



UNIVERSITY OF GOTHENBURG

COMMUNICATION IN COMPLAINT HANDLING

Customers' Complaint Experience with Swedish Telecom

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Master of Communication Thesis

Report No. 2013:025

ISSN: 1651-4769

University of Gothenburg

Department of Applied Information Technology

Gothenburg, Sweden, May 2013

ACKNOWLEDGEMENT

First of all, I would like to send a special thanks to my supervisor, Ms. Anna Linda Musacchio Adorisio for her willingness to support, guidance, and valuable comments.

Second, my thanks go also to The Swedish Consumer Agency, The Swedish Telecom Advisors, The Swedish Post and Telecom Authority (PTS) and Interactive Intelligence for data assistance, and helpful information about Telecommunications in Sweden.

Last but not least, I would like to express my appreciation to my dear husband who has been always supportive and helped me with Swedish language in understanding customers' narratives.

Gothenburg, 2013

Kim Dao Jonsson

ABSTRACT

Due to the importance of understanding what circumstances make customer complaint handling successful and how to achieve an effective result; this thesis aims to study the communication failure in the responses given by Swedish telecom companies' customer service to consumer complaints, and post-complaint consumers' reactions to those complaint responses through emotions and behavioural intentions.

Since previous research about complaint management did not put much focus on communication role as well as on post-complaint consumers' responses to organizational complaint handling, this study, based on the analysis of authentic customers' complaint experience with Swedish telecom, incorporates the interactional dimension into the existing models of cognitive and affective antecedents of satisfaction with complaint handling.

Regarding methodology, a telecom service provider (TSP) was selected as case study for this thesis. The sample used in this study consisted of 108 consumers' complaint reports collected from the Swedish Consumer Agency, involving complaint experiences which consumers perceived as unfair. The content analysis of customers' narratives was applied in this study. Complementary use of quantitative and qualitative approach in the pursuit of a holistic view was chosen for reporting the results. Nvivo, Word and Excel programs were used to process and organize the data.

The findings of the study confirmed that the failure by frontline employees' to display proper interpersonal communication and behaviour in responding to customer complaints was the main reason for complaint handling dissatisfaction. In addition, troublesome organizational procedures and improper redress escalated complaint situations and had negative impact on post-complaint satisfaction. Consumers' negative emotions and behavioural intentions (e.g., seeking legal action, word of mouth, defection, and mistrust) experienced as a result of post-complaint consumer dissatisfaction.

The contribution of this thesis is that identifying communication failures in organizational responses through consumers' justice perceptions enables Swedish telecom sector to know what customers think is important in complaint handling. Hence, communication training programs are needed for frontline employees to prevent catastrophic complaint responses and enhance customer retention. However, this study examines only one service context; consequently, caution is needed when generalizing the results.

Keywords: Swedish Telecom, complaint handling, post-complaint satisfaction, negative emotions, behavioural intentions, perceived justice

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1. INTRODUCTION

1.1. Background

The telecommunications sector is an important part of the Swedish economy, and has been increasingly so from the 1990s. Since Swedish Telecommunication market has been transformed to more competitive with more competitors and additional services in local exchange, long distance, Internet, and wireless services (www.pts.se), consumers have more freedom of choice in buying subscriptions and are more aware of their customer rights. In order to retain customers and secure a strong position in the competitive market, telecom service providers (TSPs) in Sweden are concerned with improving customer service through the delivery of quality services which ensures consumers' satisfaction.

A key aspect of customer service that affects consumers' choices of service providers is how a company responds to consumer complaints (Goodwin and Ross, 1990). In fact, some TSPs in Sweden still systematically ignore and mishandle customer complaints, resulting that many complaining customers become dissatisfied with recent complaint handling experiences. More and more customer complaints mentioning unfavorable experiences with complaint outcomes characterized by high levels of dissatisfaction have been reported to national consumer agencies such as The Swedish Consumer Agency (Konsumentverket), The Swedish Telecom Advisors (Telekområdgivarna), The National Board for Consumer Disputes (ARN), and The Swedish Post and Telecom Authority (PTS).

In 2012, a high level of consumer complaints against the telecommunications industry have been made to the Swedish Telecom Advisors- an authority who monitors the electronic communications and postal sectors in Sweden- with a total of 7912 cases, which is an increase of 10% compared with the previous year and is the highest number of cases since this organization started (www.telekområdgivarna.se). Apart from complaints referring to issues of telecommunications services, complaints concerning the operators' customer services increases dramatically by almost 60% in the year 2012. The largest increase is from consumers that do not get to talk to someone in charge of their case. More and more consumers also feel that the company did not call back about their complaints as they promised to customers, or that customer services simply do not have enough knowledge to handle the consumers' case. A significant increase has also occurred regarding issues of accessibility to customer service, primarily about long queue times.

According to The Swedish Consumer Agency, a government agency that is active in the fields of advertising and contract terms, consumer information and product safety, Swedish telecom sector draws the most complaint ratio (13%) of the total 7902 complaints against different business areas all over Sweden in the year 2012 (www.konsumentverket.se). A majority of customer reports mentioned that the responses given by telecom service providers to their complaints were unfair and misleading.

Another survey conducted by Interactive Intelligence about Swedish attitude to customer services of private organizations 2012, a global provider of business communication solutions to the contact- and call centers, also shows that Swedish telephone companies have the worst

rating in customer service (www.inin.com). One in every six consumers being asked agreed with the claim that customer service is often rude or ignorant. The proportion is even higher among the younger, 18-29 years, which was one out of five people agree with this.

These statistical figures indicates a gap in complaint handling communication between consumers and TSPs. Therefore, by examining unfavorable consumers' complaint experiences, the gap will be explored and identified in this thesis with hopes to provide service sector in Sweden a better view of how to improve complaint management quality.

1.2. Problem Statement

Since customer satisfaction/dissatisfaction is becoming the centerpiece of marketing management strategies, complaint management occupies a central role in customer relationship management and is clearly positioned as an important strategic tool for firms of all types (Strauss and Hill, 2001). More and more companies nowadays have become increasingly interested in customers' feedback; dissatisfied customers, in particular, are often encouraged to communicate their complaints to company service representatives (Garrett and Meyers, 1996). Challenges in managing quality, combined with the important role played by customers in the service production process and evidence that customer loyalty drives profitability, make complain handling a critical "moment of truth" for organization in their efforts to satisfy and keep customers (Schoefer and Ennew, 2005).

The importance of communication in the delivery of services has been noted by Zeithaml, Berry, and Parasuraman (1988) and previous complaint letter research has been used to identify different types of company responses and customer satisfaction levels with those responses (Baer and Hill, 1994). However, little in the complaint management literature defines or empirically identifies an important facet of most complaint management situations, the nature or the scope of communication competence necessary to implement effective complaint management (Garrett et al., 1991).

In addition, previous customer satisfaction research did not put much focus on customers' evaluations of a company's complaint response (Goodwin and Ross, 1992), and on how customers respond to the organizational responses impact a customer complaint in order to provide a company a buffer against the consequences of ineffective complaint handling (Homburg and Fürst, 2005). Exceptional levels of dissatisfaction in consumer experiences- referred to as disappointment- is especially important because these extreme experiences can have profound effects on subsequent consumer judgments and behavior, including purchase, word of mouth, and defection (Oliver, Rust, and Varki, 1997; Singh, 1990; Taylor, 1997). Service providers may unknowingly be losing business because of negative comments made by dissatisfied customers (Blodgett et al., 1995). This study's findings therefore highlight the role of communication in complaint handling and enrich the existing limited knowledge on consumer post-complaint outcomes by developing a deeper understanding about customers' emotional and behavioral responses, which can be a reference for customer services of telecom industry alone as well as other service sectors in Sweden. Furthermore, examining outstandingly negative post-complaint outcomes through customers' responses may identify ways to prevent failure in responses to consumers' complaints.

1.3. Purpose and Research Questions

By analyzing dissatisfying customers' complaint experience reported to The Swedish Consumer Agency in the year 2012, the purpose of this study is to 1) investigate communication failure in the responses by Swedish telecom companies to customer complaints, 2) examine the outcomes of TSPs' complaint responses to customer justice evaluations indicated by consumers' responses to TSP's complaint handling. Hence, it provides a comprehensive understanding of service complaint handling evaluations and help organizations develop effective complaint handling responses. Accordingly, two research questions for this thesis are identified as follows:

- (1) What were the reasons for communication failure in complaint handling by TSPs' customer service?
- (2) How did consumers respond to TSPs' complaint handling process?

1.4. Organization of the Study

The balance of this thesis is structured in five parts. Chapter 1 discusses the research problems broadly, providing insight into the purpose of this thesis. Chapter 2 delineates theoretical framework to be used in the study analysis, including definitions and models regarding consumer complaint behavior, communication role and organizational responses to customer complaints, and eventually post-complaint satisfaction. Chapter 3 presents the narrative inquiry methodology used to analyze customers' written narratives and Chapter 4 discusses the results from this narrative analysis. Chapter 5, following an examination of the results, is the conclusion with key implications and directions for future communication research.

2. LITERATURE REVIEW

In this chapter, the definition of complaint and theories relevant to complaint behavior are presented first, then followed by discussing organizational responses to customer complaints and post-complaint satisfaction. In each construct, the literature on underpinning models is presented and discussed with the aim of providing a framework based on which a suitable methodology for the study is developed.

2.1. Customer Complaints

2.1.1. Definition

Usually, a complaint is the result of perceived dissatisfaction with a product or service characteristics (Huefner and Hunt, 2000) and is considered an important potential input from customer contact personal to management (Gilly, Stevenson and Yale, 1991). A complaint has been described by Tax et al. (1998: 61) as a "conflict between the customer and the organization in which the fairness of (1) the resolution procedures, (2) the interpersonal communications and behaviors, and (3) the outcome are principal evaluative criteria of the customer." Customer complaints are affected by individual customer characteristics, customer's perceptions of the sources of their dissatisfaction, outcome expectancies, product type, and the costs associated with complaining (Singh and Howell, 1985:7).

