Restaurant customers' revisit intention and negative word-of-mouth behavior

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RESTAURANT CUSTOMERS' REVISIT INTENTION AND NEGATIVE WORD-OF-MOUTH BEHAVIOR

by

Wen-yu Su

A thesis submitted in partial fulfillment of the requirements for the degree of

Master of Science in

Hotel Administration

William F Harrah College of Hotel Administration University of Nevada, Las Vegas December, 1996
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December, 1996
ABSTRACT

The purpose of this study is threefold. First, this study intends to determine the factors which affect whether or not customers complain to management when they had problems at a casual table service restaurant. Second, this study seeks to determine the factors which affect the likelihood of returning to the restaurant for customers who complained to management about their problems. Third, this study examines the factors which affect the extent of negative word-of-mouth engaged by customers who complained to management.

This study confirms the importance of complaint management in restaurant business. It further suggests how restaurant managers utilize their resources to resolve customers' problems and thereby enhancing customer satisfaction. Thus, management may build a long-term relationship with customers and retain loyal customers.
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CHAPTER 1

INTRODUCTION

Introduction

In order to outperform competitors and earn higher-than-average profits, all market planners seek a marketing strategy with competitive advantages. Schnaars (1991) points out marketers have recently focused on improving product quality, and building long-term relationships with customers as the desired path to competitive advantages. The objective of this marketing approach is to cultivate loyal customers and convince them to buy more products from the company over the lifetime of the relationship.

There are many ways to improve a customer relationship and retain loyal customers. One of the paths is through efficient complaint management. Such a defensive marketing strategy, which focuses on retaining the existing customers, is highly recommended in a competitive environment (Fornell & Wernerfelt, 1987). It has several advantages. First, the cost of retaining a present customer is lower than the cost of generating a new customer. The TARP (1981) report shows that it may be five times as costly to attract a new customer as to keep an old one. As customer retention goes up, the company saves money on acquiring new customers to replace the customers who have defected. Second, loyal customers not only retain the relationship with the company, but...
they bring in new business for the company. They recommend good products or services to their friends. They become the best advocates of the company. This will further reduce a company's marketing costs. Thus, it is cost effective for a company to retain present customers through complaint management.

The primary goal of complaint management is to identify problems, correct the cause of the problems, and turn a dissatisfied customer into a satisfied and loyal one. Many companies provide an 800 number or a guarantee to encourage complaints and make it easier to do so. Through the complaints solicited from customers, companies get the chance to rectify product failure. However, not all of the dissatisfied customers complain to management. These "silent" customers may engage in negative word-of-mouth and switch to competitors' company instead of voicing their dissatisfaction. A number of studies regarding complaining behavior have focused on this issue to investigate why some customers complain while others do not. By knowing the difference between complainants and non-complainants, management can identify customers' motivations to complain and develop more effective strategies to solicit complaints.

Responses to complaints can either have negative or positive consequences. Hart, Heskett, and Sasser, Jr. (1990) pointed out that over one-half of business responses to customer complaints actually strengthen customers' negative feelings toward the business and its representatives. Consequently, with lower levels of satisfaction toward complaint response, customers will tell others about their negative experience and exit (TARP, 1981; Bolton & Bronkhorst, 1995). As early as 1977, Best and Andreasen have stated that:
It is not realistic to suppose that all complaints lead to corrective action that is acceptable to the complainer. Common experience suggests that many complaints are rejected by their recipients. Discovering what happens to the complaints that are voiced is fundamental to understanding the consumer complaint process. (p. 725)

These researchers cite the importance of investigating how customers perceive management’s responses to their complaints.

This study first investigates: the relationship between complaint behavior and how upset a problem makes the customer, the importance of the dining occasion, the difficulties of access to the complaint channel, and the assurance of resolution offered by management. Thus, this study gains insight into factors which motivate people to complain.

This study further investigates the complainants’ revisit intention and negative word-of-mouth behavior. When problems occur, customers have different perceptions toward them. For example, they may feel that the problem could have been prevented by proper management, or that the problem is likely to occur again on their next visit. They also have perceptions about what the results of their complaints are likely to yield. Based on a review of previous studies, it appears that these perceptions relate to the likelihood of customer’s returning to the company and engaging in negative word-of-mouth. If managers want to draw customers into coming back and quell customers' negative word-of-mouth, they must know more about the customer's problems before they can do anything about it.
Justification

There is a need to study customer complaint behavior in Las Vegas restaurants. Many casinos in Las Vegas provide low price meals to attract gaming customers. Additionally, the rapid growth in both tourist and residents has attracted many new restaurants to the area. In such a competitive environment, customers who are not satisfied with one restaurant will simply go to another on their next dining occasion. Since even the best company cannot prevent occasional mistakes, service recovery becomes a critical issue for management. From a management perspective, complainants provide opportunities to identify problems. Management must understand how they can encourage customers to complain and resolve customers' problems when they do complain.

The purpose of this study is to provide insight into why customers complain, why complainants do not come back, and why complainants engage in negative word-of-mouth. If these factors can be identified, it will help management to develop a more efficient complaint handling process. It may also help management to improve customer relationships and create loyal customers.

Even though customer complaint behavior has been well researched, there has been little research conducted among restaurant customers. Additionally, the factors regarding why complainants exit and why they engage in negative word-of-mouth remain unexplored. Thus, this study was conducted to help fill a void.
Problem Statement

This research proposes to identify and evaluate the restaurant customers' complaining motivations as well as the factors related to complainants' revisit intention and negative word-of-mouth behavior. It is intended to answer the following questions:

(1) What factors motivate customers to complain?
(2) What affects complainants' revisit intentions?
(3) What affects complainants' negative word-of-mouth behavior?

Figure 1 shows customers' complaining process and the factors being measured in this study.

The Subproblems

The first subproblem. The first subproblem is to examine whether there is a difference in factors regarding how upset the problem makes the customer, the importance of the dining occasion, the difficulties of access to the complaint channel, and the perceived assurance that management will resolve the problems between complainants and non-complainants.

The second subproblem. The second subproblem is to assess if complainants' revisit intentions vary among complainants who have different attitudes toward that the problems were preventable, the problems were likely to occur again on a future visit, and how well the employers and managers of the restaurant responded to the problem.

The third subproblem. The third subproblem is to assess if complainants' negative word-of-mouth behavior varies among complainants who have different attitudes toward that the problems were preventable, the problems were likely to occur again on a future visit, and how well the employers and managers of the restaurant responded to the problem.
visit, and how well the employers and managers of the restaurant responded to the problem.

Figure 1. Schematic diagram of customer complaining behavior.
Hypotheses

In addressing the purpose of this study, the following hypotheses serve as a basis for the collection and analysis of the data. The hypotheses are expressed in the form of null hypothesis ($H_0$) and alternate hypothesis ($H_a$). The null hypotheses are set up with the hope of nullifying since the research is interested in finding the differences between groups. Expected results of the study were obtained through a review of literature and stated in terms of alternate hypotheses. These hypotheses are:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
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<tr>
<td>$H_{10}$: $[\mu_1 \leq \mu_2]$</td>
<td>Complainants were not more upset with the restaurant when the problem occurred than were non-complainants.</td>
</tr>
<tr>
<td>$H_{1a}$: $[\mu_1 &gt; \mu_2]$</td>
<td>Complainants were more upset with the restaurant when the problem occurred than were non-complainants.</td>
</tr>
<tr>
<td>$H_{20}$: $[\mu_1 \leq \mu_2]$</td>
<td>Complainants did not perceive higher importance of the dining occasion where problems occurred than did non-complainants.</td>
</tr>
<tr>
<td>$H_{2a}$: $[\mu_1 &gt; \mu_2]$</td>
<td>Complainants perceived higher importance of the dining occasion where problems occurred than did non-complainants.</td>
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<tr>
<td>$H_{30}$: $[\mu_1 \leq \mu_2]$</td>
<td>Complainants were not more likely to feel that they were encouraged to complain through employees and managers asking how customers feel, guest comment cards, or a 1-800 number than were non-complainants.</td>
</tr>
<tr>
<td>$H_{3a}$: $[\mu_1 &gt; \mu_2]$</td>
<td>Complainants were more likely to feel that they were encouraged to complain through employees and managers asking how customers feel, guest comment cards, or a 1-800 number than were non-complainants.</td>
</tr>
<tr>
<td>$H_{40}$: $[\mu_1 \leq \mu_2]$</td>
<td>Complainants did not perceive they were more likely to receive some type of resolution to the problem than did non-complainants.</td>
</tr>
<tr>
<td>$H_{4a}$: $[\mu_1 &gt; \mu_2]$</td>
<td>Complainants perceived they were more likely to receive some type of resolution to the problem than did non-complainants.</td>
</tr>
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</table>
**H5(a)0:** The likelihood of returning to the restaurant does not vary among 
\([\mu_1 = \mu_2 = \mu_3]\) complainants who felt the problem is likely to be preventable, who held neutral perception, and who felt the problem is not likely to be preventable.

**H5(a)A:** The likelihood of returning to the restaurant varies among 
\([\mu_1 \neq \mu_2 \neq \mu_3]\) complainants who felt the problem is likely to be preventable, who held neutral perception, and who felt the problem is not likely to be preventable.

**Sub-hypotheses**

\(h_1: \) Complainants who felt the problem is not likely to be preventable were more likely to return to the restaurant than were complainants who were neutral toward the perception that the problem is likely to be preventable.

\(h_2: \) Complainants who felt the problem is not likely to be preventable were more likely to return to the restaurant than were complainants who felt the problem is likely to be preventable.

\(h_3: \) Complainants who were neutral toward the perception that the problem is likely to be preventable were more likely to return to the restaurant than were complainants who felt the problem is likely to be preventable.

**H5(b)0:** The likelihood of spreading negative word-of-mouth does not vary 
\([\mu_1 = \mu_2 = \mu_3]\) among complainants who felt the problem is likely to be preventable, who held neutral perception, and who felt the problem is not likely to be preventable.

**H5(b)A:** The likelihood of spreading negative word-of-mouth varies among 
\([\mu_1 \neq \mu_2 \neq \mu_3]\) complainants who felt the problem is likely to be preventable, who held neutral perception, and who felt the problem is not likely to be preventable.

**Sub-hypotheses**

\(h_1: \) Complainants who felt the problem is not likely to be preventable were less likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that the problem is likely to be preventable.

\(h_2: \) Complainants who felt the problem is not likely to be preventable were less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to be preventable.

\(h_3: \) Complainants who were neutral toward the perception that the problem is likely to be preventable were less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to be preventable.
H6(a): The likelihood of returning to the restaurant does not vary among \([\mu_1 = \mu_2 = \mu_3]\) complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

H6(a): The likelihood of returning to the restaurant varies among \([\mu_1 \neq \mu_2 \neq \mu_3]\) complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

Sub-hypotheses

h1: Complainants who felt the problem is not likely to occur again were more likely to return to the restaurant than were complainants who were neutral toward the perception that the problem is likely to occur again.

h2: Complainants who felt the problem is not likely to occur again were more likely to return to the restaurant than were complainants who felt the problem is likely to occur again.

h3: Complainants who were neutral toward the perception that the problem is likely to occur again were more likely to return to the restaurant than were complainants who felt the problem is likely to occur again.

H6(b): The likelihood of spreading negative word-of-mouth does not vary among \([\mu_1 = \mu_2 = \mu_3]\) complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

H6(b): The likelihood of spreading negative word-of-mouth varies among \([\mu_1 \neq \mu_2 \neq \mu_3]\) complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

Sub-hypotheses

h1: Complainants who felt the problem is not likely to occur again are less likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that the problem is likely to occur again.

h2: Complainants who felt the problem is not likely to occur again are less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to occur again.

h3: Complainants who were neutral toward the perception that felt the problem is likely to occur again are less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to occur again.
Sub-hypotheses

\[ h_1: \text{Complainants who were not satisfied with the restaurant's response were less likely to return to the restaurant than were complainants who were neutral toward the perception that they were satisfied with the restaurant's response.} \]

\[ h_2: \text{Complainants who were not satisfied with the restaurant's response were less likely to return to the restaurant than were complainants who were satisfied with the restaurant's response.} \]

\[ h_3: \text{Complainants who were neutral toward the perception that they were satisfied with the restaurant's response were less likely to return to the restaurant than were complainants who were satisfied with the restaurant's response.} \]

Sub-hypotheses

\[ h_1: \text{Complainants who were not satisfied with the restaurant's response are more likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that they were satisfied with the restaurant's response.} \]

\[ h_2: \text{Complainants who were not satisfied with the restaurant's response are more likely to spread negative word-of-mouth than were complainants who were satisfied with the restaurant's response.} \]

\[ h_3: \text{Complainants who were neutral toward the perception that they were satisfied with the restaurant's response are more likely to spread negative word-of-mouth than were complainants who were satisfied with the restaurant's response.} \]
$H8(a)$: The likelihood of returning to the restaurant does not vary among $[\mu_1 = \mu_2 = \mu_3]$ complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

$H8(a)$: The likelihood of returning to the restaurant varies among $[\mu_1 \neq \mu_2 \neq \mu_3]$ complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

Sub-hypotheses

$h1$: Complainants who perceived the received resolution did not exceed their expectations $\mu_1 < \mu_2$ were less likely to return to the restaurant than were complainants who were neutral toward the perception that the received resolution exceeded their expectations.

$h2$: Complainants who perceived the received resolution did not exceed their expectations $\mu_1 < \mu_3$ were less likely to return to the restaurant than were complainants who perceived the received resolution exceeded their expectations.

$h3$: Complainants who were neutral toward the perception that the received resolution exceeded their expectations $\mu_2 < \mu_3$ exceeded their expectations were less likely to return to the restaurant than were complainants who perceived the received resolution exceeded their expectations.

$H8(b)$: The likelihood of spreading negative word-of-mouth does not vary $[\mu_1 = \mu_2 = \mu_3]$ among complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

$H8(b)$: The likelihood of spreading negative word-of-mouth varies among $[\mu_1 \neq \mu_2 \neq \mu_3]$ complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

Sub-hypotheses

$h1$: Complainants who perceived the received resolution did not exceed their expectations $\mu_1 > \mu_2$ are more likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that the received resolution exceeded their expectations.

$h2$: Complainants who perceived the received resolution did not exceed their expectations $\mu_1 > \mu_3$ are more likely to spread negative word-of-mouth than were complainants who perceived the received resolution exceeded their expectations.

$h3$: Complainants who were neutral toward the perception that the received resolution $\mu_2 > \mu_3$ exceeded their expectations are more likely to spread negative word-of-mouth than were complainants who perceived the received resolution exceeded their expectations.
H9(a)0: The likelihood of returning to the restaurant does not vary among
\[ \mu_1 = \mu_2 = \mu_3 \] complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

H9(a)A: The likelihood of returning to the restaurant varies among
\[ \mu_1 \neq \mu_2 \neq \mu_3 \] complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

Sub-hypotheses
- h1: Complainants who perceived they were not treated fairly regarding their complaints
  \[ \mu_1 < \mu_2 \] were less likely to return to the restaurant than were complainants who were neutral toward the perception that they were treated fairly regarding their complaints.

- h2: Complainants who perceived they were not treated fairly regarding their complaints
  \[ \mu_1 < \mu_3 \] were less likely to return to the restaurant than were complainants who perceived they were treated fairly regarding their complaints.

- h3: Complainants who were neutral toward the perception that they were treated fairly regarding their complaints
  \[ \mu_2 < \mu_3 \] were less likely to return to the restaurant than were complainants who perceived they were treated fairly regarding their complaints.

H9(b)0: The likelihood of spreading negative word-of-mouth does not vary among complainants who perceived they were not fairly treated regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

H9(b)A: The likelihood of spreading negative word-of-mouth varies among
\[ \mu_1 \neq \mu_2 \neq \mu_3 \] complainants who perceived they were not fairly treated regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

Sub-hypotheses
- h1: Complainants who perceived they were not treated fairly regarding their complaints
  \[ \mu_1 > \mu_2 \] are more likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that they were treated fairly regarding their complaints.

- h2: Complainants who perceived they were not treated fairly regarding their complaints
  \[ \mu_1 > \mu_3 \] are more likely to spread negative word-of-mouth than were complainants who perceived they were treated fairly regarding their complaints.

- h3: Complainants who were neutral toward the perception that they were treated fairly regarding their complaints
  \[ \mu_2 > \mu_3 \] are more likely to spread negative word-of-mouth than were complainants who perceived they were treated fairly regarding their complaints.
The Definitions of Terms

Casual table service restaurant: The National Restaurant Association (NRA) define a casual restaurant as "...a casual tableservice restaurant where waiters and waitresses serve a wide variety of menu items in an informal, relaxed atmosphere. There..."
is no dress code. Depending on whether a customer orders a full meal, a sandwich or salad, per-person check ranges from $8.00 and up for dinner. This restaurant usually serves alcoholic beverages and accepts credit cards" (1990, p. 1). The definition of a casual table service restaurant in this study is similar to NRA's. It refers that a dining place has table service (waiters and waitresses) and an informal, relaxed atmosphere. According to NRA, the person's dinner check in a fine-dining restaurant is $20.00 or more. In order to distinguish a casual restaurant from a fine-dining restaurant, a casual table service restaurant of this study includes another criterion: the per-person check for food is usually under $20.00.

**Consumer complaint:** This study uses Landon's (1980) definition of a customer complaint. A consumer complaint is defined as an action by an individual which involves communicating something negative regarding a product or service to the restaurant management or employees in person.

**Negative word-of-mouth:** Consumer word-of-mouth, as referred by Westbrook, is "informal communication, both positive and negative, between consumers about characteristics of a business and/or its goods and services" (1987, p. 259). Thus, negative word-of-mouth is unfavorable informal conversation between individuals about characteristics of a business and/or its faulty products and services.

**Revisit intention:** Revisit intention means consumers plan to repatronage in the same restaurant.
CHAPTER 2

LITERATURE REVIEW

This chapter first gives a historical overview of the development of the research interest in complaining behavior. Then, it continues with a review of current research in customer complaining behavior. Through this literature review, conceptual support for the research hypotheses is provided.

I. Historical Overview of the Theory and Research Literature

Customer Satisfaction/Dissatisfaction

Customer satisfaction and dissatisfaction have long been a central concern of marketers and researchers. The determinates of satisfaction and the development of meaningful measures of the construction have been a focus of researchers since the early 1970's. The most prominent theory is the disconfirmation paradigm which holds that satisfaction is related to the disconfirmation experience (Churchill & Surprenant, 1982). This paradigm indicates consumer expectations are either confirmed or disconfirmed when compared with actual product performance. Churchill & Surprenant (1982) explain three outcomes that can occur from the comparison of the prior expectation and actual performance. They state:
an individual's expectations are: (1) confirmed when a product performs as expected, (2) negatively disconfirmed when the product performs more poorly than expected, and (3) positively disconfirmed when the product performs better than expected. Dissatisfaction results when a subject's expectations are negatively disconfirmed. (p. 492)

According to these researchers, restaurants must meet customer expectations to minimize negative disconfirmation. Failure to do so will result in dissatisfied customers.

As observed by Blodgett and Granbois (1992), the disconfirmation paradigm provides the conceptual foundation for the study of customer satisfaction/dissatisfaction as well as complaining behavior. For example, the work of Bearden and Teel (1983) confirms that satisfaction relates negatively to complaining behavior. When consumers believe the product performance is lower than their prior expectation, they might engage in complaining activity. Other studies also suggest consumers who are dissatisfied are more likely to complain than consumers who are satisfied (Day & Landon, 1976, Warland, Herrmann, & Willits, 1975). The preceding literature implies that complaining is negatively and significantly correlated with satisfaction.

A number of theories and concepts describe customer satisfaction and make valuable contributions to the development of complaint behavior research. However, some research indicates consumers who are dissatisfied do not always complain (Stokes, 1974, Warland et al., 1975; Day & Landon, 1977; Landon, 1977). Since the late 1970s, researchers have shown a great interest in studying complaining behavior for
understanding why some dissatisfied customers decide to take action to complain, while
others do not complain.

