Exploration of Chinese consumer complaint behavior in the hospitality industry

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Exploration of Chinese Consumer Complaint Behavior in the Hospitality Industry

by

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A professional paper submitted in partial fulfillment of the requirements for the Dual MBA/Master of Science in Hotel Administration

William F. Harrah College of Hotel Administration
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Part One

Introduction

With the fierce competition in the hospitality industry nowadays, it is critical for businesses to understand and satisfy their guests. However, customer complaints are an inevitable part of the hospitality industry. Although complaints express dissatisfaction from customers, they provide an opportunity for the business to recover from the service failure and encourage future patronage. A complaint not addressed directly to the company involves several consequences. The company will lose the opportunity to correct problems and win the customer back. The reputation of the company may be damaged from negative word-of-mouth by the dissatisfied consumer and result in a loss of future customers as well (Richins 1983). A well-known example is the powerpoint made by two dissatisfied customers of Hilton DoubleTree Club Hotel, Tom Farmer and Shane Atchison. The powerpoint describing their awful experience with the Hilton DoubleTree Club Hotel had flooded the internet before the hotel was aware of the severity of the problem (Sowa, 2009). Additionally, without valuable feedback from complaints, a company is not able to make corresponding improvements and will easily lose its competitiveness in the market. Therefore, understanding consumer complaint behavior in the hospitality industry is vital for the long-term success of hospitality businesses.

It is evident that consumers from different cultural backgrounds tend to have different complaint behaviors (Liu & McClure, 2001). Although consumer complaint behavior has been studied comprehensively, there are not many studies on the Chinese consumer complaint behavior, which leaves a gap for researchers to fill.

With the largest population in the world, as well as the rapidly increasing number of wealthy people, China becomes one of the most promising markets in the world and continues to
draw service marketers’ attention. As a progressive number of international hospitality service brands land within the Chinese market, while at the meantime, the Chinese consumers compose a large portion of hospitality customers worldwide, it is necessary for hospitality businesses to understand Chinese consumers.

This paper will start with introducing the consumer behavior theories, followed by exploring previous literatures in consumer complaint behavior in general, and then examine the Chinese consumers’ complaint behavior, the prevailing Chinese cultural values, and their impact on Chinese consumers’ complaint decision-making and on their choice of a specific complaint response in the hospitality setting. Based on the literature review, this paper will propose a conceptual model of the Chinese consumer complaint behavior in the hospitality industry. The model will demonstrate a comprehensive picture of: relations between all determinant factors and Chinese consumers’ complaint decision-making, whether there is a cultural value increasing or weakening such factor’s influence, and the relation between a particular cultural value and a certain complaint response.

Purpose

The purpose of this paper is to develop a conceptual model of Chinese consumer complaint behavior in the hospitality industry.

Objectives.

This paper will examine all the factors that would influence Chinese consumer complaint decision-making and choice of complaint response, particularly in the hospitality setting. In addition, it will also explain the most prevalent Chinese cultural values and analyze the potential impact of these values on the Chinese consumer complaint behavior in the hospitality industry. In other words, this paper will examine how consumer complaint behavior would vary under the
Chinese cultural influence within the hospitality industry. In the end, the paper will propose a conceptual model of Chinese consumer complaint behavior in the hospitality industry. Such a model is to provide a comprehensive and visual picture to help people understand the relations among all the factors, Chinese cultural values, and Chinese consumers’ complaint decision-making and choice of complaint response.

**Justification**

To better serve Chinese consumers, a comprehensive knowledge of their consumer behavior is critical for hospitality practitioners. Many hospitality businesses have gained understanding of what this group might like and what their taboos are along the years. For example, they have come to learn to not give a Chinese customer a room with a number four in the room numbers since the pronunciation of four is the same as “death” in the Chinese language. Casinos have also learned to avoid mentioning the word book in a casino setting because the pronunciation of book is the same as “loss.” Nevertheless, there are not enough studies related to the Chinese consumer complaint behaviors and the reasons behind such behaviors.