2.1.2. Customer Complaint Behavior (CCB)

"For the consumer, complaining is a means of making one's feelings known when unfair seller practices are encountered, when disappointment with a product arises, and when disapproval of business conduct more generally occurs" (Fornell & Westbrook, 1979:105). Conceptualized this way, dissatisfaction is the attitude resulting from disconfirmation of expectancies, and complaining is a behavioral expression of the dissatisfaction. In complaint management, it is important that the organization understand why consumers choose specific complaint behaviors, particularly those that do not involve the direct voicing of a complaint to the organization. When facing dissatisfaction, customers have several alternatives: exit, loyalty and voice. Hirschman's theory (Hirschman, 1970) posits that consumer complaining behavior depends on the "value of voicing the complaint," the "probability that the complaint will be successful," and on "the ability and willingness to take up the voice," and that exit is often a last resort (Blodgett et.al, 1993).

Day (1984) developed a very good model of the consumer's decision to voice or not voice their complaint to an organization. In this model, the consumer first considers the costs and benefits of complaining, performs an analysis, and then decides whether or not to complain. In addition to the cost/benefit (e.g., cost/importance, degree of dissatisfaction, effort and past experience) and situational variables (e.g., social pressure, situation conducive, mood and time), Day also included personality variables as moderators. That means, a consumer's attitude towards complaining can moderate the relationship between the results of the cost/benefit analysis and the actual decision of whether to complain. This explains why some customers may still complain even though they are satisfied. Such satisfied customers still complain because they want better services or to provide feedback for service improvement, among others (Blodgett et al., 1995; Singh and Wilkes, 1996).

Reported analyses of survey responses to questions about complaint behaviors (Day and Ash, 1979, TARP, 1986) also reveal two main reasons why consumers do not voice their complaint to the organization. First, consumers felt it was not worth the time and effort, and second, consumers didn't think they could get anyone to do anything about it.

It is therefore important to encourage consumers to voice their complaints to an organization. To understand this, it is necessary to understand the alternative behaviors to voicing a complaint to the organization and the consequences to the organization of these alternative behaviors. The most commonly accepted taxonomy of consumer complaint behavior is that of Singh (1988), which consists of three categories for classifying consumer complaint behavior.

- Voice refers to complaints directed at individuals or organizations external to the consumer's social circle and directly involved in the dissatisfying exchange.
- Third-party action, on the other hand, refers to complaints expressed to an external party who may have some authority or influence over it (legal agencies).
- Private action refers to behavior ranging from warning friends and families not to use that service provider to deciding not to purchase from there again.

2.2. Organizational Responses to Customers' Complaints

2.2.1. Communication Role

Customer service is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint (Kim, Park and Jeong, 2004). Customer complaint handling activity involves two set of roles, one for customer service representatives and the other for customers. In most consumer complaint context, the basic responsibilities of frontline employees are to 1) get background information about complainant, 2) identify the nature of the complaint and its potential causes, and 3) resolve the customer's problem (TARP, 1985 & 1986). Evaluating the customer service representative's role is the role of the customer. In general, customers focus on 1) explaining the reasons for their dissatisfaction and 2) seek an equitable resolution to their complaints (Garrett and Meyers, 1996).

2.2.2. Organizational Responses to Customer Complaints

The notion of complaint handling refers to the initial reactions by a company in response to a complaint (Gelbrich and Roschk, 2011:24) in order to establish a firm's reliability in the eyes of customers (Tax et al., 1998). Complaint handling matters to consumers because 1) customers do not want when they make a complaint is an additional problem, 2) failure in complaint handling affect both the company's reputation and consumers' intention to be loyal to the company (Graham, 2011). For this reason, complaint handling is considered as a major part of the quality management program (Schweikhart et al., 1993), and as an important tool to win competitive advantage (Brown, 1997).

In complaint handling context, explanations are considered as an important aspect of the complaint-management process. They are a motivated process (a) diminishing the perceived negativity of events and (b) shifting the causal attribution for negative events away from oneself (Higgins and Snyder, 1991). The majority of past research shows that appropriate explanations for service failures generally succeed in reducing perceptions of harm (Colquitt & Chertkoff, 2002; Liao, 2007; Karatepe, 2006; Mattila, 2006; Shaw, Wild, & Colquitt, 2003) and mitigating the feelings of anger and resentment that often occur when people experience unfavorable events (Bitner, 1990). The presence of a justificatory explanation led to greater ratings of fairness than the identical outcome without an explanation (Bies and Shapiro, 1987). Bradley and Sparks (2009) found that explanations can take many forms.

- *Excuses*: i.e., accounts that invoke mitigating circumstances in order to absolve the service organization of responsibility for the adverse outcome. Compared to companies who offered no excuse, excuses are more likely to result in the belief that the company could not control and could not avoid the problem. There are two types of excuse: (1) Denial excuses (i.e., I did not do it); (2) Deflection excuses go beyond mere denial by pointing finger at someone else (e.g., blaming someone else);
- *Justifications*: i.e., explanations in which the organization accepts responsibility for the event but at the same time denies that the event has the negative quality attached to it, e.g. it was the right thing to do;

- *Referential*: i.e., accounts that seek to minimize the perceived unfavorability of the failure by invoking downward comparisons (e.g., making a big thing seem small);
- *Apologies*: i.e., accounts that involve an admission of failure and an expression of remorse. Apologies can be defined as "confessions of responsibility for negative events which include some expression of remorse" (Tedeschi & Norman, 1985: 299). The goals of an apology in our customer complaint context are (1) to inform the customer that the organization accepts responsibility for the event, and (2) to express sincere regret.

Among these forms, deflection (blaming someone else) and explanation (minimizing blameworthiness by citing diminishing circumstances) were found to be the most frequent types of excuses provided (Baer and Hill, 1994).

There are several possible complaint management frameworks that could serve as a basis for this study. However, some of them has never been tested (e.g., Boshoff, 1999), some limits managerial usefulness (e.g., Smith, Bolton, and Wagner, 1999; Tax, Brown, Chandrashekar, 1998). So far, only the models of Davidow (2000, 2003a) and Estelami (2000) were empirically tested and succeeded in empirically differentiating between the six organizational response dimensions, satisfaction, and the post-complaint customer behaviors (such as repurchase and word-of-mouth activity). Therefore, these frameworks will be utilized as the basis for my study to facilitate the review and analysis.

According to Davidow (2000), there are six different dimensions of organizational responses to complaints that help organizations handle the complaints in an appropriate manner.

- *Timeliness*: i.e., the time frame in which an organization responds or handles a complaint. It has a positive relationship with repurchase intentions; the faster the response, the higher the repurchase intentions (Conlon and Murray, 1996).
- *Facilitation*: i.e., policies, procedure and structure that an organization has to support customers engaging in complaints and communications. Toll-free lines (Strahle, Hernandez, Garcia, & Sorensen, 1992), service guarantees (Bolfing, 1989; Callan & Moore, 1998), and hassle-free complaint procedures (Kendall & Russ, 1975) are several ways an organization can encourage complaints. Facilitation has a positive relationship with satisfaction from the complaint handling (Goodwin & Ross, 1992) and with repurchase intentions (Fornell & Wernerfelt, 1988).
- *Redress*: i.e., a cost/benefit analysis (Day, 1984), of which compensation is the most talked about aspect of complaint handling (McCullough, 2000). It is reported to have a significant effect on complaint handling satisfaction (Gilly and Gelb, 1982).
- *Apology*: An apology is very important in the overall complaint recovery process (Goodman, Malech, and Boyd, 1987). It shows a company's effort in resolving customers' problem and acknowledging the customer's perceived seriousness of the situation.
- *Credibility*: i.e., the organization's willingness to account for the problem. Organizations are evaluated not only by their responses to individual complaints but by their explanations or accounts of what happened and what they are going to do about it to prevent future occurrences (Morris, 1988). Colon and Murray (1996) reported that it has a significant impact on post-complaint satisfaction and behavior.

- *Attentiveness*: i.e., the interpersonal communication between customer service representative and the consumer including respect, effort, empathy, and a willingness to listen to the customer. This is the single most important dimension having the largest effect of on satisfaction and post-complaint behavior.

Although Davidow's six categories encompass a broader spectrum, Estelami (2000) has drawn them on the three-separate classification for two reasons (Gelbrich and Roschk, 2011). First, all three dimensions represent higher order factors of varied organizational responses. Second, not all six organizational responses have empirical relationships with every other construct in prior studies, whereas this condition is met when the three categories are used.

- *Compensation*: i.e., refunds, replacements, and/or discounts, which organizations provide to complainants. This is similar to the term "redress" used by Davidow (2000, 2003a), with which he describes as a benefit or response outcome that the organization provides to address a customer complaint. It represents a tangible benefit in the form of monetary and intangible response outcomes that can be considered to be psychological compensation such as apology.
- *Employee behavior*: i.e., empathic, friendly, responsible, careful, and informative behavior of the service person (Estelami, 2000). In Davidow's (2000, 2003a) framework, employee behavior covers the interpersonal aspect of complaint handling by embracing attentiveness (i.e., listening carefully) and credibility (i.e., explaining the problem).
- *Promptness*: i.e., an immediate and easy handling of complaint (Estelami, 2000). This description encompasses facilitation and timeliness, both of which refer to the ability of organizations to control complaint-handling processes in an efficient and straightforward manner. This organizational response, however, is renamed "organizational procedures", which better fits the content of both categories, whereas the term "promptness" is rather an alias of timeliness (Gelbrich and Roschk, 2011).

In addition, two approaches relevant to employee's behavior in complaint handling were identified by Homburg and Fürst (2005).

a) *Mechanistic approach* based on three established guidelines

First, "Quality of process guidelines for complaint handling" refers to organizational procedure for complaint registering and processing. This construct includes reasonable time frame for a complaint to be handled (e.g., Technical Assistance Research Program, 1986) and customer to be informed about the complaint status (e.g., Andreassen, 2000; Berry, 1995).

Second, "Quality of behavioral guidelines for complaint handling" refers to an explicit organizational policy for employees' behavior toward complainants, e.g., directions for employees to be polite, helpful, and understanding while interacting with complainants as well as to show concern and take responsibility for customer problems (e.g., Bailey 1994; Tax and Brown 1998).

Finally, "Quality of outcome guidelines for complaint handling" refers to a formal organizational policy for providing compensation to complainants, e.g., correction, replacement, discount, and refund (e.g., Kelley et al., 1993).

a) *Organic approach* based on creating a favorable internal environment

This is a facet related to the customer orientation of the corporate culture (i.e., shared values, norms, and behaviors) in general (e.g., Deshpande and Webster, 1989). Moreover, this construct includes the existence of a positive attitude toward complaints (e.g., Johnston, 2001) and a constructive attitude toward failures (i.e., whether failures are viewed as a chance for organizational learning) (e.g., Tax and Brown, 1998).