**Attribution theory**

In the context of consumer complaining behavior, attribution theory plays a
significant role in predicting consumer responses to product failure (Folkes, 1984).
Krishnan & Valle (1979) claim:

> A success or failure can be attributed either to something about the actor
> (internally) or to something about the environment or situation (externally). In
> addition, the performance can be attributed to something which does not vary over
> time (stable) or to something which varies over time (unstable). (p. 445)

The above internal and external attributions is called "locus of control" (Blodgett &
Granbois, 1992). The locus of control means "whether the cause of failure has something
to do with the consumer or is located somewhere in the production or distribution of the
product" (Folkes, 1984, p. 399). If the cause of failure is due to the seller, customers like
to seek redress for compensating their loss (Richins, 1983, Folkes, 1984)). According to
Folkes (1984), stable and unstable attributions lead a person to expect the same outcome
in the future or a different outcome in the future. For example, restaurant customers, who
believe a restaurant is unlikely to correct the systems that caused their problems, feel there
is a high probability the problem will occur again on a future visit. Thus, when customers
perceive the problem of product or service is not unique, customers may tend to exit or
prefer a refund from the company (Folkes, 1984).
Another dimension of attribution categorized by Weiner is controllability. Controllability refers to whether the service failure can be prevented by the sellers or whether it is accidental (Blodgett & Granbois, 1992). Folkes (1984) indicates the firm-related causes may or may not be controllable by the firm. If the failure happens accidentally, customers are less likely to take actions against the company. For example, if a regional power failure causes a delay in the preparation of orders, a customer may view this problem as uncontrollable. Thus, they are less likely to take action against the company. If a problem is caused by an inattentive or improperly trained service personnel, the customers may view the problem as the fault of the restaurant's management. In this case, they are more likely to take action against the company.

To summarize, attribution theory explains how the perceived reason for a product's failure influences a consumer response (Bettman, 1979). When consumers encounter service failure, they will ask themselves "whether the service provider could have foreseen and thus prevented the problem (i.e., controllability) and whether similar types of problems are likely to occur in the future (i.e., stability)" (Blodgett et al, 1993, p. 407). If the defective product or service caused by the firm was due to a stable reason (stability) or under the firm's control (controllability), consumers are likely to expend effort in response to the dissatisfaction (Richins, 1983).
Equity Theory and Perceived Fairness

As suggested by Goodwin and Ross (1990), psychological equity theory, which has investigated perceptions of fairness of compensation for harm, may help managers understand and develop approaches to complaint response. The view about equity theory held by Walster et al. (1978) is that people try to maximize their outcomes (where outcomes equal rewards minus costs). According to this view of equity theory, dissatisfied customers are more likely to complain to a company if they perceive the benefit of complaining is higher than the cost (such as time and effort involved) of complaining. Walster et al. further state—"When individuals find themselves enmeshed in an inequitable relationship, they experience distress. They can, and do, reduce their distress either by restoring actual equity or by restoring psychological equity to their relationship" (p. 19). According to these propositions, one who encounters an inequitable relationship will elicit restitution or retaliate against exploiter. Most people also concur that when they are treated unjustly, they will naturally prefer equity to be restored by receiving compensation. However, once they realize compensation is unlikely to be forthcoming, they might well consider retaliating (Walster et al., 1978).

In business relationships, service failure could be explained as an inequity situation between the customer and the service provider because the output (product or service) is not equal to the input (money they paid). Equity theory suggests that "people will become angry when equity principles are violated" (Goodwin and Ross, 1990, p. 53). Customers may first think about seeking redress when the inevitable service failure occurred. In order to reduce their discomfort, angry people or dissatisfied customers will want to "make
restitution by tangible repayment (e.g., refund for damaged merchandise) or else rearrange their perceptions of a situation ('Maybe I didn't use the product correctly')" (Goodwin and Ross, 1990, p. 53). If customers became certain that the service provider is not going to compensate them or provide a satisfied response, they would not likely hesitate to "get even" by engaging in negative word-of-mouth or boycotting the offensive company.

As to the concept of perceived fairness, the literature in social psychology and organizational behavior suggests that individuals who are involved in conflicts or disputes base their perceptions of fairness on several factors: the distributive fairness (Homans, 1961), the procedural fairness (Thibaut and Walker, 1975; Lind and Tyler, 1988), and the interactional fairness (Bies and Moag, 1986; Bies and Shapiro, 1987). The distributive fairness means, for any transaction, each person's outcome or gain should be proportionate. That is, the complainants feel that they received a desired outcome or a fair settlement. The procedural fairness is used in arriving at that outcome (Blodgett et al., 1993). This means the consumer is eager to present information that will have some influence over the outcome. If a positive outcome followed their voicing of their complaint, then the consumer will experience the "fair process" effect and evaluate the organization more positively (Goodwin & Ross, 1990). The interactional fairness refers to "the perceived fairness of the manner in which they were treated through the conflict resolution process" (Blodgett, 1993, p. 404). Thus, it is not only necessary for restaurants to resolve customers' problems, but they should do this in a pleasant manner. According to Blodgett, the process by which the complaint is resolved is just as important as the restaurant's offer to offset the problem. For example, a person who complains that the
service was slow could receive an offer of not having to pay for the meal. If this offer is
made in a rude and unfriendly way the customer is still likely to leave, and be dissatisfied
with their dining experience. In other words, customers who are treated rudely will
perceive that a firm's response to a complaint is unfair.

The equity theory and the three aspects of fairness explained above show that
different responses from the service provider can affect satisfaction of customers who are
seeking redress or complain to the seller. It can be expected that dissatisfied customers
are likely to repatronize the seller if they perceive the outcome is fair and is transacted
with courtesy and respect.

II. Review of Relevant Research in Customer Complaining Behavior

Development

There has been considerable interest by researchers in Customer Complaint
Behavior (CCB). The central goal of this research is to explain behavior and to predict
how consumers will act regarding product failure. Ultimately, marketers hope to influence
how people will act and turn an adversity to an opportunity. A considerable amount of
CCB research is found very useful for interpreting and predicting customer repurchase
intentions and brand loyalty (Day, 1984; Engel and Blackwell, 1973; Richins, 1983).
Further, "in terms of macromarketing, the nature and extent of CCB prevalent in an
industry seem to affect consumer and social welfare", said Singh (1988, p, 93).

Interest in and research on consumer complaining behavior primarily aim at (1)
nature and classification of complaint behavior, and (2) determinants of customer
complaint behavior. The following section will review literature of these two areas.

**Nature and Classification of Complaint Behavior**

A seminal article on complaint behavior is "Exit, voice, and loyalty" by Hirschman (1970). His theory of exit, voice and loyalty behavior explains three decision options for a dissatisfied consumer. Exit decision means the decision to change suppliers or brands and involves some effort, such as switching costs and searching for alternatives. In other words, the dissatisfied customer never comes back again. The voice option is viewed as "any attempt at all to change rather than escape from an objectionable state of affairs" (p. 30). Voice means people express their dissatisfaction to sellers for decreasing their frustration. The purpose of voice option may be "to retrieve restitution, to protect other consumers, or to assist the firm in correcting a problem" (Landon, 1980, p. 337).

In addition, Hirschman views "loyal" consumers as neither exit nor voice, but those who continue to stick with the dissatisfying product/seller and "suffer in silence, confident that things will soon get better" (p. 38). As claimed by Singh (1990), loyalty in Hirschman's model does not necessarily imply positive feelings toward the seller. It should be noticed that Hirschman's framework does not consider negative word-of-mouth (WOM) as a key dissatisfaction response.

Richins's research (1983) does show evidence of another dissatisfaction response, complaining to friends and relatives (negative WOM). She notes that customers' reactions to dissatisfaction include: "(a) switching brands or refusing to repatronize the offending store [exit], (b) making a complaint to the seller or to a third party [voice], and
(c) telling others about the dissatisfactory product or retailer [negative word of mouth]"
(p. 68). Richins's study examines correlations of negative WOM and identifies variables, such as the nature of the dissatisfaction, perceptions of blame for the dissatisfaction, and perceptions of retailer responsiveness which distinguish negative WOM from other dissatisfied consumers' responses. In general, she identifies word-of-mouth as an important post-purchase complaint option.

Before taking deep root in the CCB concepts, it is necessary to clarify the meaning of customer complaint behavior. In a broad sense, consumer complaint behavior is regarded as "an action or set of action arising out of consumer dissatisfaction" (Rogers, Ross, & Williams, 1992, p. 81). The possible range of actions include complaining directly to business, third party complaint, private complaint (negative word-of-mouth to friends), or doing nothing. A typical classification of consumer complaining behavior (CCB) is described by Day and Landon (1977). The classification schema includes two levels of consumers' response to product problem. The first level distinguishes active and passive mode of dissatisfied consumers; either they take action or no action. The second level shows the sequence of the public and private complaint action. While private actions include complaining to friends and relatives as well as boycott sellers or manufactures, public actions include seeking redress from the seller, complaining to a consumer organization, and taking legal actions (Day and Landon, 1977; Day, Grabicke, Schaetzle, & Staubach, 1981; Singh, 1988).

Singh (1988) further defines consumer complaint behavior (CCB) as "a set of multiple (behavioral and nonbehavioral) responses, some or all of which are triggered by
perceived dissatisfaction with a purchase episode" (p. 94). He suggests that CCB consists of three dimensions—voice, third party, and private actions. The no-action response is included in voice category because it "appears to reflect feelings toward the seller" (p. 104). This schema extends the Day and Landon (1977) two-dimensional classification (public vs. private actions) to a better representation of consumer responses.

A still broader view of CCB merged by Blodgett and Granbois (1992) includes redress seeking (voice), negative word-of-mouth, exit, and third party complaints. However, as opinions vary, most CCB research still follows Day and Landon's classification—no action, private actions and public actions. Likewise, the following section examines the determinants of CCB according to the categories in Day and Landon's model. This study will not address third party complaint actions, but will put more effort on voice and negative word-of-mouth.

**Determinants of Customer Complaint Behavior.**

Substantial CCB research attention is given to profile consumers who register complaints to the company (Liefeld, Edgecombe, and Wolfe, 1975; Fornell and Westbrook, 1979; Bernhardt, 1981; Bearden, 1983) and what factors cause consumers to complain (Landon, 1977; Granbois, Summers, and Frazier, 1977; Langmeyer and Langmeyer, 1980). Several empirical studies have shown that customer dissatisfaction is related to customer complaining behavior (Bearden and Teel, 1983; Oliver, 1980; Olshavsky and Miller, 1972). However, previous studies also suggest that only moderate to small proportions of dissatisfied consumers take action such as seeking redress or
complaining to the offensive company. As Blodgett and Granbois (1992) said, "dissatisfaction is best thought of as a necessary, but not sufficient, condition of complaining behavior" (p. 95). They cite the description about the effects of dissatisfaction from Day et al. (1981) for supporting their ideas.

It may be helpful conceptually to think of strong feelings of dissatisfaction as an emotional or attitudinal state which can provide motivation for possible action, but...if one wishes to focus on complaint actions (behavior)...it would seem appropriate to [also]...look at other factors. (p. 93)

Their statements suggest there are other reasons resulting in customer complaint. Hereafter, this section will summarize the determinants of CCB from literature.

**Inaction**

According to Nielsen's report, "for products purchased in supermarkets, few consumers ever took any actions or sought any form of redress from manufacturers or retailers. Only two percent wrote to the manufacturer; 29 percent returned the product to the store or complained to the store; and 69 percent "did nothing" (A.C. Nielsen & Co., 1973, p. 9). With such high proportion of dissatisfied customers not taking action, several research studies have drawn some reasons. For example, a 1976 study for the Office of Consumer Affairs, where some 56 percent of those who reported taking "no action" regarding complaints, said they did not feel any action was worth the time or effort. Day and Landon conclude other factors which are considered by customers when deciding whether to complain or not. These factors are (1) value of obtaining redress, (2) availability of direct compensation, and (3) ease and convenience of obtaining redress.
According to Day and Landon, customers tend to evaluate the cost and benefit of complaining. If they feel their complaint is worth the effort, they will complain.

Although "it is nature to tend to regard complaints as a nuisance and an irritant", complaints do give management the opportunity to improve product and service (DeSouza, 1992, p. 26). Accordingly, management can improve its relationship with customers and make them loyal. The inaction of dissatisfied customers presents a hidden crisis of private complaint. To solicit complaints from these "quiet" customers would be a challenge for management in a competitive world.

**Public Action—Voice or Redress Seeking**

Redress is "a post-purchase complaint requiring some form of compensation or satisfaction", said Diener & Greyser (1978, p. 22). Landon (1977) hypothesizes that the consumer will complain based on his perception of the benefit of complaining, importance, and personality of the consumer. In addition, Jacoby and Jaccard (1981) sum up many variables which cause customers to complain. They conclude:

...complaining behavior is a function of many variables, including product dissatisfaction, reputation of the sellers, ease of access, willingness to provide redress, perceived intentionality, personality characteristics of the consumer, consumer attitudes and motives, value of the consumer's time, the consumer's level of information, sociodemographic factors, the importance of the situation, and prevailing social norms. (p. 18)
They collapse these variables into three main categories: marketing channel factors, consumer variables, and situational factors. In brief, they infer that customers' dissatisfaction with the product defectiveness is not the only reason to complain.

**Private Action—Negative Word-of-Mouth**

In 1981, TARP reported that: "Consumers who felt their complaints had not been satisfactorily resolved told a median of 9-10 people about their negative experience."

Research has shown negative WOM and exit decisions are also largely dependent upon the outcome of a redress seeking (voice) episode (TARP 1981; Gilly and Gelb 1982). Richins (1983) found the greater the blame on the seller, the more likely dissatisfied customers take actions such as voicing or engaging in negative word-of-mouth. She also indicates that problem severity is the crucial determinant of effort of response. The less positive the perception of retailer responsiveness, the greater the likelihood the action will involve WOM but not complaint behavior.

**III. Conceptual Support for the Research Hypotheses**

This study is undertaken to determine if there are differences in the factors which will affect complaining actions between complainants and non-complainants, and to assess complainants' revisit intention and negative word-of-mouth behavior based on their perception toward the cause of the problem and complaint handling. The four hypotheses dealt with factors relating to the complaining action. The factors, including the degree to which customers are upset, the importance of the dining occasion, the difficulties of access to the complaint channel, and the assurance of receiving some type of resolution, were
compared between complainants and non-complainants. The other hypotheses examine factors which affect complainants' revisit intentions and negative word-of-mouth behaviors. The complainants are categorized by their perceptions toward the cause of the problem and complaint handling. The three categories are unfavorable, neutral, and favorable responses of complainants. The five pairs of hypotheses will compare complainants' revisit intention and negative word-of-mouth across three categories of complainants' perceptions. This section will present the conceptual support for the research hypotheses.

Complaining Factors

1. How upset the problem makes the customer

People are upset when they are in a state of emotional or mental distress. Such emotional distress results from an accident or a lack of satisfaction due to an unexpected result. For example, customers get upset because they are dissatisfied with the food or service at the restaurant. When people get upset with the way they have been treated in the marketplace, what do they do? A study of Warland, Herrmann, and Willits (1975) tried to answer this question. They find that the most frequent action for those who had got upset is to complain personally to someone in the marketplace. The next most frequent activity was inaction. This study suggests that, people who get upset in the marketplace are most likely to either complain to management or do nothing. However, they did not indicate if people complain or do nothing based on the same degree to which they are upset.
Although most researchers agree that the complaining action is subsequent to customers' dissatisfaction, they seem to ignore the function of dissatisfaction intensity (or the degree of people getting upset) to complaining behavior. Singh and Pandya, in 1991, addressed the issue regarding the variation of complaining behavior due to dissatisfaction intensity. They found that the more dissatisfied the consumer, the more likely they are to use voice options (1991). The dissatisfaction intensity is considered as the degree to which customer are upset in this study. When customers get more upset with the problems at the restaurant, they might be more likely to complain to management. Thus, the first hypothesis is stated as:

**H1a:** Complainants were more upset with the restaurant when the problems occurred than were non-complainants.

2. Perceived importance of dining occasion

The perceived importance of dining occasion determines whether customers complain or take other actions. Hirschman (1970) first indicates that consumers are more likely to voice their complaints when they are dissatisfied with an "important" product. Blodgett et al. (1992) also indicate, "product importance interacts with dissatisfaction in providing the motivation to complain" (p. 98). They think that the decision to complain depends upon whether the product is important enough to warrant time and emotional energy that it takes to make complaints to the management. If the product is trivial or not so important, consumers may "neglect to ask themselves why the failure has occurred" (Folkes, 1984, p. 407). Likewise, they do not bother asking the management why the failure happened.
Bloch & Richins (1983) state, "Perceived product importance is the extent to which a consumer links a product to salient enduring [enduring importance] or situation-specific [instrumental importance] goals" (p. 71). They break the meaning of product importance into two forms. The first form, instrumental importance, is "a temporary perception of product importance based on the consumer's desire to obtain particular extrinsic goals that may derive from the purchase and/or usage of the product" (p. 72). For example, a man is about to invite his girlfriend to dinner. To choose a good restaurant is important for this man because the goal, making a favorable impression on his girlfriend, results in the perception of importance (instrumental importance). The other form of product importance, enduring importance, is "a long-term, cross-situational perception of product importance based on the strength of the product's relationship to central needs and values" (p. 72). For instance, the concern for an optimal dining experience and food quality to a gourmet would be much higher than a regular diner. If a waiter opened a bottle of wine for the customer and accidentally left some scrapings of the cork stopper in the bottle, a gourmet might experience a higher level of dissatisfaction than others. Thus, Bloch and Richins conclude that "overall perceptions of product importance measured during a purchase occasion will contain elements of both instrumental and enduring importance" (p. 72). According to their research, the product importance for a restaurant customer refers to the perceived importance of dining occasion in this study. When customers attach more 'worth' to their dining occasion, their level of dissatisfaction might
be higher than others. Under such a situation, customers will be highly motivated to
complain. Thus, the second hypothesis is:

\[ H2_a: \text{Complainants perceived higher importance of the dining occasion where} \]
\[ \text{problems occurred than did non-complainants.} \]

3. Perceived cost/benefit of complaining

Richins conducted a study regarding consumer perceptions of costs and benefits
associated with complaining in 1979. Her investigation showed that the perceived costs
and benefits of complaints are related to complaining behavior. Among the list of the
costs and benefits in Richins' study, one of the costs results from the difficulties of
accessing to complaint channel; one of the benefits is concerned with the remedy provided
by the company. Both cost and benefit involve the issue regarding how well the complaint
handling system is operated by the management. Such an issue is the interest of this study.
Although there are other costs and benefits perceived by customers, this study will only
focus on one benefit and one cost mentioned above. Readers should note this as a
limitation of this study.

A study of Andreasen (1988) also observed that if complaint channels were well
understood and management was perceived to be likely to make a favorable response,
customers are more likely to complain. Thus, the third and the forth hypotheses are:

\[ H3_a: \text{Complainants were more likely to feel that they were encouraged to} \]
\[ \text{complain through employees and managers asking how customers feel,} \]
\[ \text{guest comment cards, or a 1-800 number than were non-complainants.} \]

\[ H4_a: \text{Complainants perceived they were more likely to receive some type of} \]
\[ \text{resolution to the problem than did non-complainants.} \]
Complainants' Perceptions v.s. Revisit Intention and Negative Word-of-Mouth

1. Controllability of problems

The controllability of product failure refers to whether the cause is under the control of the company. Folkes (1984) has found that controllability is related to consumers' anger and desire to hurt the firm's business. Hence, if customers perceived the problem was not accidental because management did not take precautions to prevent the cause, customers are more likely to feel upset and want to hurt the offending company. According to the opinions of Blodgett et al., "Although Folkes does not mention how such a consumer could hurt the company's business, several ways are through negative word-of-mouth, exit, and third party complaints" (1992, p. 96). In addition, the study of Folkes, Koletsky and Graham (1987) shows that, controllability was linked positively to incidence of complaining and negatively with repurchase intentions. Generally, it could be expected that customers who perceived the problem is preventable are less likely to return to the restaurant and more likely to spread negative word-of-mouth. This leads to the fifth pair of hypotheses and their sub-hypotheses:
**H5(a):** The likelihood of returning to the restaurant varies among complainants who felt the problem is likely to be preventable, who held neutral perception, and who felt the problem is not likely to be preventable.

Sub-hypotheses

1. **Hₐ:** Complainants who felt the problem is not likely to be preventable were more likely to return to the restaurant than were complainants who were neutral toward the perception that the problem is likely to be preventable.

2. **Hₐ:** Complainants who felt the problem is not likely to be preventable were more likely to return to the restaurant than were complainants who felt the problem is likely to be preventable.

3. **Hₐ:** Complainants who were neutral toward the perception that the problem is likely to be preventable were more likely to return to the restaurant than were complainants who felt the problem is likely to be preventable.

