THE PATTERN OF CUSTOMER COMPLAINT BEHAVIOUR IN PUBLIC TRANSPORTATION

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Abstract

Service providers must understand that they have to provide customer-perceived value, if they want to stay in business. One of the best ways to determine customer-perceived value is to encourage customer complaint. This will make it easier to identify areas of the service process which the consumer believes must be improved. The ultimate goal of our thesis is to identify and establish the patterns of customer complaint behaviour in public transportation which is a part of the service sector. If patterns are identified, it will be much easier to encourage and predict customers’ abilities and willingness to complain during a service process. Hence, service providers will be able to create an environment that can encourage and facilitate customer complaint processes. In this regard, service providers will obtain more information that will enable them to improve the quality of their services in order provide customer-perceived value. In addition, due to the fact that services are offered at the same time when the customer is there, this increases chances of customers seeing failures. Therefore, it is vital to make it easier for customers to be able to complain as soon as they perceive these failures so that they leave the service environment satisfied. Thus, understanding the pattern of customer complaint behaviour will make this process easier. By pattern, we mean sequence and therefore, there must be factors that influence this sequence. Our thesis shall focus on three main factors; cost, contextual resources and customer’s competence, that influence the ability, willingness and the extent to which customers will engage in a complain process. Therefore, this thesis focuses on the following:

- What is the pattern of customer complaint behaviour in public transportation and how do cost, contextual resources and customer’s competence impact this pattern?

However, we shall also mention other external factors that may influence the pattern of customer complaint behaviour like market structure and service characteristics. It is imperative to understand customer complaint behaviour in service because through customer complaint, customers’ quality expectations can be determined and met. Studies reveal that, although complaint channels may exist, some customers still do not complaint. In our survey, only 21.6% of respondents who encountered a service failure actually complained implying that 78.4% of the respondents who encountered an unfavourable service experience did not complain. What could be the reasons that customers who encounter problems do not complaint, although they would want to complain?
Above all, if there is something to be learnt from customer complaint behaviour, we think that it should be the patterns of customer complaint behaviour. This is because if patterns can be identified, then the right channels can be put in place by service providers in order to encourage and facilitate the complaint process. This will enable much information to be obtained from the customers and then used to make improvements in the service offerings and processes. In this regard service quality and customer satisfaction can be increased. This will lead to customer retention and higher profits for the company as well as prevent negative word-of-mouth.

In this thesis, we identified patterns of customer complaint behaviour in service with a focus in public transportation by using data from the passengers of the public bus companies of Karlstad city and the intercity bus company (SWEBUS) as bases of our research. In our questionnaire we asked customers to indicate the strength of preference for a complaint channel they would use in order to make a complaint to the bus company in the event of a negative service experience. The results were ranked in order to determine the pattern of customer complaint behaviour in public transportation. We approached this topic by revealing the importance of understanding customer complaint behaviour and using this knowledge to improve service development. We proceeded by emphasising on the importance of viewing customer complaint behaviour from the perspective of service dominant logic.
Acknowledgement

We would like to seize this opportunity to thank the numerous people who have been directly and indirectly supportive to us in order to make this thesis a success. After several months of intensive research and analysis, we are very happy that we have been able to arrive at the conclusion of this research of which a great part of it could only be accomplished through field study.

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he were always available for interviews and their responses were of significant importance. Their arguments and opinions about the customers and the efforts made by the company to redress customer complaint was valuable information to us. They also gave us internal documents which was helpful in this research.

Finally, and most importantly our sincere appreciation goes to the people of Karlstad and those who were not living in Karlstad, but participated in our survey. This project could never have been realisable if you were not willing to take some of your time to fill out our long questionnaire. To the students of Karlstad University, we say thank you not only for filling out the papers but for giving knowledgeable feedback which helped improve the design of our questionnaire in order to facilitate understanding. For the people in the city, we thank you for taking time out while relaxing in the parks to talk and listen to us. We also extend appreciation to those who accepted to delay their shopping just to fill out our paper. We are also grateful to the drivers who allowed us to interview people while the bus was moving. Above all, we want to thank those respondents who allowed us to carry out a more detailed and interactive interview with them. Thank you for your time and patience.

We must say that the people of Karlstad are friendly, polite and respectful. The multi-cultural and ethnic diversity of the people was of great help because they gave good comparisons with bus services in other countries. In addition, a lot of them had experiences with bus services in other countries and their responses provide a solid platform to make generalisations about patterns of customer complaint behaviour within the public transportation industry. We also thank you for sharing your personal life experiences with us. We can proudly say that we know much about the people of Karlstad. We would miss this beautiful city especially its beautiful lakes and trees.

This research project has proven to us that if we listen to each other, together we can overcome all our difficulties. We would like to assure the people of Karlstad that their voices (complaints) were heard and the management of Karlstad city bus promised us that improvements were being made and that the complaints of the customers are being taken serious and will be addressed.

Karlstad, 17 December 2009
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1. Introduction

“The best thing a company can do is to make it easy for the customer to complain. Listening is not enough, however. The company must respond quickly and constructively to the complaints. Of the customers who register a complaint, between 54 and 70% will do business again with the organization if their complaint is resolved. Customers who have complained to an organization and had their complaint satisfactorily resolved tell an average 5 people about the good treatment they received” (Kotler, 2003, p.73). Normann and Ramirez (1993, p.69) mentioned that “the key to creating value is to co-produce offerings that mobilize customers.” Prahalad and Ramaswamy (2000) in line with this opinion postulated that the market has become a venue for proactive customer involvement, and they supported the view for co-opting customer involvement in the value-creation process. In this regard, the “customer becomes primarily an operant resource (co-producer) rather than an operand resource (“target”) and can be involved in the entire value and service chain in acting on operand resources” (Vargo and Lusch, 2004, p.11). For example, Gummesson (p.247, 1998) argued that “if the consumer is the focal point of marketing, value creation is only possible when a good or service is consumed. An unsold good has no value, and a service provider without customers cannot produce anything.” Based on these assertions, it is clear that the customer has become very vital for the existence and survival of companies (service companies) and above all he is no longer simply a person who receives offerings from companies, but rather participates in the process of value creation of these offerings. To summarise, the customer has become a co-producer and co-creator of value. Therefore, this implies that the view and opinion of the customer should be taken more serious than ever before and one of the ways this can be achieved is through the encouragement and facilitation of customer feedback of which customer complaint is inclusive. This is the reason why the understanding of customer complaint behaviour in service is now becoming very important, especially due to its vitality as a source of information and knowledge in service development and value creation. Service providers should note that “unhappy Customers are frequently an untapped source of ideas for change, and at the same time, if consulted, can be won over to become loyal clients” (Anton, 1996, p.31). “When you build a plant, it starts depreciating the day it opens. The well-served customer, on the other hand, is an appreciating asset” (McGravey, 1995). “Across a wide range of business, the longer a company keeps a customer, the more money it stands to make.”(Anton, 1996, p.11). Understanding and encouraging customer complaint is a bridge to success and enables a service provider build his business on a ‘solid foundation’ because customers’ expectations can be met through co-creation and value-in-use.
Service has become very important to the economies of many countries, both in the developed and developing world. For example, the service sector contributes nearly 67.8% to the Gross Domestic Product of the United States of America and in 2007 the service sector contributed almost 78.5% to the GDP and the industrial sector or manufacturing sector contributed 20.5% (Economy Watch). The service sector contribution to GDP to the economy of Brazil in 1980 was 45% and in 2006 it increased to 64%, in Mexico it was 59% in 1980 and 69% in 2006 and in Venezuela which is a major oil exporter, it was 49% in 1980 and 54% in 2006 (World Bank National Account Data). The growth and importance of the service sector has led to new perspectives in the way services are now viewed by companies (service providers and manufacturers) and this has led to the emergence of the service- dominant logic in marketing introduced by Vargo and Lusch (2004) and supported by many scholars. According to Vargo and Lusch (2004, p.1), these “new perspectives are converging to form a new dominant logic for marketing, one in which service provision rather than goods are fundamental to economic exchange.” They stipulated that the service-centred dominant logic implies that value is defined by and co-created with the consumer rather than embedded in output. This implies that the service-centred view is customer-centric (Sheth et al, 2000) and market driven (Day, 1999), that is collaborating and learning from customers in order to adapt to their individual and dynamic needs which is ever changing and becoming more complex. According to Lusch and Vargo (2004), operant resources influence the way operand resources are used in the complaint process and this is due to the fact that operand resources are the producers of effects and as a result can influence the ability of the way the customer will make use of the operand resources in order to make his or her message understood. The “configuration of the operant resources influences how customers employ their operand resources in the complaint process and their use of the company’s operand and operant resources (Arnould et al. 2006, Tronvoll, 2008). The environment which includes social, cultural as well as situational aspects surrounding the complaint process is also an integrated part of the complaint process, will influence the way complaint behaviour will be expressed (Tronvoll, 2008). The “context may encourage or inhibit the complaint process to evolve, for example, missing a complain channel or the complaint process is currently too complicated and the contextual situation provides a better opportunity to understand why some customers complain and some do not when the context changes” (Tronvoll, 2008, p.10).
With the cost of keeping a customer only 20% of the cost of getting a new one, the smartest business move service providers should make is to spend money evaluating and improving their customer relationships (Anton, 1996). “Complaint and complaint management can be the key to future sales. If reducing complaints is a shortcut to oblivion, increasing complaints is the road to stardom. Every complaint is actually a very valuable piece of business intelligence” (Anton, 1996, p.134). Therefore, it is clear that the service-centred view is “consumer-centric and relational”(Vargo and Lusch, 2004, p.12) and this can therefore make it possible for the consumer and service provider to learn from each other, thus maximising service provision and value creation (including value-in-use on the part of the customer).

Gronroos (2000, p.24-25) also supported this view by stating that, “Value for customers is created throughout the relationship by the customer, partly in interactions between the customer and the supplier or service provider. The focus is not on products but on the customers’ value-creating processes where value emerges for customers and is perceived by them,…the focus of marketing is value creation rather than value distribution, and facilitation and support of a value-creating process rather than simply distributing ready-made value to customers.” Therefore, through customer complaint behaviour, service providers can be consumer-centric as well as solidify their relationships with their customers, thus making it possible for the above mentioned views to be realisable. Remember that “every complaint is actually a very valuable piece of business intelligence”(Anton, 1996, p.134). The focus of marketing is now drifting away from tangibles to intangibles such as skills, knowledge, information and more emphasis is now being laid on interaction with customers as well as building closer relationships with them (Vargo and Lusch, 2004). Through these changes the service provider can and is in a better position to know and anticipate his customers’ needs and wants as well as understand how they use the services provided. In this regard, the service provider can make adjustments to ensure greater satisfaction in terms of value-in-use for the customer. The customer is the ultimate evaluator of quality and value. For example, “science has moved from a focus on mechanics to one on dynamics, evolutionary development, and the emergence of complex adaptive systems”(Vargo and Lusch, 2004, p.15). Based on this example, it is clear that adaptation to customers’ needs and wants has become vital in creating a successful service which meets customers’ expectations. Due to the fact that operant resources are intangible, continuous and dynamic as well as produce effects, it is therefore important that service providers design their service processes in such a way that can enable operant resources to be prominent in sustaining their relationship with the customer.
Understanding of the pattern of customer complaint behaviour is a potential platform on which operant resources can be developed as well as exploited to its highest possible potential to improve the overall service quality, hence customer value and satisfaction. The service-dominant logic acknowledges the importance of the operant resources in creating value for the customer in marketing and as a result of this view, customer complaint behaviour in this report will be based on the perspective of the service-dominant logic.

Due to the fact that service quality is when a “service should correspond to the customers’ expectations and satisfy their needs and requirements” (Edvardsson, 1997, p.33), customers’ needs and requirements can only be known when their complaints are listened to and solved. By understanding the pattern of customer complaint behaviour, this goal can be achieved. Since service employees are in direct contact with the customers within the service interactions, they are able to quickly identify service failures, either by their own perception or by customers’ remarks. In order to make “this information available for systematic service recovery management, service providers implement systems that let the employees transfer the respective information to the right place in the company” (Bruhn and Georgi, 2006, p.98). This implies that complaint information is “forwarded to the right person or the right department: the so-called ‘complaint owner’ is defined, the person or organisational unit responsible for the complaint until it is resolved” (Bruhn and Georgi, 2006, p.98).

Customer feedback including complaint is very important in helping service companies or providers improve their offerings, hence meet customer expectation, since the customer is the ultimate determiner of quality. Formell and Wernefelt (1987); Maxham 3 and Netemeyer (2002); Szymanski and Henard (2001); Tax et al (1998); Voorhees et al. (2006) all postulated that feedback from your customers which includes customer complaint can greatly contribute to the marketing success, hence overall business success of a company. Since complaint behaviour is a vital component of feedback it is therefore important for service companies to understand the logic of customer complaint behaviour and especially how customers express their negative impressions (Tronvoll, 2008) because these negative impressions reflect the extent to which a customer is dissatisfied with a service and if he or she is not provided a solution, this would definitely lead to decrease in purchase, switch to another service provider or even begin to spread negative information about his or her experience to potential customers. This will strengthen loyalty and improve the financial performance of the company because loyal customers are more likely to spread positive words of mouth
(Blodgett and Anderson 2000; Reichheld and Sasser Jr. 1990; Shields 2006) and this can further attract more customers who would be loyal because customers who are recommended tend to have longer relationship with a company than those who come by themselves. Recommendation may be more convincing than an advertisement. A service company that successfully handles the complaint of its customers could be boosting their investment returns by 30-150% (Brown, 1997). Therefore, building loyalty bonds by effectively handling customer complaints can increase the chances of service companies to generate or widen profit margins. This is a reason why according to Tax et al. (1998), successful companies actually encourage dissatisfied customers to complain.

Generally service quality in this public transportation was rare or unheard of probably because they were monopolies and were owned by the state. However, today customers demand greater quality and so public transportation which is vital to the economic sustainability of many cities and nations is now under pressure for better services in order to meet customer expectations. In many cities in the world public transportation companies operated in monopolistic market structures but today new and alternative forms of transportation has led to the emergence of competition in this industry. In this regard, alternative modes of transportation in the city have transformed the markets in which transport companies operate; from monopolistic market structures to competitive market structures. This change in market structure has led to an increase in customer complaint, hence influencing the pattern of customer complaint behaviour. The emergence of customer complaint behaviour in public transportation has made it possible for customers to give feedback on the service performance of these companies and where it should be in future in relation to customers’ expectations.

We approached this topic by revealing the importance of understanding customer complaint behaviour and using this knowledge to improve service development. We proceeded by emphasising on the importance of viewing customer complaint behaviour from perspective of the service dominant logic. In addition, we described the various complaint channels used in our survey and their impact on customers’ ability to complain. We also looked at the underlying factors that influence patterns of customer complaint behaviour. We discussed about the market structures and their impact on customer complaint behaviour.
2 Background and Theory

This chapter provides a deeper understanding of customer complaint behaviour and its importance. Thereafter, it provides a vivid description of customer complaint behaviour and complaint channels and complaint barriers (Cost, Contextual Resources and Customers Competence) that prevent or discourage customers from complaining hence affect their pattern of complaining. Market structures and service characteristics are also explained in this chapter because research has proven that they impact customers’ complaint decisions, hence the pattern of customer complaint behaviour.

2.1 Customer Complaint Behaviour and its Importance
What is customer complaint behaviour and why is it so important in services like Public transportation?

According to Tronvoll (2008, p.8) Customer complaint behaviour is a “process that emerges if the service experience lies outside a customer’s acceptance zone during the service interactions or in the evaluation of the service-in-use” and this unfavourable experience can be expressed verbally or non-verbally by the customer which can be described as verbal or non-verbal communication (Tronvoll, 2008). For a complaint to be initiated, the customer must have encountered a negative service experience which may have led to a negative critical incident which now triggers a complaint process in which the customers’ complaint behaviour is manifested. According to Tronvoll (2008, p.9) a negative critical incident is “an incident that has the potential to have an adverse effect on the customer’s attitude or behaviour towards the service company” and it occurs during an unfavourable service experience which is “an experience that causes customers to form negative cognitive and emotional impressions, which ultimately results in a negative mental mark or memory” (Tronvoll, 2008, p.9; Edvardsson et al. 2005b). This may initiate a complaint process which according to Tronvoll (2008) embodiment of the customer’s complaint behaviour and the surrounding resources (time, money, complaint channels) interacting with that behaviour. The resources may directly or indirectly influence his complaint behaviour.

Therefore, customer complaint behaviour must not just be regarded as a simple expression of ones negative feelings or experience during and after the consumption or usage of a good or service. Rather, it should be viewed as a “behavioural process”(Tronvoll, 2008, p.3) that is
influenced by several factors that go beyond the service or good being purchased and consumed. In this regard, customer complaint behaviour must be viewed as Tronvoll (2008, p.3) describes it “a behavioural process that occurs during service interaction, in addition to being a post-interaction process as envisaged in existing models.” For example, scholars like Day (1980), Day et al. (1981), Landon (1980), Stephens (2000), Day and Landon (1977); Hirschman (1970), Richins (1983b, 1987), Singh (1988), view customer complaint as a process that occurs after a product (Services and goods) has been bought and consumed. This is contrary to Tronvoll’s definition which emphasises not only on the role of the customer but also on the dialogue with the service provider. By focusing on the role of the customer and the dialogue between the customer and the service provider, Tronvoll’s definition gives room for the operant resources to play a major role in defining customer complaint behaviour. The definition of the earlier scholars reflects the views of the product-dominant logic which considers customer complaint to be a process that occurs after sales whereas that of Tronvoll reflects the views of the “service-dominant logic” (Vargo and Lusch, 2004) which is customer centric and lays emphasis on the interactive and relationship building process between the customer and the service provider. In addition, the service-dominant logic considers services to be the main value stream in any exchange process between the customer and the service provider. “A customer complaint model based on the service-dominant logic perspective must therefore include reactions of the value-in-use during and after the service interaction” (Tronvoll, 2008, p.6), and must include other factors that can influence the customers complaint behaviour both directly and indirectly. Consequently, this thesis describes customer complaint behaviour from the perspective of the service-dominant logic and also considers the factors (cost, contextual resources and customers’ competence) that influence their pattern of complaining. This is because, we believe that customer complaint viewed from this perspective is more realistic and relevant to today’s business environment which lays emphasis on the customer as well as creating value for the customer as perceived by the customer. “In today’s atmosphere of international competition, the only way a company can distinguish itself in the marketplace is by adding customer-driven value to its basic service. This means offering additional or supplemental services above and beyond what the client has requested, thus making the company a more attractive choice. Loyal customers expect a good price, but they crave value most of all” (Anton, 1996, p.19). “The winners of the new millennium will be those who can develop a culture that allows them to move faster, communicate more clearly, and involve everyone in a focused effort to serve the ever more demanding customers (Anton, 1996, p.4).
Customers are generally perceived by service providers as not knowing what they want; consequently, their complaints are not taken serious or sometimes ignored. However, our research has revealed to us that although customers may not know what they want, they know what they do not want. Their complaint are evidence to show that they know what they do not want and can sometimes not tolerate poor and low quality services from service providers. Although they complaint more than they give proposals for improvements, these proposals could be of significant knowledge and information (operant resources) to the service provider. This could enable him improve the quality of his service as perceived by the customer thus meeting the customer’s expectation. Therefore, in this regard, customer complaint will enable the customer to become an operant resource in the exchange process. It is therefore the role of the service provider to figure out how these complaints could be transformed into positive solutions. So if service providers can listen and encourage customers to complain, they will avoid producing or providing services that the customer is not willing to pay a price for. In our case study on public transportation in Karlstad, we found out that only 22% of customers who actually encountered a negative service experience actually complained and 78% did not complain. This implies that roughly 1 out of every 5 customer who encountered a problem actually complained. According to Plymire (1991), every complaint the average business receives represents about 2,000 unvoiced complaints about the same issue. “The American Management Association estimates that the average company may lose as many as 35 percent of its customers every year, adding up to several million dollars of lost revenue (Anton, 1996, p.133). That’s why customer complaints must be taken serious. According to Lawton (1991) at any point in time, 27% of the customers of a company are dissatisfied enough with the services of that company to the extent that they can stop doing business with it and yet only 4% complain. Ironically, the problems of non-complainants are usually relatively easy to solve. Therefore, if companies could encourage dissatisfied customers to complain, they could retain many of them. Understanding customer complaint behaviour could enable service providers to transform challenges into opportunities. A company that listens and understands its customer complaints can easily enhance its Social Corporate Responsibility position because complaints made by few inevitably represents the views of many non-complainers, who could also be stakeholders. By addressing problems in public transportation in Karlstad’s bus company, challenges will become opportunities.