2.3. Post-Complaint Customer Satisfaction

Within the area of service recovery, customer perspective is one of service outcomes and post-complaint satisfaction is adopted to measure this outcome (Reynolds and Beatty, 1999). Davidow (2000) defined satisfaction/dissatisfaction as the customer's overall affective feeling about the company as a result of the company's handling of the complaint. More specifically, other post-complaint researchers conceptualize post-complaint satisfaction as an overall assessment of a product or service (e.g., Worsfold, Worsfold, and Bradley, 2007) or of an entire organization (e.g., McColl-Kennedy, Daus, and Sparks 2003), which customers experience after complaint handling.

2.3.1. Customer Justice Evaluations

Since a complaint against a company is considered to be a typical example of a conflict situation, perceived justice/fairness is increasingly identified as a key influence in the formation of consumers' evaluative judgments of the recovery process (e.g. Tax et al., 1998). Perceived justice is the customer's subjective feeling or reaction to the organizational complaint response and important in this study because they are considered an antecedent to satisfaction, leading to behavioral intentions and word-of-mouth (WOM) activity. Justice plays a critical part in the organizational complaint-handling model because it plays as both an outcome of company's responses and as a mediator of other outcomes. Moreover, justice theory has been widely applied in the study of the effectiveness of complaint handling tactics and post-complaint behavior in service recovery. Davidow (2000) reported that customers perceive fairness in three justice dimensions that we must understand if we really want to understand post-complaint customer behavior.

a) **Distributive Justice**

It describes the fairness of the complaint outcome as the customer perceives it based on benefits and costs (Deutsch, 1985), including the facets of equity, equality (e.g., Tax et al., 1998), and need consistency (e.g., Smith et al., 1999). The use of the equity principle in complaint handling practices involves tangible compensation (e.g., reimbursement, product/service replacement, credit, apology, repair, refund, correction), and additional tangible compensation positively affect customer perceptions of distributive justice (Goodwin and Ross 1992; Tax, Brown, and Chandrashekar 1998; Smith, Bolton, and Wagner 1999).

The fairness of compensation is assessed differently on the basis of customer's (1) prior experience with the company/ other companies, (2) awareness of other customers' resolutions, and (3) perceptions of customer's loss.

b) Procedural Justice

It reflects the perceived fairness of the complaint-handling process. Customer perceptions of procedural justice are based on convenience, flexibility, promptness (of response), opportunity to voice, process control, process knowledge, helpfulness, efficiency, assumption of responsibility, and follow-up (Tax, Brown, and Chandrashekar 1998; Clemmer 1993; Conlon and Murray 1996; Goodwin and Ross 1992). Customers' perceptions that complaint handling processes are fair have a positive effect on satisfaction with complaint handling (Tax et al., 1998).

c) Interactional Justice

It includes customer perceptions of employee empathy (e.g., Tax et al., 1998), employee politeness (e.g., Goodwin and Ross, 1989), and employee effort (i.e., the amount of energy spent to solve a problem; e.g., Smith, Bolton, and Wagner, 1999). This justice dimension helps explain why some people might feel unfairly treated even though they would characterize the decision-making procedure and outcome as fair (Bies and Shapiro, 1987).

Because of the importance of communication in the resolution of complaints (Jacoby and Jaccard, 1981), the concept of interactional justice appears particularly relevant to understanding consumers' post-complaint behavior. Greenberg (1993) suggested two dimensions of interactional justice: (1) Interpersonal justice, defined as the fairness of interpersonal treatment provided during the enactment of procedures and distributions of outcomes; (2) Informational justice, defined as the fairness of explanations and information, affects long-term or organizational-centered outcomes because explanations and open communications provide individuals with information necessary to assess the systemic bases of existing procedures.

2.3.2. Post-Complaint Customers' Emotional Responses

There is a relationship between recovery, justice and emotional effect as predictors on complaint handling satisfaction (Fisher et al., 2000). Recent work on service recovery, has suggested that perceived justice is a useful and effective way of conceptualising consumers' responses to a recovery experience (Schoefer and Ennew, 2005: 263). Emotions experienced by individuals may leave affective traces in their memory associated with their experience with the service, and these individuals may access them when judging their satisfaction level (MacInnis and de Mello, 2005). As emotions predict satisfaction, the positive and negative emotions experienced by customers after complaint handling will influence their level of satisfaction with the service (Liljander and Strandvik, 1997; Mano and Oliver, 1993; Szymanski and Henard, 2001; Westbrook and Oliver, 1991).

Emotions provide vital information that guides social behavior and plays a vital role in all service encounters (Dallimore, Sparks and Butchers, 2007:4). Weiss et al. (1999) have argued that emotions play a key role in translating perceptions of unfairness into subsequent attitudes

and behaviour due to the influence on word of mouth, customers' loyalty and repurchase intention (Folkes et al., 1987). It was reported that service failures often evoke strong emotional responses from customers (Smith and Bolton, 2002:7). Schoefer and Ennew (2005) found that the weaker the justice felt by customers, the higher the level of negative emotion (sad, anger, disappointment, dejected).

2.3.3. Post-Complaint Customers' Behavioral Intentions

Customer behavior is usually measured on an intentional level. Dissatisfying customer complaints could result in negative responses from customers such as mistrust, disloyalty, and negative word-of-mouth (WOM) communication about the service provider (Blodgett, Wakefield and Barnes, 1995). Trust is an important factor in service recovery and exists "when one party has confidence in an exchange partner's reliability and integrity" (Morgan and Hunt, 1994:23). However, word-of-mouth and loyalty are the two main post-complaint behaviors that a complainant decides to engage in (or not) (Davidow, 2000:3).

- *Loyalty* refers to a customer's intention to continue to do business with an organization such as repurchase intention (e.g., de Ruyter and Wetzels, 2000). Commitment is also subsumed under loyalty because satisfaction reinforces the customer's decision to participate in the service process, leading over time to commitment (e.g., Tax, Brown, and Chandrashekar, 1998)
- *WOM communication* comprises positive WOM and negative WOM. Positive WOM is the likelihood of consumers spreading favorable information about a company, which includes recommending the company and its products and services (Maxham III and Netemeyer 2003). Negative WOM refers to the likelihood of consumers to spread unfavorable information about a company, which includes advising against the company and its products or services (Blodgett, Hill, and Tax 1997). Applied to post-complaint behavior, it is shown that customers who are satisfied with complaint handling engage in positive WOM and are more loyal than customers who are dissatisfied with complaint handling.

3. METHODOLOGY

This chapter starts with an explanation of the chosen research method and design, followed by population and sampling, then data collection method. Data analysis and coding process will be presented next; and ended with ethical considerations.

3.1. Research Method and Design Appropriateness

In this study, narrative inquiry- the study of story, interpretation and discourse (Leggo, 2008)- was used as a resource for getting the explanation done regarding the failure in consumer complaint handling activity as well as the effect of it on post-complaint satisfaction. Narrative is essentially a representation of the human experience of time (Sharon, 2012); in which people often make sense of their experiences through telling stories. Goffman (1974) calls narratives “replayings”, since they are not mere reports of past events, but rather “films” of personal experiences made from a personal point of view.

Narrative inquiry was chosen for this study because “it is a way of understanding experience” (Clandinin and Connelly, 2000:20). Narrative inquiry investigates what happened, the significance or meaning of that, and how it is told or shared. The importance of consumer narratives in experiential evaluations appears to be applicable in abbreviated service contexts as well as extended ones (Arnould and Price, 1993). In addition, the use of narrative approach is consistent with prior research in this area that has relied on consumer memories of critical service incidents in dealing with businesses (e.g., Bitner, Booms, and Tetreault, 1990; Fornell and Didow, 1980; Goodwin and Ross, 1989; Keaveney, 1995; Tax et al., 1998); and in line with that used in much of the service encounter and complaint research (e.g., Bitner, Booms, and Tetreault 1990; Kelley, Hoffman, and Davis 1993).

In this study, there is no distinction between narrative and story, these two terms are used interchangeably because narratives and stories have many of the same characteristics, such as chronological order (Labov and Waletzky, 1967) and thematic ordering of events (Czarniawska, 1998). The focus here is the customers’ articulation of meaning of experience rather on capturing facts (Sharon, 2012). The information presented in the customers’ narratives is valuable because it describes what happened, and provide insight into customers’ thoughts, emotions and interpretations (Chase, 2005). In addition, the sequencing of narrative form is important because its structure reveals what is significant to people about various practices, ideas, places, and symbols (Young, 1996). Thus, customer experience, captured through narrative inquiry, allows us greater insight into, and understanding of, broad social phenomena (Chase, 1995; Hatch and Wisniewski, 1995).

Since this study is two-phase, the project instrument included two distinct parts. The first part was customer narratives about complaint handling process, addressing the first research question regarding the reasons for communication failure in customer complaint handling by TSPs’ customer service. Through customer written narratives, storytelling emerges as particularly relevant to interpersonal communication theorizing: it represents the communicative manifestation of a dynamic and interactive portrait of storytelling in and about relationships (Fina, Schiffirin and Bamberg, 2006). This was used to explore pertinent aspects

of communication in complaint handling, and to examine the relevance of the elements identified in the literature and presented later in Table 1.

In the second part, customer narratives containing post-complaint emotional and behavioral responses to service complaint experiences were examined. This exploratory aspect was intended to enable the examination of complaint outcomes regardless of the nature of the product, and as a result, complaint data on a variety of goods and services transactions were obtained (Estelami, 2000). This section addressed the study's second research question: How did consumers respond to TSP's complaint handling process?

In an attempt to answer the “what” and “how” questions, case study research based on a mix of quantitative and qualitative method as complementary approach was applied for this study. The use of the case study method "allows investigators to retain the holistic and meaningful characteristics of real-life events" by focusing on the organizational processes (Yin, 2003:2). For example, the second research question “How did consumers respond to TSP's complaint handling process?” poses an overarching question to drive the entire study, with the goal of understanding post-complaint customers' emotions/behavior and perception of fairness in complaint handling. This general question potentially includes both quantitative and qualitative types of sub questions; in which the qualitative data help explain the results from the initial quantitative phase of the study.