**H5(b):** The likelihood of spreading negative word-of-mouth varies among complainants who felt the problem is likely to be preventable, who held neutral perception, and who felt the problem is not likely to be preventable.

Sub-hypotheses

1. **Hₐ:** Complainants who felt the problem is not likely to be preventable were less likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that who felt the problem is likely to be preventable.

2. **Hₐ:** Complainants who felt the problem is not likely to be preventable were less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to be preventable.

3. **Hₐ:** Complainants who were neutral toward the perception that the problem is likely to be preventable were less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to be preventable.
2. Stability of problems

Stability refers to whether the cause of service failure happened permanently or temporarily (Tax & Chandrashekaran, 1992; Folk, 1984). As proposed by Folkes (1984), the stability of product failure results in customers' expectancy for future product failure. Accordingly, consumers tend to express their anger and have lower intentions to repatronage. It is predictable that the dissatisfied customers may boycott the restaurant by vowing never coming back and telling friends about their bad stories, when they predict that the undesired event will occur again in the future. Customers' decisions to exit and spread negative word-of-mouth can be ascribed to their perception about stability of problem. Thus, complainants who perceived the less stable of the problem can be expected that they are more likely to return and less likely to spread negative word-of-mouth. The sixth pair of hypotheses and their sub-hypotheses are listed as follow:

\[ H6(a)A: \text{The likelihood of returning to the restaurant varies among complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.} \]

Sub-hypotheses

- **H1A**: Complainants who felt the problem is not likely to occur again were more likely to return to the restaurant than were complainants who were neutral toward the perception that the problem is likely to occur again.

- **H2A**: Complainants who felt the problem is not likely to occur again were more likely to return to the restaurant than were complainants who felt the problem is likely to occur again.

- **H3A**: Complainants who were neutral toward the perception that the problem is likely to occur again were more likely to return to the restaurant than were complainants who felt the problem is likely to occur again.
H6(b): The likelihood of spreading negative word-of-mouth varies among complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

Sub-hypotheses

1. Complainants who felt the problem is not likely to occur again are less likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that the problem is likely to occur again.

2. Complainants who felt the problem is not likely to occur again are less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to occur again.

3. Complainants who were neutral toward the perception that felt the problem is likely to occur again are less likely to spread negative word-of-mouth than were complainants who felt the problem is likely to occur again.

3. Customers’ satisfaction with the restaurant’s response

According to TARP’s report, brand loyalties of those customers whose complaints were not satisfactorily resolved are affected quite negatively (1981). Other researchers, such as Gilly and Gelb (1982), Tax and Chandrashekaran (1992), and TARP (1981), convey the similar idea—the higher the degree of satisfaction with organization complaint response, the greater the likelihood of brand-repurchase. In addition, the work of Bearden and Oliver (1985) also indicates that the degree of satisfaction with organizational response is inversely related to the extent of private complaining. In other words, customers were likely to convey negative word-of-mouth if they were not satisfied with the company’s response. Thus, the seventh pair of hypotheses and their sub-hypotheses are:
H7(a): The likelihood of returning to the restaurant varies among complainants who were not satisfied with the restaurant's response, who held neutral perception, and who were satisfied with the restaurant's response.

Sub-hypotheses

1. $H_{A1}$: Complainants who were not satisfied with the restaurant's response were less likely to return to the restaurant than were complainants who were neutral toward the perception that they were satisfied with the restaurant's response.

2. $H_{A2}$: Complainants who were not satisfied with the restaurant's response were less likely to return to the restaurant than were complainants who satisfied with the restaurant's response.

3. $H_{A3}$: Complainants who were neutral toward the perception that they were satisfied with the restaurant's response were less likely to return to the restaurant than were complainants who were satisfied with the restaurant's response.

H7(b): The likelihood of spreading negative word-of-mouth varies among complainants who were not satisfied with the restaurant's response, who held neutral perception, and who were satisfied with the restaurant's response.

Sub-hypotheses

1. $H_{A1}$: Complainants who were not satisfied with the restaurant's response are more likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that they were satisfied with the restaurant's response.

2. $H_{A2}$: Complainants who were not satisfied with the restaurant's response are more likely to spread negative word-of-mouth than were complainants who satisfied with the restaurant's response.

3. $H_{A3}$: Complainants who were neutral toward the perception that they were satisfied with the restaurant's response are more likely to spread negative word-of-mouth than were complainants who were satisfied with the restaurant's response.
4. Resolution exceeding customers' expectations

All complainants expect a positive response from the company. When the response of management meets customers' expectations, customers might think they received a fair treatment regarding their complaints and hence their dissatisfaction was decreased. Etzel and Silverman (1981) confirm this idea. They state, "It is not too difficult to imagine that the secondary satisfaction accruing to the customer from the proper handling of a complaint not only prevents the loss of business but actually builds loyalty among customers, since those whose complaints are satisfied are more prone to shop the store than if the initial problem had never arisen and the complaint had never been made" (p. 130). Thus, these customers whose complaints were handled adequately will increase their satisfaction with the company. According to disconfirmation theory, customers will have higher levels of satisfaction when they receive more than they expected. For example, a customer might expect the management to exchange an overdone steak. If the management not only exchanges the food but also offers the customer a free drink, the customer may be surprised by the "extra" offer and be more satisfied with the restaurant's response. In this case, not only did the customer's dissatisfaction decrease, but also the customer's satisfaction with the overall dining experience increased. It is believed customers are more likely to come back and are less likely to spread negative word-of-mouth when they have a higher level of satisfaction. Accordingly, it is expected that complainants who perceived they received more than they expected would like to revisit the company again and to spread less negative word-of-mouth. Thus, the eighth pair of hypotheses and their sub-hypotheses are stated as:
$H8(a)_A$: The likelihood of returning to the restaurant varies among complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

Sub-hypotheses

$\mathbf{1}H_A$: Complainants who perceived the received resolution did not exceed their expectations were less likely to return to the restaurant than were complainants who were neutral toward the perception that the received resolution exceeded their expectations.

$\mathbf{2}H_A$: Complainants who perceived the received resolution did not exceed their expectations were less likely to return to the restaurant than were complainants who perceived the received resolution exceeded their expectations.

$\mathbf{3}H_A$: Complainants who were neutral toward the perception that the received resolution exceeded their expectations were less likely to return to the restaurant than were complainants who perceived the received resolution exceeded their expectations.

$H8(b)_A$: The likelihood of spreading negative word-of-mouth varies among complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

Sub-hypotheses

$\mathbf{1}H_A$: Complainants who perceived the received resolution did not exceed their expectations are more likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that the received resolution exceeded their expectations.

$\mathbf{2}H_A$: Complainants who perceived the received resolution did not exceed their expectations are more likely to spread negative word-of-mouth than were complainants who perceived the received resolution exceeded their expectations.

$\mathbf{3}H_A$: Complainants who were neutral toward the perception that the received resolution exceeded their expectations are more likely to spread negative word-of-mouth than were complainants who perceived the received resolution exceeded their expectations.
5. Customers being treated fairly

Customers feel they are being treated fairly regarding their complaints when they perceive their complaints were handled adequately and they are somehow satisfied with the company's response. For example, a customer may receive a replacement for an overdone steak from a polite waitress to compensate the service failure. Such a response can be regarded as a fair settlement based on the concept of perceived fairness mentioned earlier.

Research has found a positive relationship between the perceived fairness and consumer satisfaction. Swar & Oliver (1989) said, "...satisfaction may result if the equity cognition was perceived to be fair" (p. 518). This concept is supported by Goodwin and Ross's study (1989). They indicate, "...the perceived fairness of a conflict resolution procedure will influence satisfaction as well as willingness to trust the institution in future interaction" (p. 88). According to these studies, the perception of being fairly treated will have impact on customers' satisfaction and repatronage intentions. Additionally, Blodgett et al (1993) indicate that complainants who subsequently perceive a lack of justice will react by engaging in negative word-of-mouth behavior and tend not to revisit the offending service providers. Thus, the ninth pairs of hypotheses and their sub-hypotheses are stated as:

$$H9(a): \text{The likelihood of returning to the restaurant varies among complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.}$$
Sub-hypotheses

1) $H_A$: Complainants who perceived they were not treated fairly regarding their complaints were less likely to return to the restaurant than were complainants who were neutral toward the perception that they were treated fairly regarding their complaints.

2) $H_A$: Complainants who perceived they were not treated fairly regarding their complaints were less likely to return to the restaurant than were complainants who perceived they were treated fairly regarding their complaints.

3) $H_A$: Complainants who were neutral toward the perception that they were treated fairly regarding their complaints were less likely to return to the restaurant than were complainants who perceived they were treated fairly regarding their complaints.

$H_9(b)$: The likelihood of spreading negative word-of-mouth varies among complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

Sub-hypotheses

1) $H_A$: Complainants who perceived they were not treated fairly regarding their complaints are more likely to spread negative word-of-mouth than were complainants who were neutral toward the perception that they were treated fairly regarding their complaints.

2) $H_A$: Complainants who perceived they were not treated fairly regarding their complaints are more likely to spread negative word-of-mouth than were complainants who perceived they were treated fairly regarding their complaints.

3) $H_A$: Complainants who were neutral toward the perception that they were treated fairly regarding their complaints are more likely to spread negative word-of-mouth than were complainants who perceived they were treated fairly regarding their complaints.
CHAPTER 3

RESEARCH METHODOLOGY

Introduction

This chapter explains the methodology of the study. The characteristics of population and sample selection are described in the first section of this chapter. The second section explains the design of the survey instrument. The third section explains the data collection procedures. The fourth section gives a description of the data analysis.

I. Population and Sample

Characteristics of Population

A completed definition of a population includes elements, sampling units, extent, and time (Tull and Hawkins, 1984). The population addressed in this study was defined as the residents of the greater Las Vegas area who have an annual household income above $50,000, and who have experienced problems at a casual table service restaurant \(\text{(element and unit)}\) in the greater Las Vegas area \(\text{(extent)}\) during the last year \(\text{(time)}\). The greater Las Vegas area contains Boulder City, Henderson, North Las Vegas, and Las Vegas.

Household income is regarded as an important predictor of consumer spending for food away from home. Data from the Consumer Expenditure Survey—1993 indicates that
spending on food away from home rises as household incomes increase. For instance, those households with an income of $50,000 to $69,999 spent 50 percent more than the average household, and those with incomes of more than $70,000 spent 127 percent more than the average household on food away from home (U.S. Bureau of the Census; National Restaurant Association, 1993). The National Restaurant Association also indicates that, "The spending indices reveal that households with higher incomes spend a disproportionately larger amount on food away from home than their presence in the population would suggest" (1992, p. 15). Table 1 shows the influence of the household income on spending for food away from home in 1993.

Another survey by Restaurant & Institutions (1994) find that the percentage of people dining out last week increased as their household income level increased. About 92% of households who earn more than $50,000 ate out last week while only 73% of households with less than $12,500 income ate out last week. It is intuitively logical that the chance of encountering problems at a casual table service restaurant increases with the frequency of dining out. Based on above information, the population frame of this study includes residents with household income above $50,000. These people are expected to have frequent dining out experience and more likely to have some problems at the restaurant before. It is much easier for them to recall one dining occasion in a restaurant at which problems occurred. Consequently, their complaining behavior can be investigated. Moreover, the response rate of the survey can be improved, since more people are eligible to complete the questionnaire because of their rich experiences in eating out.
### Table 1

**Household Expenditures on Food Away From Home By Household Income Before Taxes**

<table>
<thead>
<tr>
<th>Annual household income</th>
<th>Average household size</th>
<th>Average household income</th>
<th>Average annual expenditures on food away</th>
<th>% of total spending on food away</th>
<th>% of total households</th>
<th>Per capita expenditures on food away</th>
<th>Index of expenditure on food away</th>
</tr>
</thead>
<tbody>
<tr>
<td>All households</td>
<td>2.5</td>
<td>$3,385,433,854</td>
<td>$1,674</td>
<td>100%</td>
<td>100%</td>
<td>$670</td>
<td>100</td>
</tr>
<tr>
<td>Less than $5,000</td>
<td>1.7</td>
<td>21,522,152</td>
<td>7,903</td>
<td>3%</td>
<td>6%</td>
<td>465</td>
<td>50</td>
</tr>
<tr>
<td>$5,000 - $9,999</td>
<td>1.8</td>
<td>7,494</td>
<td>509</td>
<td>4%</td>
<td>14%</td>
<td>283</td>
<td>29</td>
</tr>
<tr>
<td>$10,000 - $14,999</td>
<td>2.2</td>
<td>12,437</td>
<td>842</td>
<td>6%</td>
<td>12%</td>
<td>383</td>
<td>50</td>
</tr>
<tr>
<td>$15,000 - $19,999</td>
<td>2.3</td>
<td>17,420</td>
<td>1,201</td>
<td>7%</td>
<td>10%</td>
<td>522</td>
<td>70</td>
</tr>
<tr>
<td>$20,000 - $29,999</td>
<td>2.5</td>
<td>24,560</td>
<td>1,406</td>
<td>14%</td>
<td>17%</td>
<td>562</td>
<td>82</td>
</tr>
<tr>
<td>$30,000 - $39,999</td>
<td>2.7</td>
<td>34,439</td>
<td>1,772</td>
<td>13%</td>
<td>12%</td>
<td>656</td>
<td>108</td>
</tr>
<tr>
<td>$40,000 - $49,999</td>
<td>3.0</td>
<td>44,442</td>
<td>2,354</td>
<td>13%</td>
<td>9%</td>
<td>785</td>
<td>144</td>
</tr>
<tr>
<td>$50,000 - $69,999</td>
<td>3.1</td>
<td>58,449</td>
<td>2,712</td>
<td>18%</td>
<td>11%</td>
<td>875</td>
<td>164</td>
</tr>
<tr>
<td>$70,000 &amp; over</td>
<td>3.1</td>
<td>108,124</td>
<td>3,613</td>
<td>21%</td>
<td>10%</td>
<td>1,165</td>
<td>210</td>
</tr>
</tbody>
</table>


**Sample Selection**

According to *1995 Las Vegas Perspective*, there are approximately 120,000 households with an income above $50,000 in the area. Table 2 shows the summary of households in the area (*1995 Las Vegas Perspective*, 1995). However, it is not easy to recognize people who had problems at a casual table service restaurant during the last year. Due to the difficulty to get such a sampling frame, this study uses an alternative procedure as introduced by Robinson (1979)—asking people to recall one dining occasion at a casual table service restaurant where a problem occurred. The list of people whose household incomes are over $50,000 was provided by a commercial vendor. A total of 800 households was selected for mailing the questionnaire package.
Table 2

Households in Boulder City, Henderson, North Las Vegas, and Las Vegas

<table>
<thead>
<tr>
<th></th>
<th>Households</th>
<th>Households with Annual Household Income over $50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulder City</td>
<td>5,492</td>
<td>2,526</td>
</tr>
<tr>
<td>Henderson</td>
<td>39,454</td>
<td>16,073</td>
</tr>
<tr>
<td>North Las Vegas</td>
<td>21,529</td>
<td>4,794</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>301,542</td>
<td>92,178</td>
</tr>
<tr>
<td>Total</td>
<td>368,017</td>
<td>115,571</td>
</tr>
</tbody>
</table>

(Source: 1995 Las Vegas Perspective, Center for Business & Economic Research at UNLV)

It should be noted that there are two major subpopulations in this study. One subgroup of the population refers to people who complained to the restaurant management when problems occurred during their visit. The second subpopulation is people who did not complain to the restaurant management when problems occurred during their visit. The complainants are expected to answer all of the questions while non-complainants need not answer questions such as how they felt the restaurant handled their complaints etc.
II. Questionnaire Development

Measurement Design

In order to know more about the complainant's revisit intention and word-of-mouth behavior, several informal group discussions and unstructured interviews were done to gather information on what was happening in the restaurant, how management dealt with the problems and what customers' subsequent reactions were. These discussions formed a broad sense of ideas regarding why customers complain or why complainants exit and engage in negative word-of-mouth. Such information and information from the literature review was used to construct the survey instrument.

The questionnaire is divided into three sections. Section I seeks to identify the situational factors of respondents' dining experience, respondents' attitudes toward the attribution of the problems, respondents' perceptions about management's willingness to remedy the problem, and includes a assessment of revisit intention. Section II includes the measurements of respondents' complaint behavior, how well complainants felt the problems were being handled, respondents' intentions to dine at the restaurant in the future, word-of-mouth communication being conveyed, and respondents' satisfaction with overall dining experience. Section III provides the demographic data of the respondents.

Section I. Section I begins with a brief introduction and explains the purpose of this study. There are eleven questions in Section I. The first question asks the respondents to indicate the frequency of dining out at casual table service restaurants within the last year. The response categories include: more than once per week, once per week, 2-3 times per month, once per month, less than once per month, and never. This
question is designed to filter out respondents who never dined at a casual table service restaurant in the greater Las Vegas area within the last year.

The next five questions are related. Respondents are first requested to recall one dining occasion during the last year when they had a problem at a casual table service restaurant. Based on this key dining experience recalled from respondents' memory, respondents' perceptions and behavior can be measured by continuing questions in this survey.

Question 2A contains a list of 14 factors pertaining to the failures that occurred at a restaurant. The list deals with food, service, and environmental problems of dining at a table service restaurant. These factors were gained from previous research: the survey of Restaurants & Institutions (1994), Shriver's work (1988), and Stevens, Knutson, & Patton's DINESERV study (1995). Multiple answers are allowed in this question. The value of Question 2A is to help recall respondents' past dining experience at a casual table service restaurant where problems occurred during their visit. Meanwhile, respondents who did not experience any problem at the restaurant during the last year are screened out by this question.

Question 2B is to capture respondents' state of mind while the problem occurred at the restaurant. By applying a 5-point Likert-type scale in this question, the response categories contain: 1= Not Upset, 3=Moderately Upset, 5=Extremely Upset. Although researchers tend to provide a brief verbal description of each category, "this is not a requirement, and often only the end categories are labeled" (Tull & Hawkins, 1976, p.336). In addition, this question uses an unbalanced set of categories scale which is
different from the balanced scale of other questions. A balanced scale means the scale has an equal number of favorable and unfavorable categories (Tull & Hawkins, 1984). While customers experienced some problems at the restaurant, it is reasonable to assume that most of them retain unfavorable attitude toward the problem. Hence, in this case, unbalanced scale with more unfavorable categories than favorable categories provides more useful information.

Question 2C asks about the per-person check average for food in the restaurant where the problem occurred. Since the per-person check in a casual table service restaurant is usually under $20, four response choices are provided: under $10, $10 to $15.99, $16 to $20, above $20. Question 2D is to identify if the respondent was a new customer or used to be a frequent customer in this restaurant. Respondents are asked how many times they dined at this restaurant before the visit in which the problem occurred.

Question 2E is subdivided into six questions. Each question is accompanied with a 5-point Likert-type scale. The categories of response are from point 1: Strongly Disagree, point 2: Disagree, point 3: neutral, point 4: Agree, through point 5: Strongly Agree. Five of the questions pertain to the respondents' agreement toward the importance of the dining occasion, the level of problems being preventable, the chance of problems recurring, the difficulties of access to the complaint handling system, and the resolution of the problem being offered. These factors are considered to determine a customers' complaint action, revisit intention and negative word-of-mouth activity. The other question, Question 2E (f), asks respondents if they will never visit the restaurant again.

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because of the problem which occurred. This question is employed to tap customers' likelihood of exiting the restaurant regardless of whether or not they complained.

Section II. Section II is concerned with customers' reactions toward the same dining occasion at which the problem occurred. The first question asks if respondents complained to anyone at the restaurant. This question is to categorize the respondents for this study.

The second question set is composed of six questions. These questions use 5-point Likert scales to measure complainants' attitudes regarding their satisfaction with the restaurant's response, whether their expectations were more than expected, how fairly they are treated, their revisit intention, their intention to visit more often than in the past, and their willingness to recommend the restaurant to friends. These questions probe into how respondents evaluate responses from the restaurant and their subsequent behavior.

Question 2(a), 2(b), 2(c) are independent variables which relate to complainants' revisit intention and word-of-mouth behavior. They are worded in a manner suggested by Blodegett et al. (1993) and are refined to fit this study. Respondents who did not complain to the restaurant need not answer a series of questions in this set, but they are asked to answer the residual questions which follow.