Studies have shown that customers with different cultural backgrounds perceive service quality differently (Becker, Murmann, Murmann, & Cheung, 1999; Mattila, 1999) and have various complaint behaviors and intentions (Liu & McClure, 2001). The current studies have indicated that there are large differences between Asian and non-Asian consumer complaint behaviors about hotel services in Hong Kong (Ngai, Heung & Chan, 2007), and that Chinese consumers are more passive about communicating dissatisfaction toward hotel restaurant services in Hong Kong (Heung & Lam, 2003). Still, there is no reported research studying the complaint behavior of Chinese as an entire ethnic group in the general hospitality industry.
Without proper understanding of Chinese consumers’ complaint behaviors and the causes of these behaviors, the hospitality service providers are not able to receive helpful complaints and thus identify potential service problems. Hence, they cannot effectively prevent or respond to service failure, which leaves both the customer and the service organization dissatisfied and even drives customer away (Davidow & Dacin, 1997). Therefore, it is necessary to explore Chinese consumer complaint behavior in the hospitality industry. Based on such study, the hospitality business is able to better understand the Chinese consumer complaints and thus provide better service to this large and continuously growing market.

Constraints

Chinese is a very broad term, which includes all the people with Chinese heritage around the world. Even though they share some similar beliefs and behaviors, they may have dramatically different behaviors shaped by their local social and cultural environment. Hence, the Chinese referred in this study is only limited to Chinese from mainland China, Hong Kong, Macau, and Taiwan. Their cultural discrepancy is minimized by the closeness of their geographic locations.

With the fast adaption to western culture and the way of doing things, the Generation Y may have less Chinese cultural influence on their complaint behaviors than their previous generations do. In addition, as laws of protecting customers’ rights become consolidated, as well as the consumers’ rising awareness of their rights, consumers nowadays may be more likely to complain when they are dissatisfied with services than people’s perception (Ho, 2001). Due to the limitation of first hand data collection as well as up-to-date literature considering the rapid social transformation in mainland China, the paper is not able to identify the above mentioned possible social changes’ influence on Chinese consumer complaint behaviors.
When people travel to a foreign place, particularly with a foreign language and different culture, the alien environment may also affect consumers’ behaviors, especially the complaint behavior. However, the scope of this paper would not be able to cover this issue.

**Glossary**

Consumer Behavior: “the study of when, why, how, and where people do or do not buy product” (“Consumer Behaviour”, 2010, para. 1).

Consumer Complaint Behavior (CCB): “an action taken by an individual which involves communicating something negative regarding a product or service either to the firm manufacturing or marketing that product or service or to some third-party organizational entity” (Jacoby & Jaccard, 1981, p. 6).

Third Party: “formally constituted organizational entities, such as governments (at the federal, state, or local level), and special-interest groups (such as trade associations and non-profit groups)” (Jacoby & Jaccard, 1981, p. 7).

Service Failure: “an overall evaluation that results from comparing a firm’s performance with the customer’s general expectations of how the industry should perform” (Definition by Parasuraman, Zeithaml, & Berry, as cited in Mueller, Palmer, Mack, & McMullan, 2003, p. 396).
Part Two

Introduction

Consumer behavior has long been an important study within the marketing field. Consumer complaint behavior started to generate attention from people in marketing research fields during the 1970s. As globalization has increased, so too has the understanding of consumer complaint behavior and the cultural influences that can affect such behavior. Institutions have come to the realization that consumers from different cultural backgrounds may have different complaint behaviors. As hospitality companies expand their operations globally, there is an increasing amount of studies analyzing the consumer complaint behavior in the hospitality industry. China, with its massive population, as well as its ever-increasing wealth, has become one of the biggest and most promising markets for international hospitality businesses. Therefore, it started to draw researchers’ attention during this decade.

Firstly, this literature review will begin with an overview of the fundamental theories of consumer behavior, followed by an extensive exploration in consumer complaint behavior (CCB) studies, and lastly, a brief view of consumer complaint behavior within the hospitality industry. Contained in the second section will be a literature review that focuses on culture influences on consumer complaint behavior and discusses how cultures affect the consumer complaint behavior in the hospitality industry. To conclude, the literature review will discuss the most prevalent Chinese cultural values and their impacts on the Chinese consumer complaint behavior. Since it is a brand new subject, there are not yet many studies thoroughly examining Chinese cultural influences on Chinese consumer complaint behavior in the hospitality field. Nevertheless, a few related studies will be reviewed.
Literature Review

Consumer Behavior

The key to successful marketing, either domestically or globally, relies on a thorough understanding of consumers and their behavior. The study of consumer behavior as a distinctive area of marketing can be traced back to the late 1950s and early 1960s (Mellott, 1983). Simply, the consumer behavior field is “the study of when, why, how, and where people do or do not buy product” (“Consumer Behavior”, 2010, para. 1). One official and often quoted definition of consumer behavior is: “the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society” (Hawkins, Best, & Coney's work. as cited in Perner, 2010). It is a study that involves the fields of psychology, sociology, social psychology, cultural anthropology, and economics. It attempts to understand the consumer purchasing decision-making process. The scope of the consumer behavior research includes from pre-purchase stage, to the actual purchasing, and to the post-purchase stage. More specifically, the consumer decision-making process starts from need recognition, and then moves to information search, alternative evaluation, making a purchase, and post-purchase evaluation.