Hospitality right from the start can really make a difference because suggesting things to do for the customer or to listening to him is in-expensive and creates much value for both the
customer and the service provider. It leads to ‘positive words-of-mouth advertising’ and it is the most in-expensive but the most valuable type of advertisement. Moreover, solving as well listening to a customer’s complaint gives him self esteem as well as preserves his ergo, which in turn might increase loyalty as well as motivate him to recommend the services of company to others. Customers who are recommended tend to stay longer with the firm than those who come by themselves. Same as employees who are recommended tend to be more loyal to employers than those not. This is because these employees want to preserve the integrity of the person who has recommended them and by so doing they tend to be more dedicated to their work.

In a service or production process, it is cheaper to check for quality (quality control) during the process than after the process, because quality control after the process does not add value to the final product or service, but rather generate cost. “Failures of products or services can generally cause negative value effects on both the cost side, because of redoing activities, and the revenue side, via customer dissatisfaction” (Bruhn and Georgi, 2006, p.91). This implies that it is important for the service provider to ensure high service quality management, not only as a means to satisfy customers but also to save cost of operating the business. “This fact is supported by the 1:10 rule which explains that at each production stage the cost of failure is 10 times higher than correcting the failure one stage earlier”(Bruhn and Georgi, 2006, p.93). Listening to customer complaints during the interaction process and attempting to solve them creates value both to customer and the service provider. The customer’s problem, if solved on the spot creates satisfaction and prevents negative word-of-mouth, thus protecting the image of the service company. In a situation where the problem cannot be solved on the spot, the service provider could apologise and promise to resolve the problem or even offer alternatives or compensation. This gesture is more likely to satisfy the customer and prevent him from leaving the service area unhappy. Such a customer is more likely to repeat a purchase, hence loyalty.

So the willingness to listen and make propositions to customers is a valuable contribution to the service quality from the customer’s perception. A complaint is an opportunity for improvement. If customers are dissatisfied, they would probably not come back. The ability to listen and to understand the customer’s needs and wants as well as expectations is one the most vital starting point of designing and creating a quality service that meets customers’ expectations.
2.2 Customer complaint behaviour and complaint channels

Grønhaug and Gilly (1991) suppose that the greater tendency to complain about the service industries may be linked to the fact that the services are difficult to standardise. A complaint usually takes the form of direct approach to frontline employees or to management, although it might be channelled through third party. This is referred to as internal communication and the primary purposes of communication directed to the service company are to seek attention from the provider and to secure an adjustment in the service process. In addition the customer might wish to receive an apology or some form of compensation. External communication to friends, relatives has long been recognised as an important force in the marketplace. The main purpose of this communication (external) is to warn potential and existing customers or other stakeholders about the negative impression created through the service process. If negative word of mouth is received from sources that are viewed as credible, it is likely to have significant influence on customers evaluations than information received from commercial sources (Richins, 1983a).

One of the earliest classifications of ways by which customers’ complaint after a negative service experience was suggested by Hirschman (1974) as follows; Exit, voice and loyalty. He considers exit as breaking the relationship with the company in question and as an active response to dissatisfaction. Voice involves communicating the dissatisfaction to the company, hence giving the organisation a chance to recover and improve. Loyalty has been conceptualized by Hirschman (1974) as inactivity. Consequently, this concept has been refined and adapted by many scholars. Day and Landon (1977) proposed a two-level hierarchical classification schema of CCB. The first level separates behavioural (action) and non- behavioural responses (no action), while the second level distinguishes between private actions (e.g. WOM) and public actions (e.g. complaining to a consumer advocate group). Richins (1983b) recognized that complaining behaviours involve at least three activities: switching, making a complaint to the seller, and telling others about the purchase/consumption experience. (See Appendix 4, Figure 1 for an expanded version of Day and Landon Model by Mattila and Wirtz, 2004). In the proposed 4th level of the model expanded by Mattila and Wirtz (2004), having decided the consumer having decided to under take formal complaint channel, can choose between a complaint medium based on the degree of interaction associated with that particular channel. In the fifth level which is also an expansion by Mattila and Wirtz (2004), direct face-to-face or phone complaining which are
interactive channels and written communication like posted letters or electronic messages can be considered as remote communication.

Earlier studies consider redress seeking and venting of frustration as two main reasons why people complaint (e.g. Blodgett et al., 1997). “Redress seeking is the remedy and rectification of a problem, or “righting a wrong” (Mattila and Wirtz, 2004, p.3). Through redress seeking, the consumer is seeking restitution in an amount equivalent to the imbalance that they attached to the dissatisfactory situation (Adams, 1965; Deutsch, 1975). Due to the fact that the redress-seeker wants to receive compensation because of the dissatisfactory situation (Deutsch, 1975), “this type of complainer is hypothesized to choose interactive channels to voice their complaint” (Mattila and Wirtz, 2004, p.3). Interaction process allows the complainant to clarify matters, explain in detail, observe the other party’s body language and even show actions like anger, frustration, and urgency that may lead to a faster resolution of problem (Kaufman, 1999). “Redress-seeking complainants are more likely to use interactive than remote channels‖ (Mattila and Wirtz, 2004, p.3). Venting of frustration allows for a release of stress due to feelings of distress experienced in dissatisfying experiences (Mattila and Wirtz, 2004). It aimed at releasing frustration and unhappiness so as to feel better (Stiles, 1987; Kolodinski and Aleong, 1990; Kowalski, 1996; Richins, 1980). Allicke et al. (1992) postulated that the desire to vent frustration is the most common motivation (about 50 percent) of all complaints. Nyer (1997, 1999) found that although venting initially increased dissatisfaction, it subsequently led to increased levels of satisfaction. Due to the fact that venting is a “fire-and-forget” situation, with no reply from the firm expected or desired, the complainer may want to remain anonymous or at least “invisible/faceless” to reduce embarrassment and/or avoid a potentially ugly confrontation with the firm’s frontline staff (Mattila and Wirtz, 2004). This is the reason why for venting, complainants are more likely to use remote than interactive channels (Mattila and Wirtz, 2004). According to Hirschman’s theory (1970) it is the costs and potential gains of the two alternatives that influence complainers’ choice. The costs of exit depend on access to alternatives and to the degree of loyalty (Hirschman, 1970; Singh, 1991). Although Hirschman’s theory looks at the relationship between the two forms of protest, an empirical study of the three main forms is lacking. Studies have been done on the relation between voice and WOM (Bearden and Oliver, 1985; Richins, 1983; Singh, 1990b; Ping, 1997; Naylor and Klaiser. 2000) and Ping (1997) has considered the relation between satisfaction, exit costs and complaint behaviour. Hirschman (1970) is focusing on the situation of choice when a customer is dissatisfied. A
A recent study by Fortune magazine and the Forum Corporation (Keki R. 1995, p.28) found:

- Satisfied customers will tell an average of five other people about their positive experiences with a company's product or service.
- The average dissatisfied customer, however, will tell nine other people about a negative experience with a company's product or service.
- But 13% of dissatisfied customers will broadcast their unhappiness with a company's product or service to 20 others!
- 98% of dissatisfied customers never complain—they just switch to a competitor!
2.2.1 Communication behaviour
According to Tronvoll (2008:14, p.13-14) “Communication behaviour refers to the interactive process whereby the activity and the resources are altered into outcomes through purposeful social interaction.” It comprises of verbal and written communication using different communication channels with the common goal of making the intended message reach the service providers or third parties. Communication can also be non-verbal and this may be expressed through the form of signs, facial expressions, body postures and other acts which when interpreted by the recipient, he or she may determine what the donor wants or expect from him or her. Schramm (1973, p.3) states that communication is fundamentally a study of relationship and “society is a sum of relationships in which information of some kind is shared”. Lin (1973, p.9) defines communication as “the nature of human symbolic exchange”. So communication plays an important role in customer complaint behaviour either in the form of verbal or non-verbal manner depending upon different factors, attributes and situations.

2.2.1.1 Verbal communication: Tronvoll (2008:14, p.14) sub-divides this form of communication into three categories as follows:-

1. Informational interaction
2. Communicational interaction
3. Dialogical interaction

Informational interaction or mode is mostly preferred or used by customers when they want to give standardised messages or feedback to the company (Tronvoll, 2008:14). Communicational interaction or mode is used by customers who want to communicate relevant messages about a specific negative critical incident (Tronvoll, 2008:14). Dialogical interaction is the most important in customer complaint behaviour because the service provider and the customer can dialogue to the extent that they can learn from each other, thus enabling the service provider to obtain vital information and knowledge from the customer (Varey, 2002; Ballantyne, 2004). Therefore, this form of verbal communication is the most suitable for the service dominant logic because through it, the advantages of customer complaint behaviour from the perspective of the service dominant logic can be achieved. By so doing the service provider can improve his service design based on the customer’s ideas including needs and wants as well as taking into consideration his perception of value-in-use. His expectation can easily be met through the co-creation and co-production. For example, in our survey, this dialogical interaction was the most preferable form of communication the
customer will want to use in order to complain to the service provider (in our case the bus driver).

Usually customers who voice their concerns are effectively giving the company a second chance and this is the organization’s opportunity to solve the problem such that costs (like negative word-of-mouth, switching behaviour providers and lost turnover), can be prevented or minimized (Gruber et al, 2008). “Service provider must provide open lines of communications if they want customer to complain, then they can try to resolve their problems. If a customer voices by any other means (e.g complaining to business colleague) or exits, service provider find it difficult to find out why those customers are unhappy” (Colgate, 2001, p.215).

Verbal communication can be directed in two targets (Tronvoll, 2008:14) as follows:-

1. Service provider or company (Could be feedbacks or complaints)
2. Close friends and relatives as well as outsiders (negative word-of-mouth)

The first target which is service provider; refers to all the efforts made by the customer to make sure that he or she informs the service provider about the negative service experience or feedback. This usually takes the form of direct approach to frontline employees or to management. In our survey the questions that measured the extent to which customers will prefer this channel to voice their complaint were as follows:-

- Q1: Talk to the bus driver
- Q:2 Call the company
- Q5: Go to the company’s office

The second target which is close friends and relatives; refers to the third parties the customer might inform about the negative service experience. External communication to friends, relatives has long been recognised as an important force in the marketplace. The main purpose of this communication is to warn potential and existing customers or other stakeholders about the negative impression created through the service process. Information obtained from those we know or talk with directly tends to be more reliable and trustworthy than that received through more formal marketing channels. WOM hacked up by social pressure to conform to
these recommendations. Although information from impersonal sources is important for creating brand awareness, word-of-mouth is relied on in the later stages of evaluation and adoption (Martilla, 1971). In our survey, the questions that measured the extent to which customers will prefer this channel were as follows:

- Q6: Talk about it with a friend
- Q7: Talk about it with family
- Q10: Refer to the authorities
- Q9: Contact an organisation to protect your rights

This external communication is an important force in the marketplace (Luo 2007; Maxham iii and Netemeyer 2002) and must be taken serious by service providers. As our survey reveals and the analysis of the stages of the pattern of customer complaint behaviour, the customer only gets to this level when the service provider fails to listen to him or solve his problem on the spot and if not possible, give an apology. The general public likes this kind of information because it serves as an important and alternative source of information for them (Hugstad et al. 1987) which they would never get from the service provider. Consumers can take some form of public actions and these public actions involve people and organizations outside the consumer’s group in more formal ways. They may be seeking redress directly from the seller or manufacturer and taking legal action against the seller or manufacturer. A survey conducted by Andreasen and Best on consumer complaints and presented in Harvard Business Review in 1977, showed that Business executives have complained in the media of late that outsiders meddle too much in the relations between buyers and sellers. Their data suggested that "meddling" is very rare. The was only 1 out of 27 cases where customers were motivated to take any action about a problem and did ultimately talk with official third parties. And in more than 1 in 4 of these cases, they dealt with a business-sponsored agent like the Better Business Bureau or a professional association. Clearly, the complaint adversary system begins with business and only rarely moves to the public forum.

Research reveals that negative word-of-mouth has a stronger influence on customers’ evaluations of brands than positive word-of-mouth (Kahneman and Tversky 1979; Oliver 1997). The spreading of negative word-of-mouth has now been made easier and faster as well as cheaper through Information and Communication Technology which according to Brown (1997) dissatisfied customers inform others on average of 10 to 20 people. Information put on
the web can be downloaded by hundreds of viewers a day. For example, on YouTube consumers can download videos in which consumers voice their complaints about a product or service.

2.2.1.2 Written Communication
This form of complaint channel describes the efforts made by the customer, through written form such as complaint email, complaint letter or writing on the web for others to read including the service provider. Due to the fact that this form of communication is voiceless, we refer to it as a form of non-verbal communication. According to Barnum and Wolniansky (1989), Burgoon et al. (1990) and Mehrabian (1981) non-verbal communication is as important as verbal communication. In our survey, the following questions measured the extent to which customers will prefer this channel in order to make their complaint known. The questions are as follows:-

- Q3: Write a complaint email
- Q4: Write a complaint letter
- Q8: Write on the web

This form of communication (email) is becoming more important to the consumers because information technology has made it easier, faster, accessible and cheaper to use. One such prediction is that technology will facilitate customer complaints by offering new channels that reduce the time and effort required in the process (Brown, 1997; Shaffer, 1999; Tax and Brown, 1998). As barriers to complain are lowered by technology, the complaining frequency is expected to increase, thus increasing the chances for companies to increase customer satisfaction. In addition, there are some means by which technology might facilitate complaining and provide service firms with greater possibilities for effective service recoveries (Bitner et al., 2000; Brown, 1997; Shaffer, 1999; Tax and Brown, 1998; Hart et al., 1990). The increased accessibility of customer sales representatives via e-mail might encourage customers to complain. In particular, those customers who view complaining as time-consuming might act on the technology’s promise of quick action in resolving problems (Tax and Brown, 1998). By creating easy access to technology interfaces and explicitly educating customers to lodge complaints, it is argued consumers’ complaining behaviour will change (Tax and Brown, 1998). In particular, consumers who feel embarrassed about attracting attention might feel more comfortable complaining through a technological interface than directly to another person (Tax and Brown, 1998).
Communication can be used by consumers to spread negative word-of-mouth. Generally, information obtained from those we know or talk with directly tends to be more reliable and trustworthy than that received through more formal marketing channels. Therefore, word-of-mouth is considered a critical factor impacting a firm’s reputation and due to the fact that word-of-mouth is invisible, often face-to-face communication, and perceived as highly credible information, a customer’s negative word-of-mouth is one of the most detrimental responses to a business. As a result, word-of-mouth is especially relevant to services since consumers often seek word-of-mouth information to reduce the higher risk associated with purchasing services.

According to (Solomon, 1999, p.350 and 351) “today, 80 percent of all buying decisions are influenced by someone's direct recommendations. Although information from impersonal sources is important for creating brand awareness, word-of-mouth is relied on in the later stages of evaluation and adoption.”

Bearden and Oliver (1985) found that a higher potential loss stimulates various forms of complaint, and that the extent of private complaint behaviour is inversely linked to satisfaction with the response from the firm. They point out that if the organisation makes a mistake in its complaint handling, this may lead to loss of goodwill and negative WOM. Grønhaug (1977) pointed out that the complaints seem to build up around complex products which involve a high risk.

Due to the fact that word-of-mouth influence can be good or bad, sometimes the influencer will try to reassure him or herself by telling everybody about the good points of the product; more often, though, the disappointed customer will use word-of-mouth to complain bitterly and explain how the wicked manufacturer has cheated him or her. This is sometimes a way of passing the responsibility over to the supplier rather than admitting that the influencer has made a bad decision or a bad choice.

Richins (1983a) found a connection between the consumers’ evaluation of the complaint handling and comments about a service, implying that the more negative the complaint handling expected by the complainer, the greater the probability of negative private comments (WOM). In another work Singh (1990b) points out that exit and negative WOM are linked to
an evaluation of the probability of the complaint being successful. But Naylor and Kleiser 
(2000) did not find any effect of earlier complaint handling on negative WOM. No 
complainers are less likely to engage in negative word of mouth than the dissatisfied and 
recovery groups (Voorhees, Brandy and Horowitz, 2006). Some of the protest forms turn out 
to the public against a firm that has wronged them. Protests published at the Internet are 
rooted in injustice, identity and turn out as a personal grievance into a “cause” worthy of 
public attention and support (Ward and Ostrom, 2006). The risk of exit and a reduction in 
repeat purchase increase, together with the increased probability of negative private 
comments (WOM). Data reported by Diener and Greyser (1978) indicated that 34% of those 
dissatisfied with a personal care product told others about their dissatisfaction. If the number 
of consumers experiencing dissatisfaction is high enough, such responses may have lasting 
effects in terms of negative image and reduced sales for the firm, hence lost of profits. The 
more negative the perception of retailer responsiveness to complaints about dissatisfaction, 
should they be registered, the greater the likelihood the dissatisfied consumer will engage in 
negative WOM. If an individual is dissatisfied with a product but believes attempts to achieve 
remedy through marketing channels will be either unsuccessful or require extensive effort, it 
is conceivable that a less risky and less effortful response, telling others about the 
dissatisfaction, will be undertaken and this will have negative consequences on the firm 
(Richins, 1983).

Information obtained from those we know or talk with directly tends to be more reliable and 
trustworthy than that received through more formal marketing channels. WOM hacked up by 
social pressure to conform to these recommendations. Although information from impersonal 
sources is important for creating brand awareness, word-of-mouth is relied on in the later 
stages of evaluation and adoption (Martilla, 1971).