3.2. Population and Sampling

As this study's aim is to investigate the failures in complaint handling interaction by TSPs' customer service from customers' perspective, the population was expected to involve consumers' complaint experiences reported to The Swedish Consumer Agency during the year 2012. The Swedish Consumer Agency was chosen because this is a state agency whose task is to safeguard consumer interests in the fields of advertising and contract terms, consumer information and product safety (www.konsumentverket.se). They exist to ensure that companies in Sweden comply with laws and rules on consumer issues and consumer rights, therefore the complaint reports collected from this agency were mainly from consumers who did contact the companies first about their problems and then felt that their problems were not solved or believed that the complaint handling as unfair. For this reason, the consumers' narratives of unfair experiences have strategic applications because they functions as an argument to support customers' claims and/or complaints (Cook-Gumperz and Gumperz, 1997). In their narratives, consumers tend to project themselves as responsible and sensitive individuals, revealing their hypotheses and evaluations about what is acceptable (De Fina et al., 2006:196). Also, they unveil the emergence of tragic events, by relying on strong feelings of emotions/affection, and attaching evidence supporting the credibility of the reported facts. Consumers included potential subscribers and existing subscribers of TSPs in Sweden. Customers reflected their dissatisfying complaint experiences to the consumer agency by post, or via emails regarding misleading advertising, unfair contract terms, incorrect price information, the packaging, the product or anything else that they felt was unfair and misleading. The complaints reports were in both Swedish and English language, followed no prescribed format, and archived by the Swedish Consumer Agency in complaint categories

accordingly (e.g., misleading advertising and unfair marketing, false price information, unreasonable contract terms).

3.3. Method of Data Collection

In the first phase, an initial contact was created with The Swedish Consumer Agency requesting a file of all customer complaints reported to the agency during 2012. After that, the agency replied via email with an Excel file of 7902 complaints against a broad range of services and manufacturing industries in Sweden (e.g., restaurants, hotels, airlines, auto repairs, clothing, furniture, electronics, and groceries). By using Excel program to sort them out, the result showed that 15 TSPs of Swedish telecom sector account for top complaint percentage of about 13% (1022 complaints). The TSP that took over biggest part of complaints with the ratio of 20% (209 complaints) was selected as case study for this thesis.

In the second phase, the 209 customer complaints against this TSP were saved in a separate file with designated codes, and sent back to the consumer agency for original customer complaint reports. As The Swedish Consumer Agency is a government agency, according to the general rule, all documents received by this agency can be requested and read by the general public (www.konsumentverket.se). Therefore, the request was accepted and within a few days, the agency replied with a total of 208 genuine customer complaint reports.

Since most of complaint reports are in Swedish, the first thing needed to be done was to translate them into English and have them checked by a Swedish native speaker to ensure that no customers' comment was misunderstood or misinterpreted. Next, in selecting qualified data for the study, conscious effort was made to include only customer complaint reports with regard to the following criteria: 1) each complaint report contains the root cause of customers' dissatisfaction, 2) narratives regarding TSP's responses to their issues regarding product or service failures, 3) post-complaint consumers' emotional or behavior responses.

As a result, 100 complaint reports were eliminated from the sample due to missing data, i.e., they did not contain complaint experience narratives or provided unusable responses, allowing for a usable sample of 108 emails. Complainants are consumers in Sweden, both male (60 samples) and female (48 samples), 98% is over 18 years old and only two are under 18 (17 years old). Each complaint report was accompanied by customer contact information such as name, email address, phone number, subject, sending date, name of receiver, and even attachment or copies of previous contact with the TSP.

3.4. Data Analysis and Coding Process

As the basic goal of this study is to examine the actual communication content of consumer complaint interactions in 108 complaint reports, content analysis was selected as the most appropriate methodology (Krippendorff, 1980). Content analysis, using a coding approach consistent with other service encounter research (e.g., Bitner et al., 1990; Kelley et al., 1993), was employed to examine the customer narratives that reflected what they believed was unfair about their complaint experience. Rather than being organized around the sequence or type of data, findings were organized around the story to be told.

The analysis began with the identification of the stories contained within each complaint report. The average length of complaint reports was 188 words, ranging in length from five sentences to two pages (90 to 2615 words). Narratives differed in tone and the extent to which consumers genuinely addressed the complaint. Emphasis was primarily on the content of a text, on what was written down more than trying to reproduce the story in the form of syllogisms, logical arguments in order to express the ideas in the story (Feldman et al., 2004). Based on this viewpoint, as with each of the narratives from the data, the analysis took place on two levels.

- The first level was identifying the story line, this is the basic point that narrator was trying to make. Because stories often contain multiple lines of argument (Feldman et al., 2004: 154) - the focus in the analysis, identifying a story line made the argument/arguments very clear and concise. For example, the topic of this study involves the complaint handling communication between narrators and TSP's customer service and its outcomes on post-complaint satisfaction, so story lines were constructed based on the views narrators shared about those issues.
- The second level of analysis was identifying the opposition(s) implicit and explicit in the story. The main oppositions associated with customer narratives include fair and unfair reasons, and then and now. This step allows the meaning of a key element of the story to be uncovered by analyzing what the narrator implies the element is not.

In terms of coding process, thematic coding was applied for analyzing customer narratives because a typology of narratives organized by theme is the typical representational strategy, with case studies providing illustration. The approach to thematic coding was inductive, i.e., existing theoretical framework was used as initial coding categories to identify and develop key concepts or variables from the data. With the help of Nvivo program, patterns of ideas in the text were processed and organized. Each customer complaint report became a separate document, not constituting in a single document. Oppositions in narratives were also separated so that they could be grouped by theme. The identification of specific text units for story, story line, and opposition such as words, phrases, sentences, or complete conversations was considered (Folger, Hewes, and Poole, 1984).

Since customer narratives in complaint reports were hybrid, which means, they mixed formal aspect of written language and informal markers of oral narrative; and consumers appeared to express distinct thoughts in sentence form, sentences were chosen as the most appropriate unit of analysis for this study. By focusing on each aspect of the organizational response as an independent variable, post-complaint customers' emotional and behavioral responses as dependent variables, it is hoped that the effects of each response dimension can better be isolated and analyzed.

First, a list of relatively concrete, descriptive categories of specific content of independent variables regarding the TSP's responses to consumer complaints was started. From an initial examination of customer complaint reports, it became evident that the initial categorization of communication responses based on the existing framework of Davidow (2000, 2003a) and Estelami (2000) was needed to code customer narratives: 1) compensation, 2) organizational

procedures with two dimensions (promptness and accessibility), and 3) employees’ behavior with three dimensions (information/explanation, attitude and credibility).

As organizational responses to complaints are related to consumers’ justice perceptions, the TSP’s complaint responses were coded into one of the three consumers’ justice components. For example, consumers enter the complaint process with some expectations of outcomes that might emerge (Oliver, 1997; Singh and Widing, 1991), such as the level of compensation granted, employee behavior, and the speed with which the complaint will be processed (e.g., Goodwin and Ross, 1989; Smith and Bolton, 1999; Tax et al., 1998). So, if a consumer stated that the employee was impolite (interactional), the process took too long (procedural), and the compensation was not sufficient (distributive), three items were coded. Accordingly, the distributive, interactional and procedural items were categorized into one of the specific formative elements as identified in Table 1.

TABLE 1 - Coding Categories for Consumers’ Perceptions of TSP’s Responses

| <i>Organizational Responses</i> | <i>Consumers’ Justice Perceptions</i> | <i>Descriptions</i> |
|--|--|--|
| <i>Compensation</i> | Distributive Justice Compensation | Monetary (e.g., refund), cash equivalent (e.g., product replacement), or psychological (e.g., apology) benefit or response outcome a customer did not receive from the TSP such as: repaired, paid for caused expenses, upgraded product/service, fixed billing error. |
| <i>Organizational Procedures</i> | Procedural Justice Promptness Accessibility | The time speed for the TSP to respond or handle a complaint, easy to reach, no questions asked. Ways that TSP can encourage complaints, e.g. toll-free line, email contact, short waiting queue, not transferring the calls around, easy to get a person in charge. |
| <i>Employees’ Interpersonal Behavior</i> | Interactional Justice Explanation/Information Attitude Credibility | Information in handling a complaint, which is characterized by following up, providing adequate information, displaying regret for any inconvenience, and helping the complainant to understand why a failure occurred. Employee behavior: polite, responsible, showing respect, effort, empathy and listening to the customer. Company’s willingness to account for the problem, e.g. taking responsibility for customer problems, keeping promise. |

Next, measures of association were employed to assess complaint handling between the characteristics of customer service’s responses and the dependent variables, i.e. the outcomes of organizational responses (or lack of response) on post-complaint satisfaction, evolving around two single dimensions: customers’ emotions, and customers’ behavioral intentions.

For the purpose of this study, emotion is defined as a complex phenomenon that includes affective, physiological and expressive elements (Weiss, 2002). On the basis of Oliver’s categorization of negative emotion labels (1997:312) and Richin’s Consumption Emotion Set (CES) (1997), consumers’ responses containing (negative) emotions were grouped into five categories (anger, discontent, disappointment, self-pity, and anxiety) and then the occurrence of words falling into each category as described in Table 2 was counted.

In coding post-complaint behavioural intentions, six categories based on existing models (e.g., Davidow, 2000) were developed: seeking legal action, word-of-mouth through social network, defection, claiming compensation, mistrust and loyalty (see Table 2 for details).

