectives of this study

Secondary objective 1	To theoretically investigate: 1a. the clothing retail industry by addressing the nature of the industry in South Africa; 1b. consumer behaviour and customer complaint behaviour to provide an overview of the main constructs of the study, namely attitude towards complaining and online complaint intention; 1c. relationship marketing, service failure and service recovery to provide an overview of the main constructs of the study, namely service failure severity and strength of service recovery expectation. 1d. the interrelationship between the constructs of this study, namely attitude towards complaining, service failure severity, online complaint intention and strength of service recovery expectation.

Table 1.1:   Secondary objectives of this study (continued)

Secondary objective 2	To determine the sample profile of the typical respondent who participated in this study based on demographic information obtained.
Secondary objective 3	To determine the online behaviour of the typical clothing retail customer who participated in this study.
Secondary objective 4	To determine the service recovery strategy expectation of the typical clothing retail customer who participated in this study.
Secondary objective 5	To measure the following theoretical constructs empirically: 5a. the general attitude of clothing retail customers towards complaining; 5b. the perceived service failure severity clothing retail customers experience when presented with a fictional employee-related service failure scenario; 5c. the strength of service recovery expected by clothing retail customers after presented with a fictional employee-related service failure scenario; and 5d. the intention of clothing retail customers to complain online when presented with a fictional employee-related service failure scenario.
Secondary objective 6	To determine whether significant differences exist between different groups of clothing retail customers in terms of each of the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) measured in this study.
Secondary objective 7	To determine whether linear correlations exists between the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) measured in this study.
Secondary objective 8	To determine the influence of the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention), as presented in the conceptual model, on one another.

1.5.3   Hypotheses

Table 1.2 presents the alternative hypotheses formulated for this study:

Table 1.2:   Hypotheses of this study

H_1	Respondents of different age groups differ significantly in terms of their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
H_2	Respondents with different levels of education differ significantly in terms of their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
H_3	Male and female respondents differ significantly in terms of their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
H_4	Respondents from different language groups differ significantly in terms of their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
H_5	Respondents with different employment levels differ significantly in terms of their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
H_6	Respondents of different income groups differ significantly in terms of their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
H_7	The regularity by which respondents purchase clothing differs significantly in terms of their attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

Table 1.2:   Hypotheses of this study (continued)

H_8	There is a positive linear correlation between attitude towards complaining and online complaint intention.
H_9	There is a positive linear correlation between service failure severity and online complaint intention.
H_{10}	There is a positive linear correlation between online complaint intention and strength of service recovery expected.
H_{11}	There is a positive linear correlation between attitude towards complaining and strength of service recovery expected.
H_{12}	There is a positive linear correlation between service failure severity and strength of service recovery expected.
H_{13}	There is a significant positive influence of attitude towards complaining on online complaint intention.
H_{14}	There is a significant positive influence of service failure severity on online complaint intention.
H_{15}	There is a significant positive influence of online complaint intention on the strength of service recovery expected.
H_{16}	There is a significant positive influence of attitude towards complaining on the strength of service recovery expected.
H_{17}	There is a significant positive influence of service failure severity on the strength of service recovery expected.

1.5.4   Proposed theoretical model

Figure 1.3 presents the theoretical model proposed for the study incorporating hypotheses H_{13}, H_{14}, H_{15}, H_{16} and H_{17}.

Figure 1.3:   Proposed theoretical model
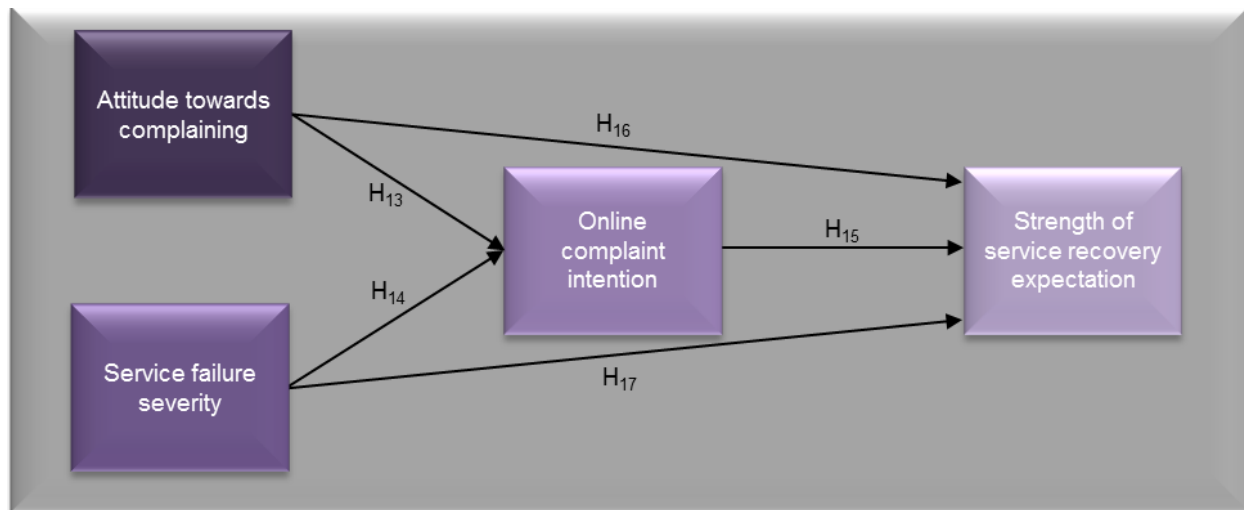
A detailed discussion regarding the model conceptualisation and supporting literature for the above proposed theoretical model (refer to Figure 1.3) are presented in Chapter 4 of this study.

Based on findings of previous research regarding attitude towards complaining, service failure severity and complaint intention, it can be argued and hypothesised that online complaint intention is positively influenced by customers' attitude towards complaining (Cheng & Lam, 2008:554; De Matos *et al.,* 2009:471; Kim & Boo, 2011:217; Kim *et al.,* 2003:352; Thøgersen *et*

al., 2009:760; Velázquez *et al.*, 2010:540) and service failure severity perception (De Matos *et al.*, 2009;470; Thøgersen *et al.*, 2009:760; Velázquez *et al.*, 2006:500-510; Wilson *et al.*, 2012:344) (refer to section 4.2.1 and section 4.2.2). Furthermore, based on existing literature regarding attitudes towards complaining, service failure severity, online complaint intention and service recovery expectations, it can be argued and hypothesised that strength of service recovery expected, is also positively influenced by customers' general attitudes towards complaining (De Matos *et al.*, 2009;470; Lovelock & Wirtz, 2011:373; Smith *et al.*, 1999:356; Wilson *et al.,* 2012:343,347), service failure severity perception (Lovelock & Wirtz, 2011:377,380; McQuilken, 2010:218; Weun *et al.*, 2004:139) and online complaint intention (Kim *et al*, 2010:975; Priluck & Lala, 2009:49; Wilson *et al.,* 2012:347). Subsequently, the formulated hypotheses for this study as seen in the proposed theoretical model can be found in section 1.5.3 of the research proposal.

1.5.5   Linkages between secondary objectives, hypotheses and literature chapters

Table 1.3 presents an outline of the linkages between the secondary objectives, hypotheses and literature chapters of the study.

Table 1.3: The linkages between the secondary objectives, hypotheses and literature chapters

Secondary objective	Hypotheses	Literature chapter(s)	
6	$H_1 - H_7$	Chapter 2:	Consumer behaviour and customer complaint behaviour
		Chapter 3:	The interrelationship between relationship marketing, service failure and service recovery
7	$H_8 - H_{12}$	Chapter 2:	Consumer behaviour and customer complaint behaviour
		Chapter 3:	The interrelationship between relationship marketing, service failure and service recovery
		Chapter 4	Model conceptualisation
8	$H_{13} - H_{17}$	Chapter 2:	Consumer behaviour and customer complaint behaviour
		Chapter 3:	The interrelationship between relationship marketing, service failure and service recovery
		Chapter 4	Model conceptualisation

Once the research objectives and hypotheses are formulated, the next step is to put the appropriate measures in place to achieve the objectives and effectively measure the hypotheses. The research methodology of this study is briefly discussed in the following section, while a more detailed discussion thereof is presented in Chapter 5 of this study.

1.6   RESEARCH METHODOLOGY

The purpose of this section is to provide a brief outline of how the empirical research for this study was conducted.

1.6.1   Research design

For the purpose of this study, a descriptive research design was used as a basis for the empirical research in order to successfully meet the developed objectives of this study and to describe specific market characteristics. A descriptive research design was further chosen for this study as a clear problem statement and hypotheses were formulated and specific information regarding the problem statement was needed (Malhotra, 2010:106; Malhotra & Peterson, 2006:76).

1.6.2   Questionnaire design and pretesting

When conducting the primary data collection of this study, a quantitative research approach was followed as the aim of the study was to quantify data by generalising results from the sample obtained during data collection to the particular population targeted during the study (Malhotra, 2010:171). Quantitative research is mostly based on structured questions where all the possible response actions are predetermined by the researcher and where numerous respondents are involved (Burns & Bush, 2010:235). For the purpose of this study, data was accordingly collected by means of a survey method (refer to section 5.5.2) in the form of self-administrated questionnaires, where respondents completed structured questions themselves (Martins*, 2005a:143). The questionnaire of this study was designed and pretested amongst a representative sample of 30 respondents from the selected study population.

A number of aspects regarding the questionnaire were tested during the pilot study and based on results and feedback obtained a number of changes were made in order to obtain the final questionnaire (refer to Table 5.5).

1.6.3   Sampling design

A sampling plan refers to a number of steps used to make sure that the collected data represents the target population (McDaniel & Gates*, 2010:328). Additionally, the population refers to the combination of all elements in any case or group of units, be it people, stores, university students etc., sharing a general set of characteristics that encompasses the purpose of the marketing research problem and upon which generalisations can be made (Given, 2008:644; Henn, Weinstein & Foard, 2009:153). The target population for this study are summarised in Table 1.4. As a sampling frame was not available for this study, fieldworkers were instructed by the researcher to first screen respondents obtained in their communities in order to determine which respondents qualified to participate in the study before providing them with self-administered questionnaires.

Table 1.4:   Summary of the target population

Sampling	
Target population	Customers 18 years and older, residing in the Johannesburg metropolitan area of South Africa, who are customers in the clothing retail industry and who have access to the Internet
Sampling units & elements	Customers with access to the Internet, and who do their own clothing shopping at an online or offline clothing retailer within the Johannesburg metropolitan area of South Africa
Sample size	400 respondents
Time period	2012

Non-probability sampling was used in this study which meant that a large number of respondents could be obtained in a relatively short time (Hair, Celsi, Ortinau & Bush, 2013:140). As part of the two-stage sampling procedure for this study, convenience sampling and quota sampling (gender based quota) was implemented to select the appropriate respondents and obtain the necessary data for this study.

The selected sample size of this study was influenced by the nature of the research and the standard size of similar studies (Malhotra, 2010:375; Wilson, 2010:201). The nature of this study can be seen as problem-solving research, which requires a typical range of 300 to 500 respondents (Malhotra, 2010:375). The researcher has decided on a sample size of 400 respondents which falls within the limits suggested by Malhotra (2010:375).

1.6.4   Data collection

Fieldworkers are generally assigned to conduct data collection (Iacobucci & Churchill, 2010:328) and therefore proper selection, supervision, training and evaluation of fieldworkers are vital to reduce any possible data-collection errors (Malhotra, 2010:42). For the purpose of this study, 41 fieldworkers were assigned to distribute questionnaires amongst respondents of 18 years and older in the Johannesburg metropolitan area of South Africa (refer to section 5.6.6).

1.6.5   Data analysis

After collecting the data, the next step consists of capturing, analysing and interpreting the data (Zikmund, Babin, Carr & Griffin, 2013:459). Data analysis firstly entails a data preparation process (Crouch & Housden, 2003:223-225; Malhotra, 2010:452; Martins, 2005b:451) in which the researcher needs to carefully manage the main operations of data editing, coding, and capturing (Martins, 2005b:451; Zikmund *et al.*, 2013:460). When editing the data of this study, questionnaires with more than three missing values were excluded from the study. The data coding of this study was further easily achieved due to the pre-coding of the questionnaire beforehand.

The SPSS statistical programme (SPSS Inc, version 21, 2012) was used to capture the data of this study and to develop a useable data set. Next, the Statistical Consultation Services of the North-West University (Potchefstroom Campus) performed statistical analysis by means of the SAS statistical programme (SAS Inc, version 9.3, 2011) in which the data analysis process included the: (1) determining the reliability and validity of results; (2) determining distribution of the results; (3) analysing the descriptive results; (4) testing hypotheses.

Subsequently, a number of main findings were formulated in Chapter 6 based on results obtained after data analysis with the view of addressing the secondary objectives as set out in section 1.5.1. Finally, the conclusions and recommendations for each secondary objective were formulated in Chapter 7.

1.7   CHAPTER OUTLINE

This dissertation is divided into seven chapters.

Chapter 1 provides the contextualisation of this study, where concepts used within this study are defined and the background together with the problem statement is expressed. Chapter 1 states the primary and secondary objectives as well as formulated hypotheses of this study together with a short description of the research methodology that is used. An outline of the proposed study concludes Chapter 1.

Chapter 2 discusses the theoretical basis of this study. This chapter focuses on customer behaviour during the consumer decision-making process. This chapter further focuses on the post-purchase stage, as this is where satisfaction or dissatisfaction occurs. The consumer decision-making process offers a backdrop for further discussion pertaining to customer complaint behaviour. This chapter additionally highlights customers' attitude towards complaining, customer complaint intention and channel-specific customer complaint behaviour (e.g. online customer complaint behaviour) as main constructs of this study.

Chapter 3 serves as an extension of the theoretical foundation of this study and includes a discussion on relationship marketing as well as service failure and service recovery. As this study significantly focuses on service failures, this chapter includes a discussion relating to service failure and the different types and severity levels thereof. Additionally, this chapter includes discussions on topics relating to service recovery focusing on effective service recovery, service recovery expectations, service recovery paradox as well as strength of service recovery expected. Effective service recovery after a service failure leads to the retention of

customers and long-term relationships. It is therefore essential to discuss service failure and service recovery in the light of relationship marketing.

Chapter 4 presents the conceptualisation of the proposed theoretical model by summarising supporting literature for each hypothesised positive influence portrayed in the proposed theoretical model.

Chapter 5 provides a theoretical background of the research methodology that is used in this study. The research methodology is based on marketing research principles and a detailed discussion pertaining to the different steps in the research methodology follows.

The results of the study are discussed in **Chapter 6,** where the main findings are summarised. The statistical analysis of the data is discussed as well as the methods used to interpret the data.

In the final chapter of the study, **Chapter 7**, the conclusions of this study are made and the implications of the results obtained from the empirical research are discussed. Recommendations are made to clothing retailers with regard to clothing retailers' online complaint intentions and expected service recovery following an employee-related service failure within the clothing retail industry of South Africa.

1.8   FINANCIAL ASSISTANCE

CHAPTER 2

CONSUMER DECISION-MAKING AND CUSTOMER COMPLAINT BEHAVIOUR

2.1 INTRODUCTION

The marketing environment with its constant and rapid changes has forced marketing managers to reanalyse the factors which influence the choices of consumers (Assael, 2004:4) as the behaviour of consumers is influenced by a variety of products, services, activities, experiences, people and ideas (Hoyer, MacInnis & Pieters, 2013:3). Consumer behaviour is a fundamental component to this study as it is seen as the core of marketing (Lovelock & Wirtz, 2011:58) and the source of customer complaint behaviour (Hoyer *et al.*, 2013:281). As customer complaint behaviour is a function of customer dissatisfaction (Cook, 2012:9; Sujithamrak & Lam, 2005:291) a direct link to the post-purchase stage of the consumer decision-making process is identified, as this is when outcomes of purchase decisions are evaluated (Hoyer *et al.*, 2013:273; Solomon, 2013:378). When customers experience dissatisfaction after a failed service encounter they can respond in a variety of ways in order to resolve their dissatisfaction (Day & Landon, 1977:432; Hirschman, 1970:2; Sheth & Mittal, 2004:303; Singh, 1988:101). By understanding consumer behaviour and its link with customer complaint behaviour, organisations can respond to service failures and customer dissatisfaction effectively, as when complaints are handled inefficiently, organisations may face detrimental consequences through their lack of taking proper action to rectify complaints (Sujithamrak & Lam, 2005:292).

Since consumer behaviour has impacted marketing to such a profound extent and plays an important role during customer complaint behaviour, this chapter commences by discussing marketing and its evolution over the years, leading to the marketing concept as a proponent to relationship marketing. A discussion pertaining to consumer behaviour and the consumer decision-making process follows, and each step of the consumer decision-making process is discussed accordingly. Thereafter, customer complaint behaviour is examined providing the theory for the underlying concept. Regarding the use of the terms consumer versus customer within this chapter, the term 'consumer' is used during discussions of consumer behaviour and the consumer decision-making process, whilst the term 'customer' is used during discussions of customer complaint behaviour. The term 'customer' is further used for discussions in a retail context as the term 'customer' is the most-used term within the retail industry.

2.2   MARKETING AND THE MARKETING CONCEPT

This section commences by defining the term marketing and discussing the concept and importance of marketing as one of the organisational functions. Consequently, a discussion on the evolution of marketing and an introduction to the marketing concept follows.

2.2.1   Marketing defined

Marketing's foundation is found in origins of concepts such as economics, psychology, sociology together with mathematics, anthropology and other contributing disciplines (Blythe, 2006:21; Kurtz, 2012:5; Shiffman & Kanuk, 2010:36). Furthermore, the term marketing includes a large scope of activities and ideas which complicates the possibility of developing a single definition (Kurtz, 2012:7). The common definition of marketing supplied by the American Marketing Association in 2007 is considered as a suitable marketing definition for this study:

"Marketing is an activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings which have value for all customers, clients, partners and the society."
(American Marketing Association, 2007)

Marketing as a term originated from the word 'market' and 'to market', which portrays the importance of markets and its relevance to marketing as a discipline (Homburg, Kuester & Krohmer, 2009:2). Grewal and Levy (2008:6) add that the success of marketing is rooted in the fundamentals of understanding the marketplace and the needs and wants of customers. The significant value of markets to organisations is due to the fact that many organisations attempt to apply a controlled influence over the behaviour of their current and potential customers as well as competitors (Homburg *et al.,* 2009:3). Markets can therefore be seen as a defining framework for organisations in which the organisations accordingly shape their marketing activities (Homburg *et al.,* 2009:3). Hence, a discussion pertaining to marketing as an organisational function follows in section 2.2.2.

2.2.2   Marketing as an organisational function

McDaniel, Lamb and Hair (2008:6) state that marketing can be separated into two functions, namely a philosophy and an organisational function. Marketing as a philosophy, a management orientation or an attitude and perspective focuses on the satisfaction of customers (McDaniel *et al.,* 2008:6). Marketing as an organisational function consists of a group of processes which are used to apply the philosophy (McDaniel *et al.,* 2008:6).

Marketing as an organisational function is strategic in nature as it is vital for profit generation (Strydom, 2004:6). McDaniel *et al.* (2008:6) propose that marketing does not function in isolation of the rest of the organisation. Organisations consist of three organisational levels which all have to connect their strategy with that of the marketing function (Kerin, Hartley & Rudelius, 2009:29). As seen in Figure 2.1, a corporate-level, strategic organisational unit-level and a functional-level emerge from many organisational structures which all contribute to achieving critical marketing goals (Kerin *et al.,* 2009:29).

Figure 2.1:   Organisational structure

Source: Adapted from Kerin *et al.* (2009:29) and Strydom (2004:6)

Six different functional departments can be regarded as essential to modern large organisations, namely Purchasing, Marketing, Human Resources, Financial, Operations and Public Relations (Strydom, 2004:6). General managers of these functional departments should coordinate activities as a whole to effectively meet organisational goals (Pride & Ferrell, 2010:32; Strydom, 2004:6). The key focus of the marketing department is to sustain an external perspective, whilst maintaining a strong organisational focus on value creation for both customers and the organisation (Kerin *et al.,* 2009:30). Higher organisational levels, such as the corporate level and organisational unit level, may call upon marketing strategies to assist them when evaluating environmental trends as well as during strategic planning (Kerin *et al.,* 2009:30). Blythe (2006:22) supports the aforementioned opinion by adding that the marketing strategy should be part of the corporate strategy where in the case of marketing orientated organisations, the marketing strategy is the corporate strategy. Due to the fact that the marketing function cannot function unless aided by other organisational functions, intense planning and management in the form of a marketing plan are required (Grewal & Levy, 2008:5; McDaniel *et al.,* 2008:6).

2.2.3 The marketing plan

Marketing as an organisational activity is one of the most important activities within an organisational structure (Lamb, Hair & McDaniel, 2014:20) which emphasises the importance of developing an effective marketing plan. The marketing plan conveys information regarding how the product or service will be produced, the cost, promotion and distribution (Grewal & Levy, 2008:6). Furthermore, the marketing plan provides activities that should be executed by managers and employees in a clear and understandable way in order to attain common organisational marketing goals (Lamb *et al.,* 2014:20).

According to Buttell (2009:6), an effective marketing plan enables an organisation to organise their marketing efforts in order to attain the organisational vision through targeted efforts. Although a marketing plan can be presented in a magnitude of ways, Lamb *et al.* (2014:21) identify common elements which are usually present in marketing plans and these are accordingly presented in Figure 2.2.

Figure 2.2: Elements of a marketing plan
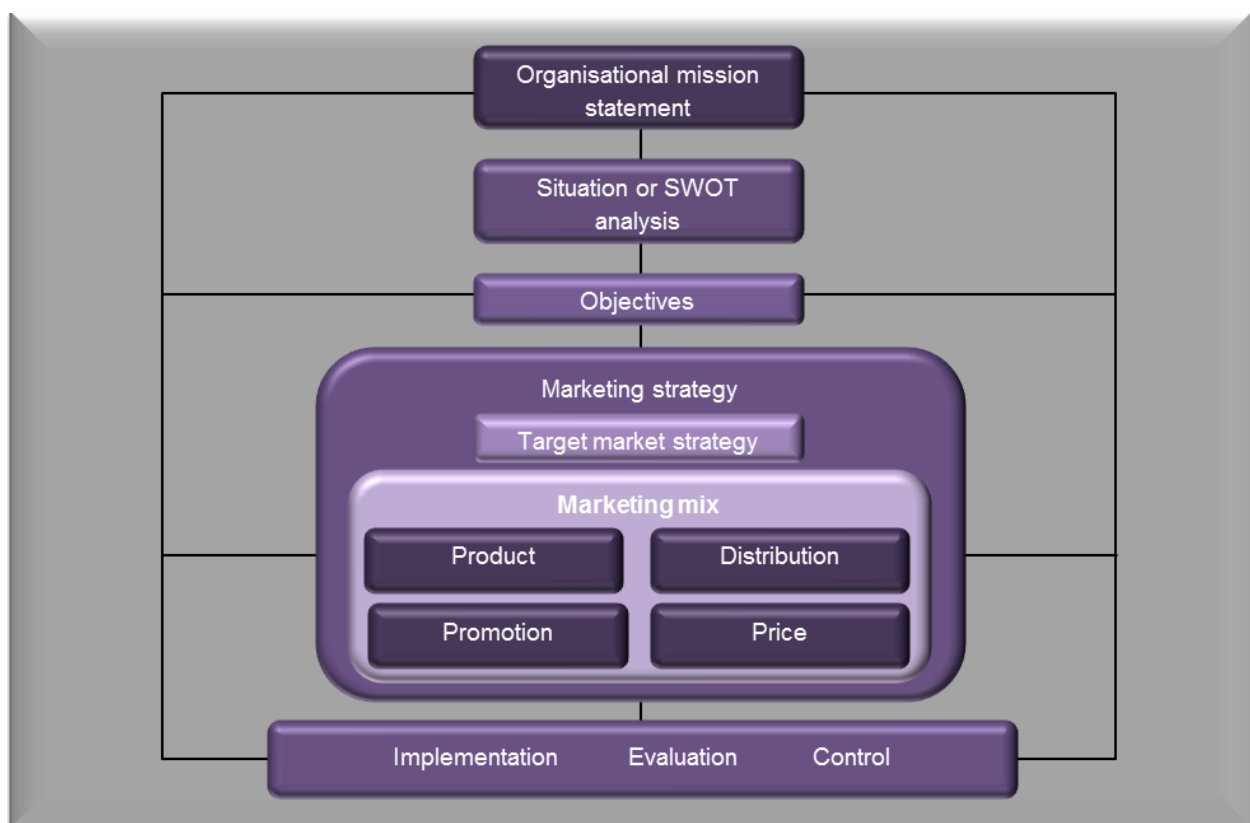
Source: Adapted from Lamb *et al.* (2014:21)

Subsequently, a marketing plan fulfils a magnitude of purposes (Bowen, 2002:1), such as:

• Providing a road map for the marketing activities executed by the organisation in the upcoming year.

- Linking the marketing activities with the corporate strategic plan of the organisation.

- Forcing managers to plan ahead and review the steps in the marketing process in an objective and thoughtful manner.

- Supporting the budgeting process in order to match the marketing objectives with the available resources.

- Providing a process in which the actual results are compared to the expected results.

In addition to the beneficial purposes gained from a marketing plan, it remains evident that the goal of any marketer is to formulate the needed marketing activities to accumulate an integrated marketing programme which will satisfy the needs of customers (Kotler & Keller, 2009:62). Moreover, an understanding of consumer behaviour should be attained in order to acquire an effective marketing strategy in which the behaviour of customers is influenced in a socially desirable manner (Hawkins, Mothersbaugh & Best, 2007:7). As consumer behaviour theories contribute greatly to the development of marketing (Blythe, 2006:23) a discussion pertaining to the evolution of marketing follows.

2.2.4   The evolution of marketing

Marketing has always played an integral part of business and has varied in importance during the different eras in the history of marketing (Kurtz, 2012:9). Consumer behaviour as a strategic and applied field is entrenched in three philosophical organisational orientations which all lead to the marketing concept as an essential organisational orientation (Schiffman & Kanuk, 2010:26). The three organisational orientations refer to the production, sales and marketing orientation (Etzel, Walker & Stanton, 2007:7; Kurtz, 2012:10; McDaniel *et al.,* 2008:7; Rix, 2004:7; Schiffman & Kanuk, 2010:26) and is depicted in Figure 2.3 and subsequently discussed.

Figure 2.3:   The evolution of marketing
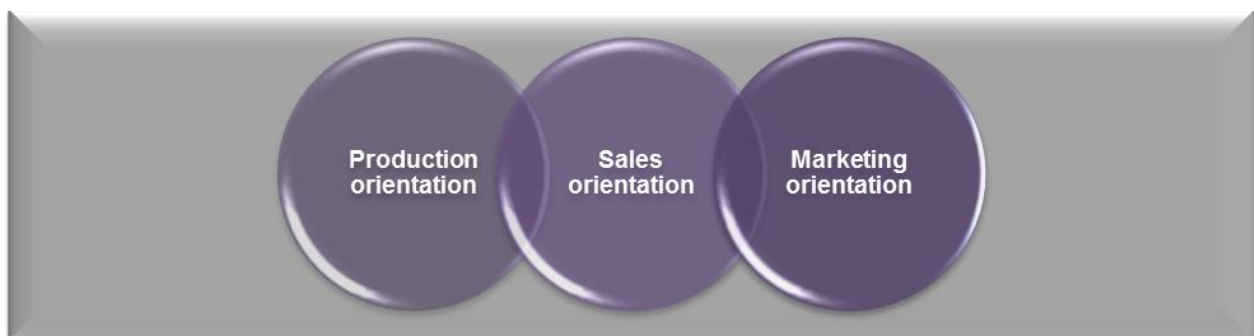
Source: Adapted from Schiffman and Kanuk (2010:26)

- The production orientation as a philosophy started from the 1850s to the late 1920s, and refers to a focus on the internal organisation's capabilities rather than the needs and wants of customers (Etzel *et al.*, 2007:7; McDaniel *et al.,* 2008:7). As the term implies, this orientation focuses on increasing manufacturing skills to enlarge production outputs (Shiffman & Kanuk, 2010:26). The production orientation presumes that customers favour products that are easily available and at a low cost (Kotler & Keller, 2009:58). Therefore, organisations are more concerned with perfecting their production capabilities as little focus is on product variation due to preferred large quantities of products (Kotler & Keller, 2009:58; Schiffman & Kanuk, 2010:26).

- The sales orientation originated from the 1930s to the mid-1950s as the supply of goods exceeded the demand (Rix, 2004:9; Schiffman & Kanuk, 2010:26). The sales orientation extended from the production era where increased capacities of products were produced (Schiffman & Kanuk, 2010:26). Due to this, the orientation of organisations had to shift from a producing approach to a selling approach (Schiffman & Kanuk, 2010:26), where the success of marketing depended on constant and severe selling to customers (Rix, 2004:9). A sales orientation presumes that customers will refuse to purchase goods and services which are non-essential and that the organisation and its personal selling and advertising staff should take on the task of convincing customers to purchase these goods and services (Kurtz, 2012:10). This orientation is also used when organisations have an overcapacity of goods, therefore in part aiming at selling what they make, rather than producing what customers want (Kotler & Keller, 2009:58).

- Due to the growing interest of customers in products and services and their call for increased satisfaction of their needs and preferences, organisations, during the mid-1950s, had to shift from a sales orientation to a marketing orientation (Schiffman & Kanuk, 2010:26). The focus of this orientation is not on gaining the right customers for your products, but to produce the right products for your customers (Kotler & Keller, 2009:58). The marketing orientation holds that to effectively achieve an organisation's purpose, effective strategies should be in place to generate, deliver and communicate significant value to customers better than competitors (Kotler & Keller, 2009:59). Attention shifted from selling to marketing and to identify and satisfy the needs and wants of customers (Rix, 2004:10; Schiffman & Kanuk, 2010:26).

A strong marketing orientation is essential as it conveys the extent to which an organisation accepts the marketing concept (Kurtz, 2012:10; McDaniel *et al.,* 2008:8; Pride & Ferrell, 2010:13; Schiffman & Kanuk, 2010:26). The marketing concept is not a second definition of marketing, but rather a management philosophy concerning all the activities of an organisation (Pride & Ferrell, 1989:15). As consumer behaviour contributes to this study and a link between

consumer behaviour and marketing is evident, it is important to discuss the marketing concept and its origin (Shiffman & Kanuk, 2010:4).

2.2.5   The marketing concept

The marketing concept can be ascribed to the arrival of a demanding buyers' market which has increased the need of customer orientated-organisations (Kurtz, 2012:10). This became apparent due to the fact that organisations no longer only produce and sell their goods and services, but now also have to market them to customers (Kurtz, 2012:10). The marketing concept is not a stagnant principle within the business environment as its implementation changes constantly due to the continuous transforming environment (Rix, 2004:13).

Even though the marketing concept has flourished as a constructive parameter and philosophy for the effective management of organisations, a proposed modification of the marketing concept has evolved, namely the societal marketing orientation, as illustrated in Figure 2.4 (Schiffman & Kanuk, 2010:27). This modification can be ascribed to the marketing concept receiving criticism for marketing, disregarding social responsibility (Etzel *et al.,* 2007:14).

Figure 2.4:   Philosophies of marketing

Source: Adapted from McDaniel *et al.* (2008:9) and Rix (2004:7)

The societal marketing concept concentrates on the long-term best interests of customers jointly with the actions taken by organisations during their quest of being a good corporate citizen (Schiffman & Kanuk, 2010:27). Even though organisations endeavour to and thrive on satisfying the needs of customers and increasing profits, they should also focus on safeguarding individual customers and the society's long-term best interests (McDaniel *et al.,* 2008:9). It is critical for organisations to act in a socially responsible way to succeed and survive in the marketplace (Rix, 2004:10).

There are three principles that are essential to the marketing concept, namely customer orientation, organisational integration and mutually beneficial exchange (Stokes & Lomax, 2008:8; Rix, 2004:13) which are subsequently explained:

- Pride and Ferrell (1989) state that organisations should enable and equip themselves to determine and satisfy customer needs in order to be more customer orientated.

- Organisational integration emphasises that all levels and functions within an organisation should be integrated in marketing as every level affects customer satisfaction (McDaniel *et al.,* 2008:8; Stokes & Lomax, 2008:10). Rix (2004:13) supports this by stating that coordination amongst organisational functions is imperative as it increases customer satisfaction (see section 2.2.2 on marketing as an organisational function).

- The goal of any organisation is to be profitable which leads us to the next principle, namely mutually profitable exchange (Rix, 2004:13). As the marketing concept is not a one-sided process, it is evident that the customer is not the sole winner during the transaction process, but the organisation serving the customer should also be rewarded (Stokes & Lomax, 2008:12). It is therefore safe to say that organisations should utilise markets in which they can increase their profitability (Rix, 2004:13).

In support of the aforementioned three essential marketing concept principles, it is clear that the marketing concept assumes that organisations focus on identifying and analysing potential customers and their needs (Kurtz, 2012:7). This is important as the marketing concept highlights the maintaining of long-term relationships with customers and suppliers (Kurtz, 2012:7). Kurtz (2012:9) adds the relationship era to the evolution of marketing as seen in Figure 2.5.

Figure 2.5:   Philosophies of marketing

Source: Adapted from Kurtz (2012:10)

The relationship era surfaced during the final decade of the 20th century (Kurtz, 2012:12). The relationship era emerged as organisations expanded their customer orientation which originated from a marketing orientation (Kurtz, 2012:12). Kerin *et al.* (2009:19) support this by stating that organisations which embrace the marketing orientation already focus on gaining constant information about customers, communicate this information to all departments, and implement this knowledge to deliver customer value. The heart of the relationship era is to develop and maintain long-term relationships with customers and suppliers (Kurtz, 2012:12).

The importance of consumer research should not be ignored by organisations adopting the marketing concept (Schiffman & Kanuk, 2010:27). This is due to the fact that the marketing

concept presents a foundation for the application of consumer behaviour principles (Schiffman & Kanuk, 2010:27). As the customer is growing in importance and consumer behaviour forms the foundation of marketing, the next section focuses on consumer behaviour and the consumer decision-making process.

2.3   CONSUMER BEHAVIOUR AND THE CONSUMER DECISION-MAKING PROCESS

Lovelock and Wirtz (2011:58) stress the importance of developing an understanding of consumer behaviour as it is regarded as the core of marketing. Hawkins *et al.* (2007:8) agree by stating that knowledge and assumptions pertaining to consumer behaviour comprise the foundation of all marketing decisions and regulations. Solomon (2013:33) simply states that an understanding of consumer behaviour is good business. Lovelock and Wirtz (2011:58) explain that without an understanding of consumer behaviour, the hope of satisfying the needs of consumers during the creation and delivering of services may fail. This section subsequently aims at defining consumer behaviour and to explain the consumer decision-making process by referring to the way in which consumers decide to purchase products and the relating services within a clothing retail context.

Research on consumer behaviour revealed numerous impacts on the likelihood of consumers to purchase goods and services (Shiffman & Kanuk, 2010:36). It was proven that not only family and friends have an impact on purchasing behaviour, but advertisers, role models and consumer moods, situations and emotions also have an impact (Shiffman & Kanuk, 2010:36; Solomon, 2013:32). A broad body of thinking and research relating to consumer behaviour is formed due to the combination of the factors listed, reflecting cognitive and emotional aspects of consumer decision-making (Shiffman & Kanuk, 2010:36). Various authors have different definitions of consumer behaviour which are subsequently presented in Table 2.1.

Table 2.1:   Existing consumer behaviour definitions

Consumer behaviour definitions	Author(s)
"Consumer behavior can be defined as activities people undertake when obtaining, consuming, and disposing of products and services"	Blackwell, Miniard and Engel (2006:4)
"Consumer behavior reflects the totality of consumers' decisions with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units over time"	Hoyer and MacInnis (2008:3)
"Consumer behavior entails all consumer activities associated with the purchase, use, and disposal of goods and services, including the consumer's emotional, mental, and behavioural responses that proceed, determine, or follow these activities"	Kardes, Cline and Cronley (2011:8)
"Consumer behavior is the study of individuals, groups, or organisations and the process they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society"	Hawkins and Mothersbaugh (2013:6)

From Table 2.1 it is evident that the following universal elements can be identified within consumer behaviour definitions:

- Consumer behaviour entails decisions or activities regarding the selection or acquisition, the consumption, and the disposing of goods or services.
- In addition to goods and services, the activities, experiences, people and ideas also play a role during consumer behaviour.
- Consumer behaviour includes behavioural responses or activities of consumers over time.

Based on consumer behaviour definitions, Hawkins *et al.* (2007:6), Hoyer and MacInnis, (2008:3) and Kardes *et al.* (2011:8) postulate that consumer behaviour can be defined for the purpose of this study as:

"The total sum of decisions made by consumers regarding the acquisition, consumption, and disposition of products, services, experiences, people and ideas to successfully satisfy needs of human decision-making units over a specific time period."

It is evident from the formulated definition that consumer behaviour includes the utilisation of services, activities, experiences and ideas, which emphasises that consumer behaviour entails more than just the purchasing of pure tangible products (Hoyer & MacInnis, 2008:3). As stated by Shostack (1977:74) and Wilson *et al.* (2012:7), there are only a few "pure" products (tangible) and "pure" services (intangible) within the marketplace which according to Berman and Evans (2013:34,57), apply well to the retail industry where a combination of tangible and intangible elements are presented to consumers.

Within the clothing retail industry, products are purchased practically every time with an aspect of service included (Lusch *et al.,* 2011:433). The question lies in how this total entity with its combination of elements should be labelled and defined (Shostack, 1977:74), as the presented total entity of a clothing retailer is not solely a "service" or a "product" (Berman & Evans, 2013:34,57). As a result, Shostack (1977:74) defines this grouping as market entities which include a combination of different discrete elements linked together, which can either be tangible or intangible, where the entire entity can be described as having a certain tangible or intangible dominance. Hence, a discussion on the goods and services continuum follows as it is imperative to first understand the combination of products and services within the retail industry, and the impact of the clothing retail industry's tangible dominant market entity and it's combining elements on the consumer decision-making process.

2.3.1   Goods and services continuum

It is often difficult to tell services apart from products, since most products are purchased with a service element being included (Iacobucci, 2013:71; Palmer, 2011:30) and that tangible elements are frequently included with services (Lovelock & Wirtz, 2011:37). The diversity within the service sector is illustrated in Figure 2.6 and is identified for the purpose of this study as the goods and services continuum which is also known as the tangibility spectrum or the scale of market entities.

Figure 2.6:   Goods and services continuum
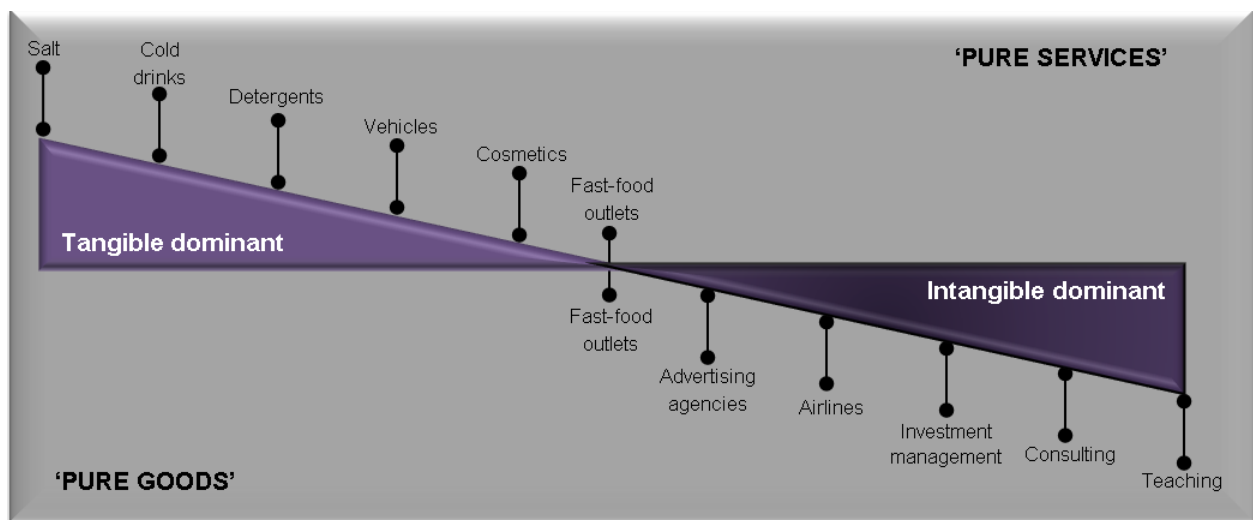
Source: Adapted from Palmer (2011:31) and Shostack (1977:77)

Figure 2.6 illustrates that all organisational productive activities can be positioned on a scale between pure goods (tangible dominant) and pure services (intangible dominant) (Palmer, 2011:30). Bateson and Hoffman (2011:5) state that a tangible dominant product is in some form a physical possession, but comprises low levels of service elements. An intangible dominant product lacks an element of physical possession and can only be experienced by consumers (Bateson & Hoffman, 2011:5). Palmer (2011:30) further states that most products within practice are situated between the two extremes consisting of a combination of products and services.

It is further evident that organisations producing and delivering a tangible dominant product and which ignores the intangible service aspects of their product offering, lack a critical element within their organisation (Bateson & Hoffman, 2011:6). The aforesaid, also known as service marketing myopia, contributes to the importance of this study as tangible products are delivered to customers within the clothing retail industry, whilst the supporting pre- and post-purchase service delivery actions are absent in most cases (Iacobucci, 2013:72). This is the core problem from which the focus of this study originates as the success of retailers depends significantly on high-quality services offered. This is due to the fact that consumer demand is not only price

elastic, but also service elastic (Lusch *et al.,* 2011:429,433). This leads to the realisation that organisations should identify their core and value-added offerings in order to gain a strategic competitive edge (Iacobucci, 2013:71).

Iacobucci (2013:71) explains that the core offering of an airline is transport, safety, timeliness and mile points, whereas the value-added offerings represent drinks, meals, movies, blankets and friendly service. The core offering of an organisation is expected by consumers and consumer dissatisfaction arises when it is absent (Iacobucci, 2013:71). In the case of value-added offerings, organisations can impact the satisfaction levels of consumers through the delivery of good or bad valued assistances (Iacobucci, 2013:71). Therefore, clothing retailers' merchandise (core offering) should be supported by superior customer service and personal selling (value-added offering) to sufficiently gain and retain loyal customers (Lusch *et al.,* 2011:432). For the purpose of this study, the focus will only be on the value-added offering of employee-related services provided by clothing retailers in the clothing retail industry, as this is one of the bases on which organisations compete (Iacobucci, 2013:71).

It is evident that the purchasing of products within the retail industry is not the only determinant for satisfaction and that service and products combined impact value creation. Consequently, the consumer decision-making process within the retail context should comprise of a combination of both products and services. Hence, a discussion on the consumer decision-making process follows in section 2.3.2.

2.3.2 The consumer decision-making process

In this section the consumer decision-making process is discussed which focuses on consumers' purchasing decisions. The consumer decision-making process and its stages are explained within a clothing retail industry context where consumers' decision-making process includes a product and service element.

Consumer behaviour indicates the manner in which consumers make purchase decisions and the way products and services are used and disposed of by consumers (McDaniel *et al.,* 2008:146). The consumer decision-making process as a problem solving mechanism, is used by consumers to deal with the marketing environment and to make final purchases (Etzel *et al.,* 2007:91). Consumers strive to resolve a problem through a purchase by going through logical steps to achieve the best decision (Etzel *et al.,* 2007:91). It is important to understand the steps consumers follow during their purchase decisions to design effective strategic applications (Assael, 2004:31). Blackwell *et al.* (2006:70) agree by describing the consumer decision-making

process as a tool which marketers and managers can utilise to better apply the product mix, sale strategies and communication as it represents a road map of consumers' minds.

Blackwell *et al.* (2006:70) opine that the consumer decision-making model is a schematic format of all the activities that occur when consumers make decisions. This model of buying behaviour is triggered by an unsatisfied need which is followed by a search for a need-satisfying solution (Palmer, 2011:152). After a solution has been identified, an evaluation stage takes place based on certain criteria (Palmer, 2011:153). After the final decision-maker and the range of influences have interacted, a final purchase decision is made (Palmer, 2011:153). After purchase and consumption the consumers form feelings based on their purchase decision which influences their future decisions (Palmer, 2011:153). This traditional model is illustrated in Figure 2.7.

Figure 2.7:   Traditional model of consumer decision-making
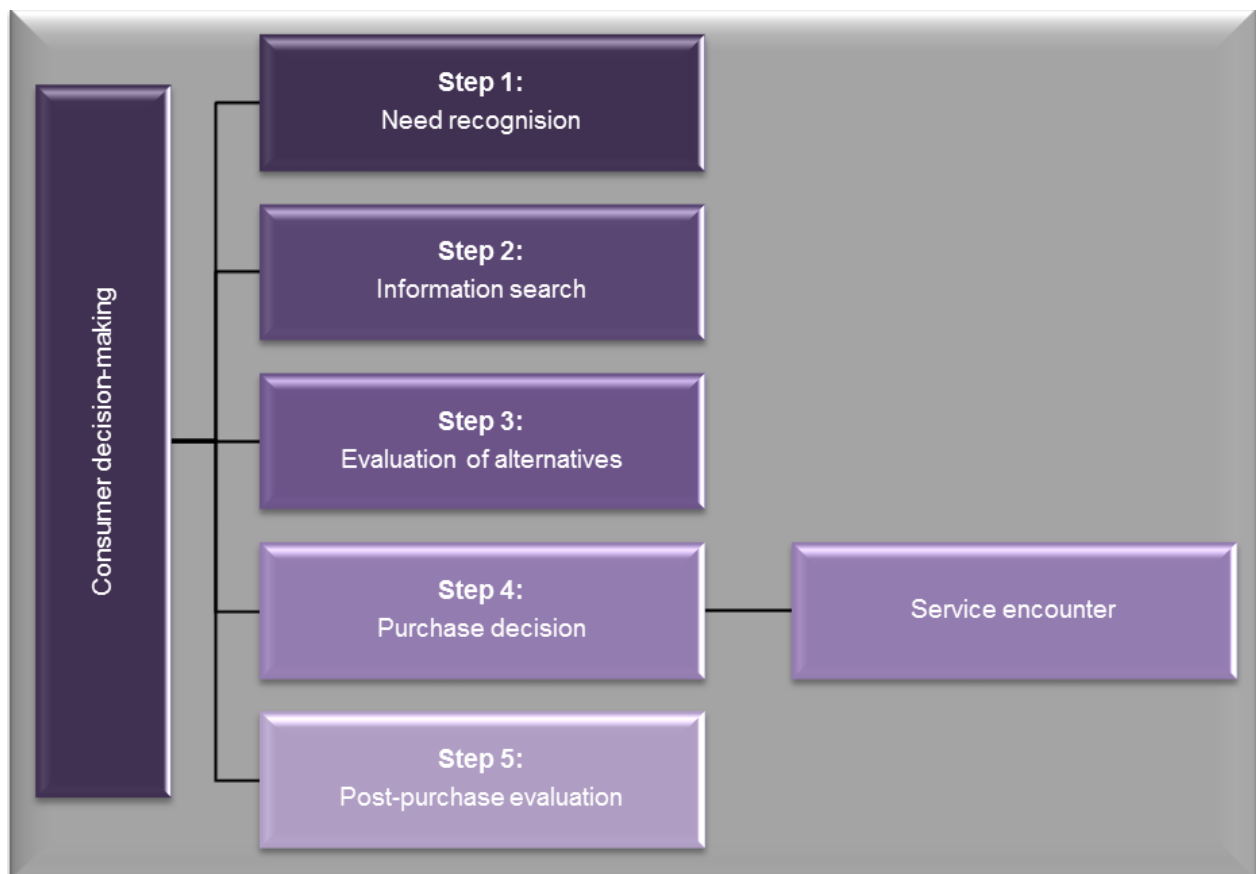
Source: Adapted from Babin and Harris (2012:263), Bateson and Hoffman (2011:87), Kardes *et al.* (2011:71), Lovelock and Wirtz (2011:59) and Palmer (2011:152)

As seen in Figure 2.7, consumers typically follow a general five-step decision-making process when buying goods and services (McDaniel *et al.,* 2008:146). According to Solomon, Zaichkowsky and Polegato (2008:245) this decision-making process takes place automatically when little information is required, opposed to other purchases which can take days or weeks. Solomon (2013:322) proposes that customer decisions can be characterised as extended,

limited problem solving, and habitual decision-making. Figure 2.8 visually demonstrates the categorisation of the three different customer decisions followed by a short explanation of each.

Figure 2.8:   Customer decision categorisation

Source: Hawkins and Mothersbaugh (2013:491-493)

- Extended problem solving applies the traditional decision-making process narrowly as consumers attach importance and risk to decisions (Levy & Weitz, 2009:111; Solomon, 2013:323), and dedicate a considerable amount of time and effort during the evaluation of alternatives (Levy & Weitz, 2009:111).

- Limited problem solving is a simple form of consumer decisions and falls in between the two extremes of extended problem solving and habitual deciion-making (Levy & Weitz, 2009:111). In this case, information search and evaluation of alternatives are not done vigorously by consumers as they use cognitive shortcuts as deciding rules to guide them (Solomon, 2013:324).

- Habitual decision-making is a form of decision-making in which little or no effort is executed (Levy & Weitz, 2009:111; Solomon, 2013:325).

The consumer decision-making process also applies to the retail industry as knowledge pertaining to customers' buying behaviour is important and contributes to relationship retailing as an asset for retailers, as it establishes and sustains long-term customer relationships (Berman & Evans, 2013:46). During relationship retailing the total retailing experience, customer satisfaction, communication with customers, and customer service are all important (Berman & Evans, 2013:45). Berman and Evans (2013:45) describe customer service as the intangible activities delivered by retailers in combination with goods or services sold. The aforesaid

emphasises the unique combination of tangible and intangible aspects during the retail experience (see section 2.3.1). Therefore, the consumer decision-making process can respectively be seen from a product and service perspective.

In the following sections, the traditional consumer decision-making process is discussed, focusing on the steps need recognition, information search, evaluation of alternatives, purchase decision and post-purchase evaluation. The service encounter is incorporated in step 4, the purchase decision, and is based on the three-stage model of service consumption illustrated by Lovelock and Wirtz (2011:59) in order to represent the service element constituting retail purchases. The steps are as follows:

2.3.2.1   Step 1: Need recognition

Need recognition is the first step during the consumer decision-making process (Hawkins *et al.,* 2007:514; Hoyer & MacInnis, 2008:195). Some authors refer to this step as need recognition (Babin & Harris, 2012:246; Blackwell *et al.,* 2006:71; Shiffman & Kanuk, 2010:484), whilst other authors refer to this step as problem recognition (Hoyer & MacInnis, 2008:195; Kardes *et al.*, 2011:71). For the purpose of this study, step one of the consumer decision-making process is referred to as need recognition.

Blackwell *et al.* (2006:71) highlight that a purchase decision can only commence when a consumer experiences a need. Need recognition takes place when consumers sense a difference between their desired ideal against their actual state (Blackwell *et al.,* 2006:71; Hawkins *et al.,* 2007:514; Hoyer & MacInnis, 2008:195). Consumers' actual state is the way they perceive their present feelings and situation, and their desired ideal is the way consumers would prefer the present to be or feel (Hawkins *et al.,* 2007:514; Hoyer & MacInnis, 2008:195).

Consumers' desired ideal can be rooted in expectations based on past experiences and the ability of products and services to meet particular needs (Hoyer & MacInnis, 2008:195). The desired ideal is impacted by consumers' future goals, aspirations, personal motivations, cultural impacts, reference groups and personal circumstances (Hoyer & MacInnis, 2008:197). When referring to the actual state, consumers' perception can be induced by various aspects such as physical factors where an unexpected need of service or a product breaking instantly impacts the actual state (Hoyer & MacInnis, 2008:197). External stimuli can additionally alter consumers' perception of the actual state as it promotes the recognition of consumer needs (Hoyer & MacInnis, 2008:197). Blackwell *et al.* (2006:74) add that health, age, values, family, income and reference groups have an impact on the way consumers perceive their needs and how they choose to solve them.

Needs further arise from consumers' unconscious minds; be it their personal aspirations or identity, the physical conditions of consumers such as a hunger need, and lastly, external sources such as marketing messages which can motivate need recognition (Lovelock & Wirtz, 2011:60). The type of action taken by consumers, in particular when responding to a recognised need, is influenced by the importance of the need to the consumer, the situation, as well as the inconvenience caused by the need (Hawkins *et al.,* 2007:514). A consumer's underlying need activates a consumer's choice to buy or use a product or service (Lovelock & Wirtz, 2011:60). Concomitantly, retailers should monitor customer trends thoroughly since changing customers lead to changing needs (Blackwell *et al.,* 2006:71). Need recognition leads to information search followed by the evaluation of alternatives before a purchase decision is made (Lovelock & Wirtz, 2011:60).

2.3.2.2 Step 2: Information search

After needs have been identified, information is required to address them by searching for information to make sensible decisions (Peter & Donnelly, 2001:46; Sheth & Mittal, 2004:282; Solomon *et al.,* 2008:251). Information search is the second step within the consumer decision-making process (Babin & Harris, 2012:263; Palmer, 2011:154). This step entails the collection of information regarding need satisfying products and services (Palmer, 2011:154).

Information search has two facets, an internal and external search (Bateson & Hoffman, 2011:89; Pride & Ferrell, 2010:196). An internal search for information is where consumers search their memories regarding products that could satisfy their needs (Bateson & Hoffman, 2011:89; Pride & Ferrell, 2010:196). When internal search for information is insufficient, new information is acquired during an external search (Bateson & Hoffman, 2011:89; Pride & Ferrell, 2010:196). The external search involves the searching for information through friends and family, comparisons of brands and prices, advertising, retail displays, recommendations, online searches and public sources (Bateson & Hoffman, 2011:89; Lovelock & Wirtz, 2011:61). In many cases internal search substitutes external search as the awareness of a product, service or brand may be sufficient to effect a consumer's decision (Elliott & Percy, 2007:7).

Palmer (2011:154) adds that the type of purchase, regardless whether it is a routine purchase or a purchase with a higher element of novelty or risk, has an impact on the extent to which the consumer searches for information. According to Fischer, Kastenmüler, Greitemeyer, Fischer, Frey and Crelley (2011:52-53), when consumers are confronted with a decision under a threatened circumstance, an in-depth and lengthier information search takes place as consumers are more cautious with their decision which leads to a more balanced, decision-relevant information processing and searching. Solomon (2013:336) and Palmer (2011:155)

support this by stating that the higher the perceived risk experienced by consumers, the longer and more in-depth the information search will be as a higher level of perceived risk is experienced by consumers. Since consumers have to make several decisions daily, they are unlikely to consider all possible alternatives (Bateson & Hoffman, 2011:89).

2.3.2.3   Step 3: Evaluation of alternatives

Evaluation of alternatives occurs concurrently with information search where consumers compare factors such as products, services, retail outlets and brands (Lindquist & Sirgy, 2009:62) identified throughout their information search to make the best choice with regard to a need satisfying alternative (Blythe, 2006:105; Peter & Donnelly, 2001:48; Sheth & Mittal, 2004:293). Lindquist and Sirgy (2009:62) view evaluation of alternatives as a process where consumers match and identify differences of all possible solutions for the same marketplace problem.

After the appropriate information has been gathered from internal and external sources, an evoked set consisting of different alternatives is formed (Bateson & Hoffman, 2011:90; Solomon, 2013:337). These alternatives are taken into account during the third step, evaluation of alternatives (Bateson & Hoffman, 2011:90; Lovelock & Wirtz, 2011:59). The evoked set should be considered by marketers as it is the set on which consumers base their decisions (Lindquist & Sirgy, 2009:64; Solomon, 2013:337).

To successfully measure the different alternatives within consumers' evoked set, consumers use evaluative criteria (Pride & Ferrell, 2010:197). Blackwell *et al.* (2006:80) and Hawkins *et al.* (2007:572) view evaluative criteria as the standards, specifications, dimensions, features or benefits used by consumers to weigh different products and services against one another in response to a specific problem. A consumer's individual characteristics and factors concerning the purchase situation affect the number of evaluative criteria considered, whilst the type of evaluative criteria chosen by consumers is based on a decision of tangible costs or intangible features (Hawkins *et al.,* 2007:573-574). Tangible costs affecting consumers' choice regarding the type of evaluative criteria used refer to price, colour, size and shape, whilst intangible features are based on style, taste, status, feeling or brand image (Hawkins *et al.,* 2007:573; Lindquist & Sirgy, 2009:64).

Solomon (2013:337) states that the type of decision-making process consumers finds themselves in additionally impact the chosen criteria. Consumers in an extended problem solving process will evaluate products and services more intensely than consumers in a habitual decision (Solomon, 2013:337). According to Lindquist and Sirgy (2009:62), evaluation of

alternatives do not always take place. This step can be ignored especially during habitual decision-making as the purchase is part of a routine (Lindquist & Sirgy, 2009:62). It is apparent that evaluative criteria differ notably from consumer to consumer, from product/service to product/service and from situation to situation (Lindquist & Sirgy, 2009:64).

2.3.2.4 Step 4: Purchase decision

After evaluation, which entails mental processes and the selection of alternatives from consumers' self-generated set of options, the purchase decision follows (Cant, Brink & Brijball, 2006:202). Blackwell *et al.* (2006:150) and Blythe (2006:105) state that the purchase decision is the final act of selection and payment. Therefore, the purchase decision is important as consumer behaviour generally refers to the actual purchasing act (Haugtvedt, Herr & Kardes, 2008:525). Although the purchase decision might seem straightforward, the behaviour of consumers during this step gets fascinating (Sheth & Mittal, 2004:298). This can be ascribed to the fact that involved actions occur between a consumer's intention to purchase and the actual purchase decision (Assael, 2004:44).

Elliott and Percy (2007:8) state that time influences a purchase decision seeing that opportunities or conditions which can affect the original purchase intention, can occur during the elapsed time between intention formation and the actual purchasing behaviour. In the case of complex decisions, the time elapsed between the intention to purchase and the actual purchase may be greater due to the number of actions needed before the purchase (Assael, 2004:44). Putsis and Srinivasan (1994:393) state that during a complex purchase decision, pre-purchase deliberation is involved. Purchase deliberation duration as defined by Putsis and Srinivasan (1994:393) is the elapsed time during a consumer's first purchase thought and the definite purchase action. Pre-purchase deliberation can differ amongst individuals, products and different purchase situations (Putsis & Srinivasan, 1994:393). Putsis and Srinivasan (1994:393) claim that changing exogenous conditions such as an unexpected increase in income or a promotional sale can promote a purchase decision or it could delay the purchase decision.

Blackwell *et al.* (2006:151) suggest that paying factors influence consumers' final purchase decision. According to Hawkins and Mothersbaugh (2010:611), retailers should encourage credit during consumer purchases in order to gain substantial benefits. Prelec and Simester (2001:5) and Soman (2001:460) add that consumers' willingness to purchase and pay significantly increases when they have the capacity to pay with a credit card rather than paying cash. This is due to convenience and grace periods associated with credit cards (Blackwell *et al.,* 2006:151).

Biswas and Biswas (2004:31) as well as Dhar (1997:228) state that an element of risk is present during purchasing activities and decisions due to increased uncertainty. Consumers differ in their perception of risk as it depends on their lifestyle and past experience (Hawkins & Mothersbaugh, 2010:600). Dowling and Staelin (1994:120) state that the overall level of perceived risk has two components, product category risk (PCR) and product-specific risk (SR). PCR is the perception of risk when purchasing a product within a certain product category (Dowling & Staelin, 1994:120). When a consumer perceives the purchasing of most refrigerators as a product category of risk, product category risk exists (Dowling & Staelin, 1994:120). SR refers to the general perceived risk linked to a certain product in a product class (Dowling & Staelin, 1994:120). Product-specific risk occurs when a consumer perceives some products within a product class as less or more risky than others (Dowling & Staelin, 1994:120). The setting in which purchases are made and the type of products and services rendered, also have an impact on the perceived risk of consumers (Biswas & Biswas, 2004:30).

After the decision to purchase has been made, consumers are confronted with a fully planned, a partially planned, or an unplanned purchase (Blackwell *et al.,* 2006:150). When consumers decide on the product and brand to purchase beforehand, a fully planned purchase is made (Blackwell *et al.,* 2006:150). A partially planned purchase takes place when consumers decide on the type of product they would like to purchase in advance, but decide on the brand, colour, size and style when they visit the store or website (Blackwell *et al.,* 2006:150). Lastly, a consumer makes an unplanned purchase when the product and brand are chosen at the store at the point of sale (Blackwell *et al.,* 2006:150).

The purchase act as the last opportunity of interaction between the store and the customer is normally disregarded by various retailers (Hawkins & Mothersbaugh, 2010:611). Within a retail context, sale employees have a much larger responsibility than only suggesting a purchase decision by means of marketing mix variables (Putsis & Srinivasan, 1994:393). Immediate purchase should additionally be suggested by retail sale employees to avoid the uncertainty of a delayed future purchase (Putsis & Srinivasan, 1994:393). Therefore, the efficiency and the helpfulness of store employees during the purchase stage are vital (Hawkins & Mothersbaugh, 2010:611).