Question 3 measures respondents' satisfaction with the overall dining experience. A 5-point very dissatisfied-very satisfied Likert scale is used. This measurement is borrowed from the work of Bolton and Bronkhorst (1995) to measure the quality of services received from the company. Word-of-mouth behaviors are assessed by three items. A dichotomous (Yes/No) scale reveal if respondents tell others about this dining
experience. Then, an open-ended question asks respondents about how many people they told. The other item utilizes a 5-point Likert scale to diagnose the amount of positive or negative opinion expressed to others about the restaurant. Swan and Oliver (1989) provide the basis for this measure.

The last question in Section II seeks other actions, such as responding on a comment card, calling an 1-800 service number, writing a letter to the manager, etc., being taken by respondents. Multiple responses are allowed. This question is to examine if people express their dissatisfaction through other channels instead of complaining to the management face to face.

Section III. Section III contains questions pertaining to the respondents' profiles. It includes questions about attitude towards complaining, gender, age, race, zip code, annual household income, and respondents' education level.

Pretest

The pretests were conducted to evaluate how well the questions were understood and to detect weaknesses in design. The pretests also helped the researcher to estimate how much the data collection would cost in time and money (Bourque & Fielder, 1995). Graduate students of the Hotel Administration at the University of Nevada, Las Vegas were interviewed to find out about question clarity, flow, and ease of answering. During this interviewing process, questionnaires were also mailed to the target population. As a result of these pretest, wording and question sequence of the questionnaire were modified. The survey instrument was then revised based on input from this pretest. The revised draft was prepared and pilot tested on residents from the target population. After
the second pretest, only minor revision was made for final survey. The above testing is to establish validity and reliability of the instrument. Thus, the research questions can be tested effectively and efficiently through the data obtained.

**Nature of the Data**

The questionnaire used Likert-type scales to measure a degree of agreement or disagreement with a series of statements related to attitude of interest in this study. There were sixteen Likert-type scales. Each scale had five response categories ranging from a minimum value of one point to a maximum value of five points. The positions on the scale measured intensity of perceptions (strongly, very, mostly, extremely) and directionality (agree, disagree; satisfied, dissatisfied; positive, negative; upset, not upset). Most five-point scales provide an equal number of favorable and unfavorable categories [balanced scale]. The middle scale item is designated as a neutral points to allow people to express their neutrality on some issues. Table 5 summarizes scales used in this study.

The Likert scale is among the more commonly used attitudinal scales. Since the instructions that accompany the scale are easily understood, the Likert-type scale is a useful technique for mail surveys of the general population (Tull & Hawakins, 1976). In addition, research indicates that five to seven category scales are needed if the focus of this study is on individual behavior (Lehmann & Hulbert, 1972; Matell & Jacoby, 1972). It was found that the reliability of ratings in a 5-point scale is as good as that in a 7 or 9 points scale (Elmore & Beggs, 1975). Thus, the 5-point Likert-type scales are used in the final survey. The data resulting from such measurements are regarded as interval data.
Table 5

Summary of Likert-Type Scales Used

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Balanced or Unbalanced Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly Agree</td>
<td>Balanced</td>
</tr>
<tr>
<td>B</td>
<td>Very Dissatisfied</td>
<td>Somewhat Dissatisfied</td>
<td>Neither Satisfied nor Dissatisfied</td>
<td>Somewhat Satisfied</td>
<td>Very Satisfied</td>
<td>Balanced</td>
</tr>
<tr>
<td>C</td>
<td>Mostly Negative</td>
<td>2</td>
<td>Positive &amp; Negative Equally</td>
<td>4</td>
<td>Mostly Positive</td>
<td>Balanced</td>
</tr>
<tr>
<td>D</td>
<td>Not Upset</td>
<td>2</td>
<td>Moderately Upset</td>
<td>4</td>
<td>Extremely Upset</td>
<td>Unbalanced</td>
</tr>
</tbody>
</table>

Question 2(A), 2(C), and 2(D) of Section I are classified as nominal data. The question which recognizes the complainants and non-complainants uses a nominal scale (Question 1 of Section II). The questions relating to whether respondents convey word-of-mouth communication, and if respondents took other actions instead of reporting a complaint directly are nominal scales too. The data emerging from these scales is nominal data. The demographic data, such as gender, race, and zip code, is nominal data. Other demographic data including age, annual household income, and education level is ordinal data.

The residual questions measure the dining habits of respondents (Question 1 & 2(D) of Section I) and the amount of money spend at the restaurant (Question 2(C)) with the ordinal scale. Such data is ordinal data.
All items in the questionnaire using nominal, ordinal, and Likert scales are closed questions. The closed question allows respondents to make choices among a set of alternatives being given. There are several advantages of closed-ended questions. Rea and Parker (1992) said that "one is that the set of alternative answers is uniform and therefore facilitates comparisons among the respondents;...another advantage is that fixed list of response possibilities tends to make the question clearer to the respondent" (p. 39). Only one item which asks the amount of people being told (Question 4(A) of Section II) uses the open-ended question, because it is difficult to predict the range of the answer.

III. Data Collection Procedure

Techniques of Increasing Response Rate

The study was designed as mail survey. The advantage of mail questionnaires is they can cover a geographical area with little additional cost for respondents at a distance. Compared to other methods, mail surveys typically cost less. Bourque & Fielder (1995) indicate, "Given the same-length questionnaire and same objective, a completed questionnaire administered by mail costs approximately 50% less than one administrated by telephone and 75% less than one administered by personal interview" (p. 9). However, a weakness of mail surveys is low response rate. In the absence of incentives, a single mailing survey which is sent to a sample of the general community is expected to have no better than a 20% response rate (Bourque & Fielder, 1995). Such a low response rate might result in nonresponse bias since researchers usually know nothing about the differences of those who answer and those who do not.
According to the review articles regarding response-increasing techniques, providing monetary incentives has been shown significantly to improve the response rate in surveys of the general public (Paxson, 1995; Cooper & Emory, 1995). James and Bolstein (1992) tested the effect of the amount of a monetary incentive on the response rate. They concluded, "a $1 incentive is the most cost-beneficial, regardless of the number of mailings" (p. 449). Thus, in order to learn how incentives work in this study, 20 questionnaires incorporating one dollar and 20 questionnaires incorporating no incentives were sent out to pretest. The result of the pretest showed that the response rate in the group with the incentive was 30% compared to a 10% response rate in the group without the incentive. Therefore, a one dollar incentive was included in the questionnaire package to increase participation.

Paxson (1995) suggests, "Surveys sponsored by universities, business schools, and hospitality programs may obtain better response rates than surveys sponsored by others" (p. 68). By getting permission from the college, the survey's cover letter (Appendix A) was on college stationary to help increase the response rate.

A stamped and self-addressed return envelope with first class postage was included in the questionnaire package. Empirical evidence suggests that a stamped return envelope encourages response because it simplifies questionnaire return (Cooper & Emory, 1995).

**Instrument Administration**

The final version of questionnaire was administered in May of 1996. A questionnaire, a postage-paid return envelope, and a cover letter were mailed to 800
households selected through a random sampling process. The cover letter was printed on University of Nevada Las Vegas stationery. A return by date, which was two weeks after the questionnaires had been sent, was set for the recipients.

One week after the initial mailing, a postcard reminder (Appendix C) was sent to all recipients. This follow-up contact served to thank those who had responded and to courteously remind those who did not respond to complete and mail the questionnaire. The phone number of the surveyor was given to all potential respondents for requesting another questionnaire in case they did not receive it.

IV. Data Analysis Methods

The Statistical Package for Social Science (SPSS) was utilized in the analysis of the data collected. The nature of data mentioned earlier determine the applicable type of statistical approach. The statistical tools applied in this study include: descriptive statistics, t-test, and one-way analysis of variance. The foregoing section will introduce how these statistical tools are operated to test hypotheses and further point out the preselected significance level.

Descriptive Statistics—Data Distribution and Frequency Analysis

The descriptive statistics, which includes measures of central tendency, dispersion (or variability), and shape, examines the distribution of data values. Means, medians, and standard deviation are derived from all interval data. The histogram of each interval variable helps to explain the shape of data distribution. This descriptive information is useful for a later analysis of inferential statistics.
The frequency analysis indicates the number of occurrences under each category of the question being determined. With the aid of frequency tables and bar charts, the frequencies of nominal data and ordinal data, such as the respondents' demographic data, will be displayed.

**T-test (Hypothesis 1 to 4)**

The t-test is used to measure any significant difference in the means of two groups in the variable of interest (Sekaran, 1992). Four hypotheses, regarding the difference in upset level, importance of dining occasion, perceived likelihood of problems' recurrence, and the assurance of receiving resolution from the management between complainants and non-complainants, use one-tail t-test to make comparisons. Unlike the two-tailed test, in which the null-hypothesis is rejected for large difference in both positive and negative direction of the sampling distribution, one-tailed test rejects the null hypothesis at only one tail of the sampling distribution. Levin and Fox suggested that, "A one-tailed test is appropriate when a researcher is only concerned with a... difference... in one prespecified direction, or when researcher anticipates the direction of the... difference.... Changing to a one tailed test only affects the hypotheses and the critical value of t, but not any of the calculations" (1994, p. 228 & 231). Since this study attempts to show a direction of the difference between complainants and non-complainants, it calls for the use of one-tailed t-test.

**ANOVA (Hypothesis 5a to 9b)**

The residual hypotheses relating complainants' revisit intentions and negative word-of-mouth behaviors among people who hold either unfavorable, neutral, or favorable
attitude in the variables of interests use one-way analysis of variance (ANOVA) to
compare three groups' means. ANOVA is considered appropriate when there is a need to
test the significant mean difference among more than two independent groups (Sekaran,
1992). Cooper and Emory (1995) indicate the difference between t-test and ANOVA.
They said, "Unlike the t-test, which uses sample standard deviations, ANOVA uses
squared deviations or the variance so the computation of distance of the individual data
points from their own mean or from the grand mean can be summed" (p. 457). The results
of ANOVA will indicate whether the means of the various groups are significantly
different from one another (Sekaran, 1992).

The analysis of variance yields an F ratio in which variation between groups and
within groups are compared. If there are significant mean differences among the groups as
indicated by the significance level of the F ratio, the null hypothesis will be rejected.
McPherson (1990) stated "where the F ratio in an analysis of variance procedure provide
evidence to reject the hypothesis that all treatments have the same effect, there is a need to
determine where the difference lie. In this case, a multiple comparison procedure is
employed to establish which pairs of treatments appear to be producing differences in
mean response" (p. 435). According to his suggestion, a post hoc test or multiple
comparison procedure is conducted to determine which pair are not equal. The Scheffé
test is chosen because it is a conservative test that is robust to violations of assumptions
and it deals well with unequal sample size (Cooper & Emory, 1995; Vogt, 1993;
To use ANOVA, several assumptions should be met. As suggested by Cooper & Emory (1995), "The sample must be randomly selected from normal populations and the populations should have equal variances. In addition, the distance from one value to its group's mean should be independent of the distances of other values to that mean (independence of error)" (p.457). The Levene test is a homogeneity-of-variance test that is less dependent on the assumption of normality than most tests and thus is particularly useful with analysis of variance (Norusis, 1993). Therefore, Levene test for equality of variance is employed for each comparison. If the observed significance level for the F value was equal to or smaller than .05, the null hypothesis that subpopulation variances were equal was rejected. Under such consequences, the appropriate transformations were chosen by observing the relationship between spread and level of a variable for each group. After applying the transformation, the unequal variances might be adjusted.

**Desired Level of Significance**

The level of significance which is denoted as $\alpha$ is a level of probability at which the null hypothesis can be rejected with confidence, and the research hypothesis can be accepted with confidence. Significance level can be set up for any degree of probability. It is customary to set $\alpha=0.05$ level of significance. That is, the null hypothesis is rejected whereas the obtained sample difference occurred by sampling error only 5 times or less out of 100 (Levin & Fox, 1994). Since a 0.05 significance level is the accepted level for most business research, this study will use this $\alpha$ value as a threshold to decide whether we reject the null hypothesis.
As indicated by Levin & Fox (1994), the $p$ value is the actual probability that the null hypothesis is true in light of the sample data. In other words, the $p$ value is determined by the data themselves, unlike the $\alpha$ value, which is set by researcher in advance. The null hypothesis is rejected when the $p$ value is less than the $\alpha$ value. Therefore, in two-tailed $t$ test within $\alpha = 0.05$ significance level, we could reject the null hypothesis if $p \leq 0.05$.

Since the SPSS routinely produce two-tailed significance tests as its standard output, it is easy to decide whether to reject the null hypothesis by observing $p$ value. However, this study employs the one-tailed $t$-test which will affect the critical value of $t$. Levin & Fox suggest that, "As a general rule, to conduct a one-tailed test from two-tailed probabilities, simply use a table value with twice the area of the two-tailed test. Thus, for example, the critical value for a two-tailed test with $\alpha = 0.10$ is identical to that for a one-tailed test with $\alpha = 0.05$" (1994, p. 229). According to their suggestion, for a one-tailed test, we reject the null hypothesis when $p \leq 0.10$ which is shown on the standard output of SPSS.

Summary

This chapter presents a description of the research design and methodology. A review of the pertinent literature, selection of the study population, and the design and distribution of a survey questionnaire are used in the data collection phase. This chapter also explains the statistical treatment of data. The results and interpretation of data are discussed in Chapter 4.
CHAPTER 4

ANALYSIS AND RESULTS

Introduction

This chapter presents the results of the data analysis in an effort to test the stated hypotheses and answer the research questions. The analysis first discusses the response rate and identifies the characteristics of respondents. It further explores the findings of the survey. The frequency distributions are used to profile the respondents while the cross-tabulations are used for comparing sample groups and variables. The chapter then presents results of hypotheses testing.

I. Response Rate

A sample of 800 households in the greater Las Vegas area whose household incomes were above $50,000 were mailed a questionnaire packet. Forty mailing packets were undeliverable due to incorrect addresses. Thus, a total of 760 questionnaires were deliverable.

A total of 392 questionnaires were returned. Forty three respondents indicated they did not experience any problem at a restaurant during the last 12 months, two respondents said they did not dine out, nine respondents returned unanswered
questionnaires, seven respondents returned uncompleted questionnaires. A total of 331 questionnaires were completed and usable for a response rate of 46%. Table 4 shows the summary of the returned questionnaires.

Table 4

Summary of the Returned Questionnaires

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>complainants</td>
<td>191</td>
<td></td>
</tr>
<tr>
<td>non-complainants</td>
<td>140</td>
<td>331 (Valid data)</td>
</tr>
<tr>
<td>no problems at the restaurant</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>never dine out</td>
<td>2</td>
<td>45 (screen out)</td>
</tr>
<tr>
<td>unanswered questionnaire</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>uncompleted questionnaire</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>Total received</td>
<td>392</td>
<td>392</td>
</tr>
</tbody>
</table>

Response rate = \( \frac{331}{760 - 43 - 2} \) = \( \frac{331}{715} \) = 46.29%

The response rate of previous studies regarding complaining behavior in other industries ranges from 15% to 55% (Singh, 1990; Singh & Pandya, 1991). The response rate of this study is acceptable when compared with these studies.
Check of Non-respondents

Although the response rate of this study is considered satisfactory in mail survey, there are 377 non-respondents \((760 - 392 + 9 = 377)\) in the absence of information to describe if their answers were different from those respondents'. In order to determine if there were any similarities among non-respondents, an analysis of non-response bias was conducted.

The non-response bias can be studied based on the assumption that late respondents closely resemble non-respondents (Oppenheim, 1966). In this study, the questionnaires received after cut-off day are regarded as late responses (see Figure 2). T-tests and chi-square tests were employed to compare early respondents and late respondents. The results are shown in Appendix E.

The results suggest that non-respondents (late respondents) tend to be women (see Figure 3). However, other demographic data and key variables of this study are not significantly different between early and late respondents. On the basis of these tests, it is concluded that those who returned the questionnaire are representative of those who did not.
Distribution of early & late respondent

- Early respondents
- Late respondents

Figure 2. Distribution of early and late respondents.

Early v.s. Late respondents by gender

Figure 3. Early and late respondents—based on gender.
II. Profiles of Sample

Demographics of Sample

The demographics of the sample were shown in Table 5. Of 331 valid respondents, 43% were female, and 57% were male. The largest age classifications represented are in age 36 to 45 (27%), closely followed by the age group of 46-55 (23%). The predominate race is Caucasian, accounting for 88% of all respondents. Most respondents (79%) live in Las Vegas; 14% of respondents live in Henderson, 4.2% are from North Las Vegas, and 3.2% are from Boulder City. With regard to education, approximately three-fifths of the respondents possess at least a college degree.

The household income of those who most frequently responded is the category of $50,000 to $74,999, accounting for 34.4%. The annual household incomes level of the respondent was expected to be above $50,000. However, due to the changes in respondents' life situation and economic situation, such as quitting the job, retirement, or due to inaccurate data base, approximately one-third of the respondents reported their annual household incomes were below $50,000 at the time of surveying.

Table 5 also presents the profiles of complainants and non-complainants. Both complainants and non-complainants are composed primarily of individuals who are white, male, in the age of 36-45, living in Las Vegas, with household incomes $50,000-$74,999, and who have college degrees. By applying the chi-square test, the results indicate that there are no significant differences in these demographic data between complainants and non-complainants.

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Table 5
Demographics of Respondents

<table>
<thead>
<tr>
<th>Demographics</th>
<th>All respondents</th>
<th>Complainants</th>
<th>Non-complainants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td><strong>Gender:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>139</td>
<td>42.6</td>
<td>75</td>
</tr>
<tr>
<td>Male</td>
<td>187</td>
<td>57.4</td>
<td>114</td>
</tr>
<tr>
<td><strong>Age:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>8</td>
<td>2.5</td>
<td>4</td>
</tr>
<tr>
<td>26-35</td>
<td>64</td>
<td>19.7</td>
<td>37</td>
</tr>
<tr>
<td>36-45</td>
<td>87</td>
<td>26.8</td>
<td>46</td>
</tr>
<tr>
<td>46-55</td>
<td>74</td>
<td>22.8</td>
<td>46</td>
</tr>
<tr>
<td>56-65</td>
<td>58</td>
<td>17.8</td>
<td>35</td>
</tr>
<tr>
<td>Over 65</td>
<td>34</td>
<td>10.5</td>
<td>20</td>
</tr>
<tr>
<td><strong>Race:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caucasian/White</td>
<td>289</td>
<td>88.4</td>
<td>170</td>
</tr>
<tr>
<td>African American/Black</td>
<td>14</td>
<td>4.3</td>
<td>9</td>
</tr>
<tr>
<td>Native American</td>
<td>3</td>
<td>0.9</td>
<td>3</td>
</tr>
<tr>
<td>Hispanic</td>
<td>7</td>
<td>2.1</td>
<td>1</td>
</tr>
<tr>
<td>Asian</td>
<td>14</td>
<td>4.3</td>
<td>6</td>
</tr>
<tr>
<td><strong>Zip Code Area:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boulder City</td>
<td>10</td>
<td>3.2</td>
<td>5</td>
</tr>
<tr>
<td>Henderson</td>
<td>43</td>
<td>13.9</td>
<td>23</td>
</tr>
<tr>
<td>North Las Vegas</td>
<td>13</td>
<td>4.2</td>
<td>7</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>244</td>
<td>78.7</td>
<td>144</td>
</tr>
<tr>
<td><strong>Household Income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>5</td>
<td>1.7</td>
<td>2</td>
</tr>
<tr>
<td>$20,000 ~ 29,999</td>
<td>19</td>
<td>6.3</td>
<td>14</td>
</tr>
<tr>
<td>$30,000 ~ 39,999</td>
<td>30</td>
<td>9.9</td>
<td>16</td>
</tr>
<tr>
<td>$40,000 ~ 49,999</td>
<td>46</td>
<td>15.2</td>
<td>30</td>
</tr>
<tr>
<td>$50,000 ~ 74,999</td>
<td>103</td>
<td>34.1</td>
<td>62</td>
</tr>
<tr>
<td>$75,000 ~ 100,000</td>
<td>50</td>
<td>16.6</td>
<td>32</td>
</tr>
<tr>
<td>Over $100,000</td>
<td>49</td>
<td>16.2</td>
<td>24</td>
</tr>
<tr>
<td><strong>Education Level:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary school</td>
<td>4</td>
<td>1.2</td>
<td>--</td>
</tr>
<tr>
<td>High school</td>
<td>114</td>
<td>34.9</td>
<td>67</td>
</tr>
<tr>
<td>College degree</td>
<td>141</td>
<td>43.1</td>
<td>81</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>61</td>
<td>18.7</td>
<td>36</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>2.1</td>
<td>4</td>
</tr>
</tbody>
</table>
Characteristic of Sample

According to Table 6, of all respondents who had problems at a casual table service restaurant, 36.7% dined at the restaurant more than once per week, and over 80% dined at this type of restaurant at least once per month.