TABLE 2 – Coding Categories for Post-complaint Consumers’ Responses

| <i>Customers’ Negative Emotions</i> | <i>Customers’ Behavioral Intentions</i> |
|---|---|
| Anger <i>(Feeling angry, irritated)</i> | Seeking legal action <i>(Reporting to consumer agencies, policeman)</i> |
| Discontent <i>(Feeling frustrated, unpleasant, bad, disgusted, dissatisfied, unfair)</i> | Word-of-mouth through social network <i>(Writing blog, reviews warning other consumers, telling media)</i> |
| Disappointment <i>(Feeling shocked, hopeless)</i> | Defection <i>(Cancelling contract or switching service)</i> |
| Self-pity <i>(Feeling cheated, discriminated, mistreated, violated, tired)</i> | Claiming compensation <i>(Wanting refund or apology)</i> |
| Anxiety <i>(Not feeling right, feeling hard)</i> | Mistrust <i>(Losing trust or faith in the company)</i> |
| | Loyalty <i>(Wanting to continue being a customer with the company)</i> |

3.5. Ethical Considerations

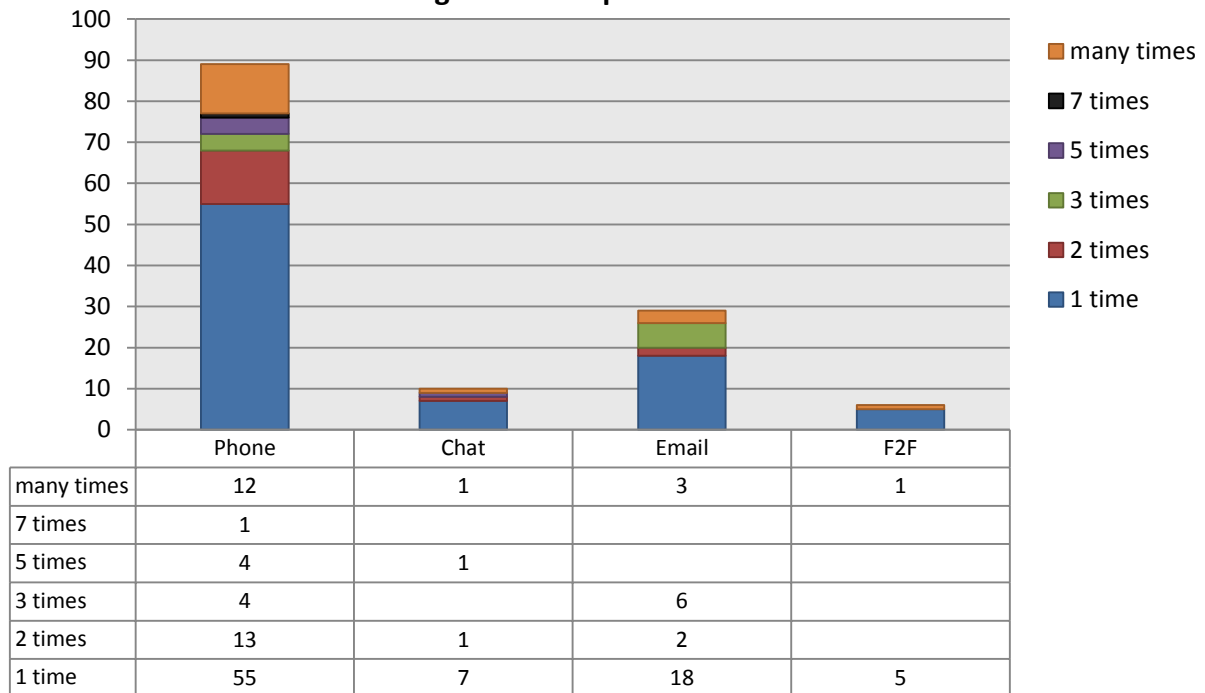
First, though the access to customers’ complaint data is public at the Swedish Consumer Agency, in this thesis, the identity of telecom service provider as case study and customers as narrators will not be published in order to protect their privacy and avoid any vulnerabilities or consequences for participants that may be not recognized. Second, representations of the participants in this study were ensured to be fairly treated in order to avoid strong bias in the narrative analysis and reporting.

4. FINDINGS AND DISCUSSIONS

The analysis of the data consists of three parts. The first is descriptive results of root cause of complaints and complaint channels. The second concerns the results for consumers' evaluation of TSP's complaint handling process. The third refers to the results for post-complaint consumers' responses towards TSP's complaint handling process indicated by consumers' negative emotions and behavioral intentions.

4.1. Complaint Channels and Root Cause of Complaints

Figure 1 - Complaints Channels



Note: The total count exceeds 108 due to 26 customers used more than one channel to complain.

As seen in Figure 1, a majority of customer complaint communications to TSP's customer service was through telephone lines (89 references) and via emails (29 references); the rest was on web chat (10 references) and face-to-face (6 references). It is noteworthy that there were many consumers who had repeated contacts more than one time – with TSP's customer service before/after resolution failure.

The types of complaints mainly concerned unfair contract terms and prolonged termination procedure (52 references), misleading claims in adverts and sales practices regarding the nature or effect of the product or service (61 references), and price/billing disputes (21 references). Other types of complaints were described as in Table 3.

In particular, the unfairness/injustice that consumers suffered at the hands of unscrupulous traders is of great concern. Around one third of consumer complaints (37 references) were related to unfair sales practices that involve aggressive, harassing, and deceptive sales tactics such as misleading customers about advertisement validity, service quality, talking bad about competitors in order to make customers sign contract and then ignored customers' complaints.

TABLE 3 - Root Cause of Customer Complaints

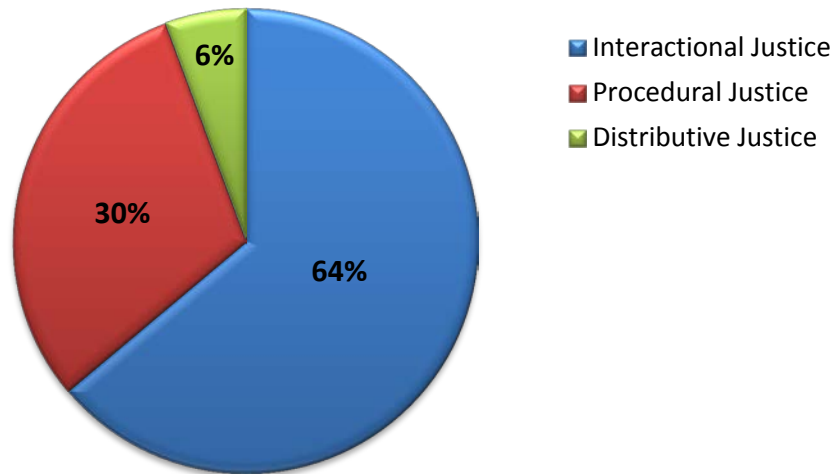
| <i>Product Complaints</i> | <i>Service Complaints</i> |
|--|---|
| Product defect <i>e.g., modem was dead during binding period</i> | Service failures <i>e.g., broadband didn't work, no coverage, no signal</i> |
| Wrong product delivery <i>e.g., customer ordered Iphone 32Gb but got Iphone 16Gb</i> | Slow service <i>e.g., slow surfing, slow repair work</i> |
| Product not compatible <i>e.g., operator-locked mobile phone</i> | Protracted termination procedure <i>e.g., the company only accepts termination by phone calls, not via email.</i> |
| Consumer did not like product anymore | Wrong service delivery <i>e.g., customer asked for contract termination but got it extended instead.</i> |
| Poor product design <i>e.g., mobile phone's screen is too small</i> | Unfair contract terms/conditions <i>e.g., 3-month cancellation time, long binding period, withdrawal rights is not valid if customers opened package or tested product</i> |
| Product not delivered as promised <i>e.g., the company could not deliver Internet service as they promised in 4 weeks</i> | Bad sellers <i>e.g., dishonest, aggressive trade practices</i> |
| Billing errors <i>e.g., wrong calculation/charge</i> | Billing <i>e.g., customers still got bills after cancelling contract</i> |
| | Misleading pricing/advert claims <i>e.g., promotion was over but the information was still on the company's website</i> |

4.2. Consumers' Evaluation of TSP's Complaint Handling

In addressing the first research question regarding the reasons for the failure of TSP's customer service in complaint handling, content analysis of consumers' perceived justice of specific complaint incidents was conducted. As mentioned in literature review, perceived justice is the customers' evaluation of the organizational complaint handling; which customers' level of satisfaction and their loyalty depend on in the complaint handling process and outcome (Davidow, 2003).

Preliminary results demonstrate that interactional justice plays predominant role in consumers' evaluation of TSP's complaint handling with 64% (136 references) of customers' comments concerned interactional justice, 30% (65 references) involved procedural justice and 6% (12 references) referred to distributive justice. (See Figure 2)

Figure 2 - Perceived Justice of TSP's Complaint Handling



Specification of the empirical results are presented in Table 4, organized around the three justice concepts: procedural (the process used to resolve the problem), distributive (the outcome of the recovery process), interactional (the manner and the ability of the operator in dealing with the complaints). Although many customer comments referred to multiple justice issues, the sample quotes were selected to highlight specific aspects of each justice concept that caused post-complaint customer dissatisfaction.

TABLE 4 - Results for TSP's Complaint Handling on the basis of Justice Perceptions

| TSP's complaint responses | Number of Times Mentioned | Sample Comments |
|--|---------------------------|--|
| <i>Distributive Justice</i> | | |
| Compensation <i>(no refund, no replacement or correction)</i> | 10 | "I got connected to someone who promised deduction on the bill, I didn't see that either, we didn't get any economic compensation" |
| No Apology | 2 | "Technical support discovered that we got wrong password from..., no apology!" |
| <i>Procedural Justice</i> | | |
| Timing Issues <i>No Reply</i> | 19 | "I have had contact with different people both verbally and via email, but they didn't answer." |
| <i>Slow Response</i> | 5 | "It has been extremely difficult to get answers and their actions were so slow until we demanded actions from them." |
| Accessibility Issues <i>No responsible person</i> | 6 | "I have not been able to find any responsible person on the website that I can send a registered letter to prove ..." |

| | | |
|---|----|---|
| <i>Long waiting in queue</i> | 26 | “I tried several times to call the number in the list, but ended up in long queues.” |
| <i>No email contact</i> | 2 | “They don’t supply email address on their website for complaints” |
| <i>Transferring the call around</i> | 7 | “I’ve talked to over ten different people who just connected me to someone else and then the call got disconnected mysteriously few times.” |
| <i>Interactional Justice</i> | | |
| <i>Explanation/Information (e.g., ambiguous, contradictory, inappropriate, unknowledgeable, denial excuses, blaming others)</i> | 54 | “After unpleasant call with support, the only answer is that my son has surfed, though there’s no installation and they refused to tell which page my 10-year-old son has been on.” |
| <i>No follow-up</i> | 5 | “I contacted them again and he said that nothing was noted and I have to pay the charge anyway.” |
| <i>Attitude No Effort</i> | 34 | “The seller refused to replace my new subscription and said he could not do anything.” |
| <i>Rude and arrogant</i> | 7 | “I was switched all the time in about 1,5 hour and right before I got to her, one guy hang up in my ears” |
| <i>Not listening/ignoring</i> | 10 | “I have been down at selling place several times to try to cancel the purchase but the young man was completely unreasonable and he refused to listen to me.” |
| <i>Credibility Issues Not keeping promise to fix problems</i> | 18 | “Every time I called, they promised to take it away and no more bill, but today I got another bill for the router” |
| <i>Not keeping promise to call back</i> | 4 | “I become angry and called customer service and talked to someone who promised to call me when he listened to the recording, but he didn’t call back” |
| <i>Dishonesty</i> | 4 | “They have invented a fictitious email address in their system and said that they did send the confirmation to my email”. |

4.2.1. Important Role of Informational Dimension

Informational dimension, a part of interactional justice, refers to consumers' evaluation of the company's willingness to provide an explanation to why the failure occurred. The empirical results in Table 4 suggest that explanation was one of the influential variables affecting complaint handling success. In many references, customers described situations where employees' explanations were ambiguous, contradictory, and inappropriate. As the customer complaints in this study involve problems related to (ethical) marketing, sales practices, billing, and service termination procedures, customers wanted the issue resolved as quickly as possible, with the minimum of fuss and an appropriate response. According to customers, the frontline employees used denial excuses and blaming customers or others in solving problems regarding billing complaints. For instance, consumers were billed for unused Internet service or did not receive notification upon the expiry of a free trial period and were charged afterward, the explanation they got from the TSP was that they had to pay and the company could not give evidence how much customer had used. Another example is the TSP's written response to a customer complaint regarding misleading advert information: *"I'm sorry that it was stated not correctly, but there's nothing we can do about that"*.