Hawkins, Best, and Coney (1992) proposed a conceptual and organizational model, which suggests a direct link between consumer lifestyle and the consumer decision-making process. They demonstrated that the consumer lifestyle is influenced by 12 basic factors, which are marketing activities, culture, values, demographics, social status, reference groups, households, personality, emotions, motives, perception, and learning. A more recent study by Peter and Donnelly (2009) suggested a direct link between consumer decision making and psychological influences, which are a combined result of social influences, marketing influences, and situational
influences. To be more detailed, social influences include culture and subculture, social class, and reference group influences; marketing influences are shaped by product influences, price influences, promotion influences, and place influences; situational influences are composed of physical features, social features, time, task features, and current conditions.

**Consumer behavior in the service industry.**

There is a general agreement that service products differ significantly from physical goods because they are intangible, heterogeneous, simultaneous in production and consumption, and perishable (Zeithaml, Bitner, & Gremler, 2006). Thus, these characteristics of the service industry result in differences in consumer behaviors, especially the consumer evaluation processes from those used in assessing physical goods. Consumers would have a more difficult time evaluating service products since they are high in experience qualities and credence qualities (Zeithaml et al., 2006). Overall, service products have their own unique characteristics within each stage of the consumer decision-making process.

Starting with need recognition, services can fill all five needs in Maslow’s hierarchy, which are physiological needs, safety and security needs, social needs, ego needs, and self-actualization needs. According to Zeithaml et al. (2006), the higher level the needs are, the more important services become. Consumers may have different motives when purchasing services compared to purchasing goods. Unlike the typical purchasing of goods, consumers rely much heavier on personal sources during the information search stage. The alternative options in a given category are likely to be less with services than with goods. In the purchasing decision making stage, consumers make the decision to either purchase a particular service or do it themselves.
When consumers are purchasing services, they have one more stage than if they are purchasing goods - the consumer experience stage. Since the above mentioned consumer decision-making process for services is intrinsically risky, the experience stage largely influences the evaluation process. Some experts emphasize the importance of the experience by articulating “the experience is the marketing” (Gilmore & Pine, 2002, p. 1).

**Consumer Complaint Behavior (CCB)**

Customer Complaint Behavior (CCB) is defined by Jacoby and Jaccard (1981) as “an action taken by an individual which involves communicating something negative regarding a product or service either to the firm manufacturing or marketing that product or service or to some third-party organizational entity”(p. 6). The study of CCB is critical to explain and predict consumer repurchase intentions and customer loyalty (Day, 1984).

Although complaint behavior may come from consumers who are satisfied users of the product, non-users of the product, or non-buyers of the product (Jacoby & Jaccard, 1981), the majority of complaints still arise from the dissatisfied users of the product (Singh, 1988). Thus, most studies are done based on dissatisfaction related complaint behavior.

A large amount of existing findings focus on answering questions such as: how consumers tend to act when dissatisfied; what factors trigger the complaint behavior; what type of consumers tend to choose a certain type of action; what are the purposes of the complaint; why it’s necessary to manage consumer complaint (Jin, 2010). Among numerous studies, there are considerable agreements about the consumer compliant behavior construct. Researchers believe the CCB is triggered by some feelings or emotions of perceived dissatisfaction (Day, 1984; Landon, 1980). The perception of dissatisfaction with products/services is the prerequisite for consumers’ responses to qualify as CCB (Singh, 1988). On the other hand, consumer compliant behavior
generally can be divided into two categories - behavioral and non-behavioral (Singh, 1988). Behavioral CCB includes all types of consumer actions to deliver an “expression of dissatisfaction” (Landon, 1980, p. 337). It can be addressing the issue directly with the seller, seeking for legal solution or third party involvement, or spreading negative word-of-mouth.