2.2.1.3 Action Behaviour
Action behaviour includes a repertoire of different activities, which can range from relatively 
passive activities (reduced or fading buying behaviour, exit, or switching to another provider) 
to more active and aggressive behaviour” (Tronvoll, 2008:14, p.16) that could as far as 
causing damage to the service provider. Dissatisfied consumers can take no actions following 
bad buying experiences. Doing nothing or not repurchasing a firm’s product or services are 
legitimate responses to dissatisfaction (Day, 1984; Day et al., 1981; Richins, 1983). Singh 
(1990) classifies consumers engaging in such behaviour as “passives”. Non-behavioural
responses should be considered legitimate forms of consumer complaining, despite the passive nature thereof (Singh, 1988). The inclusion of non behavioural responses as forms of consumer complaining appears not only to be justified but also necessary to comprehend the process underlying the consumer complaint behaviour response (Donoghue, 2007). In our survey we asked the following questions in order to measure the extent to which customers demonstrate passive or active behaviours and the questions were as follows:-

Passive behaviour

- Q11: Stop or decrease usage of public buses (Consumers might become discouraged to the point that they might stop or decrease the frequency with which they use the services of the company)
- Q12: Switch to other means of transportation (The probability that dissatisfied consumers will switch to other service providers, thus stopping the relationship with the current service provider).
- Q13: Avoiding bus trips (Consumers may use services only when it is absolutely necessary or when there are no other alternatives due to the fact that the company is operating in a monopolistic market).
- Q15: Did nothing/no reaction (this could be a sign of discouragement although the customer may not voice or demonstrate his feelings)

Active behaviour

- Q14: Physical action (This could be expressed by creating cost or lost to the service company through vandalism, protest and personal attacks).

Blodgett et al. (1995) postulate that consumers who suspect that the problem is likely to occur in the future and who believe that the problem could have been prevented, are likely to change to another service provider instead of engaging in a complaint process. A merely satisfied customer will go elsewhere when a competitor cuts its prices (Keki, 1995). A study by Fortune magazine and the Forum Corporation (Keki R. 1995, p.28) found that 98% of dissatisfied customers never complain but they just switch to a competitor. With regards to post-switching activities of service consumers, Keaveney (1995) found that 75 percent of respondents engaged in negative word-of-mouth communications after the service switching incident. Therefore, based on these findings, assuming that the switching customer has
already experienced some type of service problem, the probability that they will engage in negative word-of-mouth is high (Grace, 2001).

Therefore, at the end of the day a customer’s final decision after a service failure is to reside or leave. Exit is “the voluntary termination of an exchange relationship” (Singh, 1990, p. 2). In order to exit a relationship with a service provider in response to a service failure, it requires the customer to have motivation and expend effort (Singh, 1990). Customer exit is important because it can cost the seller a great deal of revenue through decreased income from the customer’s future revenue, higher costs in attracting new customers, loss of free advertising through word of mouth, and decreased employee retention (Huang, 2008). Many researchers have stressed about the strong negative impact of a critical service mistake on customer’s future relationships with a service organization (Bell and Zemke, 1987). A study of service switching behavior by Keaveney (1995) revealed that a single catastrophe is one of the primary factors causing customers to switch service providers.

Jones and Sasser, Jr. (1995) postulate that customers can be described as hostages when they experience the worst of a product or service but have no other place to go because the company operates in a monopolistic environment. Therefore, knowledge of alternatives leads to more accurate expectations and possibly to less satisfaction if a product does not meet one's expectations. In the events where the differences between alternatives are small, the consumer remains in a situation of conflict concerning the correct choice.

In some cases, the consumer may decide to take no action as well as voice out or show his or her emotions, but according to Lovelock et al. (2001) the service provider’s reputation is diminished in the customer’s eyes and the customer will consider defecting if it occurs again. In such situations, the customer may remain with the service provider due to ‘strong’ personal relationships with frontline employees. Dwyer et al. (1987) and Kim et al. (2004) postulated that strong interpersonal relationships between frontline service personnel and customers diminish mobility. Adamson et al. (2003) found empirical support for this contention in a small-business context, and Jones et al. (2000) demonstrated that strong interpersonal relationships positively influence the repurchase intentions of dissatisfied customers.

Therefore, it can be concluded at this stage that the pattern of customer complaint behaviour will range from communication behaviour to action behaviour which includes modification of the customer’s attitude as a symbol of protest. The customer’s choice of complaint channel
will depend on the mode of communication the complainer would choose in order to make his complaint heard by the service provider or the public. Those who prefer verbal communication will prefer to talk to the frontline employees because this will enable them express as well as demonstrate their frustrations to the employees. Moreover, the plaintiff is certain that his complaint has been received by the company employees; hence measures to redress the issue can be taken immediately. In some cases, the complainer can be compensated. These plaintiffs may want to redress a situation. Other forms of verbal communication may make use of communication technology like telephones because the plaintiff wants to inform the service provider and is not expecting any form of compensation. In addition, the plaintiff may want to remain anonymous and as a result will prefer remote channels of communication like telephone through which he can inform the service or public authorities. Communication may also be non-verbal and the plaintiff may choose this form of communication due to the fact that it is cheaper, time saving or because the problem encountered is not serious but worth informing the service provider or the public. All forms of communication behaviour can be geared towards the service provider and the general public depending on the intentions of the plaintiff and the severity of the problem as perceived by the plaintiff. Consumers are more likely to take action behaviour like switching or decreasing loyalty either due to the fact that they have alternatives, or are fad-up with the service provider because these problems keep occurring. Therefore, a failure of verbal communication in producing results may lead to action behaviour. Therefore, action behaviour is more likely to occur when communication behaviour fails to redress the problem. The consumer gives-up complaining and exits the relationship or stays but modifies his behaviour towards the service provider. Therefore, the pattern of customer complaint behaviour is likely going to be influenced by the availability of complaint channels and type of problem.

2.3 Complaint barriers (Cost, Contextual resources and Customer Competence)

As mentioned earlier in this report, it is well-documented in the literature that a majority of customers do not voice their complaints to organizations (Best and Andreasen, 1977; Day and Bodur, 1978; Keaveney, 1995; McCollough et al. 2000; Singh and Pandya, 1991; Smith et al. 1999; Stephens and Gwinner, 1998). According to the finding of the TARP Worldwide - a customer satisfaction measurement firm, there are three primary reasons of why customers do
not complain (TARP, 1986). In order of frequency, the customers stated: First, customers may not want to take the time to write a letter, send an email, fill out a form, or make a phone call, due to the minor importance of the service. Second, many customers see the recompense for their action as unsure and believe that no one will care about their problem nor be willing to resolve it. Third, in some situations, people are not aware of the complaint procedures and simply do not know where to go or what to do. Additionally, many people feel that complaining is unpleasant. The fear of confrontation might occur, especially if the complaint involves someone whom the customer knows and/or may have to deal with again in future (Stephens and Gwinner, 1998). Complaining behavior is often influenced by role perceptions and social norms. Customers would less likely complain in service failure where they believe they have “low power”, with regard to the ability to influence the transaction or control it (Goodwin and Verhage, 1990). This is particularly apparent in the case of professional service providers, such as doctors or lawyers. In these cases, the discouragement factor of criticism is based on the social norms of these professionals’ perceived expertise.

Other researchers have found that the following variables are also related to complaint behaviour (see Lovelock et al., 2001; Craig-Lees et al., 1995; Granbois, 1993; Zemke and Schaaf, 1989):

- Level of dissatisfaction felt, annoyance or “victimization”
- Cost of complaining (financially and psychologically)
- Benefits of complaining
- Likelihood of resolution
- Availability of resources (for making a complaint)
- Access (to a means of registering a complaint)
- Attribution of blame (who is to blame)
- Demographics, structural bonds, power bases, social norms

According to Antonides and van Raaij (1951) all the major barriers can be summarized into five categories, of possible causes for dissatisfied consumers not to take any complaint action:

1. Consumers might ignore the problem and avoid taking action as it either requires too much effort in relation to the expected value or the expectation of success is low. The cases of low
success expectation usually involve problems that caused minor damages or which are intangible. The cases of internal attribution of the problem include: the “victimization”, the cost of complaining, the benefits of complaining and the likelihood of resolution of the problem.

2. A ‘communication threshold’ is the inability to formulate and express a complaint orally or in written form, which is dependable on the level of the consumers’ education and previous complaint experience.

3. Other reasons for consumers not to reach their ‘action thresholds’ might be due to his/her passiveness, lack of assertiveness and aggressiveness or the uncertainty in justifiability of the complaint - whether the blame will be fairly attributed. (Richins, 1983; Slama and Williams, 1991).

4. Other barriers to complaining that the customer might encounter is the ‘entry thresholds’ the unwillingness of a service provider to receive a complaint (Granbois, Summer and Frazier, 1977); the availability of complaint resources and the access of the customer to them are the further aspects of ‘entry thresholds’.

5. Further restrictions to complaining actions result from personal and social norms (Richins, 1982), that can be associated with ‘making trouble’ perception in the mind of the customer. This category deals with the demographical, psychological, personal, cultural and social norms.

In order to analyse the extent to which complaint barriers measured in our questionnaire are likely to prevent customers from complaining after an unfavourable service experience, we grouped them under three major factors; cost, contextual resources and customer’s competence as follows:-
### Cost  

<table>
<thead>
<tr>
<th>Cost</th>
<th>Contextual resources</th>
<th>Customer’s competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of complaint</td>
<td>Too much bureaucracy</td>
<td>Lack of knowledge</td>
</tr>
<tr>
<td></td>
<td>Employee attitude</td>
<td>Personal reasons</td>
</tr>
<tr>
<td></td>
<td>No means to complain</td>
<td>Language barrier</td>
</tr>
<tr>
<td></td>
<td>Switching barrier</td>
<td>Cultural reasons</td>
</tr>
<tr>
<td></td>
<td>Possibility of no response</td>
<td>Other reasons</td>
</tr>
<tr>
<td></td>
<td>Long time to respond</td>
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</tbody>
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In an effort to further generalize the discouragement factors even more, GrØnhaug and Zaltman (1981) summarized them into just three categories under the “MAO-Model”. The factors which influence the no-action behavioral strategy, described by the MAO-model, are the following:

1. No-action behavior due to high costs indicates lack of motivation (M). This can be viewed as cost.
2. Communication and action thresholds are associated with lack of ability (A). This can be viewed as customer competence.
3. Entry and norms thresholds are related to lack of opportunity (O) (GrØnhaug and Zaltman, 1981). This can be viewed as contextual resources.

#### 2.3.1 Cost (Cost of complaint)

The ‘cost-benefit theory’ suggests that before making a complaint, dissatisfied consumers should examine a tradeoff and foresee whether their actions will bring about the desired positive outcomes. Moreover, even if it appears that their complaints would succeed in their remedial purpose, the consumers must balance beforehand the end-result with their extra effort of going through the firm’s complaint process. According to the cost-benefit theory, consumers appraise whether their complaint will be “worth it” or “not worth it,” at the same time with evaluating the:

1) Probability of success  
2) The effort required to complain  
3) The value of the product involved

These three factors were first suggested by Hirschman (1970).
2.3.1.1 Situational factors
Cost could be due to ‘situational factors’ which according to Tronvoll (2008:14) include the customers’ evaluation of economic cost and/or benefits of a complaint, their personal judgment on this matter, and an affect of the seriousness of the problem on the final decision. Situational factors include economic, perceived value of complaint and equity, and finally seriousness of the problem which comprises of failure type and magnitude.

- **Economic factors:** Economic category of factors includes barriers identified as ones of major importance in decision-making by the customer. Even though these factors do not necessarily play a leading role in discouraging the customer from complaining, they are often the most frequently stated barriers by the customers. Cost-benefit theory suggests that as the estimated benefits of a complaint action decrease and the estimated costs increase, the action is less likely to occur. It is when alternative courses of action are to be expected (Bettman et al., 1990).

- **Perceived value and equity of the complaint:** Perceived value of complaint is the personal evaluation of the gap between the benefit and the cost of complaint (Singh, 1989). This represents the customer’s belief that the complaint behavior is not worth the effort. The potential benefits of complaint behavior include refund, exchange or apology, whereas the costs include time and effort in making the complaint (Singh, 1989). If a customer believes that complaining to the firm is highly instrumental in achieving some desired consequence and this consequence is perceived to provide desirable value, cognitive consistency will motivate the customer to engage in higher complaint intention and further voice behavior (Dabholhar, 1994). If however, the desired outcome is incomparably low to the cost of complaint, the customer will be less motivated in adopting voice behavior and will have low complaint intentions. Consequently, customers are less likely to exhibit complaint intention if the potential benefit of the complaint behavior is lower than the cost. In this regard, the equity theory can best explain this behaviour because according to this theory customer satisfaction are influenced by their perception of the equitability of personal outcomes and inputs. These equity judgments often appear to be driven by customers' notions of fairness (Oliver and Swan, 1989a; 1989b). If the inputs to make a complaint is equal or greater than the outcome of the complaint, then the cost will be low and the customer will be motivated to complain and vice versa.

- **Seriousness of the problem and failure type as well as magnitude:** A majority of research results show that severe service failures lead to greater customer
dissatisfaction than mild failures (Gilly and Gelb, 1982; Hoffman et al., 1995; Richens, 1983; Dunning et al., 2004). The greater the losses due to service failure, the more inequitable will the customer consider the exchange that took place (Goodwin and Ross, 1992). In other words, the level of failure severity has a positive impact on the customer’s recovery expectations and this makes him or her perceive the cost as low in relation to the reward or compensation to be obtained after the complaint process. In this regard, the customer believes that it is worth incurring the cost to complain because the outcome will be greater than the inputs. Failure severity can be described as the magnitude of loss experienced by customers from a failure (Smith et al., 1999). Scholars suggest that customer losses from failures can be tangible, involving the loss of monetary or product/service value, or intangible, representing losses in psychical energy (e.g. anger, frustration or inconvenience), time, or shared social experiences (Hart et al., 1990). The higher the magnitude of loss from the service experience, the customer will perceive the cost of complaining to be lower in relation to the problem. Consequently he would find it worthy of complaining and vice versa.

2.3.1.2 Availability of alternative services and switching cost
The availability of alternative services and the switching cost will influence the customers’ perception of cost. If there is the availability of alternative services and the ‘switching cost’ is low, a customer will perceive the cost of complaining to be high because it would be cheaper for him to switch to alternative services and still maintain the same or even higher level of satisfaction and vice versa if alternative services are not available and switching cost is high. According to Hirschman (1970), dissatisfied customers may choose to remain with a service provider because of the belief that the likelihood of an improvement outweighs the cost of searching for alternative services. Therefore, the greater the availability of alternative services, the higher the cost of complaining as perceived by the customer because it would not be worth it complaining because the cost of searching for alternative services would be lower than the cost of complaining.

2.3.1.3 Perceived importance of the service and perceived likelihood of success
Service importance is the relative “worth” that an individual places on a service (Bloch and Richins, 1983). “Some services are considered to be more important either because they are relatively expensive, because the consumer relies more heavily (i.e. functionally) on that service, or because the customer derives greater enjoyment from using that service” (Blodgett
et al. 1995, p.4). Service importance or the perceived value of the service is found to be a significant determinant of complaining behaviour (Blodgett et al., 1995; Day and Ash, 1979; Kraft, 1977). Therefore, if the customer perceives the service to be of great importance to him, the cost of complaining will be low because redressing the problem will have greater value to him than the money spent to do so and vice versa.

The perceived likelihood of obtaining justice has long been recognized as an important antecedent of complaint voicing (e.g., Blodgett and Anderson, 2000; Blodgett et al., 1993a; Day, 1984); and it is well documented that the likelihood of successful complaint encourages complaint intention (Day and Landon, 1976; Richins, 1983b, 1985, 1987; Singh, 1990a,b). Therefore, based on this view, a dissatisfied customer’s decision to voice a complaint rather than defect to a competitor depends, is highly dependable on the estimation of the probability of achieving a positive result. When customers believe that their complaints will be accepted by the firm, they perceive the cost of complaining to be low because the positive outcome of the complaint will outweigh the cost incurred in the complaint process and vice versa.

Therefore, it can be concluded at this stage that the cost of complaint will greatly impact the pattern of customer complaint behaviour because cost will influence their decision to engage in the complaint process, the choice of complaint channel and the time to exit the complaint process. It must be noted that cost is highly subjective and affected by situational factors which would vary from customer to customer and from place to place as well as time. In our survey the following question was asked in order to measure the extent to which customers will be discouraged from complaining after experiencing a service failure.

- Q2: Cost of complaint (time, finance, etc.)

### 2.3.2 Contextual resources

Contextual resources refer to the resources available in the surrounding environment where a negative service experience that can encourage or discourage the customer to engage in a complaining behaviour (Tronvoll, 2008:14). Contextual reasons for not engaging in a complaint behaviour “might be lack of time, inability to get in touch with a suitable person, or a lack of access to an appropriate complaint channel (Tronvoll, 2008:14, p.13). Contextual resources will highly influence the efforts the customer requires to make a complaint. Therefore, companies must put in place the right mechanisms that will reduce the efforts invested in making a complaint. This could be done as follows:-
2.3.2.1 **Communicative responses:** Companies should consider offering communicative responses to complaints and also quickly. This is because the possibility of no response tends to discourage complaining. Responses make the customer perceive that his complaint has a higher probability of success. This is because peoples’ attitude towards complaining is directly linked with the previous complaint experience. Customers develop an attitude toward complaining by learning about options, mechanisms and outcomes of prior complaint experiences (Singh and Wilkes, 1996). Therefore, if an apology or acknowledgement of reception of complaint comes from management or employees, customers will believe that there is a high chance that the company might change its practice. Moreover, the customer will also believe that his effort was not a waste of valuable time. Communicative responses should also provide information to find the right person to lay complaints. Therefore quick responses and ease to find the right person to complaint reduces the bureaucratic process to complain, hence time. This will change the perception of the customer about employees’ attitude towards complaining. It will prevent the consumer from switching because his perception of the possibility of no response or a long time to respond will be low, hence this will motivate him to stay.