A.   Service encounter

The service encounter is part of Step 4 (purchase decision) of the consumer decision-making process as when a purchase decision is made, consumers tend to escalate to the service experience, namely the service encounter stage or "moment of truth" (Lovelock & Wirtz, 2011:67; Wilson *et al.,* 2012:84). As the main focus of this study entails a service orientation

and is consequently based on employee-related service failures, the service encounter as demonstrated in Lovelock and Wirtz's (2011:59) three-stage model of service consumption is included in the consumer decision-making process for this study (see Figure 2.9). As mentioned in section 2.3.1, the clothing retail industry is a combination of tangible and intangible elements where products and services are delivered simultaneously. It therefore stands to reason that clothing retail organisations represent a strong value-adding service element during transactions, hence the inclusion of the service encounter stage during the consumer decision-making process.

Figure 2.9:   Three-stage model of service consumption
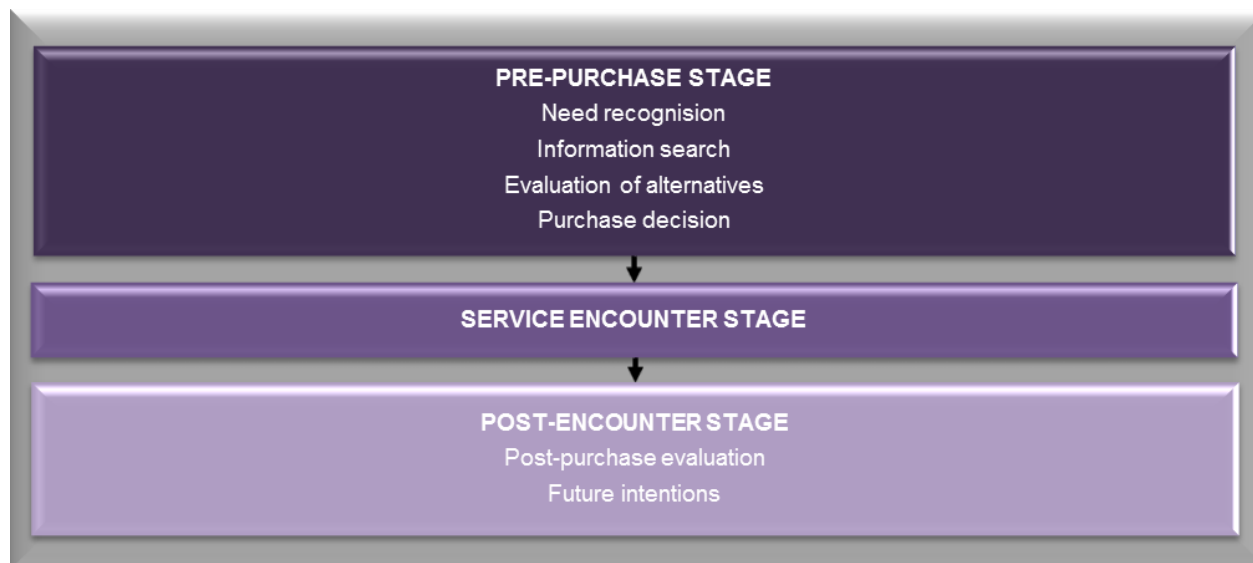
Source: Adapted from Bateson and Hoffman (2011:87) and Lovelock and Wirtz (2011:59)

A service encounter takes place when there is an interaction between a consumer and a service organisation (Bitner, 1990:70; Lovelock & Wirtz, 2011:67). Wilson *et al.* (2012:84) refer to a service encounter as the building blocks of a consumer's perception. Therefore, the service encounter plays a significant role during consumers' evaluation of a service organisation (Bitner, 1990:69).

Interaction between a consumer and a human service provider occurs during most services, as both parties are present and interact during the service encounter (Clow & Kurtz, 2004:40). The interaction quality during a service experience between a consumer and a service provider has an impact on the quality of the service encounter and consumers' evaluation of satisfaction with the service experience (Clow & Kurtz, 2004:40). Given this interaction between two parties, Clow and Kurtz (2004:40) identified factors which influence service encounter quality, namely the role theory, script theory, service environment, service personnel, and support services:

- The role theory depicts the buyer or seller role during a service experience (Clow & Kurtz, 2004:40), and is based on human nature which implies that people are social actors who fulfil certain behaviours and positions within society (Solomon, Surprenant, Czepiel & Gutman, 1985:100). Service encounter quality decreases as soon as role ambiguity occurs, as either the consumer or the service provider is uncertain about their role during the service encounter (Clow & Kurtz, 2004:40).

- The script theory refers to different behaviours which are expected from consumers and personnel within a service organisation (Clow & Kurtz, 2004:41). Consumers' script becomes more concrete after increased experience with the service organisation (Clow & Kurtz, 2004:41). When an alteration of a script occurs, high levels of dissatisfaction can be experienced by consumers (Clow & Curtz, 2004:41).

- The service environment as the third factor refers to the atmospheric elements of the service organisation (Clow & Kurtz, 2004:42). This factor is important, as tangible and atmospheric elements have an impact on consumers' evaluation of services (Clow & Kurtz, 2004:42).

- The fourth factor, service personnel is a vital element within the service encounter (Clow & Kurtz, 2004:42). This factor applies to this study because as soon as personnel depart from their basic roles and scripts, the quality of service during service encounters and the satisfaction of consumers will subsequently be affected in an unfavourable manner (Clow & Kurtz, 2004:43).

- Support services as the last factor holds a strong connection with the aforementioned factor as it entails numerous activities and materials needed by personnel to do their work efficiently (Clow & Kurtz, 2004:43).

According to Wilson *et al.* (2012:85), service encounters can take place in three different ways such as remote-, telephone- and face-to-face encounters. For the purpose of this study, only face-to-face encounters are deemed important. Wilson *et al.* (2012:86) emphasise that face-to-face encounters are complex to understand as verbal and non-verbal behaviours impact service quality. The responsibility of creating quality service is not only that of service personnel, but consumers play a role in creating quality service depending on their behaviour during interaction (Wilson *et al.,* 2012:86).

2.3.2.5 Step 5: Post-purchase evaluation

The post-purchase evaluation step is gaining focus among today's relationship-orientated marketers (Lantos, 2011:69) due to the fact that consumer satisfaction is determined by consumers' post-purchase evaluation of products and services (Kardes *et al.*, 2011:91). For the purpose of this study, post-purchase behaviour is seen as a stage in which consumers compare

their perceived reality with their expectations to consequently experience a feeling of satisfaction or dissatisfaction (Shiffman & Kanuk, 2010:498).

Firstly, consumers may feel uncertain about whether they made the correct purchasing choice (Hoyer & MacInnis, 2008:272) as they feel insecure or experience high or low financial or social risks (Assael, 2004:45). This post-purchase dissonance impacts consumer behaviour as it creates high levels of anxiety which consumers prefer to reduce (Hoyer & MacInnis, 2008:272). Consumers do this by adopting strategies such as rationalising their decision as wise, searching for supportive advertisements, avoiding those of competitive brands, persuading friends and family to purchase the same brand, or seeking for reassurance from other satisfied consumers (Shiffman & Kanuk, 2010:498). One of the strategies used by consumers to determine their satisfaction is to initiate a comparison between the chosen product or service and a rejected alternative (Kardes *et al.,* 2011:91). Once the chosen product or service is perceived as superior to a rejected alternative, consumers experience satisfaction (Kardes *et al.,* 2011:91).

Once the purchase decision has been made, consumers further evaluate the performance of products or services (Assael, 2004:44; Hoyer & MacInnis, 2008:278; Lovelock & Wirtz, 2011:74). Consumers assess their satisfaction by determining the extent to which their expectations have been met by the product or service (Kardes *et al.,* 2011:91), as expectations are an important factor during post-purchase evaluations (Oliver, 1980:460). Expectancy disconfirmation can be seen as two processes which firstly entail the formation of expectations, and secondly the actual disconfirmation of the formed expectations by implementing performance comparisons (Oliver & DeSarbo, 1988:495). Day and Landon (1977:425) posit that before the purchase decision and post-purchase evaluation occur, consumers enter a purchase situation with well-defined expectations which are based on the expected product or service performance. Expectations therefore create a frame of reference to which consumers can make a comparative judgement (Oliver, 1980:460).

The usage of the product or service discloses the actual performance levels which are then compared to the formed expectations using a better-than, worse-than heuristic (Oliver & DeSarbo, 1988:495). Accordingly, consumers judge the product or service performance outcome and will either find that the performance was as expected, to an extent better than expected (positive disconfirmation), or not as expected (negative disconfirmation) (Day & Landon, 1977:425; Oliver, 1980:461). Therefore, disconfirmation occurs when a positive or negative discrepancy occurs amongst preceding expectations and the actual outcome of a product's performance (Oliver, 1980:460). Cardozo (1965:249) further states that consumer satisfaction and dissatisfaction are functions of disconfirmation due to these discrepancies.

Shiffman and Kanuk (2010:498) state that a consumer's evaluation can accordingly have three outcomes. A neutral feeling occurs where the actual performance is equivalent to expectations (Shiffman & Kanuk, 2010:498). Secondly, positive disconfirmation of expectations takes place when performance exceeds expectations which lead to satisfaction (Assael, 2004:45; Shiffman & Kanuk, 2010:498). Thirdly, negative disconfirmation of expectations occurs when performance falls below expectations, causing dissatisfaction (Hunt, 1991:109; Shiffman & Kanuk, 2010:498). Satisfaction can thus be seen as a function of the expectation level of consumers and the confirmation or disconfirmation of consumers' expectations based on product or service performance (Day & Landon, 1977:425; Oliver, 1980:461).

Disconfirmation is also applicable to consumers' evaluation of services (Bolton & Drew, 1991:375). In this case, consumers' expectations are associated with price and service performance (Voss, Parasuraman & Grewal, 1998:46), as well as the intangible characteristics associated with facilities and personnel (Parasuraman, Zeithaml & Berry, 1988:6). As services and the quality thereof play an integral role during this study, it is evident to note that consumers' service quality perception is established by means of consumers' comparison between their perceptions of the actual service performance and formed expectations (Parasuraman *et al.,* 1988:5). When consumers' perceived service performance falls within the boundaries of an adequate service level, consumers might feel reasonably satisfied (Lovelock & Wirtz, 2011:74). However, when the service experience does not meet the expectations of consumers they will switch service providers (Jaishankar, Arnold & Reynolds, 2000:69) and complaint actions will occur (Hawkins *et al.*, 2007:638; Lovelock & Wirtz, 2011:74). Sheth and Mittal (2004:303) add that consumers' response to dissatisfaction or satisfaction leads to exit, voice and/or loyalty, all which are important concepts of customer complaint behaviour. One of the main responses dissatisfied consumers might execute during the post-purchase stage is complaint behaviour (Crié, 2003:60) which leads to the subsequent discussion of customer complaint behaviour in section 2.4.

2.4   CUSTOMER COMPLAINT BEHAVIOUR

As service organisations are exposed to various unique service characteristics such as real-time involvement and performance of employees and customers, the occurrence of service failures is inevitable (Lovelock & Wirtz, 2011:372). Being more empowered than in the past, customers are no longer willing to accept poor service, thereby resulting in an increase in complaints across the globe (Cook, 2012:1). The focus of this section is on customer complaint behaviour and commences by conceptualising customer complaint behaviour, identifying typologies relating to the types of complaints and complainers, and discussing the reasons why customers do or do

not complain. This section further looks at the existing complaint models and covers important constructs to this study such as complaint intention and online complaint behaviour.

2.4.1   Conceptualisation of customer complaint behaviour

In order for organisations to circumvent customer dissatisfaction or pacify already dissatisfied customers, organisations have to understand what leads to satisfaction or dissatisfaction (Stauss & Seidel, 2004:21). The expectancy disconfirmation paradigm as a process of assessment is used by authors when referring to customer satisfaction and dissatisfaction (Oliver, 1980:461; Tronvoll, 2007:27) as discussed in section 2.3.2.5.

By understanding the satisfaction construct, organisations can comprehend complaint behaviour seeing that customers complain when their expectations are not met (Stauss & Seidel, 2004:21) by an object, state of affairs or event (Alicke, Braun, Glor, Klotz, Magee, Sederholm & Siegel, 1992:287). It is also noted that customer complaint behaviour is a function of dissatisfaction (Cook, 2012:9; Sujithamrak & Lam, 2005:291). This is supported by Tronvoll (2007:27) who states that negative disconfirmation has a direct link with customer complaint behaviour on account of product or service performance not meeting customers' expectations, which leads to feelings of dissatisfaction.

According to the United Registrar of Systems (URS) (ISO 10002:2004), a complaint is defined as an expression of dissatisfaction made directly to an organisation, associated to its products, or the complaints handling process itself, where a reaction or resolution is explicitly or implicitly expected by the complainant (URS, 2004:1). Singh (1988:94) defines customer complaint behaviour as a variety of behavioural and non-behavioural responses which are activated by feelings of perceived dissatisfaction relating to a purchase incident. Although there are multiple factors which can inhibit or encourage complaint behaviour (Bearden & Teel, 1983:22), perceived dissatisfaction is a necessary prerequisite for justifiable customer complaints (Bearden & Teel, 1983:22; Grønhaug & Zaltman, 1981:84). However, dissatisfaction is not the only condition for complaint behaviour or predicting complaint responses of customers (Von der Heyde Fernandes & Dos Santos, 2008:585).

Existing literature classifies complaint behaviour in various ways (Velázquez *et al.*, 2006:495). Hirschman (1970:2) classifies complaint behaviour in three categories, namely exit, voice and loyalty. Day and Landon (1977) classify customer complaint behaviour firstly as customers' choice to take action (behavioural) or to take no action (non-behavioural) (Sujithamrak & Lam, 2005:291). Day and Landon (1977:432) further propose that as soon as customers choose to take action, they can either decide to take public or private action. Singh (1988:101) identified

voice responses, private responses and third party responses. Although knowledge concerning customer complaint behaviour has increased over the past years, the complexity of customer complaint behaviour and the classification thereof have also increased (Velázquez *et al.,* 2006:495). Nevertheless, if complaints are not handled correctly, organisations may undergo widespread and expensive consequences due to the lack of taking proper action to rectify complaints (Sujithamrak & Lam, 2005:292). In order to handle complaints, organisations should first take note of different types of complainers and complaints.

2.4.2   Complaining typologies

Authors have attempted to categorise dissatisfied customers in groups based on their type of response during dissatisfaction (Crié, 2003:63; Warland, Hermann & Willits, 1975:148). Normative typologies are presented which distinguish between 'complainers' and 'non-complainers' (Etzel & Silverman, 1981:133; Grønhaug & Zaltman, 1981:83). According to Crié (2003:63), this categorisation is more concerned with responses to dissatisfaction than complaint behaviour. Singh (1990a:87) adds that this classification is broad in nature and does not provide guidelines for retailers to improve their complaint handling. Some existing typologies however contribute to customer complaint behaviour, as they permit specific behaviours such as identified in research done and typologies developed by Masson and Himes (1973:124), Singh (1990a:57) and Warland *et al.* (1975:151). These authors have respectively contributed to customer complaint behaviour research by identifying different types of complainers. Singh (1990a:57) identified four categories of response styles customers prefer after experiencing a service failure, namely passives, voicers, irates and activists. Wilson *et al.* (2012:345) state that the likelihood of these four types of complaint response styles being consistent within all organisations and industries is high, despite the fact that different customer complaint response styles may vary within different industries and contexts (Wilson *et al.,* 2012:345). Singh's (1990a:57) complaint response styles are subsequently presented:

- Customers who are unlikely to complain or voice their dissatisfaction to a service organisation are classified as passives (Wilson *et al.,* 2012:345). According to Singh's (1990a:88) classification of dissatisfied customers, passives feel less positive about complaining with a negative attitude towards complaining. Wilson *et al.* (2012:345) and Singh (1990a:88) further indicate that this type of complainer has no trust in the effectiveness of complaining, with a low evaluation of consequences, and does not believe that the time and effort is worth their while.
- Voicers are customers with the highest probability of complaining directly to an organisation (Singh, 1990a:88; Wilson *et al.,* 2012:345). Concomitantly, voicers are less positive about complaining to a private party or third party (Singh, 1990a:88). Voicers believe that

complaining will lead to social benefits and are pro-complaining, although these customers have a lower tendency to spread negative word-of-mouth (Wilson *et al.,* 2012:345). This type of complainer can be seen as an organisation's best friend (Wilson *et al.,* 2012:345).

- Customers who prefer spreading negative word-of-mouth can be classified as irates (Wilson *et al.,* 2012:346). According to Singh (1990a:88), irrates feel positive about private responses (Singh, 1990a:88), have an average tendency to complain to an organisation, and are unlikely to complain to third parties (Wilson *et al.,* 2012:346). Irates experience an anger emotion towards an organisation and would rather switch to a competitor whilst spreading negative word-of-mouth (Wilson *et al.,* 2012:346).

- Activists have a high propensity to complain as they will complain directly to a service organisation, complain to a third party, or spread negative word-of-mouth (Wilson *et al.,* 2012:346). Activists have a positive feeling towards all the different types of complaining (Wilson *et al.,* 2012:346).

Although the types of complainers mentioned above are used across different service sectors, some industries have identified their own types of complainers (Bateson & Hoffman, 2011:357). However, Singh (1988:87) argues that customer complaint behaviour literature requires a better logically developed and empirically supported schema to classify dissatisfied customers. Crié (2003:64) agrees by stating that the typologies mentioned, lack adequate information regarding the density and diversity of customer complaint behaviour which thereby hinders retailers to react responsively to customer complaint behaviour. Nevertheless, the key lies in deciding which customers should be retained and which should be left to switch to a competitor (Bateson & Hoffman, 2011:357).

2.4.3   Complaint typologies

Complaining is seen as a method of expressing dissatisfaction (Bateson & Hoffman, 2011:354; Cook, 2012:9) and is subsequently defined as a way in which grief, pain and discontent is expressed (Merriam-Webster's third new international dictionary, 2012). Consumer psychology research shows that not all complaints are generated equally or for the same reason (Bateson & Hoffman, 2011:355). Therefore, an understanding of the approaches taken by customers when communicating dissatisfaction is vital for organisational complaint management skills (Cook, 2012:73). As a result, complaint approaches can be seen as either instrumental or non-instrumental (Alicke *et al.,* 1992:287):

- Instrumental complaints are characterised by a strong demand for redress after unfair treatment (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011:355). These authors further

propound that instrumental complaints do not comprise a general complaint choice for customers and only make up a tiny percentage of complaints registered by customers daily.

- Non-instrumental complaints are voiced without an expectation to adjust the undesirable state of affairs (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011:356).

Bateson and Hoffman (2011:356) highlight the fact that a complaint type further varies according to whom the customer considers to be the source of the service failure. Concomitantly, two dimensions namely, ostensive and reflexive complaints occur (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011:356). Some complaints are expressed ostensively as they are focused on someone or something outside the area of the complainer (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011:356). Reflexive complaints in contrast are aimed at an inner aspect within the complainer (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011:356). Given that customers are unwilling to evaluate themselves in a negative manner (Bradley, 1978:56; Miller & Ross, 1975:223), it is evident that customers are more likely to voice ostensive complaints than reflexive complaints (Bateson & Hoffman, 2011:356). After identifying types of complainers and complaints it is important to understand why some customers complain and others do not.

2.4.4   The reasons why customers complain

There is a direct relationship between customers' reason for complaining and the type of complaint voiced by customers (Bateson & Hoffman, 2011:358). Therefore, instrumental and non-instrumental complaint types (see section 2.4.3) are linked to the reason for a customer complaint (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011: 358).

When a complaining incident comes to mind it usually reflects a demand for redress over unfair treatment (Alicke *et al.,* 1992:287). This explains instrumental complaints which imply a demand for repayment or the expression of dissatisfaction (Alicke *et al.,* 1992:287). Lovelock and Wirtz (2011:373) add that customers complain to regain their economic loss in the form of a refund, compensation or redelivery of the service. This type of complaint is accountable for a small proportion of complaints (Alicke *et al.,* 1992:287). However, this is not the case for non-instrumental complaints, where the reason for complaining is not as apparent (Bateson & Hoffman, 2011:258). Accordingly, a distinction can be made regarding the main functions of complaining:

- Firstly, customers complain to release emotional frustration. Lovelock and Wirtz (2011:373) agree by stating that customers complain to regain their self-esteem or to voice their anger and frustration in order to discard their emotions. Research by Chebat, Davidow and Codjovi

(2005:339) indicates anger as the main driver of complaining as it is an emotion which is directed outward towards problem-focused behaviour. Chebat *et al.* (2005:340) further stress that complaining should be seen as a method of managing emotions. Customers do not only seek redress for logistical reasons, but to in addition, have their emotions readdressed, therefore seeking psychological compensation (Chebat *et al.,* 2005:340).

- Secondly, complaining behaviour is linked to control in order to reclaim some measure of control (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011: 358). A complaining customer regains control by influencing other customers' perception and evaluations of an offending organisation (Bateson & Hoffman, 2011:358). In the case where a customer is unwilling or unable to face confrontation, control can be regained by identifying a different outlet for expressing dissatisfaction (Alicke *et al.,* 1992:287). This, according to Rothbaum, Weisz and Snyder (1982:7), is an example of secondary control as customers attempt to fit in with the environment rather than trying to change the environment according to personal needs (primary control).

- Customers may thirdly complain to gain an understanding from the listener and to ask for sympathy (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011: 358). Customers also complain to determine whether others feel the same about the situation by testing for consensus as the fourth reason for complaining (Alicke *et al.,* 1992:287; Bateson & Hoffman, 2011: 358). Alicke *et al.* (1992:287) and Bateson and Hoffman (2011: 358) lastly indicate that customers complain to create a strategically expressed impression. This is due to the fact that complaining customers are mostly more intelligent, competent and sharp (Amabile, 1983:146; Day & Landon, 1977:434), which increases their standards and expectations (Bateson & Hoffman, 2011:359).

- Research supports the aforementioned opinion by suggesting that customers within higher socio-economic groups have an increased likelihood to post a complaint (Lovelock & Wirtz, 2011:374; Stephens, 2000:291; Sujithamrak & Lam, 2005:289; Tronvoll, 2007:35). This is due to these customers having a higher sosio-economic level in society as they have the resources such as social status (Stephens, 2000:291; Warland *et al.*, 1975:160), higher education levels and income, advanced knowledge and a strong motivation to raise their problems (Stephens, 2000:291). Andreasen (1985:136) states that a number of educated customers enjoy complaining due to the intellectual battle it entails. Lovelock and Wirtz (2011:374) further suggest that customers with a higher tendency to complain have better knowledge about the particular product or service. Lastly, it is imperative to note that customers today are more likely to complain due to the fact that they are becoming more self-confident and aggressive in their search of gaining satisfaction after complaining (Cook, 2012:1; Lovelock & Wirtz, 2011:374).

- Richins (1983a:80) states that assertive customers are likely to complain as they like standing up for their rights and feel positive about organisational responsiveness.

Andreasen (1985:136) agrees by adding that aggressive customer personalities have a higher preference to voice their dissatisfaction.

- Some customers complain to help organisations improve their service (Lovelock & Wirtz, 2011:373). A number of customers are purely motivated to complain based on unselfish reasons as they would like to spare other customers the frustration and dissatisfaction by experiencing the same service failure (Lovelock & Wirtz, 2011:373).

To conclude this section, it is evident that customers with a higher tendency to complain trust that social benefits will follow and feel that a positive outcome will be gained while expecting fair treatment in the case of a service failure (Wilson *et al.,* 2012:344). However, some dissatisfied customers choose not to complain (Warland *et al.,* 1975:50).

2.4.5   The reasons why customers do not complain

Research by Tax and Brown (1998:77) indicates that only five to ten per cent of customers who are dissatisfied with a service, complain. Consequently, the rest of the dissatisfied customers who are reluctant to complain create concern to organisations as various negative outcomes can occur (Stephens & Gwinner, 1998:172).

Dissatisfied customers may decide to switch brands (Fornell & Wernerfelt, 1987:345; Richins, 1983a:68) or to complain to a seller or third party (Richins, 1983b:68). Organisational reputations can be damaged by negative word-of-mouth communications (Richins, 1983b:68) and organisations are not given the opportunity to treat the problem and to retain the customer (Stephens & Gwinner, 1998:185). Due to the fact that it is more expensive to gain new customers than retaining current customers (Fornell & Wernerfelt, 1987:337), all organisations should take special care of customers who choose not to complain (Stephens & Gwinner, 1998:172).

Cook (2012:22) mentions four central reasons why some dissatisfied customers choose not to complain:

- Customers feel that no action will follow after complaining (Cook, 2012:22) by thinking that it "isn't worth the trouble" (Warland *et al.,* 1975:161). Wilson *et al.* (2012:344) agree by stating that some customers do not feel that a positive outcome will occur after complaining. Lovelock and Wirtz (2011:375) add that customers' uncertainty of the organisation's willingness to resolve the problem further contributes to some customers' lack of enthusiasm to complain.

- Cook (2012:22) identifies "too much hassle" as the second reason why customers don't complain.

- Thirdly, customers don't complain as they find it complex to get in touch with the right department (Cook, 2012:22) and feel unsure concerning what steps to take in order to post a complaint (Warland *et al.*, 1975:161). Many organisations do not have the appropriate complaint channels in place which add to customers' reluctance to post a complaint (Lovelock & Wirtz, 2011:374). Moreover, many dissatisfied customers are not conscious of complaint channels and are not aware that these channels are open for their convenience (Wilson *et al.*, 2012:344).

- Cook (2012:22) identifies time constraints as the fourth reason for non-complaining. Lovelock and Wirtz (2011:374) agree by stating that it takes time to write a letter, fill in a form or send an e-mail.

Various authors have identified fear of confrontation as an additional reason why dissatisfied customers choose not to complain. Lovelock and Wirtz (2011:374) state that some customers have a fear of confrontation and are influenced by their perceptions and social norms. Stephens and Gwinner (1998:185) add that some customers feel uncomfortable during direct communication with an organisation and are not likely to voice their dissatisfaction. This can be related to the feeling of not having enough power (Stephens & Gwinner, 1998:185), or not feeling adequately qualified to complain (Bateson & Hoffman, 2011:360). This "fear of confrontation" is emotion related and supports research by Chebat *et al.* (2005:339) which indicates resignation as the main driver of non-complaining as it is directed inward and leads to emotion-focused behaviour. Wilson *et al.* (2012:344) add that non-complaining customers take on 'emotion-focused coping' when dealing with a negative experience caused by a service failure. Hunt (1991:107) supports this by stating that customer dissatisfaction should be treated in an emotional rather than cognitive way.

Non-complaining customers would be more willing to complain after knowing that their complaint would make a difference, by being aware of whom to complain to, and by having assurance that they will receive a prompt response (Cook, 2012:23). An organisation has the opportunity to set up policies and procedures to promote customer complaint behaviour by being aware of what drives customers to complain or not to complain (Chebat *et al.*, 2005:339). Existing models of customer complaint behaviour are also a good indication of the expected complaint behaviour of customers to organisations when dealing with customer complaints.

2.4.6   Existing models of customer complaint behaviour

The study of customer responses to marketplace dissatisfaction is recognised as a contributor to various key marketing phenomena (Von der Heyde Fernandes & Dos Santos, 2008:584). According to Landon (1977:31), models of customer complaint behaviour can make a significant contribution as it demonstrates what is already known about this field of research. Conceptual links and components can clearly be demonstrated through a model, and underlying weaknesses can be analysed (Landon, 1977:31). As a result, many authors have tried to distinguish groups of customers based on their response type during dissatisfaction (Crié, 2003:63).

After a service failure has been experienced, customers take on several types of complaint behaviour responses (Bearden & Teel, 1983:21; Crié, 2003:60; Singh, 1988:93; Wilson *et al.,* 2012:343). Therefore, an understanding of customer complaint behaviour definitional and taxonomical issues is vital (Singh, 1988:93). A distinction between complaint actions and complaint responses should first be established. According to Crié (2003:60), an action refers to specific behaviour. Von der Heyde Fernandes and Dos Santos (2008:584) state that a complaint action is behaviour directed towards a seller. A complaint response involves all possible reactions to dissatisfaction which are not exclusively behavioural (Crié, 2003:61; Von der Heyde Fernandes & Dos Santos, 2008:584). A complaint response can be a change of attitude or even inactivity (Crié, 2003:61). Although research regarding the different types of responses to dissatisfaction is limited (Crié, 2003:61), a distinction amongst complaint responses can be made. Various authors such as Hirschman (1970), Day and Landon (1977) and Singh (1988) have presented substantial research pertaining to customers' responses to dissatisfaction (Broadbridge & Marshall, 1995:9-10; Crié, 2003:61; Donoghue & De Klerk, 2006:43-44; Gursoy, McCleary & Lepsito, 2007:360-361) which are briefly discussed in the following sections.

2.4.6.1   Hirschman's exit, voice and loyalty typology

Hirschman's (1970) work on responses to dissatisfaction remains standard through the three-level "Exit, Voice and Loyalty" model (Crié, 2003:61; Gursoy *et al.,* 2007:360). This model portrays why some dissatisfied customers seek redress and why others stay silent and support another organisation (Kim *et al.,* 2003:354). In Hirchman's model, three options faced by dissatisfied customers are considered, namely exit, voice and loyalty, which are demonstrated in Figure 2.10 and are subsequently discussed.

Figure 2.10:   Hirschman's exit, voice and loyalty typology
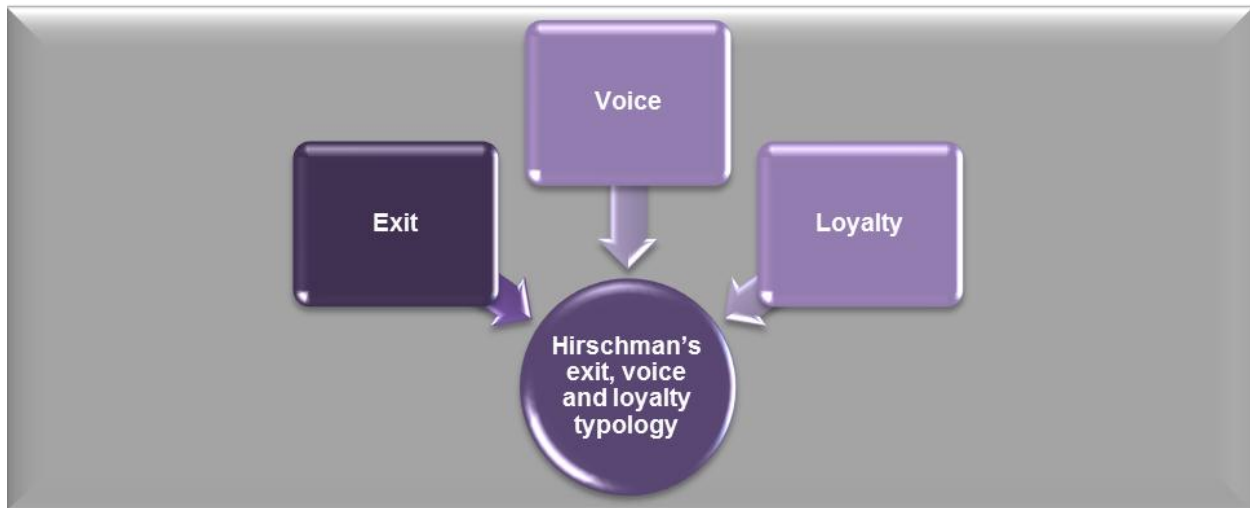
Source: Adapted from Crié (2003:61), Gursoy *et al.* (2007:360) and Hirschman (1970)

- Exit refers to customers' intention to end the exchange relationship with the brand, retailer, product or supplier by switching their support to a competitor (Gursoy *et al.,* 2007:360; Von der Heyde Fernandes & Dos Santos, 2008:584; Singh, 1990b:2). Not all dissatisfied customers are prepared to give an organisation a second chance to correct the problem (Dart & Freeman, 1994:76), although an exit response has a "painful" effect due to effort in searching for alternative options and switching patronage (Hirschman, 1970:81).

- Voice as a verbal response is proactive and tries to change the state of affairs in a constructive manner, rather than escaping the situation (Crié, 2003:61; Singh, 1990b:3; Von der Heyde Fernandes & Dos Santos, 2008:584). Voice involves complaints directed to friends and customer associations (Crié, 2003:61) or expressing dissatisfaction straight to any listening party (Gursoy *et al.,* 2007:360). The probability of voicing dissatisfaction depends on the willingness of customers to set aside the certainty of exit against the uncertain improvement of a weakened product or service (Hirschman, 1970:77). Customers with this type of probability show a direct relation to loyalty (Hirschman, 1970:77).

- Loyalty is the act of continuing the relationship without exiting or voicing and hoping for a positive outcome (Crié, 2003:61; Gursoy *et al.,* 2007:360; Singh, 1990b:3; Von der Heyde Fernandes & Dos Santos, 2008:584). Loyal customers do not necessarily refer to customers having a positive feeling towards the organisation (Singh, 1990b:3).

2.4.6.2 Day and Landon's taxonomy

Day and Landon (1977) proposed a two-dimensional taxonomy of responses by including nine broad categories of alternative responses of dissatisfied customers (Von der Heyde Fernandes & dos Santos, 2008:584). The first level within Day and Landon's classification of customer complaint behaviour focuses on behavioural (action) and non-behavioural (no-action) complaint

responses (Singh, 1988:95). On the second level of Day and Landon's Taxonomy (1977), public or private actions can be taken when customers choose to take complaint action (Crié, 2003:61; Day & Landon, 1977:432; Singh, 1988:95; Von der Heyde Fernandes & dos Santos, 2008:584). Figure 2.11 provides a demonstration of Day and Landon's classification.

Figure 2.11:   Day and Landon's (1977) classification of customer complaint behaviour
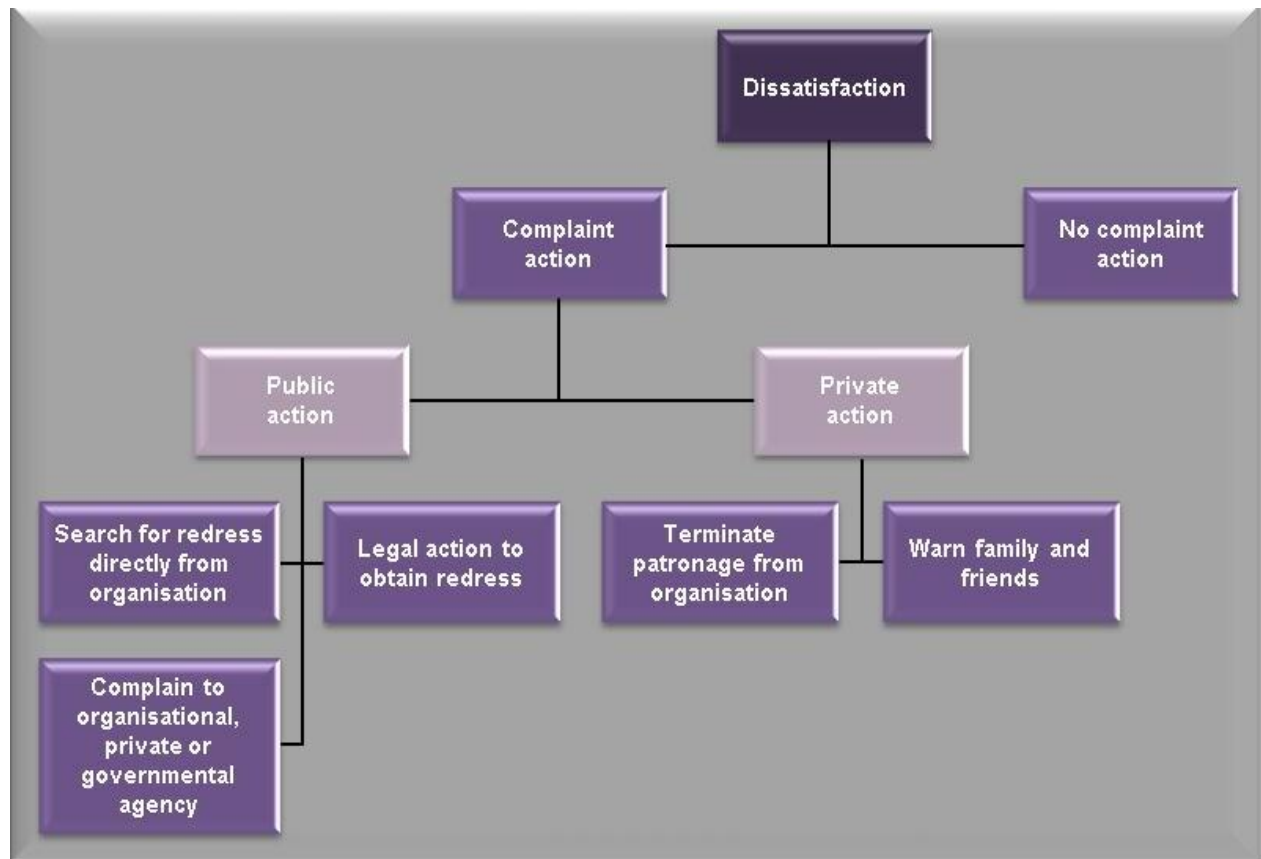
Source: Adapted from Day and Landon (1977:432)

From Figure 2.11 it is evident that customers may choose to take no complaint action or to either respond in a private of public way after they have made the choice to take complaint action:

- Day and Landon (1977:429) state that the most private and personal way in which a customer can resolve his or her dissatisfaction is by not doing or saying anything. Day and London (1977:430) noted that the majority of dissatisfied customers prefer to take no action. Donoghue and De Klerk (2006:43) add that customers decide to take no action due to rationalisation and disregarding the problem.
- In the case where customers retaliate against their dissatisfaction, but still prefer to resolve it in a private or personal manner, customers may consider private complaint actions such as terminating their patronage from the organisation or deciding to warn family and friends (Day

& Landon, 1977:430). According to Singh (1988:95), a typical example of private actions is negative word-of-mouth or modifications of future purchase behaviour.

- Public alternatives are chosen by dissatisfied customers when they prefer a larger impact than just altering their purchasing behaviour or spreading negative word-of-mouth (Day & Landon, 1977:430). In this case customers seek redress from organisations, take legal action to obtain redress, or complain to organisational, private or governmental agencies (Day & Landon, 1977:431; Singh, 1988:95). The reason behind redress seeking is to gain a remedy to solve the problem through corrective action (e.g., refunds, replacement of product, free repair) (Day & Landon, 1977:430; Gursoy *et al.*, 2007:360). By taking legal action, customers seek immediate redress after dissatisfaction where redress is not initiated and obtained directly from the organisation (Day & Landon, 1977:430). Lastly customers may decide to complain to organisational, private or governmental agencies as another way to obtain redress (Day & Landon, 1977:431).

Day (1980) noted that customers complain to attain a definite objective (benefit of complaining) and that customers can offer a variety of "explanations" (psychological motivation to complain) for the manner of complaint they choose to follow (Day, 1980:215; Gursoy *et al.,* 2007:360; Singh, 1988:95). Based on the aforementioned, Day (1980) developed an additional classification for the second level of Day and Landon's (1977) taxonomy (Singh, 1988:95). The core idea of Day's (1980) proposal is that customers' purpose of complaining leads to three broad categories of actions in which customer complaint behaviour can be classified (Day, 1980:214; Gursoy *et al.,* 2007:360; Singh, 1988:95). Day (1980) identified redress seeking (seek out a remedy by complaining to the organisation or to take legal action), complaining (communicate dissatisfaction for other reasons than searching for a remedy, word-of-mouth and different future behaviour) and personal boycotting (stop patronage at the offending organisation) as the three broad customer complaint purposes (Day, 1980:212; Gursoy *et al.,* 2007:360; Singh, 1988:95).

This preceding classification by Day and Landon (1977) and Day (1980) is criticised by Singh (1988:95) as not being clear of which classification to use due to the strong dissimilarities between the two. Singh (1988:96) further criticises Day (1980) and Day and Landon's (1977) categorisation based on the basis on which classification took place and the usefulness of the resulting taxonomy. Singh (1988:96) argues that the basis of the classification is done in a deductive manner, meaning that the classification represents the researcher's own subjective concept of a good quality classification basis. This makes it difficult to objectively evaluate a deductively derived basis (Singh, 1988:96). Singh (1988) developed a classification schema with three dimensions with different actions perceived equally by customers (Gursoy *et al.,* 2007:362). A brief discussion on Singh's taxonomy of customer complaint responses follows.

2.4.6.3　Singh's taxonomy of customer complaint responses

Singh's (1988:101) proposed taxonomy of customer complaint behaviour responses includes voice responses, private responses and third-party responses. The classification within this model (presented in Figure 2.12) is based on the entity towards which customers direct their complaints (Singh, 1988:104) and is found in the external/not external and involved/not involved characteristics of the entity.

Figure 2.12:　Singh's (1988) taxonomy of customer complaint behaviour responses
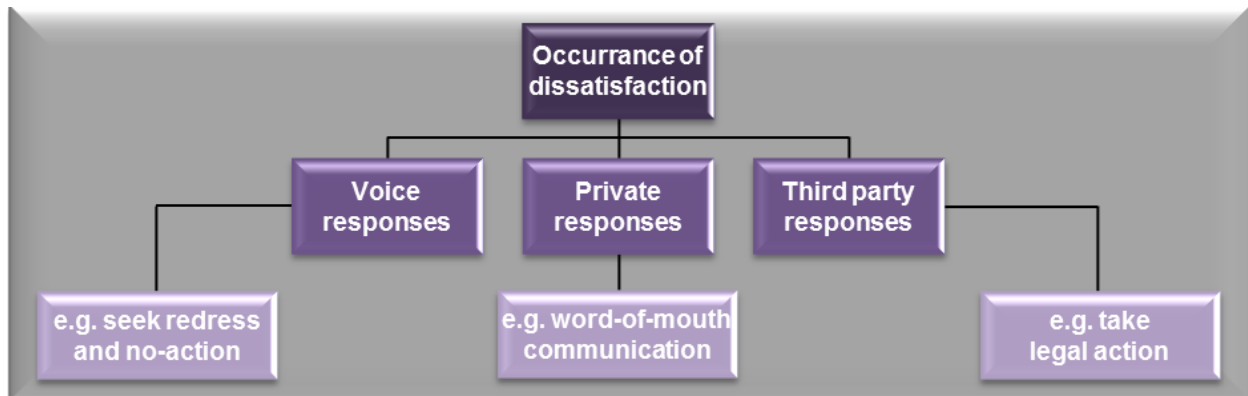
Source: Adapted from Singh (1988:101)

When referring to Figure 2.12, Singh (1988:104) proposes that a voice response is directed to an entity external to the social circle (i.e., informal relationships) of customers with a direct involvement with the dissatisfying experience (e.g. manufacturers and sellers). Singh (1988:104) included no-action responses within the voice response category, as he is of the opinion that in this case feelings are still directed towards the seller. Private responses, as classified by Singh (1988:104), do not have any direct involvement with the dissatisfying incident and are not external to customers' social circles. Private responses entail negative word-of-mouth communication to relatives and friends and also include exit behaviours (Gursoy *et al.,* 2007:362; Singh, 1988:104). Singh (1988:104) lastly identifies third-party responses to an external entity with no direct involvement with the dissatisfying experience (e.g. manufacturers and sellers). In this case, customers complain to external agencies such as the Better Business Bureau, legal agencies or newspaper (Gursoy *et al.,* 2007:362; Singh, 1988:104). Singh (1988:104) contends that this proposed taxonomy extends Day and Landon's (1977) two-dimensional conceptualisation to a three-dimensional schema which represents customer dissatisfaction models in a more adequate manner.

The different typologies described restrain retailers from understanding and appreciating the scope of customer complaint behaviour which has a direct influence on the effectiveness of their response styles (Crié, 2003:61). Crié (2003:61) further adds that the reason and intensity of

dissatisfaction, as well as the nature or magnitude of the particular product or service, are the main reasons for the large scope of response styles and the heterogeneity amongst them. Halstead and Dröge (1991:210) identify customers' attitude towards complaining as an additional predictor of a variety of complaining response behaviours, based on the premise that within consumer behaviour literature, it is accepted that attitudes precede the intentions and behaviours of customers. According to Halstead and Dröge's (1991:215) study, the impact of attitudes on customer complaint behaviour is significant, and attitudinal variables should be included in comprehensive models of customer complaint behaviour. These authors further stress that attitudes related to the actual action of complaining have a stronger link to complaining behaviours than general attitudes towards the organisation (Halstead & Dröge, 1991:211).

2.4.7   Attitude towards complaining

Defects or deficiencies within different industries cause unsure situations in which customers either have no experience or little experience of a different situation regarding complaining (Thøgersen *et al.*, 2009:760). Customers have not formed a clear attitude of how they should behave in a situation, and consequently, general traits, dispositions and situational factors guide their behaviour (Thøgersen *et al.*, 2009:760). Richins (1982:502) states that literature pertaining to psychology and consumer behaviour has accepted the strong correlation between consumer behaviour and attitudes, and that attitude towards complaining is relevant in understanding customer complaint behaviour. With regard to this section, attitude towards complaining plays a significant role in forecasting complaint behaviour of dissatisfied customers (Bodey & Grace, 2007:579).

2.4.7.1 Attitude towards complaining defined

Shiffman and Kanuk (2010:246) define attitude as a learned tendency to behave in a consistently favourable or unfavourable manner pertaining to a specific situation. Ekiz and Au (2011:328) add that an important determinant of a customer's behaviour is his attitude towards performing or not performing a specific action. For the purpose of this study, attitude towards complaining is defined as follows:

Attitude toward complaining refers to the customer's perception of the goodness or badness of the act of complaining (Singh & Wilkes, 1996:353) and is not confined to an isolated incident of dissatisfaction (Kim et al., 2003:354).

In order to develop a better understanding of the relationship between attitudes and behaviours or actions, psychologists have investigated different construct models to identify the underlying dimensions of the attitude construct (Shiffman & Kanuk, 2010:249).

2.4.7.2   Tricomponent attitude model

Based on the tricomponent attitude model suggested by Shiffman and Kanuk (2010:249), attitudes consist of three main components, namely a cognitive, affective and conative component. The cognitive component relates to the beliefs of customers and is linked with the knowledge and perceptions of customers gained through a combination of experiences and information (Shiffman & Kanuk, 2010:249). The cognitive component portrays that the customer believes that certain behaviours lead to certain outcomes (Shiffman & Kanuk, 2010:249). The affective component of attitude comprises of the emotions and feelings of customers, whilst the conative component of attitude refers to customers' tendency of executing a certain action in a specific way (Shiffman & Kanuk, 2010:250,251). Figure 2.13 demonstrates the tricomponent attitude model with its three components.

Figure 2.13:   Tricomponent attitude model
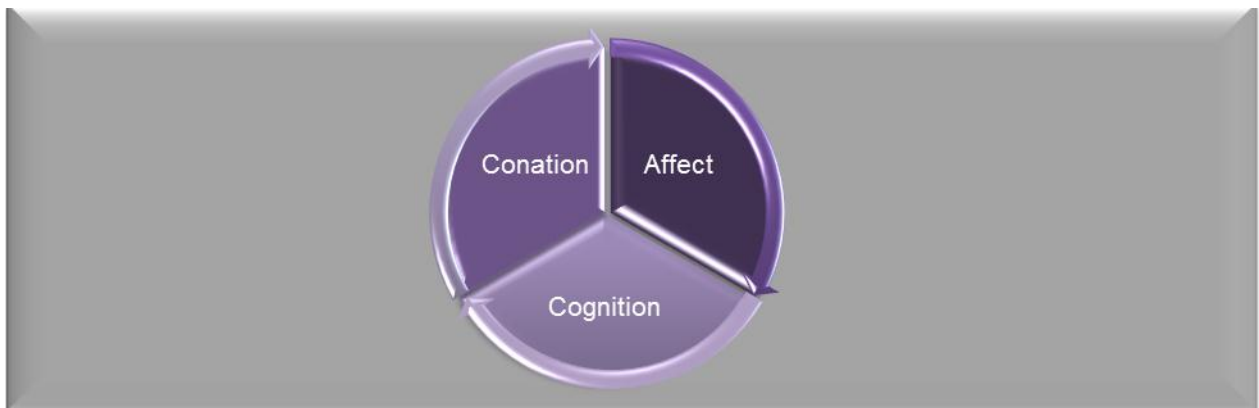
Source: Adapted from Shiffman and Kanuk (2010:249)

Figure 2.13 specifies the composition of the attitude construct in order for academics and practitioners to better explain and predict the behaviour relating to this construct (Shiffman & Kanuk, 2010:249). Attitude towards complaining is further found to have an influential impact on other constructs, such as identified in findings by Kim and Boo (2011:221) which indicate that attitude towards complaining is a direct indicator of customers' intention to complain.

2.4.7.3   Attitude towards complaining and its influencing factors

Complaint intention is increased by a positive attitude towards complaining (Bodey & Grace, 2007:581; Kim *et al.,* 2003:363; Richins, 1982:505). Customers with a positive attitude towards

complaining are more likely to voice their complaints than customers with a negative attitude towards complaining, who prefer rather to switch their patronage to another organisation (Kim & Chen, 2010:107; Yuksel, Kilinc & Yuksel, 2006:22). Thøgersen *et al.* (2009:760) further found that a customer's propensity to complain is increased by his attitude towards complaining and other personality variables.

Self-efficacy, Machiavellianism, perceived control and risk-taking are four personality factors which influence customers' attitude towards complaining (Bodey & Grace, 2007:579). The capability of a customer to accomplish success after a complaint refers to self-efficacy (Bodey & Grace, 2007:582). The second personality factor, namely Machiavellianism is a customer trait which gives customers the view that complaining is a method of gaining what they want (Bodey & Grace, 2007:583). Thirdly, customers with high levels of perceived control find that by voicing their complaints they can reduce negative feelings such as anxiety (Chang, 2008:322) to effectively regain their perceived control of the situation (Bodey & Grace, 2007:583). Huang and Chang (2008:1225) add that customers with an internal locus of control are probable to complain as they would like to change a negative situation into a positive experience. Lastly, customers who are willing to take risks are likely to have a positive attitude towards complaining on account of the high level of uncertainty present during the complaining process (Bodey & Grace, 2007:583).

Kim *et al.* (2003:354) express three personal factors that influence attitude towards complaining, namely customer alienation, prior complaint experience, and controllability of dissatisfaction. Alienation has a negative impact on attitude towards complaining, as alienation is experienced when customers encounter displeasure with an organisation (Kim *et al.,* 2003:355). By experiencing alienation customers have a lower expectation of the organisation's ability to provide acceptable service (Grougiou & Pettigrew, 2009:993). If the customer has experienced previous positive outcomes after complaining, it will positively influence the customer's attitude towards complaining because the customer is familiar with the related costs and benefits (Kim *et al.,* 2003:355; Richins, 1982:505). However, customers will show a negative attitude towards complaining if they had an experience where their complaints were ignored because they feel there will be no benefit from voicing a complaint (Grougiou & Pettigrew, 2009:993, Richins, 1982:505). Controllability of dissatisfaction refers to the organisation's ability to foresee and avoid customer dissatisfaction (Kim *et al.,* 2003:356).

Harris, Mohr and Bernhardt (2006a:453) noted that following service failure, customers choose to assign blame to the service provider, themselves or a combination of the two. When customers believe that the organisation is to blame for the service failure, customers are likely to have a positive attitude towards complaining (Kim *et al.*, 2003:357). When customers

experience a higher level of dissatisfaction, in a case where they feel that the organisation should have prevented the service failure, customers in addition have a higher complaint intention (Anderson, Baggett & Widener, 2009:55). Furthermore, Velázquez *et al.* (2006:496) state that customers' perceived importance of a situation has a direct influence on customers' attitude towards complaining. Kim and Chen (2010:100) and Kelly (2002:40) explain that customers' likelihood to complain proportionally increases as their involvement with the service improves.

It becomes evident that there are various factors which influence customers' attitude towards complaining. Consequently, customers' attitude towards complaining, situation importance and the probability of achieving a successful outcome through complaining have been the main focus of research relating to customer complaint behaviour (Velázquez *et al.,* 2006:496). Kim and Boo (2011:217) suggested that attitude towards complaining and customers' prior complaint experience can be seen as the most prominent factors affecting the extent to which customers are likely to complain. It was further found by Kim and Chen (2010:96) that expected benefits resulting from complaints, complaint convenience, attitude towards complaining, customer involvement, and perception of self-importance all have a direct effect on the probability of customers to complain. Pertaining to this study, it is important to be aware of these factors to subsequently determine clothing retail customers' online complaint intention and service recovery expectations.

2.4.8   Complaint intention

Customer complaint behaviour has gained increased attention within the past thirty years by researchers and marketers due to the development of consumerism (Cheng & Lam, 2008:551). Hansen, Samuelsen and Andreassen (2011:375) state that the majority of dissatisfied customers choose not to complain in spite of the growth of customer rights and customer power in the past few years. The subsequent growth in customer rights can be ascribed to the Consumer Protection Act that was promulgated and signed by President Jacob Zuma on 25 October 2010 which significantly increased customer power. Therefore, complaints need to be encouraged and well managed by organisations (Kim *et al.*, 2003:353) in order for management to be conscious of factors which encourage dissatisfied customers to complain, and which factors discourage complaint behaviour (Kim & Boo, 2011:218). Voorhees and Brady (2005:192) highlight that inadequate guidance and information are given to organisational managers on how to encourage complaints in spite of the fact that organisations are aware of how vital it is to support customer complaints. Customer complaint intention has subsequently received a vast amount of attention in order to identify the determining factors (Kim & Boo, 2011:218).

Intentions, as defined by Cheng and Lam (2008:554) and Warshaw and Davis (1985:214), comprise the motivation of a customer to execute certain future behaviour by means of applying effort with regard to his/her formulated conscious decision or plan. Kim *et al.* (2003:354) and Singh (1989:334) define customer complaint intention as customers' intention to execute complaint behaviours after dissatisfaction has occured. Blackwell *et al.* (2006:411) are of the opinion that customers will do or act as they intend to do or act. These authors further express that intentions have to be measured in order to know what influences intentions' predictive correctness as organisations cannot control whether customers' actions will follow their intentions (Blackwell *et al.,* 2006:413).

Attitude towards complaining was found to have the most significant influence on the development of customers' intentions (Kim *et al.,* 2003:363; Velázquez *et al.*, 2010:540). Empirical studies have further found a positive relationship between customers' attitudes and intentions (Richins, 1982:505; Singh, 1989:353). A study by Kim *et al.* (2003:357) found that customers are more prone to communicate their complaint intention to an organisation when their attitude towards complaining is positive. Cheng and Lam's (2008:559) study indicates that a positive relationship exists between customers' attitude towards complaining and their intention to execute complaint behaviour. Kim and Boo (2011:231) found that customers' intention to complain is positively related to their attitude towards complaining, previous complaint experience, and brand image. The above realisation shows consistency with Day and Landon's (1977:434) explanation of propensity to complain which entails a summary of customers' effort regarding personality, attitudinal, and lifestyle variables which have an impact on customers' tendency to look for redress or post a complaint after dissatisfaction is experienced, including an impact on the nature of the type of action taken.

Customer complaint behaviour is subjective to the actions and attitudes of employees during a service failure (Voorhees & Brady, 2005:192). A study by Voorhees and Brady (2005:192) indicate that complaint intentions increase when customers receive fair service in a service failure experience. Service failure encounters and the information gained thereafter have a significant impact on future complaint intentions (Voorhees & Brady, 2005:193). Moreover, positive justice (distributive, procedural and interactional) perceptions received after a service failure positively influences future complaint intentions (Voorhees & Brady, 2005:193). Customers with a low attitude towards complaining will focus more on satisfaction and justice as strong influential variables on complaint intention (Voorhees & Brady, 2005:195). Irrespective of a high or low customer complaint intention, the existence of adequate complaint channels plays a vital role during customer complaint behaviour.

2.4.9   Complaint channel choices

Amongst the various options organisations have at their disposal to encourage customer complaints, the establishment of complaint channels is seen as one of the primary options (Stauss & Seidel, 2004:38). It is important to know why customers choose a certain channel to utter their dissatisfaction (Zaugg, 2008a:215) and who is likely to use a specific channel (Tyrrell & Woods, 2004:189). Research pertaining to complaint channel choice and online complaining behaviour has not yet received the attention needed by practitioners and scholars (Broekhuizen & Jager, 2004:2; Cho *et al.*, 2002:318; Mattila & Wirtz, 2004:147; Novak, Hoffman & Yung, 2000:22; Tyrrell & Woods, 2004:185; Zaugg, 2006; Zaugg, 2008a:215). Robertson (2012:146) adds that research pertaining to the communication medium (e.g., letter, fax, e-mail or telephone) customers prefer in the process of voicing their complaints is an aspect not studied to the extent needed within customer complaint behaviour literature. This information is vital as customers' complaint channel choice impacts their evaluation of the recovery process (Matilla & Mount, 2003:142).

One should first understand what is meant with the concept "channel", as it depends on the discipline (Zaugg, 2008a:218). Three types of channels are identified within business administration, namely distribution, transaction and communication (Kiang, Raghu & Shang, 2000:384; Zaugg, 2008a:218). From a customer perspective, the main part of the complaining process consists of communication, as complaints have been referred to as "communicated expressions of dissatisfaction" (Garrett, Meyers & Camey, 1991:62). This type of communication is communication between organisational customer service representatives and dissatisfied complaining customers (Garrett *et al.,* 1991:62). For the purpose of this study, channel refers solely to communication and not to distribution or transaction as components thereof.

Before the Internet was introduced as a complaint channel, Hirschman (1970:43) stated that a lesson can be learned through the creation of efficient new channels in which dissatisfied customers can convey their feelings of dissatisfaction. Hirschman (1970:43) clarified the aforesaid by stating that the propensity of customers to resort to the "voice" option, firstly depends on the general readiness of a population to complain and secondly, on the "invention" of mechanisms or institutions in which complaints can be communicated in an effective and cheap manner. Ahmad (2002:19) supports Hirschman's view by stressing that multiple channels should be available to customers in order for them to communicate their dissatisfaction. Moreover, the stimulation of complaints is dependent on the establishment of appropriate complaint channels where customers can complain easily (Stauss & Seidel, 2004:39). Although various authors such as Hirschman (1970), Day and Landon (1977) and Singh (1988) have contributed to the development of customer complaint behaviour typologies, they did not take

into account the fact that "voicing" can appear over different channels, making their structures channel indifferent (Zaugg, 2006:3).

Customers have an array of complaint channels from which they can choose (Stauss & Seidel, 2004:38). Zaugg (2008b:1) identifies letters, faxes, emails, telephones or point of sale channels in which customers can voice their dissatisfaction. Matilla and Mount (2003:135) recognise three channels, namely mail, phone and personal communication. For the purpose of this study, complaint channels as identified by Stauss and Seidel (2004:38) being the verbal, written, telephone and electronic complaint channels, are discussed (Stauss & Seidel, 2004:38):

- The verbal complaint channel is mostly used in service organisations where the "product" of the organisation is created and delivered with the customer present (Stauss & Seidel, 2004:38). This is a favourable complaint channel as direct communication with employees takes place and customers' dissatisfaction can be communicated clearly due to low complaint barriers (Stauss & Seidel, 2004:38). Matilla and Mount (2003:135) add that customers who are less acquainted with electronics, prefer channels which are face-to-face or voice-to-voice. Findings by Matilla and Wirtz (2004:147) indicate that customers complaining with the objective to immediately fix the problem prefer interactive channels such as face-to-face or phone channels.

- A classic form in which complaints are posted is through the written complaint channel (Stauss & Seidel, 2004:39). This channel includes the writing of letters and/or faxes or comment cards which require effort and time from dissatisfied customers (Stauss & Seidel, 2004:39). On account of the time constraints present during the written complaint channel, a large number of customers turn to telephone or Internet channels to voice their dissatisfaction (Stauss & Seidel, 2004:39). In case of a written complaint channel choice, immediate action is not achievable and forces customers to have trust in the organisation to rectify the problem (Zaugg, 2006:5).

- The telephone complaint channel has many advantages for both complaining customers and organisations (Stauss & Seidel, 2004:42). Stauss and Seidel (2004:42) convey benefits pertaining to the telephone complaint channel; customers experience lower complaint costs, problems are solved rapidly, the organisation experiences lower complaint-processing costs, and is given the opportunity to address customers individually. When customers choose to use a verbal- or telephone complaint channel, an instantaneous reaction is possible (Zuagg, 2006:4).

- The electronic complaint channel refers to communication in the form of an e-mail or on the Internet (Stauss & Seidel, 2004:43) through which customers can voice their dissatisfaction (Tyrrell & Woods, 2004:189). An increase in e-complaints has been noticeable over the past few years with substantial future growth predicted (Stauss & Seidel, 2004:43). This could be ascribed to the increased availability of information to customers and their capability of using this information (Van Dijk, Minocha & Laing, 2007:9). The Internet has empowered customers' interaction with organisations, is less time consuming, and is highly convenient which gives this channel an advantage above other channels (Van Dijk *et al.,* 2007:9). Zaugg (2008b:1) adds that traditional channels will not be replaced by online complaining, although the possibility of letters and faxes disappearing still prevails due to effective online complaint channels. Findings by Van Dijk *et al.* (2007:16) agree with the aforesaid and add that customers are more likely to rather combine online and offline channels. Moreover, online complaining such as an e-channel is a complement to other complaint channels such as telephone or point of sale (Zaugg, 2008b:1).

Channel-specific costs and benefits are determinants of channel choice (Zaugg, 2008a, 219) as customers will use a certain channel when they feel comfortable and notice an advantage (Meuter, Ostrom, Bitner & Roundtree, 2003:899). De Ruyter, Wetzels and Kleijnen (2001:202) add that the relative advantages gained during the use of online services lead to an increased usage intention of the channel and positive service quality perceptions. Convenience (Cho, Im & Hiltz, 2003:106; Meuter *et al.,* 2003:902; Soopramanien & Robertson, 2007:74), time savings and control are all intrinsic benefits which affect customers' decision to use an e-channel (Meuter *et al.,* 2003:902; Soopramanien & Robertson, 2007:74). Ease of use is a channel-specific cost since the required time and effort decrease as the ease of use increases (Zaugg, 2008a:219). It was further noted by Snellman and Vihtkari (2003:229) that ease of complaining has a direct relationship with complaint frequency.