**Classification of CCB responses.**

Although dissatisfaction is believed to be the prerequisite of complaint behavior, it does not necessarily lead to complaint actions. A well-supported finding in the past is that a large portion of dissatisfied consumers do not address their complaints to the business/organization (Best & Andreasen, 1977). Day and Landon (1977) presented a two-level hierarchical classification of consumer actions under dissatisfaction. The first level is divided into taking some actions and taking no action; the second level separates public actions from private actions. Public actions comprise seeking redress directly from the seller, complaining to public or private agencies such as a consumer organization, or even taking legal actions. Typical private actions include boycotting the seller or manufacturer and warning friends and relatives. Day (1980) further suggested another basis for classification at the second level of this model. He advocated that consumers choose to complain or not complain to achieve certain purposes. Therefore, such purposes of complaint behavior can be used to classify behavioral CCB into three categories: redress seeking, complaining and personal boycott.

Singh (1988) offered a framework that categorized the responses of dissatisfied consumer behaviors into three dimensions: voice response (e.g., seeking redress from seller or no action), private response (e.g., word-of-mouth communication), and third-party response (e.g., adopting legal action). For those consumers who do not adopt any actions, they might forget about the dissatisfaction, or sometimes they just do not know how to complain. Davidow and Dacin (1997)
suggested a dissatisfied customer would resort to four types of complaint-making behavior, which are silent exit, negative word-of-mouth communication, direct complaint, and complaining to a third party.

Factors affecting CCB.

Scholars have long tried to identify the variables that directly or indirectly affect consumer complaint behavior. The findings of these studies sometimes contradict with each other. Because there are numerous variables that could relate to complaint behavior, there is not a comprehensive model that covers all the factors. However, studies have shown efforts in identifying the most significant contributions. Again, studies have detected differences between the purchasing of a service and of a physical good. Consumers seem to experience a higher dissatisfaction level with services than with goods (Best & Andreasen, 1977). One of the most frequent causes of dissatisfaction with service seems to be the careless and unprofessional manner the service is delivered (Day & Bodur, 1978).

Although the perception of dissatisfaction serves as the prerequisite of CCB responses, it is not enough to facilitate complaint behavior to happen. Day (1984) underlined that “complaining behavior is logically subsequent to dissatisfaction and is a distinct set of activities which are influenced by a variety of personal and situational factors which appear to be unrelated to the intensity of dissatisfaction” (p. 497).

Blodgett and Granbois (1992) developed a conceptual model that posited product importance, the likelihood of successful complaint, the consumer’s attitude toward complaint, as well as his/her level of store/brand loyalty, all provide the motivation to complain. The major motives can also be found in release of dissatisfactory emotions, request for taking responsibility
and clarifying the problem, protection of one’s own rights, demand of compensation, and assistance in quality and service (Jin, 2010).

Becker, Murrmann, Murrmann, and Cheung (1999) mentioned that a person’s complaint tendency is related to the severity of the problem, price, and cost associated with making a complaint. Some studies have revealed that a company’s response to and attitude towards consumer complaint would affect the possibilities of consumer complaint responses (Day & Landon, 1977). Richins (1983) also found out that there is a positive correlation between seller’s responsiveness and complaint actions. The more positive perception a consumer has on the provider’s willingness to respond to consumer grievances, the more likely he/she is going to seek redress. Day and Bodur (1978) suggested that better information and encouragement to seek redress would possibly encourage dissatisfied consumers to adopt behavioral complaint actions.

There were also studies contending that the consumer’s personality, environmental setting, and values are likely to affect the compliant behavior (Jin, 2010). Jin (2010) advocated that the possibility of consumers making a complaint is subject to complaint-making tendency and contextual factors. The complaint-making tendency here refers to the consumers’ subjective intention to make a complaint, while the contextual factors are more situational based factors such as time pressure.

On the other hand, for those consumers who decide to complain, there are costs and benefits associated with their decision. Andreasen (1988) noted that these costs and benefits are not only economic, but also psychological. They can be the time invested in the complaining process, the money spent during the process, the provoked psychological discomfort such as anxiety, fear, embarrassment, and confrontation. Landon (1977) also addressed that a consumer might complain even with a low level of dissatisfaction if the perceived benefit is significant.
Blodgett, Granbois, and Walters (1993) further suggested that consumers’ tendency to complain directly to a company is based on their personal attitudes towards complaint, which consist of the perceived value of complaint, the possibility of a successful result, and willpower.

Jin (2010) proved that perceived value of complaint, perceived possibility of success, and attitudes toward complaint, are important determinants that affect consumers’ tendency to make a complaint directly. He also identified that the antecedents of: experiences in complaining, alienation from the industry, and controllability of the problem, all would have influence over those determinants.

