



Managing consumer complaints: differences and similarities among heterogeneous retailers

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Abstract

Purpose – The purpose of this paper is threefold: to examine complaint management among retailers in order to develop a typology of their strategic complaint management system; to develop a profile of each retailer group included in the typology using a set of key relevant variables (e.g. company size, perceived customer dissatisfaction); and to investigate the state of complaint management across different types of retailers.

Design/methodology/approach – Data are collected from an online survey of Danish and Swedish grocery retailers, electronic stores, car-dealers, and furniture stores ($n = 260$) using self-administered questionnaires.

Findings – Cluster analysis identifies two clusters of retailers: non-active complaint handlers and medium-active complaint handlers. Medium-active complaint handlers regard complaint handling as having higher strategic relevance than non-active complaint handlers and also, medium-active complaint handlers were more inclined to compensate the complaining customers for the loss they might have experienced. The developed cluster profiles revealed that medium-active complaint handlers perceive a higher degree of customer dissatisfaction than do non-active complaint handlers and also that a larger proportion of their customers have complained. Within retailers, grocery stores had the best compensation policies and the most positive attitude toward retailer-customer interaction, while car dealers are the most likely to have a strategic plan to deal with complaints.

Practical implications – The results obtained in this paper indicate that retailers hesitate from inciting customers to complain. This is unfortunate, as dissatisfied customers should be regarded as a strategic asset, which potentially could provide retailers with important knowledge concerning their products and services and thereby helping retailers in improving their market place behaviour.

Originality/value – No other research has looked across different types of retailers to determine if there are differences in the integration of complaints to the strategic management process.

Keywords Complaints, Customer relations, Customer satisfaction, Compensation, Denmark, Sweden

Paper type Research paper



Introduction

As a response to being more consumer oriented, many authors have investigated various consumer complaint processes instituted by retailers (Saxby *et al.*, 2000; Singh and Widing, 1990; Stephens and Gwinner, 1998; Richens, 1987) and many others have emphasized the importance of developing a customer complaint management system (Lam and Dale, 1999; Johnston, 2001). Previous research suggests that a well-designed and well-implemented complaint management/service recovery system may highly influence customer satisfaction and hence loyalty (Berry and Parasuraman, 1991). Also, complaint management has implications for internal company well being. For example, if the design of the complaint management system is easy to use by employees and if it