Customers need to know how and to whom they can complain as customers' tendency to complain decreases when they are not sure of suitable complaint channels (Ford, Scheffman & Weiskopf, 2004:131). Robertson (2012:146) agrees by stating that customer satisfaction will increase when organisations offer efficient complaint facilitation. Robertson and Shaw (2009:109) stress that organisations should offer customers various complaint channels to encourage "ease of voice". In combination with the aforesaid, the importance of organisational awareness pertaining to customer complaint channel choice plays a significant role (Lee & Cude, 2012:90). Through the lack of providing effective complaint channels, customers' dissatisfaction will increase and will lead to negative complaint behaviour such as negative word-of-mouth, exiting or doing nothing (Robertson, 2012:146). To attain loyal and satisfied customers, organisations have to present striking and inspiring complaint channels to motivate

dissatisfied customers to express their complaints (Zaugg, 2008a:215). Organisations should employ their marketing communication to convey the importance of customer feedback, as technology, as the most recent complaint channel, does have the power to increase the frequency of customer complaints (Snellman & Vihtkari, 2003:230).

2.4.10   Online customer complaint behaviour

The Internet, considered as one of the easiest, effective and capable communication tools is no longer seen as a trendy instrument (Zheng, Youn & Kincaid, 2009:724). According to Parasuraman (2000:317) and Walker, Craig-Lees, Hecker and Francis (2002:91), marketplace exchanges in various service settings and industries are improved and streamlined by the increased use of computer and telecommunications technology. Technology has made a variety of complaint channels available to dissatisfied customers in the form of web-forms, e-mails, blogs and online forums (Robertson, 2012:149). The Internet is therefore serving as a platform for unhappy customers to vent their dissatisfaction (Lovelock & Wirtz, 2011:373). According to Cheung, Zhu, Kwong, Chan and Limayem (2003:194) and Holloway and Beatty (2003:93) research pertaining to consumer behaviour and the fact that it differs considerably in the case of an offline or online context, is only in its infant stage. Due to these differences between online and offline consumer behaviour (Cho *et al.,* 2003:318; Ha, 2004:202), there is uncertainty regarding customers' feeling towards e-complaining and whether value is added during online complaining (Zaugg, 2006:1).

Due to the immense growth of new technologies, it is vital that organisations determine customers' ability and willingness to make use of these new technologies (Meuter *et al.*, 2003:900). Parasuraman (2000:317) therefore proposes that customers' technology readiness should be assessed on account of the growth of technology-based products and services offered in the marketplace. Furthermore, technology readiness is referred to as "people's propensity to embrace and use new technologies for accomplishing goals in home life and at work" (Parasuraman, 2000:308). Moreover, customers' underlying positive and negative feelings towards new technologies are the foundation of technology readiness, seeing that positive feelings motivate technology use and negative feelings restrain the use of new technologies (Parasuraman, 2000:309). Therefore, technological readiness determines customers' technology-related behaviour, and information regarding this construct can empower organisations during the execution of technology-based systems, customer-company interactions, customer assistance and any other technology strategies (Parasuraman, 2000:317).

Consequently, Tyrrell and Woods (2004:184) highlight that e-complaining should at this stage be at the front position of complaint research. This, however, is not the case as noted by Cho *et al.* (2002:318), Tyrrell and Woods (2004:158), Zaugg (2009:2) and Lee and Hu (2004:168) who state that limited research has focused on online customer complaint behaviour, which means that the different promoters and inhibitors of online complaint behaviour are yet to be discovered. Snellman and Vihtkari (2003:228) agree by stressing the importance of knowing what inhibits online complaint behaviour to answer the question of whether technology can remove complaint barriers which delay customer complaint behaviour. Parasuraman (2000:317) supports the aforementioned by adding that customers' propensity to embrace technology varies significantly due to the interplay between drivers/promoters (e.g. optimism, innovativeness) and inhibitors (e.g. discomfort, insecurity) which consequently motivates the importance of determining customers' technology readiness.

Apart from customers' technology readiness, online customer complaining refers to seeking redress at the faulting organisation, or complaining publicly on the Internet about a faulting organisation (Andreassen & Streukens, 2013:5). There are several benefits provided by the e-complaint channel which according to Stauss and Seidel (2004:43), subsequently further contribute to online growth. These benefits include e-mail as an express medium where information can be sent by a click of a mouse over immense geographical distances. In combination with the aforesaid, ease of complaining online (Holloway & Beatty, 2003:97; Snellman & Vihtkari, 2003:229) also promotes online complaining (Robertson, 2012:149) as well as low monetary costs and psychological costs (Stauss & Seidel, 2004:43). As of the fact that the sender and receiver do not have to be present simultaneously upon the sending of a message, e-mail as an asynchronous medium is another benefit of an electronic complaint channel (Stauss & Seidel, 2004:43). Online complaining is furthermore a convenient complaint method (Holloway & Beatty, 2003:94) and facilitates customers who lack confidence and prefer to avoid embarrassment and confrontation (Brown, 1997:25; Bodey & Grace, 2006:181). Robertson (2012:149) noted that regardless of the benefits offered by online complaint channels, customers restrain from using these channels.

Robertson (2012:150) states that customers' unfavourable idea of technology-based complaining is due to adequate reasons. It could be ascribed to the low level of interactional human elements present within an online environment (Holloway & Beatty, 2003:92). Strauss and Hill (2001:69) add the importance of response time to online complaints as it affects customers' satisfaction and perception regarding an organisation. Robertson (2012:150-151) agrees by stating that low response rates to technology-based complaining give customers the impression that their voice is not heard and that complaint success is low, which reduces customers' intention to complain online. Face-to-face (Walker *et al.,* 2002:103) and telephone

channels (Ahmad, 2002:23) are therefore favoured by customers as they can post their complaints more personally, gaining a more instant solution to their problem (Zaugg, 2006:5). Furthermore, customers' acceptance or rejection of technological facilitated services is influenced by customers' individual intentions and personal capacity (Walker *et al.*, 2002:91).

Tripp and Grégoire (2011:38) studied customers' online public complaint behaviour and found that customers choose to complain online after experiencing "double deviation" and feelings of betrayal. "Double deviation" is experienced after an organisation has deviated from acceptable business practices (product or service failure, rude employees, unanticipated costs), and then deviates again by not resolving the customer's problem (Tripp & Grégoire, 2011:38). Customers who complain online are in most cases tired customers who have made multiple complaint attempts, but are exhausted of these attempts failing continuously (Tripp & Grégoire, 2011:38). Frustration and annoyance are strongly related to dissatisfaction, which leads to the angry feeling of "betrayal" as the next antecedent for online public complaining (Tripp & Grégoire, 2011:39). A sense of betrayal encourages customers to "get even" by means of online public complaining to warn current and potential customers (Tripp & Grégoire, 2011:39). Tyrrell and Woods (2004:189) put forward that online complaints should be handled with the same urgency as traditional mail, telephone or in-person complaints. Although e-mail communication as one method of online complaining is increasingly becoming a vital component of organisations' customer service function (Strauss & Hill, 2001:64), research by various authors highlighted that online complaining should not replace traditional complaint channels (Tyrrell & Woods, 2004:189; Van Dijk *et al.,* 2007:16; Zaugg, 2008b:1).

2.5   CONCLUSION

The chapter commenced with a discussion on marketing and the marketing concept followed by a discussion pertaining to consumer behaviour. A discussion of the five steps in the consumer decision-making process followed. The post-purchase stage within the consumer decision-making process revealed itself as an important factor to this study as at this stage, customers experience satisfaction or dissatisfaction which has a direct impact on customer complaint behaviour. A discussion on various factors regarding complaint behaviour followed, concluding with an explanation of the substantial value gained by predicting customers' attitude towards complaint behaviour, complaint intention and online complaint behaviour. The next chapter starts off with a short discussion on relationship marketing, followed by service failure and service recovery as the next two main topics relevant to this study.

CHAPTER 3

RELATIONSHIP MARKETING, SERVICE FAILURE AND SERVICE RECOVERY

3.1 INTRODUCTION

Marketing research, practice and thought have been subjected to the traditional marketing mix management paradigm since its introduction (Grönroos, 1994:4). However, traditional marketing methods have proved to decrease in effectiveness (Shani & Chalasani, 1992:33), and new marketing research approaches have surfaced (Grönroos, 1994:4). Grönroos (1994:4) adds that the change in marketing mainstream can be ascribed to increased globalisation of organisations and the growing importance of customer retention.

The topic of relationship marketing (hereon called RM) is discussed by a variety of marketing practitioners (Shani & Chalasani, 1992:36). As a result, RM literature and research within this field signify a diversity of views on the topic (Grönroos, 2009:401). Authors such as Gilaninia, Almani, Pournaserani and Mousavian (2011:788) and Zineldin and Philipson (2007:229) highlight the fact that although RM is seen as a matured and old marketing approach, it is still an approach with little understanding amongst practitioners and academics. Consequently, RM is seen as a "new-old concept", as it is an old idea which has received new focus within services marketing boundaries, practice and academic research (Beetles & Harris, 2010:348; Berry, 1995:236; Bejou, Ennew & Palmer, 1998:170).

Although relationships are seen as the foundation of the services marketing domain (Bhagat & Williams, 2002:39), confusion still exists regarding relationship marketing and how it distinguishes itself from other methods used when marketing relationships (Eiriz & Wilson, 2006:275). Priluck (2003:37) suggests that the focus of RM is used by managers to address and mitigate customer service and product concerns or failures which occur on a daily basis. This is essential as even the top service organisations fail to continuously deliver their services as promised and service failures thus occur (Betts, Wood & Tadisina, 2011:365). One of the influential factors on customers' satisfaction within a service setting is the interpersonal interaction between customers and employees (Bitner, Booms & Mohr, 1994:95). As customers' attitudes and employee actions cannot be managed, service failures are more likely to occur (Lewis & Clacher, 2001:166), resulting in customers experiencing dissatisfaction (Priluck, 2003:37).

As service failures are bound to happen, service recovery action is vital in order to deal with the problem or mistake to reinstate the satisfaction of customers (Chuang, Cheng, Chang & Yang, 2012:257; Lewis & Clacher, 2001:166). It is furthermore evident that organisations' service recovery efforts have an exponential impact on customer retention (Betts *et al.,* 2011:365) which is after all, the main focus of RM (Sheth & Parvatiyar, 2002:4). However, existing literature suggests that the greater the severity of a service failure, the greater the service recovery needed to transform customer dissatisfaction to customer satisfaction (Betts *et al.,* 2011:367; Matilla, 1999:284; Smith & Bolton, 1998:22) and the more difficult it becomes for service organisations to fully erase the harm done by the service failure and to obtain a full service recovery and post-failure satisfaction (Magnini, Ford, Markowski & Honeycutt, 2007:213). Service failures are therefore an important subject matter as well as the manner in which service recovery is executed by organisations to remedy the service failure (Buttle & Burton, 2001:220).

This chapter aims at introducing RM as an applied marketing approach within service organisations and to convey the linkage between RM and service failure and service recovery. The discussion commences with a comprehensive discussion of the RM construct followed by a discussion on customer satisfaction, customer loyalty and customer retention as prominent constructs in the field of RM. As these constructs are interdependent of the service setting and service encounter (Bitner *et al.,* 1994:95) and service failures are apparent during service encounters (Betts *et al.,* 2011:365), the discussion shifts to service failure and service recovery as two key constructs in this study.

3.2   RELATIONSHIP MARKETING

Based on the American Marketing Association's 2007 definition of marketing (American Marketing Association, 2007) provided in Chapter 2 (see section 2.2.1), it is evident that the process of managing relationships is a key prerequisite for marketing (Palmatier, 2008:3). Accordingly, marketing theory and practice have endured a major change due to RM (Morgan & Hunt, 1994:20). This section consequently focuses on defining the term RM followed by a comparison with transactional marketing (hereon called TM). Next, the benefits of RM to customers and organisations are discussed, followed by a brief description of customer satisfaction, loyalty and retention as key constructs of RM. To conclude this section, the link between RM programmes and service failures are discussed.

3.2.1 Relationship marketing defined

Berry (1983:25) first introduced the term RM and defined it as attracting, maintaining and enhancing relationships with customers within multiservice organisations. However, the concept of RM has been studied by various authors subsequent to Berry's (1983) introduction (Grönroos, 1997a; Gummesson, 1995; Harker, 1999; Morgan & Hunt, 1994; Shani & Chalasani, 1992). Different schools of RM have proposed a variety of RM theories (Harker, 1999:15) and numerous authors have dissimilar views of RM and its core aspects (Harker, 1999:13). As a result, RM is a complex concept to define (Baron, Conway & Warnaby, 2010:11) and no universal agreement exists on the best RM definition (Grönroos, 2009:397; Harker, 1999:13; Little & Marandi, 2003:22; Stone & Woodcock, 1995:11). Subsequently, Table 3.1 represents a summary of existing RM definitions.

Table 3.1:   **Existing relationship marketing definitions**

Relationship marketing definitions	Author(s)
"Attracting, maintaining, and – in multi-service organisations – enhancing customer relationships"	Berry (1983:25)
"Relationship marketing can be defined as an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualised and value-added contacts over a long period of time"	Shani and Chalasani (1992:34)
"Relationship marketing refers to all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges."	Morgan and Hunt (1994:34)
"Relationship marketing is to identify and establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met. This is done by a mutual giving and fulfilment of promises"	Grönroos (1994:9) Grönroos (1996:11) Grönroos (1997b:407)
"An organisation engaged in proactively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers (partners) overtime is engaged in relationship marketing"	Harker (1999:16)
"Relationship marketing is the process of identifying, developing, maintaining, and terminating relational exchanges with the purpose of enhancing performance"	Palmatier (2008:5)

From Table 3.1 it is evident that the following universal elements can be identified within RM definitions (see Figure 3.1):

- An element of relationship development should be present pertaining to the establishment, development and maintenance of relationships.

- An adequate RM definition should further include an element in which profitable mutual exchanges are conveyed.

- Furthermore, a RM definition should present the scope of RM activities directed towards customers, stakeholders, contacts or any party.

Figure 3.1:   Universal elements of RM definitions
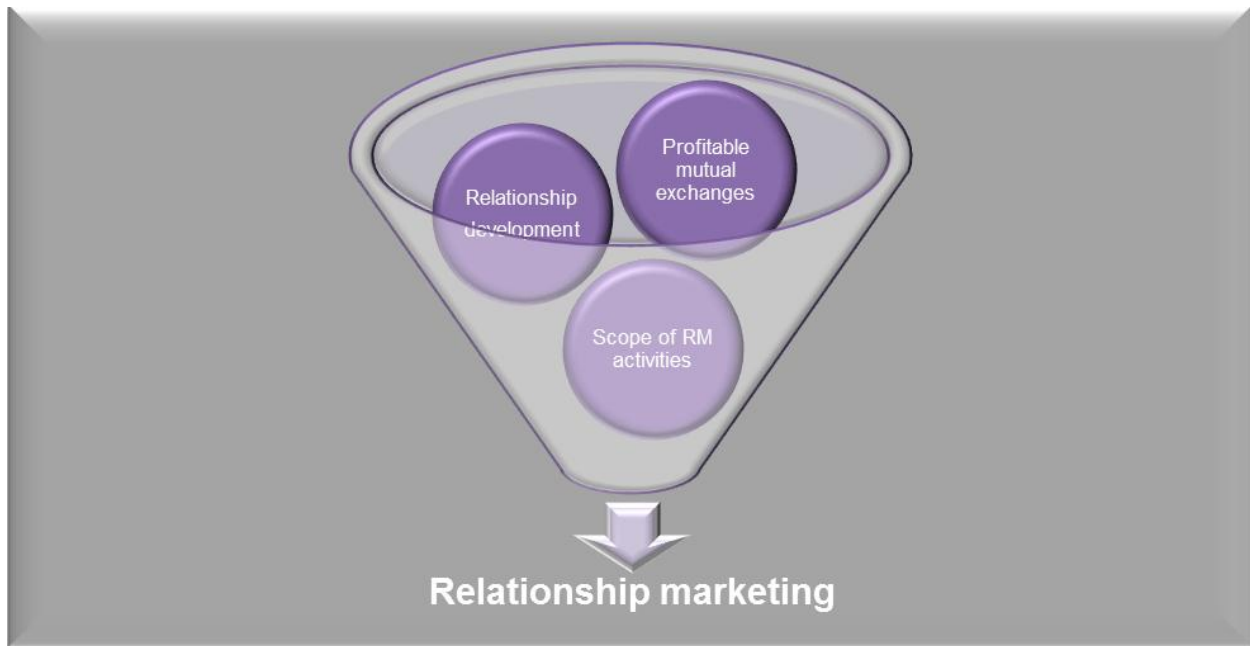
Source: Researcher's own presentation

The above identified universal RM definition elements partly supports Palmatier's (2008:3) suggestion that there are three aspects RM definitions should represent, namely engagement activities, target scope activities and locus of benefits derived, which are subsequently discussed.

- Due to the active process of relationships and the continuous stage development, engagement activities as a RM aspect occur (Palmatier, 2008:3). When referring to the process of relationship development, it is evident that variables which are active in some stages will become dormant in other stages as the relationship progresses (Wilson, 1995a:335). Consequently, general stage terminology used by researchers may differ pertaining to this aspect, but the bulk of RM definitions involve the general stages of identifying, developing, maintaining and terminating relationships.

- The second aspect refers to the scope of RM activities (Palmatier, 2008:4). Some definitions of RM are limited to customer relationships, while others include parties such as suppliers and competitors (Palmatier, 2008:4). It is imperative to open the reach of RM practice to any suitable target entity (Palmatier, 2008:4) within RM definitions as relationships with parties other than customers, are increasing in importance (Rindfleisch & Moorman, 2003:422).

- The locus of benefits obtained from RM activities is the third aspect constituting RM (Palmatier, 2008:4). In practice, both parties should receive benefits during RM and a successful RM programme provides value for both parties (co-value creation) (Palmatier, 2008:4). Due to the fact that RM is initiated by a specific party (implementer) to achieve definitive long-term goals, it is noticed that RM is not selfless and operates in a single

direction (Palmatier, 2008:4). As organisations are motivated by profit motives, relationships which are unprofitable should be terminated even though value is gained by the customer (Palmatier, 2008:5). When the termination of relationships is included in a RM definition, a one-sided view is permitted by the researcher supporting this aspect (Palmatier, 2008:5).

Therefore, for the purpose of this study the RM definition presented by Grönroos (1994:1997b) best defines RM as it includes the already identified universal RM definition elements and effectively covers two of the three aspects suggested by Palmatier (2008:3). As a result, this definition is considered as a suitable RM definition for this study.

"Relationship marketing is to identify and establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met. This is done by a mutual giving and fulfilment of promises."
Grönroos (1994:9; 1997b:407)

In order to gain a better understanding of RM, existing literature has compared TM with RM (Little & Marandi, 2003:25) as briefly discussed next.

3.2.2   Relationship marketing versus transactional marketing

During the first decade of the 2000s, an understanding of RM and what it stands for has come to light (Henning-Thurau & Hansen, 2010:5). As a result, authors such as Gummesson (2008:24) and Gilaninia *et al.* (2011:787) have positioned TM as the opposite of RM. Organisations have switched their focus from TM by only doing business by means of short-term transactions with a distinct start and finish, to a RM focus by considering every customer as a person and building long-term customer relationships (Didier, 2012:1307; Osman, Hemmington & Bowie, 2009:240). In order to distinguish between these two approaches and to gain a better understanding of RM, the contrast is presented in Table 3.2.

Table 3.2:   Relationship marketing versus transactional marketing

Relationship marketing	Transactional marketing
Customer retention focus	Single sale focus
Customer value emphasis and product benefit orientation	Product feature emphasis and orientation
Longer-term timescale	Short timescale
High customer service emphasis	Modest emphasis on customer service
High customer commitment	Limited customer commitment
High customer contact	Moderate customer contact
Key concern with relationship quality	Key concern with product quality

Source: Adapted from Christopher, Payne and Ballantyne (2002:19) and Payne (1993:32)

TM centres on the customer and product relationship (Higgins & Smith, 2000:82) and refers to detached exchanges (Auruškevičienė, Kuvykaité & Škudiené, 2007:79) with an objective to increase product volumes and drive sales by meeting the needs of customers (Higgins & Smith, 2000:82; Osman *et al.,* 2009:240). In this approach, success is measured over short-term periods by the number of transactions, profitability and revenues received (Higgins & Smith, 2000:82; Osman *et al.,* 2009:240). TM can also be repeated transactions while remaining independent of the preceding transaction with no ability to predict future transactional profitability (Gummesson, 1995:249).

The need for the RM approach arose on account of strenuous competition, market fragmentation, short product life-cycles and the amplified complexity and awareness of customers (Gilaninia *et al.*, 2011:787). According to Auruškevičienė *et al.* (2007:79) and Gilaninia *et al.* (2011:787), RM is centred on the creation, maintenance and enhancement of long-term relationships, as well as long-term profitability with customers and various stakeholders. A RM orientation concentrates on retaining customers and strengthening win-win relationships over long-term periods instead of only attracting new customers (Gilaninia *et al.,* 2011:787; Zineldin & Philipson, 2007:230). Higgins and Smith (2000:83) agree that RM highlights 'associations' and 'harmonic connections', whilst TM focalises on power-based notions. Leverin and Liljander (2006:234) add that a customer orientation is viewed as a basic belief of RM, as the purpose of a customer orientation is to enhance the long-term satisfaction of customers.

This shift in marketing has received encouragement as well as criticism (Osman *et al.,* 2009:241) and a large amount of time and effort has been devoted to criticising TM (Zineldin & Philipson, 2007:229). Fruchter and Sigué (2005:28,29) studied TM and RM as complements of one another, by indicating that TM forms the basis for RM and that a relationship commences after multiple standardised transactions (Osman *et al.,* 2009:241). It remains difficult to distinguish between TM and RM due to the complexity of achieving successful RM and the diversity of complicated, impossible and hard to measure factors which determine what is appropriate to a situation, be it RM, TM or something between these two approaches (Jackson, 1985:121). However, the focal point of the contemporary marketing thought has evolved to RM due to its growth and attention received (Osman *et al.,* 2009:240). RM is one of the most successful approaches and its efficiency has been proven in both theory and practice (Gilaninia *et al.*, 2011:787). As a result, a strong customer focus is vital during a RM approach in order to gain organisational benefits such as increased customer retention, loyalty, profits and decreased marketing costs (Stavros & Westberg, 2009:308). Benefits gained by organisations and customers through the implementation of RM are subsequently discussed.

3.2.3   Benefits of relationship marketing

Although organisations gain multiple benefits from customers, the existence of long-term relationships is dependent on benefits gained by the organisation and the customer (Gwinner, Gremler & Bitner, 1998:101). It is therefore not only in the best interest of the organisation to build long-term relationships with loyal customers, but also in the interest of customers who benefit from long-term relations (Wilson *et al.*, 2012:145).

3.2.3.1   Benefits of relationship marketing for organisations

Table 3.3 presents the benefits gained by organisations during the RM approach.

Table 3.3:   Benefits of RM for organisations

Organisational benefit		Author(s)
Economic benefits:	Increased profits	Reichheld and Sasser (1990:105) Wilson *et al.* (2012:146)
	Decreased customer acquisition costs and cost of sales	Stone and Woodcock (1995:10) Mittal and Lassar (1998:177) Wilson *et al.* (2012:146)
Customer behaviour benefits:	Free advertising - positive word-of-mouth advertising	Wilson *et al.* (2012:147)
	Customer voluntary performance	Wilson *et al.* (2012:147) Bettencourt (1997:384)
	Social benefits	Wilson *et al.* (2012:147)
	Loyal customers as advisors for other customers	Grove and Fisk (1997:63)
Human resource management benefit:	Employee retention	Wilson *et al.* (2012:147)
Increased purchases from complete organisational product-line	-	Mittal and Lassar (1998:177) Reichheld (1996:57)
Customers draw additional customers and are less price sensitive	-	Reichheld (1996:57)

- **Economic benefits**: Wilson *et al.* (2012:146) identify economic benefits which refer to increased profits and decreasing costs as benefits gained by organisations subsequent to RM (Reichheld & Sasser, 1990:105).
  - Increased profits: Stone and Woodcock (1995:10) state that an increase in customer retention and loyalty leads to increased profits. These profits generated by loyal customers further increase in volume each additional year customers stay loyal (Reichheld & Sasser, 1990:106). This is due to the fact that the better customers know the organisation and are satisfied with the quality service they receive compared to that of competitors, the more likely they are to increase their business with the organisation (Wilson *et al.,* 2012:146).

- ▪ Decreased customer acquisition costs and cost of sales: To gain new customers multiple start-up costs such as advertising and promotional costs, operation costs during the creation of new accounts, and time costs needed to build relationships with customers, are involved (Wilson *et al.,* 2012:146). Stone and Woodcock (1995:10) add that customer acquisition costs decrease due to the stable customer base RM offers and cost of sales reduces as loyal customers show a positive response to organisational marketing. In addition, the maintenance costs of loyal customers are lower than the cost of obtaining new customers (Berry, 2000:152; Berry, 1995:237) as it takes time, money and effort to search for new customers and to do business with them (Mittal & Lassar, 1998:177). Therefore, the maintenance of long-term customers leads to increased life-time returns from loyal customers, while the costs of serving these customers decrease (Mittal & Lassar, 1998:177-178).

- • **Customer behaviour benefits**: Wilson *et al.* (2012:147) identify four customer behaviour benefits gained by organisations, namely free advertising, customer voluntary performance, social benefits and customer advisors.
  - ▪ The organisational customer behaviour benefit of free advertising refers to positive word-of-mouth communicated and endorsed by loyal customers (Wilson *et al.,* 2012:147).
  - ▪ Customer Voluntary Performance (CVP) as a second customer behaviour benefit refers to helpful and optional customer behaviours which support organisations during the delivery of quality service such as service improvement suggestions made by customers, support and care during service encounters, positive word-of-mouth, and positive recommendations (Bettencourt, 1997:383,384).
  - ▪ Social benefits as the third customer behaviour benefit are received by organisations as loyal customers are likely to provide encouragement and friendship to new customers who in turn motivate new customers to think highly of the organisation (Wilson *et al.,* 2012:147).
  - ▪ The fourth customer behaviour benefit refers to loyal customers as advisers and can be seen as a benefit on account of the presence of different customers who have an influence on one another during service encounters (Grove & Fisk, 1997:63). This benefit carries a strong influence as a customer's service encounter and experience can be influenced by other customers in a positive or negative manner (Grove & Fisk, 1997:63).

- • **Human resource management benefits:** This benefit is identified by Wilson *et al.* (2012:147) as a RM benefit seeing that loyal customers have a positive impact on organisational employees. Loyal customers are co-producers of services by assisting service employees during service delivery and making their job easier as loyal customers

have more experience and knowledge about the organisation (Wilson *et al.,* 2012:147). Employee retention is another valuable organisational benefit offered by RM as it is more likely that employees will remain working for organisations with a stable customer base where customers are loyal, satisfied and happy (Wilson *et al.,* 2012:147). This cycle produces more profits as employees stay loyal to organisations, the quality of service delivered additionally improves, and employee turnover costs are reduced (Wilson *et al.,* 2012:147).

- **Increased purchases from complete organisational product-line:** Mittal and Lassar (1998:177) propose that loyal customers provide additional organisational benefits far beyond the benefit of saving costs. These authors state that loyal customers are more likely to purchase all their requirements from a single organisation (Mittal & Lassar, 1998:177).

- **Customers draw additional customers and are less price sensitive:** Reichheld (1996:57) suggests that loyal customers tend to increase their purchases, draw additional customers, and are more inclined to be less price sensitive.

As the main objective of RM is to generate and maintain a dedicated and profitable customer base for the organisation (Wilson *et al.*, 2012:144), it is vital to discuss the benefits that RM offers customers.

3.2.3.2 Benefits of relationship marketing for customers

In the event of services where there is a strong dependence on credence qualities, elevated information imbalances and high perceived risks linked to purchases, the benefits of relational exchange are important to buyers (Bejou *et al.*, 1998:170). A variety of customer RM benefits is identified and presented in Table 3.4.

Table 3.4:   Benefits of RM for customers

Customer benefit	Author(s)
Confidence benefits (reduced risks)	Berry (1995:238); Berry, (2000:153); Bejou *et al.* (1998:170); Little and Mirandi, 2003:34; Gwinner *et al.* (1998:109-110); Wilson *et al.* (2012:145)
Social benefits	Little and Mirandi, 2003:34; Gwinner *et al.* (1998:109-110); Berry, (2000:153); Wilson *et al.* (2012:145)
Special treatment benefits	Little and Mirandi, 2003:34; Gwinner *et al.* (1998:109-110); Wilson *et al.* (2012:145)
Discounts and money savings	Gwinner *et al.* (1998:102); Peterson (1995:280)
Reduced risks	Bejou *et al.* (1998:170); Berry (2000:153)
High quality service, customisation of products, feeling valued and anxiety reduction	Little and Mirandi (2003:34)

- Gwinner *et al.* (1998:101) discovered three **relational benefits** customers experience when they participate in long-term relational exchanges with organisations, namely confidence, social and special treatment benefits. Relational benefits received by long-term customers are benefits received other than the core service performance and refer to benefits such as reduced anxiety rather than on-time package delivery (Gwinner *et al.,* 1998:102).

  - Confidence benefits gained from RM refer to reduced anxiety and perceptions of anxiety and risk, as well as customers' faith or trust in the organisation's reliability and knowing what to expect (Gwinner *et al.,* 1998:109-110). Risk-reducing benefits gained through relationships are a vital relationship aspect for customers (Bejou *et al.,* 1998:170; Berry, 1995:238; Berry, 2000:153) and trust is a fundamental element during successful RM (Morgan & Hunt, 1994:22).

  - Social benefits are identified by Gwinner *et al.* (1998:110) and Berry (2000:153) as customer relational benefits gained from RM as they include personal acknowledgment by employees, friendship development amongst customers and employees, and the familiarity of customers with employees (Gwinner *et al.,* 1998:110).

  - Special treatment benefits were found to be least important amongst the three customer relational benefits and refer to benefits loyal customers receive extra which non-regular customers do not receive, such as special prices or deals or getting the benefit of the doubt (Gwinner *et al.,* 1998:110). Although these benefits add value, customers see them as less important and would rather have confidence in the service organisation and enjoy personal service employee relationships (Gwinner *et al.,* 1998:110).

- Gwinner *et al.* (1998:102) view **economic advantages** as a customer benefit and Peterson (1995:280) agrees that discounts and money savings are key incentives for customers to enter into relationships.

- **Service and product customisation** is another benefit received by customers during RM (Berry, 1995:238). Due to RM, service organisations learn more about the needs, wants and requirements of their loyal customers which empowers them to customise their service and product offerings to better fit the specifications of their customers (Berry, 1995:238).

- Finally, Little and Mirandi (2003:33) add that **high quality service and feeling valued** are additional benefits customers experience during relationships.

It is evident that RM holds a variety of benefits for customers and that when customers perceive a relationship as beneficial, their purchase intention will increase which in turn provides benefits to the organisation. However, managers who choose to implement RM strategies are facing the problem of not knowing how to build or maintain customer relationships (Palmatier, 2008:55)

and subsequently deprive the organisation and its customers of valued relationships. Therefore, the constructs which form part of the RM phenomenon should first be in place in order for RM to provide benefits to both parties and to subsequently design effective RM programmes.

3.2.4   Relationship marketing constructs

Customer satisfaction, loyalty and retention are seen as positive influential factors of RM (Egan, 2011:58) and are in many cases used to specify RM and monitor related RM programmes (Lindgreen & Crawford, 1999:232). This section commences with a discussion on customer satisfaction as a vital driver of RM (Little & Marandi, 2003:43,48). As customer satisfaction is a determining factor of customer loyalty (Gerpott, Rams & Schindler, 2001:253), a discussion on the loyalty construct in the context of RM follows. Due to the fact that customer satisfaction and customer loyalty are central determinants of customer retention, the discussion concludes with a section devoted to customer retention which is seen as the main objective of RM.

3.2.4.1   Customer satisfaction

Based on an attempt to find a general definitional framework of customer satisfaction, Giese and Cote (2000:14) identified that existing literature views satisfaction as an affective, cognitive and/or conative response, that it is normally based on the evaluation of product-related standards, product consumption experiences and purchase-related attributes (e.g. a salesperson) and is disclosed before or after a choice, consumption and experience or any time customers are questioned about products and their related attributes. According to Egan (2011:127) and Hutcheson and Moutinho (1998:706) satisfaction, as a psychological process where perceived performance outcomes are evaluated based on predetermined expectations, is a definition of the satisfaction concept most accepted by researchers. For the purpose of this study, satisfaction is defined as the overall positive post-purchase evaluation resulting from a comparison between perceived performance and expectations (Fornell, 1992:11; Sheth & Sisodia, 1999:80).

Oliver (2000:248) states that expectations are the driving force behind customers' first perception of satisfaction and indicate that customers choose a product or service due to their expectation that it will fulfil a need, ease pain, present pleasure, or meet desires. When customers compare their expectations with the performance, a cognition familiar as expectancy disconfirmation occurs (Oliver, 2000:248). The expectancy disconfirmation model portrays that customer satisfaction originates from a comparison between perceived and expected performance (Poister & Thomas, 2011:601). The larger the gap between customers' levels of expectations and the achievement of expectations, the larger the level of dissatisfaction

customers will experience and vice versa (Hutcheson & Moutinho, 1998:706). Customers apply the same approach during complaining as they have certain expectations relating to the service recovery efforts offered by service organisations (Hoyer & MacInnis, 2008:288). Sheth and Sisodia (1999:80) support the opinion by stating that expectations are one of the key driving forces of customer satisfaction, and that organisations should focus on changing the expectations of customers rather than trying to meet the current, often unachievable expectations of customers in order to obtain customer satisfaction.

As a result, the interactional human relationship between service personnel and customers has a profound effect on customers' quality experience and satisfaction (Bitner, Booms & Tetreault, 1990:72; Kinard & Capella, 2006:365; Möller & Halinen, 2000:33; Palmatier, Dant, Grewal & Evans, 2006:141). Egan (2011:130) describes this human interaction as episodes, whilst Bitner *et al.* (1990:73) identify the satisfying or dissatisfying interaction between organisational employees and customers as critical incidents. It is said that critical incidents have an extensive effect on customer satisfaction (Egan, 2011:130) as it relates to the satisfaction of customers with employees (Walsh, Evanschitzky & Wunderlich, 2008:986). Relationships can be strengthened after a successful critical episode and can be ended in an abrupt manner after a failed critical incident (Storbacka, Strandvik & Grönroos, 1994:30) as the employee and customer interaction becomes a substitute for the actual problem (Walsh *et al.,* 2008:986). It is therefore crucial that value is provided during each incident in order for relationships to be successful (Ravald & Grönroos, 1996:19) by increasing the benefits delivered to customers and decreasing customer sacrifice (Selnes, 1998:305). Gruber. Reppel, Szmigin and Voss (2008:400) and Jones and Sasser (1995:93) identify the ability to listen to customers as the heart of successful satisfaction management. Furthermore, basic elements of a product or service, basic support services (e.g. order tracking), unexpected services (e.g. meeting personal preferences of customers) and recovery processes to offset bad experiences all contribute considerably to customer satisfaction (Jones & Sasser, 1995:90).

It can thus be postulated that organisations view customer satisfaction as the motivation for customer loyalty as an important objective of RM (Babin & Harris, 2012:288; Neal, 1999:21). Accordingly, it is assumed that a satisfied customer is a loyal customer (Neal, 1999:21). Despite existing knowledge that satisfaction plays a vital role within the loyalty formula (Little & Marandi, 2003:49), the assumption that satisfied customers will stay loyal is seen as simplistic (O'Malley, 1998:48). Customer satisfaction only plays a small part in gaining customer loyalty (Neal, 1999:21) and is seen as an important driver of loyalty (Hawkins & Mothersbaugh, 2013:626). A discussion pertaining to customer loyalty follows.

3.2.4.2 Customer loyalty

Researchers face a challenge in defining loyalty as the question arises of whether loyalty is an attitudinal or behavioural measure (Javalgi & Moberg, 1997:166-167; O'Malley, 1998:48). Customer loyalty as defined by Dick and Basu (1994:99) is the relationship strength between an individual's relative attitude and repeat patronage, whilst the relationship is intervened by numerous situational factors and social norms. These authors view cognitive, affective, and conative antecedents of relative attitude and motivational, perceptual, and behavioural consequences as factors contributing to customer loyalty (Dick & Basu, 1994:99). From Dick and Basu's (1994:99) customer loyalty definition it is evident that attitudinal and behavioural loyalty contributes to customer loyalty (Baron *et al.*, 2010:46).

The behavioural approach to loyalty is the approach most used during brand loyalty model development, and behavioural data is used to measure loyalty as it is less costly and easy to achieve (DeKimpe, Steenkamp, Mellens & Abeele, 1997:406). When loyalty is defined in behavioural terms, measures include percentage of purchase, purchase order, purchase probability (Dick & Basu, 1994:99), frequency, monetary value (O'Malley, 1998:49) and size of purchases (Wetsch, 2005:29), as loyalty is measured through observing purchase frequencies and brand switching in different product categories (Javalgi & Moberg, 1997:167).

Although behavioural measures are not better than attitudinal measures, it is necessary to note that behavioural data reflects what customers actually do (Colombo & Morrison, 1989:97) and can in certain circumstances be used as a benchmark of convergent validity in relation to other measures (Dekimpe *et al.,* 1997:406). Neal (1999:21) defines customer loyalty in a narrow behavioural approach as: "*the proportion of times a purchaser chooses the same product or service in a specific category compared to the total number of purchases made by the purchaser in that category*".

This narrow definition of customer loyalty, does however not confine the intensity and richness of the loyalty construct (Too, Souchon & Thirkell, 2001:292). Jacoby and Chestnut (1978:43) agree by stating that the behavioural approach to defining loyalty is only based on blatant purchase behaviour and serves as a representation of a relative static outcome from a dynamic decision process. Moreover, a behavioural approach to loyalty does not portray the underlying factors leading to purchase behaviour and does not explain the contributing factors as to how and why loyalty develops or changes (Jacoby & Chestnut, 1978:43). Hart, Smith, Sparks and Tzokas (1999:545) add that there are many motives for the repeat purchases of customers, such as lack of choice, low income, convenience or even habit. Therefore, loyalty definitions in

behavioural terms alone are insufficient as they do not convey an understanding of the underlying factors which lead to repeat purchases (Dick & Basu, 1994:100).

Alternatively, the attitudinal approach to defining loyalty centres on evaluative and cognitive processes found during the interpretation of purchase decisions (Dekimpe *et al.,* 1997:406). Javalgi and Moberg (1997:167) state that customer preferences and dispositions to brands are all attitudinal measures used to determine loyalty. That said, Dick and Basu (1994:101) suggest that by including relative attitude in a loyalty model increased predictive ability is achieved. Therefore, behavioural and attitudinal measures independently are not adequate enough to define loyalty (O'Malley, 1998:49). The concept of loyalty is found to be better portrayed in richer definitions which include attitudinal and behavioural dimensions (Too *et al.,* 2001:292). Accordingly, the loyalty definition by Dick and Basu (1994:99) is chosen for this study on account of its inclusion of both attitudinal and behavioural dimensions.

Now that the context and meaning of customer loyalty have been portrayed, it is important to take note of the fact that the relationship with customers within a RM context is identified as a variety of stages which are seen as the ladder of customer loyalty (Payne, 2000:52).

The objective of RM is to expand brand and organisational loyalty through the development of long-term connections between organisations and their customers (Clow & Kurtz, 2004:333). Therefore, RM is mainly focused on addressing two concerns; firstly to obtain customers, and secondly to maintain customers. Both these concerns ensure customer loyalty (Negi & Ketema, 2010:113). Subsequently, Figure 3.2 demonstrates the RM ladder of customer loyalty as depicted by Payne (1993:33) and portrays how customers are obtained with the objective of gaining long-term customer loyalty.

It is evident in Figure 3.2 that one of the most common outcomes expected by organisations after implementing RM is increased customer loyalty (Palmatier *et al.*, 2006:140). Accordingly, 'loyalty marketing' is often used in the same context as 'relationship marketing' (Egan, 2011:56; Hart *et al.*, 1999:541). However, the link between RM and customer loyalty within the retailing context has not received the needed empirical research (Too *et al.,* 2001:287). All retail customers are not meant or suited to reach the upper level of the loyalty ladder (Payne, 2000:52). These customers usually have a low profit potential and it is not worth the time and money spent in order to force them to a level of advocates or partners (Payne, 2000:52). Therefore, corporate profitability is found to have a close link to the satisfaction of existing customers (Barnes, 1994:561), as repeat purchases which are not supported by customer loyalty leave organisations vulnerable to competition as customers will switch easily (Morgan,

Crutchfield & Lacey*,* 2010:75), having a direct impact on customer retention as a vital element of RM success (Henning-Thurau & Hansen, 2010:6).

Figure 3.2:   **The RM ladder of customer loyalty**

Advocate
- When supporters start to enjoy their association with an organisation, and actively recommend the organisation to other potential prospects, a supporter becomes an advocate (Payne, Christopher, Clark & Peck, 1995:ix)
- Clow and Kurtz (2004:333) state that advocates are loyal to brands and organisations

Supporter
- A client moves to a supporter when relationships strength becomes a factor (Payne *et al.,* 1995:ix)

Client
- When the majority of a customer's purchases are made at one organisation, a customer converts into a client (Clow & Kurtz, 2004:333)
- Payne *et al.* (1995:ix) see clients as people who make repeat purchases, but still remain neutral or negative about the organisation

Customer
- Someone who has purchased a product or service once from the organisation is seen as a customer (Clow & Kurtz, 2004:333; Payne *et al.,* 1995:ix)

Prospect
- Customers who show a probability to purchase (Clow & Kurtz, 2004:333)
- Prospects are seen as the target market of an organisation (Payne *et al.,* 1995:ix)

Source: Adapted from Payne (1993:33)

In some cases customer retention is used interchangeably with repeat purchasing behaviour and customer loyalty (Henning-Thurau & Hansen, 2010:6). This, however, is incorrect as Morgan *et al.* (2010:75) stress that customer retention lacking economic and psychological attachment, does not lead to customer loyalty. Furthermore, retention primarily has a behavioural nature, while loyalty constitutes of a behavioural and attitudinal nature (Dick & Basu, 1994:99; Jacoby & Chestnut, 1978:80). Organisations rather focus on gaining customer satisfaction and customer loyalty in order to nurture long-term relationships with customers leading to customer retention as the main aim of RM (Boshoff, 2007a:332).

3.2.4.3 Customer retention

Customer retention, as a performance indicator used to monitor RM programmes (Lindgreen & Crawford, 1999:232), is defined as repeat patronage customers execute towards a marketer or supplier (Henning-Thurau & Hansen, 2010:6), and is the single statistic with predictive power of how much value the organisation is creating for their customers (Reichheld, 1996:57).

While the attainment of new customers remains important, retention shifts the organisational focus to its current customers (Berndt, 2009:314). Organisations should accordingly strive towards "zero defections", a term proposed by Reichheld and Sasser (1990:105) when describing the maintaining of every customer the organisation can possibly serve in a profitable manner. The reason behind this concept of zero defections is that customer retention provides significant benefits to organisations, especially those organisations in saturated markets (Dawes & Swailes, 1999:36). Egan (2011:75), Sheth and Parvatiyar (2000:194) and Reichheld and Sasser (1990:105) agree by referring to additional profit potential as an organisational benefit of customer retention which is gained through the endurance of relationships. Reichheld and Sasser (1990:106) have identified a number of reasons customer retention leads to increased profitability:

- By retaining current customers, operating costs decrease while customer purchases increase. The decrease in operating costs can be ascribed to better mutual understanding and partnership between parties (Christopher *et al.*, 2002:55).
- Customers are served more efficiently when they are long-term customers as the organisation's experience with the customer rises (Reichheld & Sasser, 1990:106).
- Due to long-term customer relationships, customers know what to expect and their questions and problems decrease (Reichheld & Sasser, 1990:106).
- Organisations can charge premium prices due to customers' confidence in the organisation. Customers grow to be satisfied and confident in their relationship with organisations and are therefore prepared to give organisations a greater share of their wallet (Christopher *et al.,* 2002:55; Reichheld, 1996:57).
- Long-term customers additionally provide free advertising for the organisation (Reichheld & Sasser, 1990:106). Christopher *et al.* (2002:56) agree by stating that a satisfied customer will refer other potential customers to an organisation.

Despite the magnitude of profitability benefits customer retention offers, it has been suggested by Ahmad and Buttle (2002:5) that organisations should be cautious of using generalised customer retention strategies as not all customer retention theories suit every organisational situation. Dawes and Swailes (1999:38) suggest that before organisations accept retention as a

main strategy, they should first decide whether it is relevant for their particular organisation as customer retention does not necessarily have to be the main goal of all organisations in all sectors. Organisations should therefore develop models or strategies of customer retention best suited to the context in which the organisation practices (Ahmad & Buttle, 2002:5) in order to increase customer retention and gain the subsequent benefits.

In order to build a thriving customer retention strategy, Dawes and Swailes (1999:36) state that the value of a customer should be projected over a time period instead of focusing on the number of customers. Customer retention strategies therefore aim to build customer commitment and loyalty by focusing on all aspects of customer interaction, including after-sales services such as the handling of complaints and execution of service recovery efforts (Hoyer & MacInnis, 2008:289). As the principle of customer retention within RM is accepted as a sound business practice (Barnes, 1994:561-562), organisations have to implement successful relationship marketing programmes to create long-term relationships in order to increase the likelihood of customer retention (Gray & West-Gray, 2012:275). A short discussion pertaining to RM programmes follows in the next section and the linkage between RM and service failure is identified.

3.2.5   Relationship marketing programmes

The conceptual background of a RM programme includes a variety of discrete marketing strategies, seller-maintained relational strategies, and bilateral relational strategies (Voss & Voss, 1997:279). Furthermore, RM programmes create buyer relationship quality and strength on account of the positive seller outcome generated through RM (Palmatier, Scheer, Houston, Evans & Gopalakrishna, 2007:210,212). According to Palmatier (2008:63), there are a number of diverse typologies which identify the different prominent categories of relationship building programmes through the use of a variety of perspectives and criteria. Consequently, a prudent categorisation of RM programmes appears, namely social, structural and financial RM programmes (Palmatier, 2008:63; Palmatier *et al.*, 2007:212). These three types of RM programmes are shortly discussed in order to gain a clear understanding of the relational bonds resulting after the implementation of a certain type of RM programme (Palmatier *et al*, 2007:212):

- Social engagements are used by social RM programmes by means of regular and customised communication which contributes to the personalisation of the customer relationship and portrays the organisation's unique status (Palmatier, 2008:63). Social RM programmes can include activities involving the provision of meals or the hosting of sporting events to valued customers (Palmatier *et al.*, 2007:212).

- Financial RM programmes provide economic benefits to customers in terms of giveaways, discounts, extended payment terms or free shipping, to in the end gain the loyalty of their customers (Palmatier, 2008:63). These economic benefits are therefore offered in exchange for past or future loyalty (Palmatier *et al.,* 2007:213).

- Structural RM programmes lead to customer value-added benefits which may be complex to quantify as customers cannot supply it for themselves (Palmatier, 2008:63; Palmatier *et al.* 2007:212). In this case unique benefits are offered such as increased customer efficiency and/or productivity, customised packaging is executed, or electronic order-processing is incorporated which in the end discourages customer switching behaviour (Palmatier, 2008:63).

Clow and Kurtz (2004:335) identified that any one of the mentioned RM-programmes should achieve one or more of six key RM programme functions, including social reinforcement, reassurance, benefit reinforcement, customisation, service enhancement and solving customer problems. These functions are shortly discussed in Table 3.5.

Table 3.5:   **RM programme functions**

RM programme function	Description
Social reinforcement	Customers have esteem and affiliation needs to which the social reinforcement function of a RM programme should appeal. By simply sending a birthday card, the social reinforcement function is fulfilled
Reassurance	Key concepts present within the reassurance function of a RM programme is trustworthiness, reliability, concern and commitment. Organisations can implement this function by keeping in touch with customers
Benefit reinforcement	This function of a RM programme reduces the cognitive dissonance customers experience by communicating service benefits. In the case of a retail organisation, benefit reinforcement takes place by telling customers how much they will enjoy their shopping experience or when a sales employee assures a customer that it is good to maintain their policy
Customisation	When an organisation makes customers feel special by meeting their personalised needs, customisation as another RM programme takes place
Service enhancement	When customers are given any extras or special treatment by an organisation to thank them for their business, service enhancement takes place. In the case of a retail organisation, when valued customers receive unexpected shopping vouchers, a service enhancement occurs
Solving customer problems	Problem solving empowers organisations to provide counselling to customers in order to satisfy their current and future needs. By solving the problems of customers, relationships develop as an important goal of RM is to solve a customer's problem

Source: Adapted from Clow and Kurtz (2004:335) and Crosby (1991:272)

Crosby (1991:272) identifies the above functions in Table 3.5 as personal contact which adds value to relationships within service organisations. This study specifically deals with the function of solving customers' problems as service failures are a common occurrence in the marketplace

(Palmer, 2011:71), despite service organisations' best efforts in providing quality services to eventually maintain customer relationships (Nikbin, Ismail, Marimuthu & Abu-Jarad, 2011:19). As stated by Boshoff (2009:335), the totality of an organisation's attempts to satisfy the needs of customers, to deliver elevated service quality and to retain their customers and keep them loyal, does not mean anything if the organisation does not have the power to correct and resolve product and service delivery problems or to resolve complaints customers might express. It is therefore evident that the act of solving customer problems can result from a specific service failure experienced by customers. This leads to the next section of this chapter where a discussion on service failure and service recovery follows as two main constructs contributing to this study.

3.3   SERVICE FAILURE

This section discusses service failure as it is an important construct to this study and plays a significant role when building long-term customer relationships. This section commences with a section on defining service failure, followed by a discussion on different service failure types. Service failure severity as a key construct is subsequently discussed.

3.3.1   Service failure defined

Existing service failure literature has emphasised the impact of failures and recovery efforts on organisational situations (Oflaç, Sullivan & Baltacioğlu, 2012:53). Regardless of organisations' best efforts, failures occur due to the delivery of services in the presence of customers (Bateson & Hoffman, 2011:352; Hart, Heskett & Sasser, 1990:148). Table 3.6 portrays existing definitions of the service failure construct.

Table 3.6:   Service failure defined

Service failure definitions	Author(s)
"Service failure happens every time our experience of service falls painfully short of expectations"	Bell and Zemke (1987:32)
"Service failures are instances where a service is either not performed or is performed poorly"	Kurtz and Clow (1998:399)
"A service failure, from a customer's perspective, is any situation where something wrong occurs, irrespective of responsibility"	Palmer *et al.* (2000:514)
"A service failure, from the customer's perspective, is whichever problem or dissatisfaction perceived by a customer in relation to the organisation or the service offering"	Lewis and Spyrakopoulos (2001:38)
"Service failures are breakdowns in the delivery of service; service that does not meet customer expectations"	Bateson and Hoffman (2011:352)
"Service failure is generally described as service performance that falls below a customer's expectations in such a way that it leads to customer dissatisfaction"	Wilson *et al.* (2012:340)

From Table 3.6 the following elements of a service failure definition can be identified:

- The delivered service should contain an element of deficiency in which the service is poor or a breakdown during the delivery thereof occurs.
- Furthermore, the actual performance of the service during delivery should fall below customers' expectations.
- Lastly, customers should experience a level of dissatisfaction after the service delivery.

As a result the following service failure definition is used for the purpose of this study based on the definitions presented by Bateson and Hoffman (2011:352) and Wilson *et al.* (2012:340):

"Service failure is defined as a service delivery breakdown where the service performance falls below the expectations of customers which lead to customer dissatisfaction."

3.3.2   Service failure types

This section discusses different types of service failures.

3.3.2.1   Outcome and process-related service failures

Smith *et al.* (1999:358) identify two broad types of service failures namely, outcome and process-related failures. An outcome-related failure refers to the actual happenings during the service encounter whereas process-related failures refer to service delivery and the manner in which it is executed (Chuang *et al.*, 2012:257). Both service failures involve the delivery of a core service in which an outcome failure occurs when the service is not delivered, and a process failure arises when the delivery of the service is incomplete and defective in some way (Smith *et al.,* 1999:358). Customers' evaluations of these two broad service failure types may vary as outcome and process failures include different categories of losses (Smith *et al.,* 1999:358). Section 3.3.2.2 elaborates on the primary types of service failures presenting different categories of customer losses. The service failure type on which this study focuses is subsequently identified.

3.3.2.2   Primary service failure types

Bateson and Hoffman (2011:363) add that complaints issued by customers relating to their perceived service failure can be categorised into four primary service failure types, namely core service delivery system failures, service failures linked to customer needs and requests, failures that are caused by problematic customers and lastly, the failures relating to the unprompted and

unsolicited actions of employees (Bateson & Hoffman, 2011:363; Bitner *et al.*, 1990:75; Bitner *et al.*, 1994:98). Keaveney (1995:74-77) focused on determining the critical events or combinations or series of events which serve as the motivation for customers to switch to competitors and identified four service failures, namely inconvenience, core service failures, service encounter failures and employee responses to service failures. Boshoff and Du Plessis (2009:337) more specifically portrayed these service failures as malfunctioning, incorrectness, unavailability, lateness, slowness and uncaring, impolite, unresponsive, and unknowledgeable employees as different examples of service failures based on Keaveney's categorisation.

Table 3.7 compares the four types of service failures as noted by Bateson and Hoffman (2011:363), Bitner *et al.* (1990:75) and Bitner *et al.* (1994:98) with that of Keaveney (1995:74-77) in order to show the resemblance between different studies. It is evident that the categorisation of service delivery system failures and unprompted and unsolicited employee actions by Bitner *et al.* (1990:75) correspond well with that of Keaveney (1995:74-77) although it might be stated from a different perspective. For the purpose of this study the service failure identification by Bateson and Hoffman (2011:363), Bitner *et al.* (1990:75) and Bitner *et al.* (1994:98) is used and is further elaborated upon.

Table 3.7:   Service failure identification

Primary service failure	Failure subgroups		Keaveney (1995:71)
Service delivery system failures	• Unavailable service • Unreasonably slow service • Other core service failures	Bitner *et al.* (1990:75)	**Inconvenience** • Inconvenienced by organisation's location • Inconvenienced by working hours • Inconvenienced by slow service • Inconvenienced by time to get appointment **Core service failures** • Mistakes • Billing errors • Service catastrophes
Customer needs and requests	• "Special needs" customers • Customer preferences • Admitted customer error • Disruptive others	Bitner *et al.* (1990:75)	
Problematic customers	• Drunkenness • Verbal and physical abuse • Breaking company policies • Uncooperative customers	Bitner *et al.* (1994:98)	

Source: Adapted from Bateson and Hoffman (2011:363)

Table 3.7:   **Service failure identification (continued)**

Primary service failure	Failure subgroups		Keaveney (1995:71)
Unprompted and unsolicited employee actions	• Level of attention paid to customer • Unusual (out-of-the-ordinary) employee action • Cultural norms • Gestalt evaluation • Performance under unpleasant circumstances	Bitner *et al.* (1990:75)	Service encounter failures • Employees are uncaring • Employees are impolite • Employees are unresponsive • Employees are unknowledgeable Employee responses to service failures • Reluctant responses • Failure to respond • Patently negative responses

Source: Adapted from Bateson and Hoffman (2011:363)

Based on Table 3.7, the four primary types of service failures are subsequently discussed:

* Failures with a direct relation towards the basic service offering are categorised as service delivery system failures (Bateson & Hoffman, 2011:363). This service failure can be seen as employee responses to three types of failures, namely unavailable service, slow service and core service failures (Bateson & Hoffman, 2011:363). After the occurrence of such a failure, organisational employees must be equipped to react to the complaints and disappointments of customers (Bitner *et al.,* 1990:74). Due to the lack of organisations to respond to service failures, customer dissatisfaction is evident and as a result both the service delivery process and employee responses to service failures significantly impact service quality and customer satisfaction (Bitner *et al.,* 1990:74; Lewis & Clacher, 2001:167).

* Failures relating to customer needs and requests refer to the individual needs and requests of customers and the relating employee responses (Bateson & Hoffman, 2011:364). This category includes explicit or inferred customised service requests and consists of special needs, customer preferences, customer errors and disruptive others (Bateson & Hoffman, 2011:364). Employees can increase customer satisfaction by making extra effort in being aware and sensitive to customers' needs and knowing when customers need special attention (Lewis & Clacher, 2001:173). Bitner *et al.* (1990:75) further explain that customer requirements involve employees to adapt service delivery accordingly, where customers' satisfaction depends on the employee's response.

* Problematic customers as a service failure type are rooted in the behaviour of customers (Bitner *et al.,* 1994:98) and can be categorised in four subcategories, namely drunkenness, verbal and physical abuse, breaking organisational policies and laws and uncooperative customers (Bitner *et al.,* 1994:98). In this case customers pose problematic situations to employees as customers might be disobliging by not showing any willingness to work together with the organisation, industry regulations, laws or other customers in which the actions and attitudes of employees have an effect on the satisfaction of customers (Bitner *et*

al., 1994:98). Some customers might just have a predisposition to act in an abusive manner or become abusive on account of the interaction with other customers (Lewis & Clacher, 2001:172). It is therefore important that management provide the necessary training to service employees to handle problematic customers and to provide employees with the assurance that some customers will never be totally satisfied (Lewis & Clacher, 2001:173).

- Unprompted and unsolicited employee actions, identified as the service failure type on which this study is based, are seen from a customer's perspective as an unexpected service failure (Bitner *et al.,* 1990:76) as the service is not delivered in the way in which customers expect (Yang & Mattila, 2012:400). In order to qualify within this category, the employees' action cannot be part of the core service delivery or be initiated by customers' special request (Bitner *et al.,* 1990:76). Subcategories include the level of attention of employees, unusual employee action, cultural norms, gestalt and adverse conditions (Bitner *et al.,* 1990:76). These subcategories of unprompted and unsolicited employee actions are accordingly discussed in Figure 3.3 referring only to the dissatisfactory outcomes due to the nature of this discussion relating to service failures.

The categorisation of employee-related service failures earns significant support by Surachartkumtonkun, Patterson and McColl-Kennedy (2013:73) who labelled three employee-related service failure categories, namely unresponsive, inappropriate (rude and impolite behaviour) and unethical (dishonest, immoral, illegal and unsafe behaviour) employee-related behaviours which all refer to the way in which the service is delivered. These authors further propound that these employee-related service failures are seen as one of the main reasons customers decide to voice their dissatisfaction and concerns (Surachartkumtonkun *et al.,* 2013:73), subsequently leading to customer complaint behaviour. On the other hand, a study done by Gerrard and Cunningham (2004:216,220) found that one of the service failure incidents with a profound effect on customers' switching behaviours is inconvenience which amongst others refer to the delayed services received from employees. Bitner *et al.* (1990:72) state that a vital component in determining customer satisfaction with a service delivery scenario is the human interaction component. Hart *et al.* (1990:149) add that employees are the closest to customers and can easily discover and resolve service failures in order to retain customers. Therefore, the service quality delivered by service organisations and employees is vital in order to satisfy and retain current customers and to acquire new customers (Lewis & Clacher, 2001:166). Nevertheless, customer attitudes and employee-related actions cannot be managed, leading to the inevitable existence of service failures (Lewis & Clacher, 2001:166).

Figure 3.3:   Unprompted and unsolicited employee-related actions

Level of attention paid to customer
Dissatisfaction occurs when employees have a poor attitude towards customers, customer are ignored, customers are treated in an impatient manner, needs of customers are not anticipated, employees do not care about the comfort of customers and insufficient information is provided by employees

Unusual (out-of-the-ordinary) employee action
Customers see this type of employee failure as strongly satisfactory or dissatisfactory. Dissatisfactory events entail employee behaviours relating to profanity, yelling, unsuitable touching or rudeness

Cultural norms
Equality, honesty and fairness as cultural norms relate to employee behaviours in this category. When cultural norms are violated by the behaviour of employees, dissatisfaction occurs. Discrimination against females, black/young customers and employee theft, lying and bribary are all examples where cultural norms can cause service failures

Gestalt evaluation
Dissatisfaction experienced during gestalt evaluation cannot be assigned to a particular feature within the service encounter. A holistic view of the service encounter is portrayed by customers by stating that "everything went wrong", "the whole experience was bad". A variety of employee behaviour incidents is evident within this category which cannot be assigned to particular categories

Performance under unpleasant circumstances
This subcategory includes employee actions under stressful circumstances

Source: Adapted from Bitner *et al.* (1990:76)

Service failure type combined with service failure magnitude or severity, as two influential situational factors, is investigated by Matilla (2001:583) when determining customers' responses to service failures. Weun *et al.* (2004:135) additionally stress that service failure severity significantly impacts a customer's evaluation of an organisation after the occurrence of a service failure. Service failure severity is subsequently discussed.

3.3.3   Service failure severity

Service failures can vary in severity from service failures that customers perceive as not significant, to some service failures they perceive as very serious (Magnini *et al.,* 2007:214; McDougall & Levesque, 1998:33). This section defines service failure severity to provide some background to the construct, and to identify the underlying theories which are affected by the severity levels of service failures.