The ability (e.g., intelligence, skill) to get a problem resolved quickly and to the complainant's satisfaction was considered important. It was one of the reason consumers gave most frequently to explain success and failure. There were comments about unknowledgeable representatives who could not offer explanations because they did not have full knowledge about services provided by the company, which has a significant impact on satisfaction and repurchase. As a customer commented about the knowledge of the staffs at store: *"Those who work in the stores have no idea about their jobs"*; or a female customer who had complaint experience on web chat commented: *"It was only after half an hour of chatting then they understood where the real problem is."*

Another reason to the complaint handling failure is the problem of information processing within the company, i.e., how information from customers flowed through the company to relevant decision makers. Customer comments mentioned that there was no follow-up in the way the company solved their complaints to make sure that a complaint was resolved. This hassle procedure resulted that customers had to recontact the customer service more than one time (as shown in Figure 1) and talked to many different customer service representatives. In those repeated contacts, the employees gave repetitive responses to consumers, forcing them to restate their complaint a number of times in the face of on-going negative responses from customer service. A customer narrated his experience trying to cancel the contract:

"I got the same answer on three different times by three different "advisors" and it didn't help when I tried to argue that it's impossible for me to have an idea about the phone if I didn't open the package. I contacted consumer advice in my municipality and they advised me to look at the contract [...] there was nothing on packaging agreement, I called again and when I expressed my concern about online withdrawal rights, I was asked again with the same question that if I did open the package. After a lot of "if" and "but", I was finally connected to "shipping department". Even there, when I expressed my desire to return the

phone, I was told that if I had broken the package, then withdrawal rights is not valid. [...] the answer was unequivocally that “according to the rules”, if I had the phone in even a short time, the rights to regret expired and that if I wanted to complain, I could go to the National Consumer Agency.”

As a consequence, complaint resolutions turned out to be disappointing for customers because those explanations were helpless. In each case with no resolution, respondents believed that they were dealt with unfairly. This finding is in line with previous research suggesting that just getting dissatisfied customers to complain will not have positive effects if the complaint is not resolved (e.g., Technical Assistance Research Program, 1986). The findings clarify also previous research (Bittner, 1990; Hill & Baer, 1993) in that an explanation of why the problem occurred does affect post-complaint customers' satisfaction.

4.2.2. Important Role of Interpersonal Dimension

Customers react to interactional justice cues, not only to employees' verbal but also nonverbal language. This is why interpersonal dimension, the manner in which a complaint was solved (courtesy, politeness, empathy, flexibility and effort exhibited by customer service representatives) becomes a significant part of what the customer observed and evaluated during TSP's complaint handling process. In the findings, many narrators indicated that they did not see frontline employees' displaying their effort into trying to correct their problems. For instance, explanations regarding complaints about broadband quality were dry and resolutions were not flexible. As a customer narrated about her experience:

“In December 2012, I bought a mobile broadband from this company and received a term of 18 months. The modem included has been excellent during that time but now is completely dead. Of course I contacted the store to get a new one but they referred me to the customer service as they couldn't help me. After an hour of waiting on phone, I got to know that my modem only has a warranty of ONE YEAR, and that I could not get a new one but I am bound to the contract for six more months. I find it very strange that I should sit here and pay 200kr/month to them for the broadband which is not working. It is noteworthy that the modem dies exactly when the warranty expires?? I feel very much cheated by the company. I assumed that I would get a new modem and why should I sit and pay for nothing.”

The inclusion of interpersonal factors (e.g., attitude and attentiveness) helps explain why some people might feel unfairly treated even though the decision-making procedure and outcome as fair. Apart from failure in rectifying the problem and/or offering compensation, frontline employees lacked also recovery initiation that communicates respect and empathy to the customer. Negative attitude toward complaints was also confirmed by being rude and arrogant, ignoring, and not listening to customers. As an old male customer narrated about how he was treated when he used withdrawal rights to return a mobile phone:

“It turned out that the paper I signed was a subscription and my protests were ignored totally. He also claimed that I broke the package, which is a pure lie because it was him who eagerly showed the product. I have contacted the company but they said they can do nothing.

I have also been down at selling place several times to try to cancel the purchase but the young man was completely unreasonable and refused to listen to me.”

Besides, customer service failed also in managing the subjective emotional aspects. They took consumers’ complaints personal and forgot that consumers’ complaints were against the company of which they are just representatives. Consider how employees handled a female customer’s anger in the following comment:

“I contacted the company and was connected to repentance department, where I was quarrelling with the guy who answered. He thought that I had no rights to be angry and rude to him, which he is quite right about, but working as customer service representative, probably you should expect that people might be angry when they call. He said I could not cancel my agreement and that I had no choice but accept them as internet provider for two more years. When I became angry and though he was rude and had bad attitude, he ended up by simply saying that now he locks me up, and I’ll never be able to call back and that I would learn how to behave as a person. When I asked his name, he said that I had nothing to do with it and hung up in my ears! I think it’s incredibly unprofessional behavior.”

In terms of credibility, not keeping promise was the most-mentioned issue in consumer narratives regarding TSP’s complaint handling process. From the beginning of the findings, the comments on unfair trade practices or the ethical judgment of salesmen were addressed. The company may underestimate the costs of using deception because they rely on customer service to provide a satisfactory outcome in complaint management. But in solving the problems related to the sellers, frontline employees did not call back, or fix errors as they promised to customers. Consider this narrative:

“...When I got the password, there’s no information except 4-digit code. I called them again and talked to one guy. He could not answer why these 4 digit code is needed, and once again the company promised that they would unlock through their system. A first attempt failed, and I was promised that the whole thing would work at the end of the week. No codes are needed. We haven’t got any answers to why this was not right in the beginning.”

Dishonesty- one of the dimensions in interactional justice- was also mentioned in consumers’ narratives as the evidence for complaint handling failure by TSP’s customer service in solving customers’ problems. Consumers’ comments mentioned that frontline employees even lied to make it hard when customers wanted to return the product that the company delivered wrong. Consider the narration of a customer who ordered an iPhone 32GB but he got a 16GB, he tried to return it but was denied with an excuse that the package was opened:

“There’s no information about the size of the memory, customer service said that it’s my duty to check the confirmation email they sent to me, BUT I never got anything like that. When I asked them about which email they sent the confirmation to, she said that they sent to [a@a.se](#). I said it’s not my email, and then they put me on hold for 45 minutes and said that they have technical problems. So, I haven’t received any confirmation via email because they invented a fictitious email address in their system.”

4.2.3. Procedural Justice

Procedural justice refers to aspects of promptness and accessibility regarding how fast and easy the company makes it for customers to complain. In the findings, the most often mentioned problem is the long time waiting in queue when calling to customer service, and other problems are that consumers could not find responsible person, email contact and were transferred around when complaining (see Table 4 for sample comments).

As shown in Table 4, most of customers' comments involved accessibility issues. Consumers' frustration resulted from being put on hold too long, or being passed around many times and then got disconnected mysteriously. This finding is indicated by consumers' comments such as *"I've talked to over ten different people who just connect me to someone else"*, *"I have been waiting on hold for hours and become attached to and fro"*, *"I was transferred all the time in about one and half an hour and right before I got to her, one guy did hang up in ears"*. According to narrators, the minimum time waiting in line on phone was 8 minutes, average is 40-50 minutes and maximum is 60 minutes or longer. Moreover, some evidence suggests that the company was more apt to have adequate lines for sales than for service-related calls. As a male customer noticed:

"I called customer service and had to wait for about an hour before I got to talk to one pleasant representative who took away the fees directly (however, no apology or explanation) and gave me a new invoice. As a test, I called there again, selected "subscribe to new services or subscriptions" by pressing internal number and came directly to a representative without waiting. So, there's no waiting if you want to become a customer and extremely long waiting if you are already a customer even though it takes more time to manage new subscriptions."

Customer comments mentioned also company's attempts to pass responsibility for the failure to the customer or a third party such as other departments or external consumer agencies without checking out. Particularly, they denied taking responsibility for cheating sellers and behaving as if they were not connected to each other. As a male customer narrated:

"At support, they said that the responsibility in this case was on the customer to find this out. It is COMPLETELY absurd- no one asked about something that is obvious!" or "I called them many times but they said it's our fault".

Regarding promptness, i.e., the speed for the TSP to respond a complaint, customers found it time consuming and troublesome when they wanted to terminate services due to dissatisfaction with product or services. According to customers, it seemed that the TSP made it hard *"in order not to give people the opportunity to cancel their subscription within the withdrawal period."* The explanation given by customer service, according to customer narratives, was that termination of service had to be done by phone call, and there was no alternative with email or letters. However, many customers found it difficult to reach them by phone as they were put on hold with long time waiting. Take a look at this comment:

"So far I have not managed to terminate my subscription. Usually, I ended up in an endless telephone queue or I could not reach or was switched around to the "wrong department"

until the call was lost in cyberspace and disconnected. The emails seem to disappear totally without anyone doing anything. I have not been able to find any person in charge on their website so that I can send a registered letter to prove that I want to stop this. I do not want to pay for the services that the company refused to deliver. I want to cancel my contract because it's not delivered. I want an end to all bills regarding the above services. I want back all the fees and interest that I paid since December 2011. I want a fair compensation for that I had to buy services from another operator."