Additionally, a few studies have paid attention to the relationship between store/brand loyalty and complaint behavior. Loyal customers would perceive it is important for stores to know what their concerns are in order to improve performance. Thus, they are more likely than non-loyal customers to voice their dissatisfaction to the store (Blodgett & Grandois, 1992; Maute & Forrester Jr.’s work as cited in Zaugg & Jäggi, 2006).

Furthermore, studies have demonstrated that there are some other factors influencing consumers’ complaint intention. If consumers are knowledgeable with what they purchase, or if they are effective consumers, they are more intent to complain directly (Day & Landon, 1977). Yet, if the consumers interact often with a particular seller, they may be less likely to communicate their complaints (Andreasen, 1988).

**Attribution theory.**

The attribution theory in the CCB context predicts that attributions influence how consumers respond when dissatisfied. The well accepted attribution categorization has three dimensions: stability, locus or locus of control, and controllability (Folkes, 1984). Stability refers to whether the cause of product/service failure is temporary or permanent. When the cause is
stable, consumers would assume the product/service failure is going to happen again. Locus/locus of control means whether the cause of failure is located in the consumer or in the company. Blodgett and Granbois (1992) pointed out the locus/locus of control is actually the attribution of blame, either on the consumers themselves or on the service/product provider. Controllability means whether the company would have control over the cause of the product/service failure.

Folkes (1984) found that consumers who perceive the cause of product failure as being stable would prefer a refund to an exchange. O’Neill and Mattila (2004) found that the stability attribution influences a guest’s intention to return. Consumers who intend to attribute the blame on external forces other than themselves are more likely to seek redress from the company, while those who make attribution of blame on or partially on themselves have less intention to seek redress. Based on Folkes’s (1984) work, Blodgett and Granbois (1992) further pointed out that consumers who perceive that the company has control over the cause of the service/product failure but did not make efforts to prevent the failure from happening are more likely to hurt the company’s business by negative word-of-mouth, exit, and third party complaints.

**Consumer personal variables.**

In addition to above mentioned factors, consumer personal inherent variables, also play important roles in determining the complaint behavior. These personal variables include demographic characters of the consumer, his/her personality and attitudes, the emotion he/she has, and the culture he/she resides in.

Demographic characters mainly refer to personal statistics such as income, gender, education, social status, place of residency, ethnicity, and family size. Demographic variables are always examined by researchers studying consumer complaint behavior. However, there are a few contradictions in the past studies. Nevertheless, age, income, and the level of education are
among the most common demographic variables examined for the difference in consumer complaint behaviors. Keng, Richmond, and Han (1995) found these three characters have significant relationships with complaint behavior. Keng et al. (1995) found female consumers are more likely to complain, while Huang, Huang, and Wu (1996) suggested complaints to management and to third parties are more likely to come from males than from females. Speaking of age, Warland, Herrmann, and Willits (1975) noted that younger consumers are more inclined to complain while the elder generations seem to avoid complaining in an assertive manner. Conversely, Keng et al. (1995) and Ngai, Heung, Wong, and Chan (2007) found in their respective studies that older people are more likely to choose public complaint actions than younger consumers are. Andreasen (1988) identified higher education and higher income are positively related to complaint behavior. “Consumer satisfaction surveys and research historically labeled some groups -- poor, less educated, younger, minority consumers - as ‘disadvantaged’ in that they do not complain to a Better Business Bureau (125 offices nationwide) when they have a bad purchase experience.” (Wiley - Blackwell, 2010, para. 2). The same article found that “a consumer's level of education, age, and minority status were not strongly linked to their complaining behavior. However, consumers with lower incomes were less likely to complain as were consumers in rural areas.” (Wiley - Blackwell, 2010, para. 3).

Davidow and Dacin (1997) found in their study that personality related variables comprised 48.3% of the reasons for complaint responses. Some consumers have a higher propensity to complain than others. Richins (1982) argued that assertiveness and self-confidence are important influences on complaint behavior. Richins (1983) further concluded that dissatisfied consumers, who lack confidence in the effectiveness of making complaints, are more
likely to spread negative word-of-mouth. Landon (1977) also suggested that those consumers who take responsibility for their own behavior are less likely to complain.

Jacoby and Jaccard (1981) argued that the consumer’s attitudes toward government (particularly as an entity that exists to protect individual rights) and attitudes toward business (particularly anti-business attitudes) are apparently related to the likelihood of complaint behavior. If they have positive attitude towards complaint behavior, they are more inclined to complain. However, according to Davidow and Dacin (1997), some of the negative attitudes that prevent consumers from complaining are personality related, such as low expectations, and fear of confrontation and intimidation.