2.3.2.2 **Financial compensation:** Financial compensation into the recovery program generally leads to higher complainer satisfaction with company’s responses to their complaints (Clark et al., 1992), and customers are more likely to perceive the company's offer as fair (Gilly and Gelb, 1982). In addition to monetary compensation, an apology from company management can often enhance a dissatisfied customer's perception of fairness (Goodwin and Ross, 1992) which will motivate him to complaint next time. If the company’s policy does not include compensation to satisfy unhappy complaining customers, these customers will most probably not complain next time a complaint situation occurs. Moreover, other customers being aware of this non-compensation or unfair compensation policy of the company will generally not try to engage in a complaining behavior. Hence, the compensation should be seen not only in terms of complaint recovery system, but as an encouragement/discouragement factor of the voice complaints. Davidow (2003) concluded that firms can most effectively deal with complaints by offering compensation. This will boost peoples’ attitude towards complaining and therefore will have the chance to learn about the various complaint mechanisms and channels. Customers develop an attitude toward complaining by learning about options, mechanisms and outcomes of prior complaint experiences (Singh and Wilkes, 1996).
At this stage, it can be concluded that contextual resources will have an impact on customers’ ability to complain, hence the pattern of customer complaint behaviour because it influences the amount of time they have to invest in order to get a response. Moreover, it impacts their perception of the likelihood to succeed in making a complaint. Contextual resources can best be influenced by the company through their willingness to facilitate complaining by reducing bureaucracy, ensuring quick response and changing employees’ attitude towards complaining. In our survey, we measured the impact of contextual resources in influencing the pattern of customer complaint behaviour through the following questions:

- Q3: Too much bureaucracy
- Q4: Possibility of no response
- Q6: Takes too long to get a response
- Q7: Employee attitude
- Q9: No possibility of switching to another provider (Switching barrier)
- Q11: No means to complain

2.3.3 Customer competence
Customer competence refers to the ability and competence (knowledge and skills) to complain (Tronvoll, 2008:14). Knowledge and skills may be required to use the channels as process successful that is produce effects such as compensation or solving of the problem by the service provider. For example, lack of skills may lead to the customer’s inability to argue their reasons for complaining and lack of knowledge may make the customer not to know how to complain or be uncertain about the standard of service that might be expected from the service provider (Tronvoll, 2008:14).

2.3.3.1 Knowledge: In terms of resources, a barrier to complain might be due to a lack of knowledge for the complaint procedure and/or the service itself, a lack of skills might lead to an inability to argue the reasons for complaining. Competence or the knowledge base on the complaint matter is an important resource in carrying out the complaint activities (Hogarth and English 2002; Kolodinsky and Aleong 1990). Customers will always use resources and information available to them at the present time in order to express the negative impressions that have emerged (Tronvoll, 2008:14). These resources and information will support and control the direction of the complaint process. Thus, the activities and resources used in the present context will result in the 'transformation of the complaint process’ (Tronvoll, 2007). The social construction theory suggests that operant and operand resources have a close
interaction with one another (Sewell Jr. 1992, Swindler 1986). Operant resources (like knowledge) are required in order to make operand resources valuable because operant resources produce effects which could be viewed as results (Vargo and Lusch, 2004). For example, in this case, the customer will use his knowledge (operant resource) in order to make use of the complaint channel like internet, telephone (operand resource) to be able to make a complaint. If he does not have the knowledge to use this technology, he would be unable to start a complaint process hence no effects (results) can be produced.

**2.3.3.2 Cultural and social reasons:** It is believed that people adjust their behaviour in relation to their own self-concept and inner emotions, in an attempt to fit the communication manners of society, at a given particular situation (Graeff, 1996; Snyder, 1974). According to Snyder (1987) this occurs due to the desire of maintaining a socially attractive image of one’s self in the presence of others. This behaviour of an individual is termed ‘self-monitoring’ and is defined as “the extent to which they can and do observe and control their expressive behavior and self-presentation” (Snyder and Gangestad, 1986, p. 125). The individuals who are considered high ‘self-monitors’ show extensive adaptability in adjusting their behaviour to external situational factors (Browne and Kaldenberg, 1997). On the other hand, those individuals who are considered low ‘self-monitors’ are relatively inflexible to the social signs and changing context, thus tend to present themselves similarly in every situation (Browne and Kaldenberg, 1997). This can be explained that low ‘self-monitors’ form their behaviour on the basis of personal beliefs and feelings (Hogg et al., 2000). Therefore, it can be concluded that a person who has high self-monitoring and lives in a society where complaining is perceived as negative is more likely not to complain and would prefer to hide their feelings and someone who is a low ‘self-monitor’ is more likely to complain. This will have an impact on the pattern of customer complaint behaviour in these societies with different cultural perceptions about complaining. In a recent theoretical work of Watkins and Liu (1996) both cultural psychology and customer complaint behaviour (CCB) had been studied, and it was suggested that behavioral responses to post-purchase dissatisfaction of customers are likely to be influenced by the individualism - a dimension of a person’s cultural identity.

The traditional concept of individualism-collectivism has received considerable attention in the fields of sociology, social psychology and intercultural business studies (Hofstede, 1980; Hui and Triandis, 1986; Sinha and Verma, 1987; Liu, 1997). According to Hui and Triandis
(1986), the values in individualistic cultures are independence and self-sufficiency, people tend to think in terms of “I” (Hofstede, 1980). On the contrary are the people of collectivist cultures that behave according to the social norms, they value social harmony among the members of the in-group and think in terms of “we” (Hofstede, 1980).

In individualistic cultures, the in-group is defined (Triandis, 1972) as “people who are like me in social class, race, beliefs, attitudes, and values.” In contrast, the collectivist culture defines in-group as far more intimately: “family and friends and other people concerned with my welfare” (Triandis, 1972). This would imply that in a collectivist culture avoidance of any unnecessary involvement is likely to be higher than in an individualistic culture (Liu et al., 2001). The individual in collectivist culture will not let his/her in-group members have the same bad experience with the company engaging in WOM to the friends and relatives to further pass the ‘news’ (Liu et al., 2001). On the other hand the third party actions (e.g. policemen or other authorities or consumer representatives) and voice complaints (i.e. direct complaints to the service encounter) to resolve the problem matter will less likely take place, as it requires an interaction with out-group members.

2.3.3.3 Personal reasons: Some personal reasons that may compel someone from complaining is self-efficacy which is defined as “beliefs in one’s capabilities to mobilize the motivation, cognitive resources and courses of action needed to meet given situational demands” (Wood and Bandura, 1989, p. 408). In this sense, self-efficacy is viewed as an ability of an individual to assess his/her own thoughts and experiences and as a result change their behaviour and opinion over a situation (Bandura, 1991; Christensen, Schwarzer and Jerusalem, 1995; Christensen, Fogarty and Wallace, 2002), in order to achieve certain levels of performance (Gibson, 2001; Sadri, 1996). High or low self-efficacy refers to the ability of individuals to solve conceptual problems with a certain degree of ease and that can be: manage time better, initiate and keep the sustainable effort in achieving task accomplishment (Christensen et al., 2002). Luthans and Peterson (2002) report the positive correlation between person’s persistence in achieving results and his ‘self-efficacy’ level; that is the higher the degree of self-efficacy, the more persistent the person is when faced with setbacks or failure. Similarly, Appelbaum and Hare (1996) suggest that the individual with high ‘self-efficacy’ sees obstacles and failures both challenging and attainable and this result in high levels of motivation and performance. Hence, it would be reasonable to expect that such individuals would consider complaining as means to overcome service problems and achieve their goals.
In contrast, low ‘self-efficacy’ is attributed to the feelings of fear, anxiousness or individual’s inability to effectively accomplish a task (Appelbaum and Hare, 1996). Given this types of individual predisposition, we could argue that individuals with low ‘self-efficacy’ would tend to avoid complaining behaviour rather than engage in it.

Another personal reason could be self-esteem which is the way a person feels about himself or herself and this is an important aspect of personality that could influence the ability and willingness to complain. Self-esteem is an individual’s pattern of beliefs concerning self-value. Self-esteem concepts have a social dimension. William James, one of the founders of psychology, recognized personal reflection (the Me) as one of the aspects of personality. The recent notion of ‘self-esteem’ concept also includes an interpersonal aspect. Self-esteem is linked to the reflected assessments and judgments of others and can be regarded as an individual’s world outlook. It represents a broad trait that influences both self-perception as well as social behaviour. Individuals with high ‘self-esteem’ are seldom influenced in their choice of behaviour by the opinions of others, tend to be more independent, and less likely to obey to group pressure than individuals with low ‘self-esteem’ (Amould, Price, Zinkhan, 2004). Therefore, people with high self esteem are more likely to complain than those with low self-esteem, irrespective of the perception of the society towards complaining.

Therefore, the way people perceive themselves will impact their ability to complain, hence their pattern of complaint behaviour.

2.3.3.4 Other reasons: Other reasons that could affect a customers’ competence to complain is prior complain experience and language barrier. Prior complaint experience can be conceptualized as a customer’s willingness to seek redress in the case of dissatisfaction, based on the knowledge gained in the past (Singh, 1989, 1990b; Singh and Wilkes, 1996). The amount and frequency of past complaining experiences can influence customer’s behavioral dispositions in future confrontations (Singh and Wilkes, 1996; Ursic, 1985a,b). As customers learn about the mechanisms, options, and outcomes of various complaint scenarios, they develop an attitude toward complaining that is reinforces by gained experience (Singh and Wilkes, 1996). In addition, experienced customers may determine how a firm responds to voiced complaints and associate costs and benefits. Thus, the increase in the prior negative experience of complaining will lower the perceived value and likelihood of successful complaint. According to “service-dominant logic” (Vargo and Lusch, 2004a), customers
evaluate activities during and after the process of service interactions on the basis of an exchange of competence. “During the service interaction, customers develop cognitive and affective impressions of competence” (Tronvoll, 2007, p.4). In this perspective, negative experiences of service failures cause customers to form negative cognitive and emotional impressions towards the company, which ultimately result in a negative mental “mark” (Edvardsson et al., 2005b).

Language barrier could prevent someone from complaining because he would be unable to express himself in such a way that the service producer will understand his problem. A problem not understood cannot be solved hence this will decrease the probability of success of a complaint process. This will greatly discourage a person from complaining. In our survey, we measured the impact of customer’s competence in influencing the pattern of customer complaint behaviour through the following questions:-

Q5: Did not know what to do (Lack of knowledge)    Q10: Personal reasons
Q7: Language barrier                                  Q9: Other reasons
Q8: Cultural reasons

Therefore, cost of complaint, contextual resources and customer competence will influence the pattern of customer complaint behaviour, but the extent to which these factors will influence an individual customer will differ depending on the situation, environment and the severity of the problem. It must also be noted that these factors may have different impacts at different stages of the complaint process and this may either motivate the customer to go through the complaint process or exit the relationship with the service producer.

2.4 The market structure and service characteristics

Due to the fact that services entail greater dissatisfaction than products (Best and Andreasen, 1977), the market structure in which a service is offered will have a great impact on consumer satisfaction. For example, research shows that a market structure with little or no competition will impact consumer satisfaction negatively (Anderson, 1994; Fornell and Johnson, 1993; Fornell et al. 1996). Lower consumer satisfaction will trigger and influence customer complaint behaviour hence the pattern of customer complaint behaviour. According to Hirschman (1970), Andreasen (1985), Singh (1990b, 1991), Kolodinsky (1993, 1995) market structures influence customer complaint behaviour.
Researchers (Landon and Laird, 1977) have also acknowledged and have tried to explain how variations in product and service characteristics impacts consumer complaining behaviour hence the pattern of customer complaint behaviour.

2.4.1 Market structure: Singh (1990b) has categorised markets in service industries as either having a competitive market structure, a monopolistic market structure or a loose monopolistic market structure.

2.4.1.1 Competitive market structure: A competitive market structure is one in which “there are large number of buyers and provider, each buyer or provider is relatively small in comparison with the total market, and if any individual increases purchase or output, this does not affect the balance between demand and supply”(Tronvoll, 2007, p.36). The parties in this type of market structure have the following in common (Tronvoll, 2007):-

- They all have adequate or even perfect information about available alternatives in the market or industry
- The buyers and sellers are both price takers as no party has enough power to influence the price. The low switching barrier in this market will facilitate the consumer to switch to other sellers in the event that a seller attempts to increase the price of a service or if the customer perceives that a seller has reduced the quality of his services or products.

Due to the fact that sellers and buyers have the above mentioned advantages in common, competition becomes more prominent. Competition increases consumer satisfaction (Johnson, 1998). It can be concluded that customers in service industries that have a competitive market structure have a higher tendency to complain (Singh, 1991; Kolodinsky, 1995). The greater the degree of competition the higher the rate of customer complaint.

2.4.1.2 Monopolistic market structure: A monopolistic market structure has a large number of buyers but only one provider. “Each buyer is relatively small compared with the total market, and each buyer has no affect on the total demand in the market. Because there is no alternative to the products and services of the provider, a decrease in quality does not lead to
any change in demand for the provider’s output” (Tronvoll, 2007, p.36). Therefore, the monopolistic market structure has the following characteristics:

- There is a single large seller with much influence over price control.
- A buyer cannot influence price because he/she is too small to impact the seller. In addition, he cannot leave the seller due to lack of alternatives.
- There is no availability of alternatives for consumers
- Decrease in the quality of service or price does not lead to a fall in price.
- There is little or no competition due to the availability of a single seller or few sellers relative to the number of buyers.

In a monopolistic market where there is no competition and the voice of the consumer has little or no influence, consumer satisfaction is low (Anderson, 1994; Fornell and Johnson, 1993; Fornell et al. 1996).

The rate of customer complaint is low in monopolistic markets which are characterised by little or no competition (Singh, 1991; Kolodinsky, 1995). This could be to the fact that customers in monopolistic market structures find the complain process too long and complicated as compared to those in competitive markets where complaints is even encouraged by the service providers due to the fact that complaints provide information that is vital to boost the firm’s competitive advantage. Therefore, in monopolistic markets, although satisfaction is low, complain rates are low. This is definitely due to the fact that consumers perceive themselves as powerless in relation to the monopolistic institution which are often rule-bound organisations.

Based on the arguments presented below, passengers’ feedback and the theory from researchers in this field as well as our analysis on the ground, we concluded that the market structure within which Karlstad city bus operates is monopolistic and it is due to the following reasons:

- Karlstad city bus is the only provider of bus services within Karlstad city and therefore has much influence over price control.
- A single passenger cannot influence price because he/she is too small to impact the Karlstad city bus. In addition, he cannot leave or stop using Karlstad city buses due to lack of alternatives.
• There is no availability of alternatives for passengers. The only means would be the use of a taxi or a private car which are very expensive when compared to the price paid for a ticket/trip in Karlstad city bus.

• Many customers have postulated that a decrease in the quality of services has not led to a fall in price, which is a typical characteristic of a monopolistic market.

• Due to the fact that Karlstad city bus is the only provider of public bus services in Karlstad city, there is little or no competition.

According to consumer feedback the above reasons have contributed enormously in discouraging them from complaining to the bus service providers although they are dissatisfied. We could deduce from their complaints that they have the feeling that they are at the mercy of the company and so their complaints cannot change the situation.

2.4.1.3 Loose Monopoly Market Structure: This market structure is characterised by a “large number of buyers, only a few providers, restricted information and a high perceived switching cost”(Tronvoll, 2007, p.36). Hirschman (1970) postulated that in a loose monopoly there is the existence of a small amount of competition and the service providers in this market hold a near monopoly to control the supply of their services or products. Due to the fact that only small amount of competition exist, the service providers will be largely isolated from self-policing mechanisms in the marketplace. The characteristics of a loose monopoly market structure are as follows:-

• High switching cost for consumers to switch to other providers
• There is a small amount of competition but does not or negligibly affect the price of supplier
• Suppliers hold a near monopoly of the supply of their services

Therefore, in a loose monopolistic market structures, consumers are more likely to make private complaints rather than public complaints (Singh, 1991). According Kolodinsky (1995), dissatisfied consumers of services industries (medical care) with loose monopolistic market structures are twice as likely to take no action when compared to dissatisfied consumers in a service industry with a competitive market structure.
Based on the arguments presented below, passengers’ feedback and the theory from researchers in this field as well as our analysis on the ground, we concluded that the market structure within which intercity buses (SWEBUS) operate is a loose monopoly. Due to the fact that only small amount of competition exist in this market structure, intercity buses (SWEBUS) is largely isolated from self-policing mechanisms in the marketplace. Therefore, the market structure within which intercity buses operate is a loose monopoly and it is due to the following reasons:-

- High switching cost for the passengers to switch to other alternative providers like the train service because the prices are usually higher. In addition, some passengers said that the bus stops are closer to their destinations than the train station is and this makes them save money and time.
- Although there is a small amount of competition from the train service, it does not or negligibly affects the price of intercity buses.
- Intercity buses hold a near monopoly especially in those destinations which cannot be reached by train.

Therefore, in loose monopolistic market structures, consumers are more likely to make private complaints rather than public complaints (Singh, 1991). According Kolodinsky (1995), dissatisfied consumers of services industries (medical care) with loose monopolistic market structures are twice as likely to take no action when compared to dissatisfied consumers in a service industry with a competitive market structure.

At this stage we can conclude that market structure will influence the pattern of customer complaint behaviour because it influences the ability and willingness of customers to complaint. In addition, it greatly impacts the likelihood of success of a complaint. For example, in a monopolistic market structure, the service provider might be less motivated to solve customers’ problems because the customers are not likely to switch hence company profits will not decrease.

2.4.2 Service characteristics: The differences in the service characteristics of city and intercity buses and the impact on customer complaint behaviour can be summarised in the table below as follows (For easier analysis, city buses are referred to as business level 1 and
intercity buses are referred to as business level 2. This will facilitate the differentiation between these business levels and industry level in the next chapters):

### Differences between city and intercity buses service characteristics

<table>
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<tr>
<th></th>
<th>Business Level 1</th>
<th>Business Level 2</th>
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<tbody>
<tr>
<td></td>
<td>City Buses (Karlstad city buses)</td>
<td>Intercity buses (SWEBUS)</td>
</tr>
<tr>
<td>1 Travel shorter distances</td>
<td>Travel long distances</td>
<td></td>
</tr>
<tr>
<td>2 Monopolistic market structure (Lower or no degree competition)</td>
<td>Loose monopolistic market structure (Higher degree of competition)</td>
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<tr>
<td>3 Relatively lower prices for tickets</td>
<td>Relatively higher prices for tickets</td>
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<tr>
<td>4 Frequency of usage is higher (Daily basis)</td>
<td>Frequency of usage is lower (occasionally)</td>
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<tr>
<td>5 Direct buying of tickets from driver</td>
<td>Online bookings and buying of tickets</td>
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**Table 1: Differences in the service characteristics between city buses and intercity buses**

1) **Travel Distances:** City buses travel shorter distances compared to intercity buses which travel between cities and in some cases to other cities across the national border. For example, Oslo in Norway which is travelled by SWEBUS. With increased distances, there is a higher probability of being dissatisfied because many unfavourable events in the service process could be encountered and vice versa for shorter distances in city buses. For example, due to the long distances of intercity buses, the average duration of lateness is higher than those of city buses.

2) **Competition:** Research has shown that customer complaint behaviour varies across different market structures (Best and Andreasen, 1977). City buses operate in a monopolistic market structure because there is only one company in Karlstad that offers public bus services. In addition, possible alternatives that passengers have are very expensive. For example, taxi or private cars are more expensive. Intercity buses operate in a loose monopolistic market structure because some destinations can be reached by train. So passengers living in these areas can use the train whose prices are comparatively similar.

3) **Prices of tickets:** The tickets of intercity buses are more expensive than those of city buses because the distances latter are longer. This will have an impact on complaint behaviour especially due to the fact that the prices of the tickets will have an impact on the consumers’ perception and analysis of the cost benefits of complaining. Variations in the costs and
benefits of complaining have been researched by Andreasen (1988) and Richins (1980) and it has been proven to influence consumers complaining behaviours. Consumers will be more likely to complain if the prices of their tickets are high and vice versa.