Table 6

Characteristic of Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>All respondents</th>
<th>Complainants</th>
<th>Non-complainants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>a. Dining Out Frequency--</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>more than once/week</td>
<td>121</td>
<td>36.7</td>
<td>76</td>
</tr>
<tr>
<td>once/week</td>
<td>68</td>
<td>20.6</td>
<td>35</td>
</tr>
<tr>
<td>2-3 times/month</td>
<td>84</td>
<td>25.5</td>
<td>52</td>
</tr>
<tr>
<td>once/month</td>
<td>33</td>
<td>10.0</td>
<td>16</td>
</tr>
<tr>
<td>less than once/month</td>
<td>24</td>
<td>7.3</td>
<td>5</td>
</tr>
</tbody>
</table>

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III. Descriptive Analysis

Dining Experience at the Restaurant Where the Problems Occurred

The majority of respondents (44%) indicated they spent about $10 to $15.99 per-person at the restaurant where the problem occurred during their visit, see Table 7. Figure 4 further demonstrates that the average per-person check for dinner of complainants and non-complainants. Additionally, the result of chi-square test shows there is no significant difference in the amount of money spent at the restaurant between complainants and non-complainants.

The number of previous visits at the restaurant before the visit in which the problem occurred were as follows: 25% of all respondents indicated they had visited the restaurant 5 or more times before this visit, 17% had visited the restaurant 3-4 times, 30% had visited the restaurant 1-2 times, 28% had not previously visited. Figure 5 shows that nearly one-thirds of complainants they dined at the restaurant before the visit in which the problem occurred. Compared with complainants, it seems the percentage of the first visit customers is higher among non-complainants. It suggests that more first visit customers would walk away without telling management about the problem. Moreover, the result of chi-square test indicates the number of previous visits is different between complainants and non-complainants.
Table 7

Dining Experience at the Restaurant Where the Problems Occurred

<table>
<thead>
<tr>
<th>Attributes</th>
<th>All respondents</th>
<th>Complainants</th>
<th>Non-complainants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>1. Per-person check—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>under $10</td>
<td>92</td>
<td>28.1</td>
<td>52</td>
</tr>
<tr>
<td>$10 to $15.99</td>
<td>145</td>
<td>44.3</td>
<td>83</td>
</tr>
<tr>
<td>$16 to $20</td>
<td>63</td>
<td>19.3</td>
<td>37</td>
</tr>
<tr>
<td>above $20</td>
<td>27</td>
<td>8.3</td>
<td>17</td>
</tr>
<tr>
<td>2. # of previous visit at the restaurant before the visit in which the problem occurred—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>no previous visit</td>
<td>91</td>
<td>27.6</td>
<td>45</td>
</tr>
<tr>
<td>1-2 times</td>
<td>99</td>
<td>30.0</td>
<td>53</td>
</tr>
<tr>
<td>3-4 times</td>
<td>55</td>
<td>16.7</td>
<td>34</td>
</tr>
<tr>
<td>5 or more times</td>
<td>82</td>
<td>24.8</td>
<td>57</td>
</tr>
</tbody>
</table>
Figure 4. The per-person check for all respondents, complainants, and non-complainants.

Figure 5. The number of times customers dine at the restaurant before the visit in which the problem occurred.
Problems Occurred at the Restaurant

Table 8 illustrates the problems the respondents experienced. For all respondents, the most frequently mentioned problem was slow/inadequate service (31.6%), followed by improperly cooked food (11.5%), food not worth the price (11.1%), and rude/unfriendly service (10.6%). For people who complained to management, the first five most frequently mentioned problems were: slow/inadequately service (30%), improperly cooked food (14.4%), rude/unfriendly service (11%), food not worth the price (10.6%), and noise/loud music (6.3%). Similarly, for non-complainants, the most frequently mentioned problem was slow/inadequate service, followed by food not worth the price (12.1%), rude/unfriendly service (9.9%), noise/loud music (9.6%), improperly cooked food (6.7%), and smoking (6.7%).

This study further breaks down the problems which occurred at the restaurant into four broad categories as proposed by Lewis (1983). As shown in Table 9 and Figure 6, the categories include: physical environment, goods, service & personnel, and expectations. It appears the most frequently mentioned problems for all respondents (49%) are in the "service & personnel" category. Problems in this category are also the problems which customers like to complain about. However, people who did not complain also frequently mentioned about the problems in this category.
Table 8

The Frequency of Problems Being Mentioned by Respondents (Multiple Responses)

<table>
<thead>
<tr>
<th>Problem</th>
<th>Frequency of response</th>
<th>Complainants (n=191)</th>
<th>Non-Complainants (n=139)</th>
<th>All Respondents (n=330)</th>
</tr>
</thead>
<tbody>
<tr>
<td>slow/inadequately service</td>
<td>139 (30.0%)</td>
<td>97 (34.4%)</td>
<td>236 (31.6%)</td>
<td></td>
</tr>
<tr>
<td>improperly cooked food</td>
<td>67 (14.4%)</td>
<td>19 (6.7%)</td>
<td>86 (11.5%)</td>
<td></td>
</tr>
<tr>
<td>food not worth the price</td>
<td>49 (10.6%)</td>
<td>34 (12.1%)</td>
<td>83 (11.1%)</td>
<td></td>
</tr>
<tr>
<td>rude/unfriendly service</td>
<td>51 (11.0%)</td>
<td>28 (9.9%)</td>
<td>79 (10.6%)</td>
<td></td>
</tr>
<tr>
<td>noise/loud music</td>
<td>29 (6.3%)</td>
<td>27 (9.6%)</td>
<td>56 (7.5%)</td>
<td></td>
</tr>
<tr>
<td>smoking</td>
<td>26 (5.6%)</td>
<td>19 (6.7%)</td>
<td>45 (6.0%)</td>
<td></td>
</tr>
<tr>
<td>lack of cleanliness</td>
<td>19 (4.1%)</td>
<td>18 (6.4%)</td>
<td>37 (5.0%)</td>
<td></td>
</tr>
<tr>
<td>other*</td>
<td>20 (4.3%)</td>
<td>8 (2.8%)</td>
<td>28 (3.8%)</td>
<td></td>
</tr>
<tr>
<td>being rushed</td>
<td>11 (2.4%)</td>
<td>11 (3.9%)</td>
<td>22 (2.9%)</td>
<td></td>
</tr>
<tr>
<td>portions too small</td>
<td>9 (1.9%)</td>
<td>11 (3.9%)</td>
<td>20 (2.7%)</td>
<td></td>
</tr>
<tr>
<td>crowded at your table</td>
<td>12 (2.6%)</td>
<td>4 (1.4%)</td>
<td>16 (2.1%)</td>
<td></td>
</tr>
<tr>
<td>inadequate parking</td>
<td>11 (2.4%)</td>
<td>2 (0.7%)</td>
<td>13 (1.7%)</td>
<td></td>
</tr>
<tr>
<td>inaccurate guest check</td>
<td>10 (2.2%)</td>
<td>1 (0.4%)</td>
<td>11 (1.5%)</td>
<td></td>
</tr>
<tr>
<td>inadequate menu descriptions</td>
<td>7 (1.5%)</td>
<td>2 (0.7%)</td>
<td>9 (1.2%)</td>
<td></td>
</tr>
<tr>
<td>not honoring reservations</td>
<td>4 (0.9%)</td>
<td>1 (0.4%)</td>
<td>5 (0.7%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>464</td>
<td>282</td>
<td>746</td>
<td></td>
</tr>
</tbody>
</table>

* Other—Including problems such as people were seated in the place they did not like, the server was lack of knowledge about wine...etc.
Table 9

Frequently Mentioned Problems in Each Category—Based on Percentage of Mentions

<table>
<thead>
<tr>
<th>% of mentions</th>
<th>Environment</th>
<th>Goods</th>
<th>Service &amp; Personnel</th>
<th>Expectations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All respondents</td>
<td>23%</td>
<td>15%</td>
<td>49%</td>
<td>13%</td>
<td>100%</td>
</tr>
<tr>
<td>Complainants</td>
<td>22%</td>
<td>17%</td>
<td>48%</td>
<td>13%</td>
<td>100%</td>
</tr>
<tr>
<td>Non-complainants</td>
<td>26%</td>
<td>11%</td>
<td>50%</td>
<td>13%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note:
Problems which occurred at the restaurant were collapsed into the following categories—
1. Environment = cleanliness, noise, crowded at the table, smoking, parking, etc.
2. Goods = improperly cooked food, portion too small, etc.
3. Service & personnel = service speed, inadequate service, inaccurate guest check, rude service, not honoring reservation, being rushed, etc.
4. Expectations = inadequate menu description, food not worth the price, etc.

Figure 6. Frequently mentioned problems in four categories: environment, goods, service & personnel, and expectations.

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Likelihood of Revisit the Restaurant

Table 10 provides information about non-complainants' likelihood of returning to the restaurant. The cross-tabulation presents the percentages of the likelihood of returning to the restaurant across the categories regarding how upset the non-complainants were. While over three-fourths (76.7%) of non-complainants who were highly upset about the problems stated that they would not revisit the restaurant where the problems occurred, only 31.6% of non-complainants who were moderately upset would never visit this restaurant again. The result is intuitively appealing because customers who were more upset about the problems would be more disappointed with their dining experience. Hence, they attempted to exit the offending company.

Figure 7 further presents the intent of retiring to the restaurant among non-complainants and complainants who were satisfied with the restaurant's responses. Among complainants who were less upset about the problems, 63.8% of complainants who were satisfied with the restaurant's responses said they would visit the restaurant again. Of non-complainants who were less upset about the problems, 38.8% of them stated they would come back. On the other hand, while people indicated they were highly upset about the problems, 47.6% of complainants who were satisfied with the restaurant's responses indicated that they would like to visit the restaurant again. As to people who did not complain at all, most of them simply left, and only a little over one-tenth of them (13.3%) would come back.
Table 10

Cross-Tabulation of Likelihood of Not Returning to the Restaurant by How Upset the Complainant Was

<table>
<thead>
<tr>
<th>Upset</th>
<th>likelihood of returning to the restaurant</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>negative$^1$</td>
<td>neutral</td>
<td>positive$^2$</td>
<td>Total</td>
</tr>
<tr>
<td>High*</td>
<td>76.7%</td>
<td>10.0%</td>
<td>13.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Low**</td>
<td>31.6%</td>
<td>29.6%</td>
<td>38.8%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

* "extremely upset" & "above moderately upset"
** "moderately upset" & "below moderately upset"

1. Respondents "agree" or "strongly agree" with the statement—"I will never visit this restaurant again because of the problem which occurred".
2. Respondents "disagree" or "strongly disagree" with the above statement.
Figure 7. Revisit intention of complainants who were satisfied with the resolution and non-complainants, when they were less upset and highly upset.
Word-of-Mouth Behavior

Table 11 summarizes the investigation of word-of-mouth behavior among people who had problems at the restaurant. Approximately 62% of respondents tell others about the dining experience in which problems occurred. Sixty seven percent of complainants had told others about their dining experience while 56% of non-complainants told others about their dining experience. Those who were vocal to others told slightly over four people about their dining experience. The average number of people being told by complainants is 4.55 compared to an average of 3.52 people being told by non-complainants.

Figure 8 further analyzes how many people complainants told if they were satisfied with the restaurant's response. As Figure 8 illustrates, complainants who were satisfied with the restaurant's responses told an average of 2.96 people about their dining experience compared to an average of 6.45 people being told by complainants who were dissatisfied with the restaurant's responses. Figure 9 shows non-complainants who were less upset told an average of 3.57 people about their dining experience, while non-complainants who were highly upset told an average of 4.41 people about their dining experience.

Information regarding the content of word-of-mouth communication by complainants and non-complainants is shown in Figure 10. More than one-third of complainants (36.6%) stated they told others mostly negative things about the restaurant while about 6% of complainants told others mostly positive things about the restaurant. Non-complainants are in a similar situation. About 39% of non-complainants told mostly
negative things about the restaurant, but very few of them (1%) told mostly positive things.

Figure 11 further probes into how non-complainants and complaints who were satisfied with the restaurant shared information when they were highly upset or when they were less upset with the problem. In the situation where customers were moderately upset or less upset with the problem which occurred at the restaurant, about 53.8% of people left the restaurant without voicing their problems eventually engaged in negative word-of-mouth, compared to 20% of complainants who are satisfied with the restaurant's response engaging in negative word-of-mouth. Approximately 54% of complainants who were extremely upset or highly upset with the problem would spread negative word-of-mouth, even though they felt they were satisfied with the restaurant's response. As to people who were extremely upset but did not report the problem, 80% of them said they would engage in negative word-of-mouth. This figure demonstrates that the percentage of people engaged in negative word-of-mouth is higher among people who left the restaurant without voicing their problems than complainants who were satisfied with the problem.
Table 11

Word-of-Mouth Behavior

<table>
<thead>
<tr>
<th>Attribute</th>
<th>All respondents</th>
<th>Complainants</th>
<th>Non-complainants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>1. Told others about this dining experience—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>124</td>
<td>37.6</td>
<td>63</td>
</tr>
<tr>
<td>Yes</td>
<td>206</td>
<td>62.4</td>
<td>127</td>
</tr>
<tr>
<td>2(a) number of people been told*— (n = 194)</td>
<td>(n = 121)</td>
<td>(n = 73)</td>
<td></td>
</tr>
<tr>
<td>1 to 5</td>
<td>110</td>
<td>56.7</td>
<td>63</td>
</tr>
<tr>
<td>6 to 10</td>
<td>64</td>
<td>33.0</td>
<td>44</td>
</tr>
<tr>
<td>11 to 15</td>
<td>8</td>
<td>4.1</td>
<td>7</td>
</tr>
<tr>
<td>15 above</td>
<td>12</td>
<td>6.2</td>
<td>7</td>
</tr>
<tr>
<td>Mean</td>
<td>4.11</td>
<td>--</td>
<td>4.55</td>
</tr>
<tr>
<td>S.D.</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>3. Recommend this restaurant to a friend— (1 = strongly disagree, 3 = neutral, 5 = strongly agree)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>--</td>
<td>2.40</td>
</tr>
<tr>
<td>4. Told others positive or negative things about this restaurant— (1 = mostly positive, 3 = positive &amp; negative equally, 5 = mostly negative)**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.82</td>
<td>3.75</td>
<td>1.19</td>
<td>3.93</td>
</tr>
</tbody>
</table>

* For the sake of clarity, this open-ended question was collapsed into four categories.
** In order to explain hypotheses easily, the scale value for each category has been switched reversely so that a high score on this item will reflect the likelihood of negative word-of-mouth behavior rather than the actual score showed on the questionnaire.

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Told others about dining experience  
complainants' word-of-mouth

![Diagram showing frequency of complainants' word-of-mouth and satisfaction with problem resolution.]

Figure 8. Frequency of complainants' word-of-mouth compared to their satisfaction with the problem resolution.

Told others about dining experience  
Non-complainants' word-of-mouth

![Diagram showing frequency of non-complainants' word-of-mouth and upset degree.]

Figure 9. Frequency of non-complainants' word-of-mouth compared to how upset the problem makes them.

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Figure 10. Word-of-mouth conducted by complainants and non-complainants.
Figure 11. Word-of-mouth communication by complainants who were satisfied with the resolution and by non-complainants, when they were less upset and highly upset.
Other Actions Being Taken by Customers

When respondents were asked if they took any actions other than complaining to management, 84% of people answered "no" (Figure 12). Among the respondents who took other actions, 20% of them are non-complainants. Half of these non-complainants wrote comment cards. Half of them stated they left less tips on the table. None of them took actions such as calling a 1-800 number or writing a letter to management.

Twenty two percent of complainants indicated they did not only complain to management, they also took other actions such as writing comment cards, calling a 1-800 number, or writing a letter to the manager. One of the complainants said he wrote a letter to management because he was satisfied with the way the complaint was handled. However, several respondents stated they were quite angry when they find the comment cards or pens were not available. Figure 13 summarizes the other actions took by non-complainants and complainants.
Figure 12. Percentage of taking other actions among all respondents, complainants, and non-complainants.

Figure 13. Other actions took by complainants and non-complainants.
III. Hypothesis Testing

T-test Results

The hypothesis 1, 2, 3, & 4 use one-tailed t-tests to examine difference between means of complainants and non-complainants. The null hypothesis is rejected when the obtained t value is larger than the critical t value. With a 0.05 level of significance and $df = \infty$, the critical value of t is 1.645. Thus, we reject the null hypothesis and accept research hypothesis when the obtained t value exceeds 1.645.

The four research hypotheses are listed as follows:

$H1a$: Complainants were more upset with the restaurant when the problems occurred than were non-complainants.

$H2a$: Complainants perceived higher importance of the dining occasion where problems occurred than did non-complainants.

$H3a$: Complainants were more likely to feel that they were encouraged to complain through employees and managers asking how customers feel, guest comment cards, or a 1-800 number than were non-complainants.

$H4a$: Complainants perceived they were more likely to receive some type of resolution to the problem than did non-complainants.

Table 12 summarizes the t-test results of hypothesis 1, 2, 3 & 4. The results indicate that only $H3a$ cannot be accepted since the obtained t value is smaller than the critical value of t = 1.645. Although the mean difference between complainants and non-complainants in $H3a$ was consistent with the researcher's expectation ($\mu_1: 2.74 > \mu_2: 2.66$), the difference was not statistically significant. Thus, we conclude that complainants...
were not more likely to feel that they were encouraged to complain through employees and managers asking how customers feel, guest comment cards, or a 1-800 number than were non-complainants.

Table 12

One-Tailed T-Test Results—Complainants vs. Non-complainants

<table>
<thead>
<tr>
<th>Perception Variable</th>
<th>Mean Scores</th>
<th>df</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complainants</td>
<td>Non-complainants</td>
<td></td>
</tr>
<tr>
<td>H1: being upset with the restaurant</td>
<td>3.30</td>
<td>&gt; 2.94</td>
<td>309</td>
</tr>
<tr>
<td>H2: importance of the dining occasion</td>
<td>2.81</td>
<td>&gt; 2.54</td>
<td>321</td>
</tr>
<tr>
<td>H3: being encouraged to complain</td>
<td>2.74</td>
<td>&gt; 2.66</td>
<td>316</td>
</tr>
<tr>
<td>H4: likely to receive some resolutions</td>
<td>3.63</td>
<td>&gt; 2.78</td>
<td>323</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at .05 level in 1-tailed test.
ANOVA Procedures and Results

Assumptions Needed for ANOVA

Equality of variance. The ANOVA assumes that all groups come from a population with equal variances. The Levene test was conducted to test the hypothesis that the population variances for the different groups are all equal. If the observed significance level is equal to or smaller than .05, we can reject the null hypothesis. Thus, the equity of variance is suspected.

Table 13 presents the results of the Levene test. As illustrated, the variances of complainants' revisit intention were equal for three groups of complainants who hold unfavorable, neutral, or favorable perceptions toward that: (1) the problems will occur again, or (2) they were treated fairly regarding their complaints. Thus, the appropriate transformations were considered before applying the ANOVA procedure that requires equality of variance.

By observing the spread-versus-level plot, the power for transforming data was determined. Figure 14 and Figure 15 suggest the power for transforming data. After applying the transformation, the variances for three groups of complainants who held unfavorable, neutral, or favorable perceptions that the problems will occur again were fixed to meet the equity of variance assumption. However, the variance for three groups of complainants, who held unfavorable, neutral, or favorable perceptions that they were treated fairly regarding their complaints, maintained unequal status.