Emotions are defined by Hawkins et al. (1992) as strong, relatively uncontrollable feelings that affect one’s behavior; they occur when environmental events or people’s mental processes trigger psychological changes. Emotions affect consumers’ thoughts and thus their behaviors (Hawkins et al., 1992). Mano and Oliver (as cited in Varela-Neira, Vazquez-Casielles, & Iglesias-Arguelles, 2008) stated that emotions would affect consumer satisfaction. Smith and Bolton (2002) also pointed out that emotion is a moderator in consumers’ dissatisfaction level. Bougie, Pieters, and Zeelenberg (2003) have identified that the emotion anger is a full mediator for public complaint behavior and negative word-of-mouth, but a partial mediator for service provider switching behavior.

The consumers’ personality, according to Samli (1995), is shaped by the culture of the society they reside in. Culture also forms the social norm, which greatly forms the behavior of people in the society. Current studies started to pay attention to the culture impact on consumer complaint behavior. For example, Ngai et al. (2007) have identified significant differences between Asian and non-Asian consumer complaint behaviors. Liu and McClure (2001) identified
South Korea as an example of collectivistic culture having a significant influence on consumer complaint behavior. More discussion of the cultural influence on CCB will be discussed in the next section of literature review.

**Consumer complaint behavior in hospitality business.**

The main product provided in the hospitality industry is service. Although hospitality companies sometimes do sell physical products, such as a prepared meal in a restaurant, and/or the massage oil sold at a Spa as a side product, the intangible service composes a major portion of what customers buy from the business. Consumers perceive services in both the quality of the service and how satisfied they are with their experiences (Zeithaml et al., 2006). Service quality is a focused evaluation that “reflects the customer’s perception of: reliability, assurance, responsiveness, empathy, and tangibles” (p. 108), while satisfaction/dissatisfaction is a joint result of “perceived service quality, product quality, and price, as well as situational factors and personal factors” (p. 108). According to Zeithaml et al. (2006), the situational factors in the service situation may include service feature, attributions for service success/failure, consumers’ perception of equity or fairness, and other consumers, family members, and coworkers. The personal factors of service include mostly demographic characters, personalities, and emotions and moods.

Consumer satisfaction/dissatisfaction with a product or service is influenced considerably by the consumer’s evaluation of the product or service feature (Oliver, 2010). For example, in a hotel, important service features include the equipment and decoration in the hotel, especially the guest rooms and public areas such as lobby, bar, and lounge, the convenience of the location of the hotel, the courtesy of hotel employees, and so forth. When consumers are surprised by a service result, which means the service result is either better or worse than their initial expectation,
they tend to search for the reasons, and their judgment of the reasons can affect their satisfaction/dissatisfaction. Zeithaml et al. (2006) argued that for many services, customers should take at least some responsibility for the service results. Consumer satisfaction can also be affected by a consumer’s perception of the equity and fairness during the service.

Consumer emotions or moods can influence their satisfaction/dissatisfaction with service. A bad mood may cause a consumer to overreact or respond negatively to any service outcome. In addition, specific emotions may be generated by the consumption experience itself, and thus in turn affect the consumer’s satisfaction with the service (Zeithaml et al., 2006). Different from physical goods, in hospitality service situations, consumer satisfaction may also be influenced by other people, including other consumers, friends, and family members, or whoever appears in the same service event.

The American Customer Satisfaction Index (ACSI) has consistently shown that consumers are generally most satisfied with manufacturing nondurable goods, a little bit less satisfied with manufacturing durable goods, but least satisfied with services (The American customer satisfaction index, 2010). In the hospitality service industry, customer complaints is an inevitable part but also an invaluable resource for management to identify service problems. Current research found that service quality and satisfaction have significant, negative effects on future complaint intentions (Voorliees & Brady, 2005). Other findings suggested that the degree to which customers are upset and the perceived assurance of management that they will resolve the problem affect whether or not a customer would complain (Su & Bowen, 2001).

Zeithaml et al. (2006) proposed a model of customer complaint actions after a service failure occurs. The service failure would lead to consumer dissatisfaction. With the dissatisfaction as a prerequisite, consumers choose either no complaint action, or complaint action.
The latter is further divided into three categories: complain to provider, negative word-of-mouth, and third-party action.