3.3.3.1 Service failure severity defined

Weun *et al.* (2004:135) define service failure severity as the perceived intensity experienced by customers related to a specific service predicament. Matilla (2001:583) agrees by stating that the severity of a service failure is individually and uniquely based on each customer's perception. Betts *et al.* (2011:367) further claim that service failure severity has a perceptual nature and therefore relies on the cognitive processes of customers making it a context-driven construct. Wang, Wu, Lin and Wang (2011:351) confirm that service failure severity is conceptualised as a cognitive construct.

Service failure severity has been used to measure how customers assess a service failure and the accompanying intensity customers perceive (Blodgett, Hill & Tax, 1997:185). Folkman, Lazarus, Dunkel-Schetter, DeLongis and Gruen (1986:993) state that when customers assess the severity of a service failure they determine whether they have anything at risk during the service encounter and determine the impending harm and possibility of losing benefits. Customers' perceived loss increases as the intensity of a service failure increases and becomes more severe (De Matos, Vieira & Veiga, 2012:2206; Weun *et al.,* 2004:135). Therefore, service failure imbalances the exchange relationship as the level of service failure severity leads customers to a comparative feeling of perceived loss or harm (Smith *et al.,* 1999:360).

The way in which customers choose to evaluate the nature of the service failure has a substantial impact on customers' coping response and their role during service recovery (Tsarenko & Tojib, 2012:1220). In order to cope with the exchange relationship imbalance, customers develop avoidant responses as resources and strategies to mitigate the negative emotion experienced during the encounter (Luce, 1998:409), and to allocate accountability for the negative service encounter (McColl-Kennedy & Sparks, 2003:256). As a result, the severity of a service failure poses to have an impact on customer complaint behaviour (Velázquez *et al.,* 2006:500). Wilson *et al.* (2012:344) agree that customers are more likely to complain when they experience high levels of risk. Furthermore, increased complaint intention was noted by De Matos *et al.* (2009:470) as a variable which is affected by different service failure severity levels. Thøgersen *et al.* (2009:760) agree that customers' complaint response to an organisation depends on the specific service failure and the magnitude of loss caused on account of the service failure. Customer complaint behaviour is not the only factor which is influenced by service failure severity, as explained in the next section. Service recovery also endures an impact based on the equity theory.

3.3.3.2 Equity theory

Matilla (2001:585) indicates that the equity theory portrays a reasonable theoretical explanation of the direct effect of service failure severity on service recovery effectiveness. According to the equity theory (Matilla, 2001:585), the higher the loss experienced by customers the higher customers' dissatisfaction will be with the service recovery offering (Levesque & McDougall, 2000:23). As a result, a relationship exists between service failure severity and service recovery attributes as varying levels of recovery are expected by customers, depending on the severity level of the service failure (Smith *et al.,* 1999:360). The quantity or strength of the resources presented during the service recovery attempt relative to the severity of the perceived loss experienced by customers during a service failure, has a remarkable impact on customer satisfaction (Smith *et al.,* 1999:360).

It is evident that the service recovery offering must be adequate enough to overcome the loss experienced by customers during severe service failures (Smith *et al.,* 1999:360). It is therefore safe to agree with Hess, Ganesan and Klein (2003:141) that customers' service recovery expectations increase as service failure severity increases. Service failure severity does not only increase customers' service recovery expectations, but also increases customers' negative future reactions towards the organisation as explained by the regulatory focus theory (RFT).

3.3.3.3 Regulatory focus theory

Betts *et al.* (2011:366) identify the regulatory focus theory (RFT) when discussing the importance of the service failure severity construct. RFT refers to the different ways customers approach pleasure and avoid pain (Higgins, 1997:1282). Betts *et al.* (2011:366) depict RFT as customers' motivation during negative situations where their motivation is gained from their threat of loss and search to avoid loss. Prevention focus motivation from a RFT perspective reflects prevention or distress related to protection, safety or responsibility (Higgins, 1997:1282). Smith *et al.* (1999:358) state that as the size of customers' loss expands due to an increase in failure severity, customers experience the relationship as unjust and feel dissatisfied. As customers' perceived loss increases, their preventative focus also increases and they will try harder to alleviate their loss (Betts *et al.,* 2011:367). The inference is that high severity service failures result in negative future reactions towards organisations (Levesque & McDougall, 2000:33) during service recovery processes and outcomes (Betts *et al.,* 2011:367).

With that said, service failure severity is an important construct as it develops customers' expectations relating to the type of service recovery process offered by organisations (Betts *et al.,* 2011:367). McDougall and Levesque (1998:31) agree that service recovery effectiveness is

dependent on the severity, type and importance of the service failure. After understanding the supporting literature of service failure severity, it is probable that service failure severity is likely to be an influential variable on service recovery (Betts *et al.* 2011:367).

3.4   SERVICE RECOVERY

This section discusses service recovery as a method which restores a service failure or situation to a normal state (Bell & Zemke, 1987:33). This section commences by defining service recovery. Next, effective service recovery is discussed as an introduction to the concept followed by customer recovery expectations relating to the fairness dimensions. A discussion of the service recovery paradox follows and different service recovery strategies are shortly discussed. This section concludes with a discussion on strength of service recovery expected as an important construct to this study.

3.4.1   Service recovery defined

According to Krishna, Dangayach and Jain (2011:73), service recovery has been defined and described in a variety ways by various researchers. Table 3.8 presents existing service recovery definitions.

Table 3.8:   **Summary of service recovery definitions**

Service recovery definitions	Author(s)
"Service recovery is an overall orientation towards identifying and responding to customer needs and expectations"	Bell and Zemke (1987:35)
"Service recovery is defined as the actions of a service provider to mitigate and/or repair the damage to a customer that results from the provider's failure to deliver a service as it is designed"	Johnston and Hewa (1997:467)
"Service recovery refers to the actions by a service firm to restore a customer to a state of satisfaction after a service failure"	Boshoff (2007b:41)
"Service recovery is an umbrella term for systematic efforts by a firm to correct a problem following a service failure and to retain a customer's goodwill"	Lovelock and Wirtz (2011:376)
"Service recovery refers to the actions taken by an organisation in response to a service failure"	Wilson *et al.* (2012:340)

Based on Table 3.8, the following key aspects of a service recovery definition are identified:

- Service recovery entails specific actions taken by organisations in response to a service failure.
- The actions taken by organisations to correct service failures should purely be corrective in nature.
- It is further evident that the main objective of service recovery is to reinstate the customers' goodwill and satisfaction level.

For the purpose of this study, the following service recovery definition as presented by Lovelock and Wirtz (2011:376) is seen as an adequate representation of the service recovery construct.

> *"Service recovery is an umbrella term for systematic efforts by an organisation to correct a problem following a service failure and to retain a customer's goodwill."*

As service recovery can be seen as a second opportunity for organisations to meet the expectations of customers (Boshoff, 2007b:41). It is imperative for it to be effective in order to attain the three key aspects identified in service recovery definitions. Section 3.4.2 presents a discussion pertaining to effective service recovery.

3.4.2   Effective service recovery

On account of service industry characteristics, service failures are bound to happen to every customer (Yi & Lee, 2005:2). When service failures occur, service organisations take steps to correct these failures (Yi & Lee, 2005:2) and recovery actions should be an immediate response to lessen the harm done to relationships and to calm customers (Kau & Loh, 2006:101). Service recovery has therefore received intense attention over the past years (Komunda & Osarenkhoe, 2012:85; Krishna *et al.*, 2011:71), as it is seen as an important factor in motivating customers to either stay or exit after the occurrence of a service failure (Yi & Lee, 2005:2).

Serving customers effectively remains the focal point of the marketing function during the twenty-first century (Sheth, Sisodia & Sharma, 2000:55). According to Sheth *et al.* (2000:57-58), effectiveness refers to doing the right things which improve customer loyalty and increase organisations' share of wallet. To achieve effective service recovery, organisations have to develop well thought-through procedures that will correct problems and manage displeased customers (Lovelock & Wirtz, 2011:376). Empirical findings by Karatepe and Ekiz (2004:476) indicate that apology, explanation and effort as effective service recovery strategies positively influences customer satisfaction and loyalty. This is due to the fact that a superior recovery system can identify and correct problems, avoid dissatisfaction and can promote customer complaints through its design (Komunda & Osarenkhoe, 2012:86). For the purpose of this study the focus is on complaints lodged directly towards an organisation, as this is the only method in which organisations are given the opportunity to recover from their service failures in an effective way (Tax, Brown & Chandrashekaran, 1998:61).

Customers have certain predictive expectations for organisational service recovery received after a service failure, which predict how efficient the organisation will correct the service failure (Kelley & Davis, 1994:53). These predictive expectations are usually linked to customers'

expectation of fair compensation after the occurrence of a service failure (Lovelock & Wirtz, 2011:375). As the key to effective service recovery is found within the customers' perception of 'fairness' (Buttle & Burton, 2001:217), a discussion relating to the fairness dimensions follows.

3.4.3   Customer complaint expectations and fairness dimensions

Customers' reactions are immediate, emotional and enduring when a customer perceives unfair treatment (Seiders & Berry, 1998:8). As a result, when customers experience negative emotions after a service failure they react by engaging in complaint behaviour (McColl-Kennedy & Sparks, 2003:252). After customers have voiced their dissatisfaction, they expect action from the organisation (Tax & Brown, 1998:79). The expected action is in the form of sufficient and fair compensation to reimburse the service failure experienced (Lovelock & Wirtz, 2011:375). McColl-Kennedy and Sparks (2003:251) agree by identifying a service failure as a "trigger" for customers' emotional responses. Customers then consider the situation, referring to procedural justice, interactional justice and distributive justice elements. The direct effect and two-way interaction between the three justice concepts can be seen as the connection between customer satisfaction and the efficient handling of complaints (Tax *et al.*, 1998:61).

McColl-Kennedy and Sparks (2003:253), Smith and Bolton (2002:7), Tax *et al.* (1998:62), Tax and Brown, (1998:79) and Wirtz and Matilla (2004:150) have researched justice theories pertaining to service recovery procedures in their own theoretical framework. To avoid discrepancy, it is vital to distinguish between justice theory and fairness theory. The justice theory implies that customers' feelings of being treated fairly (having received justice) influence the satisfaction level of customers and their future loyalty towards an organisation (McColl-Kennedy & Sparks, 2003:253). The three forms of justice refer to distributive, procedural and interactional justice (McColl-Kennedy & Sparks, 2003:252; Tax & Brown, 1998:79).

The fairness theory integrates the justice theory in a way that customers can form negative perceptions of fairness based on distributive, procedural and interactional justice factors after the influence of accountability (Folger & Cropanzano, 1998:182). Moreover, perceptions of fairness are formed by customers after evaluating three service recovery factors, namely the outcome (distributive), procedural aspects and interactional treatment received (Tax & Brown, 1998:79). Fairness and justice are in common usage identical (Sheppard, Lewicki & Minton, 1992:3) as a fair decision is a just decision (Seiders & Berry, 1998:10). Due to the rich source of research frameworks and findings, justice literature provides for fairness in a customer-organisation context (Seiders & Berry, 1998:9). This study refers to the three dimensions of fairness, including distributive justice, procedural justice and interactional.

3.4.3.1 Distributive justice

Distributive justice involves compensation provided by an organisation (Lovelock & Wirtz, 2011:375) as customers expect compensation after they have experienced a service failure (Tax & Brown, 1998:80). Lovelock and Wirtz (2011:375) assert that customers expect to be compensated not only for the failure experienced, but for their loss in time, energy and effort (Lovelock & Wirtz, 2011:375). Tax and Brown (1998:80) and McColl-Kennedy and Sparks (2003:253) indicate classic compensation forms as credits, refunds, replacements, free merchandise, vouchers, and relinquishing charges which can be allocated individually or in combination with each other.

McColl-Kennedy and Sparks (2003:253) propose that customers evaluate distributive justice based on comparison with other customers. This, however, is not always possible as it is not viable in some cases to know what other customers received after experiencing the same service failure (McColl-Kennedy & Sparks, 2003:253). Therefore, the evaluation of distributive justice and the fairness thereof pose challenges which encourage customers to rather assess procedural and interactional justice during their evaluation of fairness during service recovery processes (McColl-Kennedy & Sparks, 2003:253). In many cases, customers are more concerned about "how" the outcome is received in relation to "what" is received (McColl-Kennedy & Sparks, 2003:253). Therefore, procedural and interactional justice plays an integral role during customers' evaluation of service recovery fairness.

3.4.3.2 Procedural justice

Procedural justice refers to the policies and rules customers have to go through when searching for fairness (Lovelock & Wirtz, 2011:375). McColl-Kennedy and Sparks (2003:253) state that procedural justice looks at the process utilised by an organisation to solve the problem (such as policies and structural considerations) which all have a direct effect on how customers experience the outcome. Tax and Brown (1998:80) add that customers perceive procedural justice or rate the processes as fair when they receive clear information and when their problems are resolved in a short time period without any obstacles.

3.4.3.3 Interactional justice

Interactional justice refers to employee-related actions within the organisation (Lovelock & Wirtz, 2011:375). It refers to the manner in which service recovery is provided by employees, including their behaviour during the interaction (Lovelock & Wirtz, 2011:375). According to Tax *et al.* (1998:62) and Tax and Brown (1998:81), customers experience fair interpersonal treatment

when politeness, concern and honesty are experienced during the complaint process, and when customers note that effort is taken by employees to present meaningful explanations and to resolve the problem. Interactional justice therefore refers to an honest, polite and genuine recovery effort (Lovelock & Wirtz, 2011:375) where customers will evaluate treatment as unfair when employees make no effort to solve their problem (Tax & Brown, 1998:81).

Interactional justice is the prominent fairness dimension within this study as it refers to the way service recovery is executed and presented by employees (Kau & Loh, 2006:102). Brown (1997:26) states that customers' perceived fairness of the recovery process and the organisation-customer interactions are increasing in importance, as a fair outcome cannot only be experienced by making customers feel that they received an excellent recovery experience. Brown (1997:26) stresses that effective service recovery cannot be achieved by providing full compensation to customers by means of rude and uncaring employees and a process filled with hassles and problems. Blodgett *et al.* (1997:201) agree that interactional justice represents a larger percentage of variance of customers' post-complaint intentions than distributive justice, meaning that higher interactional justice (courteous and respectful employee treatment) levels can compensate for lower distributive justice (refund, exchange or discount) levels.

It is therefore important to note that the fairness theory is based on the premise that justice is a social process in which customers allocate blame or credit to different parties (Folger & Cropanzano, 2001:46). Service recovery should subsequently be managed in a proactive manner in order to gain positive outcomes (Bell & Zemke, 1987:32). Existing literature posits even further in suggesting that when service recovery is more than expected, an increased post-recovery satisfaction is experienced by customers which is higher than they would have had prior to the service failure, referring to the service recovery paradox phenomenon (Andreassen, 2001:39; De Matos, Henrique & Rossi, 2007:61).

3.4.4   The service recovery paradox

The theoretical paper by Hart *et al.* (1990) is repeatedly cited within existing service recovery literature and the statement that a good service recovery can convert angry and frustrated customers into loyal customers, are frequent statements highlighted by authors (Andreassen, 2001:39; De Matos *et al.*, 2007:60; Hart *et al.,* 1990:148; Mitchel & Meuter, 2008:442). An additional statement by Hart *et al.* (1990:148) further portrays that customers experience even more goodwill after a high-quality recovery than when no service failure occurred and things had run smoothly. The aforesaid represents the service recovery paradox which is subsequently defined and discussed.

3.4.4.1 Service recovery paradox defined

The service recovery paradox is defined as an event in which customers experience a greater post-recovery satisfaction after an organisation's excellent recovery efforts, than what they would have experienced prior to the service failure (Andreassen, 2001:39; De Matos *et al.,* 2007:61; Maxham & Netemeyer, 2002:59; Smith & Bolton, 1998:21). Michel and Meuter (2008:441) contend that the service recovery paradox was developed by Etzel and Silverman (1981:128) more than 20 years ago who argued that customers who experience gracious and effective complaint handling can become an organisation's best customers. However, limited empirical studies have been done on the topic due to the recency of the topic in services marketing literature (De Matos *et al.,* 2007:69; Maxham, 2001:12).

3.4.4.2 Service recovery paradox explained

Based on the disconfirmation paradigm where customers compare their expectations to the perceived product or service performance (McCollough, Berry & Yadav*,* 2000:122), the service recovery paradox refers to a secondary satisfaction after a service failure has been experienced where customers compare their service recovery expectations with their perceptions of the service recovery performance (De Matos *et al.,* 2007:61). Expectations are positively disconfirmed when expectations are exceeded by performance, confirmed when performance meets expectations and negatively disconfirmed when performance does not meet expectations (McCollough *et al.,* 2000:122). The more customers' expectations are disconfirmed/confirmed by the performance, the more dissatisfaction/satisfaction customers experience (McCollough *et al.,* 2000:122). A dissatisfactory recovery, which leads to negative disconfirmation, decreases satisfaction and loyalty and has a double negative effect (double deviation), as the service failure is followed by yet another recovery failure (De Matos *et al.,* 2007:61; Maxham, 2001:12; McCollough *et al.,* 2000:122; Smith & Bolton, 1998:25). This, however is a relevant occurrence as research done by Hart *et al.* (1990:150) indicates that more than 50% of all organisational efforts to recover customer complaints only strengthen negative customer reactions.

Lin, Wang and Chang (2011:515) state that although literature has attempted to investigate the service recovery paradox within the physical business environment, a variety of mixed results concerning the topic emerged. Michel and Meuter (2008:442-445) agree after conducting a comparison between studies which disapprove of the existence of the service recovery paradox and those which agree that the service recovery paradox is a valid phenomenon. It is concluded that while service recovery efforts are vital, service failures and service recovery encounters should not be seen as a chance to make an impression on customers (Ok, Back & Shanklin,

2006:18). Although organisations cannot abolish service failures they can respond to service failures effectively (Maxham, 2001:11).

Well thought-through procedures have to be identified to handle displeased customers in order to retrieve effective service recovery (Lovelock & Wirtz, 2011:376). Research to date has suggested that service organisations can implement a variety of service recovery strategies in order to effectively recover service failures (Yi & Lee, 2005:13).

3.4.5   Service recovery strategies

After the occurrence of a service failure, it is essential that organisations correct the service failure by implementing an effective service recovery strategy (Kelley, Hoffman & Davis, 1993:429) as the strategy has an impact on the customer's future intention with the organisation (McDougall & Levesque, 1998:30). Service recovery strategies should be well thought-through as every service recovery opportunity is situation-specific (Yi & Lee, 2005:13) and depends on service failure severity, type and importance (McDougall & Levesque, 1998:31). An effective service recovery system will identify and resolve problems, avoid customer dissatisfaction and promote customer complaints (Komunda & Osarenkhoe, 2012:86). Figure 3.4 demonstrates the five service recovery strategy categories this study focuses on.

Figure 3.4:   Service recovery strategy categories
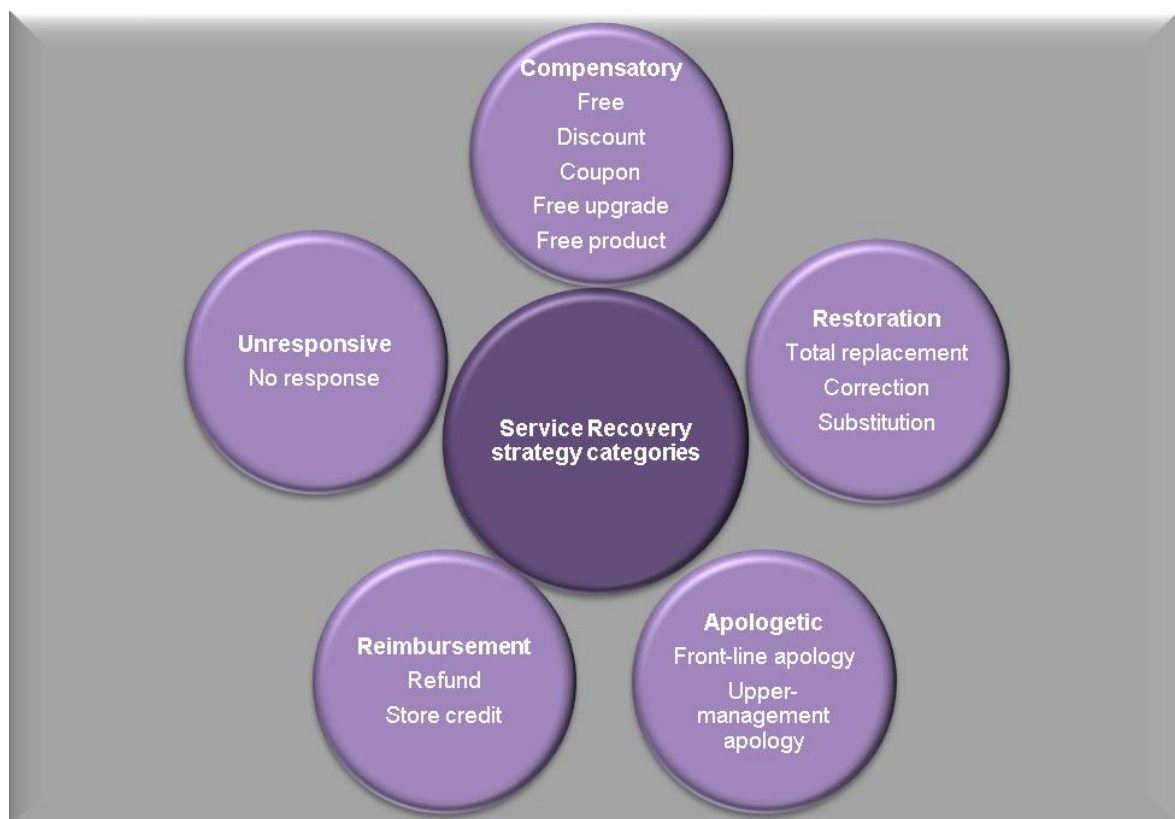
Source: Adapted from Bateson and Hoffman (2011:368-369)

Each service recovery strategy category is subsequently discussed and each service recovery tactic is shortly explained:

- The service recovery strategy category of compensatory strategies includes service recovery tactics such as gratis (where free goods and service are supplied), discount (immediate discount offered to reimburse customers' inconvenience), coupon (redeemable voucher customers can use for a upcoming purchase), free upgrade (improvement on current service or product offering) and free subsidiary product (additional free offering to compensate for core service failure) (Bateson & Hoffman, 2011:368; Kelley *et al.,* 1993:438). This service recovery strategy aims at compensating customers for their loss, be it time, emotional or monetary where customers maintain the product or service provided to them, but value gets added by the recovery strategy in the form of compensation (Bateson & Hoffman, 2011:368).

- Restoration recovery strategy aspires to counteract the current service failure by presenting the customer with a new product, correcting the product or delivering a substitute product (Bateson & Hoffman, 2011:368). Tactics within this category include total replacement where defective merchandise is replaced with new merchandise, correction where faulty products are repaired and returned in a prompt and courteous manner, and substitution where the organisation presents substitute products (Bateson & Hoffman, 2011:368; Kelley *et al.,* 1993:438,440).

- Apology as a service recovery strategy depends on the way in which the apology is conveyed to the customer and the severity of the service failure (Bateson & Hoffman, 2011:368; Kelley *et al.,* 1993:440). Bateson and Hoffman (2011:368) distinguish between a front-line apology in which the organisation apologises to the customer, and an upper-management apology where organisational upper-management handles the apology.

- The reimbursement recovery strategy is different from the compensatory recovery strategy as the product is returned to the organisation, if possible, not to be regained again, but rather being reimbursed through refunds or credits (Bateson and Hoffman, 2011:368). A negative aspect concerning this strategy is that customers' needs never get fulfilled as the product is returned and the customer must restart the entire decision-making process (Bateson & Hoffman, 2011:369). A refund in which the purchase price is reimbursed in either cash or credit and secondly store credit where the purchase price is refunded in store credit are the two tactics within this category (Bateson & Hoffman, 2011:369).

- The unresponsive service recovery strategy occurs when an organisation consciously decides not to recover the service failure (Bateson & Hoffman, 2011:369; Kelley *et al.,* 1993:441). These organisations may have a low service recovery culture or may not be aware of the service failure (Bateson & Hoffman, 2011:369; Kelley *et al.,* 1993:441). This

service recovery strategy, however, is frowned upon as it does not satisfy customers' needs (Bateson & Hoffman, 2011:368).

Kelley *et al.* (1993:441) in addition, identify customer initiated correction, store credit, unsatisfactory correction, failure escalation and nothing as unaccepted service recovery strategies. While Bateson and Hoffman (2011:367) identify apologetic, reimbursement and unresponsive tactics as service recoveries that leave customers dissatisfied. As "recovery" refers to "returning to a normal state", its outcomes should be well managed (Bell & Zemke, 1987:32) and recovery efforts should be tailored for each customer based on their perception and the severity of the service failure (Matilla, 2001:591). Hence, a discussion pertaining to strength of service recovery expected follows as the type and strength of service recovery expected may vary from customer to customer.

3.4.6 Strength of service recovery expected

Customers experience a loss during a service failure which could be in the form of an economic loss or a social resource loss (Yi & Lee, 2005:3). Organisations try to recover the service failure by presenting an economic resource such as a discount in the form of compensation or an apology to reinstate the customer's social resource loss (Yi & Lee, 2005:3). This attempt is seen as the organisation's service failure remedy which is defined as the manner in which the organisation decides to correct customers' unsatisfactory experience (Harris, Grewal, Mohr & Bernhardt, 2006b:427). Customers' satisfaction with the remedy provided is their evaluation of the recovery effort offered (Harris *et al.,* 2006b:427). Customers' expectations play a role in determining their evaluations of their satisfaction and quality, as expectations provide standards to which experiences are compared (Zeithaml, Berry & Parasuraman, 1993:1).

3.4.6.1 Service recovery expectation defined

Service recovery expectation as defined by Harris *et al.* (2006b:427) refers to the manner in which the customer believes the service failure should be resolved. According to Zeithaml *et al.* (1993:2), expectations are seen as customers' predictions of what is probable to happen during an approaching transaction or exchange.

In the case where a service failure has long-term consequences such as a bad haircut, customers might have higher recovery expectations than that of a poor restaurant experience (Harris *et al.,* 2006b:430). In addition, when customers ultimately decide to post a complaint after an unsatisfactory service failure, they generally have high recovery expectations (Wilson *et al.,* 2012:346). Although numerous customers choose not to complain, they still have service

recovery expectations with which the organisation should strive to comply (Lin, 2010:873). It is therefore important to first take the nature of the service failure into account in order to determine the correct level of service recovery efforts (Yi & Lee, 2005:14). As a result, section 3.4.6.2 shortly identifies the connection between service failure severity and its impact on the strength of service recovery expected by customers.

3.4.6.2 Service failure severity and strength of service recovery expected

Service recovery levels should differ depending on the service failure severity and the criticality level and every situation should receive customised recovery efforts (Tyrrell & Woods, 2004:188). Service organisations should present customers with a gain or recovery relative to cover customers' loss (Yi & Lee, 2005:6). A strong recovery effort is required during a core service failure (high severity), and a weak recovery is effective in a peripheral service failure (low severity) (Yi & Lee, 2005:12). According to Priluck and Lala (2009:49) and Yi and Lee (2005:12), an example of a strong recovery effort would be an apology combined with a free service or product offering or monetary compensation, while a weak recovery effort will only entail an apology or a refund of some sort. Customers' usual reaction to service failures are strong and intense, therefore the recovery efforts of organisations should in turn be equally strong and intense (Smith *et al.*, 1999:356).

The equity theory provides a prediction of a positive linear relationship between strength of service recovery and satisfaction (Priluck & Lala, 2009:49) and also explains the moderating effect of service failure severity on service recovery effectiveness (Yi & Lee, 2005:3). Equity theory refers to customers' comparison between output and outcome as customers would like to achieve balance in relation to the output they invested and the outcome they experience (Tyrrell & Woods, 2004:186). The response customers have to service recovery efforts depends on the resources lost or gained during the service encounter (Yi & Lee, 2005:12). Within the context of service failures, the equity theory framework seems acceptable, as inequity is often experienced by customers following a service failure (Maxham, 2001:12). Findings by Priluck and Lala (2009:53) however, do not support the prediction of the equity theory and positive linear relationship between strength of service recovery and satisfaction, as findings indicate that despite the strength of recovery received, customers' satisfaction remains low.

Nevertheless, findings by Priluck and Lala (2009:53) support the prediction of the expectancy disconfirmation theory that a relationship exists between the recovery effort and dependent variables which are similar to a step function. Customers compare their expectations with what they received. When service recovery does not exceed customers' expectations, their satisfaction will remain dormant while customer satisfaction will increase as their expectations

are exceeded (Priluck & Lala, 2009:49). The findings by Priluck and Lala (2009:53) indicate that a weak recovery lowers original levels of customer satisfaction, while a moderate or strong recovery reinstates customers' original level of satisfaction. Priluck and Lala (2009:53) therefore concluded that any recovery effort further than a moderate recovery effort does not gain any more than an original level of customer relationship satisfaction.

Lovelock and Wirtz (2011:381) support this by stressing that overgenerosity is not sensible as customers might question the reliability of the organisation due to the fact that they feel that the organisation has an underlying intention and some customers might make misuse of organisations' attempt to generously recover from service failures. Yi and Lee (2005:13) disagree by stating that a strong recovery effort can never be overstated, seeing that 70% of customers given a strong recovery said that their repurchase intent remains or that they would spread positive word-of-mouth towards the service organisation, weighed against the 30% of customers who received a low recovery saying they would do the same. In conclusion, service recovery strength matters as stated by Priluck and Lala (2009:49): "After all, if the compensation for a product failure is larger, the customer should be happier."

3.5   CONCLUSION

This chapter included a variety of important constructs relevant to this study and discussed significant elements relating to RM. RM was defined and compared with TM and the benefits of implementing RM as a marketing strategy was conveyed from an organisation's perspective as well as a customer's perspective. A discussion of important constructs within the field of RM followed focusing on customer satisfaction, customer loyalty and customer retention. The discussion of the chapter then turned towards service failure and service recovery which play a vital role within this study. Service failure was defined and the different types of service failures were considered. Service failure severity and its impact on recovery expectations were discussed, followed by a section on service recovery as a method in which service failures can be managed. The next chapter provides information regarding the conseptualisation of the proposed model for this study.

CHAPTER 4
MODEL CONCEPTUALISATION

4.1 INTRODUCTION

In Chapter 2, consumer behaviour and customer complaint behaviour, two of the main constructs of this study were discussed. From the discussion it became clear that one of the main responses dissatisfied customers might execute during the post-purchase stage, is complaint behaviour. Furthermore, customers' attitude towards complaining, their intention to complain and different complaint channel choices further impose a significant impact on customers' complaint behaviour. Chapter 3 focused on the practise of relationship marketing (RM) in service organisations and the linkage between RM, service failure and service recovery. In addition to the aforementioned, the constructs service failure severity and strength of service recovery expectation were discussed due to the aim of this study to measure retail customers' subsequent behaviours relating to a severe employee-specific service failure scenario. Consequently, the interrelationship between the constructs general attitude towards complaining with online complaint intention and strength of service recovery expectation, service failure severity with online complaint intention and strength of service recovery expectation, and the interrelationship between online complaint intention and strength of service recovery expectation are investigated.

This purpose of this chapter is to support the development of the proposed theoretical model of this study by highlighting the interrelationships between the constructs concerned.

4.2 PROPOSED THEORETICAL MODEL

Figure 4.1 presents the proposed theoretical model of this study which focuses on clothing retail customers' online complaint intention and strength of service recovery expectations when presented with a severe employee-related service failure scenario. The hypotheses formulated for each interrelationship are subsequently presented as H_{13}–H_{17}, whereas H_1–H_{12} are presented in Chapter 1 while all hypotheses are examined in Chapter 6 of this study.

Figure 4.1:   Proposed theoretical model
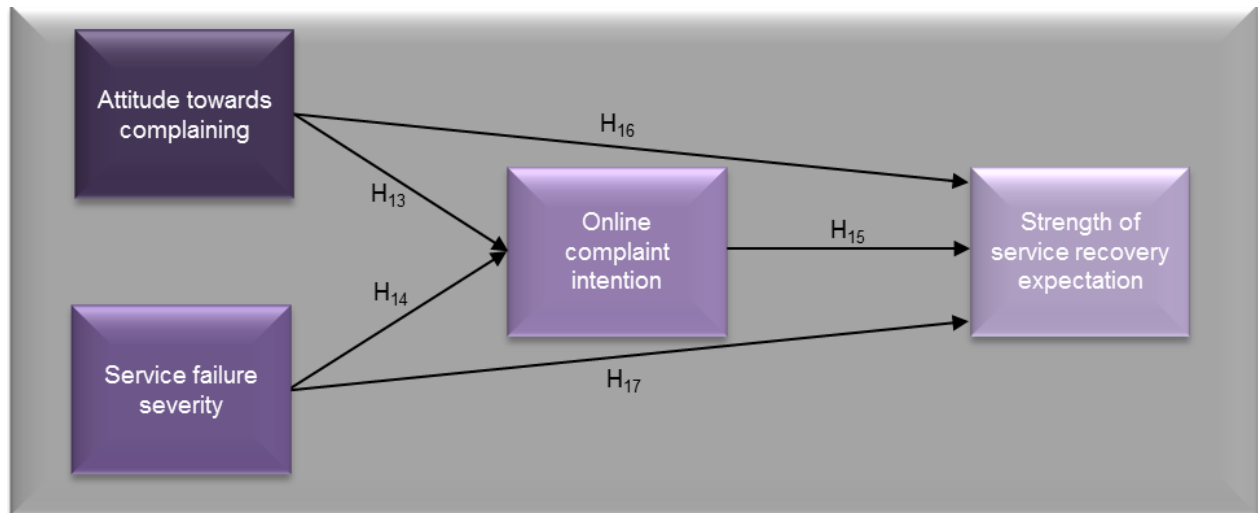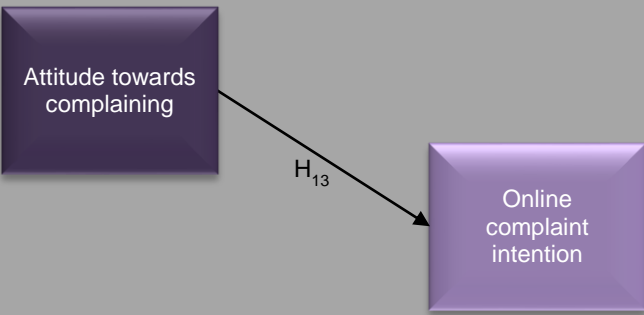
Hypothesis 13:	There is a significant positive influence of attitude towards complaining on online complaint intention.
Hypothesis 13:	There is a significant positive influence of attitude towards complaining on online complaint intention.
Hypothesis 14:	There is a significant positive influence of service failure severity on online complaint intention.
Hypothesis 15:	There is a significant positive influence of online complaint intention on the strength of service recovery expected.
Hypothesis 16:	There is a significant positive influence of attitude towards complaining on the strength of service recovery expected.
Hypothesis 17:	There is a significant positive influence of service failure severity on the strength of service recovery expected.

The following sections provide a summary of existing literature supporting the interrelationships between the constructs of the proposed theoretical model serving as a theoretical foundation for the aforementioned formulated hypotheses.

4.2.1   Hypothesis 13

The proposed relationship between the constructs attitude towards complaining and online complaint intention is presented in Table 4.1 and subsequently discussed.

Table 4.1: **Proposed relationship between attitude towards complaining and online complaint intention**

Proposed relationship between constructs	Author(s)
	• Andreassen and Streukens (2013:17) • Bodey and Grace (2007:580) • De Matos *et al.*(2009:471) • Kim and Boo (2011:217) • Kim *et al.* (2003:352) • Richins (1982:505) • Singh (1989:334) • Thøgersen *et al.* (2009:760) • Velázquez *et al.* (2010:540) • Von der Heyde Fernandes and Dos Santos (2008:584) • Wenjie and Othman (2010:229) • Zaugg (2008a:227)

Numerous empirical studies have identified a positive relationship between attitudes and intentions (Kim *et al.,* 2003:352; Richins, 1982:505; Singh, 1989:334; Velázquez *et al.*, 2010:540). According to Bodey and Grace (2007:580), a customer's attitude towards complaining has substantial value in predicting customer complaint behaviour. Therefore, it's no surprise that attitude towards complaining is found to be one of the most significant determining factors of complaint behaviour intentions (Bodey & Grace, 2007:580; De Matos *et al.*, 2009:471; Kim & Boo, 2011:217; Singh, 1989:334; Velázquez *et al.*, 2010:540) as customers with a positive attitude towards complaining are more likely to complain despite their level of satisfaction (De Matos *et al.,* 2009:417). Kim *et al.* (2003:352) and Thøgersen *et al.* (2009:760) further agree that attitudinal mediators, perceptual mediators and personality traits have a positive influence on customers' intention to complain.

Although extensive research exists relating to customer complaint behaviour, a small number of researchers have studied the variation in complaint channel choices made possible by the arrival of the Internet (Cho *et al.,* 2002:318; Lee & Cude, 2012:91). Customers who purchase in offline environments come across various types of service failures and problems in which they can choose to rather register their complaint online (Lee & Cude, 2012:90). The Internet is therefore serving as a platform for unhappy customers to vent their dissatisfaction (Lovelock & Wirtz, 2011:373). Holloway and Beatty (2003:102) agree by stating that customers are more likely to complain online than they would in a traditional shopping environment. Andreassen and Streukens (2013:17) add that the intensity of customers' dissatisfaction positively regulates the already existing relationship between attitude towards complaining and online complaint intention. Therefore, when customers' attitude towards complaining is positive, their intention to complain online is likely to also be positive (Zaugg, 2008a:227).

Based on findings of previous research, it can be argued that attitude towards complaining has a positive influence on retail customers' online complaint intention. Subsequently, hypothesis 13 is formulated based on the preceding discussion relating to the relationship between the constructs attitude towards complaining and online complaint intention.
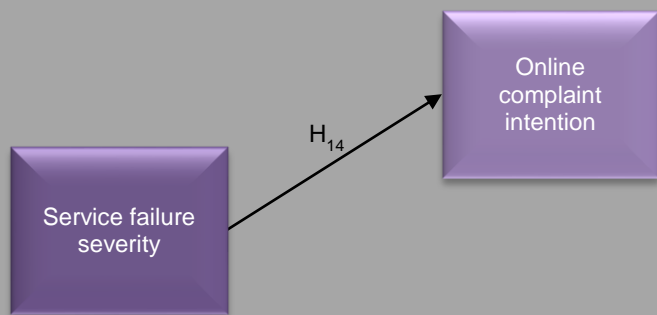
Hypothesis 13

There is a significant positive influence of attitude towards complaining on online complaint intention.

4.2.2   Hypothesis 14

The proposed relationship between the constructs service failure severity and online complaint intention is presented in Table 4.2 and subsequently discussed.

Table 4.2:   Proposed relationship between service failure severity and online complaint intention

Proposed relationship between constructs	Author(s)
	• De Matos and Leis (2013:333) • Levesque and McDougall (2000:21) • McQuilken and Robertson (2011:953,955) • Richins (1983b:76) • Singh and Wilkes (1996:362) • Wilson *et al.* (2012:344) • Thøgersen *et al.* (2009:760) • De Matos *et al.* (2009:470) • Velázquez *et al.* (2006:500-510) • Zaugg (2008a:222)

Service failures vary in severity, some service failures are minor irritations, while other service failures are major stressors that have a profound effect on customer complaint behaviour (McQuilken & Robertson, 2011:953,955). As a result, numerous authors have established the interrelationship between service failure severity and customer complaint intention (De Matos *et al.*, 2009:470; Thøgersen *et al.*, 2009:760). Richins (1983b:76) explains that problem severity has an influential impact on the effort of customers to respond to dissatisfaction. Singh and Wilkes (1996:362) agree that customers' voicing behaviour increases when service failure severity and customer dissatisfaction increase, while McQuilken and Robertson (2011:955) assert that a minor service failure can discourage customers from voicing their negative experiences. Therefore, the higher the severity of a service failure, the higher customers' intention to complain will be (De Matos & Leis, 2013:333; Levesque & McDougall, 2000:21). Accordingly, Zaugg (2008a:222) affirms that in the case of severe service failures, customers' intention to complain online is higher.

Based on findings of previous research, it can be argued that service failure severity has a positive influence on retail customers' online complaint intention. Subsequently, hypothesis 14 is formulated based on the preceding discussion relating to the relationship between the constructs service failure severity and online complaint intention.

Hypothesis 14

There is a significant positive influence of service failure severity on online complaint intention.

4.2.3   Hypothesis 15

The proposed relationship between the constructs online complaint intention and strength of service recovery expected is presented in Table 4.3 and subsequently discussed.

Table 4.3:   Proposed relationship between online complaint intention and strength of service recovery expected

Proposed relationship between constructs	Author(s)
Online complaint intention → H_{15} → Strength of service recovery expectation	• Grønhaug and Gilly (1991:177) • Kim *et al.* (2010:975) • Priluck and Lala (2009:48) • Wilson *et al.* (2012:346) • Zaugg (2009:4)

Wilson *et al.* (2012:346) state that when customers ultimately decide to post a complaint after an unsatisfactory service failure, they generally have high recovery expectations. Grønhaug and Gillly (1991:177) explain that a positive correlation exists between complaint intention and the amount at stake indicating that complaint intention increases as the amount at stake (for the purpose of this study, strength of service recovery expected) increases.

In contrary, strong recovery efforts provided by organisations have a positive effect on voicing behaviours as they lead to increased levels of internal voice complaint behaviour (Priluck & Lala, 2009:48). De Matos and Leis (2013:333) agree that responsive organisational recovery efforts positively influence customers' intention to complain directly to the service provider. On the other hand, customers' intention to complain decreases when the transaction specific investment to complain is higher than the expected gain or service recovery strength expected from the complaint (Grønhaug & Gillly, 1991:177). Moreover, online complaint intention is said to decrease when insufficient service recovery is received (Zaugg, 2009:4).

Based on findings by several authors, it can be argued that online complaint intention has a positive and direct relationship with the strength of service recovery expected. Subsequently,

hypothesis 15 is formulated based on the preceding discussion relating to the relationship between the constructs online complaint intention and strength of service recovery expected.
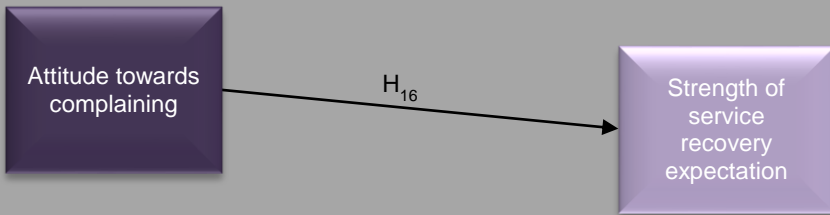
Hypothesis 15

There is a significant positive influence of online complaint intention on the strength of service recovery expected.


4.2.4 Hypothesis 16

The proposed relationship between the constructs attitude towards complaining and strength of service recovery expected is presented in Table 4.4 and subsequently discussed.

Table 4.4:   Proposed relationship between attitude towards complaining and strength of service recovery expected

Proposed relationship between constructs	Author(s)
	• Andreassen and Streukens (2013:18) • De Matos *et al.* (2009:470) • Lovelock and Wirtz (2011:373) • Smith *et al.* (1999:356) • Wilson *et al.* (2012:343,347)

Some customers are more likely to complain as they believe that a positive outcome may occur, whilst other customers refrain from taking any action as they hold the opposite belief (Wilson *et al.,* 2012:347). As a result, customers choose to complain in order to recover their economic loss by being in search of a refund, compensation and/or additional services as potential service recovery strategies (Lovelock & Wirtz, 2011:373). It is therefore clear that outcome and process elements play a vital role in the formation of customers' attitude towards complaining (Andreassen & Streukens, 2013:18).

These outcome and process elements referring to service recovery strategies can differ considerably in strength, and it is likely that customers who take the time and effort to complain generally have high (or strong) recovery expectations (Wilson *et al.,* 2012:346). These customers who decide to act strongly to a service failure expect an equally strong and effective service recovery reaction from the organisation (Smith *et al.*, 1999:356). It is therefore safe to say that the level of satisfaction customers experience in relation to the service recovery effort received after a service failure is stronger for customers with a high attitude towards complaining (De Matos *et al.*, 2009:470).

Based on findings by several authors, it can be argued that retail customers' general attitudes towards complaining, have a positive and direct relationship with the strength of service recovery expected. Subsequently, hypothesis 16 is formulated based on the preceding discussion relating to the relationship between the constructs attitude towards complaining and strength of service recovery expected.
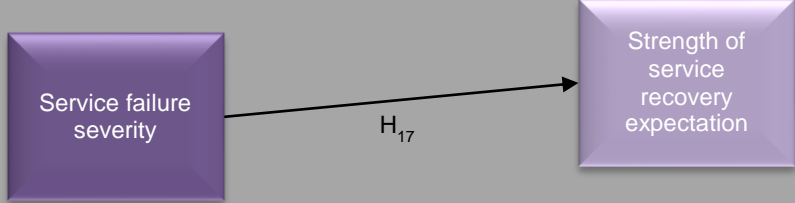
Hypothesis 16
There is a significant positive influence of attitude towards complaining on the strength of service recovery expected.

4.2.5 Hypothesis 17

The proposed relationship between the constructs service failure severity and strength of service recovery expected is presented in Table 4.5 and subsequently discussed.

Table 4.5   Proposed relationship between service failure severity and strength of service recovery expected

Proposed relationship between constructs	Author(s)
	• Betts *et al.* (2011:367) • Lovelock and Wirtz (2011:377,380) • McQuilken (2010:218) • Smith *et al.* (1999:360,356) • Tyrrell and Woods (2004:188) • Weun *et al.* (2004:139) • Yi and Lee (2005:6)

Existing literature presents that as the severity levels of service failures vary, customers' expectations relating to service recovery fluctuate accordingly (Betts *et al.,* 2011:367) as the more severe a service failure, the larger the customer's apparent loss will be (Weun *et al.,* 2004:135). Smith *et al.* (1999:360) and Walster *et al.* (1973:174) explain that as soon as a service failure arises, the relationship between the customer and service organisation is thrown out of balance as the costs extend beyond the rewards experienced by the customer. For service organisations to re-establish the balance in relationships, they must execute service recovery relative to the type of service failure, therefore providing an adequate gain to cover the loss (Smith *et al.,* 1999:360).

Findings by Smith *et al.* (1999:356) suggest that customers expect organisational service recovery to be equivalent to the type of service failure experienced relating to the total that corresponds with the severity of the service failure experienced. Yi and Lee (2005:6) agree that

service organisations should present customers with a gain or recovery relative to cover the loss of customers. As a result, the service recovery expectations of customers are less during a minor service failure than what it would be in the case of a major service failure where damage in terms of time, effort, annoyance, or anxiety was created (Lovelock & Wirtz, 2011:377). This is an important factor to measure as literature indicates that service recovery levels (or the strength thereof) should differ depending on the service failure severity and the criticality level and every situation should receive customised recovery efforts (Tyrrell & Woods, 2004:188).

Based on findings by several authors, it can be argued that retail customers' service failure severity perception has a positive and direct relationship with the strength of service recovery expected. Subsequently, hypothesis 17 is formulated based on the preceding discussion relating to the relationship between the constructs service failure severity and strength of service recovery expected.

Hypothesis 17
There is a significant positive influence of service failure severity on the strength of service recovery expected.

4.3   CONCLUSION

The development of the proposed theoretical model of this study was presented in this chapter. The proposed theoretical model was developed with the aim of addressing the research objectives as presented in Chapter 1. The next chapter, Chapter 5, addresses the research methodology of this study and portrays the selected research design, data collection method, sample plan and statistical techniques that will be used to test the proposed theoretical model empirically.

CHAPTER 5
RESEARCH METHODOLOGY

5.1 INTRODUCTION

Chapter 5 focuses on providing insight into the research methodology followed in this study as it forms the basis on which valid and reliable results are presented and conclusions are made. This chapter is based on the stages typically followed when undertaking scientific marketing research and is subsequently guided by the stages in the marketing research process. Each stage in the marketing research process is explained and its application to this study is presented.

5.2 MARKETING RESEARCH PROCESS

The marketing research process as presented in Figure 5.1 is defined by Shiu, Hair, Bush and Ortinau (2009:46) as the systematic task steps during the collecting, analysing, interpreting, and transforming of data structures and results into decision-making information. Figure 5.1 presents the stages followed in this study.

Figure 5.1:   Stages in the marketing research process

Stage 1:
Formulate the problem (refer to section 5.3)

Stage 2:
Determine the research design (refer to section 5.4)

Stage 3:
Design the data collection method and forms (refer to section 5.5)

Stage 4:
Design the sample and collect data (refer to section 5.6)

Stage 5:
Analyse and interpret the data (refer to section 5.7)

Stage 6:
Prepare the research report and formulate conclusions (refer to section 5.8)
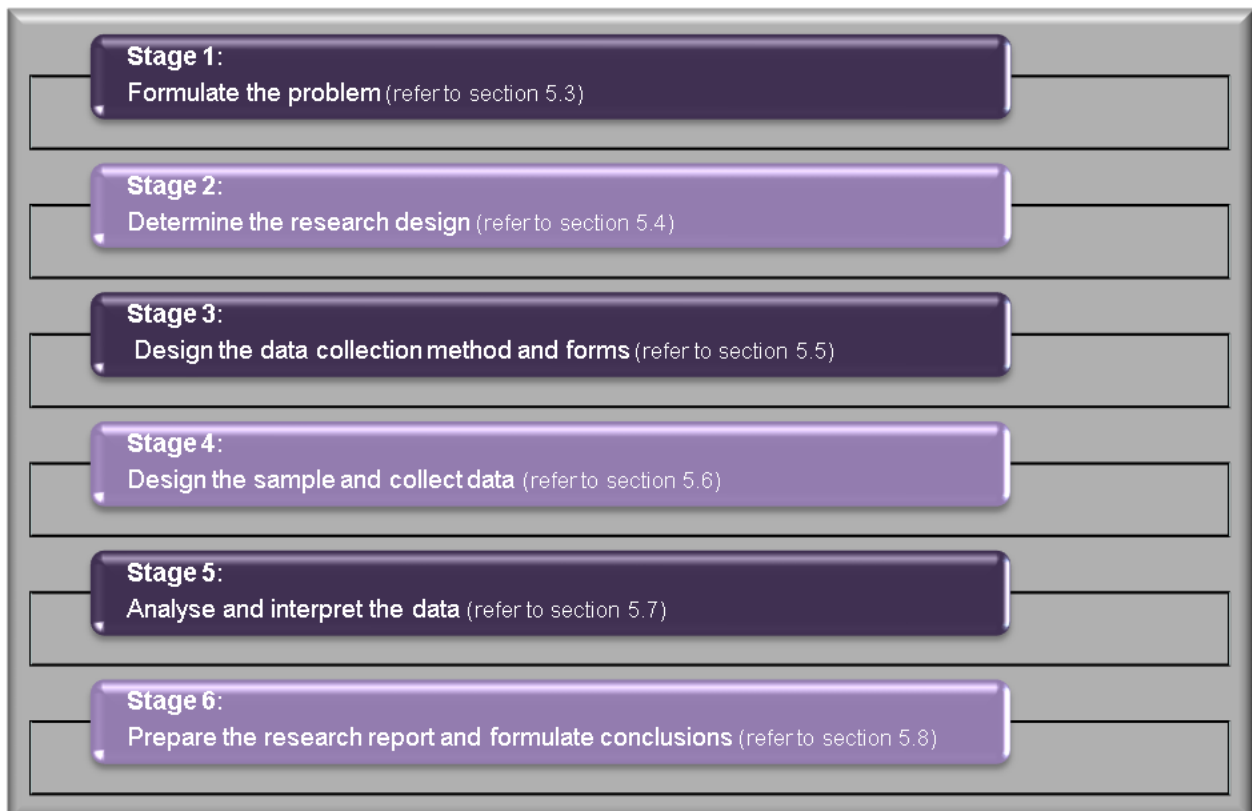
Source: Adapted from Iacobucci and Churchill (2010:31)

The scientific method by which the steps in the marketing research process are guided, presents an outcome of a logical, objective, reliable and valid research process (Hair *et al.*, 2013:30). The steps a researcher needs to take and the order thereof are influenced by the complexity of the problem, the cost related to alternative approaches, the urgency for problem solving and information need clarification (Hair *et al.,* 2013:31).

The marketing research process chosen for this study is that of Iacobucci and Churchill (2010:31) and consists of six broad stages as presented in Figure 5.1. The stages include: formulating the problem, determining the research design, designing the data-collection method and forms, designing the sample and collection of data, analysing and interpreting the data, and lastly, preparing the research report.

5.3   STAGE 1: FORMULATE THE PROBLEM

Problem definition and formulation is a critical step in the marketing research process (McDaniel & Gates, 2010:41). A marketing research problem indicates the purpose of the research study and provides the needed direction to conduct effective research (Wiid & Diggines, 2009:47). Therefore, the research problem should be properly defined or else incorrect research objectives are formulated and time and money are wasted during the research process (Malhotra, 2010:69; McDaniel & Gates, 2010:41). To define a research problem is not a simple task and requires thorough effort from researchers (Shao, 2002:38).

The research problem for this study was identified from gaps in existing literature as well as the need for specific information regarding clothing retailers' performance in practice (Shiu *et al.,* 2009:54). The research problem was discussed and identified in Chapter 1 (refer to section 1.5), contextualisation of the study is subsequently presented in Table 5.1.

Table 5.1:   Research problem of this study

It is important for clothing retailers to be aware of customer complaint behaviour and to take complaints seriously when they occur, since service failures within the highly competitive clothing retail industry are inevitable. Given that customer complaint behaviour and the subsequent resolution of a complaint play such a critical role in customer satisfaction and retention, clothing retailers are increasingly expanding their customers' opportunities to complain by offering innovative channels to voice their complaints, such as online complaining. However, limited research exists pertaining to online complaint intention in general, as well as the relationship with strength of service recovery expected. Knowledge concerning retail customers' online complaint behaviour will enable retail managers to develop strategies to deliver the expected service recovery efforts and increase retail customers' satisfaction and subsequent retention after experiencing a service failure.

Based on the preceding research problem, the aim of this study is to determine clothing retail customers' online complaint intention and strength of service recovery expectation when an

employee-related service failure is experienced in the clothing retail industry. This study specifically focuses on in-store employee-related service failures experienced by clothing retail customers in order to determine the effect of such a service failure on these customers' online complaint intention. Based on this aim the following objectives were developed.

5.3.1   Primary objective

The primary objective of this study is to determine customers' online complaint intention and subsequent service recovery expectations when an employee-related service failure is experienced in the clothing retail industry.

5.3.2   Secondary objectives

The following secondary objectives are formulated to support the primary objective:

1. To theoretically investigate:
   1a. the clothing retail industry by addressing the nature of the industry in South Africa.
   1b. consumer behaviour and customer complaint behaviour to provide an overview of the main constructs of the study, namely attitude towards complaining and online complaint intention.
   1c. relationship marketing, service failure and service recovery to provide an overview of the main constructs of the study, namely service failure severity and strength of service recovery expectation.
   1d. the interrelationship between the constructs of this study, namely attitude towards complaining, service failure severity, online complaint intention and strength of service recovery expectation.
2. To determine the sample profile of the typical respondent who participated in this study based on demographic information obtained.
3. To determine the online behaviour of the typical clothing retail customer who participated in this study.
4. To determine the service recovery strategy expectation of the typical clothing retail customer who participated in this study.
5. To measure the following theoretical constructs empirically:
   5a. the general attitude of clothing retail customers towards complaining;
   5b. the perceived service failure severity clothing retail customers experience when presented with a fictional employee-related service failure scenario;
   5c. the strength of service recovery expected by clothing retail customers after presented with a fictional employee-related service failure scenario; and

5d. the intention of clothing retail customers to complain online when presented with a fictional employee-related service failure scenario.

6. To determine whether significant differences exist between different groups of clothing retail customers in terms of each of the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) measured in this study.

7. To determine whether linear correlations exist between the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) measured in this study.

8. To determine the influence of the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) as presented in the conceptual model, on one another.

5.4   STAGE 2: DETERMINE THE RESEARCH DESIGN

The purpose of the research design is to provide a strategy and structure for the research project in order to increase the eventual validity of research results and findings obtained (Wiid & Diggings, 2009:33). The research design should suit the study and its research objectives and can be met by either one of the three types of research designs, namely exploratory, descriptive and causal or experimental designs (Iacobucci & Churchill, 2010:58-59; Shiu *et al.,* 2009:61), which are subsequently discussed.

5.4.1   Exploratory research design

Exploratory research is generally unstructured, informal research that is undertaken to gain background information relating to the general nature of the research problem (Burns & Bush, 2010:118). This research design is unstructured as it includes the fewest characteristics of the scientific method (Shiu *et al.,* 2009:61) and does not include a predetermined set of procedures (objectives, sample plan or a questionnaire), as the nature of the research changes as new information is gained by the researcher (Burns & Bush, 2010:118). An exploratory research design is often used to classify problems, simplify vague situations, and discover ideas for potential business opportunities and is not intended to provide conclusive information and determine an exact course of action (McQuarrie, 2006:6; Shiu *et al.,* 2009:61; Zikmund & Babin, 2010:50).

5.4.2   Descriptive research design

A descriptive research design aims at attaining a precise snapshot of a certain aspect in the market environment (Aaker, Kumar, Leone & Day*,* 2013:75) and to gain a thorough and accurate description of the research domain (Wiid & Diggines, 2009:56). Descriptive research uses a set of scientific methods and procedures to gather raw data and create data structures which describe the current characteristics (e.g., attitudes, intentions, and purchase behaviours) of a defined target group (Malhotra, 2010:106; Shiu *et al.,* 2009:62). Descriptive research addresses who, what, when, where, why, and how questions (Burns & Bush, 2010:123; Zikmund & Babin, 2013:49) which can only be answered once research questions and hypotheses have been formulated (Zikmund *et al.*, 2013:53). As a result, the information needed for a descriptive research design should be clearly defined and is usually based on large representative samples where the research is pre-planned and structured (Malhotra, 2010:106; Malhotra, Birks & Wills, 2012:90).

5.4.3   Causal or experimental research design

Iacobucci and Churchill (2010:59) and Malhotra (2010:113) state that the causal research design particularly focuses on determining cause-and-effect relationships among different variables and is studied through the use of experiments. Aaker *et al.* (2013:323) define experiments as studies in which controlled conditions are executed so that one or more independent variable(s) can be manipulated in order to test a hypothesis relating to a dependent variable(s). The study of cause-and-effect relationships further enables researchers to make 'if-then' statements about the variables (Shiu *et al.,* 2009:62). These 'if-then' statements become a method in which variables of interest are manipulated as phenomenan can be better understood in the form of 'if *x*, then *y*.' Causal research can only be manipulated in a reasonably controlled environment (Malhotra, 2010:113) and is normally executed by means of field or laboratory experiments (Wiid & Diggines, 2009:56).

After taking this study's research objectives and information requirements into account, the descriptive research approach was chosen for this study. A descriptive research design is appropriate as this study aims to determine clothing retail customers' online complaint intentions and service recovery expectations when an employee-related service failure is experienced in the clothing retail industry. Based on the aforementioned, it is evident that the research for this study is pre-planned and structured (Malhotra, 2010:106) and that the aim of this study is to uncover certain characteristics of clothing retail customers pertaining to their attitude, intentions and expectations (Malhotra, 2010:106; Shiu *et al.,* 2009:62). In addition to determining the characteristics of a certain group of people, this study aims to determine the proportion of

people with a particular type of behaviour and further aims to make a specific prediction regarding clothing retail customers' online complaint intention. The aforementioned statements support the use of a descriptive research design (Churchill, Brown & Suter, 2010:107).

5.5   STAGE 3: DESIGN THE DATA COLLECTION METHOD AND FORMS

After the marketing research problem is clearly defined, the next stage proceeds to determine the data collection method and forms (Iacobucci & Churchill, 2010:142,204; Stewart, 2005:116), including the location of capable sources to provide the data (Parasuraman, Grewal & Krishnan, 2007:34). Each research project has a unique nature and the most suitable data collection method should be selected to gain appropriate data (Stewart, 2005:116). There is an unlimited supply of data sources available and many ways to gain access to these data sources (Tustin, 2005:88) which can be divided in two main categories, namely secondary and primary data sources (Malhotra, 2010:132; Parasuraman *et al.*, 2007:34; Tustin, 2005:88).

Secondary data is described as data that already exists which was previously collected for another research problem or purpose and which can also be used for the problem at hand (Peter & Donnelly, 2001:35; Tustin, 2005:88). A primary data collection method is followed when existing secondary research is insufficient and research objectives cannot be met (Tustin, 2005:89). Primary research methods such as surveys, interviews and observations are conducted to effectively reach research objectives (McNeill & Chapman, 2005:131). Surveys are structured questionnaires designed to obtain specific information from respondents (Malhotra, 2010:211). Interviews entail an interaction between a single respondent and a skilled interviewer where the respondent is queried in order to uncover underlying motivations, beliefs, feelings and attitudes (Malhotra, 2010:185). Observations as the third primary research method refers to the systematic approach of recording the specific behavioural patterns of respondents, certain objects and events to gain information regarding a topic of interest (Malhotra, 2010:230).