According to Cooper & Emory (1995), "ANOVA is reasonably robust, and minor variations from normality and equal variance are tolerable" (p. 457). Levin and Fox
(1994) also mention, "Moderate differences among the sample variances do not invalidate the results of the F test. When such differences are extreme (for example, when one of the sample variance is many times larger than another), the F test presents here may not be appropriate" (p. 265). Since the population means of complainants' revisit intention were not extreme (Table 14) for three groups of complainants, who held unfavorable, neutral, or favorable perceptions toward that they were treated fairly regarding their complaints and were tolerable by ANOVA procedure, the one-way analysis of variance was still used to test Hypothesis 9(a)—The likelihood of returning to the restaurant varies among complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived that they were treated fairly regarding their complaints.
Table 13

Levene Test for the Homogeneity of Variance among Groups of Complainants Who Held Unfavorable, Neutral, or Favorable Perceptions toward Each Attribute

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Revisit Intention</th>
<th>Negative Word-of-Mouth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2-tail Sig.</td>
<td>Equity of Variance</td>
</tr>
<tr>
<td>problems were preventable</td>
<td>0.833</td>
<td>✓</td>
</tr>
<tr>
<td>problems will occur again</td>
<td>0.001</td>
<td>✗</td>
</tr>
<tr>
<td>being satisfied with response</td>
<td>0.754</td>
<td>✓</td>
</tr>
<tr>
<td>responses exceed expectation</td>
<td>0.082</td>
<td>✓</td>
</tr>
<tr>
<td>being treated fairly</td>
<td>0.020</td>
<td>✗</td>
</tr>
</tbody>
</table>

✓ The variances of dependent variables are equal among complainants who held unfavorable, neutral, or favorable perceptions toward each attribute.

✗ The equity-of-variance assumption is violated.

Table 14

Description of Subpopulations—Complainants Who Perceived They Were Not Treated Fairly, Who Held Neutral Perception, or Who Perceived They Were Treated Fairly Regarding Their Complaints

<table>
<thead>
<tr>
<th>Perception Group</th>
<th>n</th>
<th>Mean</th>
<th>S.D.</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being not treated fairly</td>
<td>79</td>
<td>2.09</td>
<td>1.24</td>
<td>1.54</td>
</tr>
<tr>
<td>Neutral</td>
<td>40</td>
<td>2.50</td>
<td>0.99</td>
<td>0.97</td>
</tr>
<tr>
<td>Being treated fairly</td>
<td>70</td>
<td>3.83</td>
<td>1.08</td>
<td>1.16</td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>2.82</td>
<td>1.38</td>
<td>1.89</td>
</tr>
</tbody>
</table>
**Figure 14.** As suggested by this plot, the power for transformation is 1.934. Rounding to the nearest multiple of a half, the data was transformed by using the square of data.

**Figure 15.** As suggested by this plot, the power for transformation is 1.112. Rounding to the nearest multiple of a half, the closest power is 1. Thus, the data cannot be transformed.
Normality. Another assumption of ANOVA is that each of the groups is an independent random sample from a normally distributed population. The histograms help to evaluate this assumption. If samples are from a normal population, the distribution will appear to be more or less bell shaped (Norusis, 1995).

In this study, most histograms showed the groups of cases were approximately normally distributed. However, a histogram of negative word-of-mouth for the group of complainants who perceived the problem was not preventable is negatively skewed since it had a much longer tail on the left than the right (Figure 16). That is, most respondents in this group tend to spread mostly negative word-of-mouth. This histogram indicates the departure from normality. In addition, the sample size for this group was quite small (N=5). As indicated by Myers and Well (1991), when the sample is quite small and the departure from normality is extremely marked, the risk of committing the Type I error will increase. This means we reject the null hypothesis when we should accept it. Myers and Well further pointed out, "a nonparametric procedure sometimes provides more power against false null hypotheses than a parametric test when the normality assumption is violated" (p. 102). Zikmund (1994) concurred with this idea. He said, "When researchers do not make this assumption of normality, it is appropriate to use nonparametric methods" (p. 494). Thus, a nonparametric alternative to the F test (analysis of variance) was considered to test Hypothesis 5(b)—The likelihood of spreading negative word-of-mouth varies among complainants who felt the problem is not likely to be preventable, who held neutral perception, and who felt the problem is likely to be preventable. This study
employed the chi-square alternative to compare several complainants' perception groups and categories of word-of-mouth communication. The result was presented in the later section.

Figure 16. A histogram of negative word-of-mouth for complainants who perceived that the problem was not preventable.
ANOVA Results

Five hypotheses relating complainants' revisit intentions as well as four hypothesis relating complainants' negative word-of-mouth were tested by employing the one-way ANOVA procedures. A significant F value indicates an overall difference among the groups being studied. However, it does not determine exactly where the significant differences lie. The Scheffé test, one of the most useful tests for investigating the multiple comparison of means, helps to determine which means are significantly different from each other. This test is also known to be affected very little if the assumptions of normality and equal variances are not satisfied (Guenther, 1964). Thus, a Scheffé test is taken for further analysis when the F probability is equal to or less than 0.05. The following section presents the results of the hypotheses testing by (i) considering revisit intention as a dependent variable, and by (ii) considering negative word-of-mouth as a dependent variable.
(i) Revisit Intention as A Dependent Variable.

$H_5(a)_o$: The likelihood of returning to the restaurant does not vary among complainants who felt the problem is not likely to be preventable, who held neutral perception, and who felt the problem is likely to be preventable.

$H_5(a)_u$: The likelihood of returning to the restaurant varies among complainants who felt the problem is not likely to be preventable, who held neutral perception, and who felt the problem is likely to be preventable.

* F test. The F probability for $H_5(a)_u$ as showed in Table 15 is 0.2991. It is greater than a 0.05 significance level. Thus, the research hypothesis is not supported.

<table>
<thead>
<tr>
<th>Table 15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result of Hypothesis 5(a) Testing—Complainants' Revisit Intention as Dependent Variable</strong></td>
</tr>
<tr>
<td>F test</td>
</tr>
<tr>
<td>Mean</td>
</tr>
</tbody>
</table>
$H6(a)_0$: The likelihood of returning to the restaurant does not vary among complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

$H6(a)_1$: The likelihood of returning to the restaurant varies among complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

**F test.** The F probability for the test of hypothesis $6(a)$ is less than 0.05 (Table 16). Thus, the research hypothesis—$H6(a)_1$ is accepted.

**Scheffé test.** The results of a post hoc comparison are shown in Table 16. An asterisk marked a pair of means that were different at the 0.05 level. The results are as follows:

--complainants who perceived that the problem is not likely to occur again, were more likely to return to the restaurant than were complainants, who were neutral toward that the problem is likely to occur again;

--complainants, who perceived that the problem is not likely to occur again, were more likely to return to the restaurant than were complainants who perceived that the problem is likely to occur again;

--complainants, who were neutral toward that the problem is likely to occur again, were more likely to return to the restaurant than were complainants who perceived that the problem is likely to occur again.

Three sub-hypotheses of $H6(a)_1$ are supported through the findings of the multiple comparison.
Table 16

Result of Hypothesis 6(a) Testing—Complainants' Revisit Intention as Dependent Variable

<table>
<thead>
<tr>
<th>F test</th>
<th>( \mu_1 ) problem is not likely to occur again</th>
<th>( \mu_2 ) neutral</th>
<th>( \mu_3 ) problem is likely to occur again</th>
<th>F ratio</th>
<th>F prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.91</td>
<td>2.96</td>
<td>2.40</td>
<td>1.21</td>
<td>0.0000*</td>
</tr>
</tbody>
</table>

**Scheffé test**

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>★ The difference is statistically significant at the .05 level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>h1: ( \mu_1 &gt; \mu_2 )</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>h2: ( \mu_1 &gt; \mu_3 )</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>h3: ( \mu_2 &gt; \mu_3 )</td>
<td>★</td>
<td></td>
</tr>
</tbody>
</table>
H7(a)0: The likelihood of returning to the restaurant does not vary among complainants who were not satisfied with the restaurant's response, who held neutral perception, and who were satisfied with the restaurant's response.

H7(a)A: The likelihood of returning to the restaurant varies among complainants who were not satisfied with the restaurant's response, who held neutral perception, and who were satisfied with the restaurant's response.

† F test. From Table 17, we conclude that the null hypothesis is rejected at 0.05 significance level. Thus, the research hypothesis—H7(a)A is accepted.

† Scheffé test. The results of the Scheffé test as listed in Table 17 are explained as follows:

--complainants, who perceived that they were not satisfied with the restaurant's response, were less likely to return to the restaurant than were complainants who were neutral toward that they were satisfied with the restaurant's response;

--complainants, who perceived that they were not satisfied with the restaurant's response, were less likely to return to the restaurant than were complainants perceived that they were satisfied with the restaurant's response;

--complainants, who were neutral toward that perceive that they were satisfied with the restaurant's response, were less likely to return to the restaurant than were complainants who perceived that they were satisfied with the restaurant's response.

In other words, three sub-hypotheses of H7(a)A are all supported at an 0.05 significance level.
Table 17

**Result of Hypothesis 7(a) Testing—Complainants' Revisit Intention as Dependent Variable**

<table>
<thead>
<tr>
<th>F test</th>
<th>$\mu_1$ not satisfied with response</th>
<th>$\mu_2$ neutral</th>
<th>$\mu_3$ satisfied with response</th>
<th>F ratio</th>
<th>F prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.02</td>
<td>3.00</td>
<td>3.67</td>
<td>1.21</td>
<td>0.0000*</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at the .05 level.

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>★ The difference is statistically significant at the .05 level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>h1: $\mu_1 &lt; \mu_2$</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>h2: $\mu_1 &lt; \mu_3$</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>h3: $\mu_2 &lt; \mu_3$</td>
<td>★</td>
<td></td>
</tr>
</tbody>
</table>
$H8(a):$ The likelihood of returning to the restaurant does not vary among complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

$H8(a)\alpha$: The likelihood of returning to the restaurant varies among complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

- **F test.** Table 18 shows the F probability is lower than an 0.05 significance level. It means the research hypothesis--$H8(a)\alpha$ is accepted.

- **Scheffé test.** The results present that the difference in the likelihood of returning to the restaurant is not significant at 0.05 level between complainants who were neutral toward that the received resolution exceeded their expectations and complainants who perceived that the received resolution exceeded their expectations, although the mean of the "neutral perception" group (3.29) is smaller than the mean of the "favorable perception" group (3.73) as expected by the researcher (see Table 18). The Scheffé test further indicates that:

  --complainants, who perceived that the received resolution did not exceed their expectations, were less likely to return to the restaurant than were complainants who were neutral toward that the received resolution exceeded their expectations;

  --complainants, who perceived that the received resolution did not exceed their expectations, were less likely to return to the restaurant than were complainants who perceived that the received resolution exceeded their expectations.
Table 18

**Result of Hypothesis 8(a) Testing—Complainants’ Revisit Intention as Dependent Variable**

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>F test</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\mu_1 &lt; \mu_2$</td>
<td>★</td>
<td>$F$ test</td>
</tr>
</tbody>
</table>
| $\mu_1 < \mu_3$ | ★                   | $F$ ratio | $F$ prob.
| $\mu_2 < \mu_3$ | --                  | Mean   |

<table>
<thead>
<tr>
<th></th>
<th>$\mu_1$ response not exceed expectations</th>
<th>$\mu_2$ neutral</th>
<th>$\mu_3$ response exceeded expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.29</td>
<td>3.29</td>
<td>3.73</td>
</tr>
<tr>
<td>$F$ ratio</td>
<td>23.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$F$ prob.</td>
<td>0.0000*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The difference is statistically significant at the .05 level.

Scheffé test

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>The difference is statistically significant at the .05 level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$h_1$: $\mu_1 &lt; \mu_2$</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>$h_2$: $\mu_1 &lt; \mu_3$</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>$h_3$: $\mu_2 &lt; \mu_3$</td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>

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H9(a): The likelihood of returning to the restaurant does vary among complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

H9(a): The likelihood of returning to the restaurant varies among complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

♦ F test. Again, the null hypothesis is rejected at an 0.05 significance level (Table 19). The research hypothesis—H9(a)A was accepted.

♦ Scheffé test. According to the Table 19, the difference in the likelihood of returning to the restaurant between complainants who perceived that they were not treated fairly regarding their complaints and complainants who were neutral toward that they were treated fairly regarding their complaints is not significant at 0.05 level. However, the other two sub-hypothesis of H9(a)A are supported. They are:

--complainants, who perceived that they were not treated fairly regarding their complaints, were less likely to return to the restaurant than were complainants who perceived that they were treated fairly regarding their complaints;

--complainants, who were neutral toward that they were treated fairly regarding their complaints, were less likely to return to the restaurant than were complainants who perceived that they were treated fairly regarding their complaints.
Table 19

Result of Hypothesis 9(a) Testing—Complainants' Revisit Intention as Dependent Variable

<table>
<thead>
<tr>
<th>F test</th>
<th>( \mu_1 ) being not treated fairly</th>
<th>( \mu_2 ) neutral</th>
<th>( \mu_3 ) being treated fairly</th>
<th>F ratio</th>
<th>F prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.09</td>
<td>2.50</td>
<td>3.83</td>
<td>45.88</td>
<td>0.0000*</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at the .05 level.

<table>
<thead>
<tr>
<th>Scheffé test</th>
<th><strong>Sub-hypothesis</strong></th>
<th><strong>Multiple comparison</strong></th>
<th><strong>The difference is statistically significant at the .05 level.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>h1: ( \mu_1 &lt; \mu_2 )</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>h2: ( \mu_1 &lt; \mu_3 )</td>
<td>★</td>
<td></td>
<td></td>
</tr>
<tr>
<td>h3: ( \mu_2 &lt; \mu_3 )</td>
<td>★</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(ii) **Negative Word-of-Mouth as A Dependent Variable**

*H6(b)о*: The likelihood of spreading negative word-of-mouth does not vary among complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

*H6(b)н*: The likelihood of spreading negative word-of-mouth varies among complainants who felt the problem is not likely to occur again, who held neutral perception, and who felt the problem is likely to occur again.

levator. The null hypothesis is rejected at an 0.05 significance level (Table 20).

The research hypothesis—*H6(b)н*—was accepted.

levator. Table 20 indicates that the likelihood of spreading negative word-of-mouth is significantly different only between complainants who perceived the problem is not likely to occur again and complainants who perceived the problem is likely to occur again. The mean for the "perception of the problem being not likely to occur again" group is 2.73 which is smaller than the mean for the "perception of the problem being likely to occur again" group (4.06).
Table 20

Result of Hypothesis 6(b) Testing—Negative Word-of-Mouth as Dependent Variable

<table>
<thead>
<tr>
<th></th>
<th>$\mu_1$ problem is not likely to occur again</th>
<th>$\mu_2$ neutral</th>
<th>$\mu_3$ problem is likely to occur again</th>
<th>F ratio</th>
<th>F prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.73</td>
<td>3.00</td>
<td>4.06</td>
<td>1.21</td>
<td>0.0001*</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at the .05 level.

Scheffé test

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>★ The difference is statistically significant at the .05 level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>h1: $\mu_1 &lt; \mu_2$</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>h2: $\mu_1 &lt; \mu_3$</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>h3: $\mu_2 &lt; \mu_3$</td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>
H7(b)\textsubscript{o}: The likelihood of spreading negative word-of-mouth does not vary among complainants who were not satisfied with the restaurant's response, who held neutral perception, and who were satisfied with the restaurant's response.

H7(b)\textsubscript{A}: The likelihood of spreading negative word-of-mouth varies among complainants who were not satisfied with the restaurant's response, who held neutral perception, and who were satisfied with the restaurant's response.

$\blacktriangle$ F test. The null hypothesis is rejected at an 0.05 significance level (Table 21). The research hypothesis—\( H7(b)\) is accepted.

$\blacktriangle$ Scheffé test. Table 21 shows the difference in the likelihood of spreading negative word-of-mouth between complainants who perceived they were not satisfied with the restaurant's response and complainants who were neutral toward that they were satisfied with the restaurant's response is not significant at 0.05 level. In Table 21, the asterisks fall into the cells where the means are significantly different between the "not satisfied with response" and "neutral perception" groups, and between the "neutral perception" and "satisfied with response" groups. Thus, two sub-hypotheses of \( H7(b)\) are supported:

--complainants, who perceived they were not satisfied with the restaurant's response, were more likely to spread negative word-of-mouth than were complainants who perceived they were satisfied with the restaurant's response;

--complainants, who were neutral toward that perceived they were satisfied with the restaurant's response, were more likely to spread negative word-of-mouth than were complainants who perceived they were satisfied with the restaurant's response.
Table 21

Result of Hypothesis 7(b) Testing—Negative Word-of-Mouth as Dependent Variable

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>F test</th>
<th>F pro.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>μ1 not satisfied with response</td>
<td>μ2 neutral</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td>4.07</td>
<td>3.93</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at the .05 level.

Scheffé test

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>The difference is statistically significant at the .05 level.</th>
</tr>
</thead>
</table>
$H_8(b)_{A}$: The likelihood of spreading negative word-of-mouth does not vary among complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

$H_8(b)_{A}$: The likelihood of spreading negative word-of-mouth varies among complainants who perceived the received resolution did not exceed their expectations, who held neutral perception, and who perceived the received resolution exceeded their expectations.

$\downarrow$ **F test.** The null hypothesis is rejected at 0.05 significance level (Table 22). The research hypothesis—$H_8(b)_{A}$ was accepted.

$\downarrow$ **Scheffé test.** Like the results of the Scheffé test under $H_6(b)_{A}$, the likelihood of spreading negative word-of-mouth is significantly different only between complainants who perceived the received resolution did not exceed their expectations and those who perceived the received resolution exceeded their expectations (Table 22). The mean for the "not exceeding their expectations" group is 4.08 which is greater than the mean for the "exceeding their expectations" group (2.76).
### Table 22

**Result of Hypothesis 8(b) Testing—Negative Word-of-Mouth as Dependent Variable**

<table>
<thead>
<tr>
<th></th>
<th>F test</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\mu_1$</td>
<td>$\mu_2$</td>
<td>$\mu_3$</td>
<td>F ratio</td>
<td>F prob.</td>
</tr>
<tr>
<td>Mean</td>
<td>4.08</td>
<td>3.50</td>
<td>2.76</td>
<td>12.88</td>
<td>0.0000*</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at the .05 level.

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>h1: $\mu_1 &gt; \mu_2$</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h2: $\mu_1 &gt; \mu_3$</td>
<td>★</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h3: $\mu_2 &gt; \mu_3$</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

★ The difference is statistically significant at the .05 level.
H9(b): The likelihood of spreading negative word-of-mouth does not vary among complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

H9(b)A: The likelihood of spreading negative word-of-mouth varies among complainants who perceived they were not treated fairly regarding their complaints, who held neutral perception, and who perceived they were treated fairly regarding their complaints.

* F test. The null hypothesis is rejected at an 0.05 significance level (Table 23).

The research hypothesis—H9(b)A was accepted.

* Scheffé test. The results are similar to the results of the multiple comparison of means under H9(a)A when the revisit intention of the complainant works as a dependent variable. That is, there is a significant difference in the likelihood of spreading negative word-of-mouth between complainants who perceived they were not treated fairly and who perceived they were treated fairly, as well as between complainants who were neutral toward that they were treated fairly and who perceived they were treated fairly. Only one comparison of means between "being not treated fairly" group and "neutral perception" group does not have a significant difference at 0.05 level. Thus, two sub-hypotheses of H9(b)A are supported:

--Complainants, who perceived they were not treated fairly regarding their complaints, are more likely to spread negative word-of-mouth than were complainants who perceived they were treated fairly regarding their complaints;
Complainants, who were neutral toward that they were treated fairly regarding their complaints, are more likely to spread negative word-of-mouth than were complainants who perceived they were treated fairly regarding their complaints.

Table 23

**Result of Hypothesis 9(b) Testing—Negative Word-of-Mouth as Dependent Variable**

<table>
<thead>
<tr>
<th></th>
<th>( \mu_1 ) being not treated fairly</th>
<th>( \mu_2 ) neutral</th>
<th>( \mu_3 ) being treated fairly</th>
<th>F ratio</th>
<th>F prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.16</td>
<td>3.85</td>
<td>2.88</td>
<td>17.04</td>
<td>0.0000*</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at the .05 level.