One interesting phenomenon arises here with regard to some above mentioned studies displaying discrepancy in demographic characters with consumer complaint behaviors are done in different industries. For example, Keng et al. (1995) and Ngai et al. (2007) noted that older people tend to choose public complaint actions more than younger consumers would. Ngai et al. (2007) challenged Andreasen (1988) by stating that people with higher education tend to avoid public complaint behavior. These studies are done in hospitality service industry rather than in manufacturing industry. There is not yet a comprehensive research examining whether there are significant differences among the relationship between demographic characters and complaint behavior in service industry and in non-service industry. Therefore, there is a research gap for others to pursue.

**Culture Influences on Consumer Behavior**

Culture refers to characteristics that individuals in the group have in common such as language, norms, values, religious beliefs, preferences, and other feelings people have about interpersonal relationships (Mellott, 1983). Culture influences one’s behavior towards family, friends, work, education, consuming, etc (Yau, Chan, & Lau, 1999). Plenty of studies have shown that culture has influence on consumer behavior. It is a critical factor that international marketers cannot afford to ignore any longer. Without proper understanding of culture, the marketing effort may not be able to achieve great success. Hall (1976) stated that contextual characteristics of culture influence consumers significantly. Samli (1995) illustrated that an individual’s behavior is conditioned by personality, which in turn is formed by culture. Hawkins et al. (1992) argued that
culture, by way of its values, norms, and traditions, was the major influence on consumers’ lifestyle and thus directly affected their behavior.

One of the most frequently quoted cultural studies in the business world is the Geert Hofstede’s cultural dimensions model (Kolman, Noorderhaven, Hofstede, & Dienes, 2003). The model identifies four primary dimensions to assist in differentiating cultures: Power Distance - PDI, Individualism - IDV, Masculinity - MAS, and Uncertainty Avoidance - UAI. Later, Hofstede added a fifth dimension, the Long-Term Orientation - LTO.

Power Distance Index is the extent to which the less powerful members of organizations and institutions (including family) accept and expect that power be distributed unequally (Hofstede, 2009). The higher position a person in an organization the more power he/she has.

Individualism Index suggests the degree to which individuals are integrated into groups (Hofstede, 2009). In individualistic society, everyone takes care of him/herself and his/her immediate family, while in the opposite collectivistic society, people are expected to put the interests of a collective group or society on top of their individual or their immediate family’s interest.

Masculinity and its opposite, femininity, refer to the distribution of roles between the genders (Hofstede, 2009). The society that values assertiveness and competitiveness is more masculine than the society that values care and modesty, which are the center values for femininity.

Uncertainty Avoidance Index refers to a society’s tolerance for uncertainty and ambiguity. It indicates the extent to which a culture/society programs its members to feel either uncomfortable or comfortable in unstructured situations. People in uncertainty avoiding countries are more emotional (Hofstede, 2009).
Within the Long-term Orientation culture, being thrift and perseverance are highly valued, while the values associated with the opposite Short-term Orientation culture are respect for tradition, fulfilling social obligations, and protecting one's face (Hofstede, 2009).

Among these dimensions, Triandis (1990) noted that the cultural dimension affecting social behavior most is the individualism-collectivism dimension. Individualism is more emphasized in western societies while collectivism is greatly appreciated in eastern societies. This dimension is frequently noted in consumer behavior literatures.

**Cross-cultural differences in consumer complaint behavior.**

The setting for most of the consumer complaint behavior studies has been primarily in western culture. With the rapid globalization of businesses, as well as the recognition of cultural norms, people have begun to realize that the knowledge of consumer complaint behavior in the western culture setting may not be transportable to non-western markets. Thus, recently, more studies started to pay attention to the cross-cultural differences in consumer complaint behavior.

Watkins and Liu (1996) suggested that a consumer’s behavioral response to post-purchase dissatisfaction is likely to be affected by their culture, especially the individualism-collectivism dimension. People in collectivistic culture tend not to express their emotions and feelings externally, particularly with negative emotions; they would rather discuss them in an intimate social setting (Markus & Kitayama, 1991). Liu and McClure (2001) also stated there are significant differences between individualistic and collectivistic cultures when it comes to consumer complaint behavior. In highly collectivistic countries such as South Korea, China, and Japan, consumers might find it disturbing to voice their complaints.

In an empirical study to examine the difference between American and South Korean consumer complaint behavior, Liu and McClure (2001) found that the American consumers
voiced their dissatisfaction to the company remarkably more frequently than their South Korean counterparts did. There is also significant difference among the private actions between the two countries. South Korean consumers have much higher rates in both exiting and negative word-of-mouth communication than American consumers.