Lack of a prompt response reinforced a negative consumer perception of the company also. Customers showed disappointment at not hearing back from the company inquiring whether the complaint had been handled to their satisfaction, particularly via email channel. For example:

"According to the company's website right now, waiting for a response via email is up to 5 days. But I haven't got a reply for 16 days now and I called to ask about it." Or "I have sent email and I haven't got any reply from them for over 3 weeks now though they should have replied to me within 5 days."

The findings indicate that the value of acceptable explanations can be suppressed if the company is perceived as slow in responding to complaints. Some evidence from customer narratives shows that the company's complaint handling procedures are very slow, which affects significantly consumer evaluations of the resolution. For example:

"It has been extremely difficult to get answers and their actions have been slow" or "A week after this conversation, I finally got a reply via email in which they are sorry if I had felt mistreated or misinformed by the customer service".

4.2.4. Distributive Justice

Distributive justice refers to consumers' evaluation of the TSP's restitution for economic cost (e.g. offering compensation) and emotional cost (e.g., apology). Surprisingly, in this study compensation was received had much less impact on consumer preference for complaint resolution than the other justice dimensions. As shown in Figure 2, only 6% (12 references) of complaint reports involved the presence and magnitude of compensation as main input of post-complaint dissatisfaction. As a female customer expressed her thought about wrong product delivery (i.e., she ordered a router but got a stick):

"I was promised to call back within a week after they had listened to the recording of my conversation with the seller. No one called back. I called again and got the same answer. Today is the third time I called and was told that "it is clear on the record that you signed an agreement on mobile broadband". I was stupid enough to believe that we made a verbal agreement on what we had agreed that I needed, and I feel cheated. This is not really about money because it is not a high monthly fee, it's more about I feel cheated and thus violated, and also arrogant response when I called the customer service to sort out the mistake."

In offering psychological recovery attributes (i.e., apology) when solving customers' problems, there are mixed results in the findings about whether or not apologizing for a

problem led to dissatisfaction, as not many consumers commented on this in their narratives. Only two customers' comments mentioned that they got apology from the company, one for mistreatment and one for billing error. However, they commented on the insincerity of the apology due to lack of promptness and excuse, which infers that apologies can be perceived as outcomes that can be delivered in an unfair manner.

“We agreed to delete two subscriptions and we discussed the conditions in terms of a subscription and SIM card for my iPad. It would cost 79kr/month. But the bill I got yesterday shows different. The representative apologized and said that an error must have occurred for the offer didn't apply any more. I think the whole process is misleading. First, I need two subscriptions, then a subscription and simcard with 79kr/month. Now I was offered to take a new subscription for iPad with an expensive connection fee...sigh.”

4.2.5. Interaction between Justice Dimensions

Although it has been argued that people evaluate the justice variables independently (Greenberg 1990b), there is considerable empirical support in this study (53 references) showing that consumers combined their justice perceptions to form their overall fairness and satisfaction perceptions in a situation. This cumulative evaluation escalated complaint situation and significantly affects post-complaint satisfaction.

First, regarding procedural-interactional, 33 references mentioned that troublesome complaining procedure (e.g., long waiting time, slow response) together with low interactional skills (e.g., ability to handle consumers' problems from the most basic questions) caused undermining of complaint situations in negative directions. Consider an extract of a customer's comment:

“I tried many times to contact the customer service, but always was put in waiting list with thousands of people before me. As a company, it seems that they don't care about their obligations to customers because nothing happens. This is not coincidence. I have had same problem many times before. Now I tried to contact them via email, but they didn't reply. I have written to CEO of the company but got no reply. When I contacted the seller, they said they are an independent company who is only interested in signing new contract and claimed that they only contact the company by calling to customer service.”

Second, in terms of interactional-distributive, this study supports an interactive effect between these two justice dimensions. The sample comments show that consumers were dissatisfied or feeling of unfairness after complaining because they did not receive a proportional answer to their costs and were not treated with consideration and respect by the employee. An explanation would work if proper redress was included, particularly when the company admitted their mistake or that they did wrong with service/product delivery but they did not offer any proper resolution. For example:

“I ordered a subscription from the company where a false minimum whole price was stated before paying. That means the marketing is wrong. I have contacted them but they said that the price was estimation; however they admitted that it's not correct. I'm quite tired of the

company behaving whatever they want. Their answer was: “We are sorry that it’s stated not correctly, but there’s nothing we can do about it.”

Conversely, a prompt redress barely worked if an explanation was considered inappropriate, particularly when it concerns a deception or a controversial organizational decision. As a customer narrated:

“When I called customer service, they said that they are aware that there has been something wrong, but they only solve problem for the customers who call and complain, the rest who are not aware of the bill errors will continue paying for the service they never ordered.”

This finding is consistent with performance appraisal research of Conlon and Murray (1996) in that the impact of providing explanations for consumer complaints is enhanced if the explanation is accompanied by compensation.

Third, in terms of procedural-distributive, unfair procedures, especially long waiting time that caused inconvenience for the customer, contribute to the customer's cost and lower evaluations of the fairness of the outcome. The results show that a speedy response satisfied customers only if compensation was included. This evaluation was seen through employee's behavior when solving customer problems. For example:

“When I wanted compensation, I got connected to someone who promised deduction on the bill. I haven’t seen that yet, we didn’t get any economic compensation.” or “They promised compensation, but when I called, they said that the only compensation they could offer was 100kr (for calling, available only for a month).”

Taking everything into account, from a content analytic point of view, it seems reasonable that informational and interpersonal justice dimensions exert a considerable impact on customers' feeling of fairness. The high frequency shown in Figure 2 (greater than 50%) of unfavorable customer experiences associated with interactional dimension is noteworthy because it implies that customer evaluations regarding informational and interpersonal treatment in the face of a failure are considerably high. That means, giving an appropriate explanation for the failure and displaying good attitude in resolving a complaint or problem are very important for customers. Also, in line with the research of Karatepe (2006), the findings described in Table 4 show that interpersonal communication involving attitude, effort and credibility displayed by TSP's customer service employees (77 comments) appears to have more influence on consumers' perceptions of interactional justice.

With respect to method, this study shows that interactional justice and procedural justice have a stronger impact in case study than in experiments or in surveys. This finding contradicts previous research (e.g., Orsingher et al., 2010) in that distributive and interactional justice have a larger impact on post-complaint satisfaction than procedural justice does. This may be due to the artificial nature of scenario experiments commonly used in previous post-complaint studies, that is, study subjects are usually asked to put themselves in the position of another person presented in a scenario and to projectively assess customer reactions to fictive organizational responses (e.g., Blodgett and Tax, 1993).

4.3. Consumers' Responses towards TSP's Complaint Handling

4.3.1. Customers' Negative Emotions

In answering the second research question regarding how customers responded to TSP's complaint responses, consumers' emotional responses were examined in terms of negative feelings represented by five discrete emotions as in Table 5. A majority of customers' responses (91 responses) were found to frequently contain high degree of emotional load constructed through the telling of the situation with the validity of 23 negative emotions (see Table 5 for sample comments). It is important to note that customers' evaluations would vary by the type and level (intensity) of discrete emotions (such as anger, disappointment, anxiety, etc.) that underlie their overall affective condition. The ordering of information sequences in the narratives, which followed an escalation of tragic elements, associating perceived justice, provided the dimension of evaluating the narrated events. The findings show that narrators tend to express strong negative emotions towards ineffective complaint handling. Thus, anger and verbal abuse are common following complaint handling failures (see Table 5). The phrase of "feeling cheated" was found to be the most salient negative emotion in consumers' comments with a ratio of 43.5% (47 references). Besides, occurrences of references related to this negative emotion were also indicated by "*This is deliberate fraud*", "*I feel cheated, troubled and disappointed when they lied right into my face*", "*Someone is trying to cheat*", "*They have done to cheat customer*", "*This is fraud and frivolous*", and "*pure lie*".

Regarding the outcomes of interactional justice to post-complaint consumer's emotions, the comments which involved frontline employees' interaction bring about higher levels of dissatisfaction than comments which did not involve employees' interaction. Consider the dialogue extract in which a customer (C) became furious just because the employee (E) could not handle the most basic question regarding the top-up for prepaid card:

C: Finally, you should be ashamed- you work there as customer support but you give me totally wrong information. This is clearly misleading marketing and law violating! Either you lied or you didn't care to find out what it actually was- both are equally damning. Lousy job!

E: I have given you right information all the time!

C: So you mean that he lied when he said that I would get 25kr per top-up?

E: No, it's not like that.

C: So he was right? Then you lied.

*E: You get 100kr of call credit but they will be divided 25*4.*

C: I specifically asked you if I needed to do anything to get 100kr, and you said no.

E: Yes, you don't need to do anything else special.

C: I need to charge the card 4 times...! Are you deliberately stupid or are you playing?

E: Yes, you will of course fill in the card and then comes in the money. You don't need to fill up to 4 times at once.

C: This is pointless. I look forward to speaking with your manager. Bye!

E: Thanks for the chat. If you have more questions, please do not hesitate to contact us again.

TABLE 5 - Results for Post-Complaint Consumers' Responses

| <i>Post-Complaint Consumers' Responses</i> | <i>Number of Times Mentioned</i> | <i>Sample Comments</i> |
|---|----------------------------------|--|
| Customers' Negative Emotions | | |
| Anger <i>Angry, irritated, outrageous, frustrated</i> | 6 | "I become extremely irritated and angry when you could not keep what you promised" |
| Discontent <i>Unpleasant, disgusted, dissatisfied, horrible</i> <i>Misled and unfair</i> | 10 23 | "I am extremely dissatisfied with the company and will report to the Consumer Agency". "The representative expressed his apology and said that an error must have occurred as the offer did not apply any more. I think the whole process is misleading." |
| Disappointment <i>Disappointed, shocked, hopeless, upset</i> | 6 | "We are very disappointed at the attitude and ignorance the company showed in our situation." |
| Self-pity <i>Feeling cheated</i> <i>Discriminated, mistreated, violated, tired, betrayed</i> | 47 9 | "I feel cheated, troubled and disappointed when they lied right into my face." "I am quite tired of the way the company behaved whatever they want." |
| Anxiety <i>Troubled, distressed, worried</i> | 7 | "To say the least, I'm worried and disappointed" |
| Customers' Behavioral Intentions | | |
| Seeking legal action <i>Reporting to consumer agencies</i> <i>Reporting to policeman</i> | 48 6 | "I decide to go further with a report to The Swedish Consumer Agency." "I have been at police station to tell them about this" |
| WOM communication through social network <i>Writing blog or reviews warning other consumers, telling media</i> | 4 | "I might provide to the media if you did not fix it. It may be something for them to write about." |
| Defection <i>Cancelling contract/switching service</i> | 6 | "I want to cancel my broadband contract because it's not delivered" |
| Claiming compensation | 5 | "I want money back and an apology from them that they have done wrong" |
| Mistrust | 4 | "I lost my faith in them and want to complaint to you." |
| Loyalty | 1 | "Please understand me as a customer who wants to continue with you and solve this problem so that all of us will be happy" |

Customers felt it unfair and misleading when the company attributed blame to the customer or a third party such as mobile manufacturers or stores. Consider, for instance, the emotion displayed by an unhappy consumer in this extract:

“I tried to reach M (0720 xxxxxx) but no result because he seems never there. I called to customer service but got only dry information that there’s nothing they can do. I think it’s horrible that they are so nonchalant, indifferent to rectify their mistakes, give satisfactory explanations or an excuse of why it went wrong, as well as admit the mistake.”