4) **Frequency of bus usage:** Passengers of city buses are more likely to use this service more often than those of intercity buses. However, passengers who live in the outskirts of Karlstad use the intercity buses daily as they travel to and fro from work and for other reasons. Consumers who use a service frequently are more likely to experience unfavourable service encounters, hence complaint more and vice versa.

5) **Bookings:** Most passengers of intercity buses make travel reservations (purchase tickets) online, partly due to the fact that their trips are usually planned in advance and also due the discounts on prices of tickets purchased online. On the contrary, most passengers of city buses purchase their tickets directly from the driver or charge their tickets using the card charging machines in the bus which are often out of use due to technical problems and aging. This has increased customer complaints as well as decreased perceived service performance of city buses. The use of the net increases flexibility (24 hour services) and gives room for self-service (co-production and co-creation) which increases consumer satisfaction.

At this stage we conclude that differences in service characteristics will influence the pattern of customer complaint behaviour especially due to the fact that product characteristics will make the customers to attach some degree of importance or value to the services. Service importance or the perceived value of the service is found to be a significant determinant of complaining behaviour (Blodgett et al., 1995; Day and Ash, 1979; Kraft, 1977).

### 3 Research Methodology

The research methodology used was both qualitative and quantitative. Our qualitative analysis is based on the research findings and results from scholars, practitioners and researchers. We used them in order to support our arguments. We also made use of journals and books as well as personal interviews conducted during our survey in order to develop our theory. We used qualitative analysis to explain the quantitative data from our questionnaire which was filled by the passengers of public transportation companies in Karlstad in Sweden. We used both a judgemental and a random sampling method to select candidates for interview. We set clear
criteria for selecting a candidate for interview, in order to ensure the fairness, relevance and accuracy of responses. We then used Microsoft Excel to analyse our data.

3.1 Data Collection: Our field research is about the main public bus companies in Karlstad (Karlstad city bus, intercity buses like Swebus, Värmland Trafik). Due to the fact that our research is about customer complaint behaviour in public transportation, we decided to use these companies as examples in order to determine the pattern of customer complaint behavior in public transportation. It was quite interesting to carry out this research because we live and study in the city of Karlstad and also use the services of these companies. Therefore, we were carrying out a research on a company we knew well. We designed a questionnaire which we distributed to respondents as well as conducted personal interviews in order to obtain a more detailed and accurate feedback (Detailed interviews) from the respondents who were users of the services of these bus companies. We made sure that our sample size should be large enough so that the results from the sample can be extrapolated to the entire customer group of Karlstad Bus and Swebus. We consider extrapolation to be very important in producing valid results. Our sample was drawn from the population of Karlstad City. Based on the results from our sample, we want to be able to say with 95% confidence interval that the whole target customer base is acting, feeling, behaving or complaining about this industry in the same manner as the survey sample. We used the formula below in determining the sample size needed so that the survey results should be accurate at the 95% confidence level which literally means that the possibility of the results occurring by chance is 5 percent. According to Anton (1996, p.89) the formula to determine the sample size required is as follows:-

$$\text{Sample Size} = \frac{2500 \times N \times (1.96)^2}{25(N-1)} + (2500 \times (1.96)^2)$$

- $N$: Total Population (Population of Karlstad City).
- $(1.96)$: The confidence coefficient: Z-score.

The population of Karlstad (Municipality) is 82,096 inhabitants (Statistiska Centralbyrån, Sverige: 2005). Based on the above formula, the minimum sample size required for this research should be 382 respondents determined as follows:-

$$2500 \times 82096 \times 3.8416 / 25(82,096-1) + (2500 \times 3.8416) = 382.4 \text{ respondents}$$
However, our sample was well above this minimum requirement by 224.6 (607 - 382.4). Due to the fact that some respondents did not provide answers to all the questions in the questionnaire, the number of respondents who answered some questions could be lower than 607. To ensure that our sample actually included the customer base of Karlstad Bus Company and Swebus, we focused on people who actually use the public transportation. We did not hand in questionnaires to people who had not used the services of the companies in the last 3 months (We included only those people who had used the bus companies within the last 3 months from the day we interviewed them). Therefore our qualification question or criteria for selecting respondents were as follows:-

- Active user: Respondent should be a regular user of Karlstad Bus or Swebus
- Passive user: If the respondent is not a active user, he should have used the Bus companies in question at least once in the last three months (From the date of interview).
- Balance in gender proportion.

Based on the criteria above, the sampling method used in this survey is judgmental sampling method and random sampling because some of the observations were selected based on our judgments, intuition and discretion influenced by the criteria above. In places such as the university, where majority were students, we made a random sample ensuring that all the students had equal chances of being in the sample. However, before handing them the questionnaire, we made sure that they use the public transportation (Karlstad Bus and Swebus). We interviewed and conducted our field survey over a period of three months so that we could increase the chances of meeting/interviewing different people from different backgrounds and with different demographic and socio-economic characteristics.

In order to ensure that our sample included a wide range of respondents with different demographic and socio-economic characteristics, we made sure that there was no wide discrepancy between the proportion of male and female. We also made sure that our sample included people of all age groups who use the public transport in Karlstad. In addition, we interviewed people who were students as well as fully employed so that the respondents should have a wide distribution of income. We also interviewed students as well as people in different parts of the city like Parks and shopping centers like Bergvik where we knew that there is a high chance of interviewing people with higher income levels. We also interviewed
passengers in the bus to be sure that they were users of public buses as well as meet those people who are living in the outskirts of Karlstad city (Locality/Urban area).

3.1.1 Strength of this survey

This survey had a lot of advantages which we believe makes it reliable and suitable for usage in further research. These advantages are as follows:-

1. Field research: This survey results and conclusions are based on primary data which makes it a valid source of learning.
2. Large sample size: The sample size of 607 respondents was large enough to include many users of public bus transportation. In relation to the population of Karlstad, the sample size was far above the minimum sample size required to conduct this research (view formula for required sample size in relation to total population).
3. Interviews with managers provided an in-depth understanding of the companies and the corporate culture existing in them. Thus this was an opportunity for us to relate the triggers of customer complaint and their sources in the company. In addition, it provided a perfect platform for us to develop a theory on managerial implication in this report. The managers also gave us internal documents which were very helpful.
4. Detailed data analysis presented in graphs and tables (Different ways).
5. Well structured questionnaire with detailed information and questions developed based on literature
6. Reliability and application researched theories.
7. Cultural diversity of respondents serves as perfect platform to make generalisations.
8. Respondents had experience in public transportation in other countries.
9. Individual attention to each respondent/participants guaranteed accurate responses.
10. Perfect balance between qualitative and quantitative analysis
11. Perfect gender ratio of respondents
12. Detailed information on bus usage: Respondents provided detailed information on how they use the buses: frequency, days of the week, weekends and purpose. We believe that these aspects have an influence on customer complaint behaviour.

3.1.2 Limitations of this survey

Although this survey had a lot of advantages, we also had some limitations which were as follows:-
1. Over reliance on Karlstad city: Majority of our respondents came from the city of Karlstad and this could mean that the population may have many people with the same type of socio-economic characteristics. However, we tried to limit this effect by making use of judgemental sampling whereby at ensured that we included people of different age groups, professions and sex. We also interviewed people in the bus travelling to and from Karlstad city.

2. Language barrier: We had to interpret and explain the questions in our questionnaire to people who were not fluent in English. This may have had some influence on their responses. In addition, we could not use some online resources which were in Swedish. However, we believe that we obtained all the necessary information about the companies from the managers who were perfectly bilingual.

3. Limited resources: Money and time based on cost of transportation. We would have loved to travel several times in the buses which were travelling out of the city so that we could interview more people who were not living in Karlstad city. We believe that this could have made a difference.

4. Data collection was not possible everywhere we wanted. For example many respondents did not fill in the personal questions due to lack of time and also because they considered the questions too sensitive. Some female respondents were shy to fill in their ages and some male and female respondents did not want to fill in their income level.

5. Few pupils were interviewed. Probably, their responses could make a difference.

6. Many respondents did not disclose their profession, income and age which made them not to be included in certain areas of the analysis.

3.2 Data Analysis: Data from the questionnaire will be analysed in four steps in order to ensure clarity, coherency and accuracy. Steps 1; Analysis of demographic and socio-economic characteristics of respondents, Step 2; Analysis of data of real incident questions, Step 3; Analysis of data showing the pattern of customer complaint behaviour in public transportation at industry level and Step 4; Analysis of data indicating the impact of cost, contextual resources and customer’s competence on the pattern of customer complaint behaviour.

3.2.1 Step 1; Analysis of demographic and socio-economic characteristics of respondents

Research (Singh, 1989; Bearden, 1983) has proven that consumers’ demographic and socio-economic characteristics influence their complaint behaviour. Some characteristics of
consumers have even been postulated (Bearden and Oliver, 1985; Singh, 1990a) to be antecedents to complaint behaviour.

3.2.1.1 Total Number of respondents (Sample size): The total number of respondents who participated in our survey was 607.

3.2.1.2 Gender: 49.59% (301) were female and 50.41% (306) were male. Gender could have an impact on peoples’ complaining behaviors. According to Hogarth and English (2002) men are more likely to complain (voice complain) than women. This could have an impact on the pattern of customer complaint behaviour in our survey.

3.2.1.3 Age: The age distribution of respondents ranged from 17 to 62 years (46 years being the difference between the maximum and the minimum age). Based on the literature of customer complaint behaviors, the ages of people may have an impact on their complaint behaviors. For example studies by (Andreasen and Best, 1977; Bearden, 1983; Bearden et al. 1980; Gronhaug and Zaltman, 1980; Warland et al. 1975) show that complainers are more likely to be younger people. In other studies, middle-aged consumers were found to be frequent complainers (Mason and Himes, 1973; Liefeld et al. 1975; Pfaff and Blivice, 1977; Moyer, 1985; Hogarth and English, 2002). However, it must be noted that some studies conducted by other researchers (Ash, 1978; Morganosky and Buckley, 1986; Solnick and Hemenway, 1992) have shown no relationship between ages and complaints voiced by consumers.

Below is a graph showing the distribution of the ages of the respondents:-
Majority (43.33%) of the respondents were between the ages of 21-30 years old, followed by the group between 31 to 40 years (27.68%), 41 to 50 years (18.45%), 11-20 years (6.26%), 51 to 60 years (3.95%) and 60-70 (0.33%). See below:-

11-20 years old = 6.26, 21-30 years old = 43.33%, 31-40 years old = 27.68%,
41-50 years old = 18.45%, 51-60 years old = 3.95%, 60-70 years old = 0.33%
Graph 1: Range difference of ages: max age – min age= 62-17= 46 years

Quartile range of ages:
1st quartile: 23 (25%); 182 respondents
2nd quartile: 31 (median/50%); between 1st and 3rd quartile 287
3rd quartile: 40 (75%), max value: 62; 138 respondents

The ages of 182 respondents lie below the first quartile (25%) and they had a maximum of 23 years (17-23 years), while the ages of 138 respondents lie above the third quartile (75%) and they had a maximum of 40 years (40-62 years). The ages of 287 respondents lie between the first and the second quartile (75%-50%) and they are between 24 years and 39 years old.

3.2.1.4 Car ownership: Below are the percentages of car ownership:- Yes refers to the percentage of respondents who own a car and vice versa for No.
- Yes: 18.29%; No: 44.81%; No answer: 39.7% (Based on 607 respondents)
- Yes: 28.98%; No: 71%; (Based on 383 respondents who answered this question).

This will give us an idea of the alternative means of transportation the respondents have at their disposal. Cars can be considered as alternative means of transportation for both city and intercity buses. A car is therefore an alternative means of transportation and this could have a significant impact on the complaint behaviour of its owners because it impacts their ability to switch or decrease the frequency of bus usage.

3.2.1.5 Bicycle ownership: Below are the percentages of bicycle owners. Yes refers to the percentage of respondents who own a bicycle and vice versa for No.
- Yes: 40.69%; No: 21.91%; No answer: 37.39% (Based on 607 respondents).
- Yes: 65%; No: 35%; (Based on 380 respondents who answered this question).
This will give us an idea of the alternative means of transportation the respondents have at their disposal because due to the fact that Karlstad city is relatively small compared to other cities like Stockholm, a bicycle could be an alternative to a bus.

3.2.1.6 Frequency of bus usage: Below are the percentages of the frequency of bus usage by the respondents:-

- **Frequent users:** 41.68%; **Not Frequent Users:** 16.3%; **Not Answered:** 42% (Based on 607 respondents).
- **Frequent Users:** 71.87%; **Not Frequent Users:** 28.12%; (Based on 352 respondents who answered this question).

Gronhaug and Zaltman (1980) introduced the concept of ‘market place participation’ in order to show that customers who consume a product or service regularly are more likely to complain because they could encounter more instances of being disappointed. This could influence the pattern of customer complaint behaviour.

3.2.2 Step 2; Analysis of data of real incident questions
The Real Incident Question located directly below the complaint behaviour questions is a YES/ NO question which is aimed at identifying the number of respondents who actually encountered a negative service experience and the pattern of customer complaint behaviour they exhibited. The real incident questions are based on a real experiences and therefore can only be answered by those who had actually encountered a negative service experience and this will give us a real impression of what had happened to some passengers, thereby serving as a ‘platform’ for making comparison with the responses in complaint behaviour questions which are based on probabilities. Real Incident Question (Yes and No Question). This section had 3 questions: Q1: Have you ever had an unfavourable experience using public buses (within the last 12 Months)? Yes: 102 (16.80%)      No: 505 (83.20%)

16.8% of the respondents had actually encountered an unfavourable service experience within the last 12 months. 83.2% had not encountered an unfavourable service experience within the last 12 months. However, those who had not experienced any unfavourable service said they had witnessed other passengers encounter unfavourable service experiences which influenced
their perception of service quality in public transportation in Karlstad city bus and the other bus companies.

3.2.2.2 Question 2: If yes, what kind of problem occurred?
The problems experienced by the respondents (16.8%) and the problem areas have been grouped in the table below as follows (From the highest to the lowest):

<table>
<thead>
<tr>
<th>R</th>
<th>Areas of complaint (Problem areas)</th>
<th>Number of respondents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Punctuality (Late arrivals or early departures)</td>
<td>34</td>
<td>33.33%</td>
</tr>
<tr>
<td>2</td>
<td>Rude drivers</td>
<td>14</td>
<td>13.73%</td>
</tr>
<tr>
<td>3</td>
<td>Bus did not stop</td>
<td>10</td>
<td>9.8%</td>
</tr>
<tr>
<td>4</td>
<td>Drunken passengers</td>
<td>9</td>
<td>8.82%</td>
</tr>
<tr>
<td>5</td>
<td>Card machine</td>
<td>8</td>
<td>7.84%</td>
</tr>
<tr>
<td>5</td>
<td>Noisy passengers</td>
<td>8</td>
<td>7.84%</td>
</tr>
<tr>
<td>6</td>
<td>Lack of driver’s assistance</td>
<td>7</td>
<td>6.87%</td>
</tr>
<tr>
<td>6</td>
<td>Crowded Bus</td>
<td>7</td>
<td>6.86%</td>
</tr>
<tr>
<td>7</td>
<td>No Travel Information</td>
<td>4</td>
<td>3.92%</td>
</tr>
<tr>
<td>8</td>
<td>Passenger evicted from the bus</td>
<td>1</td>
<td>0.98%</td>
</tr>
<tr>
<td>10</td>
<td><strong>TOTAL</strong></td>
<td><strong>102</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 2: Areas of the service process where complaints were made and number of respondents who complained

- R: Refers to the ranking of the problem areas based on the number of respondents who encountered an unfavourable service experience in that domain.
- %: Percentage of the number of respondents who encountered an unfavourable service experience in that particular domain.

Below is a table showing the customer complaints received by the management of Karlstad city bus, Värmland Trafik and SWEBUS from the period of 02 June 2008 to 02 June 2009. It was made available to us by the manager of customer and employee complaint department Mr Peter Enquist. This can be compared with table 1 above in order to see the difference between our survey and the company’s data on this issue (Bus companies in question).
<table>
<thead>
<tr>
<th>R</th>
<th>Areas of complaint (Problem areas)</th>
<th>Number of respondents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees - (driving too fast, service, did not stop)</td>
<td>80</td>
<td>60%</td>
</tr>
<tr>
<td>2</td>
<td>Punctuality - (too late, too early)</td>
<td>16</td>
<td>12%</td>
</tr>
<tr>
<td>2</td>
<td>Traffic planning - (bus routes)</td>
<td>16</td>
<td>12%</td>
</tr>
<tr>
<td>3</td>
<td>Vehicles - (loud noise, vandalized seats)</td>
<td>8</td>
<td>6%</td>
</tr>
<tr>
<td>4</td>
<td>Prices and tickets (why are there no pensioner discount)</td>
<td>6</td>
<td>4.5%</td>
</tr>
<tr>
<td>5</td>
<td>Bus stops - (too far between, not suitable for wheel-chairs)</td>
<td>4</td>
<td>3%</td>
</tr>
<tr>
<td>6</td>
<td>Travel guarantee - (very late)</td>
<td>1</td>
<td>0.8%</td>
</tr>
<tr>
<td>6</td>
<td>Technique - (homepage, electronic signs)</td>
<td>1</td>
<td>0.8%</td>
</tr>
<tr>
<td>6</td>
<td>Rules - (why can’t i take my bicycle on-board)</td>
<td>1</td>
<td>0.8%</td>
</tr>
<tr>
<td>11</td>
<td>TOTAL</td>
<td>133</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Table 3: Complaints received by the management of Karlstad city bus, Värmland and SWEBUS from the period of 02 June 2008 to 02 June 2009**

R: Refers to the ranking of the problem areas based on the number of users of Karlstad city bus, Värmland Trafik and Swebus who encountered an unfavourable service experience in that domain.

%: Percentage of the number of respondents who encountered an unfavourable service experience in that particular domain.

When comparing table 2 and table 3 above, it is evident that most complaints in both our survey and the complaints received by management came from those areas of the service process that directly involves the employees that is areas of the service process that customers (passengers) can directly associate blame for the unfavourable service experience to an employee. This is due to the fact that services are intangible and therefore any failure or unfavourable experience will always be associated with the employee providing it. For example, in our survey, 33.33% of unfavourable service experience was due to lack of punctuality, 13.73% due to the rudeness of the drivers, 9.8% because bus did not stop, 6.8% due to lack of drivers’ assistance and 0.98% due to eviction of a passenger from the bus. This makes a total of 64.64% of problems coming from areas of the service process in which a failure can be directly associated to an employee. In Table 3, complaints made by customers were 60% due to employees (driving too fast, service, did not stop), 12% due to lack of punctuality - (too late, too early) and 1% due to no travel guarantee - (very late). This makes a
total of 72.8% of problems coming from areas of the service process in which a failure can be directly associated to an employee (frontline employees).