To execute an effective literature review and to establish a theoretical background on the research problem of this study, secondary data was obtained from a variety of sources such as marketing journals (e.g. Journal of Retailing, Journal of Marketing Research) and textbooks. Constructs identified in the research problem are attitude towards complaining, service failure and the severity thereof, customer complaint behaviour, complaint intention and service recovery. As a result, previous research concerning fields of consumer behaviour (Chapter 2), customer complaint behaviour (Chapter 2), relationship marketing (Chapter 3) and service marketing (Chapter 3) was examined. The need for primary data collection is initiated by multiple sources of secondary data and consequently a survey primary research method was used to conduct the primary data collection for the empirical research of this study.

5.5.1   The data collection method

When conducting primary data collection, the most suitable research approach referring to quantitative or qualitative research and the appropriate primary data collection method must be selected (Tustin, 2005:89). Malhotra (2010:170) distinguishes between quantitative or qualitative research by stating that qualitative research provides insights and understanding of the research problem, while quantitative research aims at quantifying the data by applying some form of statistical analysis (Malhotra, 2010:171).

Moreover, qualitative research obtains marketing objectives by means of techniques which allow the researcher to present intricate interpretations of market phenomena while not depending on any form of numerical measurement (Zikmund & Babin, 2013:97). Small, partially representative quantities of respondents are used (Aaker *et al.,* 2013:178) as the main objective is to gain preliminary insights into research problems and to obtain data which is richer in context and depth (Aaker *et al.,* 2013:178; Shiu *et al.,* 2009:172). Qualitative approaches are more researcher-dependent and results are therefore more subjective (Zikmund & Babin, 2013:97,99), indicating that an exploratory research design is most appropriate in this case (Shiu *et al.,* 2009:172).

Quantitative research focuses considerably on activities directed towards the measuring of concepts with scales which directly or indirectly deliver values (Zikmund & Babin, 2013:99). The data obtained through quantitative research is usually expressed in numbers, percentages or rates (Ling & Bouma, 2004:20) and has an objective nature (Zikmund & Babin, 2013:99). The main intention of quantitative research is to conduct a generalisation of a specific population based on the results gained from the representative sample of a given population (Tustin, 2005:89). Quantitative research uses preset response options in questionnaires as well as formal questions directed towards large quantities of respondents (Hair *et al.,* 2013:77). Descriptive and causal research designs are mostly used during this research approach as the main objective is to obtain accurate predictions of relationships between market factors and behaviours, expand insights, validate relationships and to test hypotheses (Hair *et al.,* 2013:78; Shiu *et al.,* 2009:172).

A quantitative research method was chosen as it is structured in its nature and the research objectives of this study imply a certain standard for managerial action (Zikmund & Babin, 2013:99). Consequently, this study aims at generalising the specific population of clothing retail customers by making predictions and gaining insights of the behaviours of customers regarding their online complaint intention whilst validating relationships and testing hypotheses of predetermined constructs (Hair *et al.,* 2013:78; Shiu *et al.,* 2009:172; Tustin, 2005:89).

Quantitative research is further used in collaboration with descriptive research designs (which is the chosen research design for this study) with the aim of producing and describing the structure and characteristics of relevant groups of units (e.g. clothing retail customers and salespeople) (Parasuraman *et al.,* 2007:64). This study additionally aims at obtaining information from a relatively large number of respondents by means of preset questionnaires (Hair *et al.,* 2013:77) due to time and money constraints which further support the choice of a quantitative research method for this study.

5.5.2   The data collection form

In the next step the manner of collecting data should be determined where researchers can choose among observation, experimental and survey methods as the three basic research methods (McDaniel & Gates, 2010:51). According to Churchill *et al.* (2010:186), observation as a method of data collection does not entail questioning, but rather watching a situation of interest whilst recording the applicable actions, behaviours or facts. The experimental data collection method, with the objective of measuring causality, refers to when researchers control one or more independent variables and observe the effect of the controlled change on the dependent variables (McDaniel & Gates, 2010:52). A survey research method entails an interaction between an interviewer and respondents in order to collect large amounts of raw data pertaining to facts, opinions and attitudes through the use of question-and-answer formats (Shiu *et al.,* 2009:226). Survey methods are normally used by researchers throughout a descriptive study in which quantitative primary data is collected (Malhotra, 2010:211; Shiu *et al.,* 2009:225) and is consequently the chosen research method for this study.

Survey methods can be divided into three distinct categories, namely person-administered, telephone-administered, or self-administered (Shiu *et al.,* 2009:237) (see Figure 5.2). There are various factors (e.g. sampling precision, budget, requirements, quality data, questionnaire length and structure, incidence rate and time availability) which influence a researcher's choice with regard to the particular survey method, as the chosen method should provide the data of the required type, quality and quantity at the lowest cost possible (McDaniel & Gates, 2010:138).

Figure 5.2:   Categories of survey methods
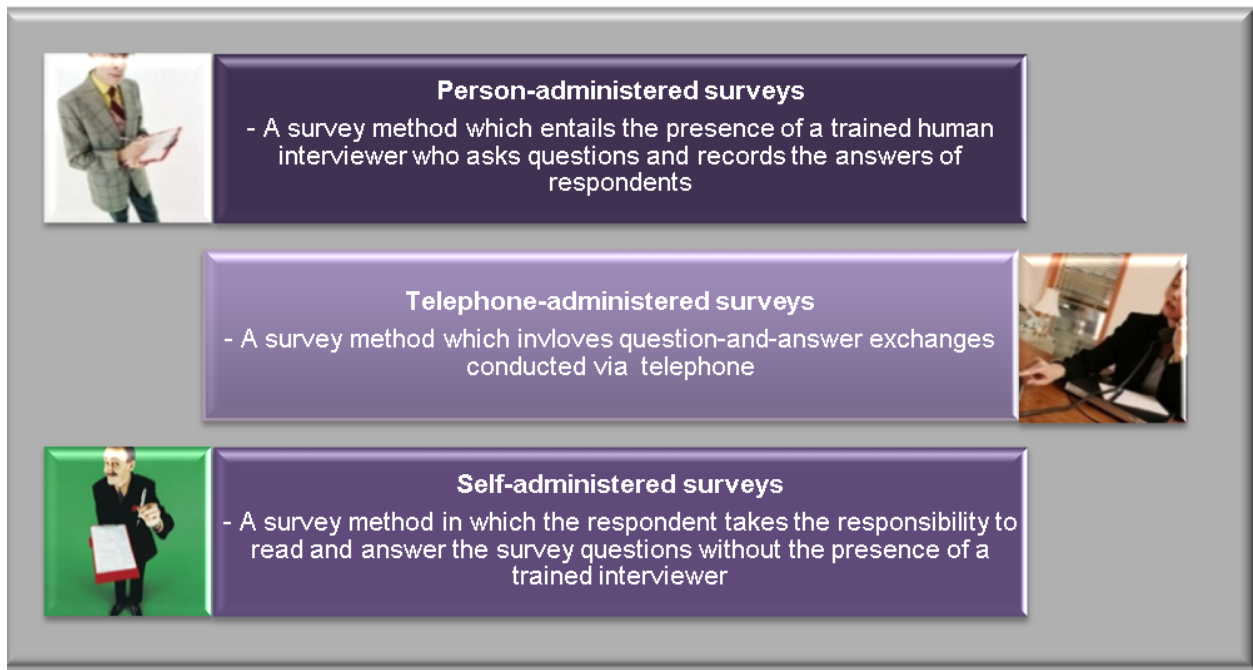
Source: Adapted from Shiu *et al.* (2009:238-247) and Zikmund and Babin (2010:223)

For the purpose of this study, a survey research method was chosen as it is especially used for studies in which data is collected from large groups of people of 200 or more (Shiu *et al.,* 2009:226). As a survey method requires a procedure in which the data-collection process is standardised to obtain data in an internally consistent manner for analysis in a coherent and uniform way (Malhotra, 2010:334), a standardised questionnaire was used. This ensures comparability of the data and increases the accuracy and speed of recording the data while facilitating data processing (Malhotra, 2010:335). Self-administered questionnaires were furthermore used in order to obtain low costs per survey and to eliminate interviewer bias (Shiu *et al.*, 2009:247). The questionnaire was designed to be short and clear to obtain question clarity (McDaniel & Gates, 2010:293). The most prominent disadvantage is potential response error as respondents may not understand the survey question and provide erroneous responses or skip sections of the questionnaire without knowing, resulting in imprecise answers (Shiu *et al.,* 2009:247). Zikmund and Babin (2010:224) agree by stating that clarity of the written word is a challenge faced by self-administered questionnaires. To ensure that questions asked in the self-administered questionnaire are understood by respondents, a pilot study on the entire questionnaire was performed (section 5.5.3.4).

5.5.3   Questionnaire as a data collection form

A questionnaire is a structured technique consisting of a series of questions and scales designed to generate primary data based on respondents' answers (Malhotra, 2010:335; Shiu *et al.,* 2009:329). Questionnaires allow researchers to provide standardised questions and

response categories in order to subject every respondent to identical stimuli (Burns & Bush, 2010:304). The main objectives of a questionnaire are to translate desirable information or research objectives into specific questions for respondents to answer, to motivate, encourage and uplift respondents' involvement, and to minimise response error (Malhotra, 2010:335). Questionnaire design therefore entails a systematic process in which the researcher makes a variety of decisions (Burns & Bush, 2010:304) based on a scientific approach which incorporates reputable rules of logic, objectivity, and systematic procedures (Shiu *et al.,* 2009:329). This section describes the primary scales of measurement used in the questionnaire, followed by the types of response formats used. Thereafter, the questionnaire layout and sources used to develop statements are presented, followed by a short discussion pertaining to the pilot study conducted.

5.5.3.1 Scales of measurement

It is important to be aware of the characteristics of scales as it determines the scale's level of measurement (Burns & Bush, 2010:279) as not all scales capture the same richness in a measure (Zikmund & Babin, 2010:326). The four primary types of scale measurement can be divided in two categories, namely categorical scales or metric scales (Burns & Bush, 2010:279). Categorical scales typically consist of a small quantity of separate values or categories for example, male or female, or married, single or widowed, and include the scale types, nominal and ordinal (Burns & Bush, 2010:279). The metric scale category, however, consists of labels or numbers with an underlying measurement continuum as basis and includes interval and ratio scale types (Burns & Bush, 2010:279). Each measurement scale is subsequently explained.

- **Nominal scale**: A nominal scale possesses the characteristic of description as it only assigns labels or values to an object purely for identification and classification purposes (Burns & Bush, 2010:279; Zikmund & Babin, 2010:326). As nominal scale questions only possess the characteristic of description, questions can refer to gender, yes or no questions, religion, buy or did not buy, as examples thereof (Hair *et al.,* 2013:162; Zikmund & Babin, 2010:326) (refer to Table 5.2).
- **Ordinal scale**: An ordinal scale provides the opportunity to determine the relative position of objects without indicating the magnitude of the differences between objects, making this scale a pure ranking scale (Malhotra *et al.,* 2012:414). Examples of ordinal scales include questions that ask respondents to rate brands or organisations or to rate a certain aspect as excellent, good, fair or poor (Zikmund & Babin, 2010:328) (refer to Table 5.2).
- **Interval scale**: Interval scales measure the absolute differences between scale points by indicating how far apart the measured objects are to a certain aspect (Hair *et al.,* 2013:163). A variety of statistical analyses can be applied to interval scales although comparisons of

the absolute magnitude of the measurements cannot be made across objects, since there is no absolute zero point as interval data only possesses order and distance characteristics (Proctor, 2005:168). An example of interval scales includes questions such as 'how likely are you to recommend this product to a friend?' on a scale of 1 to 7 where 1 represents definitely will not recommend and 7 represents definitely will recommend (Hair *et al.,* 2013:164) (refer to Table 5.2).

* **Ratio scale**: Ratio scales provide researchers with the opportunity to not only identify the absolute differences between every scale point, but to additionally execute absolute comparisons between responses obtained (Hair *et al.,* 2013:164), seeing that it contains an absolute zero point (unique origin) (Proctor, 2005:169; Zikmund & Babin, 2010:329). Ratio scales enable researchers to say that the number 6 has twice the characteristic being measured as the object assigned to number 3 on a ratio scale (Proctor, 2005:169) and subsequently common examples of such a scale include height, weight, age and even money (Malhotra *et al.,* 2012:416).

For the purpose of this study, nominal, ordinal and interval scales were used during the questionnaire design. Nominal scales achieve the objective of gaining descriptive statistics relating to the data (Hair *et al.,* 2013:162), while ordinal scales enable the researcher to calculate summary statistics (Malhotra *et al.,* 2012:414) in order to determine the position and magnitude of differences between objects (Malhotra *et al.,* 2012:414). Interval scales were used in order to apply statistical analysis (compute the mean, standard deviation and correlation coefficients) and to determine how much of a trait (e.g. online complaint intention) one customer has over another (McDaniel & Gates, 2010:248-249).

5.5.3.2 Type of response formats

During the design of a questionnaire it is vital that the needed information is translated into questions through the use of the scales discussed in the previous section (Malhotra & Peterson, 2006:251). Such questions can either be open-ended or closed-ended (Proctor, 2005:199). Open-ended questions or unstructured questions allow respondents to communicate their general attitudes or opinions which in turn enable the researcher to interpret the responses to form more structured questions (Malhotra, 2010:343), thus serving as a tool to start a questionnaire and to gain rich insights (Iacobucci & Churchill, 2010:212; Malhotra, 2010:343). Closed-ended or structured questions are questions that prespecify the set of response alternatives and response format and require respondents to make a selection from a list of responses (Aaker *et al.,* 2013:262; Malhotra *et al.,* 2012:463; McDaniel & Gates, 2010:297). Closed-ended questions can be classified into dichotomous questions, multiple-choice questions and scale-questions (Malhotra, 2010:344) and are subsequently discussed.

- **Multiple-choice questions** provide respondents with a choice of answers where they are asked to select one or more of the given alternatives closest to their own perspective (Malhotra, 2010:344; Zikmund & Babin, 2010:370) (refer to Table 5.2).

- **Dichotomous questions** normally have only two implicit response categories or alternatives such as a yes or no or even agree or disagree (Malhotra, 2010:344; McDaniel & Gates, 2010:298) (refer to Table 5.2).

- **Scales** present response choices to respondents to capture their intensity of feeling (McDaniel & Gates, 2010:299) and resulting data is normally assumed to be an interval or ratio scale (Malhotra, 2010:289). Several such response formats exist.

  - **Multi-item scales** include multiple items in which an item represents a single statement or question for evaluation (Malhotra, 2010:316).

    - **Unlabelled multi-item Likert type scale** is a scale which asks respondents to indicate their level of agreement with a series of mental- behavioural belief statements about a certain object (Burns & Bush, 2010:276; Hair *et al.,* 2013:171). Normally, this scale format is balanced between scale descriptors ranging from agreement to disagreement measuring the respondent's attitude towards a particular statement (Hair *et al.,* 2013:172, McDaniel & Gates, 2010:267). A Likert scale is easy to administer and to understand and remains the most commonly applied scale format when measuring attitude (McDaniel & Gates, 2010:269; Zikmund & Babin, 2010:346) (refer to Table 5.2).

For the purpose of this study, only closed-ended questions were used as they are easy to answer, require less effort, lead to lowered levels of interviewer bias, and increase the ease of tabulation and analysis (Aaker *et al.,* 2013:293; Malhotra *et al.,* 2012:464; McDaniel & Gates, 2010:297). Multiple-choice, dichotomous and scale questions were used in the questionnaire. In addition, a five-point unlabelled multi-item Likert type scale was used to effectively measure respondents' level of agreement with the given statements measuring the constructs of this study (Hair *et al.,* 2013:171).

5.5.3.3 Questionnaire layout

The design of a questionnaire is seen as a systematic process where the researcher considers a number of question formats, takes various factors into account characterising the survey at hand, carefully words the numerous questions, and plans the questionnaire layout (Burns & Bush, 2010:304). Proctor (2005:201) states that the designed questions should be placed in a logical order as the sequencing of questions is vital. Proctor (2005:201) further states that the first questions in a questionnaire should create interest in the respondents and that questions concerning age, salary, etc., can be positioned first when the study makes use of quota

sampling and the need arises to establish certain information at the start of the questionnaire. Malhotra (2010:351) adds that all the questions dealing with a certain topic should be dealt with before questions on a new topic are presented, and brief transitional phrases are recommended during topic switching in order to facilitate respondents to switch their train of thought. The appearance of a questionnaire and the layout of the questions thus impact respondents' cooperation as well as the level of quality data collected (Burns & Bush, 2010:315; Parasuraman *et al.,* 2007:302). Each of the sections in the questionnaire for this study is subsequently discussed, including a Table presenting the questions of each section with the chosen response formats and scales of measurement.

i.   Screening questions

Screening questions were used in this study's questionnaire to identify qualified prospective respondents and to avoid those who are not qualified to be included in the study (Hair *et al.,* 2013:194).

Table 5.2 presents the relevant questions for the entire questionnaire with the chosen response format and measurement scale used in this study. The questionnaire is divided into four sections (Section A, B, C and D) measuring the main constructs of this study with the aforementioned screening question section at the beginning of the questionnaire after the introduction. Each section is shortly discussed with reference to Table 5.2. The final questionnaire used in this study is presented in Appendix A.

Table 5.2:   **Response formats and measurement scales used for questions included in the questionnaire**

Question or statement number	Question/statement	Response format	Measurement scale
Screening questions			
Screening question 1	Do you currently have access to the Internet via a personal computer, laptop, tablet or any handheld device?	Dichotomous	Nominal
Screening question 2	Do you purchase your own clothing?	Dichotomous	Nominal
Demographic information			
Section A, question 1	How old are you?	Multiple-choice	Ordinal
Section A, question 2	What is your highest level of education?	Multiple-choice	Ordinal
Section A, question 3	What is your gender?	Dichotomous	Nominal
Section A, question 4	What is your home language?	Multiple-choice	Nominal
Section A, question 5	What is your employment status?	Multiple-choice	Nominal

Table 5.2:   Response formats and measurement scales used for questions included in the questionnaire (continued)

Question or statement number	Question/statement	Response format	Measurement scale
Demographic information			
Section A, question 6	What is your personal income that you take home every month (net income)?	Multiple-choice	Ordinal
Section A, question 7	How often do you shop for clothing?	Multiple-choice	Ordinal
Online behaviour			
Section B, question 1	How often do you use the Internet?	Multiple-choice	Ordinal
Section B. question 2	Have you ever complained online?	Dichotomous	Nominal
Section B, question 3	If you are unhappy about a store's service, where would you most likely complain (select only ONE option)?	Multiple-choice	Nominal
Attitude towards complaining			
Section C, statement 1	Complaining is a customer's right	Multi-item scale - Unlabelled Likert-type scale	Interval
Section C, statement 2	I always complain when I am dissatisfied because I feel it is my duty	Multi-item scale - Unlabelled Likert-type scale	Interval
Section C, statement 3	Complaining is not easy, but should be done when 'things' are not right	Multi-item scale - Unlabelled Likert-type scale	Interval
Section C, statement 4	I always feel better when I have voiced my dissatisfaction through a complaint	Multi-item scale - Unlabelled Likert-type scale	Interval
Section C, statement 5	I do not consider complaining about something as distasteful	Multi-item scale - Unlabelled Likert-type scale	Interval
Section C, statement 6	I usually feel less frustrated after I have complained	Multi-item scale - Unlabelled Likert-type scale	Interval
Section C, statement 7	I do not believe that people who have little else to do are the ones who complain the most	Multi-item scale - Unlabelled Likert-type scale	Interval
Section C, statement 8	I am not embarrassed to complain no matter how bad the product/service was	Multi-item scale - Unlabelled Likert-type scale	Interval
Service failure severity			
Section D, statement 1	I would consider this incident in a serious light	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 2	This incident would make me angry	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 3	This incident would be an unpleasant experience for me	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 4	I believe that this incident is inexcusable	Multi-item scale - Unlabelled Likert-type scale	Interval

Table 5.2:   Response formats and measurement scales used for questions included in the questionnaire (continued)

Question or statement number	Question/statement	Response format	Measurement scale
Service failure severity			
Section D, statement 5	This incident cannot be ignored	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 6	I feel that this type of incident should not occur again	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 7	This incident would be a big problem to me	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 8	This incident would be very inconvenient to me	Multi-item scale - Unlabelled Likert-type scale	Interval
Strength of service recovery expectation statements			
Section D, statement 1	An immediate response from the store is required	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 2	The store should go out of its way to rectify the situation	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 3	Store management should be highly responsive	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 4	Management should intervene immediately	Multi-item scale - Unlabelled Likert-type scale	Interval
Service recovery strategy expected			
Section D, statement 1	I only expect a sincere apology from the store	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 2	I only expect assistance from the store to fix the problem	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 3	I only expect compensation (free service, refund, gift, discount) from the store	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 4	I expect a sincere apology and assistance from the store to fix the problem	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 5	I expect a sincere apology and compensation (free service, refund, gift, discount) from the store	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 6	I expect assistance to fix the problem and compensation (free service, refund, gift, discount) from the store	Multi-item scale - Unlabelled Likert-type scale	Interval
Online complaint intention			
Section D, statement 1	I would be willing to complain online	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 2	If I have a choice I would complain online to the store	Multi-item scale - Unlabelled Likert-type scale	Interval

Table 5.2:   **Response formats and measurement scales used for questions included in the questionnaire (continued)**

Question or statement number	Question/statement	Response format	Measurement scale
Online complaint intention			
Section D, statement 3	I would feel positive about complaining online to the store	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 4	I believe complaining online in this instance will have a positive outcome	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 5	I would seriously consider complaining online	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 6	I would complain online rather than using any other alternative complaint method	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 7	I would be likely to complain online	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 8	If I experienced success from a prior complaining experience I would be more willing to complain online	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 9	If I know that the store's complaint policies and practices are fair I would be more willing to complain online	Multi-item scale - Unlabelled Likert-type scale	Interval
Section D, statement 10	If I did complain previously and I was treated fairly by employees I would be more willing to complain online	Multi-item scale - Unlabelled Likert-type scale	Interval

ii.   Section A: Demographic and clothing shopping regularity questions

The purpose of section A of the questionnaire was to obtain respondents' demographic details such as age, education level, gender, language, employment status, net personal income and clothing shopping regularity. The particular age grouping used in this study was obtained from previous studies' questionnaires to ensure the consistency of age categories. The question pertaining to how often respondents shop for clothing was used to determine respondents' clothing shopping regularity and to make sure that they indeed shop for their own clothing.

iii.   Section B: Online behaviour questions

Section B aimed to determine the regularity of Internet usage among respondents, whether respondents have ever considered complaining online, and which online complaint channel is most preferred by respondents.

iv.   Section C: General attitude towards complaining

The purpose of section C was to determine respondents' general attitude towards complaining. Eight statements were adapted from a study done by Yuksel *et al.* (2006:17) and respondents had to indicate their level of agreement on a five-point unlabelled Likert-scale, with anchors 1 = strongly disagree and 5 = strongly agree.

v.   Section D: Reactions based on fictional service failure scenario

Section D was based on a fictional service failure scenario with the objective to determine respondents' service failure severity perception, strength of service recovery expected, service recovery strategy expectation and their online complaint behaviour pertaining to the described service failure scenario (refer to Table 5.3). The following fictional service failure scenario was provided in the questionnaire.

Table 5.3:   Fictional service failure scenario

Section D – Service failure scenario
When buying clothing with your bank card at a well known clothing retailer, you learn that the cashier is unable to process the transaction with your card. The cashier calls her supervisor and the fact that your card has been declined is discussed between the two of them for all queuing behind you to hear. You are referred to customer services without any explanation. After waiting in the queue for quite a while at the customer services desk, the employee motions you to come to the desk and mumbles "what is the problem?" Before you are able to explain your problem, the employee rudely demands to see your identification and bank card. Whilst looking very irritated he stands up from his desk and disappears for a while. After a couple of minutes he returns and rudely declares that he cannot rectify your problem and advises you to contact your bank without providing any further explanation.

The use of scenarios is justifiable as it decreases biases from memory lapse, consistency factors and rationalisation tendencies which are evident in retrospective self-reports of service failures (Smith *et al.,* 1999:362). Furthermore, the use of scenarios eliminates problems which occur during the observation and portrayal of service failure or recovery incidents in the field, referring to the time and money involved, ethical considerations as well as the undesirable intention of managers to impose an actual service failure on their customers (Smith *et al.,* 1999:362). After respondents had been subjected to the fictional service failure scenario, they were presented with the following:

- Eight statements to determine how severe they perceived the service failure described in the scenario. Additionally, respondents were presented with a five-point unlabelled Likert type scale with anchors 1 = 'minor service failure' and 5 = 'major service failure' to once again measure respondents' service failure severity perception in order to confirm whether

the eight statements effectively measure respondents' service failure severity perception. According to Velázquez *et al.* (2006:500), the severity of a service failure poses to have an impact on customer complaint behaviour and subsequently supports the importance of measuring this factor. Table 5.4 presents a summary of how the statements measuring service failure severity were generated.

- Next, respondents' strength of service recovery expected is measured through the use of four statements. This is an important factor to measure as literature indicates that service recovery levels (or the strength thereof) would differ depending on the service failure severity and the criticality level, and every situation should receive customised recovery efforts (Tyrrell & Woods, 2004:188). Table 5.4 presents a summary of how the statements measuring strength of service recovery expectation were generated.

- To further provide additional information regarding service recovery, expected service recovery strategies were also measured. Apology, assistance and compensation as the three main categories of service recovery strategies were used when developing the statements measuring the construct (Levesque & McDougall, 2000:21). Table 5.4 presents a summary of how the statements measuring service recovery strategy expectation were generated.

- De Matos *et al.* (2009:470) indicate increased complaint intention as a variable which is affected by different service failure severity levels. It is therefore vital that respondents' online complaint intention is measured based on a severe service failure scenario and to determine whether online complaining is a convenient complaint method (Holloway & Beatty, 2003:94) for clothing retail customers. Table 5.4 presents a summary of how the statements measuring online complaint intention were generated.

The above statements relating to the measured constructs were all multi-item, unlabelled, Likert-type scale questions upon which respondents had to indicate their level of agreement, with anchors 1 = strongly disagree and 5 = strongly agree. Table 5.4 presents a summary of the statement development for this study's questionnaire indicating the sources used and whether statements were adopted or adapted from previous research studies.

The questionnaire was ended with the 'thank you' statement, 'Thank you for taking the time to complete this survey!' to express the researcher's gratitude towards respondents who took the time to complete the questionnaire.

Table 5.4:   Questions and statements generated for the questionnaire

Question or statement number	Question/statement	Source	Adopted	Adapted
Screening questions				
Screening question 1	Do you currently have access to the Internet via a personal computer, laptop, tablet or any handheld device?	Self-generated	-	-
Screening question 2	Do you purchase your own clothing?	Self-generated	-	-
Demographic information				
Section A, question 1	How old are you?	Self-generated	-	x
Section A, question 2	What is your highest level of education?	Self-generated	-	x
Section A, question 3	What is your gender?	Self-generated	-	x
Section A, question 4	What is your home language?	Self-generated	-	x
Section A, question 5	What is your employment status?	Self-generated	-	x
Section A, question 6	What is your personal income that you take home every month (net income)?	Stats SA (2011:6)	-	x
Section A, question 7	How often do you shop for clothing?	Self-generated	-	-
Online behaviour				
Section B, question 1	How often do you use the Internet?	Self-generated	-	-
Section B. question 2	Have you ever complained online?	Self-generated	-	-
Section B, question 3	If you are unhappy about a store's service, where would you most likely complain (select only ONE option)?	Self-generated	-	-
Attitude towards complaining				
Section C, statement 1	Complaining is a customer's right	Yuksel *et al.* (2006:19)		x
Section C, statement 2	I always complain when I am dissatisfied because I feel it is my duty	Yuksel *et al.* (2006:19)	x	
Section C, statement 3	Complaining is not easy, but should be done when 'things' are not right	Yuksel *et al.* (2006:19)	x	
Section C, statement 4	I always feel better when I have voiced my dissatisfaction through a complaint	Yuksel *et al.* (2006:19)		x
Section C, statement 5	I do not consider complaining about something as distasteful	Yuksel *et al.* (2006:19)		x
Section C, statement 6	I usually feel less frustrated after I have complained	Yuksel *et al.* (2006:19)		x
Section C, statement 7	I do not believe that people who have little else to do are the ones who complain the most	Yuksel *et al.* (2006:19)		x
Section C, statement 8	I am not embarrassed to complain no matter how bad the product/service was	Yuksel *et al.* (2006:19)		x

Table 5.4:   Questions and statements generated for the questionnaire (continued)

Question or statement number	Question/statement	Source	Adopted	Adapted
Service failure severity				
Section D, statement 1	I would consider this incident in a serious light	Self-generated	-	-
Section D, statement 2	This incident would make me angry	Wang *et al.* (2011:357); Weun *et al.* (2004:144)	-	x
Section D, statement 3	This incident would be an unpleasant experience for me	Wang *et al.* (2011:357); Weun *et al.* (2004:144)	-	x
Section D, statement 4	I believe that this incident is inexcusable	Self-generated	-	-
Section D, statement 5	This incident cannot be ignored	Self-generated	-	-
Section D, statement 6	I feel that this type of incident should not occur again	Self-generated	-	-
Section D, statement 7	This incident would be a big problem to me	Grégoire, Tripp and Legoux (2009:30); Maxham and Netemeyer (2002:69)	-	x
Section D, statement 8	This incident would be very inconvenient to me	Grégoire *et al.* (2009:30); Maxham and Netemeyer (2002:69)	-	x
Section D, statement 9	In summary, on a scale from 1 to 5 where 1 indicates a 'minor service failure' and 5 a 'major service failure', how problematic would you rate the service failure in the above scenario?	Grégoire *et al.* (2009:30); Maxham and Netemeyer (2002:69); Walters (2010:243)	-	x
Strength of service recovery expectation statements				
Section D, statement 1	An immediate response from the store is required	Self-generated	-	-
Section D, statement 2	The store should go out of its way to rectify the situation	Self-generated	-	-
Section D, statement 3	Store management should be highly responsive	Grégoire *et al.* (2009:30); Wilson *et al.* (2012:340,341)	-	x
Section D, statement 4	Management should intervene immediately	Self-generated	-	-
Service recovery strategy expected				
Section D, statement 1	I only expect a sincere apology from the store	Davidow (2000:481); Kuo, Yen and Chen (2011:184); Levesque and McDougall (2000:21)	-	x
Section D, statement 2	I only expect assistance from the store to fix the problem	Kuo *et al.* (2011:184); Levesque and McDougall (2000:21)	-	x
Section D, statement 3	I only expect compensation (free service, refund, gift, discount) from the store	Kuo *et al.* (2011:184); Levesque and McDougall (2000:21)	-	x
Section D, statement 4	I expect a sincere apology and assistance from the store to fix the problem	Self-generated	-	-

Table 5.4:   Questions and statements generated for the questionnaire (continued)

Question or statement number	Question/statement	Source	Adopted	Adapted
Service recovery strategy expected				
Section D, statement 5	I expect a sincere apology and compensation (free service, refund, gift, discount) from the store	Self-generated	-	-
Section D, statement 6	I expect assistance to fix the problem and compensation (free service, refund, gift, discount) from the store	Self-generated	-	-
Online complaint intention				
Section D, statement 1	I would be willing to complain online	Self-generated	-	-
Section D, statement 2	If I have a choice I would complain online to the store	Self-generated	-	-
Section D, statement 3	I would feel positive about complaining online to the store	Self-generated	-	-
Section D, statement 4	I believe complaining online in this instance will have a positive outcome	Self-generated	-	-
Section D, statement 5	I would seriously consider complaining online	Liňán, Rodrîquez and Rueda-Cantuche (2005:7)	-	x
Section D, statement 6	I would complain online rather than using any other alternative complaint method	Young, Hong and Heeseok (2009:121)	-	x
Section D, statement 7	I would be likely to complain online	Gursoy, McCleary and Lepsito (2003:32)	-	x
Section D, statement 8	If I experienced success from a prior complaining experience I would be more willing to complain online	Voorhees and Brady (2005:202)	-	x
Section D, statement 9	If I know that the store's complaint policies and practices are fair I would be more willing to complain online	Voorhees and Brady (2005:202)	-	x
Section D, statement 10	If I did complain previously and I was treated fairly by employees I would be more willing to complain online	Voorhees and Brady (2005:202)	-	x

5.5.3.4   Pilot study and modification of final questionnaire

A pilot-study can be defined as a small-scale research project for the collection of data from respondents similar to that of the final research project (Zikmund & Babin, 2010:61). A pilot study is vital as the actual test of a questionnaire is its performance in actual data collection conditions (Iacobucci & Churchill, 2010:223). Iacobucci and Churchill (2010:224) add that a pilot study helps to safeguard the success of a questionnaire as it aims to identify and correct deficiencies and problems. Pilot studies are done via a personal interview as interviewers can more easily detect respondent uncertainties, including the manner in which questions are

answered (Iacobucci & Churchill, 2010:224). Aaker *et al.* (2013:305) agree that interviewers play a vital role during a pilot study as they can communicate their experiences and make important suggestions to improve the questionnaire.

It was decided to pretest the questionnaire amongst 30 respondents from the target population as the administering of a pilot-study is usually undertaken amongst a limited number of respondents (Parasuraman *et al.,* 2007:303). The researcher interviewed all 30 respondents personally as face-to-face interviews can more easily flag problem areas and topics of confusion (Parasuraman *et al.,* 2007:304). A number of questionnaire aspects were tested during the pilot study such as the question content, wording, sequence, form and layout, question difficulty and instructions for each section (Malhotra, 2010:354). As a result a number of changes were made to the questionnaire (refer to Table 5.5).

Table 5.5:   Changes made to the questionnaire

Section	Pre-test questionnaire	Final questionnaire
Section B Instruction	If you are unhappy about a store's service, where would you most likely complain?	If you are unhappy about a store's service, where would you most likely complain (select only one option)?
Section D Instruction Strength of service recovery expectation construct	Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements if you lodged an online complaint in response to the incident described above	Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements with regard to the strength of service recovery you would expect in the incident above
Section D4 Online complaint intention statement	Complaining online in this instance will have the desired effect	I believe complaining online in this instance will have a positive outcome
Section D Order within which the constructs are presented in the questionnaire	Initial construct order: 1. Service failure severity 2. Online complaint intention 3. Strength of service recovery expected 4. Service recovery strategies	Final construct order: 1. Service failure severity 2. Strength of service recovery expected 3. Service recovery strategies 4. Online complaint intention
Sections C and D Statement numbering	Statements for each construct were not numbered	Statements for each construct were numbered

5.6   STAGE 4: DESIGN THE SAMPLE AND COLLECT DATA

Now that the marketing research problem for this study has been specified, a suitable research design has been developed and a proper data-collection method and form have been established. The next step in this study's research process was to define the population from which the information was to be collected (Iacobucci & Churchill, 2010:282). Parasuraman *et al.* (2007:37) indicate that in order to collect primary data a sampling plan has to be developed to

clearly indicate who and which units should deliver the data. A sampling plan refers to a number of steps used as a blueprint to make sure that the collected data represents the target population (McDaniel & Gates, 2010:328). A six-step procedure is presented in Figure 5.3 indicating the steps that researchers should follow when designing a sample plan.

Figure 5.3:   Designing a sample plan

Source: Adapted from Iacobucci and Churchill (2010:283), McDaniel and Gates (2010:328) and Proctor (2005:108)

5.6.1   Step 1: Define the target population

Before a population is defined, the term element is first explained and referred to by Shiu *et al.* (2009:450) as a person, an organisation, or even an object from which a researcher seeks information. Shiu *et al.* (2009:450) and Zikmund and Babin (2013:312) view a population as an identifiable group of elements that share a common set of characteristics which is of interest to the researcher. More specifically, a target population refers to the defined set and complete group of elements identified by the researcher for investigation based on the assessment of the research objectives, cost-effectiveness and feasibility (Shiu *et al.,* 2009:450). Furthermore, sampling units refer to the elements within the population that are truly available for use in the sampling procedure (Hair *et al.,* 2013:137).

The target population of this study includes individuals, 18 years and older, residing in the Johannesburg metropolitan area of South Africa, who are customers in the clothing retail industry and who have access to the Internet. The sampling units and sampling elements chosen for this study are customers with access to the Internet, and who do their own clothing shopping at an online or offline clothing retailer within the Johannesburg metropolitan area of South Africa (see Table 5.7).

5.6.2   Step 2: Identify the sample frame

A sample frame is referred to as a master list consisting of all the sampling units within the population (Burns & Bush, 2010:340). Difficulty may arise in obtaining accurate, current and representative sampling frames and consequently no sampling frame is perfect (Proctor,

2005:110; Shiu *et al.,* 2009:452). Sampling frame error should be taken into account as this error occurs when specific sample elements are excluded in the sampling frame or when the sampling frame is not an accurate representation of the complete population (Zikmund *et al.,* 2013:390). Malhotra (2010:373) and Proctor (2005:111) suggest the use of screening questions to reject inappropriate elements within the sampling frame, although this method cannot account for omitted elements.

Since a full list of clothing retail customers in the Johannesburg metropolitan area of South Africa could not be obtained, a sampling frame could not be developed for this study. The fieldworkers had to first screen respondents by asking them if they buy their own clothing, and whether they have access to the Internet to ensure that they meet the criteria for the target population of this study before providing respondents with self-administered questionnaires.

5.6.3   Step 3: Select a sampling method

Iacobucci and Churchill (2010:285) and Malhotra (2010:376) state that sampling methods can broadly be classified into either probability sampling or non-probability sampling and are briefly discussed next.

5.6.3.1   Probability sampling

Probability sampling refers to the sampling procedure in which each element in the population has a secure probabilistic chance to be selected for the sample (Malhotra, 2010:376). Therefore, a sampling frame is needed during most probability sampling procedures including information pertaining to the sampling units in order engage in the sampling procedure (Aaker *et al.,* 2013:360). Probability sampling techniques include simple random sampling, systematic sampling, stratified sampling and cluster sampling which are presented in Table 5.6 (Malhotra, 2010:382-385).

5.6.3.2   Non-probability sampling

When utilising non-probability sampling techniques, the probability of selecting each sampling unit is unknown as selection is based on chance or randomness (Burns & Bush, 2010:354; Hair *et al.,* 2013:140). As the probability of selecting any particular element for inclusion in the sample cannot be determined, the approximations attained cannot be statistically projected to the population (Malhotra *et al.,* 2012:501). In Table 5.6, non-probability sampling techniques (judgemental, quota, snowball and convenience) are presented.

Table 5.6:   Probability and non-probability sampling techniques

Probability sampling	
Simple random sampling	According to Aaker *et al.* (2013:360) and Parasuraman *et al.* (2007:339), simple random sampling can be defined as a procedure in which each population member and therefore every possible sample of a specific size within the population has a known and equal probability of being selected as the study sample
Systematic sampling	By means of a random process a starting point is selected upon which every n^{th} number (skip interval) is selected on the list for inclusion in the sample (Zikmund & Babin, 2010:427)
Stratified sampling	The two-step process of stratified sampling divides the population into subpopulations or strata (Malhotra *et al.,* 2012:510) and then samples all of these subgroups (Burns & Bush, 2010:351) in an equal exclusive and jointly extensive manner in which no population element should be omitted (Malhotra *et al.,* 2012:510)
Cluster sampling	During cluster sampling a convenient procedure is used to identify clusters that are theoretically identical, for example the pages of listings in a hard-copy directory (Burns & Bush, 2010:349)
Non-probability sampling	
Judgemental sampling	During judgemental sampling, selection of respondents by experienced individuals is based on the belief that these respondents, with the appropriate characteristics required for a sample member, will meet the requirements of the study (Hair *et al.,* 2013:145; Zikmund & Babin, 2013:323)
Quota sampling	Quota sampling entails the selection of prospective respondents based on pre-specified quotas constructed on either demographic characteristics, attitudes or behaviours (Shiu *et al.,* 2009:481). The use of quota sampling ensures that the suitable subgroups are identified and included in the fielding of the questionnaire and further decreases selection biases of fieldworkers (Hair *et al.,* 2013:146). The limit of quota sampling is that the sample must include a minimum number of every specified subgroup in the study's population (Aaker *et al.*, 2013:368)
Snowball sampling	Hair *et al.* (2013:146) explain snowball sampling as the process in which researchers identify a set of respondents who can assist the researcher in identifying additional respondents to include in the study
Convenience sampling	The attempt to obtain a sample with convenient elements is seen as convenience sampling as the selection of sampling units is left in the hands of fieldworkers (Malhotra *et al.,* 2012:502). This sample method assumes that respondents interviewed at shopping malls are the same as the overall defined target population based on the studied characteristic (Hair *et al.,* 2013:144). Convenience sampling is generally used to attain large quantities of completed questionnaires in an economic and quick manner or when no other means of obtaining a sample in a practical manner exists (Zikmund & Babin, 2010:424). However, a great disadvantage of convenience sampling is that results cannot be projected beyond the specific sample or be generalised to the defined target population (Hair *et al.,* 2013:145; Zikmund & Babin, 2010:424)

For the purpose of this study non-probability sampling techniques, namely quota- and convenience-sampling were chosen. Non-probability sampling was chosen for this study due to its advantage of gaining a large number of respondents in a relatively short time (Hair *et al.,* 2013:140). As a sampling frame is not available for this study, non-probability sampling techniques further pose to be a suitable solution as they eliminate the cost and trouble of sample frame development, although the precision with which resulting information is presented also undergoes elimination (Aaker *et al.,* 2013:366). Consequently, two-stage sampling was employed where the population was firstly divided into a quota based on gender in order to reduce fieldworkers' selection bias during the fielding of the questionnaire (Shiu *et al.,* 2009:482), and secondly quotas were attained by means of convenience sampling due to its economic and rapid nature (Zikmund & Babin, 2010:424).

5.6.4   Step 4: Determine the sample size

The number of elements to be included in a study is seen as the sample size (Malhotra, 2010:375). Malhotra (2010:375) propounds that the importance of the decision, the research nature, the number of variables, the nature of the analysis, the sample sizes of similar studies, incidence rates, completion rates and resource constraints are all factors that should be considered when determining sample size. The determination of sample size therefore depends on whether the study is based on probability- or non-probability sampling methods (Hair *et al.,* 2013:149). Within non-probability samples, sample size formulas cannot be used and the sample size decision is rather subjective and intuitive as it is based on past studies and industry standards, or even the extent of resources available (Hair *et al.,* 2013:149).

The nature of this study can be seen as problem-solving research, which requires a typical range of 300 to 500 respondents (Malhotra, 2010:375). The researcher decided on a sample size of 400 respondents which falls within the limits suggested by Malhotra (2010:375).

5.6.5   Step 5: Select the sample elements

This step requires that the researcher contact potential respondents who are drawn as part of the sample (Shiu *et al.,* 2009:486). At this stage the importance of providing clear instructions to fieldworkers is pivotal in order for them to know what to do and how to handle problems during contact with respondents (Shiu *et al.,* 2009:486). Next, the last and final step of collecting the data from the selected respondents is discussed.

5.6.6   Step 6: Collect the data

Once the sampling plan is developed, the data-collection stage can begin (Zikmund & Babin, 2013:64). The numerous research techniques available require different methods of data-collection (Zikmund & Babin, 2013:64) and therefore proper selection, supervision, training and evaluation of fieldworkers are vital to reduce any possible data-collection errors (Malhotra, 2010:42). In the case where surveys are administered, participation of respondents is required, be it for the completion of a self-administered questionnaire or based on an interaction with the interviewer, whereby the interviewer asks questions about variables regarding attitudes, motivations, intentions, and past behaviour (Hair *et al.*, 2013:39; Zikmund & Babin, 2013:64).

In this study, questionnaires were distributed from 7 August 2012 to 21 August 2012 by 41 fieldworkers to clothing retail customers, 18 years and older, residing in the Johannesburg metropolitan area. The fieldworkers for this study were students at the University of

Johannesburg. These fieldworkers were selected on account of their exposure to a Marketing research module as part of their degree. Furthermore, these fieldworkers also resided in the Johannesburg metropolitan area of South Africa, which increased their accessibility to the target population for this study.

Fieldworkers were given a quota based on gender in order to obtain equal distribution among males and females within the Johannesburg metropolitan area. Each fieldworker was individually informed of the fielding process regarding the identification of possible respondents via screening questions as well as the needed quota to be obtained. Documentation with checklists and explanations of what is implied by a quota and how to obtain it, were also provided to each fieldworker. Respondents were recruited within each fieldworker's community in which fieldworkers had access to respondents by means of existing relationships or through direct questioning of strangers. Once prospective respondents were selected by fieldworkers, two screening questions were fielded before a self-administered questionnaire was handed to prospective respondents for completion. Furthermore, fieldworkers were informed of the researcher's contact information and availability during the data collection period. Table 5.7 presents a summary of the sample plan of this study.

Table 5.7: Sample plan of this study

Sampling	
Target population	Customers, 18 years and older, residing in the Johannesburg metropolitan area, who buy their own clothing and who have access to Internet
Sampling frame	No sampling frame exists
Sampling method	Non-probability sampling, two-stage sampling procedure, quota and convenience sampling
Sampling units and elements	Customers who do their own clothing shopping at an online or offline clothing retailer within the Johannesburg metropolitan area of South Africa with access to the Internet
Sample size	400 respondents

5.7 STAGE 5: ANALYSE AND INTERPRET THE DATA

The first step in data analysis is the data preparation process (Crouch & Housden, 2003:223-225; Malhotra, 2010:452; Martins, 2005b:451). The data preparation process entails three main operations, which are editing, coding and data capturing (Martins, 2005b:451). Iacobucci and Churchill (2010:350) describe data editing as the inspection and if necessary correction of each questionnaire as to execute a level of minimum quality standards on the raw data. Aaker *et al.* (2013:404) agree by stating that data editing is the process in which omissions, ambiguities and errors in responses are identified. Data coding takes place after data editing has been completed and involves the transformation of raw data into symbols where numerical values are assigned to the responses for each question in the questionnaire (Iacobucci & Churchill,

2010:351; Shiu *et al.,* 2009:502). Data capturing follows after editing and coding of data and subsequently involves the direct input of coded data into a software package which then assists the research analyst to alter and manipulate the raw data into information of actual use (Martins, 2005b:468; Shiu *et al.,* 2009:505) as data analysis, after all, refers to obtaining meaning from raw data (Iacobucci & Churchill, 2010:351).

During the data preparation process of this study, manual editing was performed and questionnaires with more than three missing values were excluded from this study. The reason for excluding questionaires with more than three missing values was in order to maintain a comprehensive understanding of each respondent and to increase the quality of the captured data. Data coding was easily achieved due to pre-coding of the questionnaire in which numbers were assigned beforehand to each question in the questionnaire (see Appendix A) which in the end simplified the coding process The SPSS statistical programme (SPSS Inc., version 21; 2012) was used to capture the data of this study and to subsequently develop a useable dataset. The dataset was firstly checked for any mistakes before commencing with further analysis by the Statistical Consultation Services of the North-West University (Potchefstroom Campus). The Statistical Consultation Services performed statistical analysis by means of the SAS statistical programme (SAS Inc., version 9.3, 2011). Even though the analysis and interpretation of this study's data are presented in Chapter 6, the rest of this section briefly discusses the data analysis strategy followed in this study.

5.7.1   Assessing reliability and validity

The ideal for any market researcher is that the measurement should be reliable and valid (Burns & Bush, 2010:293). According to Anastasi and Urbina (1997:84), reliability refers to the consistency of scores achieved by the same persons after they have been re-examined with the same test on a different occasion, or with changed sets of equivalent items, or under other variable examining conditions. Therefore, reliability is the degree to which a measure is free from random error (McDaniel & Gates, 2010:251) and consequently indicates the internal consistency of a measure (Zikmund & Babin, 2010:334). Split-half reliability and coefficient alpha (Cronbach's alpha) are the two general techniques used to evaluate internal consistency (Malhotra, 2010:319; Shiu *et al.,* 2009:403; Zikmund & Babin, 2010:334). Split-half reliability as the simplest technique entails dividing the items in the scale into two halves after which the resulting half scores are correlated (Malhotra, 2010:319; Shiu *et al.,* 2009:403). The Cronbach's alpha is the average of all the possible split-half coefficients which resulted from the variety of ways in which the scale items are split (Malhotra, 2010:319; Shiu *et al.,* 2009:403). Although a score of 1 signifies perfect reliability, a Cronbach's alpha value equal and above 0.70 is acceptable (Hair, Anderson, Tatham & Black, 1998:118). Wilson (1995b:360) found that the

average reliability of rating scales used in marketing is around 0.81, which indicates that marketing researchers are successfully meeting the requirements in developing measuring instruments with the high degree of psychometric rigor needed, and are also meeting the additional challenges.

Validity functions differently than reliability as validity refers to the accuracy of a measure or determines the level to which a score truly represents the concept and therefore a measure can be perfectly reliable, but at the same time invalid (Burns & Bush, 2010:293; Zikmund & Babin, 2010:335). McDaniel and Gates (2010:253-256) and Zikmund and Babin (2010:336) present three basic approaches used to determine validity, namely face or content validity, criterion validity and construct validity. Face validity, the weakest form of validity, determines the degree to which it appears that a measurement actually measures what it is supposed to, and asks the question "does it look like it measures what it is supposed to measure?" (Burns & Bush, 2010:295; McDaniel & Gates, 2010:253). Criterion validity imitates if a scale performs as expected in relation to other selected variables identified as meaningful criteria (Malhotra, 2010:320). Construct validity occurs when a measure reliably measures and truthfully represents the content of the measurement instrument or distinctive concept (McDaniel & Gates, 2010:253; Zikmund & Babin, 2010:337). Confirmatory factor analysis is used to determine construct validity (Bagozzi, 1994:342-344).

Factor analysis is described as sets of techniques used to detect the underlying hypothetical constructs to account for the relationship between variables (Foster, Barkus & Yavorsky, 2006:70; Malhotra, 2010:636). Factor analysis as an interdependence technique (a multivariate statistical technique where the entire set of interdependent relationships are examined) aims at reducing large quantities of original variables, such as statements measuring attitude towards complaining, to a smaller quantity of factors (Crouch & Housden, 2003:238; Iacobucci & Churchill, 2010:491; Malhotra, 2010:636). Furthermore, factor analysis can be divided into two groups, exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). A CFA is performed when the researcher has resilient theoretical expectations about the factor structure before any analysis is performed (Pallant, 2010:181; Zikmund & Babin, 2010:625) and has a close relation to structural equation modelling (Foster *et al.,* 2006:84).

Numerical results from a factor study exhibit correlation coefficient values between the factor and the variables called factor loadings, which refers to the correlation strength between a factor and a measured variable (Cooper & Schindler, 2011:546; Malhotra, 2010:638; Zikmund & Babin, 2010:626). The higher the loading (correlation coefficient), the stronger the contribution of the variable will be when defining a certain factor (Cooper & Schindler, 2011:547). According to Foster *et al.* (2006:75), a factor loading can vary from 0 to 1 and should at least be 0.3 or

greater to be considered, or rather 0.6 or above to obtain a high factor loading. In addition to factor loadings, communalities measure the percentage of a variable's variation explained by the factors (Zikmund *et al.,* 2013:598). A high communality subsequently indicates that a variable has a lot in common with other variables in a particular group (Zikmund *et al.,* 2013:598). In order to acquire the proportion of variation in the variable that is accounted for by the factor (total variance explained), the factor loadings can be squared and summed to obtain the eigenvalue (Foster *et al.,* 2006:76; Iacobucci & Churchill, 2010:494). The eigenvalue addresses the question of how many factors should be retained as the common rule used is to retain the number of factors based on the number of eigenvalues greater than 1.0 (Foster *et al.,* 2006:76; Malhotra, 2010:643; Zikmund & Babin, 2010:628).

As interpretation of the factor matrix remains difficult, rotation techniques can be applied (Mazzocchi, 2008:228) as rotation produces more noticeable patterns of loadings (Zikmund & Babin, 2010:628). Among the two main methods of rotation, orthogonal and oblique rotation, the varimax orthogonal rotation method is the most commonly used (Iacobucci & Churchill, 2010:51; Malhotra, 2010:645). The aim of varimax is to force factor loadings close to 0 or 1 in order to minimise the number of variables with high factor loadings to improve the interpretability of factors (Iacobucci & Churchill, 2010:51; Malhotra, 2010:645). Once the factors have been identified, the factors must be named (Shiu *et al.,* 2009:631). In most cases, a level of consistency exists among variables with high loadings on a particular factor which assists the factor-naming process (Shiu *et al.,* 2009:631).

For the purpose of this study, the Cronbach's alpha technique (Cronbach's alpha value $\geq$ 0.70) and CFA were used to determine the reliability and construct validity respectively of the measurement scales for the constructs general attitude towards complaining, service failure severity, strength of service recovery expected, and online complaint intention. The CFA was executed to confirm the researcher's theoretical expectations regarding the factor structure and to determine whether the underlying theory of the factor structure fits the observations of this study (Zikmund & Babin, 2010:625). The extracted factors were named and used for further statistical analysis of this study.

5.7.2   Data analysis techniques used in this study

The challenge facing researchers when confronted with a data matrix (coded raw data obtained from surveys) is data summarisation which refers to the process in which the data matrix is described by computing a number of measures characterising the data set (Burns & Bush, 2010:435). Burns and Bush (2010:435) propound that data summarisation is achieved through any statistical analysis which achieves the condensing of data, communicates underlying

patterns, generalises sample findings to population, or applies understandable conceptualisations. Descriptive analysis and inferential analysis are two types of statistical analysis used to reduce a data matrix (Burns & Bush, 2010:435). This section provides a brief discussion of the statistical analysis used in this study.

5.7.2.1   Descriptive statistical techniques

An elementary transformation of data is termed as descriptive analysis as it describes the basic characteristics of data such as the central tendency, variability and distribution (Zikmund *et al.,* 2013:484). Burns and Bush (2010:435) propound that descriptive analysis reveals the typical respondent and the general response pattern, and is subsequently the basis for succeeding inferential analysis. Measures of location or central tendency (mean), measures of variability or dispersion (standard deviation) and measures of shape (skewness and kurtosis) are all frequency associated statistics commonly used (Hair *et al.,* 2013:268-272; Malhotra, 2010:486; McDaniel & Gates, 2010:406-407; Shiu *et al.,* 2009:529-533). The following descriptive statistical techniques presented in Table 5.8 were employed in this study.

Table 5.8:   Descriptive statistical techniques used in this study

Descriptive statistical techniques	Definition	Descriptive statistical techniques' application in this study's results
Mean	The mean (arithmetic mean) is an average number characterising a set of numbers (Burns & Bush, 2010:440; McDaniel & Gates, 2010:406)	Tables 6.4, 6.6, 6.7, 6.8, 6.9, 6.14, 6.15, 6.17, 6.19, 6.21, 6.23, 6.25, 6.27
Percentage	A percentage represents a proportion of an answered question in a certain manner, multiplied by 100 and signifies the relative relationships between variables in a simple and useful way (Aaker *et al.,* 2013:410; Wiid & Diggines, 2009:242)	Tables 6.1, 6.2, 6.3
Frequency (count)	Frequency is a statistical description of the simplest kind which entails a straight frequency count of cases or rather responses which fall into each category where the categories are based on only one variable (Churchill *et al.,* 2010:424; Crouch & Housden, 2003:230)	Tables 6.2, 6.3, 6.15, 6.17, 6.19, 6.21, 6.23, 6.25, 6.27
Standard deviation	Malhotra (2010:487) describes the standard deviation as the square root of the variance in which the variance represents the mean squared deviation from the mean. A small variance is evident when data points are clustered around the mean, and the variance is large when data points are scattered from the mean therefore indicating how much responses vary form the mean obtained from the entire population (Malhotra, 2010:487)	Tables 6.4, 6.6, 6.7, 6.8, 6.9, 6.15, 6.17, 6.19, 6.21, 6.23, 6.25, 6.27
Skewness	The skewness indicates the symmetry of the distribution (Pallant, 2010:57). According to West, Finch and Curran (1995:74) the skewness of distribution should be less than an absolute value of 2.00 to effectively be considered as being within the acceptable limits of normality	Section 6.12 Assessing the distribution of data

Table 5.8:   Descriptive statistical techniques used in this study (continued)

Descriptive statistical techniques	Definition	Descriptive statistical techniques' application in this study's results
Kurtosis	The kurtosis presents an indication of the 'peakedness' of the distribution (Pallant, 2010:57). According to West *et al.* (1995:74), the kurtosis of the distribution should be less than an absolute value of 7.00 to effectively be considered as being within the acceptable limits of normality	Section 6.12 Assessing the distribution of data

For the purpose of this study, the mean and standard deviation (SD) was determined for each of the statements constituting the main constructs of this study (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) including the measurement scale measuring respondents' service recovery strategy expectation and hypothesis testing. Percentages were calculated when determining the sample realisation rate, sample profile and online behaviour of respondents. Furthermore, the count was calculated to present the sample profile and online behaviour of respondents as well as during hypothesis testing. Lastly, the skewness and kurtosis were determined during the assessment of the distribution of the data.

5.7.2.2 Inferential statistical techniques

Since the data for this study was obtained from a non-probability sampling technique, statistical inference (p-values) as well as effect sizes (d-values) were calculated where appropriate, to assist in the interpretation and conclusion of results obtained. The hypotheses formulated for this study were tested using parametric tests, namely the independent samples t-test and the one-way analysis of variance (hereon called the one-way ANOVA). The statistical techniques used in this study are shortly discussed in Table 5.9.

Table 5.9:   Inferential statistical techniques

	Independent samples t-test	One-way ANOVA
Usage	An independent samples t-test is a test used for hypotheses, and is used when means for an interval- or ratio variable grouped into two categories are compared (Zikmund & Babin, 2010:565) to determine whether there are statistically significant differences between them (Burns & Bush, 2010:508)	Pallant (2010:105) and Zikmund and Babin (2010:573) assert that the one-way ANOVA is used when two means of more than two independent groups or populations are compared on a particular continuous variable indicating better flexibility than a t-test (Foster *et al.*, 2006:7). In order to determine the groups that differ significantly from one another, post-hoc comparisons are carried out (Pallant, 2010:105)
Statistical significance	Statistical significance clarifies whether a result can be accepted as significant and whether there is likelihood that the result occurred by chance (Hardy & Bryman, 2004:180). Statistical significance is determined by means of the p-value, where a small p-value (< 0.05) is seen as adequate evidence that the result is statistically significant (Ellis & Steyn, 2003:51)	

Table 5.9:   Inferential statistical techniques (continued)

	Independent samples t-test	One-way ANOVA
Practical significance	Although the p-value reports statistical significance, it does not infer practical significance, relating to the importance of the result in practice (Ellis & Steyn, 2003:51). Therefore, d-values of Cohen are used to determine practical significance through the use of effect sizes (Steyn, 1999:3). Cohen (1988:25-26) states that a d-value is seen as small at a level of 0.2, medium at a level of 0.5, and large and practically significant at a level of 0.8 or larger. The formula for calculating the Cohen effect size is (Dunst, Hamby & Trivette, 2004:3): $$d = \frac{|\bar{x}_1 - \bar{x}_2|}{s_{max}}$$ Where: • d is the effect size • $\bar{x}_1 - \bar{x}_2$ is the difference between the means of two compared groups • s_{max} is the maximum standard deviation of the two compared groups	
	Correlation analysis	
Usage	Correlation analysis is measured by means of the index number, correlation coefficient, which indicates the degree to which one variable is systematically associated with change in another variable (Burns & Bush, 2010:550). Accordingly, correlation coefficient (abbreviated as r) is the test statistic used to determine bivariate correlations and measures the strength and direction of the linear relationship between two quantitatively measured variables and ranges between -1.0 and +1.0 (Burns & Bush, 2010:550; Iacobucci & Churchill, 2010:451; Meyers, Garnst & Guarino, 2006:107). The Pearson product-moment correlation (r), which ranges from -1.0 to +1.0, is the most suitable and generally used statistic when determining the strength of association between two metric (interval or ration scaled) variables (Aaker *et al.*, 2013:477; Malhotra, 2010:562). A perfect positive correlation specified by a coefficient of +1.0, indicates that an increase in one variable determines the exact increase in the second variable, while a perfect negative correlation specified by a coefficient of -1.0 indicates that an increase in one variable determines an exact decrease in the second variable (Field, 2009:170; Iacobucci & Churchill, 2010:452). According to Blunch (2011:242), a correlation analysis serves as an accepted primer for SEM	
Statistical significance	Statistical significance is determined by means of the p-value, where a small p-value (p-value < 0.05) is seen as adequate evidence that the result is statistically significant (Ellis & Steyn, 2003:51)	
Practical significance	When correlations are used as effect sizes, Cohen (1988:79-81) suggests the following (Field, 2009:170): Small effect: $\|r\| = 0.1$ Medium effect: $\|r\| = 0.3$ Large effect: $\|r\| = 0.5$	

In this study, p-values < 0.05 indicated a statistically significant difference between the means of groups at a significance level of 5 per cent, and are used as the cut-off point for acceptance or rejection of hypotheses. For this study, Tukey's Studentized Range post-hoc test was used for one-way ANOVAs to indicate which means differ statistically from each other (Foster *et al.*, 2006:9). Although small effect sizes indicate an insignificant impact on practice (Ellis & Steyn, 2003:51), medium d-values at a level of 0.5 and large and practically significant d-values at a level of 0.8 or larger are reported for the purpose of this study. Figure 5.4 depicts the parametric tests used for each demographic variable in section A and its relation to the key constructs presented in section C and section D with the relating hypotheses tested in this study.

Furthermore, a correlation analysis was performed by means of the Pearson product-moment correlation. Firstly, a p-value < 0.05 indicated a statistical significance, and secondly, practical effects were reported only for medium (r-value = |0.3|) and large effect sizes (r-value = |0.5|).