In addition, rude treatment during a complaint handling encounter brought higher levels of negative emotions such as anger or distress. For example, this is the emotional response of an old male customer being ignored by the operator and the seller when he tried to return a new mobile phone:

“I have contacted with them who said that they cannot do anything and besides, I was down to the selling place a few times to try to cancel the purchase but the young guy is totally unreasonable and refused to listen to me. Meanwhile, I have felt compelled to pay a particular bill in the collection. I do not have any credit history on me but through this unfortunate business, I had to seek donations from municipality to manage this month. This has been hard on my mental health and I now have trouble sleeping. I will turn 73 years old in August, and belong to the generation that always knows what is right to do.”

In terms of procedures’ outcome to post-complaint customers’ emotions, the finding indicates that fast complaint handling did not generate positive or negative feelings but slow handling or no resolution generates only negative emotions, particularly when customers could not reach a responsible person when things went wrong, customer service denied helping them and not taking responsibility for sellers’ fault. The troublesome billing complaining procedure and termination procedure which are indicated by comments such as *“they do their best to do refuse termination”*, *“they did not want to confirm the termination, contract term by email or written”*, *“long waiting and then not get help or disconnected, no response to letters and emails, a help-chat does not give any answers but saying that it’s full”* made customers feel that *“it’s quite frustrating when the time is ticking away and it costs money”* and that this is the company’s strategy to make *“all possible scenarios.”* This finding is in line with previous studies related to the negative emotions generated by waiting for services (e.g., Chebat and Filiatrault, 1993; Hui et al., 1997) concluding that from the consumers’ perspective, the longer a customer believes she/he has waited, the more dissatisfied she/he will be with the service.

Regarding distributive justice’s outcome to post-complaint customers’ emotions, consumers were found to be more discontent and upset when they were under-benefited. For example:

“After some conversation, we agreed that I would not pay the bill, and I also asked him to activate my subscription again. After that time, I got a bill from the collection, which shocked me. Contacted them again and they said that nothing was noted and that I have to pay the bill anyway. I feel much cheated and do not know how they can lie that easily and harass people in that way.”

4.3.2. Customers' Behavioral Intentions

Not surprisingly, poor complaint handling not only had a negative impact on complaint satisfaction with the emotion, but also on customer behavioral intentions. In this study, post-complaint behavioral intentions are the motivations behind a customer's actions to TSP's complaint handling process, which is confirmed by 74 consumer responses. On experiencing post-complaint dissatisfaction, consumers responded in a variety of ways. Attributing outcomes to controllable causes (i.e., the effort to solve customers' problems) often led to emotional reactions and the desire to punish. For example, customers were found to react negatively when they believed the service provider could have easily prevented the problem from occurring, as displayed in a customer's comment:

“When I got new stick, it did not work. I called over 50kr and more than an hour of waiting. The same procedure each time with same issues leads to same questions and supplementary questions. The stick doesn't work. An acquaintance working as a sales guy said that the company knows about this problem, they know that the stick doesn't work. After contacting them, they admit that yes my contract is NOT the same but lower. I feel betrayed because they knew from the beginning that this connection is lower. I demand compensation from them for equivalent connection to the promised price and for phone calls to solve these problems.”

Extremely negative outcomes resulted mostly in that customers took legal action (e.g., reporting to the company's CEO, to consumer agencies or to policeman) in view of the urgent need to prevent and stop these problems from occurring and wishing that the Swedish Consumer Agency should interfere to claim back justice for them. Also, consumers reflected their true attitudes toward the poor complaint handling in question and involved attempts to elicit particular interpersonal reactions from others, such as sympathy or approval from consumer agencies. Only one customer mentioned that she would be still loyal to the company if the problem is solved (see Table 5 for sample comment).

Not only by cancelling contract or switching services (see Table 5 for sample comments), another way customers responded to poor complaint handling was also by publicizing their dissatisfaction through social networking, as displayed in this comment of a female customer:

“Everywhere on Internet, raging unhappy customers who feel cheated and deeply frustrated with the company's response. Customer service is miserably poor and woefully long waiting times. Many got disconnected when it's time for their turn. I find myself this frustration. Of course everyone has the right to make mistakes, even this company and other companies, but there must be an open reception where you can turn to when problems arise. [...] Someone has to deal with this company with harsh criticism and warnings to consumers so that they can't do more of these. I quote a post I read from a dissatisfied customer on a forum “It's completely unreasonable that an operator cannot answer the phone”.

The finding also shows that a poorly handled complaint hurt trust among existing customers just as much as it did among potential customers. Consumers' responses in this study showed a tendency to not honor the explanations by expressing mistrust in the company's ability to control the dissatisfying event. When the information about the service problem was poorly

provided in the form of an excuse or blame, negative feelings are generated. Also, customers expressed their mistrust in the company when TSP did not keep promise to call back or give explanations about what they were going to do to fix their problems, e.g., “the thing that I have problem with them before and *I don’t trust this company any more*” or “*I lost my faith in them and I want to complain to you*”. This result implies that customers who chose to complain were offering firms the opportunity to demonstrate their trustworthiness and that the resolution process drives customers' subsequent attitudes and behavior.

In line with some previous research (e.g., Singh, 1988; Cohen 1984; DeRuyter and Brack, 1993), the findings in this section regarding post-complaint behavioral intentions of consumers imply that unacceptable business response to consumer complaints may further encourage certain customer segments to initiate legal redress processes, and result in deterioration of the company's brand image.

5. CONCLUSIONS

With a twofold objective of investigating the reasons for the failure of TSP's complaint handling and examining post-complaint consumers' responses, the content of interactions in 108 customer complaint reports sent to The Swedish Consumer Agency regarding consumers' dissatisfying complaint experiences with TSP's customer service representatives was analyzed. The results show that the informational and interpersonal dimensions play a key role in customers' evaluations of TSP's complaint responses and have a significant impact on post-complaint customers' emotions and behavior. The failures of customer service employees in giving appropriate explanations for why service failure occurred in the first place and in displaying good attitudes (e.g., the manner was rude, arrogant or insincere,) as well as credibility (e.g., not keeping promise) when solving customers' complaints are found to be the most salient determinant of post-complaint dissatisfaction. Also, the finding reveals that troublesome organizational procedures (long waiting on phone, no response or slow response) and improper compensation resolutions together with interactional dimension were the factors that escalated the complaint situations.

Regarding the consumers' responses to TSP's complaint handling process, it is concluded that troublesome procedures and the unfavorable employees' behavior created a negative effect and triggered counterfactual thinking in customers. It resulted in negative emotions indicated by affective expressions related to “feeling cheated”, anger, discontent, disappointment, and anxiety. The findings show that the higher the degree of dissatisfaction with complaint responses was, the greater the increase in level of negative emotions. As a consequence, customers decided to take legal action by reporting to national consumer agencies, policeman; or terminated contract, switched service and spread out reviews on media.

5.1. Theoretical Implications

The findings show that interpersonal communication effectiveness is an important ingredient for achieving high perceived service quality and has direct effect on customer satisfaction. By examining post-complaint consumers' emotions and behavioral intentions, the study deepens our understanding of service encounters and allows us to incorporate emotions into existing

customer (dis)satisfaction models. Also, the study shows that NVivo is a useful tool in sorting and analyzing customer written narratives. As is true of exploratory studies, results and conclusions in this study are tentative. Yet, they have a variety of implications for managing consumer complaints in a way that will enhance post-complaint satisfaction.

5.2. Managerial Implications

The findings have highlighted the role of frontline employees' communication competence in shaping responses to customer complaints. This study does not explicitly tell the company which complaint responses are better than others. Rather, inferences made from this study can improve the company's communication competence in complaint management based on consumer reactions to the complaint responses received. This thesis can be practical for Telecom sector and for other service sectors in Sweden in creating an effective complaint communication. Moreover, the data from complaints can be used as a source of information to improve a business by showing where problems are occurring and what customers think is important. Results of this study may encourage strategy development for complaint handling quality management, particularly examining outstandingly post-complaint consumers' negative emotional and behavioral responses help identify ways to prevent catastrophic responses to consumer needs and improve evaluations of service quality.

5.3. Recommendations

In this study, post-complaint consumers' reactions have been taken into account for the failures in complaint handling of the company. In order to improve complaint handling quality, customer services should embrace customer complaints because then the company has a better chance of retaining a customer by addressing that complaint effectively. Second, service providers should appreciate that communication practices in solving customer's complaints are beneficial and can have a big impact on the number of complaints they receive. Customers want to be able to understand what went wrong, why it went wrong, and what is being done about it. Therefore, communication training programs with the "five Cs" of clearness, conciseness, completeness, correctness, and courtesy are needed for frontline employees to deal with customer complaints effectively. As a result of the greater influence of procedural and informational justice on satisfaction with complaint handling, the companies should facilitate complaint processing by shortening the waiting time for customers to give feedback and have follow-up with consumer complaints.

5.4. Limitations and Suggestions for Future Research

First, this study investigates only one service context in Sweden and has not been designed to be generalizable to other product categories or other countries. Second, as the study examined complaint handling factors in a single telecom service provider, which was intended to maintain the similarity of failures, therefore additional studies need to be undertaken to examine post-complaint customers' responses patterns in other sectors and with larger samples. Third, samples for data analysis are limited to customers who voiced their complaint dissatisfaction to the Swedish Consumer Agency, therefore future research could investigate how organizations uncover and resolve failures before customers complain.

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