3.2.2.3 Question 3: If yes, what was your reaction?

This question describes how the respondents who encountered a problem reacted. We identified four reaction patterns: self initiative, talk to driver, tell people (word-of-mouth) and switched (used other means of transportation). The reactions are ranked as follows (from highest to lowest):- In total, only 22 (21.6%) respondents out of the 102 actually exhibited a complaint behaviour.

<table>
<thead>
<tr>
<th>R</th>
<th>Pattern of reaction of respondents</th>
<th>Number of respondents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Talk to driver</td>
<td>9</td>
<td>40.91%</td>
</tr>
<tr>
<td>2</td>
<td>Self action (initiative)</td>
<td>8</td>
<td>36.36%</td>
</tr>
<tr>
<td>3</td>
<td>Tell people (negative word-of-mouth)</td>
<td>3</td>
<td>13.64%</td>
</tr>
<tr>
<td>4</td>
<td>Switched</td>
<td>2</td>
<td>9.09%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>22</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 4: Reactions of respondents and their number

R: Pattern chosen by respondents from highest to lowest
%
: Percentage of respondents per pattern

Day and Landon (1977) proposed a two-level hierarchical classification schema of customer complaint behaviour whereby, the first level separates behavioural (action) and non-behavioural responses (no action such as switching), while the second level distinguishes between private actions (e.g. word-of-mouth) and public actions (e.g. complaining to a consumer advocate group). Richins (1983) recognized that complaining behaviours involve at least three activities: switching, making a complaint to the seller, and telling others about the purchase or consumption experience. Below is a detailed description of the four patterns of complaining behaviour we identified in our survey, three of which were also identified by Richins (1983).

1) Talk to driver: It refers to those respondents (passengers) who complained to the driver. The driver being the frontline employee is certainly the first person a passenger will voice his or her complaint. This is a direct face-to-face complaining method and according to Deutsch (1975) complainers who choose this reaction mode aim at redressing the situation as well as
seek some form of compensation to correct the unfavourable and dissatisfactory service experience. Most respondents in our survey used this reaction mode 40.91% (see table 4 above). This mode which involves real-time interaction allows the complainant to clarify matters, explain in detail, observe the other party’s body language and even show actions (such as anger, frustration, and urgency) that may lead to a faster resolution of problem (Kaufman, 1999).

2) **Self action**: It refers to those respondents (passengers) who did not complaint to the driver, but rather used their initiative to solve the problem or make the problem known to higher authorities in the company. For example, a respondent called the company directly to complain, another went to the company’s head office to complain while another passenger decided to help a handicap old lady who needed help in order to enter the bus (under normal circumstances it should be done by the driver), and finally a passenger stopped drunken and noisy passengers from disturbing him and other passengers.

3) **Tell people (negative word-of-mouth)**: It refers to those respondents who told other people (both current and potential passengers) about the problems encountered. For example, there was a case in which the respondent wrote in the newspaper. She complained that from her perspective, the tickets were expensive in relation to the service quality offered by the bus companies.

According to (Solomon, 1999, p.350-351) “Today, 80 percent of all buying decisions are influenced by someone's direct recommendations. Although information from impersonal sources is important for creating brand awareness, word-of-mouth is relied on in the later stages of evaluation and adoption.” Generally, information from people we know or trust (such as our parents, siblings or friends and relatives) tends to have more impact on our perceptions about the issues being talked about. This is because we consider such sources to be more reliable. Consequently, this can impact the reputation of a service company negatively. According to Bearden and Oliver (1985) a higher potential loss stimulates different forms of complaint and that the extent of private complaint behaviour is inversely linked to satisfaction with the response from the firm. Based on this postulation, Bearden and Oliver (1985) stipulated that, if the organisation makes a mistake in its complaint handling, this may lead to loss of goodwill and negative word-of-mouth. Therefore companies must attempt to handle customer complaints more effectively in order to prevent negative word-of-
mouth. In our survey, 13.64% of respondents who encountered a problem or were not satisfied with the quality of the services of the bus companies engaged in negative word-of-mouth (see table 3, chapter 4.1.1).

4) **Switched:** It refers to respondents who decided to switch to other means of transportation after encountering an unfavourable service experience. In our survey, a respondent who switched bought a car because according to her the buses were no longer reliable and consequently this made her go late to work most of the time. She was right because until this day of our research many respondents complained of punctuality (33.33%, see table 1 above). According to Blodgett et al. (1995) this reaction mode can only be pursued by consumers who suspect that the problem is likely to occur again in the future. They added that these consumers also believe that the problem they encountered could have been prevented. Therefore, if this problem will be persistent, they are likely to change to another service provider instead of engaging in a complaint process (Blodgett et al. 1995). 9.09% of our respondents in this survey switched (see table 4).

### 3.2.2.4 Sources of complaints and reactions:

The letters A, B, C etc represent the overall ranking of sources of complaints and reactions.

1) **Talk to the driver:** Respondents who voiced their complaints to the driver encountered problems in the following areas of the service process:-

1. 22.22% from card machine (E)
2. 22.22% due to the fact that bus did not stop (C)
3. 11.11% no travel information (H)
4. 11.11% from noisy passengers (F)
5. 11.11% from drunken passengers (D)
6. 11.11% from rude drivers (B)
7. 11.11% from lack of punctuality (A)

2) **Self action:** Respondents who took self action encountered problems in areas such as:-

1. 25% from card machine (E)
2. 25% from noisy passengers (F)
3. 12.5% from drunken passengers (D)
4. 12.5% due to the fact that bus did not stop (C)
5. 12.5% lack of drivers’ assistance (G)
6. 12.5% from rude drivers (B)
3) **Tell people (negative word-of-mouth):** Respondents who told others encountered problems in areas such as:

1. 33.33% from lack of punctuality (A)
2. 33.33% from card machine (E)
3. 33.33% from lack of drivers’ assistance (G)

4) **Switched:** Those respondents who decided to switch encountered problems in areas such as: 100% due to lack of punctuality (A) (see Appendix 4, Figure 6: Problem areas and complaint behaviour)

Based on the results from this section (ranked from most likely and downwards), customers are more likely to complaint if the unfavourable service experience was incurred in the problem area of punctuality (A), card machine (E), noisy passengers (F) and no travel information (H), lack of drivers’ assistance (G), bus did not stop (C) and lastly drunken passengers (D) and rude drivers (B). If customers encounter problems from areas such as driver being rude, they are more likely not to complain to the driver because they consider him to be the problem and would therefore be less likely to provide a solution. Therefore, drivers must be trained on how to speak with the passengers even if they perceive the passenger to be wrong.

Areas with the highest frequency where unfavourable service experience were encountered and that led to a complaint was from card machine (E) and the complainers talked to the driver, took self action and told people. Punctuality seems to be the most severe problems that impact passengers to the point that they are willing to switch. Therefore, passengers are more likely to switch if they continuously experience situations where the bus comes late. Punctuality is an item of reliability in this report and as mentioned by Brady and Cronin Jr (2001) as well as Parasuraman et al. (1988) reliability is an outcome variable which is more an important determinant of service quality than process attributes such as responsiveness, empathy and assurance. It is therefore understandable why passengers who encountered these problems frequently were forced to switch to other means of transportation.

3.2.2.5 **Overall assessment:** Only 22 (21.6%) of the respondents who actually complained implying that 78.4% of the respondents who encountered an unfavourable service experience
Some respondents revealed that they perceived it difficult or not worth the effort to communicate their complaints with the company. The reasons given by some of the 78.4% of the respondents who did not engage in a complaining process were as follows:

1. Difficult to find the right person to lay complaints
2. Previous complaint letters were unanswered
3. A waste of valuable time because they believe that they have no chance of winning against a large company like the public bus companies. In addition, the monopoly they enjoy will make them not to ac or respond to complaints.
4. Did not know with whom or where to initiate contact to redress dissatisfaction
5. The belief that the company would not change its practice

According to Kohli & Jaworski, (1990), Narver & Slater (1990), when customers of a company are so discouraged to voice their complaints, this could be an indication that the organization is not customer oriented. In addition, according to Andreassen (1997, p.64) this is also an indication that the organization is not focused on customers' expressed and latent needs and not designed to learn from customer voice. Based on the above statements postulated by these researchers and also due to the fact that more than three quarter (3/4 or 75%) of respondents who encountered problems did not complaint partly due to the reasons mentioned above, we could consider these bus companies to be less or not customer oriented.

3.2.3 Step 3; Analysis of data showing the pattern of customer complaint behaviour in public transportation at industry level

The analysis of data used to establish the pattern of customer complaint behaviour is based on the results of the questions in section 2 of the questionnaire (Complaint Behaviour: How would you react if a problem occurs? (1- the least possible; 7- the most possible). In the second part of the questionnaire (Complaint behaviour), the questions were ranked as follows at the industry level (from those complaint behaviours respondents are most certain to exhibit, and down to the ones they are least certain to exhibit):

1) Question 1(talk to the bus driver): ranked first with 81.2% at industry level implying that respondents are 81.2% certain that irrespective of the business level, they will talk to the driver in the event of any unfavourable service experience. At business level 1 this certainty is lower 79.3% and higher 83.1% at business level 2. Therefore, it is evident that based on the
impact of the service characteristics and market structure, customers in public bus transportation services are more likely to make their complaints known to the driver. The certainty is higher as the market becomes more loose monopolistic than monopolistic market structure. The higher the price of the ticket would also be a motivation to talk to the driver.

2) Question 6 (Talk about it with a friend): ranked second with 67.5% at industry level implying that respondents are 67.5% certain that irrespective of the business level, they will talk about an unfavourable service experience to a friend. Based on literature in customer complaint behaviour, this can be considered as negative word-of-mouth and can have negative consequences for the firm. At business level 1 the certainty is lower 65.4% and higher 69.6% at business level 2. Therefore, in public bus transportation services, customers are certain to inform their friends about a negative service experience. Customers of business level 2 are more certain may be because of the impact of high prices of the tickets that may make them more angry, hence voice their feelings to a third party.

3) Question 7 (Talk about it with family): ranked third with 67% at industry level implying that respondents are 67% certain that irrespective of the business level, they will talk about an unfavourable service experience to a family member. Based on literature in customer complaint behaviour, this can be considered as negative word-of-mouth and can have negative consequences for the firm. The certainty is higher at business level 2 (68.6%) than at business level 1 (65.3%) and this can be attributed to the service characteristic of services in business level 2 having a higher price for tickets than in business level 1. In addition, customers in a loose monopolistic market structure are more likely to complaint more than those in a monopolistic market structure which best describes business level 1.

4) Question 2 (Call the company): ranked fourth with 57.6% at industry level implying that respondents are 57.6% certain that irrespective of the business level, they will call the company to talk about an unfavourable service experience. The certainty is higher at business level 2 (60%) than at business level 1 (55.1%) and this can be attributed to the service characteristic of services in business level 2 having a higher price for tickets than in business level 1. The high price justifies the worthiness of making a phone call.

5) Question 12 (Switch to other means of transportation): ranked fifth with 51.5% at industry level implying that respondents are 51.5% certain that irrespective of the business
level, they will switch to other means of transportation after an unfavourable service experience. The certainty is higher at business level 2 (52.7%) than at business level 1 (50.3%) and this can be attributed to the service characteristic of services in business level 2 having a higher price for tickets than in business level 1, thus making it easier for customer of business level 2 to find and pay for alternative means of transportation. In addition, business level 2 has a loose monopolistic market structure which offers customers alternative means of transportation and this is an incentive.

6) Question 3 (Write a complaint email): ranked sixth with 50.1% at industry level implying that respondents are 50.1% certain that irrespective of the business level they will write a complaint email to the service company after an unfavourable service experience. The certainty is higher at business level 2 (51.4%%) than at business level 1 (48.7%) and this can be attributed to the service characteristic of services in business level 2 having a higher price for tickets than in business level 1. The high price justifies the worthiness of writing a complaint email.

7) Question 13 (Avoid bus trips): ranked seventh with 47.2% at industry level implying that respondents are 47.2% certain that irrespective of the business level, they will avoid bus trips after an unfavourable service experience. The certainty is higher at business level 2 (48.6 %%) than at business level 1 (45.7%) and it must be noted that within business level 1 this question ranks eighth. This implies that within business level 1 respondents are more certain that they would do nothing (Q15: Did nothing; 47% certain) than avoid a bus trip. This can be attributed to the market structure of business level 1 which is monopolistic and as a result customers are less likely to avoid bus trips due to the fact that there are little or no alternative means of transportation. Therefore, customers will prefer (47%) not to complain than avoiding bus trips. Service characteristic of services in business level 1 having a lower price for tickets than in business level 2 may make the customers ignore some of the effects of the negative service experience. Thus their zone of tolerance could be wider due to the fact that prices are low.

8) Question 15 (Did nothing/no reaction): ranked eighth with 46.9% at industry level implying that respondents are 46.9% certain that irrespective of the business level, they will do nothing or not react after an unfavourable service experience. In business level 2 the certainty was lower (46.7%) and in business level 1 it was higher (47%) making this question
to rank seventh within business level 1, higher than in business level 2. As mentioned above, this can be attributed to the monopolistic market structure of business level 1 where by customers are more likely not to complain even when satisfaction is low. According to Singh (1991) and Kolodinsky (1995) complaint rate in markets with little or no competitions are lower than in competitive markets. Since business level 2 is a loose monopoly, there is slightly more competition than in business level 1 which is monopolistic. Since prices of tickets are lower in business level 1, customers are more likely not to react in the event of a negative service experience. As mentioned above, lower prices may widen their zone of tolerance. Therefore, the more monopolistic the market structure and lower prices of tickets in the public transportation industry, the higher the probability that customers will not complain even if satisfaction is low and vice versa when the market has a loose monopoly or competitive market structure.

9) Question 11 (Stop or decrease usage of public buses): ranked ninth with 46% at industry level implying that respondents are 46% certain that irrespective of the business level, they will stop or decrease usage of public buses after an unfavourable service experience. The certainty is higher at business level 2 (46.6%) than at business level 1 (45.3%) and this can be attributed to the service characteristic of services in business level 2 having a higher price for tickets than in business level 1, thus forcing customers of business level 2 to search for alternative means of transportation with higher levels of satisfaction. In addition, business level 2 having a loose monopoly market structure with some degree of competition, hence alternatives will make customers to switch thus decreasing or stop usage of current public buses. Therefore, the more loose monopolistic the market structures is and have higher prices for tickets in the public transportation industry, the higher the probability that customers will stop or decrease usage of public buses and vice versa when the market has a monopolistic market structure with lower prices.

10) Question 5 (Go to the company’s office): ranked tenth with 43.1% at industry level implying that respondents are 43.1% certain that irrespective of the business level, they will go to the company’s office after an unfavourable service experience. The certainty is higher at business level 2 (45.4%) than at business level 1 (40.7%) and this can be attributed to the service characteristic of services in business level 2 having a higher price for tickets than in business level 1, thus forcing customers of business level 2 to go to the office to get justice or compensation. It is worth the time and efforts to go to the office after having paid more
money for a ticket. In business level 1, the prices for the tickets are low and therefore not worth the effort and time to go to the company’s office. In addition, the monopolistic market structure in business level 1 may discourage the customers from complaining because they perceive the monopolistic company being too big and powerful to change. Based on customer feedback, several complaints made in the past were never responded to, so any effort to complain is worthless. Losses are perceived to be larger than gains.

11) Question 10 (Refer to the authorities): ranked eleventh with 39% at the industry level implying that respondents are 39% certain that irrespective of the business level, they will refer to the authorities after an unfavourable service experience. The certainty is higher at business level 2 (41%) than at business level 1 (37%) and it must be noted that within business level 1, this question ranked twelfth just behind question 8 (write on the web) implying that customers in business level 1 are more likely to write on the web about their negative experiences than referring to the authorities. This can be attributed to the service characteristic of services in business level 1 having a lower price for tickets than in business level 2, thus making customers of business level 1 to prefer writing on the web which is cheaper and less time consuming than referring to the authorities and then going through the bureaucratic procedures. At business level 2, the high price of the tickets makes it worthy to go through the bureaucratic procedures. Gains are more likely to outweigh loses. Usually, business levels 1 like Karlstad city buses are state own and as a result customers perceive the chances of losses to be high. Usually customers are more likely to use this complaint method if they think they are not being treated fairly.

12) Question 8 (Write on the web): ranked twelfth with 38.5% at industry level implying that respondents are 38.5% certain that irrespective of the business level, they will write on the web after an unfavourable service experience. The certainty is higher at business level 2 (39.3%) than at business level 1 (37.7%) and it must be noted that within business level 1, this question ranked eleventh just in before question 10 (refer to the authorities) implying that customers in business level 1 are more likely to write on the web about their negative experiences than referring to the authorities. Writing on the web is cheaper and faster and can have greater impact on compelling the service provider to react. Today it is cheaper and easier to reach a wider audience by uploading information or a video on websites like Youtube. Due to the higher prices in business level 2, customers will be more motivated to use this medium than in business level 1. Moreover, due to the fact that business level 2 is a loose monopoly,
this is more likely to have a greater effect on the service provider because customers might switch if they have the means and opportunity.

13) Question 9 (Contact an organisation to protect your rights): ranked thirteen with 34.2% at industry level implying that respondents are 34.2% certain that irrespective of the business level, they will contact an organisation to protect their rights after an unfavourable service experience. The certainty is higher at business level 2 (35.1%) than at business level 1 (33.3%). High prices of tickets may push customers to seek for justice.

14) Question 14 (Physical action): ranked fourteen with 33.7% at industry level implying that respondents are 33.7% certain that irrespective of the business level, they will take physical action after an unfavourable service experience. The certainty is higher at business level 2 (34.7%) than at business level 1 (32.7%). It must be noted that within business level 1, this question ranked fifteen after question 4 (Write a complaint letter) indicating that within this business level, customers will prefer (33%) to write a complaint letter than involving in physical action. High prices of tickets in business level 2 may act as an incentive for a customer to get involve in physical action as a means to seek justice and restoration of damages and honour.

15) Question 4 (Write a complaint letter): ranked fifteen with 33.4% at industry level implying that respondents are 33.4% certain that irrespective of the business level, they will write a complaint email after an unfavourable service experience. The certainty is higher at business level 2 (33.7%) than at business level 1 (33%). As mentioned above, it must be noted that question 4 ranked 14 within business level 1 indicating that they prefer to write a complaint letter than getting involved in physical, thus making physical action to rank 15 under business level 2. High prices of tickets may compel a customer to write a complaint letter because the cost, time and effort is worth the amount paid for a ticket.