Figure 5.4:   Parametric tests implemented in relation to the questionnaire
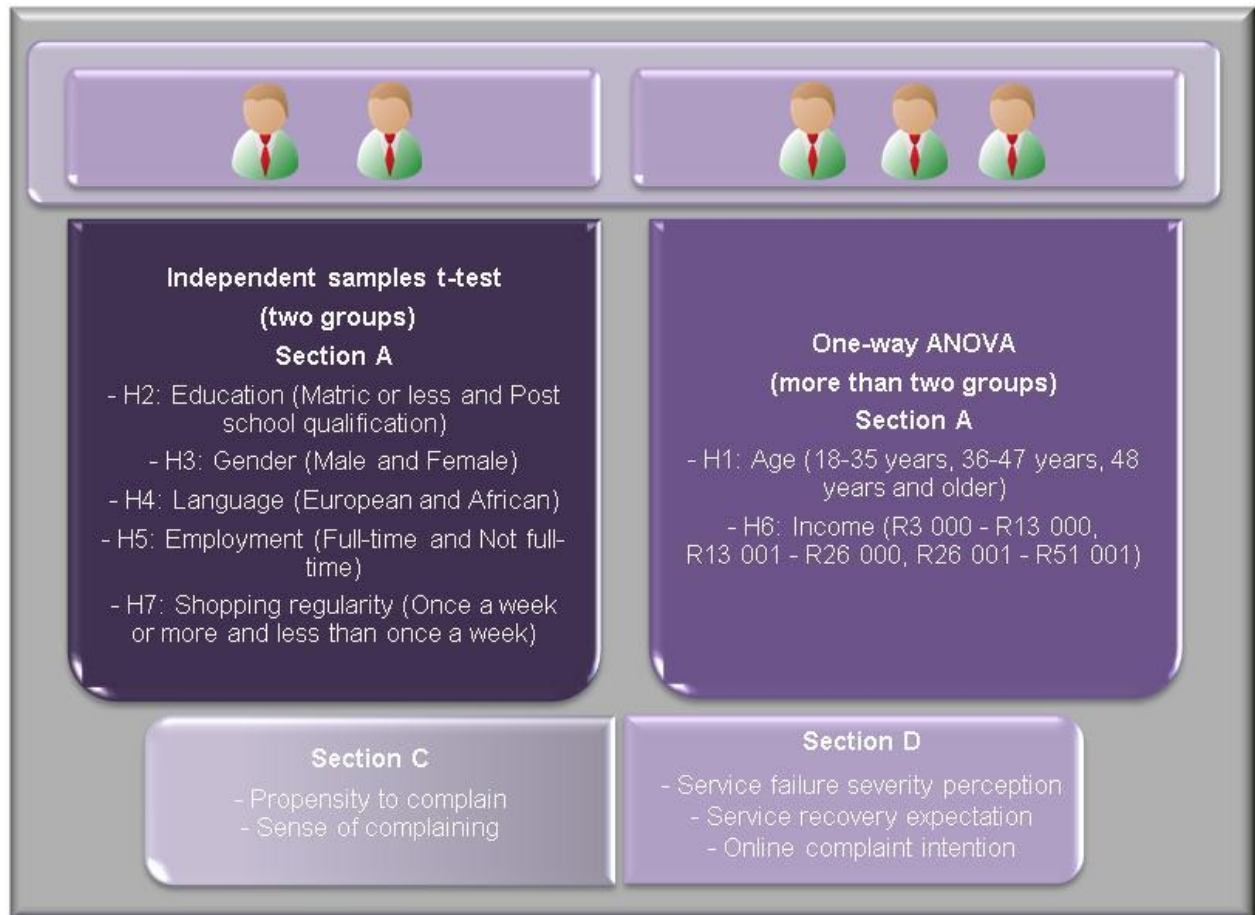
5.7.2.3 Structural equation modelling (SEM)

Structural equation modelling (SEM) is a methodology and sophisticated technique for representing, estimating, and testing a network of relationships amongst measured variables (observed variables) and latent variables (previously referred to in this study as constructs) (Suhr, 2006:1). SEM therefore allows researchers to test various models relating to the interrelationships among a set of variables (Pallant, 2010:105). Through the use of multiple regression and factor analytic techniques, SEM gives researchers the opportunity to evaluate the importance of every independent variable in the model and to determine the overall fit of the model with the collected data (Pallant, 2010:105).

Once a proposed theoretical model is developed where relationships between variables have been hypothesised, SEM creates a correlation matrix (Meyers *et al.,* 2006:614). The relationship estimates between variables in the model are determined through the use of the maximum

likelihood estimation procedure (Meyers *et al.,* 2006:614). The proposed theoretical model is then compared with the relationships of the observed data (the correlation matrix) and SEM then evaluates how the predicted interrelationships between the variables match the interrelationships between the observed variables (Meyers *et al.,* 2006:614).

According to Meyers *et al.* (2006:613), SEM can be seen as the union of confirmatory factor analysis and path analysis. This is because SEM mostly involves two components, namely a measurement model and a path model (McDonald & Ho, 2002:65; Schreiber, 2008:84; Wuensch, 2009:1). The measurement model relates measured variables to latent variables through the use of CFA, while the path model refers to the relations of dependency amongst latent variables (McDonald & Ho, 2002:65; Meyers *et al.,* 2006:613; Schreiber, 2008:84; Wuensch, 2009:1). According to McDonald and Ho (2002:65), the final term structural model is reserved for the combined SEM, collectively covering the measurement and path models. The path model is also labelled by various authors as the structural model (Schreiber, 2008:84; Wuensch, 2009:1) leading to confusion (McDonald & Ho, 2002:65). Therefore, for the purpose of this study the term path model is used when referring to relations amongst latent variables.

Bagozzi and Yi (2012:14) state that in order to understand the idea behind the measurement model and its approach to perform a CFA and to furthermore understand the benefits and implications thereof, researchers should study the effect of applying the model to the observed data. As a result, the model as a whole is evaluated by a variety of goodness-of-fit indices to determine which proposed model has the most superior fit (Hooper, Coughlan & Mullen, 2008:53) to the observed data (Meyers *et al.,* 2006:614). Fit indices, as described by Suhr (2006:3) refer to the degree to which a pattern of fixed and free parameters stated in the model shows consistency with the pattern of variances and covariances from the set of observed data. A variety of fit indices have been developed and there are several fit indices that should be reported (Blunch, 2011:117; Yuan, 2005:115) as this assures readers that authors did not purely choose a supportive index (Shook, Ketchen, Hult & Kacmar, 2004:401). Amongst the variety of available fit indices Hooper *et al.* (2008:56), Jackson, Gillaspy and Purc-Stephenson (2009:19) and Schreiber (2008:88) recommend the report of the Chi-square statistic (x^2) and its associated degrees of freedom (x^2/df), the Tucker-Lewis Index (TLI), the Comparative Fit Index (CFI) and the Root Mean Square Error of Approximation (RMSEA). As the TLI and CFI are highly correlated, it is only necessary that one of the two fit indices is reported (Kenny, 2012). These fit indices can be divided into two categories, namely absolute fit indices and incremental fit indices (Hooper *et al.,* 2008:53-56). Absolute fit indices (x^2 test and RMSEA) determine the most essential indication of how well a priori model fits the sample data collected (Hooper *et al.,* 2008:53; McDonals & Ho, 2002:72). Incremental fit indices (CFI) compare the x^2 value (not in its raw form) to a baseline model. These fit indices are vital, as a good fitting

measurement model is essential before the causal paths of the structural model can be analysed (Kenny, 2012). Fit indices used in this study are subsequently shortly defined and the recommended cut-off value is presented in Table 5.10.

Table 5.10:   List of fit indices

Category of fit indices	Type of fit indices	Defined	Recommended cut-off value
Absolute fit indices	**Relative Chi-square ratio (x^2/df) (Chi square/ degrees of freedom)**	An alternative measure to the x^2 statistic to measure the ratio of x^2 in relation to the degrees of freedom (df) to overcome the restrictiveness of the model x^2 (Hooper *et al.,* 2008:54; Hoe, 2008:78)	≤ 5.00 Wheaton, Muthen, Alwin and Summers (1977:99)
	RMSEA	RMSEA is the general and recommended fit index as it presents the average amount of misfit for a model per degree of freedom (Bagozzi & Yi, 2012:34)	< 0.05 = good fit ≤ 0.08 = acceptable fit ≤ 0.10 = average fit Hoe (2008:78); McDonald and Ho (2002:72)
Incremental fit indices	**CFI**	The CFI is an indicator of the relative non-centrality between a hypothesised model and the null-model (also called a baseline model) of modified independence in which error variances are solely estimated (Bagozzi & Yi, 2012:28)	≥ 0.90 or ≥ 0.80 Hoe (2008:78); Hu and Bentler (1999:27)

In addition to determining the fit indices, the next step in the SEM analysis includes the analysis of the paths (path model) among the variables to determine the statistical significance of paths (by means of critical ratios [CR]), and secondly, to determine the strength of relationships among the variables through the use of standardised regression weights (also called standardised path coefficients) which range between -1 and +1 (Hoe, 2008:79; Meyers *et al.*, 2006:590,595).

The CR test statistic should be greater than $\pm$ 1.96 in order for the null hypothesis to be rejected (meaning that the structural coefficient is not zero) (Hoe, 2008:79) and to further indicate two-sided significance at the customary 5% level (Hox & Bechger, 1998:4). Furthermore, statistical significance is achieved at a significance level of 0.05 (p < 0.05) (Ellis & Steyn, 2003:51).

Once the statistical significance of the standardised paths is examined, the strength of relationships among the variables can be investigated (Hoe, 2008:79). According to Chin (1998:8), the standardised paths (for the purposes of this study the standardised regression weights) should ideally be above 0.30 or at least 0.20 in order to be considered as meaningful. Suhr (2006:5) adds that standardised path coefficients (standardised regression weights) with an absolute value of less than 0.10 indicate a small effect, while values around 0.30 indicate a medium effect and values greater than 0.50 indicate a large effect.

In this study, SEM was applied in order to determine the interrelationship between the variables (constructs) of the proposed theoretical model. The measurement model and path model derived from SEM results were used to obtain the structural model. The fit indices reported in this study refer to the x^2 value and its degrees of freedom, the CFI, as well as the RMSEA with their recommended cut-off values.

5.8   STAGE 6: PREPARE THE RESEARCH REPORT AND FORMULATE CONCLUSIONS

The results and main findings of this study are reported in Chapter 6 after which recommendations and conclusions for this study are drawn in Chapter 7.

5.9   CONCLUSION

The empirical research methodology of this study was presented in this chapter by discussing each stage in the marketing research process. The marketing research process was firstly defined and presented by means of the six different stages. Each stage was subsequently discussed, including the different alternatives available during each stage. The methodology used in each stage was communicated in combination with adequate reasons for particular use in this study. Chapter 6 presents the results obtained after the marketing research process of this study.

CHAPTER 6

DISCUSSION AND INTERPRETATION OF RESULTS

6.1 INTRODUCTION

The purpose of this chapter is to report and discuss the results obtained from the data collection process for this study by following the research methodology detailed in Chapter 5. It also formulates a number of main findings for the study. This chapter commences with a discussion of the sample realisation rate. The descriptive results for each section of the questionnaire are presented, followed by findings regarding respondents' online behaviour. The distribution of data, the validity as well as the reliability of the scales used to measure the key constructs of the study are furthermore assessed. This is followed by the results of the hypotheses formulated for the study. This chapter concludes with a proposed structural model for the study.

6.2 SAMPLE REALISATION RATE

This study was conducted among respondents with access to the Internet, who are 18 years and older and who reside in the Johannesburg metropolitan area of South Africa. The sample size for this study consisted of 400 qualifying respondents within the Johannesburg metropolitan area and the aim was to obtain a gender-based quota.

Given that the purpose of this study is to determine respondents' online complaint intention and service recovery expectation, it is vital that the selected respondents are representative in proportion to the entire population. Due to the fact that a non-probability sampling method was used, the results gained from this study cannot be generalised to the entire population, although the data provided through the sampling method portrays accurate estimates of the characteristics of the population (Malhotra & Peterson, 2006:327). To further acquire accurate estimates of the population's characteristics, a gender-based quota was implemented in order to attain an even distribution amongst male and female groups within the population. The gender-based quota consequently aimed at attaining 200 male and 200 female respondents.

Each fieldworker was given the responsibility to fill a gender-based quota through the use of convenience sampling. Screening questions were used to ensure that only respondents who qualified to complete the questionnaire (i.e. they had to have access to the Internet and bought their own clothing) were included in the total sample size of this study. After the data had been collected from fieldworkers and processed, a total number of 400 questionnaires were

completed. Table 6.1 represents the proposed and actual sample sizes and the sampling realisation rate for this study, reporting on gender quotas only.

Table 6.1:   The actual sample realisation rate

Sample	Proposed sample size	Actual sample size	Realisation rate
Gender			
Male	200	188	94%
Female	200	209	104.5%
TOTAL	**400**	**397**	**99.25%**

Taking into account the results obtained in Table 6.1, it is evident that the majority of respondents who took part in this study were female with a realisation rate of 104.5% followed by male respondents with a realisation rate of 94%. With regard to the total realisation rate of the quota based on gender, 99.25% was achieved with a total number of 397 respondents who completed the gender-based question within the questionnaire.

Next, the results obtained from the questionnaires are discussed.

6.3   SAMPLE PROFILE

All 400 respondents who participated in this study are 18 years and older, buy their own clothing and have access to the Internet. In order to gain a comprehensive understanding of the results gained from the questionnaire, it is vital to profile the respondents who took part in the study. Subsequently, demographic information of the respondents who participated in this study is presented. The sample profile presents respondents' gender, age, education, language, employment status, income and clothing shopping frequency/regularity. Table 6.2 represents the counts (n) and percentages (%) of the demographic variables measured in this study.

Table 6.2:   Sample profile

Demographic variables	Count (n)	Percentage (%)
Gender	**n**	**%**
Male	188	47.4
Female	209	52.6
Age	**n**	**%**
18 to 26 years	123	30.8
27 to 35 years	92	23
36 to 47 years	80	20
48 to 66 years	69	17.3
67 years and older	36	9
Highest level of education	**n**	**%**
Primary school completed	4	1
Some high school	13	3.3
Matric / Grade 12	148	37.5
Tech diploma/degree	95	24.1
University degree or postgraduate degree	135	34.2

Table 6.2:   Sample profile (continued)

Demographic variables	Count (n)	Percentage (%)
Home language	**n**	**%**
Afrikaans	77	19.4
English	161	40.5
Nguni (Zulu, Xhosa, Swati, Ndebele)	50	12.6
Sotho (Sepedi, SeSotho, Tswana)	60	15.1
Venda/Tsonga	27	6.8
Other	23	5.8
Employment status	**n**	**%**
Full-time employed	207	51.8
Part-time employed	38	10
Self-employed	33	8.3
Student	79	19.8
Housewife or Househusband	8	2
Retired	19	4.8
Unemployed	15	3.8
Other: contract worker	1	0.3
Personal income (monthly net income)	**n**	**%**
Less than R3 000	73	18.3
R3 001 – R6 000	47	11.8
R6 001 – R13 000	55	13.8
R13 001 – R26 000	108	27
R26 001 – R51 000	43	10.8
R51 001 or more	15	3.8
Not specified	59	14.8
Clothing shopping frequency	**n**	**%**
Every day	6	1.5
Not every day, but more than once a week	28	7
Once a week	21	5.3
Less than once a week, but more than once a month	91	22.9
Once a month	127	31.9
Less than once a month	125	31.4

Table 6.2 indicates that a relative equal number of male respondents (47.4%) and female respondents (52.6%) participated in this study. In terms of age, the sample consists of 73.8% of respondents between the ages of 18 and 47 years old (30.8% + 23% + 20%). The majority of respondents have some form of a tertiary qualification; be it a technical diploma or degree or an university or postgraduate degree constituting 57.7% (24% + 33.7%) of the sample population. Furthermore, only 4.3% (1% + 3.3%) of respondents who participated in this study have not completed their secondary education. The majority of respondents' home language is English (40.5%), followed by Afrikaans (19.4%) and Sotho (Sepedi, SeSotho, Tswana) (15.1%). Just over half of the respondents who took part in this study were full-time employed (51.8%) and earned a gross monthly net income of between R3 001 and R26 000 (52.5% = 11.8% + 13.8 + 27). Lastly, the majority of respondents shop for clothing once a month (31.9%) or less (31.4%).

The sample profile of respondents who participated in this study can be presented as follows:

The majority of respondents who took part in the study are female, between the ages of 18 and 47 years old, with a tertiary qualification, speak English as a home language, are full-time employed, earn a gross monthly net income of between R3 001 and R26 000 and shop for clothing at least once a month.

6.4   ONLINE BEHAVIOUR

Section B of the questionnaire measured respondents' online behaviour. Table 6.3 presents a summary of the online behaviour of respondents who participated in this study.

Table 6.3:   Respondents' online behaviour

ITEM	Count (n)	Percentage (%)
How often do you use the Internet?	**n**	**%**
Every day	255	63.8
Not every day, but more than once a week	79	19.8
Once a week	26	6.5
Less than once a week, but more than once a month	18	4.5
Once a month	9	2.3
Less than once a month	13	3.3
Have you ever complained online?	**n**	**%**
Yes	193	48.6
No	204	51.4
If you are unhappy about a store's service, where would you most likely complain?	**n**	**%**
In-store customer services	201	51.3
Friends and family	91	23.2
The retailer's website	33	8.4
Social media (Facebook/Twitter)	41	10.5
General complaint sites	18	4.6
Government agency website	4	1
Other	4	1

When asked how often respondents use the Internet, 63.8% indicated that they use the Internet every day, followed by those who use the Internet more than once a week, but not every day (19.8%). The majority of respondents have never complained online (51.4%), while 48.6% of respondents have complained online before. With respect to where respondents would most likely complain, respondents are more likely to complain in-store to customer services (51.3%), while 24.5% (8.4% + 10.5% + 4.6% + 1.0%) of respondents would complain online to the retailer's website, or on social media (e.g. Facebook or Twitter), general complaint sites and Government agency websites. Respondents are also very likely to complain to friends and family (23.2%) after a dissatisfactory experience with a store's service.

The following main finding can be reported pertaining to the online behaviour of respondents who participated in this study:

Main finding 1
The majority of respondents use the Internet daily; about half of respondents have complained online before; and the majority of respondents prefer to complain in-store to customer services.

6.5   RESPONDENTS' GENERAL ATTITUDES TOWARDS COMPLAINING

The purpose of Section C of the questionnaire was to obtain information from respondents regarding their general attitude towards complaining. Section C contained eight individual statements to measure respondents' general attitude towards complaining. A five-point Likert scale was used where 1 represents strongly disagree and 5 represents strongly agree in order to determine respondents' level of agreement with each of the given statements. Table 6.4 represents the mean and standard deviation (SD) realised for each statement.

Table 6.4:   **Respondents' general attitudes towards complaining**

Statement	Mean	SD
Complaining is a customer's right	**4.59**	0.832
I always complain when I am dissatisfied because I feel it is my duty	**3.64**	1.258
Complaining is not easy, but should be done when 'things' are not right	**4.28**	0.923
I always feel better when I have voiced my dissatisfaction through a complaint	3.83	1.149
I do not consider complaining about something as distasteful	3.68	1.205
I usually feel less frustrated after I have complained	3.68	1.212
I do not believe that people who have little else to do are the ones who complain the most	**3.67**	1.348
I am not embarrassed to complain no matter how bad the product/service was	3.91	1.161

Respondents agreed the most with the statements 'Complaining is a customer's right' (mean = 4.59) and 'Complaining is not easy, but should be done when 'things' are not right' (mean = 4.28). Statements with which respondents agreed the least include 'I always complain when I am dissatisfied because I feel it is my duty' (mean = 3.64) and 'I do not believe that people who have little else to do are the ones who complain the most' (mean = 3.67). The standard deviations (SD) for the eight statements range between 0.832 and 1.384.

The following main findings can be reported pertaining to respondents' general attitude towards complaining:

Main finding 2

Pertaining to general attitude towards complaining, the majority of respondents agreed most with the statements that it is a customer's right to complain and that complaining is not easy, but should be done when 'things' are not right.

Main finding 3

Pertaining to general attitude towards complaining, the majority of respondents agreed the least with the statements that they complain when they feel dissatisfied because they feel it is their duty, and that they do not believe that people who have little else to do are the ones who complain the most.

6.6   RESPONDENTS' SERVICE FAILURE SEVERITY PERCEPTIONS

Section D of the questionnaire provided a list of statements intended to obtain information from respondents regarding their perception of the service failure severity based upon a service failure scenario as presented in Table 6.5. A five-point Likert scale was used where 1 represents strongly disagree and 5 represents strongly agree in order to measure respondents' level of agreement with each of the given statements. Table 6.6 represents the results obtained.

Table 6.5:   Service failure scenario

Section D – Service failure scenario
When buying clothing with your bank card at a well known clothing retailer, you learn that the cashier is unable to process the transaction with your card. The cashier calls her supervisor and the fact that your card has been declined is discussed between the two of them for all queuing behind you to hear. You are referred to customer services without any explanation.
After waiting in the queue for quite a while at the customer services desk, the employee motions you to come to the desk and mumbles "what is the problem?" Before you are able to explain your problem, the employee rudely demands to see your identification and bank card. Whilst looking very irritated he stands up from his desk and disappears for a while. After a couple of minutes he returns and rudely declares that he cannot rectify your problem and advises you to contact your bank without providing any further explanation.

Table 6.6:   Respondents' service failure severity perceptions

Statement	Mean	SD
I would consider this incident in a serious light	**4.21**	1.186
This incident would make me angry	4.44	0.904
This incident would be an unpleasant experience for me	**4.46**	0.865
I believe that this incident is inexcusable	4.33	0.937
This incident cannot be ignored	4.37	0.892
I feel that this type of incident should not occur again	**4.57**	0.745
This incident would be a big problem to me	**4.19**	0.990
This incident would be very inconvenient to me	4.43	0.823

It is evident from Table 6.6 that respondents agreed the most with the statements 'I feel that this type of incident should not occur again' (mean = 4.57) and 'This incident would be an unpleasant experience for me' (mean = 4.46). In comparison, respondents agreed the least with the statements 'This incident would be a big problem to me' (mean = 4.19) and 'I would consider this incident in a serious light' (mean = 4.21). Respondents agreed strongly with all the statements measured (means ranging from 4.19 to 4.57). Furthermore, the standard deviations (SD) for the eight statements range between 0.823 and 1.186.

The following main findings can be reported pertaining to the service failure severity perception of respondents with respect to the service failure scenario:

Main finding 4
Pertaining to service failure severity perception, respondents agreed the most with the statements that such an incident would be an unpleasant experience for them and that it should not occur again.

Main finding 5
Pertaining to service failure severity perception, respondents agreed the least (albeit they still exhibit a high level of agreement with all statements) with the statements that the incident would be a big problem for them and that they would consider it in a serious light.

6.7   RESPONDENTS' STRENGTH OF SERVICE RECOVERY EXPECTATIONS

Section D of the questionnaire furthermore focused on obtaining information from respondents regarding the strength of service recovery they would expect in response to the service failure scenario with which they were presented (refer to Table 6.5). A five-point Likert scale was once again used where 1 represents strongly disagree and 5 represents strongly agree. Table 6.7 represents the results.

Table 6.7:   **Respondents' strength of service recovery expectations**

Statement	Mean	SD
An immediate response from the store is required	**4.45**	0.870
The store should go out of its way to rectify the situation	**4.33**	0.912
Store management should be highly responsive	**4.49**	0.780
Management should intervene immediately	**4.52**	0.723

Respondents' strongest level of agreement was with the statements 'Management should intervene immediately' (mean = 4.52) and 'Store management should be highly responsive' (mean = 4.49). Statements with the lowest level of agreement include 'The store should go out of its way to rectify the situation' (mean = 4.33) and 'An immediate response from the store is

required' (mean = 4.45). Respondents agreed strongly with all the statements measured (means ranging from 4.33 to 4.52). Furthermore, the standard deviations (SD) for the four statements range between 0.723 and 0.912.

The following main findings can be reported pertaining to the strength of service recovery expectation of respondents with respect to the service failure scenario:

Main finding 6

Pertaining to strength of service recovery expectation, respondents agreed the most with the statements that management should intervene immediately and in a highly responsive manner.

Main finding 7

Pertaining to strength of service recovery expectation, respondents agreed the least (albeit they still exhibit a high level of agreement with all statements) with the statements indicating that the store should go out if its way to rectify the service failure by means of an immediate response.

6.8   RESPONDENTS' SERVICE RECOVERY STRATEGY EXPECTATIONS

Section D additionally aimed at determining respondents' service recovery strategy expectation after they were presented with a service failure scenario (refer to Table 6.5). A five-point Likert scale was used where 1 represents strongly disagree and 5 represents strongly agree in order to determine respondents' level of agreement with each of the given statements. Table 6.8 represents the results obtained.

Table 6.8:   Respondents' service recovery strategy expectations

Statement	Mean	SD
I only expect a sincere apology from the store	**3.78**	1.285
I only expect assistance from the store to fix the problem	3.72	1.274
I only expect compensation (free service, refund, gift, discount) from the store	**3.09**	1.354
I expect a sincere apology and assistance from the store to fix the problem	**4.23**	0.982
I expect a sincere apology and compensation (free service, refund, gift, discount) from the store	**3.46**	1.305
I expect assistance to fix the problem and compensation (free service, refund, gift, discount) from the store	3.54	1.313

Respondents indicated that they agreed the most with the statements 'I expect a sincere apology and assistance from the store to fix the problem' (mean = 4.23) and 'I only expect a sincere apology from the store' (mean = 3.78). Respondents' lowest level of agreement was with the statements 'I only expect compensation (free service, refund, gift, discount) from the store' (mean = 3.09) and 'I expect a sincere apology and compensation (free service, refund,

gift, discount) from the store' (mean = 3.46). The standard deviations (SD) for the 6 statements range between 0.982 and 1.354.

The following main findings can be reported pertaining to the service recovery strategy expectation of respondents with respect to the service failure scenario:

Main finding 8
Pertaining to service recovery strategy expectation, respondents agreed the most with the statements that they expect a sincere apology and assistance from the store to fix their problem and that they only expect a sincere apology from the store.

Main finding 9
Pertaining to service recovery strategy expectation, respondents agreed the least with the statements that they only expect compensation (free service, refund, gift or discount) from the store and that they expect a sincere apology and compensation.

6.9   RESPONDENTS' ONLINE COMPLAINT INTENTIONS

Section D additionally focused on obtaining information from respondents regarding their online complaint intention after they were presented with a service failure scenario (refer to Table 6.5). A five-point Likert scale was used where 1 represents strongly disagree and 5 represents strongly agree in order to determine respondents' level of agreement with each of the given statements. Table 6.9 represents the results obtained.

Table 6.9:   Respondents' online complaint intentions

Statement	Mean	SD
I would be willing to complain online	3.80	1.253
If I have a choice I would complain online to the store	3.70	1.278
I would feel positive about complaining online to the store	3.57	1.277
I believe complaining online in this instance will have a positive outcome	3.33	1.306
I would seriously consider complaining online	3.39	1.347
I would complain online rather than using any other alternative complaint method	**2.98**	1.374
I would be likely to complain online	**3.23**	1.341
If I experienced success from a prior complaining experience I would be more willing to complain online	3.73	1.250
If I know that the store's complaint policies and practices are fair I would be more willing to complain online	**3.81**	1.216
If I did complain previously and I was treated fairly by employees, I would be more willing to complain online	**3.90**	1.256

Respondents indicated that they agreed the most with the statements 'If I did complain previously and I was treated fairly by employees I would be more willing to complain online'

(mean = 3.90) and 'If I know that the store's complaint policies and practices are fair I would be more willing to complain online' (mean = 3.81). Respondents' lowest level of agreement was with the statements 'I would complain online rather than using any other alternative complaint method' (mean = 2.98) and 'I would be likely to complain online' (mean = 3.23). The standard deviations (SD) for the 10 statements range between 1.216 and 1.374.

The following main findings can be reported pertaining to the online complaint intention of respondents with respect to the service failure scenario:

Main finding 10

Pertaining to online complaint intention, respondents agreed the most with the statements that if they had complained previously and received fair treatment from employees, they would be more willing to complain online and that if they know that the store's complaint policies and practices are fair, they would be more willing to complain online.

Main finding 11

Pertaining to online complaint intention, respondents agreed the least with the statements that they would rather complain online than using any alternative complaint method, and that they are more likely to complain online.

6.10   CONSTRUCT VALIDITY

For the purpose of this study, construct validity was determined to ensure that the measurement scales used to measure the constructs of the study, measured what they were supposed to measure (Pallant, 2010:7). The validity of the measurement scales (construct validity) was determined by means of confirmatory factor analyses (CFAs) (refer to section 5.7.1). The results are subsequently reported.

6.10.1   Construct validity of the attitude towards complaining construct

In order to determine the construct validity of the attitude towards complaining construct, a CFA was conducted on the 8 statements used to measure the construct. The CFA identified whether the statements included in the scale could be grouped into the factors as identified by Yuksel *et al.* (2006:17), seeing that Yuksel *et al.*'s (2006:17) measuring scale for attitude towards complaining was adapted for use in this study (refer to section 5.5.3.3). Yuksel *et al.* (2006:17) extracted two factors, namely **negative attitude to complaining** and **propensity to complain**.

The findings of the CFA confirmed the statements for the respective factors as presented by Yuksel *et al.* (2006:17). The results of the CFA for factor 1 [(labelled by Yuksel *et al.* (2006:17) as '*propensity to complain*')] indicate a Measure of Sampling Adequacy (MSA) of 0.68 which is above the cut-off point of 0.5 (Hair, Black, Babin, Anderson & Tatham, 2010:93) and the communalities varied between 0.42 and 0.62. Furthermore, the four statements effectively form one factor explaining 54.31% of the variance. The results obtained from the CFA of factor 2 [(labelled by Yuksel *et al.* (2006:17) as '*negative attitude to complaining*')] indicate an MSA of 0.74 which is above the cut-off point of 0.5 and the communalities varied between 0.63 and 0.45. Furthermore, the four statements effectively form one factor explaining 54.53% of the variance.

It is evident that the factors obtained from the CFA correspond with those factors presented by Yuksel *et al.* (2006:18) and are subsequently retained for this study seeing that they are in line with extant literature. For the purpose of this study, the labelling of factor 1 remains 'propensity to complain', whilst the labelling of factor 2 changes from 'negative attitude to complaining' to 'sense of complaining' as this label is found to adequately represent the affective component of attitude (Shiffman & Kanuk, 2010:249) which seems, on face value, to be the more prominent element amongst the scale items constituting factor 1. For the purpose of this study, the factors based upon the attitude towards complaining construct will for the remainder of this dissertation be referred to as constructs. Table 6.10 presents the results.

Table 6.10:   Factors of the attitude towards complaining construct

Factor	Yuksel *et al.*(2006:17) labelling	This study's construct labelling	Item	Statements adapted for this study
1	Propensity to complain	Propensity to complain	1	Complaining is a customer's right
			2	Complaining is not easy, but should be done when "things" are not right
			3	I do not consider complaining about something as distasteful
			4	I do not believe that people who have little else to do are the ones who complain the most
2	Negative attitude to complaining	Sense of complaining	5	I always complain when I am dissatisfied because I feel it is my duty
			6	I always feel better when I have voiced my dissatisfaction through a complaint
			7	I usually feel less frustrated after I have complained
			8	I am not embarrassed to complain no matter how bad the product/service was

The following main finding can be reported pertaining to the construct validity of the attitude towards complaining construct:

Main finding 12

With respect to the attitude towards complaining construct, the confirmatory factor analysis retained two factors, namely propensity to complain and sense of complaining, as originally identified by Yuksel *et al.* (2006:17) and confirms the validity of the measurement scale measuring respondents' general attitude towards complaining

6.10.2   Construct validity of the service failure severity construct

A CFA was conducted on the 8 statements used to measure the service failure severity construct. The results of the CFA indicate an MSA of 0.89 which is above the cut-off point of 0.5 (Hair *et al.,* 2010:93) and the communalities varied between 0.33 and 0.66. Furthermore, only one factor was confirmed explaining 56.67% of the variance.

Main finding 13

With respect to the service failure severity construct, the confirmatory factor analysis extracted one factor and confirms the validity of the measurement scale measuring respondents' service failure severity perception.

6.10.3   Construct validity of the strength of service recovery expectation construct

A CFA was conducted on the 4 statements used to measure the strength of service recovery expectation construct. The results of the CFA indicate an MSA of 0.82 which is above the cut-off point of 0.5 (Hair *et al.,* 2010:93) and the communalities varied between 0.64 and 0.73. Furthermore, only one factor was confirmed explaining 69.77% of the variance.

Main finding 14

With respect to the strength of service recovery expectation construct, the confirmatory factor analysis extracted one factor and confirms the validity of the measurement scale measuring respondents' strength of service recovery expectation.

6.10.4   Construct validity of the online complaint intention construct

The 10 statements used to measure the online complaint intention construct were also subjected to a CFA. The results of the CFA indicate an MSA of 0.92 which is above the cut-off point of 0.5 (Hair *et al.,* 2010:93) and the communalities varied between 0.63 and 0.81. Furthermore, two factors were uncovered explaining 73.56% of the variance. Table 6.11 presents the two factors identified and the statements measuring each of the two factors.

Table 6.11:   Factors obtained from the confirmatory factor analysis based on the online complaint intention construct

Factor	Item	Statements adapted for this study
1	1	I would be willing to complain online
	2	If I have a choice I would complain online to the store
	3	I would feel positive about complaining online to the store
	4	I believe complaining online in this instance will have a positive outcome
	5	I would seriously consider complaining online
	6	I would complain online rather than using any other alternative complaint method
	7	I would be likely to complain online
2	8	If I experienced success from a prior complaining experience I would be more willing to complain online
	9	If I know that the store's complaint policies and practices are fair I would be more willing to complain online
	10	If I did complain previously and I was treated fairly by employees I would be more willing to complain online

After evaluating the two factors that resulted from the CFA, it was decided to eliminate factor 2 since factor 1 sufficiently measures the construct online complaint intention. Factor 2 adds a new dimension, namely 'fairness' that dilutes the original focus of this study to solely measure the online complaint intention of respondents. In order to determine the construct validity of the new scale items for online complaint intention, a CFA was conducted on the remaining 7 statements used to measure the construct. The results of the CFA indicate an MSA of 0.91 which is above the cut-off point of 0.5 (Hair *et al.,* 2010:93) and the communalities varied between 0.64 and 0.81. Secondly, one factor was confirmed explaining 71.12% of the variance. Table 6.12 subsequently presents the remaining statements measuring online complaint intention. For the purpose of this study, the newly uncovered factor based upon the online complaint intention construct will for the remainder of this dissertation be referred to as a construct.

Table 6.12:   Factor of the online complaint intention construct

Factor	This study's construct labelling	Item	Statements adapted for this study
1	Online complaint intention	1	I would be willing to complain online
		2	If I have a choice I would complain online to the store
		3	I would feel positive about complaining online to the store
		4	I believe complaining online in this instance will have a positive outcome
		5	I would seriously consider complaining online
		6	I would complain online rather than using any other alternative complaint method
		7	I would be likely to complain online

The following main finding can be reported pertaining to the construct validity of online complaint intention:

> **Main finding 15**
>
> With respect to the online complaint intention construct, the confirmatory factor analysis retained two factors, upon which factor 2 was eliminated and factor 1 retained, and confirms the validity of the measurement scale measuring respondents' online complaint intention.

6.11 RELIABILITY

The degree to which a measurement scale yields consistent results over different trials of repeated measurements can be referred to as the reliability of the scale (Sinha, 2000:312) (refer to section 5.7.1). Cronbach's alpha is used to measure the reliability of the results obtained. Pallant (2010:5) further adds that when a construct's measurement set is reliable, the calculation of the overall mean score of the construct is allowed. Table 6.13 represents the Cronbach's alpha values for each of the final constructs confirmed in section 6.10.

Table 6.13:   Cronbach's alpha values

Measurement set	Cronbach's alpha values
Propensity to complain	0.714
Sense of complaining	0.717
Service failure severity	0.881
Strength of service recovery expected	0.853
Online complaint intention	0.932

The Cronbach's alpha values for the respective measurement scales measuring the key constructs of this study all represent a value above the cut-off point of 0.70, confirming that the measurement scales for each construct are reliable (Hair *et al.*, 1998:118).

> **Main finding 16**
>
> The Cronbach's alpha coefficient calculated for the measurement scale measuring propensity to complain indicates that the scale is reliable.

> **Main finding 17**
>
> The Cronbach's alpha coefficient calculated for the measurement scale measuring sense of complaining indicates that the scale is reliable.

> **Main finding 18**
>
> The Cronbach's alpha coefficient calculated for the measurement scale measuring service failure severity perception indicates that the scale is reliable.

> **Main finding 19**
>
> The Cronbach's alpha coefficient calculated for the measurement scale measuring strength of service recovery expected indicates that the scale is reliable.

Main finding 20
The Cronbach's alpha coefficient calculated for the measurement scale measuring online complaint intention indicates that the scale is reliable.

6.12   OVERALL MEAN SCORES

After the validity and reliability of the measurement scales were assessed, the overall mean scores for each construct could be calculated for the purposes of hypothesis testing. Table 6.14 presents the overall mean scores of the final constructs.

Table 6.14:   Overall mean scores

Construct	Overall mean score
Propensity to complain	4.09
Sense of complaining	3.74
Service failure severity	4.37
Strength of service recovery expected	4.44
Online complaint intention	3.43

The overall mean scores for the constructs vary between 3.43 and 4.44. Considering the statements were measured on a five-point Likert scale where 1 represents strongly disagree and 5 represents strongly agree, the overall mean scores for all constructs are relatively positive.

Main finding 21
The overall mean scores for propensity to complain and sense of complaining measuring attitude towards complaining are well above the mid-point of the measurement scale indicating respondents' positive attitude towards complaining.

Main finding 22
The overall mean score for service failure severity is well above the mid-point of the scale and less than one unit away from the upper limit of the scale indicating respondents' service failure severity perception in this instance to be severe.

Main finding 23
The overall mean score for strength of service recovery expectation is well above the mid-point of the scale and less than one unit away from the upper limit of the scale indicating respondents' service recovery expectation in this instance to be strong.

Main finding 24
The overall mean score for online complaint intention is just above the mid-point of the scale indicating a fairly average level of agreement when compared to other constructs measured in the study.

6.13   ASSESSING THE DISTRIBUTION OF DATA

The distribution of the data obtained for each of the statements contained in the measurement sets should first be determined before the hypotheses formulated for the study can be tested as it influences, in addition to a number of other assumptions that need to be met (refer to section 5.7.2 and 5.7.3), the decision whether parametric or non-parametric tests should be used to test hypotheses formulated for the study.

It is not as vital to assess the distribution of data in the case where the sample size is larger than 30 (Eiselen, Uys & Potgieter, 2007:79). Zikmund and Babin (2010:452) explain that when the sample size is satisfactorily large and the samples for the study are drawn on a random basis, it can be accepted that the sampling distribution of the mean will approximately be normally distributed based on the central limit-theorem. However, taking this study's sampling plan into account, the skewness and kurtosis of the distribution of the data was measured for each statement measuring attitude towards complaining, service failure severity perception, service recovery expectation and online complaint intention before hypothesis testing commenced.

The results indicate that all the statements except one have a skewness of less than an absolute value of 2. The first 'attitude towards complaining' statement 'Complaining is a customer's right' is outside the skewness parameter with an absolute value of 2.491. However, it was decided to retain this statement on account of the fact that respondents manifest resilient attitudes which tend to often be either strongly positive or strongly negative and seldom only a neutral feeling. Furthermore, results indicated that all data has a kurtosis of less than the absolute value of 7. Therefore, it can be assumed that the distribution of data for all statements falls within the parameters of what can be considered a sufficiently normal distribution (West *et al.*, 1995:74). For the purposes of testing the hypotheses of the study, the following parametric tests were subsequently used: independent samples t-test and the one-way analysis of variance (one-way ANOVA) (refer to section 5.7.2.2).

6.14   HYPOTHESIS TESTING

This section presents the results for the hypotheses formulated for the study. Each hypothesis is initially presented followed by the relevant results and subsequent main findings pertaining to the results. Since two factors (now referred to as constructs) have been confirmed, hypotheses relating to attitude towards complaining have been refined to address both propensity to complain and sense of complaining. Hypotheses are supported when statistical significance is achieved at a significance level of 0.05 ($p < 0.05$) (Ellis & Steyn, 2003:51), and when practical

significance is evident by means of a medium (d-value = 0.5) or large (d-value ≥ 0.8) effect size (Cohen, 1988:25-26). With respect to the formulation of main findings in this chapter, reference is made to "a significant difference" where both statistical and practical significance differences were uncovered in the results.

6.14.1   Hypothesis 1

Respondents of different age groups differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

This hypothesis can furthermore be refined as follows:

- H1$_a$: Respondents of different age groups differ significantly in terms of their propensity to complain.
- H1$_b$: Respondents of different age groups differ significantly in terms of their sense of complaining.
- H1$_c$: Respondents of different age groups differ significantly in terms of their online complaint intention.
- H1$_d$: Respondents of different age groups differ significantly in terms of their service failure severity perception.
- H1$_e$: Respondents of different age groups differ significantly in terms of their strength of service recovery expectation.

One-way ANOVAs were conducted to test the abovementioned hypotheses and the results are presented in Table 6.15. For each of the five refined hypotheses formulated, the Table presents the relevant descriptive statistics (mean, standard deviation and count). The Table also presents the accompanying p-value for each test and whether the differences between the means are significant (p-value ≤ 0.05). The Table also reports the corresponding effect sizes (d-values).

Table 6.15:   Significant differences between respondents based upon age

Hypothesis	Age	Mean	SD	n	p-value*	Age	d-value		
							18-35 years	36-47 years	48 years and older
H1$_a$ Respondents of different age groups differ significantly in terms of their propensity to complain.	**18-35 years**	4.09	0.76	215	> 0.05	**18-35 years**		0.0	0.0
	36-47 years	4.09	0.75	80		**36-47 years**	0.0		0.0
	48 years and older	4.08	0.82	105		**48 years and older**	0.0	0.0	
H1$_b$ Respondents of different age groups differ significantly in terms of their sense of complaining.	**18-35 years**	3.72	0.91	215	> 0.05	**18-35 years**		0.0	0.1
	36-47 years	3.69	0.89	80		**36-47 years**	0.0		0.1
	48 years and older	3.81	0.90	105		**48 years and older**	0.1	0.1	
H1$_c$ Respondents of different age groups differ significantly in terms of their online complaint intention.	**18-35 years**	3.45	1.13	215	> 0.05	**18-35 years**		0.1	0.1
	36-47 years	3.55	0.97	80		**36-47 years**	0.1		0.2
	48 years and older	3.31	1.12	105		**48 years and older**	0.1	0.2	
H1$_d$ Respondents of different age groups differ significantly in terms of their service failure severity perception.	**18-35 years**	4.32	0.70	215	> 0.05	**18-35 years**		0.0	0.2
	36-47 years	4.34	0.59	80		**36-47 years**	0.0		0.2
	48 years and older	4.48	0.71	105		**48 years and older**	0.2	0.2	
H1$_e$ Respondents of different age groups differ significantly in terms of their strength of service recovery expectation.	**18-35 years**	4.39	0.70	215	> 0.05	**18-35 years**		0.1	0.2
	36-47 years	4.47	0.61	80		**36-47 years**	0.1		0.1
	48 years and older	4.54	0.70	105		**48 years and older**	0.2	0.1	

* Statistically significant differences between the means of groups at a significance level of 5 per cent or less
d-values were calculated since a non-random sampling technique was used
° Medium and practically significant effect size
▪ Large and practically significant effect size

It is evident from Table 6.15 that:

- With regard to H1$_a$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different age groups with respect to their propensity to complain and therefore no practically significant differences were considered.

- With regard to H1$_b$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different age groups and sense of complaining and therefore no practically significant differences were considered.

- With regard to H1$_c$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different age groups and online complaint intention and therefore no practically significant differences were considered.

- With regard to H1$_d$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different age groups and service failure severity perception and therefore no practically significant differences were considered.

- With regard to H1$_e$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different age groups and strength of service recovery expectation and therefore no practically significant differences were considered.

Table 6.16 summarises the findings with respect to hypothesis 1.

Table 6.16:   Summary of findings for Hypothesis 1

Hypothesis 1	Supported / Not supported
H1$_a$: Different age groups of respondents differ significantly in terms of their propensity to complain.	Not supported
H1$_b$: Different age groups of respondents differ significantly in terms of their sense of complaining.	Not supported
H1$_c$: Different age groups of respondents differ significantly in terms of their online complaint intention.	Not supported
H1$_d$: Different age groups of respondents differ significantly in terms of their service failure severity perception.	Not supported
H1$_e$: Different age groups of respondents differ significantly in terms of their strength of service recovery expectation.	Not supported

It is evident from Table 6.16 that no statistically or practically significant differences could be uncovered between different age groups of respondents in relation to their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation. **H1 is therefore not supported**.

Main finding 25

Respondents of different age groups do not differ significantly from each other in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

6.14.2   Hypothesis 2

Respondents with different levels of education differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

This hypothesis can furthermore be refined as follows:

- $H2_a$: Respondents with different levels of education differ significantly in terms of their propensity to complain.

- $H2_b$ Respondents with different levels of education differ significantly in terms of their sense of complaining.

- $H2_c$: Respondents with different levels of education differ significantly in terms of their online complaint intention.

- $H2_d$: Respondents with different levels of education differ significantly in terms of their service failure severity perception.

- $H2_e$: Respondents with different levels of education differ significantly in terms of their strength of service recovery expectation.

Independent samples t-tests were conducted to test the abovementioned hypotheses and the results are presented in Table 6.17. For each of the five refined hypotheses formulated, the Table presents the relevant descriptive statistics (mean, standard deviation and count). The Table also presents the accompanying p-value for each test and whether the differences between the means are significant (p-value $\leq$ 0.05). The Table also reports the corresponding effect sizes (d-values).

Table 6.17:   Significant differences between respondents based upon education

Hypothesis	Education	Mean	SD	n	p-value*	d-value
H2ₐ Respondents with different levels of education differ significantly in terms of their propensity to complain.	Matric and less	3.97	0.86	170	0.0109*	0.2
	Post-school qualification	4.18	0.70	230		
H2_b Respondents with different levels of education differ significantly in terms of their sense of complaining.	Matric and less	3.65	0.97	170	0.0953	0.2
	Post-school qualification	3.80	0.84	230		
H2_c Respondents with different levels of education differ significantly in terms of their online complaint intention.	Matric and less	3.36	1.18	170	0.2359	0.1
	Post-school qualification	3.49	1.03	230		
H2_d Respondents with different levels of education differ significantly in terms of their service failure severity perception.	Matric and less	4.28	0.74	170	0.0237*	0.2
	Post-school qualification	4.44	0.63	230		
H2_e Respondents with different levels of education differ significantly in terms of their strength of service recovery expectation.	Matric and less	4.40	0.72	170	0.3100	0.1
	Post-school qualification	4.48	0.66	230		

* Statistically significant differences between the means of groups at a significance level of 5 per cent or less
d-values were calculated since a non-random sampling technique was used
° Medium and practically significant effect size
▪ Large and practically significant effect size

It is evident from Table 6.17 that:

- With regard to H2ₐ, respondents with an education level of matric and less (mean = 3.97) and with a post-school qualification (mean = 4.18; p-value = 0.0109) differ statistically significantly in terms of their propensity to complain. Customers with a post-school qualification have a statistically significantly higher propensity to complain than those with an education level of matric and less. The small effect size (d-value = 0.2), however, indicates that no practically significant difference exists between the two groups.

- With regard to H2_b, respondents with an education level of matric and less (mean = 3.65) and with a post-school qualification (mean = 3.80; p-value = 0.0953) do not differ statistically significantly in terms of their sense of complaining and therefore no practically significant differences were considered.

- With regard to H2_c, respondents with an education level of matric and less (mean = 3.36) and with a post-school qualification (mean = 3.49; p-value = 0.2359) do not differ statistically

significantly in terms of their online complaint intention and therefore no practically significant differences were considered.

- With regard to H2$_d$, respondents with an education level of matric and less (mean = 4.28) and with a post-school qualification (mean = 4.44; p-value = 0.0237) differ statistically significantly in terms of their service failure severity perception. Customers with a post-school qualification have a statistically significantly higher service failure severity perception than those with an education level of matric and less. The small effect size (d-value = 0.2), however, indicates that no practically significant difference exists between the two groups.

- With regard to H2$_e$, respondents with an education level of matric and less (mean = 3.65) and with a post-school qualification (mean = 3.80; p-value = 0.0953) do not differ statistically significantly in terms of their strength of service recovery expectation and therefore no practically significant differences were considered.

Table 6.18 summarises the findings with respect to hypothesis 2.

Table 6.18:   Summary of findings for Hypothesis 2

Hypothesis 2	Supported / Not supported
H2$_a$: Respondents with different levels of education differ significantly in terms of their propensity to complain.	Not supported
H2$_b$: Respondents with different levels of education differ significantly in terms of their sense of complaining.	Not supported
H2$_c$: Respondents different levels of education differ significantly in terms of their online complaint intention.	Not supported
H2$_d$: Respondents with different levels of education differ significantly in terms of their service failure severity perception.	Not supported
H2$_e$: Respondents with different levels of education differ significantly in terms of their strength of service recovery expectation.	Not supported

It is evident from Table 6.18 that only two statistically significant differences, but no practically significant differences could be uncovered between respondents' different levels of education in relation to their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation. **H2 is therefore not supported**.

Main finding 26

Respondents with different levels of education do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

6.14.3   Hypothesis 3

Male and female respondents differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

This hypothesis can furthermore be refined as follows:

- $H3_a$: Male and female respondents differ significantly in terms of their propensity to complain.
- $H3_b$: Male and female respondents differ significantly in terms of their sense of complaining.
- $H3_c$: Male and female respondents differ significantly in terms of their online complaint intention.
- $H3_d$: Male and female respondents differ significantly in terms of their service failure severity perceptions.
- $H3_e$: Male and female respondents differ significantly in terms of their strength of service recovery expectations.

Independent samples t-tests were conducted to test the abovementioned hypotheses and the results are presented in Table 6.19. For each of the five refined hypotheses formulated, the Table presents the relevant descriptive statistics (mean, standard deviation and count). The Table also presents the accompanying p-value for each test and whether the differences between the means are significant (p-value $\leq$ 0.05). The Table also reports the corresponding effect sizes (d-values).

Table 6.19:   Significant differences between respondents based upon gender

Hypothesis	Gender	Mean	SD	n	p-value*	d-value
H3$_a$ Male and female respondents differ significantly in terms of their propensity to complain.	Male	4.05	0.78	188	0.2180	0.1
	Female	4.14	0.77	209		
H3$_b$ Male and female respondents differ significantly in terms of their sense of complaining.	Male	3.69	0.82	188	0.2637	0.1
	Female	3.79	0.97	209		
H3$_c$ Male and female respondents differ significantly in terms of their online complaint intention.	Male	3.37	1.06	188	0.2721	0.1
	Female	3.49	1.13	209		
H3$_d$ Male and female respondents differ significantly in terms of their service failure severity perception.	Male	4.31	0.70	188	0.0754	0.2
	Female	4.43	0.65	209		
H3$_e$ Male and female respondents differ significantly in terms of their strength of service recovery expectation.	Male	4.39	0.69	188	0.1190	0.2
	Female	4.50	0.68	209		

* Statistically significant differences between the means of groups at a significance level of 5 per cent or less
d-values were calculated since a non-random sampling technique was used
° Medium and practically significant effect size
▪ Large and practically significant effect size

It is evident from Table 6.19 that:

- With regard to H3$_a$, males (mean = 4.05) and females (mean = 4.14; p-value = 0.2180) do not differ statistically significantly in terms of their propensity to complain and therefore no practically significant differences were considered.

- With regard to H3$_b$, males (mean = 3.69) and females (mean = 3.79; p-value = 0.2637) do not differ statistically significantly in terms of their sense of complaining and therefore no practically significant differences were considered.

- With regard to H3$_c$, males (mean = 3.37) and females (mean = 3.49; p-value = 0.2721) do not differ statistically significantly in terms of their online complaint intention and therefore no practically significant differences were considered.

- With regard to H3$_d$, males (mean = 4.31) and females (mean = 4.43; p-value = 0.0754) do not differ statistically significantly in terms of their service failure severity perception and therefore no practically significant differences were considered.

- With regard to H3$_e$, males (mean = 4.39) and females (mean = 4.50; p-value = 0.1190) do not differ statistically significantly in terms of their strength of service recovery expectation and therefore no practically significant differences were considered.

Table 6.20 summarises the findings with respect to hypothesis 3.

Table 6.20:   Summary of findings for Hypothesis 3

Hypothesis 3	Supported / Not supported
H3$_a$: Males and females differ significantly in terms of their propensity to complain.	Not supported
H3$_b$: Males and females differ significantly in terms of their sense of complaining.	Not supported
H3$_c$: Males and females differ significantly in terms of their online complaint intention.	Not supported
H3$_d$: Males and females differ significantly in terms of their service failure severity.	Not supported
H3$_e$: Males and females differ significantly in terms of their strength of service recovery expectation.	Not supported

It is evident from Table 6.20 that no statistically and practically significant differences could be uncovered between different genders of respondents in relation to their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation. **H3 is therefore not supported**.

Main finding 27

Male and female respondents do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

6.14.4   Hypothesis 4

Respondents from different language groups differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

This hypothesis can furthermore be refined as follows:

- H4$_a$: Respondents from different language groups differ significantly in terms of their propensity to complain.

- H4$_b$: Respondents from different language groups differ significantly in terms of their sense of complaining.

- H4$_c$: Respondents from different language groups differ significantly in terms of their online complaint intention.

- H4$_d$: Respondents from different language groups differ significantly in terms of their service failure severity perception.

- H4$_e$: Respondents from different language groups differ significantly in terms of their strength of service recovery expectation.

Independent samples t-tests were conducted to test the abovementioned hypotheses and the results are presented in Table 6.21. For each of the five refined hypotheses formulated, the Table presents the relevant descriptive statistics (mean, standard deviation and count). The Table also presents the accompanying p-value for each test and whether the differences between the means are significant (p-value ≤ 0.05). The Table also reports the corresponding effect sizes (d-values).

Table 6.21:   Significant differences between respondents based upon language

Hypothesis	Language	Mean	SD	n	p-value*	d-value
H4$_a$ Respondents from different language groups differ significantly in terms of their propensity to complain.	European	4.03	0.82	240	0.0554	0.2
	African	4.18	0.70	160		
H4$_b$ Respondents from different language groups differ significantly in terms of their sense of complaining.	European	3.70	0.88	240	0.3863	0.1
	African	3.79	0.94	160		
H4$_c$ Respondents from different language groups differ significantly in terms of their online complaint intention.	European	3.51	1.09	240	0.0829	0.2
	African	3.32	1.10	160		
H4$_d$ Respondents from different language groups differ significantly in terms of their service failure severity perception.	European	4.39	0.69	240	0.3667	0.1
	African	4.33	0.68	160		
H4$_e$ Respondents from different language groups differ significantly in terms of their strength of service recovery expectation.	European	4.46	0.67	240	0.4798	0.1
	African	4.41	0.71	160		

* Statistically significant differences between the means of groups at a significance level of 5 per cent or less
d-values were calculated since a non-random sampling technique was used
° Medium and practically significant effect size
▪ Large and practically significant effect size

It is evident from Table 6.21 that:

- With regard to H4$_a$, respondents with a European language (mean = 4.03) and with an African language (mean = 4.18; p-value = 0.0554) do not differ statistically significantly in terms of their propensity to complain and therefore no practically significant differences were considered.

- With regard to H4$_b$, respondents with a European language (mean = 3.70) and with an African language (mean = 3.79; p-value = 0.3863) do not differ statistically significantly in terms of their sense of complaining and therefore no practically significant differences were considered.

- With regard to H4$_c$, respondents with a European language (mean = 3.51) and with an African language (mean = 3.32; p-value = 0.0829) do not differ statistically significantly in terms of their online complaint intention and therefore no practically significant differences were considered.

- With regard to H4$_d$, respondents with a European language (mean = 4.39) and with an African language (mean = 4.33; p-value = 0.3667) do not differ statistically significantly in terms of their service failure severity perception and therefore no practically significant differences were considered.

- With regard to H4$_e$, respondents with a European language (mean = 4.46) and with an African language (mean = 4.41; p-value = 0.4798) do not differ statistically significantly in terms of their strength of service recovery expectation and therefore no practically significant differences were considered.

Table 6.22 summarises the findings with respect to hypothesis 4.

Table 6.22:   Summary of findings for Hypothesis 4

Hypothesis 4	Supported / Not supported
H4$_a$: Respondents from different language groups differ significantly in terms of their propensity to complain.	Not supported
H4$_b$: Respondents from different language groups differ significantly in terms of their sense of complaining.	Not supported
H4$_c$: Respondents from different language groups differ significantly in terms of their online complaint intention.	Not supported
H4$_d$: Respondents from different language groups differ significantly in terms of their service failure severity.	Not supported
H4$_e$: Respondents from different language groups differ significantly in terms of their strength of service recovery expectation.	Not supported

It is evident from Table 6.22 that no statistically and practically significant differences could be uncovered between different language groups of respondents in relation to their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation. **H4 is therefore not supported**.

Main finding 28

Respondents from different language groups do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

6.14.5   Hypothesis 5

Respondents with different employment levels differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

This hypothesis can furthermore be refined as follows:

- H5$_a$ Respondents with different employment levels differ significantly in terms of their propensity to complain.

- H5$_b$: Respondents with different employment levels differ significantly in terms of their sense of complaining.

- H5$_c$: Respondents with different employment levels differ significantly in terms of their online complaint intention.

- H5$_d$: Respondents with different employment levels differ significantly in terms of their service failure severity perception.

- H5$_e$: Respondents with different employment levels differ significantly in terms of their strength of service recovery expectation.

Independent samples t-tests were conducted to test the abovementioned hypotheses and the results are presented in Table 6.23. For each of the five refined hypotheses formulated, the Table presents the relevant descriptive statistics (mean, standard deviation and count). The Table also presents the accompanying p-value for each test and whether the differences between the means are significant (p-value $\leq$ 0.05). The Table also reports the corresponding effect sizes (d-values).

Table 6.23:   Significant differences between respondents based upon employment

Hypothesis	Employment	Mean	SD	n	p-value*	d-value
H5$_a$ Respondents with different employment levels differ significantly in terms of their propensity to complain.	Full-time	4.17	0.74	207	0.0237*	0.2
	Not full-time	4.00	0.80	193		
H5$_b$ Respondents with different employment levels differ significantly in terms of their sense of complaining.	Full-time	3.77	0.89	207	0.4740	0.1
	Not full-time	3.70	0.91	193		
H5$_c$ Respondents with different employment levels differ significantly in terms of their online complaint intention.	Full-time	3.54	1.05	207	0.0445*	0.2
	Not full-time	3.32	1.14	193		
H5$_d$ Respondents with different employment levels differ significantly in terms of their service failure severity perception.	Full-time	4.42	0.63	207	0.1550	0.1
	Not full-time	4.32	0.74	193		
H5$_e$ Respondents with different employment levels differ significantly in terms of their strength of service recovery expectation.	Full-time	4.49	0.67	207	0.1754	0.1
	Not full-time	4.40	0.70	193		

* Statistically significant differences between the means of groups at a significance level of 5 per cent or less
d-values were calculated since a non-random sampling technique was used
° Medium and practically significant effect size
▪ Large and practically significant effect size

It is evident from Table 6.23 that:

- With regard to H5$_a$, respondents who are full-time employed (mean = 4.17) and not full-time employed (mean = 4.00; p-value = 0.0237) differ statistically significantly in terms of their propensity to complain. Customers who are full-time employed have a statistically significantly higher propensity to complain than those who are not full-time employed. The small effect size (d-value = 0.2), however, indicates that no practically significant difference exists between the two groups.

- With regard to H5$_b$, respondents who are full-time employed (mean = 3.77) and not full-time employed (mean = 3.70; p-value = 0.4740) do not differ statistically significantly in terms of their sense of complaining and therefore no practically significant differences were considered.

- With regard to H5$_c$, respondents who are full-time employed (mean = 3.54) and not full-time employed (mean = 3.32; p-value = 0.0445) differ statistically significantly in terms of their online complaint intention. Customers who are full-time employed have a statistically

significantly higher online complaint intention than those who are not full-time employed. The small effect size (d-value = 0.2), however, indicates that no practically significant difference exists between the two groups.

- With regard to H5$_d$, respondents who are full-time employed (mean = 4.42) and not full-time employed (mean = 4.32; p-value = 0.1550) do not differ statistically significantly in terms of their service failure severity perception and therefore no practically significant differences were considered.

- With regard to H5$_e$, respondents who are full-time employed (mean = 4.49) and not full-time employed (mean = 4.40; p-value = 0.1754) do not differ statistically significantly in terms of their strength of service recovery expectation and therefore no practically significant differences were considered.

Table 6.24 summarises the findings with respect to hypothesis 5.

Table 6.24:   Summary of findings for Hypothesis 5

Hypothesis 5	Supported / Not supported
H5$_a$: Respondents with different employment levels differ significantly in terms of their propensity to complain.	Not supported
H5$_b$: Respondents with different employment levels differ significantly in terms of their sense of complaining.	Not supported
H5$_c$: Respondents with different employment levels differ significantly in terms of their online complaint intention.	Not supported
H5$_d$: Respondents with different employment levels differ significantly in terms of their service failure severity.	Not supported
H5$_e$: Respondents with different employment levels differ significantly in terms of their strength of service recovery expectation.	Not supported

It is evident from Table 6.24 that only two statistically significant differences but no practically significant differences could be uncovered between different employment levels of respondents in relation to their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation. **H5 is therefore not supported**.