**Scheffé test**

<table>
<thead>
<tr>
<th>Sub-hypothesis</th>
<th>Multiple comparison</th>
<th>★ The difference is statistically significant at the .05 level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>h1: ( \mu_1 &gt; \mu_2 )</td>
<td></td>
<td></td>
</tr>
<tr>
<td>h2: ( \mu_1 &gt; \mu_3 )</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>h3: ( \mu_2 &gt; \mu_3 )</td>
<td>★</td>
<td></td>
</tr>
</tbody>
</table>
Analysis of Hypothesis 5(b)

With the relative freedom from assumptions associated with the ANOVA, a chi-square test is used to examine Hypothesis 5(b). Ideally, a $3 \times 5$ table of chi-square seems appropriate for a comparison between three perception groups of complainants and five categories regarding complainants' likelihood of spreading negative word-of-mouth. However, chi-square test imposes some rather modest requirements on sample size. Levin and Fox (1994) state that, "...chi-square should be used with great care whenever some of the expected frequencies are below 5" (p. 298). According to Norusis (1995), there is a general rule of not using the chi-square test "if more than 20% of the cells have expected values less than 5, or if the minimum expected frequency is less than 1" (p. 334). After examining the expected frequency of each cell in the $3 \times 5$ table, about 67% of cells with expected frequency less than 5 were found. In such an instance, some categories have to be merged together to correct small expected frequencies.

Table 24 showed a $2 \times 3$ table which combined complainants "who felt the problem is not likely to be preventable" and "who held neutral perception" into the same group that "who did not perceive the problem was preventable", and collapsed categories regarding the content of word-of-mouth communication into three categories: more negative word-of-mouth, equal positive and negative word-of-mouth, more positive word-of-mouth. In this $2 \times 3$ table, the percentage of cells with expected frequency less than 5 was reduced to 16.7% which is acceptable for using a chi-square test. The wording of Hypothesis 5(b), hence, was slightly revised as:
$H5(b)_a$: The content of negative word-of-mouth communication is not significantly different between complainants who perceived that the problem was preventable and complainants who did not perceive that the problem was preventable.

$H5(b)_A$: The content of negative word-of-mouth communication is significantly different between complainants who perceived that the problem was preventable and complainants who did not perceive that the problem was preventable.

The results of chi-square indicated that the observed significance level was greater than 0.05. Therefore, the null hypothesis was not rejected. That is, there is no statistically significant evidence to indicate that the content of word-of-mouth communication differs between complainants who perceived that the problem was preventable and complainants who did not perceive the problem was preventable.
Table 24

Chi-Square 2 × 3 Table and Result

<table>
<thead>
<tr>
<th>Content of word-of-mouth</th>
<th>Count (expected frequency)</th>
<th>Complainants who did not perceive the problem was preventable</th>
<th>Complainants who perceived the problem was preventable</th>
<th>Row Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Column %</td>
<td>Total %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More negative</td>
<td>2 (2.3*)</td>
<td>14 (13.7)</td>
<td>16</td>
<td>13.0%</td>
</tr>
<tr>
<td></td>
<td>11.1%</td>
<td>13.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.6%</td>
<td>11.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive &amp; Negative equally</td>
<td>5 (5.4)</td>
<td>32 (31.6)</td>
<td>37</td>
<td>30.1%</td>
</tr>
<tr>
<td></td>
<td>27.8%</td>
<td>30.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.1%</td>
<td>26.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More positive</td>
<td>11 (10.2)</td>
<td>59 (59.8)</td>
<td>70</td>
<td>56.9%</td>
</tr>
<tr>
<td></td>
<td>61.1%</td>
<td>56.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.9%</td>
<td>48.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Column</td>
<td>18</td>
<td>105</td>
<td>N=123</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>14.6%</td>
<td>85.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Minimum expected frequency: 2.341
** Cells with expected frequency < 5: 1 of 6 (16.7%)

Chi-square result—

<table>
<thead>
<tr>
<th>df</th>
<th>observed significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson X²</td>
<td>2</td>
</tr>
</tbody>
</table>
Summary of Findings

Residents in the greater Las Vegas area who experienced problems at the restaurant during the last 12 months were chosen as the sample of this study. Among 760 deliverable questionnaires, 384 residents completed and returned the questionnaires. The total number of usable questionnaires for final analysis was 331. Respondents consisted of 140 non-complainants (42%) and 191 complainants (58%). The demographic profiles of non-complainants and complainants are very similar. The majority of these respondents are white, male, in the age of 36-45, and have a college degree.

The purpose of this study is threefold. First, this study intends to determine the factors which affect whether or not customers complain to management when they had problems at a casual table service restaurant. Second, this study seeks to determine the factors which affect the likelihood of returning to the restaurant for customers who complained to management about their problems. Third, this study examines the factors which affect the extent of negative word-of-mouth engaged by customers who complained to management.

Fourteen hypotheses were established for the purpose of this study. Four research hypotheses were related to the motivations of complaining to management when the problem occurred at the restaurant. Three of them are supported. That is, the differences in factors regarding how upset the problem makes the customer, the importance of the dining occasion, and the perceived assurance that management will
resolve the problem are statistically significant between complainants and non-complainants. The other research hypothesis concerning the difficulties of access to the complaint channel is rejected.

This study further examines five factors to find out how they affect complainants' revisit intention and negative word-of-mouth. These factors relate to how customers perceived the cause of problem and how customers felt their complaints were handled. They are: how preventable the problem was, the likelihood of recurrence of the problem, how complainants were satisfied with the restaurant's response, if the resolution exceeds customers' expectation, and if customers felt they were treated fairly. Thus, five pairs of hypotheses are developed to compare the revisit intention and negative word-of-mouth of complainants who hold the different perceptions toward the above factors. The results indicate that both revisit intention and negative word-of-mouth are not significantly different among complainants who felt the problem is not likely to be preventable, who held neutral perception, and who felt the problem is likely to be preventable. However, the other four pairs of hypotheses are supported. That is, in the events when complainants perceived the problem was less likely to occur again, when they were satisfied with the restaurant's response, when they felt the resolutions exceeded their expectation, and when they felt they were treated fairly, complainants are more likely to return to the restaurant and are less likely to engage in negative word-of-mouth than they were in reversed situations. As summarized in Table 25, there are significant differences in both revisit intention and negative word-of-mouth between complainants who held unfavorable perception and those who held favorable perception toward four factors. The differences

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in revisit intention and negative word-of-mouth between unfavorable and neutral groups, and between neutral and favorable groups are not always statistically significant.

Table 25

Summary of Significant Mean Difference in Revisit Intention and Negative Word-of-Mouth between Pairs of Perception Groups

<table>
<thead>
<tr>
<th>Perception Variables</th>
<th>unfavorable(^1) v.s. neutral(^2)</th>
<th>unfavorable v.s. favorable(^3)</th>
<th>neutral v.s. favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revisit WOM</td>
<td>Revisit WOM</td>
<td>Revisit WOM</td>
</tr>
<tr>
<td>H6 problems will occur again</td>
<td>✓</td>
<td>✓</td>
<td>o</td>
</tr>
<tr>
<td>H7 being satisfied with response</td>
<td>✓</td>
<td>✓</td>
<td>o</td>
</tr>
<tr>
<td>H8 responses exceed expectation</td>
<td>✓</td>
<td>✓</td>
<td>o</td>
</tr>
<tr>
<td>H9 being treated fairly</td>
<td>✓</td>
<td>o</td>
<td>✓</td>
</tr>
</tbody>
</table>

✓ Significant difference in revisit intention between pairs of perception groups
○ Significant difference in negative WOM between pairs of perception groups
1. Complainants disagree or strongly disagree with each perception variable.
2. Complainants are neutral toward each perception variable.
3. Complainants agree or strongly agree with each perception variable.

Meanwhile, this study finds out 62.4% of customers who had problems at the restaurant would tell their friends and relatives about their dining experience. The average number of people being told is 4.11 people. When customers were extremely upset, they told more people (5.79) about their dining experience. Among these highly upset customers, 81% of non-complainants indicated they told others mostly negative information about the restaurant, compared to 53.8% of complainants who were somehow
satisfied with the restaurant's response. About 76.7% of non-complainants who were
highly upset would not come back, while 31.6% of highly upset complainants who were
satisfied with the restaurant's response said they would never come back.
CHAPTER 5

IMPLICATIONS AND CONCLUSIONS

This chapter includes the implications of the findings, conclusions, and the limitations of this study. It concludes with recommendations for further research.

Implications of Findings

The following implications are based on a review of literature, and the results of survey findings. It is suggested that most of the hypotheses in this study are supported and are consent of theories and findings in other studies discussed in Chapter II.

Identify the Problems

In order to help respondents to recall an incident when they had a problematic dining, a list of problems frequently occurred at restaurants was provided. Among fourteen provided problems, five problems frequently mentioned by respondents account for 72% of times. They were: slow/inadequate service (32%), improperly cooked food (12%), food not worth the price (11%), rude/unfriendly service (11%), and noise/loud music (8%). This result suggests that improvement of service speed and the provision of adequate service will be the priorities of most restaurant management to forestall problems which result in customers' dissatisfaction. Moreover, it was found that two of the top five most frequently mentioned problems belong to the "service & personnel" categories. This
means most of the time people had problems concerning service. Thus, restaurant management should regularly inspect and improve the process of service delivery. Additionally, when problems related to "goods" (tangible products), such as improperly cooked food or unclean food, there were more customers telling employees or managers to solve the problem. However, more customers did not complain about the problems which relate to "service & personnel" and "environment." Restaurant managers should often examine if there are any problems in service and environment categories existing in their properties. If managers can identify those problems, they can prevent the problems from occurring and reduce the unpleasant events.

**How Good Complaint Handling Works**

When customers complained about the problem which occurred at the restaurant, most managers try to handle customers' complaints and decrease customers' dissatisfaction. It is not easy for managers to decide how much effort they should make to handle complaints. Managers may wonder if it is worth it to invest money on complaint management since they are not sure of the outcome of complaint handling. The result regarding the likelihood of returning to the restaurant explains how good complaint handling works. If customers were not so upset with the problem, 64% of customers whose problems were resolved to their satisfaction would like to come back, but only 39% of non-complaints will come back. When customers were extremely upset, most of non-complainants (76.7%) would never return to the restaurant, but only 33% of complainants who were satisfied with the restaurant's response would not come back. Obviously, complainants whose problems are resolved to their satisfaction are more likely to come
back than non-complainants. Good complaint handling system does retain customers. It can save average 2.5 to 3 customers out of every 10 complainants. From the view of customers' life-time value, the cost of losing a customer is high. Management should determine the lifetime value of their customers by segment. By using these figures, managers can develop a justifiable budget for complaint resolution. Another benefit of complaint resolution is changing negative word-of-mouth to positive word-of-mouth. Thus, it is worth it to invest in complaint management for retaining loyal customers.

The Power of Gossip

Word-of-mouth is the business world's gossip. Gossip can be a free advertisement when customers recommend your business to their friends. On the other hand, gossip can destroy your business when customers say something bad about it. The results indicate 62% of respondents told others about their dining experience when they had problems at the restaurant. These customers told an average of 4.11 people. Compared to the average number of people told by complainants and non-complainants (4.55 versus 3.52), complainants were more likely to tell others about their stories—bad or good, whether or not they were satisfied with the way complaints were handled. This means complainants who served as reference influenced more people than did non-complainants.

The influence of complainants can be positive or negative. If management cannot resolve complainants' problems, dissatisfied complainants even told more people (6.45) and definitely told more negative things (70%) about the restaurant. In contrast, the satisfied complainants talked less (told an average of 2.96 people) and in a more positive
way. These results suggest if management cannot resolve complainants' problems to their satisfaction, complainants will tell more people about their stories.

It is also found customers who were highly upset told more people about their dining experience than those who were slightly upset. This suggests management should find out what is the key reason making customers extremely upset. When management resolve the real problem which is important to customers, the amount of bad word-of-mouth activities conducted by customers may decrease. Additionally, management has to ensure that unvoiced dissatisfaction of the non-complainant is as low as possible, then they are less likely to spread negative word-of-mouth.

In general, the word-of-mouth spread by customers who had problems at the restaurant is likely to be negative (Mean=3.82). Over one half of complainants who were highly upset engaged in mostly negative word-of-mouth, even though they were satisfied with the restaurant's response. This result suggests it is important for managers to do things right the first time. When customers are quite annoyed by the problem which occurred, even the appropriate complaint handling cannot prevent negative word-of-mouth. Although management cannot eliminate negative word-of-mouth, they can reduce it. When customers were moderately or highly upset, the percentage of engaging in negative word-of-mouth for complainants who were satisfied with the restaurants' response was much fewer than non-complainants. It is difficult to please all dissatisfied customers, but at least management can reduce the negative impression of annoyed customers through appropriate complaint handling. Eventually, the negative influence of word-of-mouth on business will be decreased.
Other Actions

Most respondents stated they were reluctant to write on a comment card, call a 1-800 number, or write a letter to management. The results indicate if customers did not complain about their problems to management face to face, most of them (93%) just left without taking other complaining actions to management. Some "non-complainants" left less tips on the table to show their dissatisfaction. Some of them wrote down their opinions on the comment card. Non-complainants in this study never bother to call a 1-800 number or write a letter when they had problems at the restaurant. This result reminds management not to count on comment cards. They only provide limited information about customers' problems. If it is possible, managers should try to ask customers directly. Managers should train their employees to take the initiative in requesting customers' opinions. By doing so, the problems are more likely to be resolved before customers left the restaurant.

Motivations to Complain

How upset the problem makes the customer. When problems occurred at the restaurant, how would customers react? While over half of respondents (58%) stated they complained to management, 42% of respondents keep quiet. The decision to complain is influenced by several factors. The first factor is how upset a customer is. Both studies of Richins (1983) and Singh et al (1991) indicate, the more dissatisfied the consumers, the more likely they are to use the "voice" option. Similarly, this study finds out that people who are more upset will actively involve themselves in complaining. Such an event is usually what most restaurant managers perceive and react to. Hence, management gives
explanations, apologies or replacements to customers and tries to reduce customers' dissatisfaction. If the initial problem is not serious and can be corrected immediately, customers will not be so upset. At this moment, the interaction between consumers and employees determines if customers become happier or more upset. Managers should empower their employees to resolve customers' problems as soon as possible. When employees respond to customers' complaints quickly and reduce the severity of problems, it is more likely to make the upset customer happy. Although silent customers were not as upset as complainants, management cannot neglect the influence of their word-of-mouth communication. As mentioned earlier, management should work to soothe the upset customers and calm them down.

**Importance of dining occasion.** The second factor of complaining is the importance of the dining occasion. The results indicate customers are more likely to voice their dissatisfaction when the dining occasion is very important to them. People cannot stand an important dining occasion ruined by inappropriate service or bad food. Management should notice that customers may wear more than one kind of customer hat. Sometimes customers dine at restaurants for business. Sometimes they come with family for a birthday celebration. And, sometimes they will come for a casual meal. Management needs to realize that as the importance of the dining occasion increases, the importance of flawless service delivery increases.

**Perceived assurance of receiving resolution.** Another factor of complaining is the assurance of receiving some type of resolution. Previous studies have noted some customers did not complain because they believed that complaining would not result in a
favorable outcome (Richins, 1979; TARP, 1986). Within such a belief, customers are reluctant to tell management their dissatisfaction. This study also found complainants were more likely than non-complainants to perceive that they will receive some type of resolution to the problem. From customers' perspectives, they do not only want a response to their complaints, but they also view any complaint as legitimate whether there was a solution or not. When soliciting customers' complaints to improve service, managers should show customers their willingness to resolve the problems. Once customers believe their complaining actions are rewarded, they are more likely to express their dissatisfaction to management rather than to use negative word-of-mouth.

It is important to remind customers their complaints are welcome and the complaint channel is available. The results indicate complainants are not more likely to feel that they were encouraged to complain through the well-recognized complaint channel than non-complainants. That is, the cost of complaining (the difficulties of access to a complaint channel) perceived by non-complainants is not more than complainants. The implication of this result is: in order to solicit input from customers, management should convince customers that the benefit of complaining is greater than its cost. If customers did not perceive it worthwhile to invest time and effort to complain, they would just keep quiet. Thus, it is important to convince customers that their problem can be resolved and they can receive some type of benefit for devoting time and effort to complaining.

**Complainants' Revisit Intention**

Will customers come back when they had problem at the restaurant? It depends on how they perceive the likelihood of the problem's recurrence and how satisfied they are
with the handling of complaints. The results indicate when customers perceived the
problem would not occur again, when they were satisfied with the restaurant's response,
when the received resolution exceed their expectations, and when they felt they were
treated fairly, customers were more likely to return to the restaurant where they had
problems. However, the likelihood of returning to the restaurant did not vary among
people with different perceptions toward if the problem was preventable. Based on these
findings, several suggestions are provided to management:

(1) In some unavoidable conditions, such as discontinuing of electric power or the
ice machine failing occasionally, customers will make allowance for management's
difficulties and forgive the problem which results in their dissatisfaction. Nevertheless, in
most situations, customers attribute the problems to management and perceive it is
management's fault not to prevent problems from occurring. Managers should keep in
mind that: never make an excuse for evading the responsibility of the problem's cause. It
only makes customer more angry. It will help to minimize customers' dissatisfaction if the
front line servers show their sympathy and responsiveness toward the annoyed customers.

(2) If the same problem is raised by customers more than once, management
should be very careful. Instead of being a passive listener, the restaurant manager should
find out the origins of the problems and quickly attack the causes. It is also important for
management to convince customers that the problem has been taken care of and is
completely corrected. By doing this, customers are less likely to perceive that the problem
will happen again. Therefore, they are more likely to come back.
(3) Those who were satisfied with the restaurant's response and felt they were fairly treated were more likely to return the restaurant. This suggests complainants want a genuine effort from management. The fair treatment or satisfied response for a customer does not only mean an offer of tangible or monetary compensation, but also a sincere apology. If complainants receive a free dinner from insincere management, they probably do not feel they are fairly treated. Customers can differentiate if management wants to resolve the problem or just offer lip service.

(4) When management's response exceed customers' expectations, customers are more likely to come back. The majority of customers want to be treated fairly and have a reasonable expectation for what they should get. However, a fair treatment of problem may only offset customers' dissatisfaction. If managers can provide something extra to exceed customers' expectations, customers may achieve a secondary satisfaction. Thus, management is more likely to keep these customers coming back.

Complainants' Negative Word-of-Mouth

By considering negative word-of-mouth as a dependent variable, the results show that people were less likely to engage in negative word-of-mouth, when they perceived the problem would not occur again, when they were satisfied with the response, when they received more of a resolution than they expected, and when they felt they were fairly treated. In brief, efficient complaint handling not only keeps customers coming back, but also decreases negative word-of-mouth activity.

The suggestions for stopping or minimizing the negative word-of-mouth are similar to those for retaining customers. First, since customers are likely to warn their
friends if they feel they will have the same problem in the future, management should continuously monitor customers' problems and prevent them from recurring. Second, successful complaint management is built upon good communication with customers. Such communication relies on the restaurant staff's ability to deliver appropriate responses. Management should train their employees to listen to customers and empower them to respond to customers quickly. Then, it is possible to turn an upset customer into a happy one and develop a continuous business relationship with the customer. Third, most customers just want to be treated fairly. However, if customers receive more than they asked, they are likely to tell others more positive information instead of only negative word-of-mouth about the restaurant. To create positive word-of-mouth among customers, management has to do something more than just satisfy their customers.

Conclusions

Today's customers demand quality products and have lower tolerance for poor service and goods. The increasing number of competitors in the market provides more choices for consumers. These trends imply that creating and maintaining loyal and satisfied repeat customers is an increasingly difficult job for management.

There are many ways to increase consumers' satisfaction for retaining loyal customers. One of the paths to consumer satisfaction is to handle complaints efficiently because it "offers an opportunity to turn a dissatisfied customer quickly back into a satisfied patron of the firm's products" (Schnars, 1991, p. 298). Through efficient complaint management, managers are able to prevent customers from defection and
decrease the negative influence of word-of-mouth. The findings from this study confirm
the importance of complaint management in restaurant business. It further suggests how
restaurant managers utilize their resources to resolve customers' problems and thereby
enhancing customer satisfaction.

**Limitations of this Study**

(1) *Small sample size.* This study compared complainants' revisit intention and
negative word-of-mouth behavior based on several perception attributes. While
respondents were divided into three categories of agreement toward each perception,
some categories had a smaller sample size than others. For example, respondents who
disagreed that the problem was preventable were much fewer than respondents in other
categories of agreement. Because of a lack of adequate data from several categories, the
results were not as precise as the ones derived from a larger sample size.

(2) *Leading question.* A list of problems provided by the researcher helps
respondents to recall their dining experiences. Most problems shown on the list seem to
be preventable by management. This may lead to some bias since most respondents tend
to answer that the problem was preventable.

(3) *Recall dining experience.* When people were asked to recall one dining
occasion which had problems, their most memorable dining experience seems to be more
negative. Consequently, they were more upset and were likely to complain to
management. Thus, the percentage of complainants might be higher than general situation.
Recommendations for Further Research

(1) In order to overcome the small sample size limitation, future research should use a larger sample. The larger the sample, the more accurate and reliable the results for generalizing to general public. Also, future research is needed to validate these findings by employing larger samples from other areas.