(See Appendix 2, Graph 2a and b for an over view of the ranking of the questions according to their means and Appendix 3 Table 5 for the strengths (%) and preference of the complaint behaviour and channels).
3.2.4 Step 4; Analysis of data indicting the impact of cost, contextual resources and customer’s competence on the pattern of customer complaint behaviour at industry level

In order to analyse the extent to which complaint barriers measured in our questionnaire are likely to prevent customers from complaining after an unfavourable service experience, we grouped them under three major factors; cost, contextual resources and customer’s competence. In each of the factors, we determined the sum of the means of all the complaint barrier factors under the major factors and then determined a value that reflects the likelihood that that factor will prevent customers/respondents from complaining. The factors were grouped as follows:-

<table>
<thead>
<tr>
<th>Cost</th>
<th>Contextual resources</th>
<th>Customer’s competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of complaint</td>
<td>Too much bureaucracy</td>
<td>Lack of knowledge</td>
</tr>
<tr>
<td></td>
<td>Employee attitude</td>
<td>Personal reasons</td>
</tr>
<tr>
<td></td>
<td>No means to complain</td>
<td>Language barrier</td>
</tr>
<tr>
<td></td>
<td>Switching barrier</td>
<td>Cultural barrier</td>
</tr>
<tr>
<td></td>
<td>Possibility of no response</td>
<td>Other reasons</td>
</tr>
<tr>
<td></td>
<td>Long time to respond</td>
<td></td>
</tr>
</tbody>
</table>

As mentioned above, the mean of each major factor will be determined by the sum of the means of these sub factors divided by the number of factors in each group (sum of means of factors/total number of factors). We shall measure the means of these major factors at industry level, business level 1 and 2. Later we shall determine the extent to which these factors affect individuals based on their personal characteristics and socio-economic factors.

At industry and business levels, the impact of the factors was as follows:-

<table>
<thead>
<tr>
<th>Industry Level</th>
<th>Business level 1</th>
<th>Business Level 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost; 66.3%</td>
<td>Cost; 65.9%</td>
<td>Cost; 66.6%</td>
</tr>
<tr>
<td>Contextual resources; 54%</td>
<td>Contextual resources; 54%</td>
<td>Contextual resources; 54%</td>
</tr>
<tr>
<td>C.competence; 42.5%</td>
<td>C.competence; 41.9%</td>
<td>C.competence; 43%</td>
</tr>
</tbody>
</table>

At industry level, cost is the most likely barrier to complaining, followed by contextual resources and then customer’s competence. In both business level 1 and 2, cost is the most likely factor to prevent customers from complaining. The impact is higher in business level 1.
than business level 2. Contextual resources are the second most likely factor to prevent customers from complaining and the impact is the same in both business levels. Customer’s competence is the least factor that is likely to prevent customers from complaining. However, the impact is higher in business level 2 than in business level 1. View Appendix 3 table 5 for impact (strengths) of the sub-factors. The impact of these factors shall be analysed based on the personal characteristics of the respondents and their socio-economic factors.

In the third part of the questionnaire (Complaint barriers or discouragements), the questions were ranked as follows at the industry level (from those complaint barriers respondents are most certain will most likely prevent or discourage them from complaining, and down to the ones that are least likely to prevent or discourage them from complaining):-

1) **Question 2 (cost of complaint: time and finance):** ranked first with 66.3% at industry level implying that respondents are 66.3% certain that irrespective of the business level, the cost of complaint will discourage them from starting a complaint process after an unfavourable service experience. The certainty is lower at business level 2 (65.9%) than at business level 1 (66.6%). This can be attributed to the service characteristics whereby due to the fact that customers of business level 2 use the bus occasionally, they could view it not worth the trouble complaining because they might likely not use this service in the nearest future. Hence, the chances of the encountering a negative service experience is low due to low frequency of usage. Therefore it is worth saving the money and time to complain. However, due to the fact that customers of business level 1 use these buses frequently (daily basis) they are more motivated to complaint despite the high cost of complaint, because they are aware that they could encounter this same problem in the nearest future. It is better to complaint now and prevent it from occurring tomorrow.

2) **Question 3 (Too much bureaucracy):** ranked second with 63.4% at industry level implying that respondents are 63.4% certain that irrespective of the business level, too much bureaucracy will discourage them from complaining after an unfavourable service experience. The certainty was higher in business level 1 (63.7%) than in business level 2 (63.1%). Due to the higher prices of the tickets in business level 2, it is worth going through the bureaucratic process in order to make your complaints heard, whereas the low price of tickets in business level is more likely to discourage them from going through the bureaucratic process.
3) **Question 4 (Possibility of no response or solution):** ranked third with 57.2% at industry level implying that respondents are 57.2% certain that irrespective of the business level, the possibility of no response will discourage them from complaining after an unfavourable service experience. The certainty was higher in business level 1 (59.1%) than in business level 2 (55.3%). The high prices of the tickets in business level 2 motivate respondents to still complaint. The complainer views the prospects of gaining to be higher than the losses to the extent that he or she undermines the possibilities of no response. It increases his optimism and on the contrary the lower price of the tickets in business level 1 discourages the customer and decreases his optimism.

4) **Question 6 (Takes too long to get a response):** ranked fourth with 55.6% at industry level, indicating that respondents are 55.6% certain that irrespective of the business level, the fact that it takes too long to get a response will discourage them from complaining after an unfavourable service experience. The certainty was higher in business level 1 (55.9%) than in business level 2 (55.3%). It must be noted that within business level 2, this question ranked third. Customers are more patient to wait for a response at business level 2 due to the higher prices than in business level 1 where prices are lower.

5) **Question 9 (No possibility of switching to another provider):** ranked fifth with 54.1%, indicating that respondents are 54.1% certain that irrespective of the business level, the lack of possibility to switch will discourage them from complaining after an unfavourable service experience. The certainty was higher in business level 1 (54.3%) than in business level 2 (53.9%). It must be noted that within business level 2, this question ranked fourth. Due to the fact that prices are lower in business level 1, customers will be more discouraged to complain because of this factor than in business level 2, where prices of services are higher and as a result customers will be more motivated to complain despite the lack of the possibilities to switch.

6) **Question 5 (Did not know what to do):** ranked sixth with 50.3% at industry level. The certainty at business level 1 is higher than at business level 2 because the low prices and monopolistic market nature of business level 1 will discourage customers from seeking information to know what to do. Hence they will not complaint whereas the high prices of business level 2 services will motivate customers to find out what to do in order to complain and if unsuccessful, then they will give up.
7) **Question 7 (Employee unfriendly attitude):** ranked seventh with 49.2% at industry level, 48.4% at business level 1 and 49.9% at business level 2. It must be noted that within business level 2 this question ranked fifth. Just like in the above cases, price of services is likely to make customers at business level 2 to be less discouraged by this factor than those of business level 1 whose prices for services are low.

8) **Question 10 (Personal reasons) and question 11 (No means to complain: internet, phone etc):** ranked eighth with at industry level, 42.7% and 42.6% (Q11) at business level 1 and 46.7% at business level 2. It must be noted this question 11 ranked ninth within business level 1 and seventh within business level 2 as well as question 10. Personal reasons and no means to complain may have more impact on customers at business level 2 probably because they do not use the bus services regularly like those of business level 1 where people use these services frequently. This high frequency of usage reflects importance to their life and therefore would be less discouraged by these factors.

9) **Question 12 (Others):** meaning other reasons than those mentioned above, ranked ninth with 40.2% at industry level, 41.3% at business level 1 and 39.1% at business level 2. It must be noted that this question ranked tenth within business level 1. Other reasons are more likely to discourage customers at business level 1 more because of lower prices of the service compared to business level 2.

10) **Question 7 (Language barrier):** ranked tenth with 39.9% at industry level, 38.7% at business level 1 and 41% at business level 2. Within business level 1, this question ranked eleventh and at business level 2 it ranked eighth. This factor has a greater impact at business level 2 because these buses travel to other cities within Sweden and out of Sweden such as in Norway. For example a respondent mentioned that he abstained from complaining after an unfavourable service experience in Sweden due to the fact that he could not speak the language. It must also be noted that Swedish and Norwegian was not his mother tongue. In business level 1, this factor has a lesser impact because users of buses in business level 1 are mostly residents of the town and as a result are familiar with the language and also culture.

11) **Question 8 (Cultural reasons: sign of weakness):** ranked eleventh with 37.6% at industry level, 36.1% at business level 1 and 39% at business level 2. Within business level 1,
this factor ranked eleventh and tenth within business level 2. “Culture is a set of beliefs and values that are shared by most people within a group. In some cultures some people will abstain from complaining in order to maintain social harmony. Consequently, customers may adopt less confrontational and more indirect modes of complaint behaviour such as doing nothing or using private actions. Due to the fact that buses in business level travel between cities within and outside Sweden, there is a higher probability that the passengers are from diversified cultures and therefore would prefer not to complaint in order not to appear impolite or rude. They will prefer other forms of private complaint. In addition, our respondents included people from different parts of the world but who live in Karlstad or other Swedish cities. Their cultural backgrounds may influence their complaint behaviour. (See Appendix 2, Graph 3a and b for an over view of the ranking of the questions according to their means and Appendix 3 Table 5 for the strengths (%) of the impact and ranking of complaint barriers).

To conclude, it must be noted that complaint barriers will be greatly influenced by the price of the service offered. In our survey as described above, services at business level 2 have a higher price and as a result the customers were in many cases (questions) less likely to be discouraged from complaining by the factors listed in the questionnaire after a negative service experience. Customers in business level 1 which offers bus services with lower prices are more likely to be discouraged from complaining by the factors listed in the questionnaire. In addition the monopolistic market structure of business level 1 may also be a discouragement which when added to the factors listed reduces the prospects of the customers to have any justice after complaining. This may discourage them.

To conclude, the impact of the barriers above can be associated to the following three reasons:-

1. **Cost of the factor to the complainer:** If a complaint factor requires the complainer to spend a lot of financial resources, the higher the probability that the factor will prevent him or her from complaining and vice versa. This associated to cost of complaint.

2. **Time and efforts required to complain:** The greater the time and efforts required to exercise that factor in order to make a complaint reach the service provider or the right person in the firm, the higher the probability that this factor will discourage the complainer from complaining and vice versa. In our survey these factors ranked quite
high indicating that their impact in discouraging complaints is high. This can be associated with contextual resources.

3. **Prospects or probability of success from customer’s perspective:** The prospects of the complaint to produce a successful result as perceived by the complainer will influence him or her to decide whether to start the complaint process. In order to do this the complainer may evaluate the attitude of the employees and other resources put in place by the company to enhance the success of complaining. He may also evaluate the environmental and societal factors that may contribute to the success of the complaint or hinder it and then compare these barriers to his abilities to overcome them. For example if the market structure is monopolistic, the customer may believe that the service provider may not take the complaint serious because he knows that he (customer) has no opportunity to switch. This will reduce the chances of success. Finally he may also evaluate his personal skills and experience which may contribute to the success of the complaint. The lower the probability of success or prospects the higher the probability that the factor will discourage a customer from complaining and vice versa. This can be associated to customer’s competence.

**4 Discussions**

The pattern of customer complaint behaviour established in this report has seven stages and the ‘forces’ that impact this pattern as well as the extent to which a customer will go through the seven stages are explained below.

**Pattern of customer complaint behaviour:** It must be noted that the pattern of customer complaint behaviour described below is based on the assumption that the customer has encountered an unfavourable service experience and is willing to make a complaint to the service provider (Voice or verbal complaint).

**Stage 1 - Verbal or voice communication**

The first pattern of customer complaint a customer will exhibit is to use the voice or verbal mode. Customers preferred Verbal communication mode which is basically a form of direct approach to frontline employees to voice complaints. This involves communicating the dissatisfaction to the company, hence giving the organisation a chance to recover and improve (Hirschman 1974). Richins (1983) recognized this mode as a part of complaining behaviour.
Evidence of preference for verbal or voice communication in the questionnaire is that customers in both business levels and industry level are more likely to begin a complain process by voicing their complaints, that is informing the nearest available frontline employee. This channel requires less cost, effort and complexity that is frontline employees are available on the spot and so it cost nothing to walk to him or her and voice your complaints. In addition, speaking out requires less skills and time or effort when compared to other channels like writing a letter, email or making a phone call. These channels require some amount of money and effort. Drafting a complaint letter may require the customer to be literate or can write in the language. According to Deutsch (1975) most complainers seeking redress and compensation are more likely to use interactive channels of complaint that is direct face-to-face communication with front-line employees. They hope to get immediate response or solutions to their problems. For example, in the survey, talk to the driver was the most preferred channel or mode of customer complaint behaviour. In addition, in the real incident question, 40.91% of respondents who encountered a problem talked to the driver (see table 4 above). This is an example of public action Day and Landon Jr (1976) model postulates that if the consumer decides to take action, one of it will be public action by seeking redress from the seller. This mode which involves real-time interaction allows the complainant to clarify matters, explain in detail, observe the other party’s body language and even show actions (such as anger, frustration, and urgency) that may lead to a faster resolution of problem (Kaufman, 1999). This was followed by talk to friend, talk to family which is an example of private action (Day and Landon Jr, 1976). These are all verbal forms of complaint that cost less, require less time to get to the recipients, require fewer efforts and are less complex (for example, require less skills compared to writing a letter or an email).

Call the company was the fourth most preferred complaint channel because it involved direct communication and voicing out complaints. The only difference with the previous channels named above is that this channel cost a little more because of the phone bill but requires the same knowledge and efforts. Some customers may have access to free phones which will therefore make this channel even more attractive. Therefore, customer complaint behaviour would begin with voice complaint and the preferences of the channels will begin from direct-face-to-face communication and then down to verbal communication involving the use of communication devices like telephones. Verbal communication had the following ranking in our survey:-
- Talk to the bus driver (ranked first at industry level: 81.2%)
- Talk about it with a friend (ranked second at industry level: 67.5%)
- Talk about it with family (ranked third at industry level: 67%)
- Call the company (ranked fourth at industry level: 57.6%)

It must be noted that verbal communication would be made to the company and then to closest friends and relatives. Evidence of the influence of Cost, Contextual resources and Customer’s competence are as follows:-

**Cost of complaint:** Cost-benefit theory suggests that as the estimated benefits of a complaint action decrease and the estimated costs increase, the action is less likely to occur. For verbal, cost is low and therefore customer perceives benefits as high and this motivates him to start voicing his complaint to the nearest employee, in this case the bus driver. Based on the notion of perceived value of complaint which is the personal evaluation of the gap between the benefit and the cost of complaint (Singh, 1989), the low cost of talking to the driver makes the customer to perceive the gap between benefit of complaint and cost to be wide. This Gap is wider for the channel talk to the driver than calling the company because calling the company involves cost of phoning which narrows this gap. In this regard, the equity theory can best explain this behaviour because according to this theory customer satisfaction are influenced by their perception of the equitability of personal outcomes and inputs. These equity judgments often appear to be driven by customers' notions of fairness (Oliver and Swan, 1989a; 1989b). If the inputs to make a complaint is equal or greater than the outcome of the complaint, then the cost will be low and the customer will be motivated to complain and vice versa. When ratio is 1:2 or 1:3, the customer is still motivated until 1:1 and when it becomes 2:1 discouraged. Therefore, the ratio of inputs to output of face-to-face communication is definitely a 1:2 or 1:3 than calling the company which will involve greater cost. As one goes down the stages, the ratio balances and could even become imbalance making inputs to be greater than output but this could be perceived differently by complainers.

**Contextual resources:** Talking to the driver requires less bureaucracy, increases certainty of getting quick and direct response as well as increases chances of having a response.

**Customers Competence:** knowledge base on the complaint matter is an important resource in carrying out the complaint activities (Hogarth and English 2002; Kolodinsky and Aleong 1990) and in this regard if the customer is versed with the language and has knowledge is
more likely to be motivated to go directly to the driver rather than requiring a third party to translate or assist in the subject matter.

**Stage 2 - Switching to other service providers:** According to our survey, consumers are likely to prefer this channel only if verbal communication has failed to produce any results. This complaint behaviour mode ranked fifth in our survey after all forms of verbal communication (interactive communication) with the service provider. This is when they become fade-up and give up ‘fighting’ because they believe that the service provider will never change his ways. For example, In the real incident question, 9.09% of our respondents who encountered problems switched (see table 4 above) and bought a car because according to her the buses were no longer reliable and consequently this made her go late to work most of the time. She was right because until this day of our research many respondents complained of punctuality (33.33%; see table 2 above). According to Blodgett et al. (1995) this reaction mode can only be pursued by consumers who suspect that the problem is likely to occur again in the future. They added that these consumers also believe that the problem they encountered could have been prevented. Therefore, if this problem will be persistent, they are likely to change to another service provider instead of engaging in a complaint process (Blodgett et al. 1995). Customers switch because the probability of going down the stages and succeeding is low.

- Switching to other means of transportation (ranked fifth at industry level)

The availability of alternative services and the switching cost will influence the customers’ perception of cost. If there is the availability of alternative services and the ‘switching cost’ is low, a customer will perceive the cost of complaining to be high because it would be cheaper for him to switch to alternative services and still maintain the same or even higher level of satisfaction and vice versa if alternative services are not available and switching cost is high. Therefore, the greater the availability of alternative services, the higher the cost of complaining as perceived by the customer because it would not be worth it complaining because the cost of searching for alternative services would be lower than the cost of complaining. This the reason why the certainty of switching is higher at business level 2 (52.7%) than in business level 1 (50.3%) because business level 2 operates in a loose monopoly and therefore there are alternatives, hence cost of searching for alternatives is lower than business level 1 which operates in a monopolistic market.
Stage 3 - Written communication (Electronic): If the consumer does not choose to switch, they would embark on written communication like electronic messages because they are less costly and faster compared to posting a letter. In our survey, write a complaint email ranked sixth; the most likely channel to be used. However, write a complaint letter ranked fifteenth at industry level, the least preferred channel which customers will use in order to complaint. This is due to the cost in-terms of postal stamps and efforts required to go to the post office. The time required to go to the post office as well as the duration to get to the recipient discourages people from using this channel. It is the difference in the costs and potential gains of the two alternatives that influence complainers’ choice to prefer email. The cost is low thereby making the gap between the potential gains and the cost to be wider than that of conventional letters.

- Write a complaint email (ranked sixth at industry level: 50.1%)

In addition, it is believed that people adjust their behaviour in relation to their own self-concept and inner emotions, in an attempt to fit the communication manners of society, at a given particular situation (Graeff, 1996; Snyder, 1974). According to Snyder (1987) this occurs due to the desire of maintaining a socially attractive image of one’s self in the presence of others. In this regard a complainer may want to remain anonymous and so will prefer this channel.

Stage 4 - Discouragement and decrease in loyalty: If written communication proves elusive, consumers will start to decrease their loyalty to the service provider by doing the following:-

- Avoiding bus trips (ranked seventh at industry level: 47.2%)
- Did nothing/no reaction; this could be a sign of discouragement and decrease in loyalty (ranked eighth at industry level: 46.9%).
- Stop or decrease usage of public buses (ranked ninth at industry level: 46%)

In addition to the above reasons, Jones and Sasser, Jr. (1995) postulate that customers can be described as hostages when they experience the worst of a product or service but have no
other place to go because the company operates in a monopolistic environment. Therefore, knowledge of alternatives leads to more accurate expectations and possibly to less satisfaction if a service does not meet one's expectations. For example, this the reason why respondents in business level 1 were less certain to avoid bus trips (45.7%) than those in business level 2 (48.6%) because in a monopolistic market customers of business level 1 have less alternatives than those of business level 2. Those of business level 1 were more certain not to react (47%) than those in business level 2 (46.7%) and finally, the certainty of stopping or decreasing the usage was higher in business level 2 (46.6%) than in business level 1 (45.3%). Therefore, customers of business level 2 are more likely to exit the relationship at this stage than those of business level 1.