Main finding 29

Respondents with different employment levels do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

6.14.6 Hypothesis 6

Respondents of different income groups differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

This hypothesis can furthermore be refined as follows:

- $H6_a$: Respondents of different income groups differ significantly in terms of their propensity to complain.
- $H6_b$: Respondents of different income groups differ significantly in terms of their sense of complaining.
- $H6_c$: Respondents of different income groups differ significantly in terms of their online complaint intention.
- $H6_d$: Respondents of different income groups differ significantly in terms of their service failure severity perception.
- $H6_e$: Respondents of different income groups differ significantly in terms of their strength of service recovery expectation.

One-way ANOVAs were conducted to test the abovementioned hypotheses and the results are presented in Table 6.25. For each of the five refined hypotheses formulated, the Table presents the relevant descriptive statistics (mean, standard deviation and count). The Table also presents the accompanying p-value for each test and whether the differences between the means are significant (p-value ≤ 0.05). The Table also reports the corresponding effect sizes (d-values).

Table 6.25:   **Significant differences between respondents based upon income**

Hypothesis	Income	Mean	SD	n	p-value*	Income	d-value		
							Less than R 3000 – R13 000	Less than R 3000 – R13 000	Less than R 3000 – R13 000
H6_a Respondents of different income groups differ significantly in terms of their propensity to complain.	Less than R 3000 – R13 000	4.05	0.82	175	> 0.05	Less than R 3000 – R13 000		0.0	0.1
	R13 001 – R 26 000	4.06	0.79	108		R13 001 – R 26 000	0.0		0.1
	R26 001 – R51 001 or more	4.17	0.68	117		R26 001 – R51 001 or more	0.1	0.1	
H6_b Respondents of different income groups differ significantly in terms of their sense of complaining.	Less than R 3000 – R13 000	3.72	0.97	175	> 0.05	Less than R 3000 – R13 000		0.1	0.1
	R13 001 – R 26 000	3.66	0.86	108		R13 001 – R 26 000	0.1		0.2
	R26 001 – R51 001 or more	3.83	0.83	117		R26 001 – R51 001 or more	0.1	0.2	
H6_c Respondents of different income groups differ significantly in terms of their online complaint intention.	Less than R 3000 – R13 000	3.31	1.17	175	> 0.05	Less than R 3000 – R13 000		0.2	0.2
	R13 001 – R 26 000	3.56	1.07	108		R13 001 – R 26 000	0.2		0.1
	R26 001 – R51 001 or more	3.50	1.00	117		R26 001 – R51 001 or more	0.2	0.1	
H6_d Respondents of different income groups differ significantly in terms of their service failure severity perception.	Less than R 3000 – R13 000	4.43	0.64	175	> 0.05	Less than R 3000 – R13 000		0.2	0.1
	R13 001 – R 26 000	4.32	0.70	108		R13 001 – R 26 000	0.2		0.0
	R26 001 – R51 001 or more	4.32	0.73	117		R26 001 – R51 001 or more	0.1	0.0	
H6_e Respondents of different income groups differ significantly in terms of their strength of service recovery expectation.	Less than R 3000 – R13 000	4.49	0.69	175	> 0.05	Less than R 3000 – R13 000		0.1	0.1
	R13 001 – R 26 000	4.42	0.76	108		R13 001 – R 26 000	0.1		0.0
	R26 001 – R51 001 or more	4.40	0.62	117		R26 001 – R51 001 or more	0.1	0.0	

* Statistically significant differences between the means of groups at a significance level of 0.05 or less
d-values were calculated since a non-random sampling technique was used
° Medium and practically significant effect size
▪ Large and practically significant effect size

It is evident from Table 6.25 that:

- With regard to H6$_a$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different income groups with respect to their propensity to complain and therefore no practically significant differences were considered.

- With regard to H6$_b$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different income groups and sense of complaining and therefore no practically significant differences were considered.

- With regard to H6$_c$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different income groups and online complaint intention and therefore no practically significant differences were considered.

- With regard to H6$_d$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different income groups and service failure severity perception and therefore no practically significant differences were considered.

- With regard to H6$_e$, a p-value greater than 0.05 indicates that no statistically significant differences exist between the means of the three different income groups and strength of service recovery expectation and therefore no practically significant differences were considered.

Table 6.26 summarises the findings with respect to hypothesis 6.

Table 6.26:   Summary of findings for Hypothesis 6

Hypothesis 6	Supported / Not supported
H6$_a$: Different income groups of respondents differ significantly in terms of their propensity to complain.	Not supported
H6$_b$: Different income groups of respondents differ significantly in terms of their sense of complaining.	Not supported
H6$_c$: Different income groups of respondents differ significantly in terms of their online complaint intention.	Not supported
H6$_d$: Different income groups of respondents differ significantly in terms of their service failure severity perception.	Not supported
H6$_e$: Different income groups of respondents differ significantly in terms of their strength of service recovery expectation.	Not supported

It is evident from Table 6.26 that no statistically and practically significant differences could be uncovered between different income groups of respondents in relation to their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation. **H6 is therefore not supported**.

Main finding 30

Respondents of different income groups do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

6.14.7   Hypothesis 7

The regularity by which respondents purchase clothing differs significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.

This hypothesis can furthermore be refined as follows:

- $H7_a$: The regularity by which respondents purchase clothing differs significantly in terms of their propensity to complain.
- $H7_b$: The regularity by which respondents purchase clothing differs significantly in terms of their sense of complaining.
- $H7_c$: The regularity by which respondents purchase clothing differs significantly in terms of their online complaint intention.
- $H7_d$: The regularity by which respondents purchase clothing differs significantly in terms of their service failure severity perception.
- $H7_e$: The regularity by which respondents purchase clothing differs significantly in terms of their strength of service recovery expectation.

Independent samples t-tests were conducted to test the abovementioned hypotheses and the results are presented in Table 6.27. For each of the five refined hypotheses formulated, the Table presents the relevant descriptive statistics (mean, standard deviation and count). The Table also presents the accompanying p-value for each test and whether the differences between the means are significant (p-value $\leq$ 0.05). The Table also reports the corresponding effect sizes (d-values).

Table 6.27:   Significant differences between respondents based upon clothing shopping regularity

Hypothesis	Clothing shopping regularity	Mean	SD	n	p-value*	d-value
H7$_a$ The regularity by which respondents purchase clothing differs significantly in terms of their propensity to complain.	Once a week and more	4.37	0.59	57	0.0001*	0.5°
	Less than once a week	4.00	0.77	252		
H7$_b$ The regularity by which respondents purchase clothing differs significantly in terms of their sense of complaining.	Once a week and more	4.09	0.85	57	0.0002*	0.6°
	Less than once a week	3.59	0.89	252		
H7$_c$ The regularity by which respondents purchase clothing differs significantly in terms of their online complaint intention.	Once a week and more	3.77	0.92	57	0.0011*	0.4
	Less than once a week	3.30	1.13	252		
H7$_d$ The regularity by which respondents purchase clothing differs significantly in terms of their service failure severity perception.	Once a week and more	4.44	0.63	57	0.2518	0.2
	Less than once a week	4.33	0.69	252		
H7$_e$ The regularity by which respondents purchase clothing differs significantly in terms of their strength of service recovery expectation.	Once a week and more	4.53	0.59	57	0.2353	0.2
	Less than once a week	4.42	0.68	252		

* Statistically significant differences between the means of two groups at a significance level of 5 per cent or less
d-values were calculated since a non-random sampling technique was used
° Medium and practically significant effect size
▪ Large and practically significant effect size

It is evident from Table 6.27 that:

- With regard to H7$_a$, respondents who shop for clothing once a week and more (mean = 4.37) and less than once a week (mean = 4.00; p-value = < 0.0001) differ statistically significantly in terms of their propensity to complain. Customers who shop for clothing once a week and more have a statistically significantly higher propensity to complain than those who shop for clothing less than once a week. A medium effect size (d-value = 0.5) indicating practical significance further implies that respondents who shop for clothing once a week and more (mean = 4.37) have a practically significantly higher propensity to complain than respondents who shop for clothing less than once a week (mean = 4.00).

- With regard to H7$_b$, respondents who shop for clothing once a week and more (mean = 4.09) and less than once a week (mean = 3.59; p-value = 0.0002) differ statistically

significantly in terms of their sense of complaining. Customers who shop for clothing once a week and more have a statistically significantly higher sense of complaining than those who shop for clothing less than once a week. A medium effect size (d-value = 0.6) indicating practical significance further implies that respondents who shop for clothing once a week and more (mean = 4.09) have a practically significantly higher sense of complaining than respondents who shop for clothing less than once a week (mean = 3.59).

- With regard to H7$_c$, respondents who shop for clothing once a week and more (mean = 3.77) and less than once a week (mean = 3.30; p-value = 0.0011) differ statistically significantly in terms of their online complaint intention. Customers who shop for clothing once a week and more have a statistically significantly higher online complaint intention than those who shop for clothing less than once a week. The small effect size (d-value = 0.4) however indicates that no practically significant differences were uncovered.

- With regard to H7$_d$, respondents who shop for clothing once a week or more (mean = 4.44) and less than once a week (mean = 4.33; p-value = 0.2518) do not differ statistically significantly in terms of their service failure severity perception and therefore no practically significant differences were considered.

- With regard to H7$_e$, respondents who shop for clothing once a week or more (mean = 4.53) and less than once a week (mean = 4.42; p-value = 0.2353) do not differ statistically significantly in terms of their strength of service recovery expectation and therefore no practically significant differences were considered.

Table 6.28 summarises the findings with respect to hypothesis 7.

Table 6.28:   Summary of findings for Hypothesis 7

Hypothesis 7	Supported / Not supported
H7$_a$: The regularity by which respondents purchase clothing differs significantly in terms of their propensity to complain.	Supported
H7$_b$: The regularity by which respondents purchase clothing differs significantly in terms of their sense of complaining.	Supported
H7$_c$: The regularity by which respondents purchase clothing differs significantly in terms of their online complaint intention.	Not supported
H7$_d$: The regularity by which respondents purchase clothing differs significantly in terms of their service failure severity.	Not supported
H7$_e$: The regularity by which respondents purchase clothing differs significantly in terms of their strength of service recovery expectation.	Not supported

It is evident from Table 6.28 that no statistically and practically significant differences could be uncovered between different clothing shopping regularities of respondents in relation to their online complaint intention, service failure severity perception and strength of service recovery expectation. However, statistically and practically significant differences were uncovered between different clothing shopping regularities of respondents in relation to their propensity to complain and sense of complaining. **H7 is therefore partially supported**.

Main finding 31

The regularity of respondents' need for clothing shopping differs significantly in terms of their propensity to complain, as customers who shop for clothing once a week and more have a significantly higher propensity to complain than customers who shop for clothing less than once a week.

Main finding 32

The regularity of respondents' need for clothing shopping differs significantly in terms of their sense of complaining, as customers who shop for clothing once a week and more have a significantly higher sense of complaining than customers who shop for clothing less than once a week.

Main finding 33

The regularity of respondents' need for clothing shopping does not differ significantly in terms of their online complaint intention, service failure severity perception and strength of service recovery expectation.

6.15   CORRELATION ANALYSIS

A correlation analysis was performed between pairs of constructs based upon the hypothesised relationship between them as uncovered in section 4.2.1 – 4.2.5. The aim of the analysis was to determine the direction and strength of the linear relationship between pairs of constructs. Pearson's product moment correlations were used to calculate the correlation coefficients, between the pairs of constructs. Hypotheses formulated to test the linear correlations between constructs are presented in Table 6.29. Since two factors (now referred to as constructs) have been confirmed, hypotheses relating to attitude towards complaining have been refined to address both propensity to complain and sense of complaining ($H8_a$, $H8_b$ and $H11_a$, $H11_b$).

Table 6.29:   Hypotheses formulated for correlation analysis

|	Hypotheses for correlation analysis
$H8_a$	There is a positive linear correlation between propensity to complain and online complaint intention.
$H8_b$	There is a positive linear correlation between sense of complaining and online complaint intention.
$H9$	There is a positive linear correlation between service failure severity and online complaint intention.
$H10$	There is a positive linear correlation between online complaint intention and strength of service recovery expected.
$H11_a$	There is a positive linear correlation between propensity to complain and strength of service recovery expected.
$H11_b$	There is a positive linear correlation between sense of complaining and strength of service recovery expected.
$H12$	There is a positive linear correlation between service failure severity and strength of service recovery expected.

Table 6.30 presents the p-values and corresponding correlation coefficients (r-values) obtained from the correlation analysis and only results with statistical significance ($p \leq 0.05$) and medium

(r = |0.3|) to large (r = |0.5|) effect sizes or strengths are subsequently considered (Cohen, 1988:79-81).

Table 6.30:   Pearson correlation coefficients between constructs

Hypothesis	n	p-value*	Correlation coefficient
H8$_a$ There is a positive linear correlation between propensity to complain and online complaint intention.	400	< 0.0001*	0.3071 °
H8$_b$ There is a positive linear correlation between sense of complaining and online complaint intention.	400	< 0.0001*	0.2462
H9 There is a positive linear correlation between service failure severity and online complaint intention.	400	< 0.0001*	0.2804
H10 There is a positive linear correlation between online complaint intention and strength of service recovery expected.	400	< 0.0001*	0.2201
H11$_a$ There is a positive linear correlation between propensity to complain and strength of service recovery expected.	400	< 0.0001*	0.3559 °
H11$_b$ There is a positive linear correlation between sense of complaining and strength of service recovery expected.	400	< 0.0001*	0.3368 °
H12 There is a positive linear correlation between service failure severity and strength of service recovery expected	400	< 0.0001*	0.5139 ▪

*   Statistically significant correlation between the means of two groups at a significance level of 5 per cent or less
°   Medium effect size in practice ($|r| = 0.3$)
▪   Large effect size in practice ($|r| = 0.5$)

It is evident from Table 6.30 that:

- With regard to H8$_a$, a statistically significant (p < 0.0001) correlation exists between the constructs propensity to complain and online complaint intention. The medium effect size (r = 0.3071) indicates that a practically significant correlation was uncovered.

- With regard to H8$_b$, a statistically significant (p < 0.0001) correlation exists between the constructs sense of complaining and online complaint intention. The small effect size (r = 0.2462) indicates that no practically significant correlation was uncovered.

- With regard to H9, a statistically significant (p < 0.0001) correlation exists between the constructs service failure severity and online complaint intention. The small effect size (r = 0.2804) indicates that no practically significant correlation was uncovered.

- With regard to H10, a statistically significant (p < 0.0001) correlation exists between the constructs online complaint intention and strength of service recovery expected. The small effect size (r = 0.2201) indicates that no practically significant correlation was uncovered.

- With regard to H11$_a$, a statistically significant ($p < 0.0001$) correlation exists between the constructs propensity to complain and strength of service recovery expected. The medium effect size ($r = 0.0.3559$) indicates that a practically significant correlation was uncovered.

- With regard to H11$_b$, a statistically significant ($p < 0.0001$) correlation exists between the constructs sense of complaining and strength of service recovery expected. The medium effect size ($r = 0.3368$) indicates that a practically significant correlation was uncovered.

- With regard to H12, a statistically significant ($p < 0.0001$) correlation exists between the constructs service failure severity and strength of service recovery expected. The large effect size ($r = 0.5139$) indicates that a practically significant correlation was uncovered.

Table 6.31 summarises the findings with respect to the hypotheses for correlation analysis.

Table 6.31:   Summary of findings for correlation analysis hypotheses

Hypotheses for correlation analysis	Supported / Not supported
H8$_a$: There is a positive linear correlation between propensity to complain and online complaint intention.	Supported
H8$_b$: There is a positive linear correlation between sense of complaining and online complaint intention.	Not supported
H9: There is a positive linear correlation between service failure severity and online complaint intention.	Not supported
H10: There is a positive linear correlation between online complaint intention and strength of service recovery expected.	Not supported
H11$_a$: There is a positive linear correlation between propensity to complain and strength of service recovery expected.	Supported
H11$_b$: There is a positive linear correlation between sense of complaining and strength of service recovery expected.	Supported
H12: There is a positive linear correlation between service failure severity and strength of service recovery expected.	Supported

It is evident from Table 6.31 that statistically and practically significant correlations were uncovered between propensity to complain correlated with online complaint intention (medium effect) and strength of service recovery expected (medium effect); sense of complaining and strength of service recovery expected (medium effect), while a particularly large effect was uncovered between the correlation of service failure severity and strength of service recovery expected. **H8$_a$, H11$_a$, H11$_b$ and H12 are therefore supported**.

Main finding 34

There is a significant positive linear correlation between propensity to complain and online complaint intention, exhibiting a medium effect size or strength.

Main finding 35

There is not a significant positive linear correlation between sense of complaining and online complaint intention.

Main finding 36

There is not a significant positive linear correlation between service failure severity and online complaint intention.

Main finding 37

There is not a significant positive linear correlation between online complaint intention and strength of service recovery expected.

Main finding 38

There is a significant positive linear correlation between propensity to complain and strength of service recovery expected, exhibiting a medium effect size or strength.

Main finding 39

There is a significant positive linear correlation between sense of complaining and strength of service recovery expected, exhibiting a medium effect size or strength.

Main finding 40

There is a significant positive linear correlation between service failure severity and strength of service recovery expected, exhibiting a large effect size or strength.

6.16   STRUCTURAL EQUATION MODELLING (SEM)

The theoretical model as presented in Chapter 4 was tested by means of Structural Equation Modelling (SEM) in order to test the interrelationship between variables (previously also referred to in this study as constructs) and to describe the causal model (Meyers *et al.,* 2006:585;590). The estimates of the relationships among the model's five latent variables, namely propensity to complain, sense of complaining, service failure severity, online complaint intention and strength of service recovery expectation were calculated through the application of maximum likelihood estimation as this is the preferred estimation method in SEM (Blunch, 2011:81; Meyers *et al.,* 2006:614). This section reports the findings with respect to the measurement model and path model that were tested in order to obtain the structural model. Figure 6.1 presents the theoretical model to be tested in order to determine how well it fits the observed data (Schreiber, 2008:93). Since two factors (now referred to as constructs) have been confirmed, hypotheses relating to attitude towards complaining have been refined to address both propensity to complain and sense of complaining (H13$_a$, H13$_b$ and H16$_a$, H16$_b$).

Figure 6.1:   Theoretical model
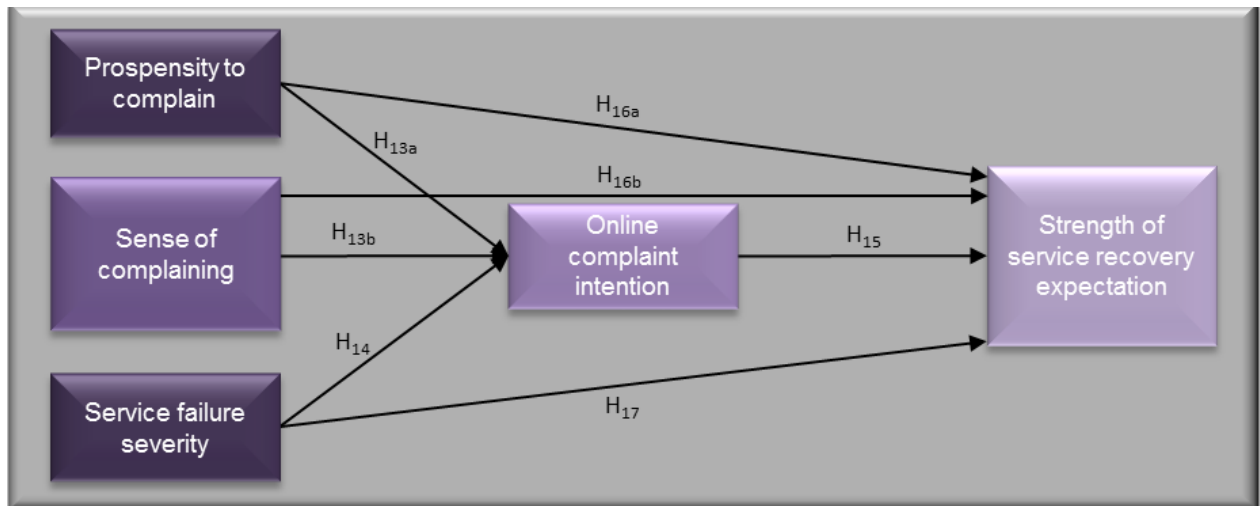
The resultant alternative hypotheses are presented in Table 6.32.

Table 6.32:   Hypotheses formulated for SEM

Hypotheses for SEM	
H13$_a$	There is a significant positive influence of propensity to complain on online complaint intention.
H13$_b$	There is significant positive influence of sense of complaining on online complaint intention.
H14	There is a significant positive influence of service failure severity on online complaint intention.
H15	There is a significant positive influence of online complaint intention on strength of service recovery expected.
H16$_a$	There is a significant positive influence of propensity to complain on strength of service recovery expected.
H16$_b$	There is a significant positive influence of sense of complaining on strength of service recovery expected.
H17	There is a significant positive influence of service failure severity on strength of service recovery expected.

6.16.1   Measurement model

The measurement model was assessed by means of a confirmatory factor analysis (CFA) in order to identify the relationships between the latent variables and the observed variables (measurement statements) (Schreiber, 2008:84). The CFA formally tests whether a set of observed variables shares an adequate level of common variance to be considered as a measure for a single factor (Bagozzi & Yi, 2012:14). Section 6.9 reports the validity of the variables and subsequently supports the measurement model with results indicating that the set of observed variables (statements) effectively serves as multiple indicators of a smaller set of latent variables (constructs) (refer to section 6.10) (McDonald & Ho, 2002:65). The fit indices for the measurement model are subsequently presented in Table 6.33.

Table 6.33:   Fit indices for the measurement model

Fit indices*	Source for suggested cut-off point	Suggested cut-off point	Fit indices value
Relative Chi-square ratio (x^2/df) (Chi square/ degrees of freedom)	Wheaton *et al.* (1977:99)	≤ 5.00	x^2/df = 942.499/ 314 = 3.002
CFI	Hoe (2008:78); Hu and Bentler (1999:27)	≥ 0.90	0.890
RMSEA	Hoe (2008:78); McDonald and Ho (2002:72); Meyers *et al.* (2006:559)	< 0.05 = good fit ≤0.08 = acceptable fit ≤ 0.10 = average fit	0.071 [0.066 – 0.076]

 * The fit indices represent the overall fit of the model for this study's data

From Table 6.33 it is evident that the x^2/df value of 3.002 indicates an adequate model fit since the value is well below the suggested cut-off point of 5 as proposed by Wheaton *et al.* (1977:99). The CFI value of 0.890 is just below the cut-off point and RMSEA value of 0.071 [0.066 – 0.076], indicates an acceptable overall fit for the model (Hoe, 2008:78).

6.16.2   Path model

In addition to determining the fit indices for the measurement model, SEM investigates the paths among the variables to firstly determine their statistical significance [(for the purpose of this study critical ratios (CR) are used)], and to secondly uncover the strength of the path through the use of standardised regression weights ranging between -1.0 and 1.0 (Hoe, 2008:79). Statistical significance is achieved at a significance level of 0.05 (p < 0.05) (Ellis & Steyn, 2003:51) (refer to section 5.7.2.2). Table 6.34 presents the CRs for the different paths.

Table 6.34:   Critical ratios (CR) of the path model

Paths	Critical ratio	p-value
Propensity to complain → Online complaint intention	1.075	0.282
Sense of complaining → Online complaint intention	-0.678	0.798
Service failure severity → Online complaint intention	1.582	0.114
Propensity to complain → Strength of service recovery expectation	-0.525	0.595
Sense of complaining → Strength of service recovery expectation	0.803	0.422
Service failure severity → Strength of service recovery expectation	5.775	<0.05*
Online complaint intention → Strength of service recovery expectation	0.744	0.457

* Statistically significant p-value ≤ 0.05

The preceding results indicate that only one path among the variables is statistically significant (Service failure severity → Strength of service recovery expectation with a p-value ≤ 0.05), while the other six structural paths are not statistically significant. Thus only one path generated test statistics greater than ± 1.96 (CR in this instance > ± 1.96 = 5.775) indicating that the direct path is significant, signifying that the null hypothesis can be rejected (Hoe, 2008:79; Hox & Bechger, 1998:4).

Table 6.35 furthermore presents the standardised regression weights also called beta weights (β), indicating which variables included in the path model contribute to the prediction of the dependent variable, therefore comparing the contribution of each independent variable (Pallant, 2010:161).

Table 6.35:   Standardised regression weights of path model

Paths	Standardised coefficients β	Size of direct effect**
Propensity to complain → Online complaint intention	0.755	N/A
Sense of complaining → Online complaint intention	-0.457	N/A
Service failure severity → Online complaint intention	0.135	N/A
Propensity to complain → Strength of service recovery expectation	-0.327	N/A
Sense of complaining → Strength of service recovery expectation	0.476	N/A
Service failure severity → Strength of service recovery expectation	0.518*	Large
Online complaint intention → Strength of service recovery expectation	0.048	N/A

β Beta weight: standardised regression weight
* Path is statistically significant
** Standardised regression weights with values less than 0.10 indicate small affect, values around 0.30 indicate a medium effect and values >0.50 indicate a large effect (Suhr, 2006:5)

Table 6.35 indicates two paths with large direct effects, although for the purpose of this study only the significant paths were considered. Table 6.35 indicates that the significant path, as uncovered in Table 6.34, between 'Service failure severity → Strength of service recovery expectation' has a large effect (β weight > 0.50 = 0.518) (Suhr, 2006:5). It can therefore be said that service failure severity has a strong unique contribution explaining strength of service recovery expectation, while the variance explained by all the other variables in the model is controlled (Pallant, 2012:161).

Table 6.36 presents the correlation coefficients for pairs of variables in the path model in order to provide a numerical summary of the strength and direction of the linear relationship between these variables (Pallant, 2010:123).

Table 6.36:   Correlation coefficient values of the path model

Paths	Correlation	p-value
Propensity to complain ↔ Sense of complaining	0.959 ▪	< 0.05*
Service failure severity ↔ Propensity to complain	0.518 ▪	< 0.05*
Service failure severity ↔ Sense of complaining	0.464 °	< 0.05*

* Statistically significant p-value ≤ 0.05)
° Medium effect size in practice ($|r|$ = 0.3)
▪ Large effect size in practice ($|r|$ = 0.5)

From Table 6.36 it is evident that a statistically significant correlation exists between 'propensity to complain' and 'sense of complaining'(large effect, r ≥ 0.5); 'service failure severity' and 'propensity to complain' (large effect, r ≥ 0.5) and 'service failure severity' and 'sense of

complaining'(medium effect, r ≥ 0.3). Table 6.36 additionally indicates that there are no significant correlations between online complaint intention and any of the other constructs.

Although model fit was achieved with the measurement model, the goal of the SEM process is to discover a model with three properties, namely for the model to make theoretical sense, for the model to be realistically parsimonious and for the model to exhibit an acceptable close link to the collected data (Kline, 2011:8). Furthermore, it is vital to note that fit indices only measure the average fit of the model to the data, and that although the general fit is good, the possibility could still arise that the model has a bad fit in confined instances (Blunch, 2011:118). Fit indices should as a result be cautiously interpreted as it may appear that the overall fit to the data may be acceptable, although some relations in the model may not be supported by the data (Meyers *et al.,* 2006:615). For example, an adequate fit index can occur with a strong measurement model and a fairly weak structural model (for the purpose of this study, path model) or the measurement model may be weak accompanied by an impressive structural model (for the purpose of this study, path model) in which the latter can make the interpretation meaningless (Meyers *et al.,* 2006:615). Therefore, the possibility of omitting a construct rises in order to modify the model for a better fit (Kline, 2011:8). Schreiber, Stage, King, Nora and Barlow (2006:330) additionally state that models are often rectified by researchers when the parameter estimates are not statistically significant and subsequently improve the model fit to the data, while caution has to be taken that the modification makes theoretical sense.

Based on the preceding results and discussion above, it was uncovered that no significant paths were uncovered linking online complaint intention with any other construct within the measurement model. After examining the correlation coefficient values it was further revealed that no significant correlations exist between online complaint intention and any of the other variables as portrayed in the measurement model. As a result, online complaint intention was omitted from the model. Since large significant correlations are present between propensity to complain, sense of complaining and service failure severity, it was therefore decided to retain these for further analysis. Based on these results the theoretical model was modified and it was decided to test the structural model.

6.16.3   Structural model

Figure 6.2 graphically depicts the structural model (with the standardised regression weights between paths) with the variable 'online complaint intention' omitted. Based on the title and objectives of this research study the analysis of the model should conclude with the measurement model as it was found that respondents are not inclined to complain online. However, the researcher decided to continue with the analysis depicted in Figure 6.2, now

dealing with service recovery, in order to provide insight into furure strategies that might be considered during online complaint behaviour.

Figure 6.2:   **Structural model**
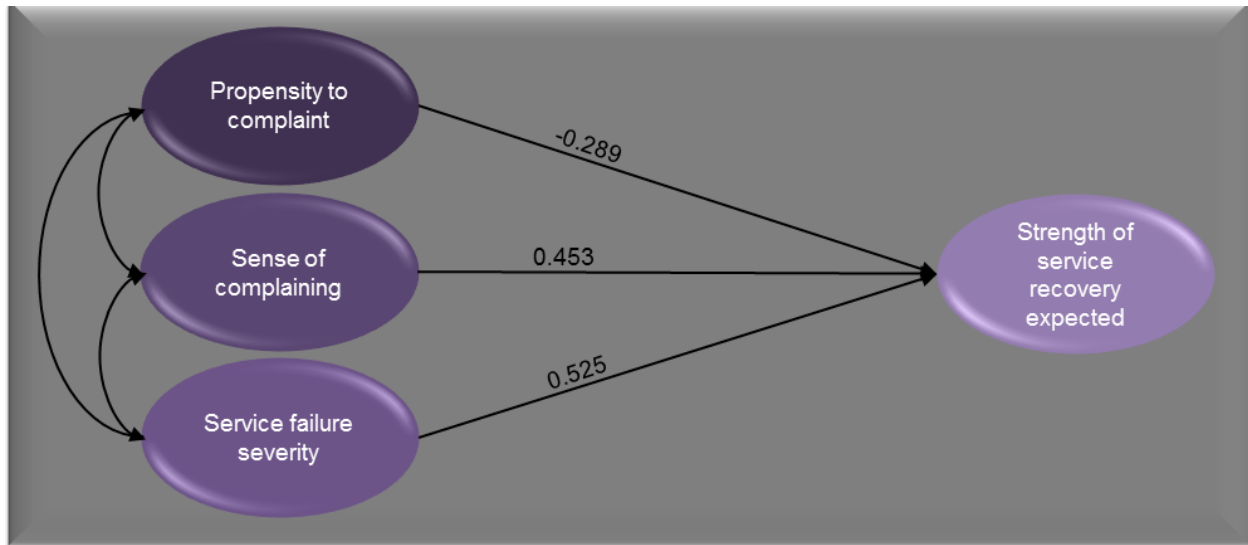
By investigating the differences of the fit indices of models, researchers can make a choice between models in order to identify the model best representing the observed data (Bagozzi & Yi, 2012:15). Table 6.37 presents a comparison of the fit indices for the newly modified structural model and the measurement model.

Table 6.37:   **A comparison of the fit indices between the measurement and structural model**

Measurement model	Fit indices*	Structural model
x^2/df = 942.499/ 314 = 3.002	Relative Chi-square ratio (x^2/df) (Chi square/ degrees of freedom) **Suggested cut-off point**: $\leq$ 5.00	x^2/df = 541.427/ 164 = 3.301
0.890	CFI **Suggested cut-off point**: $\geq$ 0.90	0.892
0.071 [0.066 – 0.076]	RMSEA **Suggested cut-off point**: $\leq$ 0.10	0.076 [0.069 – 0.083]

*The fit indices represent the overall fit of the model for this study's data

It is evident from Table 6.37 that the fit indices remain virtually the same for both the measurement model (with online complaint intention included) and the structural model (when online complaint intention was omitted) with a slight improvement of the fit for the structural model. The structural model fit indices represent an acceptable model fit with a CFI value of

0.892 which is slightly higher than that of the measurement model, but still very close to the cut-off point of 0.90 (CFI ≥ 0.90). The RMSEA value of 0.076 [0.069 – 0.083] is somewhat higher than that of the measurement model (Hoe, 2008:78). The x^2/df value of 3.301 for the structural model indicates adequate model fit with a small increase visible over the measurement model. Next, the statistical significance of the paths was investigated followed by the standardised regression weights in order to determine the strength of the paths among the variables of the structural model (Hoe, 2008:79) (see Table 6.38 and Table 6.39).

Table 6.38:   Critical ratios (CR) of the structural model

Paths	Critical ratio	p-value
Propensity to complain → Strength of service recovery expectation	-0.479	0.632
Sense of complaining → Strength of service recovery expectation	0.777	0.437
Service failure severity → Strength of service recovery expectation	5.708	< 0.05*

* Statistically significant p-value ≤ 0.05

The results indicate that only one path among the variables remains statistically significant (Service failure severity → Strength of service recovery expectation with a p-value < 0.05), while the other two structural paths are not statistically significant. Thus only one path generated tests statistics greater than ± 1.96 (CR in this instance > ± 1.96 = 5.708) indicating that the direct path is significant signifying that the null hypothesis can be rejected (Hoe, 2008:79; Hox & Bechger, 1998:4). Once the statistical significance of the paths is presented, the strength of the paths among the variables is investigated by referring to the standardised regression weights (Hoe, 2008:79). The standardised regression weights for the remaining paths between variables as well as the size of the direct effects between variables are presented in Table 6.39.

Table 6.39:   Standardised regression weights of structural model

Paths	Standardised coefficients β	Size of direct effect**
Propensity to complain → Strength of service recovery expectation	-0.289	N/A
Sense of complaining → Strength of service recovery expectation	0.453	N/A
Service failure severity → Strength of service recovery expectation	0.525*	Large

β Beta weight: standardised regression weight
*   Path is statistically significant
** Standardised regression weights with values less than 0.10 indicate small affect, values around 0.30 indicate a medium effect and values >0.50 indicate a large effect (Suhr, 2006:5)

Table 6.39 indicates that the significant path, as uncovered in Table 3.38, between 'Service failure severity → Strength of service recovery expectation' remains to have a large effect when determining the strength of the significant path (β weight > 0.50 = 0.525) (Suhr, 2006:5). Furthermore, the large effect of this path for the structural model (β weight > 0.50 = 0.525) is larger than that of the same path of the path model (β weight > 0.50 = 0.518). Table 6.40

presents the correlation coefficients for pairs of variables considered in the structural model indicating the strength and direction of the linear relationship between these variables (Pallant, 2010:123).

Table 6.40:   Correlation coefficient values of the structural model

Paths	Correlation	p-value
Propensity to complain ↔ Sense of complaining	0.960 ▪	< 0.05*
Service failure severity ↔ Propensity to complain	0.519 ▪	< 0.05*
Service failure severity ↔ Sense of complaining	0.464 °	< 0.05*

*   Statistically significant p-value ≤ 0.05
°   Medium effect size in practice ($|r|$ = 0.3)
▪   Large effect size in practice ($|r|$ = 0.5)

From Table 6.40 it is evident that a statistically significant correlation exists between 'propensity to complain' and 'sense of complaining' (large effect, r ≥ 0.5); 'service failure severity' and 'propensity to complain' (large effect, r ≥ 0.5) and 'service failure severity' and 'sense of complaining' (medium effect, r ≥ 0.3) for the structural model. Based on these findings it is evident that the structural model illustrates an acceptable fit to the data with at least one path significantly supported by the data obtained.

Table 6.41 summarises the findings with respect to the alternative hypotheses for SEM.

Table 6.41:   Summary of findings for SEM hypotheses

Hypotheses for SEM	Supported / Not supported
H13$_a$: There is a significant positive influence of propensity to complain on online complaint intention.	Not supported
H13$_b$: There is a significant positive influence of sense of complaining on online complaint intention.	Not supported
H14: There is a significant positive influence of service failure severity on online complaint intention.	Not supported
H15: There is a significant positive influence of online complaint intention on strength of service recovery expected.	Not supported
H16$_a$: There is a significant positive influence of propensity to complain on strength of service recovery expected.	Not supported
H16$_b$: There is a significant positive influence of sense of complaining on strength of service recovery expected.	Not supported
H17: There is a significant positive influence of service failure severity on strength of service recovery expected.	Supported

Taking the results of the previous section into consideration, the following main findings can be observed with respect to the hypotheses formulated:

Main finding 41

Propensity to complain does not have a significant positive influence on online complaint intention.

Main finding 42

Sense of complaining does not have a significant positive influence on online complaint intention.

Main finding 43

Service failure severity perception does not have a significant positive influence on online complaint intention.

Main finding 44

Online complaint intention does not have a significant positive influence on strength of service recovery expected.

Main finding 45

Propensity to complain does not have a significant positive influence on strength of service recovery expected.

Main finding 46

Sense of complaining does not have a significant positive influence on strength of service recovery expected.

Main finding 47

Service failure severity perception has a significant positive influence on strength of service recovery expected.

Main finding 48

There is a significant and positive linear correlation between propensity to complain, sense of complaining and service failure severity.

Main finding 49

Respondents' propensity to complain, sense of complaining and service failure severity perception influences the strength of service recovery they expect.

6.17   SUMMARY OF MAIN FINDINGS

This section provides a summary of all the main findings formulated in this chapter. The main findings obtained from the descriptive results are presented first, followed by the main findings from the results of the hypotheses testing and correlation analysis, and lastly the main findings formulated based upon the SEM results are presented.

6.17.1   Main findings pertaining to the descriptive research results

The main findings for the descriptive research are summarised in Table 6.42 according to the four initial main constructs of the proposed theoretical model as portrayed and measured in the questionnaire, namely general attitude towards complaining (refer to section C of questionnaire); service failure severity perception (refer to section D of questionnaire); strength of service recovery expected (refer to section D of questionnaire) and online complaint intention (refer to section C of questionnaire). A confirmatory factor analysis was performed in order to determine whether the measurement scales in the questionnaire effectively measure each construct (Pallant, 2010:7) and main findings obtained are subsequently presented for each construct. Furthermore, the main findings relating to the Cronbach's Alpha coefficients for the respective measurement scales measuring the key factors are also presented. Additionally, the summary commences with descriptive results obtained from section B of the questionnaire pertaining to the online behaviour of respondents.

Table 6.42:   Main findings pertaining to descriptive research results

Section B: Online behaviour	
Main finding 1	The majority of respondents use the Internet daily; about half of respondents have complained online before; and the majority of respondents prefer to complain in-store to customer services.
Section C: General attitude towards complaining	
Main finding 2	Pertaining to general attitude towards complaining, the majority of respondents agreed most with the statements that it is a customer's right to complain and that complaining is not easy, but should be done when 'things' are not right.
Main finding 3	Pertaining to general attitude towards complaining, the majority of respondents agreed the least with the statements that they complain when they feel dissatisfied because they feel it is their duty and that they do not believe that people who have little else to do are the ones who complain the most.
Section C: General attitude towards complaining	
Main finding 12	With respect to the attitude towards complaining construct, the confirmatory factor analysis retained two factors, namely propensity to complain and sense of complaining, as originally identified by Yuksel *et al.* (2006:17) and confirms the validity of the measurement scales measuring respondents' general attitude towards complaining.
Main finding 16	The Cronbach's alpha coefficient calculated for the measurement scale measuring propensity to complain indicates that the scale is reliable.
Main finding 17	The Cronbach's alpha coefficient calculated for the measurement scale measuring sense of complaining indicates that the scale is reliable.
Main finding 21	The overall mean scores for propensity to complain and sense of complaining measuring attitude towards complaining are well above the mid-point of the measurement scale indicating respondents' positive attitude towards complaining.
Section D: Service failure severity perception	
Main finding 4	Pertaining to service failure severity perception, respondents agreed the most with the statements that such an incident would be an unpleasant experience for them and that it should not occur again.
Main finding 5	Pertaining to service failure severity perception, the respondents agreed the least (albeit they still exhibit a high level of agreement with all statements) with the statements that the incident would be a big problem for them and that they would consider it in a serious light.

Table 6.42:   Main findings pertaining to descriptive research results (continued)

Section D: Service failure severity perception	
Main finding 13	With respect to the service failure severity construct, the confirmatory factor analysis extracted one factor and confirms the validity of the measurement scale measuring respondents' service failure severity perception.
Main finding 18	The Cronbach's alpha coefficient calculated for the measurement scale measuring service failure severity perception indicates that the scale is reliable.
Main finding 22	The overall mean score for service failure severity is well above the mid-point of the scale and less than one unit away from the upper limit of the scale indicating respondents' service failure severity perception in this instance to be severe.
Section D: Strength of service recovery expected	
Main finding 6	Pertaining to strength of service recovery expectation, respondents agreed the most with the statements that management should intervene immediately and in a highly responsive manner.
Main finding 7	Pertaining to strength of service recovery expectation, respondents agreed the least (albeit they still exhibit a high level of agreement with all statements) with the statements indicating that the store should go out if its way to rectify the service failure by means of an immediate response.
Main finding 14	With respect to the strength of service recovery expectation construct, the confirmatory factor analysis extracted one factor and confirms the validity of the measurement scale measuring respondents' strength of service recovery expectation.
Main finding 19	The Cronbach's alpha coefficient calculated for the measurement scale measuring strength of service recovery expected indicates that the scale is reliable.
Main finding 23	The overall mean score for strength of service recovery expectation is well above the mid-point of the scale and less than one unit away from the upper limit of the scale indicating respondents' service recovery expectation in this instance to be strong.
Section D: Service recovery strategy expectation	
Main finding 8	Pertaining to service recovery strategy expectation, respondents agreed the most with the statements that they expect a sincere apology and assistance from the store to fix their problem and that they only expect a sincere apology from the store.
Main finding 9	Pertaining to service recovery strategy expectation, respondents agreed the least with the statements that they only expect compensation (free service, refund, gift or discount) from the store and that they expect a sincere apology and compensation.
Section D: Online complaint intention	
Main finding 10	Pertaining to online complaint intention, respondents agreed the most with the statements that if they had complained previously and received fair treatment from employees they would be more willing to complain online and that if they know that the store's complaint policies and practices are fair they would be more willing to complain online.
Main finding 11	Pertaining to online complaint intention, respondents agreed the least with the statements that they would rather complain online than using any alternative complaint method and that they are more likely to complain online.
Main finding 15	With respect to the online complaint intention construct, the confirmatory factor analysis retained two factors, upon which factor 2 was eliminated and factor 1 retained, and confirms the validity of the measurement scale measuring respondents' online complaint intention.
Main finding 20	The Cronbach's alpha coefficient calculated for the measurement scale measuring online complaint intention indicates that the scale is reliable.
Main finding 24	The overall mean score for online complaint intention is just above the mid-point of the scale indicating a fairly average level of agreement when compared to other constructs measured in the study.

6.17.2   Main findings pertaining to the hypotheses testing

The purpose of this section is to provide a summary of all the main findings obtained from hypotheses testing. This summary in Table 6.43 includes the main findings derived from each of the formulated hypotheses.

Table 6.43:   Main findings pertaining to the hypotheses testing

Hypothesis 1	
Main finding 25	Respondents of different age groups do not differ significantly from each other in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
Hypothesis 2	
Main finding 26	Respondents with different levels of education do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
Hypothesis 3	
Main finding 27	Male and female respondents do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
Hypothesis 4	
Main finding 28	Respondents from different language groups do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
Hypothesis 5	
Main finding 29	Respondents with different employment levels do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
Hypothesis 6	
Main finding 30	Respondents of different income groups do not differ significantly in terms of their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation.
Hypothesis 7	
Main finding 31	The regularity of respondents' need for clothing shopping differs significantly in terms of their propensity to complain as customers who shop for clothing once a week and more have a significantly higher propensity to complain than customers who shop for clothing less than once a week.
Main finding 32	The regularity of respondents' need for clothing shopping differs significantly in terms of their sense of complaining as customers who shop for clothing once a week and more have a significantly higher sense of complaining than customers who shop for clothing less than once a week.
Main finding 33	The regularity of respondents' need for clothing shopping does not differ significantly in terms of their online complaint intention, service failure severity perception and strength of service recovery expectation.

6.17.3   Main findings pertaining to the correlation analysis

The purpose of this section is to summarise the main findings pertaining to the hypotheses formulated and tested through correlation analysis. This summary in Table 6.44 includes the main findings derived from each of the formulated hypotheses.

Table 6.44:   Main findings pertaining to correlation analysis

Hypothesis 8$_a$	
Main finding 34	There is a significant positive linear correlation between propensity to complain and online complaint intention, exhibiting a medium effect size or strength.
Hypothesis 8$_b$	
Main finding 35	There is not a significant positive correlation between sense of complaining and online complaint intention.
Hypothesis 9	
Main finding 36	There is not a significant positive correlation between service failure severity and online complaint intention.
Hypothesis 10	
Main finding 37	There is not a significant positive correlation between online complaint intention and strength of service recovery expected.
Hypothesis 11$_a$	
Main finding 38	There is a significant positive correlation between propensity to complain and strength of service recovery expected, exhibiting a medium effect size or strength.
Hypothesis 11$_b$	
Main finding 39	There is a significant positive correlation between sense of complaining and strength of service recovery expected, exhibiting a medium effect size or strength.
Hypothesis 12	
Main finding 40	There is a significant positive correlation between service failure severity and strength of service recovery expected, exhibiting a large effect size or strength.

6.17.4   Main findings pertaining to the SEM

The purpose of this section is to summarise the main findings pertaining to the hypotheses formulated and tested through SEM. This summary in Table 6.45 includes the main findings derived from each of the formulated hypotheses.

Table 6.45:   Main findings pertaining to SEM

Hypothesis 13$_a$	
Main finding 41	Propensity to complain does not have a significant positive influence on online complaint intention.
Hypothesis 13$_b$	
Main finding 42	Sense of complaining does not have a significant positive influence on online complaint intention.
Hypothesis 14	
Main finding 43	Service failure severity perception does not have a significant positive influence on online complaint intention.
Hypothesis 15	
Main finding 44	Online complaint intention does not have a significant positive influence on strength of service recovery expected.
Hypothesis 16$_a$	
Main finding 45	Propensity to complain does not have a significant positive influence on strength of service recovery expected.
Hypothesis 16$_b$	
Main finding 46	Sense of complaining does not have a significant positive influence on strength of service recovery expected.
Hypothesis 17	
Main finding 47	Service failure severity perception has a significant positive influence on strength of service recovery expected.

Table 6.45:   Main findings pertaining to SEM (continued)

SEM main finding and correlations	
Main finding 48	There is a significant and positive linear correlation between propensity to complain, sense of complaining and service failure severity.
Main finding 49	Respondents' propensity to complain, sense of complaining and service failure severity perception influences the strength of service recovery they expect.

6.18   CONCLUSION

This chapter discussed and interpreted the results obtained in the research study and addressed the sample realisation rate and the sample profile based on demographic information obtained from respondents. The online behaviour of respondents was reported in addition to descriptive research results obtained for the main factors of this study. The validity and reliability of the measurement scales for this study were assessed and with regard to the validity assessment, a CFA was conducted on the four initial factors of this study, namely general attitude towards complaining, service failure severity perception, online complaint intention and strength of service recovery expected. The construct general attitude towards complaining extracted two factors, namely propensity to complain and sense of complaining and both were retained for the purposes of this study. The construct online complaint intention also extracted two factors of which only one factor was retained. It was furthermore confirmed that the results of all the factors are valid. Cronbach's alpha coefficient for all the factors (including propensity to complain and sense of complaining) resulted in a value greater than 0.70, thereby confirming the reliability of the measurement scales. Consequently, the distribution of data for variables subjected to hypothesis testing, and the overall mean score for the main factors of this study are presented. The various hypotheses formulated for the study were tested and the results obtained were presented. Main findings were successively formulated. The results and subsequent main findings for the SEM that was conducted were furthermore presented. The chapter concluded with a summary of the main findings relating to the descriptive results, hypothesis testing and SEM. The next chapter provides a conclusion to this study and provides recommendations based on the findings of this study.

CHAPTER 7
CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

The purpose of this chapter is to draw conclusions and make subsequent recommendations from results obtained in Chapter 6, the foregoing literature review in Chapters 2 and 3, and the model conceptualisation in Chapter 4. This chapter starts off with a short overview of the study to serve as a background to the rest of the chapter. Next, the conclusions and recommendations for each secondary objective are discussed. A summary, in the form of a flow diagram, is also included in this chapter to serve as a visual representation of the nexus between the objectives of the study, the questions included in the questionnaire, the proposed hypotheses, the main findings, conclusions and the subsequent recommendations. To conclude this chapter a number of limitations of the study are presented in addition to recommendations or suggestions for future research.

7.2 OVERVIEW OF THE STUDY

It is important for clothing retailers to be aware of customer complaint behaviour and to take complaints seriously when they occur, since service failures within the highly competitive clothing retail industry are inevitable. Given that customer complaint behaviour and the subsequent resolution of a complaint play such a critical role in customer satisfaction and retention, clothing retailers are increasingly offering customers innovative channels to voice their complaints, such as online complaining.

E-complaining as a complaint channel entered the retail environment amidst multiple other complaint channels, as customers have become more accustomed to the Internet (Tyrrell & Woods, 2004:184). However, many authors have only studied service failure (Bejou & Palmer, 1998:8; Hansen *et al.*, 2010:6; Wang & Matilla, 2011:429) and service recovery (Forbes *et al.,* 2005:280; Kelly *et al.*, 1993:429; Priluck & Lala, 2009:42) in an offline retail context. Little is known about online customer complaints and the management thereof (Audrain-Pontevia & Balague, 2008:475; Cho *et al.*, 2002:318; Holloway & Beatty, 2003:92; Zaugg, 2006:2). In addition, research pertaining to the relationship of online complaint intention with service failure severity and strength of service recovery expectation is limited. This can be ascribed to researchers' focus on merely establishing the interrelationship between customer complaint intention and service failure severity (De Matos *et al.*, 2009:470; Thøgersen *et al.*, 2009:760) as

well as strength of service recovery expectation (Grønhaug & Gillly, 1991:177; Wilson *et al.,* 2012:347) without taking into account that customers might have an online complaint intention.

Given that research indicates that significant differences exist between online and offline customer behaviour, it is essential to consider these deviations (Shankar, Smith & Rangaswamy, 2003:155) and to develop an understanding of online complaint behaviour (Audrain-Pontevia & Balague, 2008:475). This study set out to investigate retail customers' online complaint intention after the occurrence of an in-store employee-related service failure. This study specifically focuses on in-store employee-related service failures experienced by clothing retail customers in order to determine the effect of such a service failure on these customers' online complaint intention. Furthermore, retail customers' expected strength of service recovery when lodging an online complaint after experiencing an employee-related service failure within the clothing retail industry, is investigated. The results, findings, conclusions and subsequent recommendations could enable clothing retailers to become more proactive when managing online complaints through the development of strategies in order to successfully recover from a service failure and retain customers over time.

The primary objective of this study is to determine customers' online complaint intention and subsequent service recovery expectations when employee-related service failures are experienced in the clothing retail industry.

The following secondary objectives are formulated to support the primary objective:

1. To theoretically investigate:
    1a. the clothing retail industry by addressing the nature of the industry in South Africa;
    1b. consumer behaviour and customer complaint behaviour to provide an overview of the main constructs of the study, namely attitude towards complaining and online complaint intention;
    1c. relationship marketing, service failure and service recovery to provide an overview of the main constructs of the study, namely service failure severity and strength of service recovery expectation;
    1d. the interrelationship between the constructs of this study, namely attitude towards complaining, service failure severity, online complaint intention and strength of service recovery expectation.
2. To determine the sample profile of the typical respondent who participated in this study based on demographic information obtained.
3. To determine the online behaviour of the typical clothing retail customer who participated in this study.

4. To determine the service recovery strategy expectation of the typical clothing retail customer who participated in this study.

5. To measure the following theoretical constructs empirically:

    5a. the general attitude of clothing retail customers towards complaining;

    5b. the perceived service failure severity clothing retail customers experience when presented with a fictional employee-related service failure scenario;

    5c. the strength of service recovery expected by clothing retail customers after presented with a fictional employee-related service failure scenario; and

    5d. the intention of clothing retail customers to complain online when presented with a fictional employee-related service failure scenario.

6. To determine whether significant differences exist between different groups of clothing retail customers in terms of each of the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) measured in this study.

7. To determine whether linear correlations exist between the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) measured in this study.

8. To determine the influence of the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention), as presented in the conceptual model, on one another.

Secondary sources were utilised and empirical research was performed in order to address the objectives of this study and to furthermore make the necessary conclusions and recommendations based on results obtained.

Chapter 2 of this study highlights the importance of consumer behaviour as it is seen as the foundation of marketing (Lovelock & Wirtz, 2011:58) and the origin of customer complaint behaviour (Hoyer & MacInnis, 2008:281). Furthermore, the difficulty of distinguishing services from products relating to the goods and services continuum (Iacobucci, 2013:71; Lovelock & Wirtz, 2011:37; Palmer, 2011:30) is also discussed in Chapter 2, since this study focuses on the clothing retail industry which comprises both product and service elements. It further became evident that when a service experience does not meet the expectations of customers they may switch service providers (Jaishankar *et al.*, 2000:69) and complaint actions may occur (Hawkins *et al.*, 2007:638; Lovelock & Wirtz, 2011:74). In order for organisations to circumvent customer dissatisfaction or pacify already dissatisfied customers, organisations have to understand what leads to satisfaction or dissatisfaction (Stauss & Seidel, 2004:21). Subsequently, the expectancy disconfirmation paradigm is used by researchers to establish customer satisfaction

and dissatisfaction (Oliver, 1980:461; Oliver & DeSarbo, 1988:495; Tronvoll, 2007:27) (refer to section 2.3.2.6.1).

Chapter 2 further investigated attitude formation and the influence of attitude towards complaining when developing an understanding of customer complaint behaviour (Richins, 1982:502). Furthermore, attitude towards complaining was found to have a notable influence on the development of customers' intentions (Kim *et al.,* 2003:363; Velázquez *et al.*, 2010:540). It also became evident that irrespective of the level of complaint intention a customer exhibits, the existence and availability of adequate complaint channels play a vital role during customer complaint behaviour and encourage customer complaints (Stauss & Seidel, 2004:38). Subsequently, technology has made a variety of complaint channels available to dissatisfied customers (Robertson, 2012:149), and the Internet is serving as a platform for unhappy customers to vent their dissatisfaction (Lovelock & Wirtz, 2011:373).

Chapter 3 of this study highlights RM and its role as a driving force behind the development of the services marketing domain (Berry, 1995:236). The positive influential factors of RM, namely customer satisfaction, loyalty and retention (Egan, 2011:58) are additionally discussed as these factors are used to specify RM and monitor related RM programmes (Lindgreen & Crawford, 1999:232). Despite service organisations' best efforts to maintain customer relationships through the provision of quality services, the occurrence of service failures is common in the marketplace (Nikbin *et al.*, 2011:19; Palmer, 2011:71). Consequently, the solving of customers' problems is one of the essential results of a successful RM programme (Palmer, 2011:71). Therefore, RM is used by managers to address and mitigate customer service and product concerns or failures (Priluck, 2003:37).

Chapter 3 further presents that the interpersonal interaction between customers and employees is seen as one of the most influential factors on customers' satisfaction within a service setting (Bitner *et al.*, 1994:95). If customer attitudes and employee actions cannot be managed, service failures are more likely to occur (Lewis & Clacher, 2001:166) resulting in customers experiencing dissatisfaction (Priluck, 2003:37). As service failures are bound to happen, service recovery is vital to deal with the service failure in order to reinstate customer satisfaction (Chuang *et al.*, 2012:257; Lewis & Clacher, 2001:166). Moreover, service failures can vary in severity from those that the customers perceive as not serious to those they perceive as very serious (Magnini *et al.,* 2007:214; McDougall & Levesque, 1998:33). The literature suggests that the greater the severity of a service failure, the greater the service recovery effort needed to transform customer dissatisfaction to customer satisfaction (Betts *et al.,* 2011:367; Matilla, 1999:284; Smith & Bolton, 1998:22).

Chapter 4 of this study focused on the conceptualisation of the theoretical model for this study and highlights the interrelationships between the different constructs. The model proposes that customers' attitude towards complaining and the perceived severity of the service failure have a positive influence on customers' intention to complain online (refer to section 4.2.1 and 4.2.2). Furthermore, literature indicates that online complaint intention has a positive influence on customers' strength of service recovery expectation (refer to section 4.2.3). Chapter 4 additionally presented two more hypothesised relationships, namely that customers' attitudes towards complaining and the perceived severity of the service failure experienced have a positive influence on customers' strength of service recovery expectation (refer to section 4.2.4 and 4.2.5).

Regarding the research methodology of this study (refer to Chapter 5), a descriptive research design was chosen that is quantitative in nature. Data was collected using a self-administered questionnaire. Questionnaires were distributed amongst the target population of this study who were individuals, 18 years and older, residing in the Johannesburg metropolitan area of South Africa, who are customers in the clothing retail industry, and who have access to the Internet. Since a sample frame did not exist, quota sampling and convenience sampling, two non-probability sampling techniques, were used to select the sample of this study. The statistical programmes SPSS and SAS were used for capturing the data and subsequent statistical analysis. The remainder of this chapter focuses on the discussion relating to the conclusions and recommendations pertaining to each of the secondary objectives of this study.

7.3   CONCLUSIONS AND RECOMMENDATIONS

Secondary objective 1 is addressed in the first four chapters of this study, more specifically secondary objective 1a relating to an investigation regarding the clothing retail industry of South Africa, is covered in Chapter 1. Furthermore, Chapter 2 and Chapter 3 serve as the theoretical foundation for the empirical part of this study, achieving secondary objectives 1b and 1c respectively. Secondary objective 1d was achieved in Chapter 4 where the interrelationships between the constructs were proposed. The aim of secondary objective 2 was to determine the sample profile of the typical respondent who participated in this study and is subsequently addressed in Chapter 6 (refer to section 6.3). Although no main findings were formulated for the aforementioned secondary objectives, the results obtained in achieving these objectives serve to enhance the conclusions and recommendations of the succeeding secondary objectives 3 to 8.

The remainder of this chapter focuses on discussing secondary objectives 2 to 8 in sections 7.3.1 through to 7.3.7. In each section the particular secondary objective is restated and where

applicable, followed by relevant main findings. As indicated in section 6.14, it should be noted that during the interpretation of results the main findings only reported on those cases in which significant differences (statistical as well as practical) exist. In addition, conclusions are formulated upon which a number of recommendations are made.

7.3.1   Secondary objective 2

> To determine the sample profile of the typical respondent who participated in this study based on demographic information obtained

In order to determine the sample profile of the typical respondent who participated in this study and to subsequently achieve secondary objective 2, demographic information regarding respondents' gender, age, education, language, employment status, income and clothing shopping regularity was obtained.

The total of 400 respondents who participated in this study were all 18 years and older, buy their own clothing and have access to the Internet. In order to provide a more detailed description of respondents who participated in this study and to gain a comprehensive understanding of the results obtained from the empirical research done, the sample profile for this study is presented as follows (refer to section 6.3):

> The majority of respondents who took part in the study are female, between the ages of 18 and 47 years old, with a tertiary qualification, speak English as a home language, are full-time employed, earn a gross monthly net income of between R3 001 and R26 000, and shop for clothing at least once a month.

7.3.2   Secondary objective 3

> To determine the online behaviour of the typical clothing retail customer who participated in this study

In light of the theoretical overview of complaint channel choices and online customer complaint behaviour in Chapter 2 (section 2.4.9 and 2.4.10), Tyrrell and Woods (2004:189) highlight the importance of knowing who is likely to use a specific complaint channel. Although the verbal complaint channel is mostly used in service organisations and is seen as a favourable complaint channel due to the direct communication with employees and the fact that customers' dissatisfaction can be communicated clearly, an increase in online complaints has been noticeable over the past few years (Stauss & Seidel, 2004:38,43). This is ascribed to the growth of customer online e-mail usage and the fact that online complaining is less time consuming and

highly convenient, which gives this channel an advantage above other channels (Stauss & Seidel, 2004:43; Van Dijk *et al.,* 2007:9). However, various authors agree that online complaining will not replace traditional channels and that online complaining will rather serve as a complement to other complaint channels (Tyrrell & Woods, 2004:189; Van Dijk *et al.,* 2007:16; Zaugg, 2008b:1). Subsequently, results obtained from this study reveal online behaviour of respondents who participated in this study.

With respect to secondary objective 3, main finding 1 was formulated (all main findings are listed in Chapter 6, section 6.17). The majority of respondents who participated in this study indicated that they use the Internet daily, almost half of them have complained online before, while most prefer to rather complain at in-store customer services instead (main finding1). As explained in section 2.4.9 and 2.4.10, although online complaining is a convenient and beneficial complaint method (Holloway & Beatty, 2003:94; Stauss & Seidel, 2004:43) customers prefer face-to-face complaint channels (Walker *et al.,* 2002:103) and refrain from using online complaint channels (Robertson, 2012:149) as they are more likely to gain an instant solution to their problem (Zaugg, 2006:5). Furthermore, customers' unfavourable idea of technology-based complaining could be ascribed to the low level of interactional human elements present within an online environment (Holloway & Beatty, 2003:92).

Conclusion 1: Considering respondents' Internet usage, it is evident that although an increase occurred in technology and customers' usage thereof, respondents are more inclined to complain to in-store customer services rather than adopting technology-based complaint services (refer to section 2.4.10).