(2) This study is limited to casual table service restaurants. Since different types of restaurants have their own distinctive environments, the results of this study cannot be generalized to other types of restaurants. For better understanding customer complaining behaviors, it would be desirable to expand this study to other types of restaurants, such as fast food restaurants, fine dining restaurants, restaurants in lodging industry.

(3) The majority of respondents are male, Caucasians, with annual household incomes over $50,000. The generalization of this study is somewhat limited. It would be desirable to undertake the same research among a broader mix of respondents, such as different income groups, ethnic groups, and groups with more gender diversity.

(4) Future research is suggested to ask respondents to recall one dining occasion which had problems on their own, instead of eliciting respondents' dining experience by a given problem list. Then the leading bias can be avoided.

(5) Future researchers can take other variables into account to explain why customers complain. The possible variables could be customers' personality, other benefits sought by customers, other costs of complaining...which were not included in this study.
(6) Future researchers may further investigate the following issues as well. First, which types of problems result in extremely upset customers and which types of problems are important to customers. Second, which type of resolutions result in higher customer satisfaction.
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May 17, 1996

Dear Reader:

In an effort to learn how well restaurants resolve customer complaints, I am conducting a research study and requesting your help.

As a restaurant customer, your views and opinions are important to the outcome of this research. The research is being done for the College of Hotel Administration at UNLV and is not being sponsored by any commercial organizations. The results will be distributed free of charge to restaurant managers. It is hoped that this research will help restaurant operators provide better service.

This survey is anonymous. When you have completed the survey, simply return it to me in the self-addressed, stamped envelope. Your assistance will be greatly appreciated.

It would be very helpful to have your completed questionnaire returned to me by June 1, 1996. The enclosed one dollar bill is a token of my appreciation for your time.

Thank you for your cooperation.

Sincerely,

Ellen Su

P. S. If you have any questions concerning this study, please contact me at the telephone or E-mail address listed below.

Phone: (702) 796-5779
E-mail: suw@nevada.edu
The purpose of this survey is to learn how casual table service restaurants resolve customers' problems. A casual table service restaurant refers to a dining place that includes the following conditions: (1) has table service (waiters and waitresses); (2) has an informal, relaxed atmosphere; (3) the per-person check for food is usually under $20. Examples of casual restaurants include Applebee's, Chili's, Sizzler, Olive Garden, etc.

Please choose the most appropriate response for you.

Section I: Your Dining Experience

1. Within the last year, how often did you dine at a casual table service restaurant in the greater Las Vegas area?
   - □ more than once per week
   - □ once per week
   - □ 2-3 times per month
   - □ once per month
   - □ less than once per month
   - □ Never → please go to Section III

2. Please think of one dining occasion during the last year when you had a problem (see the list below) at a casual table service restaurant. Please answer the following questions based on this dining experience.

   2(A) Please indicate the problem(s) you experienced at this restaurant.
   - ___Slow/inadequate service
   - ___Improperly cooked food
   - ___Lack of cleanliness
   - ___Noise/loud music
   - ___Inaccurate guest check
   - ___Not honoring reservations
   - ___Crowded at your table
   - ___Food not worth the price
   - ___Portions too small
   - ___Inadequate menu descriptions
   - ___Inadequate parking
   - ___Being rushed
   - ___Not at your table
   - ___Other: _______________________________________
   (Please explain.)

   ___Have not had any problems → please go to Section III

2(B) How upset were you with this restaurant when the problem(s) occurred?

   Not Upset
   Moderately Upset
   Extremely Upset

   □ 1
   □ 2
   □ 3
   □ 4
   □ 5

2(C) Approximately how much was the per-person check for food in this restaurant?

   □ under $10
   □ $10 to $15.99
   □ $16 to $20
   □ above $20
2(D) How many times had you dined at this restaurant before the visit in which the above problem occurred?
- □ No previous visit
- □ 1-2 times
- □ 3-4 times
- □ 5 or more times

2(E) How much do you agree or disagree with the following statements?
Please circle the number that best corresponds to your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) The problem occurred during a special occasion (anniversary, dating,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>celebration, gathering of friends, etc.) which was important to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>b) The management could have taken steps to prevent this problem from</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>occurring.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>c) If I visit the restaurant again, I feel there is a good chance this</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>problem will happen again.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>d) This restaurant encourages customers to complain through employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and managers asking how customers feel, guest comment cards, or a 1-800</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>number.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) When the problem first occurred, I was sure the restaurant would</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>offer some resolution to the problem.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>f) I will never visit this restaurant again because of the problem which</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>occurred.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Section II: Your Reaction Towards This Dining Experience

Please answer the following questions based on the same dining experience.

1. Did you complain to anyone at this restaurant?
   - I complained to the employees or manager and asked for compensation (exchange, refund, etc.).
   - I complained to the employees or managers to let them know about problem(s), but did not ask for anything.
   - No. I left this restaurant without voicing my dissatisfaction.  **skip question 2, go to question 3**

2. How much do you agree or disagree with the following statements?
   
<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) I was satisfied with the restaurant’s response to my complaint.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) When I complained, I received more than I expected.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Overall, I feel the restaurant treated me fairly regarding my complaint.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) I would like to dine at this restaurant in the future.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) As a result of the restaurant’s handling my complaint, I will eat at this restaurant more frequently than I have in the past.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) I would recommend this restaurant to a friend.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. When you left this restaurant, how satisfied were you with the overall dining experience?

<table>
<thead>
<tr>
<th>Very Dissatisfied</th>
<th>Somewhat Dissatisfied</th>
<th>Neither Satisfied nor Dissatisfied</th>
<th>Somewhat Satisfied</th>
<th>Very Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

4. Did you tell any friends or relatives about this dining experience?
   - Yes 4 (A) Approximately, how many people did you tell? _______
   - Mostly Negative
   - Positive & Negative Equally
   - Mostly Positive

5. Did you take any other action regarding the problem which occurred?
   - Yes 5 (Please explain): ________________________________
Section III: About Yourself

Please be assured that all information you provide will be kept strictly confidential.

1. I usually do not take the time and effort to complain even if I am sure the restaurant will resolve the problem to my satisfaction.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

2. Your Gender: □ Female
               □ Male

5. Your Zip Code: __ __ __ __

3. Your Age:
   □ Under 18
   □ 18-25
   □ 26-35
   □ 36-45
   □ 46-55
   □ 56-65
   □ Over 65

6. Your Annual Household Income Before Tax:
   □ less than $20,000
   □ $20,000 - 29,999
   □ $30,000 - 39,999
   □ $40,000 - 49,999
   □ $50,000 - 74,999
   □ $75,000 - 100,000
   □ Over $100,000

4. Your Race/National Origin:
   □ Caucasian/White
   □ African American/Black
   □ Native American Indian, Native Alaskan
   □ Hispanic
   □ Southeast Asian, Oriental, Pacific Islander
   □ Other: ________________________________
          (Please specify.)

7. Your Education Level:
   □ Elementary school
   □ High school
   □ College degree
   □ Graduate degree
   □ Other: ________________________________
          (Please specify.)

Thank you for your time and cooperation!
Please return this questionnaire in the enclosed postage-paid envelope.
Your help is very much appreciated.
APPENDIX C

POSTCARD REMINDER
May 25, 1996

Dear Reader:

About one week ago we sent you a questionnaire about dining. It is quite likely that your questionnaire crossed this postcard in the mail. Please accept my sincere thanks for your participation.

If you haven't already sent your questionnaire, please take a few moments to complete it now. If you need another questionnaire, please leave your name and address on my voice mail at (702) 796-5779. I will get another one in the mail to you immediately.

Your help is very important to the success of this study and will be greatly appreciated.

Regards,

Ellen Su
Graduate Student
UNLV School of Hotel Administration
APPENDIX D

CENTRAL TENDENCY OF INTERVAL DATA
APPENDIX D

CENTRAL TENDENCY OF INTERVAL DATA

<table>
<thead>
<tr>
<th>Items</th>
<th>n</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ how upset with the problem*</td>
<td>329</td>
<td>3.15</td>
<td>0.98</td>
</tr>
<tr>
<td>◆ importance of dining occasion</td>
<td>323</td>
<td>2.70</td>
<td>1.35</td>
</tr>
<tr>
<td>◆ being encouraged to complain through well-recognized complaint channel</td>
<td>318</td>
<td>2.71</td>
<td>1.23</td>
</tr>
<tr>
<td>◆ assurance of receiving resolution</td>
<td>325</td>
<td>3.27</td>
<td>1.12</td>
</tr>
<tr>
<td>◆ problems were preventable</td>
<td>329</td>
<td>4.10</td>
<td>0.93</td>
</tr>
<tr>
<td>◆ problems will occur again</td>
<td>325</td>
<td>3.51</td>
<td>1.04</td>
</tr>
<tr>
<td>◆ satisfaction with the overall dining experience**</td>
<td>321</td>
<td>2.46</td>
<td>1.2</td>
</tr>
<tr>
<td>◆ being satisfied with response</td>
<td>190</td>
<td>2.88</td>
<td>1.29</td>
</tr>
<tr>
<td>◆ responses exceed expectation</td>
<td>190</td>
<td>2.48</td>
<td>1.19</td>
</tr>
<tr>
<td>◆ being treated fairly</td>
<td>190</td>
<td>2.88</td>
<td>1.26</td>
</tr>
<tr>
<td>◆ recommend the restaurant to friends</td>
<td>189</td>
<td>2.41</td>
<td>1.26</td>
</tr>
<tr>
<td>◆ told others positive or negative things***</td>
<td>197</td>
<td>3.82</td>
<td>1.13</td>
</tr>
<tr>
<td>◆ will never visit this restaurant again</td>
<td>328</td>
<td>3.20</td>
<td>1.37</td>
</tr>
<tr>
<td>◆ will dine at this restaurant in the future****</td>
<td>191</td>
<td>2.82</td>
<td>1.37</td>
</tr>
<tr>
<td>◆ eating at this restaurant more frequently</td>
<td>190</td>
<td>2.18</td>
<td>1.07</td>
</tr>
<tr>
<td>◆ usually not taking time and effort to complain</td>
<td>329</td>
<td>2.81</td>
<td>1.09</td>
</tr>
</tbody>
</table>

* 1= not upset; 3= moderately upset; 5= extremely upset
** 1= very dissatisfied; 3= neither satisfied nor dissatisfied; 5= very satisfied
*** 1= mostly positive; 3= positive & negative equally; 5= mostly negative (Only people who told others about their dining experience answered this item.)
**** This item is used to measure complainants' revisit intention in hypothesis testing.

Note: Items with shadow only derived from complainants.
APPENDIX E

COMPARISON OF EARLY AND LATE RESPONDENTS
### Comparison of Early Respondents and Late Respondents—T-test Results

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean Scores</th>
<th></th>
<th>t-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement 1. How upset were you with this restaurant when the problems(s)</td>
<td>Early: 3.12</td>
<td>Late: 3.42</td>
<td>df: 327</td>
<td>-1.67</td>
</tr>
<tr>
<td>occurred.*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 2. The problem occurred during a special occasion which was</td>
<td>Early: 2.71</td>
<td>Late: 2.59</td>
<td>df: 321</td>
<td>0.45</td>
</tr>
<tr>
<td>important to me.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 3. The management could have taken steps to prevent this problem</td>
<td>Early: 4.11</td>
<td>Late: 4.03</td>
<td>df: 327</td>
<td>0.46</td>
</tr>
<tr>
<td>from occurring.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 4. If I visit the restaurant again, I feel there is a good chance</td>
<td>Early: 3.54</td>
<td>Late: 3.27</td>
<td>df: 323</td>
<td>1.36</td>
</tr>
<tr>
<td>this problem will happen again.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 5. The restaurant encourages customers to complain through</td>
<td>Early: 2.69</td>
<td>Late: 2.88</td>
<td>df: 316</td>
<td>-0.80</td>
</tr>
<tr>
<td>employees and managers asking how customers feel, guest comment cards, or</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a 1-800 number.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 6. When the problem first occurred, I was sure the restaurant</td>
<td>Early: 3.25</td>
<td>Late: 3.53</td>
<td>df: 323</td>
<td>-1.37</td>
</tr>
<tr>
<td>would offer some resolution to the problem.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 7. I will never visit this restaurant again because of the problem</td>
<td>Early: 3.18</td>
<td>Late: 3.44</td>
<td>df: 326</td>
<td>-1.02</td>
</tr>
<tr>
<td>which occurred.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 8. I was satisfied with the restaurant's response to my complaint</td>
<td>Early: 2.89</td>
<td>Late: 2.82</td>
<td>df: 188</td>
<td>0.23</td>
</tr>
<tr>
<td>Statement 9. When I complained, I received more than I expected.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 10. Overall, I feel the restaurant treated me fairly regarding my</td>
<td>Early: 2.91</td>
<td>Late: 2.64</td>
<td>df: 188</td>
<td>0.96</td>
</tr>
<tr>
<td>complaint.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 11. I would like to dine at this restaurant in the future.</td>
<td>Early: 2.88</td>
<td>Late: 2.41</td>
<td>df: 189</td>
<td>1.5</td>
</tr>
<tr>
<td>Statement 12. As a result of the restaurant's handling my complaint, I will</td>
<td>Early: 2.23</td>
<td>Late: 1.82</td>
<td>df: 188</td>
<td>1.72</td>
</tr>
<tr>
<td>eat at this restaurant more frequently than I have in the past.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 13. I would recommend this restaurant to a friend.</td>
<td>Early: 2.44</td>
<td>Late: 2.18</td>
<td>df: 187</td>
<td>0.91</td>
</tr>
<tr>
<td>Statement 14. When you left this restaurant, how satisfied were you with</td>
<td>Early: 2.47</td>
<td>Late: 2.41</td>
<td>df: 319</td>
<td>0.29</td>
</tr>
<tr>
<td>the overall dining experience.**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 15. Did you tell others positive or negative things about this</td>
<td>Early: 3.79</td>
<td>Late: 4.11</td>
<td>df: 26.62</td>
<td>-1.55</td>
</tr>
<tr>
<td>restaurant***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement 16. I usually do not take the time and effort to complain even if</td>
<td>Early: 2.84</td>
<td>Late: 2.53</td>
<td>df: 327</td>
<td>1.52</td>
</tr>
<tr>
<td>I am sure the restaurant will resolve the problem to my satisfaction.</td>
<td></td>
<td></td>
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<td></td>
</tr>
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</table>

* 1= not upset; 3= moderately upset; 5= extremely upset
** 1= very dissatisfied; 3= neither satisfied nor dissatisfied; 5= very satisfied
*** 1= mostly positive; 3= positive & negative equally; 5= mostly negative

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Comparison of Early Respondents and Late Respondents—Chi-square Results

<table>
<thead>
<tr>
<th></th>
<th>Early</th>
<th>Late</th>
<th>X²</th>
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<tbody>
<tr>
<td></td>
<td>Freq.</td>
<td>%</td>
<td>Freq.</td>
</tr>
<tr>
<td>1. Dining out frequency</td>
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<tr>
<td>more than once per week</td>
<td>110</td>
<td>36.9</td>
<td>11</td>
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<tr>
<td>once per week</td>
<td>60</td>
<td>20.1</td>
<td>8</td>
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<tr>
<td>2-3 times per month</td>
<td>77</td>
<td>25.8</td>
<td>7</td>
</tr>
<tr>
<td>once per month</td>
<td>30</td>
<td>10.1</td>
<td>3</td>
</tr>
<tr>
<td>less than once per month</td>
<td>21</td>
<td>7.0</td>
<td>3</td>
</tr>
<tr>
<td>2. Per-person check</td>
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<tr>
<td>under $10</td>
<td>84</td>
<td>28.5</td>
<td>8</td>
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<tr>
<td>$10 to $15.99</td>
<td>134</td>
<td>45.4</td>
<td>11</td>
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<tr>
<td>$16 to $20</td>
<td>53</td>
<td>18</td>
<td>10</td>
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<td>above $20</td>
<td>24</td>
<td>8.1</td>
<td>3</td>
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<td>3. Previous visits</td>
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<tr>
<td>No previous visit</td>
<td>83</td>
<td>27.9</td>
<td>8</td>
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<tr>
<td>1-2 times</td>
<td>87</td>
<td>29.2</td>
<td>12</td>
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<tr>
<td>3-4 times</td>
<td>52</td>
<td>17.4</td>
<td>3</td>
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<tr>
<td>5 or more times</td>
<td>73</td>
<td>24.5</td>
<td>9</td>
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<td>4. Complaining behavior</td>
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<tr>
<td>complained and asked for compensation</td>
<td>23</td>
<td>7.7</td>
<td>5</td>
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<tr>
<td>complained but asked for nothing</td>
<td>146</td>
<td>48.8</td>
<td>17</td>
</tr>
<tr>
<td>did not complain</td>
<td>130</td>
<td>43.5</td>
<td>10</td>
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<td>5. Tell others about this dining experience</td>
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<tr>
<td>Yes</td>
<td>185</td>
<td>37.9</td>
<td>21</td>
</tr>
<tr>
<td>No</td>
<td>113</td>
<td>62.1</td>
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<td>6. Take other actions</td>
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<tr>
<td>Yes</td>
<td>249</td>
<td>83.8</td>
<td>29</td>
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<tr>
<td>No</td>
<td>48</td>
<td>16.2</td>
<td>3</td>
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<td>7. Gender</td>
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<tr>
<td>Female</td>
<td>119</td>
<td>40.5</td>
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<tr>
<td>Male</td>
<td>175</td>
<td>59.5</td>
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<tr>
<td></td>
<td>Early</td>
<td></td>
<td>Late</td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>-------</td>
<td>------</td>
</tr>
<tr>
<td></td>
<td>Freq.</td>
<td>%</td>
<td>Freq.</td>
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<tr>
<td>8. Age</td>
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<tr>
<td>18-25</td>
<td>7</td>
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<td>1</td>
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<td>26-35</td>
<td>57</td>
<td>19.4</td>
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<td>36-45</td>
<td>75</td>
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<td>46-55</td>
<td>72</td>
<td>24.5</td>
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<td>56-65</td>
<td>51</td>
<td>17.3</td>
<td>7</td>
</tr>
<tr>
<td>Over 65</td>
<td>32</td>
<td>10.9</td>
<td>2</td>
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<td>9. Race</td>
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<tr>
<td>Caucasian/White</td>
<td>263</td>
<td>88.9</td>
<td>26</td>
</tr>
<tr>
<td>Non-Caucasian</td>
<td>33</td>
<td>11.1</td>
<td>83.9</td>
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<tr>
<td>10. Annual household income before tax</td>
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<tr>
<td>less than $29,999</td>
<td>21</td>
<td>7.7</td>
<td>3</td>
</tr>
<tr>
<td>$30,000 ~ 49,999</td>
<td>71</td>
<td>26.2</td>
<td>5</td>
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<td>$50,000 ~ 74,999</td>
<td>95</td>
<td>35.1</td>
<td>8</td>
</tr>
<tr>
<td>Over $75,000</td>
<td>84</td>
<td>31.0</td>
<td>15</td>
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<td>11. Education level</td>
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<tr>
<td>High school and below</td>
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<td>36.3</td>
<td>11</td>
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<tr>
<td>College degree</td>
<td>125</td>
<td>42.4</td>
<td>16</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>58</td>
<td>19.7</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>1.7</td>
<td>2</td>
</tr>
</tbody>
</table>

* The difference is statistically significant at 0.05 level.
APPENDIX F

APPROVAL FORM
DATE: April 17, 1996

TO: Wen-Yu Su (TCA)  M/S 6023

FROM: Dr. William E. Schulze, Director Office of Sponsored Programs (X1357)

RE: Status of Human Subject Protocol Entitled: "Complainant's Revisit Intention and Negative Word-of-Mouth Behavior in Restaurant Business"

OSP #505s0496-016e

The protocol for the project referenced above has been reviewed by the Office of Sponsored Programs and it has been determined that it meets the criteria for exemption from full review by the UNLV human subjects Institutional Review Board. Except for any required conditions or modifications noted below, this protocol is approved for a period of one year from the date of this notification, and work on the project may proceed.

Should the use of human subjects described in this protocol continue beyond a year from the date of this notification, it will be necessary to request an extension.

cc: J. Bowen (TCA-6023)  OSP File