**Stage 5 - By pass frontline employees:** If the customer is not completely discouraged or is certain that he has to be compensated, he might choose to go to the company’s head office where he believes he can meet employees who can help direct him or her to the right people in the company who can handle the complaint.

- Go to the company’s office (ranked tenth: 43.1%)

This may depend on whether the complainant has a high or low self-efficacy which according to (Bandura, 1991; Christensen, Schwarzer and Jerusalem, 1995; Christensen, Fogarty and Wallace, 2002), is viewed as an ability of an individual to assess his/her own thoughts and experiences and as a result change their behaviour and opinion over a situation in order to achieve certain levels of performance (Gibson, 2001; Sadri, 1996). In addition, High or low self-efficacy refers to the ability of individuals to solve conceptual problems with a certain degree of ease and that can be: manage time better, initiate and keep the sustainable effort in achieving task accomplishment (Christensen et al., 2002). If the complainant has high self-efficacy, he would move to this stage because he knows that meeting the right people will enable him use his skills to get his complaint heard and solved.

**Stage 6 - Inform external parties (third parties):** If the customer fails to seek any redress of the problem within the company, then he or she realises that the only alternative is to contact outsiders for help and this could be lawyers or state authorities. At this stage the cost is high the potential benefits might be low due to high risk of the authorities not being able to find a fault on the part of the service provider. Some might compel the service providers to act by
exposing the problems to the public via communication networks and the media. In our survey these reactions were ranked as follows:-

- Refer to the authorities (police, lawyers) (ranked eleventh: 39%)
- Write on the web (ranked twelfth: 38.5%)
- Contact an organisation to protect your rights (ranked thirteen: 34.2%)

A study by Fortune magazine and the Forum Corporation (Keki R. 1995, p.28) found that 13% of dissatisfied customers will broadcast their unhappiness with a company's product or service to 20 others. A survey conducted by Andreasen and Bestabout on consumer complaints and presented in Harvard Business Review in 1977, showed that Business executives have complained in the media of late that outsiders meddle too much in the relations between buyers and sellers. Their data suggested that "meddling" is very rare. There was only 1 out of 27 cases where customers were motivated to take any action about a problem and did ultimately talk with official third parties. And in more than 1 in 4 of these cases, they dealt with a business-sponsored agent like the Better Business Bureau or a professional association. However, before a customer reaches this level, it is when all efforts with the service provider have failed. Clearly, the complaint adversary system begins with business and only rarely moves to the public forum. Research reveals that negative word-of-mouth has a stronger influence on customers’ evaluations of brands than positive word-of-mouth (Kahneman and Tversky 1979; Oliver 1997). At this point the complainant wants to make the public aware of the injustice done to him by the company and also inform the public of future potential dangers. For example, in the real incident question there was a case in which the respondent wrote in the news paper. She complained that from her perspective, the tickets were expensive in relation to the service quality offered by the bus companies.

**Stage 7 - Physical action/Post:** This is the last resort and a customer will choose this mode (Physical action) of reaction only if all of the above fail to produce any results to his favour. At this stage the customer will resort to physical action or write a letter to the company’s authority, particularly to someone influential. The choice of action may also depend on the importance of the service to the customer. In business level 2, the customer is more likely to resort to physical action partly because the high prices of tickets in business level 2 may act as an incentive for a customer to get involve in physical action as a means to seek justice and restoration of damages and honour.
• Physical action (ranked fourteen: 33.7%)
• Write a complaint letter (ranked fifteen: 33.4%)

The above description shows the stages a customer is likely to go through in order to make a complaint. The extent to which he or she will go through all these stages will depend on whether the service provider listens to his complaints and attempt to resolve them. Ignoring or failure to do so will make the customer go down the ladder thus causing more harm to the service provider through negative word-of-mouth, switching to other producers or worst still involving third parties by exposing the problems to outsiders who could be potential or current customers. It must be noted that the longer and deeper the customer goes through the various stages of complaint, the higher is the cost, efforts and knowledge required to do so. Therefore, the extent to which the customer can go through the stages will be influenced by the following:-

1) Cost: The price or value of the service will impact the customer’s perception of the cost to complain because if the price of the service (bus ticket) is high, the customer is more likely to use all the possibilities of making his complaints heard and vice versa. High prices of tickets make the cost to complain lower than the likely gains to be obtained from the complaint process. This is part of the service characteristics. Keng et al. (1995) found that consumers were likely to engage in complaint behaviour when there was an increase in price of a frequently used product or service. Public transportation is a frequently used service and therefore higher prices of tickets will definitely motivate people to complaint, hence more likely to go through the seven stages.

2) Customer’s competence: The complainer characteristics and socio-economic factors like the gender, age, ownership of cars or bicycles, level of education, income level and experience in complaining impacts the complainant’s competency which could enable him to go through the stages of complaint behaviour with relatively more ease than someone who is for example less educated, low income and has less experience in complaining. In addition, down the ranks of the stages of complaint behaviour, the cost of complaint increases, hence this will require that the complainer should have a high income, knowledge and experience in complaining.
3) **Contextual resources:** The market structure in which the company operates may influence the availability of resources made available by the service provider for complaints to be made. This is because in a less competitive market companies may not bother to ease the process of complaint. Customers will require more efforts and time to go through these stages and this could discourage them. If the service is offered in a loose monopolistic or competitive market structure where resources are often made available to ease complaint process, the customer is more likely to go through the stages of customer complaint behaviour described in this report and vice versa if it is a monopolistic market structure. Usually in competitive markets complaints are taken more serious because it is way of retaining customers. However, if alternatives are highly available and the cost of switching is low, the customer is less likely to go through the seven stages.

These seven stages follow a sequence of action and reaction model. Action refers to the efforts made by the customer to inform the service provider and reaction is the reaction of customer following the fact that the service provider did not react. Reactions have Exits because at this stage, customer could go. Below is a list of the stages showing the sequence of action and reaction pattern a customer will exhibit in a complaint process:-

1. Stage 1: Voice or Verbal Communication- Action
2. Stage 2: Switching to other service providers- Reaction,
3. Stage 3: Written Communication (Electronic)- Action,
4. Stage 4: Discouragement and decrease in loyalty- Reaction,
5. Stage 5: By pass frontline employees-Action,
6. Stage 6: Inform External Parties-Reaction
7. Stage 7: Physical Action/Post-Action.

It must be noted that physical action is considered an action because the customer does it in order to call or get the attention of the service provider to solve his problem. For example, boycotts and demonstrations in front of the service company might compel the service provider to listen to the complainant as well as solve his problem. At this stage, the complainant could also write a complaint letter which is a reflection of his willingness to seek the attention of the service provider.

At this stage, it can be concluded that this pattern is influenced directly by cost of complaint, contextual resources and customer’s competence. It is indirectly influenced by market
structure and the service characteristics. It can also be concluded that customers will always choose the best subsequent channel that can have a high possibility of success. For example, Face-to-face communication (interactive or dialogical communication) is more convincing than writing a complain email or letter (remote channels) or getting help from outside. The complainant will prefer to have a direct and face-to-face interaction which provides quick access to responses and solutions. In addition the cost in relation to potential gains is quite good and this decreases as one goes down the stages. For example, cost of verbal complaint is low and potential gain is high because of face-to-face interaction, direct response, show of emotions, anger etc, which increases chances of success.

A Pattern of Customer Complaint Behaviour in Public Transportation

Stage 1
Voice or Verbal Communication
To Service Provider | To Relatives and Friends
Stage 2
Switch to other Service Providers
Stage 3
Written Communication (Electronic)
Email
Stage 4
Discouragement and Decrease in Loyalty
Stage 5
By pass Frontline Employees
Stage 6
Inform External Parties (Public)
Stage 7
Physical Action/Post

Figure 2: The stages a customer goes through in order to make a complaint
4.1 Managerial implications
What implications does this thesis have on management?

4.1.1 Employees: In our survey respondents said that they would prefer to talk to the driver after an unfavourable service experience and in the case of complaint barriers; many respondents believed that employee attitude will discourage them from complaining. In addition, the corporate culture towards handling complaints was also a high ranking barrier (contextual resources). Respondents were very certain that slow and complicated processes in handling complaints will discourage them from complaining. Based on these results, companies must therefore increase frequency of employee (especially frontline employees) training in handling customer complaints. In addition, “because of existing corporate cultures, most employees rarely encourage feedback” (Anton, 1996 p.134), companies should create a corporate culture that accepts feedback and does not view feedback as a weakness but rather as a way in which something has not been done properly or as an opportunity in which a service quality could be improved. “Many employees have trouble hearing a complaint as feedback; instead they hear it as a personal attack on their self-esteem or their company. Training and cultural change are issues, and having the technology to track and manage customer complaints” (Anton, 1996, p.134).

The following is a six-part process to encourage a corporate cultural change about complaints (Anton, 1996, p.134):

1. Train employees to view complaints as opportunities. Complaints are just another way of doing things, not good or bad, right or wrong (Anton, 1996).
2. Challenge employees about how many customer complaints they can document in one week (Anton, 1996). The more they can do, the more data the company shall have in order to improve its current services, in short the more possibilities or different ways or approach it shall have in offering the same service.
3. The customers will start talking when they hear a willingness to listen. Instead of “how was your stay?” we might ask, “what one thing could we have done to improve your stay?” Instead of “How was your dinner?” we might ask, “What one thing could we do to improve your meal?”(Anton, 1996). This will trigger feedback from the customers. Some people come from cultures where complaining is considered a weakness and therefore they abstain from complaining. But if these questions are
asked in such a way that it demonstrates or reveals the employees willingness to listen to complaints, this may ease the process of complaining or may encourage a customer to say what he might not have been willing to say.

4. Encourage employees to write down customer issues (Anton, 1996). Some people will say that talking with customers may interfere with business (Anton, 1996). Make employees understand that this is valuable information.

5. Reward both complaint gatherers and complainers (Anton, 1996).

6. Emphasizing complaints as feedback will tell employees this is a customer-focused culture (Anton, 1996).

Service providers and employees must always remember that businesses exist because customers are there and not vice versa. So your customer is the king. He is the target and in order to get to the target, you must identify it, know it and understand it.

4.1.2 Technology: Information and communication technology has an immense data gathering potential which when analysed, can be used to respond to customer complaints cost efficiently and effectively. Information from these data can be used to improve service design. In addition, it can also enhance customer relationship management (CRM), thereby improving the relationship between the service provider and the customer. Some information and communication technology even provide platforms for dialogical interaction between the service provider and the customer, thereby making it possible for the advantages of viewing customer complaint behaviour from the service dominant logic perspective to be realised. For example, in SWEBUS, many customers purchase their tickets online and they were very satisfied with this means of payment because they buy the tickets cheaper than at the bus stations where they would have to be served by an employee. This is an example of how co-production through the use of technology has increased customer satisfaction. Through this platform customers can easily send emails to service providers in case of a service failure. Evidence of the potentials of technology can be seen in the pattern of complaint behaviour whereby writing emails to complain ranked sixth at industry level indicating its high preference as a complaint channel. Contrary to emails, write a complaint letter ranked 14th at business level 1 and 15th at business level 2 indicating customers’ high preference in the use of technology in making complaints. Technology has greatly influenced the pattern of customer complaint behaviour in modern times.
It can be concluded at this stage that delivering high quality service and achieving high customer satisfaction has been closely linked to profits, cost savings and market share (Sager, 1994). By understanding the pattern of customer complaint behaviour, these targets can be achieved. Therefore, if service providers can understand the pattern of customer complaint behaviour, they would be able to invest their resources in the various complaint channels more effectively and efficiently in order to obtain maximum amounts of complaints. For example, the pattern of customer complaint behaviour identified in this thesis has revealed that customers prefer to speak to driver after an unfavourable service experience. A service provider would make use of this information by allocating more money for the training of frontline employees (drivers) in handling customer complaints. In this regard, the service company will receive more feedback and complaints from customers. However, the potentials of customer complaint behaviour will be optimised if and only if the service provider makes use of this information when re-designing the service process. It is only by doing so that the voice or opinion of the customer can be taken into account when improving the service design, hence co-creation and co-production benefits can be realised. Customer co-creation and co-production role in services gives the opportunity for cost reduction which reduces operational cost and this can be passed on to the customers through price reductions which increases value from the perspective of the customer and also strengthens their bonds with the service company.

5 Conclusion

The conclusion of this report is composed of two sections; the summary which highlights the main lessons from the research and the recommendation part which provides proposals based on the lessons learned from the research.

5.1 Summary

The pattern of customer complaint behaviour in this thesis can now be defined as a sequence of actions and reactions that a customer exhibits in a complaint process in order to make his dissatisfaction known to the service providers and outsiders. This pattern follows a sequence of actions and reactions influenced directly by cost, contextual resources and customers competence and indirectly by market structure and service characteristics. Action refers to the efforts the customer makes in order to complain and reactions are the decisions the customer makes like Exiting or keep on with the complaint process depending on his expectations and the behaviour of the service provider in relation to listening and solving his problems. The customer will go through the stages until he receives a solution or decides to quit (Exit) the
relationship. The potential benefits of complaint behavior include refund, exchange or apology, whereas the costs include time and effort in making the complaint (Singh, 1989).

When the cost of a complaint process increases, the potential benefits decreases because the cost may equal or outweigh potential benefits. This may continue until the customer gets to equilibrium and then disequilibrium where he exits. At this point (disequilibrium), perceived value of complaint which is the personal evaluation of the gap between the benefit and the cost of complaint (Singh, 1989) is less than the cost to complain. Therefore, the wider the gap between the benefits of complaint and the cost of complaint (cost being lower than potential benefits) the more likely is the customer going to complain hence be motivated to go through the seven stages if necessary. However, as one goes down the 7 stages, this gap becomes narrower because cost of complaint increases. The probability of a customer exiting the complaint process also increases. It must be noted that cost of complaint may have a limitation depending on the intensions of the customer. For example, if the customer wants to seek justice in order to set an example, he may disregard cost. In this case even if the Gap is closed or in disequilibrium, he or she will continue the complaint process. Ergo may also have a role to play here. If a customer believes that complaining to the firm is highly instrumental in achieving some desired consequence and this consequence is perceived to provide desirable value, cognitive consistency will motivate the customer to engage in higher complaint intention and further voice behavior (Dabholhar, 1994). In this regard, the equity theory can best explain this behaviour because according to this theory customer satisfaction are influenced by their perception of the equitability of personal outcomes and inputs. These equity judgments often appear to be driven by customers' notions of fairness (Oliver and Swan, 1989a; 1989b). If the inputs to make a complaint is equal or greater than the outcome of the complaint, then the cost will be low and the customer will be motivated to complain and vice versa.

According to this model, the customer could go through seven stages in a complaint process. However, the extent to which he or she will go through these seven stages will depend on the behaviour of the service providers towards the customer when handling his complaint. At every stage where the customer makes an effort to complain (action) to the service provider and fails, the customer is likely to exit (reaction) the complaint process and the service company. On the figure above the exits are marked Exit 1-3. This implies that, out of seven stages, three of them are ones where the customer is likely to quit the relationship with the
service provider. In addition, the customer quits and spreads negative word-of-mouth to a wider public. The following lessons can be obtained from this thesis:

1. The first lesson to be learnt from this model is that, service providers must make an effort to listen to customer complaints or risk losing them as well as suffer the effect of negative word-of-mouth.

2. The second lesson is that, as the customer moves from one stage to the next in the complaint process, the complaint barrier factors: cost, contextual resources and customer’s competence are highly required, implying that the impact of these factors even becomes stronger. Consequently, the customer will only go through it depending on the kind of problem encountered; severity, financial damage, personality or frequency of occurrence. If they are high, this will motivate the customer to go right through. But as he goes through, he becomes more outraged and may end up damaging the company property or even harm employees.

3. The third lesson is that customers are likely to be discouraged to complain if the complaint process requires much resource as named before: cost, contextual resources and customer’s competence. Therefore, customers are less likely to get to the fifth stage, except if they are loyal or they are in a monopolistic market structure. In a competitive market structure where customers have more varieties or alternatives, they would quit at Exit 1. If they are in a monopolistic market structure, then they would likely avoid Exit 1 and probably use Exit 2 or 3. These acts show that the customer is likely not going to return to the same company.

4. The fourth lesson to be learnt from this model is that, customers prefer dialogical communication most preferably voice communication where they can express themselves and show their emotions in order to let the service provider know the extent to which they are hurt. Therefore, employees must be trained to dialogue with them.

5. The fifth lesson to be learnt from this model is that it captures the relevant parts of previous existing models as well as portrays the importance of the service dominant logic perspective. It does this by showing that every opportunity the service provider
fails to dialogue or communicate with the customer, much is lost in terms of information from the customer and risk of negative word-of-mouth by the customer to third parties and also wider audiences. It also stresses on the importance of verbal communication by revealing that it is the most preferential mode of complaint behaviour by customers.

Just like Hirschman (1970) model, this model also makes mention of exit (customer leaves the relationship with the service provider), voice (customer speaks out) or loyalty (customer does not complaint). In the part of loyalty, this model in the thesis mention that although the customer does not complaint verbally, his frequency of usage of bus services might decrease or not increase although he may have wanted to do so if the service was better. Therefore, this model makes mention of non-verbal communication. Similar to Day et al (1977) and Singh (1988), this model mentions private and public action, voice response, and private response and third party responses. In this regard, we believe that this model captures the relevant aspects of customer complaint behaviour in public transportation: bus services.

Companies that will foster closer ties with customers will be able obtain significant information to create services that meet their expectations because quality is all about satisfying customers’ needs and expectations (Bergman and Klefsjo, 2003), hence survive in a competitive world. In addition, companies would be able to predict the future because they know customers’ expectations, hence stay ahead of their rivals. Service recovery systems that will lead to customer retention could be easily developed and this will guarantee positive word-of-mouth and ensure survival of the company.

Therefore the pattern of customer complaint behaviour in public transportation; bus services, comprises of seven stages. A customer might go through all or just one depending on the cost of complaint, contextual resources (circumstances) and the customer’s competence. Other external influences will be the service characteristics and market structure.

5.2. Recommendations
Our survey has revealed to us that frontline employees play a vital role in encouraging customer complaints. Employees, especially frontline employees should continue to be trained on how to handle customer complaints. This will change the perception of customers about complaining. They would be motivated to voice out their feelings.
Technology should also be used in order to facilitate the complaint process. Technology is cheap and fast and as a result is a preferable mode of complaint by customers. If this is done, much data on customers likes and dislikes about the service can be gathered and analysed in order to be used during the decision making process.

Service providers should not invest their money in complaint channels by guessing. This would lead to enormous waste of financial and other resources and a production of little or inadequate results. They should allocate their resources according to the preferences of their customers. This research describes the various complaint channels, complaint barriers and triggers according to customer's personal characteristics and socio-economic background. Their preferences differ. By identifying and understanding the personal characteristics and socio-economic factors of your customers, service providers would be able to allocate their resources more effectively and efficiently to boost customer complaint. This information can be useful in service design and service recovery hence quality improvements.
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