Conclusion 2: Clothing retail customers' tendency to complain online remains an important factor to consider seeing that almost half of respondents indicated that they had complained online before.

Table 7.1 presents the recommendations formulated for secondary objective 3 based on the abovementioned conclusions.

Table 7.1:   Secondary objective 3: recommendations

Recommendation 1	Clothing retailers should recognise the importance of in-store complaint management programmes and educate employees regarding their interaction with customers and the best practice thereof (refer to section 2.4.8).
Recommendation 2	Clothing retailers should establish appropriate in-store complaint channels which are easily accessible, efficient and pleasant to use (refer to section 2.4.9).
Recommendation 3	Clothing retailers should communicate the importance of customer feedback across all available complaint channels during marketing campaigns (refer to section 2.4.8).

Table 7.1:   Secondary objective 3: recommendations (continued)

Recommendation 4	Clothing retailers should communicate the different complaint channels available to customers while highlighting the following during marketing communication (refer to section 2.4.10): • High quality human interaction during in-store complaint services. • Fast, effective and interpersonal responsiveness during online complaint services.
Recommendation 5	Clothing retailers should ensure quality experiences during their online complaint services by undertaking the following (refer to section 2.4.10): • Ensure that online complaining is efficient, fast and easy to find (in line with recommendation 4). • Add a visible complaint link on the clothing retailer's home page (website). • Have a 24-hour response policy regarding any online complaints.

7.3.3   Secondary objective 4

> To determine the service recovery strategy expectation of the typical clothing retail customer who participated in this study

Service recovery expectation, as discussed in section 3.4.6, is the manner in which the customer believes the service failure should be resolved (Harris *et al.*, 2006b:427). More specifically, customer expectations comprise a prediction made by customers regarding what they presume is most likely to happen, which consequently provides standards to which customers compare the actual experience (Zeithaml *et al.*, 1993:1,2). It is further evident that customers' service recovery expectation may differ in proportion to the severity of the service failure experienced (Harris *et al.,* 2006b:430) (refer to section 3.4.6.2). Accordingly, service recovery strategies should be well thought-through as every service recovery opportunity is situation-specific (Yi & Lee, 2005:13) and should be tailored for each customer based on their perception and the severity of the service failure (Matilla, 2011:591; McDougall & Levesque, 1998:31). As customers' expectations have a significant influence on their evaluation of satisfaction and quality (Zeithaml *et al.*, 1993:1), organisations should consider the nature of the service failure in order to effectively meet the expectations of customers (Yi & Lee, 2005:14). Subsequently, results obtained from this study reveal the service recovery strategy expectation of respondents who participated in this study after a severe service failure, is experienced.

With regard to secondary objective 4, main findings 8 and 9 were formulated. Regarding the service recovery strategies preferred most by respondents after a severe service failure, a sincere apology accompanied by assistance from the store to restore the problem is expected, and in other cases merely a sincere apology is accepted (main finding 8). However, respondents do not expect that clothing retailers should solely offer compensation or a combination of compensation and a sincere apology after a severe service failure (main finding 9).

As customers prefer an apology and assistance-related service recovery strategies after severe service failure incidents, the major impact of the interpersonal skills of employees during these recovery strategies becomes evident (Davidow, 2000:486). Levesque and McDougall (2000:34) agree that the interaction between the customer contact employee and the customer by means of responsiveness, empathy and understanding in combination with compensation or assistance, serve as an effective service recovery strategy when converting service problems into satisfying customer experiences. Levesque and McDougall (2000:33) further state that in many cases the chosen service recovery strategy depends on the criticality of the service failure and that during low-severity failures compensation or assistance offered separately or in combination, is seen as an effective service recovery strategy.

Conclusion 3: Although clothing retail customers relatively favoured all the provided service recovery strategies, a combination of sincere apology and assistance is seen as the most preferred service recovery strategy for respondents participating in this study after the occurrence of a severe service failure.

Table 7.2 presents the recommendations formulated for secondary objective 4 based on the abovementioned conclusions.

Table 7.2:   Secondary objective 4: recommendations

Recommendation 6	Clothing retailers should strive towards a "getting it right the first time" policy by keeping service failures to a minimum. Recommended strategies to achieve this are: • Provide sufficient training to customer contact employees on how to deal with customers in a professional and effective manner (in line with recommendation 1). • Provide incentives to employees to motivate friendly and efficient customer service. • Develop processes to monitor product and service quality to ensure a high level of enduring quality to customers.
Recommendation 7	Clothing retailers should develop customised recovery strategies to address every service failure incident according to its problem severity and characteristic criticality. The following strategies are suggested when a severe service failure is encountered in the clothing retail industry: • Provide a sincere apology in which customer contact employees admit their responsibility for wrongdoing combined with fast and effective assistance to restore the problem (refer to section 3.4.5). • Nurture customers' perception regarding a positive complaint outcome throughout service encounters.
Recommendation 8	Clothing retailers should consider hiring customer contact employees with good people skills and interpersonal skills who are understanding and exhibit empathy.

Table 7.2:   Secondary objective 4: recommendations (continued)

Recommendation 9	Clothing retailers should offer training to customer contact employees in order to improve the manner in which complaint recovery situations are handled (in line with recommendations 1 and 6). Recommended strategies to achieve this are: • Educate employees on identifying the difference between a minor and major service failure. • Communicate the appropriate service recovery strategy selection in different service failure severity levels (e.g. the use of sincere apologies and assistance during severe service failures) (in line with recommendation 7). • Refine the interpersonal skills of employees.
Recommendation 10	Clothing retailers should cultivate a work environment that motivates employees to offer a constant level of friendly and efficient service to customers.

7.3.4   Secondary objective 5

To measure the following theoretical constructs empirically:

5a. the general attitude of clothing retail customers towards complaining;

5b. the perceived service failure severity clothing retail customers experience when presented with a fictional employee-related service failure scenario;

5c. the strength of service recovery expected by clothing retail customers after presented with a fictional employee-related service failure scenario; and

5d. the intention of clothing retail customers to complain online when presented with a fictional employee-related service failure scenario.

Each of the aforementioned refined secondary objectives is discussed in sections 7.3.4.1 to section 7.3.4.4.

7.3.4.1   Secondary objective 5a

To measure the general attitude of clothing retail customers towards complaining

Attitude towards complaining, as explained by Singh and Wilkes (1996:353), refers to the perception of customers regarding the goodness or badness of the act of complaining. This perception formed by customers relating to their attitude towards complaining is affected and influenced by various factors, such as personality factors (Bodey & Grace, 2007:579; Ekiz & Au, 2011:327; Huang & Chang, 2008:1225), personal factors (Grougiou & Pettigrew, 2009:993; Kim *et al.,* 2003:355), prior complaint experiences (Grougiou & Pettigrew, 2009:993; Kim *et al.,* 2003:355; Richins, 1982:505) as well as customers' perceived importance of a situation (Velázquez *et al.*, 2006:496). The study of customers' attitude towards complaining is vital due

to its key contribution to the field of customer complaint behaviour (Kim & Boo, 2011:217; Kim & Chen, 2010:96; Velázquez *et al.,* 2006:496).

With regard to secondary objective 5a, main findings 2, 3, 12, 16, 17 and 21 were formulated. Regarding the confirmatory factor analysis used to determine the construct validity of the adapted measurement scale (Yuksel *et al.*, 2006:17) (refer to section 5.5.3.3), two factors were retained from a total of eight statements measuring customers' attitude towards complaining originally labelled by Yuksel *et al.* (2006:17) as propensity to complain and negative attitude towards complaining. The confirmatory factor analysis of this study similarly retained these two factors, propensity to complain and negative attitude towards complaining and identified these factors (constructs) as valid to measure respondents' general attitude towards complaining (main finding 12). Furthermore, it was decided to re-label negative attitude towards complaining as sense of complaining. The Cronbach's alpha values furthermore confirmed the reliability of the measurement scales propensity to complain and sense of complaining as retained constructs from the initial general attitude towards complaining construct (main finding 16 and 17).

It is evident that respondents have a higher propensity to complain than a sense of complaining on account of their agreement with the statements that it is a customer's right to complain and that complaining is not easy, but should be done when 'things' are not right (main finding 2), and disagreement with the statements that they will complain when they feel dissatisfied because they feel it is their duty and that they do not believe that people who have little else to do are the ones who complain the most (main finding 3). This finding is similar to that of Walters (2010:193) who found that respondents across all population groups are more prone to have a propensity to complain.

In general, findings of this study indicated that respondents have a relatively favourable attitude towards complaining when referring to the overall mean scores of the constructs propensity to complain (mean = 4.09) and sense of complaining (mean = 3.74) (main finding 21). This suggests that clothing retail customers in general are very likely to seek redress after the occurrence of a service failure. This finding corresponds well with findings by Yuksel *et al.* (2006:17) who also found that respondents from different cultures (Turkish, British, Israeli and Dutch tourists) similarly indicate a relatively positive attitude towards complaining. Furthermore, research suggests that the more positive customers' attitude towards complaining, the lower customers' switching behaviour will be (Yuksel *et al.,* 2006:18).

Conclusion 4: Respondents participating in this study's attitude towards complaining can be categorised as either the propensity to complain or a sense of complaining.

Conclusion 5: Respondents participating in this study have a fairly high propensity to complain and subsequently have a relatively positive attitude towards complaining.

Conclusion 6: Respondents participating in this study indicate a relative average sense of complaining which subsequently indicates a reduced impact of the affective component of attitude on clothing retail customers' attitude towards complaining (refer to section 2.4.7.2 and section 6.10.1).

Table 7.3 presents the recommendations formulated for secondary objective 5a based on the abovementioned conclusions.

Table 7.3:   Secondary objective 5a: recommendations

Recommendation 11	Clothing retailers should: • Enforce customers' positive perceptions and feelings regarding the act and importance of complaining by means of marketing campaigns. • Ensure the delivery of high quality services by friendly, helpful and trained employees who are willing to solve customers' problems.
Recommendation 12	Clothing retailers should provide complaint channels which are easily accessible and effective (refer to section 2.4.9).
Recommendation 13	Clothing retailers should communicate the availability of different complaint channels to customers by doing the following: • Convey advantages of each channel as customers will select a channel they consider comfortable and beneficial. • Focus on communicating in-store complaint services to customers in order to motivate direct complaints to the clothing retailer instead of other private or public actions (refer to section 2.4.9).
Recommendation 14	Educate customers regarding the benefits of online complaining and communicate the online complaint option to customers (refer to section 2.4.9).

7.3.4.2 Secondary objective 5b

> To measure the perceived service failure severity clothing retail customers experience when presented with a fictional employee-related service failure scenario

Service failure severity, as defined by Weun *et al.* (2004:135), refers to the perceived intensity with which customers experience a particular service predicament. Many authors posit that service failure severity is based on customers' perception and therefore relies on a magnitude of cognitive processes (Betts *et al.,* 2011:367; Matilla, 2011:583; Wang *et al.*, 2011:351). Accordingly, researchers have used a service failure severity measure to determine how customers assess a particular service failure and the associated intensity customers perceive (Blodgett *et al.*, 1997:185). Therefore, the aim of secondary objective 5b was to determine respondents' perceived service failure severity in a given service failure scenario within the context of the clothing retail industry.

With regard to secondary objective 5b, main findings 4, 5, 13, 18 and 22 were formulated. The confirmatory factor analysis and Cronbach's alpha value confirmed that the measurement scale measuring the service failure severity perception construct from this study is valid and reliable to measure respondents participating in this study's service failure severity perception (main finding 13; main finding 18). In general, respondents perceived the fictional employee-related service failure scenario as an incident with a high severity level when referring to the overall mean score of the construct (mean = 4.37) (main finding 22). Furthermore, respondents' overall service failure severity perception is best portrayed in the statements they agreed with the most, indicating that it would be an unpleasant experience for them and that it should not occur again (main finding 4). Respondents least agreed with the statements that the incident would be a big problem for them and that they would consider it in a serious light (main finding 5).

Although the severity of a service failure is individually and uniquely based on each customer's perception (Matilla, 2011:583), it seems that respondents' perception regarding service failure severity in the clothing retail industry is more likely to be emotionally based. The aforementioned assumption is established based on respondents' agreement with statements indicating a feeling of an unpleasant service failure experience and that they feel that such a service failure should not occur again when presented with a severe employee-related service failure scenario. This finding opposes findings by Levesque and McDougall (2000:33) which indicate that high severity service failures result in negative future reactions towards organisations. However, findings of this study indicate that respondents prove to have a more emotional than reactive response to severe service failures. Moreover, this study's results support a statement made by Smith *et al.* (1999:360) that a service failure imbalances an exchange relationship, and that as the service failure severity level increases customers experience a comparative feeling (emotion) of perceived loss or harm.

Conclusion 7: Respondents participating in this study exhibit a relatively high service failure severity perception when encountered with an employee-related service failure with the elements as presented in the fictional service failure scenario used in this study (refer to Table 5.3).

Conclusion 8: Respondents perceive unprofessional customer contact employee behaviour as a severe service failure (refer to Table 5.3).

Conclusion 9: Although respondents in general indicated that they would consider such a service failure in a serious light; it would make them angry; would be an unpleasant experience for them; opine that it is inexcusable; that it cannot be ignored; that it would be a big problem for

them and that it would be of great inconvenience to them, they reflected a more emotionally based service failure severity perception.

Table 7.4 presents the recommendations formulated for secondary objective 5b based on the abovementioned conclusions.

Table 7.4:   Secondary objective 5b: recommendations

Recommendation 15	Clothing retailers should develop systems to track, identify and categorise occurring customer contact employee-related service failures (according to severity level) in order to assist in the training of customer contact employees and to effectively recover severe service failure victims.
Recommendation 16	Clothing retailers should provide customer service training (refer to section 3.3.2.2) to customer contact employees in order to empower employees to identify severe service failures and to educate employees to (in line with recommendations 1, 6 and 9): • Manage customers' personal information discretely. • Communicate effectively with customers. • Manage relationships with customers (refer to section 3.2). • Understand ethics relating to customer contact.
Recommendation 17	During severe service failures, clothing retailers should develop a recovery strategy which focuses on the following: • Convert customers' unpleasant experience into a pleasant experience by making extra effort and being sensitive to their needs. • Accompany customers to a dedicated complaint room where a trained employee ensures the customer that the service failure will not occur again by providing solutions to the problem (refer to section 3.3.2.2).
Recommendation 18	Ensure trained customer contact employees who are empowered to take the necessary actions to resolve customer problems instantly, sufficiently and in a friendly manner are present at the customer service desk.
Recommendation 19	Employees should complete a number of courses which focus on emotional intelligence and professional business behaviour in the workplace in order to establish sensitivity towards customers and their feelings (refer to section 3.3.2.2).

7.3.4.3 Secondary objective 5c

> To measure the strength of service recovery expected by clothing retail customers after presented with a fictional employee-related service failure scenario

Service recovery expectation is discussed in section 7.3.2 of this chapter, supported by a general discussion in section 3.4.6 of the literature review of this study. In section 7.3.2 the focus was on determining the particular service recovery strategy expected by respondents, while this objective investigates the strength with which respondents expect service recovery should be executed. Although many authors link these two objectives by referring to a strong recovery as an apology combined with compensation, and a weak recovery as an apology and a refund of some sort (Priluck & Lala, 2009:49; Yi & Lee, 2005:12), this objective aimed to determine the intensity with which respondents expect the particular service recovery strategy to be executed. Priluck and Lala (2009:49) describe the importance of knowing the strength of

service recovery expectation of customers very well by explaining that customers compare their expectations with the service recovery they received. When service recovery does not exceed customers' expectations, their satisfaction will remain dormant while customer satisfaction will increase as their expectations are exceeded.

With regard to secondary objective 5c, main findings 6, 7, 14, 19 and 23 were formulated. The confirmatory factor analysis and Cronbach's alpha value confirmed that the measurement scale measuring the strength of service recovery expectation construct from this study is valid and reliable to measure respondents' strength of service recovery expectation (main finding 14; main finding 19). Based on the overall mean score obtained for the construct (mean = 4.44), the preferred strength with which respondents expect the execution of the service recovery received is strong, seeing that this construct obtained the highest overall mean score amongst all the other constructs measured in this study (main finding 23). More specifically, respondents strongly desire immediate involvement from management and expect service recovery to be performed in a highly responsive manner by store management (main finding 6). Results obtained from this study further indicate that respondents have a lower desire for clothing retailers to go out of their way to rectify the problem and also feel that an immediate response is not essential (main finding 7).

Research by Yuksel *et al.* (2006:19) supports findings of this study by suggesting that customers desire the direct involvement of management during the service recovery process. This can be ascribed to the fact that customers place a high importance on the treatment received by employees and in particular by managers (De Matos & Leis, 2013:333). Furthermore, in section 7.3.2 it became evident that respondents prefer service recovery strategies in the form of an apology alone or in combination with assistance from the store management (main finding 8). When investigating the strength or intensity with which respondents' expect these strategies to be executed, it became apparent that immediate involvement from management and high responsiveness are required in terms of the intensity or strength with which these service recovery strategies namely apology and assistance, should take place. Conflicting with findings by Priluck and Lala (2009:53), this study uncovered that respondents expect a stronger service recovery than that of a moderate level to once again gain the original level of customer satisfaction (refer to section 3.4.6.2).

Conclusion 10: Respondents participating in this study expect strong and intense execution of service recovery strategies after experiencing a severe employee-related service failure.

Conclusion 11: Although respondents disclosed a higher preference towards the immediate and responsive involvement of management, they also indicated that the store staff should go out of their way to rectify the problem and offer an immediate response.

Table 7.5 presents the recommendations formulated for secondary objective 5c based on the abovementioned conclusions.

Table 7.5:   Secondary objective 5c: recommendations

Recommendation 20	Clothing retailers should consider being more responsive to customer complaints and to employ a complaint manager.
Recommendation 21	Clothing retail managers should empower their customer contact employees to take the needed service recovery steps (in line with recommendation 18).
Recommendation 22	Clothing retailers should provide online complaint services which declare the involvement of management when solving customers' problems and the guarantee that online complaints are handled in a responsive manner (in line with recommendation 20).

7.3.4.4 Secondary objective 5d

> To measure the intention of clothing retail customers to complain online when presented with a fictional employee-related service failure scenario

Customer complaint intention, as defined in section 2.4.8, refers to the intention of customers to execute complaint behaviour (Kim *et al.,* 2003:354; Singh, 1989:334). From the literature review it became evident that attitude towards complaining has a significant impact on customers' complaint intention (Cheng & Lam, 2008:559; Kim & Boo, 2011:231; Kim *et al.,* 2003:363; Velázquez *et al.*, 2010:540). Furthermore, the actions and attitudes of employees influence the complaint behaviour of customers significantly, seeing that customer complaint intentions increase as the level of fair service received from service employees increases (Voorhees & Brady, 2005:192). As this study deals with severe employee-related service failures and customers' subsequent online complaint intention, respondents' online complaint intention is measured to determine their acceptance of an online complain channel.

With regard to secondary objective 5d, main findings 10, 11, 15, 20 and 24 were formulated. When referring to the confirmatory factor analysis, two factors were retained from a total of ten statements in which factor 1 purely measured online complaint intention and factor 2 measured fairness dimensions relating to online complaint intention. It was decided to only retain factor 1 due to the fact that it purely measured online complaint intention and is subsequently accepted as valid to measure respondents' online complaint intention (main finding 15). The Cronbach's alpha value furthermore confirmed the reliability of the measurement scale online complaint intention (main finding 20). In general, respondents' online complaint intention was relatively low

(mean = 3.43) when compared to the overall mean scores of the rest of the constructs measured in this study (main finding 24). The low level of online complaint intention amongst respondents participating in this study could possibly be ascribed to the low level of interactional human elements present within an online environment (Holloway & Beatty, 2003:92), delayed response times (Robertson, 2012:150-151; Strauss & Hill, 2001:69) and customers' individual intentions and personal capacity (Walker *et al.*, 2002:91) (refer to section 2.4.10). Consequently, results of this study support Walker *et al.* (2002:103) and Zaugg (2006:5) who indicated that customers prefer face-to-face complaint channels as they can supposedly gain an instant solution by posting the complaint personally.

Although it was decided to remove factor 2 from the online complaint intention measurement scale, the fairness dimensions still proved to have a significant impact on respondents' online complaint intention formation. Respondents strongly agreed with the statements that if they had complained previously and received fair treatment from employees, and that if they know that the store's complaint policies and practices are fair, they would be more inclined to complain online (main finding 10). It became obvious that online complaining is not the most preferred complaint method of respondents who participated in this study based on their strong disagreement with the statements that they would rather complain online than using any alternative complaint method, and that they are more likely to complain online (main finding 11).

Conclusion 12: When considering respondents who participated in this study in general, it is evident that respondents have a relatively low intention to complain online.

Conclusion 13: When respondents perceive the store's complaint policies and practices as fair (procedural justice), and when they have been treated fairly by employees in a prior complaining experience (interactional justice), respondents have a higher online complaint intention (refer to section 3.4.3).

Table 7.6 presents the recommendations formulated for secondary objective 5d based on the abovementioned conclusions.

Table 7.6:   Secondary objective 5d: recommendations

Recommendation 23	Clothing retailers should actively educate clothing retail customers regarding alternative mechanisms and channels available for complaining (such as online customer services).
Recommendation 24	Clothing retailers should focus on removing clothing retail customers' fear of confrontation and intimidation by creating a safe and positive customer service environment (refer to section 2.4.9 and in line with recommendation 11).

Table 7.6:   Secondary objective 5d: recommendations (continued)

Recommendation 25	Clothing retailers should motivate clothing retail customers to complain online by achieving the following (refer to section 3.4.3): • Obtain and implement fair complaint policies and practices. • Maintain a high level of fair customer treatment enforced by employees.
Recommendation 26	In order to promote customers' online complaint intention, clothing retailers should adopt a slogan such as, "*if you are happy with our service, tell your friends – if you are not happy with our service, tell us*". This slogan should be presented in-store at pay points, on in-store advertising, at exits of the store, and on till slips with accompanied information regarding the clothing retailer's online complaint channel and website information.
Recommendation 27	Clothing retailers should present in-store posters and flyers to all clothing retail customers in order to promote customers' online complaint intention. These posters and flyers should focus on communicating the: • Benefits of online complaining (refer to section 2.4.1 and in line with recommendation 14). • Responsiveness and friendly service following online complaints (refer to section 7.3.4.3 and in line with recommendations 20 and 22). • Immediate involvement of management during online complaints (refer to section 7.3.4.3 and in line with recommendations 20 and 22). • Needed information and steps customers need to take in order to post an online complaint.

7.3.5   Secondary objective 6

> To determine whether differences exist between different groups of respondents in terms of each of the constructs (general attitude towards complaining, online complaint intention, service failure severity perception and strength of service recovery expectation) measured in this study

The hypotheses formulated for this study were tested using parametric tests, namely the independent samples t-test and the one-way ANOVA (refer to section 5.7.2.2 and Table 5.9). The aim of this objective was to determine whether there are any statistically and practically significant differences between different groups of respondents in relation to their propensity to complain, sense of complaining, online complaint intention, service failure severity perception and strength of service recovery expectation (refer to section 6.14).

Blackwell *et al.* (2006:236) explain that customers have a perceptual map which impacts their way of living including their decision-making. Personal variables such as demographics (age, gender, income) and psychographics (lifestyle) influence each stage of the consumer decision-making process and affect customers' actions and behaviours (Blackwell *et al.*, 2006:236; Parumasur & Roberts-Lombard, 2012:112). Secondary objective 6 was subsequently formulated to determine the possible influence of personal variables by determining whether respondents' general attitudes towards complaining, online complaint intention, service failure severity perception, and strength of service recovery expectation are influenced by differences in respondents' demographic and psychographic characteristics (age, education, gender,

language, employment, income and clothing shopping regularity). Main findings 25 to 33 were formulated to address secondary objective 6 and are discussed accordingly.

No significant differences were uncovered pertaining to respondents' propensity to complain and the different groups of respondents referring to age (main finding 25), education level (main finding 26), gender (main finding 27), language (main finding 28), employment levels (main finding 29) and income (main finding 30). However, respondents with varying levels of clothing shopping regularity differ significantly (both statistically and practically significant differences were uncovered, refer to section 6.14) in terms of their propensity to complain. Main finding 31 indicates that respondents who shop for clothing once a week and more, have a higher propensity to complain than respondents who shop for clothing less than once a week.

No significant differences were uncovered pertaining to respondents' sense of complaining and the different groups of respondents referring to age (main finding 25), education level (main finding 26), gender (main finding 27), language (main finding 28), employment levels (main finding 29) and income (main finding 30). However, respondents with varying levels of clothing shopping regularity differ significantly in terms of their sense of complaining. Main finding 32 indicates that respondents who shop for clothing once a week and more have a higher sense of complaining than respondents who shop for clothing less than once a week.

No significant differences were uncovered pertaining to respondents' online complaint intention and the different groups of respondents referring to age (main finding 25), education level (main finding 26), gender (main finding 27), language (main finding 28), employment levels (main finding 29), income (main finding 30) and clothing shopping regularity (main finding 33).

No significant differences were uncovered pertaining to respondents' service failure severity perception and the different groups of respondents referring to age (main finding 25), education level (main finding 26), gender (main finding 27), language (main finding 28), employment levels (main finding 29), income (main finding 30) and clothing shopping regularity (main finding 33).

No significant differences were uncovered pertaining to respondents' strength of service recovery expectation and the different groups of respondents referring to age (main finding 25), education level (main finding 26), gender (main finding 27), language (main finding 28), employment levels (main finding 29), income (main finding 30) and clothing shopping regularity (main finding 33).

Conclusion 14: When comparing different groups of respondents based upon their age, education, gender, language, employment and income, no differences were uncovered with

respect to their propensity to complain and sense of complaining with the exception of respondents with different clothing shopping regularities.

Conclusion 15: When comparing different groups of respondents based upon their age, education, gender, language, employment, income and clothing shopping regularity, no differences were uncovered with respect to their online complaint intention, service failure severity perception and strength of service recovery expectation.

Table 7.7 presents the recommendations formulated for secondary objective 6 based on the abovementioned conclusions.

Table 7.7:   Secondary objective 6: recommendations

Recommendation 28	To foster customers' propensity to complain and sense of complaining, clothing retailers should provide customers who exhibit a more frequent regularity of purchase with the following: • E-mails which query customers' satisfaction with the store's service by means of a short online survey. • Short complaint forms supplied at paypoints which can be dropped at an easily accessible complaint drop-box situated at store exits. • Phone calls from customer services confirming customers' satisfaction with the store's service, whilst expressing a sense of feeling and care towards customers.
Recommendation 29	With regard to customers' propensity to complain, clothing retail customers with a less frequent regularity of purchase should be targeted with motivational techniques by undertaking the following: • Send messages by SMS or e-mail in order to encourage customers to complain when they feel dissatisfied. • Convey the following statements when communicating with these customers : 　▪ It is customers' right to complain. 　▪ Complaining should always be done when a customer perceives anything to be wrong. 　▪ Clothing retailers value customers' time spent on posting complaints even though customers have a busy lifestyle (refer to section 6.10.1). • Send quarterly e-mails including electronic complaint forms (refer to section 2.4.9).
Recommendation 30	With regard to customers' sense of complaining, clothing retailers should implement various motivational techniques targeted at customers with a less frequent regularity of purchase focusing on customers' sense of emotions and feelings towards complaining (refer to section 2.4.7.2 and section 6.10.1) by undertaking the following: • Phone customers telephonically or communicate face-to-face to express a sense of feeling and care towards customers. • Communicate the following statements during marketing: 　▪ By voicing complaints customers will feel much better and feel less frustrated. 　▪ Customers should never feel embarrassed to complain (refer to section 6.10.1).

Table 7.7:   Secondary objective 6: recommendations (continued)

Recommendation 31	Since no differences were uncovered with respect to service failure severity perception, online complaint intention, and strength of service recovery expectation amongst different groups of respondents (based upon their age, education, gender, language, employment, income and clothing shopping regularity), recommendations 15 to 27, formulated to address these constructs (sections 7.3.4.2 to 7.3.4.4) could be implemented by clothing retailers without tailoring them for different groups.

7.3.6   Secondary objective 7

> To determine whether linear correlations exist between the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expected and online complaint intention) measured in this study

Pearson product moment correlations were performed between pairs of constructs based upon the hypothesised relationship between them, as uncovered in sections 4.2.1 – 4.2.5 (refer to section 5.7.2.2). The aim of this objective was to determine whether significant positive linear correlations exist between particular pairs of constructs by measuring the strength of the linear relationship. Furthermore, this objective serves as an accepted primer for SEM (Blunch, 2011:242) and subsequently assists in achieving objective 8.

With regard to secondary objective 7, main findings 34 to 40 were formulated. The correlation analysis revealed the following linear relationships and the subsequent strength of the relationship between pairs of constructs (refer to section 6.15):

- A significant positive linear correlation between the constructs propensity to complain and online complaint intention revealed a medium level of linear relationship strength between the constructs (main finding 34).
- No significant positive linear correlation was uncovered between the constructs sense of complaining and online complaint intention (main finding 35).
- No significant positive linear correlation was uncovered between the constructs service failure severity and online complaint intention (main finding 36).
- No significant and positive linear correlation was uncovered between the constructs online complaint intention and strength of service recovery expected (main finding 37).
- A significant positive linear correlation between the constructs propensity to complain and strength of service recovery expected revealed a medium level of linear relationship strength between the constructs (main finding 38).

- A significant positive linear correlation between the constructs sense of complaining and strength of service recovery expected revealed a medium level of linear relationship strength between the constructs (main finding 39).

- A significant positive linear correlation between the constructs service failure severity perception and strength of service recovery expected revealed a large level of linear relationship strength between the constructs (main finding 40).

Conclusion 16: Significant correlations were uncovered between the constructs propensity to complain and strength of service recovery expectation, sense of complaining and strength of service recovery expectation; propensity to complain and online complaint intention and service failure severity perception and strength of service recovery expectation.

Table 7.8 presents the recommendations formulated for secondary objective 7 based on the abovementioned conclusions relating to linear correlations between constructs.

Table 7.8:   Secondary objective 7: recommendations

Recommendation 32	Clothing retailers should present clothing retail customers with varying degrees of service recovery according to the service failure severity experienced in order to cover customers' loss (refer to section 3.4.6.2 and in line with recommendations 7 and 9).
Recommendation 33	Clothing retailers should provide training to customer contact employees aimed at developing a level of sensitivity towards customers' perception regarding the severity of a service failure by undertaking the following (refer to section 3.4.6.2 and in line with recommendation 19): • Educate employees to identify different service failure severity levels. • Develop strategies to effectively deal with different service failure severity levels.
Recommendation 34	Clothing retailers should provide efficient complaint channels to customers accompanied with adequate services which address the complaint (refer to section 2.4.9) to serve as a motivation for direct complaints towards the clothing retailer (in line with recommendation 2).
Recommendation 35	Clothing retailers should aim to increase customers' online complaint intention by undertaking the following: • Provide a visible complaint portal on their website (in line with recommendation 5). • Communicate the benefits of online complaining by means of in-store advertising such as flyers and posters (in line with recommendations 14 and 30).

7.3.7 Secondary objective 8

> To determine the influence of the constructs (general attitude towards complaining, service failure severity perception, strength of service recovery expectation and online complaint intention), as presented in the conceptual model, on one another

The proposed theoretical model of this study as developed and supported by means of existing literature (refer to Chapter 4) was tested through structural equation modelling (SEM). Consequently, this statistical technique aimed at testing the causal relationships (influence) amongst the theoretical constructs of this study, namely attitude towards complaining (propensity to complain and sense of complaining), service failure severity, online complaint intention and strength of service recovery expectation (refer to section 5.7.2.2).

With regard to secondary objective 8, main findings 41 to 49 were formulated. The empirical results of this study indicated by means of CFA that the observed variables of this study effectively serve as multiple indicators of a smaller set of latent variables (constructs) (refer to section 6.10) and subsequently present a satisfying measurement model (main findings 12-15). After the statistical analysis of the path model, empirical results indicated that online complaint intention had to be removed from the model due to the lack of statistical significance and adequate path strength amongst paths linking with the construct (main findings 41-44) (refer to section 6.16.2). The omission of the online complaint intention construct could possibly be due to respondents' low level of technology readiness and lack of adopting technology-based services (refer to section 2.4.10). Although previous literature did support the relationship of particular constructs with online complaint intention (refer to sections 4.2.1, 4.2.2 and 4.2.3), contrasting literature indicated that customers still refrain from using an online complaint channel regardless of the benefits offered (Ahmad, 2002:23; Holloway & Beatty, 2003:92; Robertson, 2012:149; Walker *et al.,* 2002:103; Zaugg, 2006:5). Based on results obtained from this study it became clear that South African clothing retail customers in the metropolitan area of Johannesburg do not have a strong level of adoption to online complaint channels, which supports the choice of omitting the construct from this study's structural model.

Moreover, paths linking attitude towards complaining (propensity to complain and sense of complaining) with strength of service recovery expectation, also failed to present statistical significance and adequate path strength (main findings 45-46). However, the path linking service failure severity and strength of service recovery expectation delivered a significant and positive influence (main finding 47). This finding is well aligned with existing literature indicating that different service recovery levels should be applied to different service failure severity encounters (Tyrrell & Woods, 2004:188) (refer to section 3.4.6.2).

The constructs retained for the structural model included four of the original five constructs, namely attitude towards complaining (propensity to complain and sense of complaining), service failure severity and strength of service recovery expectation. The decision to retain the constructs propensity to complain and sense of complaining was due to the significant and positive correlation obtained between these constructs (main finding 48). After statistically

analysing the structural model, results confirmed a significant positive influence between the propensity to complain, sense of complaining and service failure severity perception of respondents and the strength of service recovery they expect (main finding 49).

Conclusion 17: Significant positive influences were uncovered for paths linking the constructs propensity to complain, sense of complaining, and service failure severity with strength of service recovery expectation. However, no significant positive influences were uncovered for paths linking with online complaint intention.

Table 7.9 presents the recommendations formulated for secondary objective 8 based on the abovementioned conclusions relating to the influence of constructs on one another.

Table 7.9:   Secondary objective 8: recommendations

Recommendation 36	To promote the online complaint channel amongst customers, clothing retailers should (in line with recommendation 5 and 14): • Provide easy and accessible complaint links on the retailers' website home page (in line with recommendations 5 and 35). Thereby, explicitly naming the complaint category as for example "complaints" or "are you feeling dissatisfied?" • Avoid too many steps during online complaint procedures. • Reply promptly to online complaints (in line with recommendations 20, 22 and 27). • Confirm via e-mail that the complaint has been received and that feedback can be expected within a particular time frame. • Allocate query numbers to different complaints in order to track the complaint when needed. • Ensure that online complaining is a fast and simple procedure. • Provide a personal feel to customers' online complaining experience by presenting the complaint manager and the needed contact information in addition to the customer care team who are in charge of complaints. • Market the online complaint channel, as "A complaint channel more personal than you would think", thereby motivating customers to rather choose the online channel. • Educate customers on the benefits of online complaining. • Ensure that a positive outcome is gained after voicing complaints online.
Recommendation 37	Clothing retailers should ensure that their alternative complaint channels (refer to section 2.4.9) are managed effectively in order to maintain customers' positive attitude towards complaining.
Recommendation 38	Clothing retailers should provide the appropriate strength of service recovery for particular levels of service failure severity (in line with recommendations 7, 9 and 32).
Recommendation 39	Clothing retailers should focus on developing and refining their service quality offerings so as to enhance customers' service experience and decrease service failure severity levels. Clothing retailers can improve customers' service experience by ensuring that: • Service employees are friendly, courteous and helpful at all times. • Services are delivered as promised and marketed by the retailer. • Services are delivered fast and effective. • Services are handled by employees in a personal and caring manner, keeping customers and their best interests in mind. • Service employees understand the needs of customers.

Table 7.9:   Secondary objective 8: recommendations (continued)

Recommendation 40	Clothing retailers should provide service recovery of the appropriate strength in order to reinforce and maintain customers' positive attitude towards complaining (refer to Figure 6.2 and in line with recommendations 7, 9, 32 and 38).
Recommendation 41	Clothing retailers should use the model compiled in this study (refer to Figure 6.2) to improve overall complaint management within the clothing retail industry.

7.4   THE LINKS BETWEEN THE RESEARCH OBJECTIVES, QUESTIONS IN THE QUESTIONNAIRE, HYPOTHESES, MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

A flow diagram is presented in Figure 7.1 which visually demonstrates the link between the primary and secondary research objectives of this study, sections and questions in the questionnaire, hypotheses, main findings, conclusions and recommendations.

Figure 7.1:   Links between objectives, questions, hypotheses, main findings, conclusions and recommendations
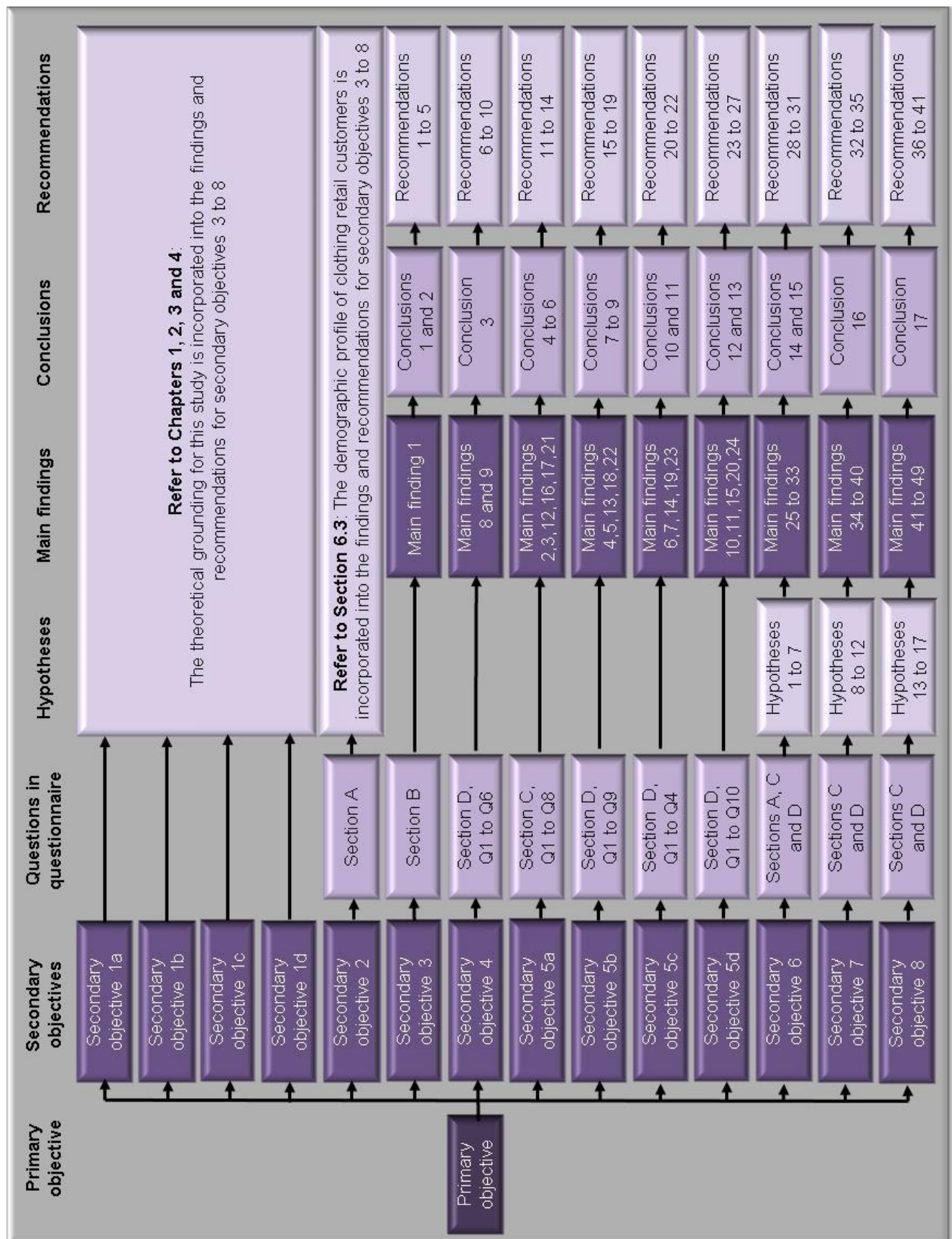
From Figure 7.1 it can be derived that the secondary objectives of the study were met. Furthermore, it can be concluded that the primary objective of this study, namely to determine customers' online complaint intention and subsequent service recovery expectations when employee-related service failures are experienced in the clothing retail industry, was achieved. This study successfully determined that clothing retail customers do not have a significantly high online complaint intention, but do, however, have a higher service recovery expectation when confronted with a severe employee-related service failure in the clothing ratil industry.

7.5   LIMITATIONS OF THE STUDY

All research studies have inherent limitations. The limitations of this study are identified in the following sections.

7.5.1   Limitations of the literature review

The following limitations of the literature review are identified:

- To the author's best knowledge, very little research has been done on the clothing retail industry of South Africa regarding the complaint behaviour of customers, which meant that the researcher had to rely profoundly on research done in other industries during the literature review.
- As online complaint intention is a relatively new construct, very little research has been done measuring online complaint intention of respondents in general, which meant that the researcher had to depend heavily on work done on complaint behaviour, complaint intention, willingness to complain, and intentions of customers in different industries, whilst applying this to the clothing retail industry.

7.5.2   Limitations of the empirical research

The following limitations of the empirical research are identified:

- Due to time and budget constraints, the study had to focus on a small sample representing the Johannesburg metropolitan area of South Africa. With a larger budget and more time at hand, the researcher would have been able to conduct the research on a much bigger scale. This means making the sample richer by increasing the representation of the clothing retail customers of South Africa as a whole, and perhaps uncovering more subtle differences between clothing retail customers.

- Given that a non-probability sampling method was used to draw the sample from the target population of this study, results and conclusions are not representative of the entire population at large. Generalising the findings of this study to all clothing retail customers should therefore be avoided, seeing that the study is not representative of the total population. Furthermore, results cannot be generalised to other geographical regions as results of this study are limited to the Johannesburg metropolitan area of South Africa.

- The results of this study are limited to the service setting of the clothing retail industry and subsequently results cannot be generalised to all service settings.

- The self-administered questionnaires used in this study are seen as another limitation in the sense that it presents the possibility of imprecise answers, provision of erroneous responses, and the skip of sections in the questionnaire without respondents knowing.

- Given the use of one hypothetical scenario in the questionnaire of this study used to stimulate an employee-related service failure scenario with high severity, respondents could not rely on an actual experience recalling such a particular incident, thereby decreasing the intensity of the feeling (refer to section 5.5.3.3). Although many studies have employed the use of scenarios during research, the richness of the actual service failure encounter is lost and subsequently an inaccurate reflection of respondents' behaviour is conveyed.

- In addition to the aforementioned limitation, only one service failure encounter was provided. Consequently, different results may have been obtained when other service failure encounters were presented to respondents.

With the abovementioned limitations in mind, it is possible to make a number of recommendations which can be used for future research.

7.6 RECOMMENDATIONS FOR FUTURE RESEARCH

The following recommendations for future research are suggested:

- Future research should attempt to collaborate with specific clothing retailers. This will enable the researcher to use the customer database as framework for probability sampling and to furthermore enable the researcher to distribute questionnaires to particular clothing retail customers. Consequently, more specific information can be obtained regarding clothing retail customers' attitudes towards complaining, service failure severity perceptions, online complaint intentions as well as service recovery strategy expectations.

- This study can be extended to other service settings in order to gain information regarding similarities or differences amongst clothing retail customers and customers of other industries relating to their online complaint intention and strength of service recovery expectation.

- This research study can be applied in other geographical areas of South African in order to determine whether similarities or differences exist between clothing retail customers in different geographical locations.

- The use of a larger sample size is suggested for future research in order to gain a more accurate representation of the target population's demographic, geographic and psychographic characteristics.

- An examination of clothing retail customers' technology readiness and skills is suggested in support of this study by means of Parasuraman' (2000) multi-item scale known as the Technology Readiness Index (TLI). This will assist researchers in determining South African clothing retail customers' readiness to adopt technology in a clothing retail context.

- With regard to this study, it would be valuable to conduct in-depth research through the use of both quantitative and qualitative research techniques to gain a better understanding of customers' intention formation specifically regarding online complaint intention and what is expected from retailers regarding service recovery to in the end, increase the online complaint intention of clothing retail customers.

- The use of a number of altered scenarios with different service failure severity levels is suggested in order to determine the different levels of service failure severity experienced by customers in the clothing retail industry, and the subsequent strength of service recovery expected relating to each service failure scenario. This will provide clothing retailers with a more in-depth insight into customers' perceptions regarding different service failure types and severity levels, while providing valuable information to clothing retailers regarding the different service recovery expectations of customers.

- The relevance of the model composed in this study can be tested in other service industries to determine the model's applicability in other service settings.

7.7   CONCLUSION

This chapter addressed the secondary objectives of this study by presenting the related findings, conclusions, recommendations and limitations of the study. This chapter commenced with a brief overview of the study followed by a number of conclusions which have been drawn for each secondary objective based on the main findings formulated in Chapter 6. Subsequently, a number of recommendations were formulated in order to provide clothing retailers with strategies and direction on how best to manage clothing retail customers' attitude towards complaining, service failure severity perception, online complaint intention and strength of service recovery expectation. Thereafter, Figure 7.1 provided an overview of the link between the secondary objectives and the questionnaire, formulated hypotheses and related main findings and recommendations. This chapter concluded by proposing a number of limitations found in this study regarding the literature review and empirical research followed by the

recommendations for future research. In final conclusion of this study it can be confirmed that although the online complaint channel hold numerous benefits for retailers and customers the active response of emplyees and retailers in-store still remains essential to customers' satisfaction after service failures are experienced.

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APPENDIX A:

FINAL QUESTIONNAIRE

Online complaint intention and service recovery expectations questionnaire of clothing retail customers

This questionnaire is designed to obtain feedback from you on your online complaint intention and the strength of service recovery you expect after experiencing a service failure at any offline or online clothing retailer. The results from this survey will be used to determine the online complaint intention and service recovery expectations of clothing retail customers in the Johannesburg metropolitan area regarding clothing retailers where clothes are bought.

Taking part in this survey is completely voluntary and anonymous. The questionnaire should take no more than 15 minutes of your time. Your co-operation is appreciated.

The questionnaire consists of four sections.

When evaluating the questions, please answer the question from your own perspective.

Thank you for taking the time to complete this survey.

Should you have any questions, please feel free to contact:

Simonne Fourie: 018 299 1424 or simonnefourie@gmail.com

Screening questions

Do you currently have access to the Internet via a personal computer, laptop, tablet or any handheld device?

Yes	1
No	2

Do you purchase your own clothes at any online or offline retailer?

Yes	1
No	2

If your answer is 'Yes' to both screening questions, please continue with sections A, B, C and D. If your answer is 'No' to any one of the screening questions, you do not have to complete the rest of the questionnaire.

Indicate your answer by placing a cross (X) in the appropriate block or complete where required.

SECTION A – DEMOGRAPHICS

How old are you?

18 to 26 years	1
27 to 35 years	2
36 to 47 years	3
48 to 66 years	4
67 years and older	5

What is your highest level of education?

Primary school completed	1
Some high school	2
Matric / Grade 12	3
Tech diploma/degree	4
University degree or postgraduate degree	5

What is you gender?

Male	1
Female	2

What is your home language?

Afrikaans	1
English	2
Nguni (Zulu, Xhosa, Swati, Ndebele)	3
Sotho (Sepedi, SeSotho, Tswana)	4
Venda/Tsonga	5
Other, please specify:	6

What is your employment status?

Full-Time employed	1
Part-Time employed	2
Self-employed	3
Student	4
Housewife or Househusband	5
Retired	6
Unemployed	7
Other, please specify:	8

What is your personal income that you take home every month (net income)?

Less than R3 000	1
R3 001 – R6 000	2
R6 001 – R13 000	3
R13 001 – R26 000	4
R26 001 – R51 000	5
R51 001 or more	6
Not specified	7

How often do you shop for clothing?

Every day	1
Not every day, but more than once a week	2
Once a week	3
Less than once a week, but more than once a month	4
Once a month	5
Less than once a month	6

SECTION B – ONLINE BEHAVIOUR

How often do you use the Internet?

Every day	1
Not every day, but more than once a week	2
Once a week	3
Less than once a week, but more than once a month	4
Once a month	5
Less than once a month	6

Have you ever complained online?

Yes	1
No	2

If you are unhappy about a store's service, where would you most likely complain?

In-store customer services	1
Friends and family	2
The retailer's website	3
Social media (Facebook/Twitter)	4
General complaint sites	5
Government agency website	6
Other	7

SECTION C – GENERAL ATTITUDE TOWARDS COMPLAINING

On a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', indicate the extent to which you agree with each of the following statements.

Statements	Strongly disagree				Strongly agree
	1	2	3	4	5
Complaining is a customer's right	1	2	3	4	5
I always complain when I am dissatisfied because I feel it is my duty	1	2	3	4	5
Complaining is not easy, but should be done when 'things' are not right	1	2	3	4	5
I always feel better when I have voiced my dissatisfaction by complaining	1	2	3	4	5
I do not consider complaining about something as distasteful	1	2	3	4	5
I usually feel less frustrated after I have complained	1	2	3	4	5
I do not believe that people who have little else to do are the ones who complain the most	1	2	3	4	5
I am not embarrassed to complain no matter how bad the product/service was	1	2	3	4	5

SECTION D – SERVICE FAILURE SCENARIOS

SERVICE FAILURE SCENARIO

When buying clothing with your bank card at a well known clothing retailer, you learn that the cashier is unable to process the transaction with your card. The cashier calls her supervisor and the fact that your card has been declined is discussed between the two of them for all queuing behind you to hear. You are referred to customer services without any explanation.

After waiting in the queue for quite a while at the customer services desk, the employee motions you to come to the desk and mumbles "what is the problem?" Before you are able to explain your problem, the employee rudely demands to see your identification and bank card. Whilst looking very irritated he stands up from his desk and disappears for a while. After a couple of minutes he returns and rudely declares that the he cannot rectify your problem and advises you to contact your bank without providing any further explanation.

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you **agree with each of the following statements if this incident happened to you**.

Statements	Strongly disagree				Strongly agree
	1	2	3	4	5
I would consider this incident in a serious light	1	2	3	4	5
This incident would make me angry	1	2	3	4	5
This incident would be an unpleasant experience for me	1	2	3	4	5
I believe that this incident is inexcusable	1	2	3	4	5
This incident cannot be ignored	1	2	3	4	5
I feel that this type of incident should not occur again	1	2	3	4	5
This incident would be a big problem to me	1	2	3	4	5
This incident would be very inconvenient to me	1	2	3	4	5

In summary, on a scale from 1 to 5 where 1 indicates a '*minor service failure*' and 5 a '*major service failure*', **how problematic would you rate the service failure in the above scenario?**

Minor service failure				Major service failure
1	2	3	4	5

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements regarding your **online complaint behaviour in response to the incident described above**.

Statements	Strongly disagree			Strongly agree	
	1	2	3	4	5
I would be willing to complain online	1	2	3	4	5
If I have a choice I would complain online to the store	1	2	3	4	5
I would feel positive about complaining online to the store	1	2	3	4	5
Complaining online in this instance will have the desired effect	1	2	3	4	5
I would seriously consider complaining online	1	2	3	4	5
I would complain online rather than using any other alternative complaint method	1	2	3	4	5
I would be likely to complain online	1	2	3	4	5
If I experienced success from a prior complaining experience I would be more willing to complain online	1	2	3	4	5
If I know that the store's complaint policies and practices are fair I would be more willing to complain online	1	2	3	4	5
If I did complain previously and I was treated fairly by employees I would be more willing to complain online	1	2	3	4	5

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements **if you lodged an online complaint in response to the incident described above**.

Statements	Strongly disagree			Strongly agree	
	1	2	3	4	5
An immediate response from the store is required	1	2	3	4	5
The store should go out of its way to rectify the situation	1	2	3	4	5
Store management should be highly responsive	1	2	3	4	5
Management should intervene immediately	1	2	3	4	5

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements with regard to the **service recovery you would expect to rectify the events described in the incident above**.

Statements	Strongly disagree			Strongly agree	
	1	2	3	4	5
I only expect a sincere apology from the store	1	2	3	4	5
I only expect assistance from the store to fix the problem	1	2	3	4	5
I only expect compensation (free service, refund, gift, discount) from the store	1	2	3	4	5
I expect a sincere apology and assistance from the store to fix the problem	1	2	3	4	5
I expect a sincere apology and compensation (free service, refund, gift, discount) from the store	1	2	3	4	5
I expect assistance to fix the problem and compensation (free service, refund, gift, discount) from the store	1	2	3	4	5

Thank you for taking the time to complete this survey!

APPENDIX B:

PILOT STUDY QUESTIONNAIRE

Online complaint intention and service recovery expectations questionnaire of clothing retail customers

This questionnaire is designed to obtain feedback from you on your online complaint intention and the strength of service recovery you expect after experiencing a service failure at any offline or online clothing retailer. The results from this survey will be used to determine the online complaint intention and service recovery expectations of clothing retail customers in the Johannesburg metropolitan area regarding clothing retailers where clothes are bought.

Taking part in this survey is completely voluntary and anonymous. The questionnaire should take no more than 15 minutes of your time. Your co-operation is appreciated.

The questionnaire consists of four sections.

When evaluating the questions, please answer the question from your own perspective.

Thank you for taking the time to complete this survey.

Should you have any questions, please feel free to contact:

Simonne Fourie: 018 299 1424 or simonnefourie@gmail.com

Screening questions

Do you currently have access to the Internet via a personal computer, laptop, tablet or any handheld device?

Yes	1
No	2

Do you purchase your own clothing?

Yes	1
No	2

If your answer is 'Yes' to both screening questions, please continue with sections A, B, C and D. If your answer is 'No' to any one of the screening questions, you do not have to complete the rest of the questionnaire.

Indicate your answer by placing a cross (X) in the appropriate block or complete where required.

SECTION A – DEMOGRAPHICS

How old are you?

18 to 26 years	1
27 to 35 years	2
36 to 47 years	3
48 to 66 years	4
67 years and older	5

What is your highest level of education?

Primary school completed	1
Some high school	2
Matric / Grade 12	3
Tech diploma/degree	4
University degree or postgraduate degree	5

What is you gender?

Male	1
Female	2

What is your home language?

Afrikaans	1
English	2
Nguni (Zulu, Xhosa, Swati, Ndebele)	3
Sotho (Sepedi, SeSotho, Tswana)	4
Venda/Tsonga	5
Other, please specify:	6

What is your employment status?

Full-Time employed	1
Part-Time employed	2
Self-employed	3
Student	4
Housewife or Househusband	5
Retired	6
Unemployed	7
Other, please specify:	8

What is your personal income that you take home every month (net income)?

Less than R3 000	1
R3 001 – R6 000	2
R6 001 – R13 000	3
R13 001 – R26 000	4
R26 001 – R51 000	5
R51 001 or more	6
Not specified	7

How often do you shop for clothing?

Every day	1
Not every day, but more than once a week	2
Once a week	3
Less than once a week, but more than once a month	4
Once a month	5
Less than once a month	6

SECTION B – ONLINE BEHAVIOUR

How often do you use the Internet?

Every day	1
Not every day, but more than once a week	2
Once a week	3
Less than once a week, but more than once a month	4
Once a month	5
Less than once a month	6

Have you ever complained online?

Yes	1
No	2

If you are unhappy about a store's service, where would you most likely complain (select only ONE option)?

In-store customer services	1
Friends and family	2
The retailer's website	3
Social media (Facebook/Twitter)	4
General complaint sites	5
Government agency website	6
Other	7

SECTION C – GENERAL ATTITUDE TOWARDS COMPLAINING

On a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', indicate the extent to which you agree with each of the following statements.

	Statements	Strongly disagree				Strongly agree
1	Complaining is a customer's right	1	2	3	4	5
2	I always complain when I am dissatisfied because I feel it is my duty	1	2	3	4	5
3	Complaining is not easy, but should be done when 'things' are not right	1	2	3	4	5
4	I always feel better when I have voiced my dissatisfaction through a complaint	1	2	3	4	5
5	I do not consider complaining about something as distasteful	1	2	3	4	5
6	I usually feel less frustrated after I have complained	1	2	3	4	5
7	I do not believe that people who have little else to do are the ones who complain the most	1	2	3	4	5
8	I am not embarrassed to complain no matter how bad the product/service was	1	2	3	4	5

SECTION D – SERVICE FAILURE SCENARIO

SERVICE FAILURE SCENARIO

When buying clothing with your bank card at a well known clothing retailer, you learn that the cashier is unable to process the transaction with your card. The cashier calls her supervisor and the fact that your card has been declined is discussed between the two of them for all queuing behind you to hear. You are referred to customer services without any explanation.

After waiting in the queue for quite a while at the customer services desk, the employee motions you to come to the desk and mumbles "what is the problem?" Before you are able to explain your problem, the employee rudely demands to see your identification and bank card. Whilst looking very irritated he stands up from his desk and disappears for a while. After a couple of minutes he returns and rudely declares that he cannot rectify your problem and advises you to contact your bank without providing any further explanation.

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you **agree with each of the following statements if this incident happened to you**.

	Statements	Strongly disagree				Strongly agree
1	I would consider this incident in a serious light	1	2	3	4	5
2	This incident would make me angry	1	2	3	4	5
3	This incident would be an unpleasant experience for me	1	2	3	4	5
4	I believe that this incident is inexcusable	1	2	3	4	5
5	This incident cannot be ignored	1	2	3	4	5
6	I feel that this type of incident should not occur again	1	2	3	4	5
7	This incident would be a big problem to me	1	2	3	4	5
8	This incident would be very inconvenient to me	1	2	3	4	5

In summary, on a scale from 1 to 5 where 1 indicates a '*minor service failure*' and 5 a '*major service failure*', **how problematic would you rate the service failure in the above scenario?**

Minor service failure				Major service failure
1	2	3	4	5

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements with regards to the **strength of service recovery you would expect in the incident above**.

	Statements	Strongly disagree				Strongly agree
1	An immediate response from the store is required	1	2	3	4	5
2	The store should go out of its way to rectify the situation	1	2	3	4	5
3	Store management should be highly responsive	1	2	3	4	5
4	Management should intervene immediately	1	2	3	4	5

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements with regards to the **service recovery you would expect to rectify the events described in the incident above**.

	Statements	Strongly disagree				Strongly agree
1	I only expect a sincere apology from the store	1	2	3	4	5
2	I only expect assistance from the store to fix the problem	1	2	3	4	5
3	I only expect compensation (free service, refund, gift, discount) from the store	1	2	3	4	5
4	I expect a sincere apology and assistance from the store to fix the problem	1	2	3	4	5
5	I expect a sincere apology and compensation (free service, refund, gift, discount) from the store	1	2	3	4	5
6	I expect assistance to fix the problem and compensation (free service, refund, gift, discount) from the store	1	2	3	4	5

Based on the above service failure scenario, indicate on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*', the extent to which you agree with each of the following statements regarding your **online complaint behaviour in response to the incident described above**.

	Statements	Strongly disagree				Strongly agree
1	I would be willing to complain online	1	2	3	4	5
2	If I have a choice I would complain online to the store	1	2	3	4	5
3	I would feel positive about complaining online to the store	1	2	3	4	5
4	I believe complaining online in this instance will have a positive outcome	1	2	3	4	5
5	I would seriously consider complaining online	1	2	3	4	5
6	I would complain online rather than using any other alternative complaint method	1	2	3	4	5
7	I would be likely to complain online	1	2	3	4	5
8	If I experienced success from a prior complaining experience I would be more willing to complain online	1	2	3	4	5
9	If I know that the store's complaint policies and practices are fair I would be more willing to complain online	1	2	3	4	5
10	If I did complain previously and I was treated fairly by employees I would be more willing to complain online	1	2	3	4	5

Thank you for taking the time to complete this survey!

APPENDIX C:

ASSISTANCE IN STATISTICAL ANALYSIS

NORTH-WEST UNIVERSITY
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NOORDWES-UNIVERSITEIT
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Tel (018) 299 1111   Fax (018) 299 2799
http://www.puk.ac.za

Statistical Consultation Service
Tel: (018) 299 2018

Faxs: (018) 299 2557

To whom it may concern

12 August 2013

Re: Dissertation S Fourie, student number: 21391203

We hereby confirm that the Statistical Consultation Service of the North-West University has analysed the data and assisted with the interpretation of the results.

Kind regards

Mrs J W Breytenbach (MSc)

APPENDIX D:

ASSISTANCE IN LANGUAGE EDITING

Elsabeth Marnitz

6 November 2013

TO WHOM IT MAY CONCERN

I, ELSABETH MARNITZ, hereby declare that the DISSERTATION submitted in fulfilment of the requirements for the degree of MASTER OF COMMERCE of SIMONNE FOURIE with the title

INVESTIGATING ONLINE COMPLAINT INTENTION AND SERVICE RECOVERY EXPECTATIONS OF CLOTHING RETAIL CUSTOMERS

has been language edited by me.

_____

ELSABETH MARNITZ

720004392 (University of Johannesburg)

Cell: 083 501 1545

APPENDIX E:

ASSISTANCE IN TECHNICAL EDITING

TO WHOM IT MAY CONCERN

I hereby declare that the dissertation titled

Investigating online complaint intention and service recovery expectations of clothing retail customers

by

Simonne Fourie

have been checked and corrected technically, which includes all figures, tables and the layout of the text as well as the aspects of the contents.

EP Beukes

November, 2013