**Cross-cultural differences in CCB in the hospitality industry.**

Studies have shown that customers from different cultural backgrounds perceive service quality differently (Becker, Murrmann, Murrmann, & Cheung, 1999; Mattila, 1999) and have different complaint behaviors and intentions (Liu & McClure, 2001). For example, both collectivistic and high uncertainty avoidance cultures tend to discourage complaining behavior.

In her study of the hospitality area, Mattila (2000) argued that consumers’ evaluations of service encounters might be culturally related. She found that Asian travelers in general tend to give lower ratings to the service provider. Consumers’ cultural backgrounds can affect how they experience service and evaluate service failure (Becker, 2000). Liu, Warden, Lee, and Huang (2001) stated consumers from different cultures exhibit different complaint behaviors in the hospitality setting. Currently, consumer complaints in the hospitality industry have started to receive empirical attention. However, not much cross-national research has been done in this area (Mueller, Palmer, Mack, & McMullan, 2003).

In a cross-national study analyzing the complaint behavior of tourists from Turkey, Britain, Netherland, and Israel, Yuksel, Kilinc, & Yuksel (2006) concluded that compared to British and Turkish travelers, Dutch and Israeli tourists are unlikely to forget or ignore service failure incidents and thus are more likely to engage in some sort of complaint actions. They are also keen to go through a third party to complain.
Based on Hofstede’s culture dimensions, Huang et al. (1996) conceived that hotel customers from a culture with high power distance may perceive unsatisfactory services as a fact of life and thus are less likely to complain. They also posited hotel customers from a culture that has a high masculinity score prefer to get things straight and thus are more likely to express their complaints; on the contrary, hotel guests from a less masculine culture are less likely to complain. Similar to the findings of Liu and McClure (2001), research by Huang et al. (1996) also suggested that in an individualistic society, consumers would complain directly to the hotel or a third party agency more than consumers would in a collectivistic culture.

In being consistent with previous studies, Ngai et al. (2007) indicated that there is a link between “complaint encouraging factor” and consumers’ nationality. In their empirical study of analyzing consumer complaint behavior of Asians and non-Asians in hotel services, they found that Asian customers with the high power distance cultural feature are not as likely as non-Asian customers to complain directly to hotel management. When service failure occurs, Asian consumers from collectivistic cultures are prone to attribute it to external causes and thus are less likely to voice complaint. Due to the high uncertainty avoidance and collectivism cultural background, Asian consumers tend to be more concerned than their counterparts in non-Asian cultures of losing face when they make complaints, and thus are less likely to adopt public complaint methods, which may carry a higher risk of losing face. Additionally, the high uncertainty avoidance tendency causes Asian consumers to avoid risk taking. Therefore, if they are not aware of any complaint channels, they are more likely to avoid complaining, while a majority of non-Asian respondents would try to find ways to complain.

Yet, even within Asian cultures, different countries still have different culture features and thus consumer complaint behavior in these countries may differ from each other. Kim and Lynn
(2007) noted that consumer complaint behavior is not the same when the complaint behaviors of
Japanese, Chinese and Korean consumers in restaurant services are compared with each other.
Therefore, it is necessary to examine each country’s culture and its influence on complaint
behavior of consumers from that specific country.

**Chinese Culture on Consumer Behavior**

**Chinese culture.**

According to the Hofstede culture dimension model, China has a very high Long-term
Orientation (LTO) and Power Distance (PDI) ranking, while it ranks very low in the
Individualism (IDV) (Hofstede, 2009). He pointed out that a society with very low IDV score
fosters strong relationships where everyone takes responsibility for fellow members of their group;
loyalty is paramount. The high PDI China has indicates that a high level of inequality of power
and wealth within the society. Such an inequality has expanded while the current economy
continues to grow at a high speed.

However, Yau et al. (1999) pointed out that Hofstede’s classification is “either too
succinct to be used in studies that deal with consumer behavior and other micro-phenomena
leading to managerial implications, or it lacks both face and content validation” (p. 100). The
authors further noted that omission of some important Chinese culture variables such as yuan
(yuanfen) and bao (baoying) makes the classification less meaningful and should not be used to
represent the Chinese culture. Still, Hofstede’s classification has its value in providing a general
idea of culture structure in understanding Chinese consumers.

In general, the Chinese culture deeply roots in the Confucianism, which has been the
dominant education and philosophy for over two thousand years, and still plays an important role
in Chinese daily life. A great part of Chinese cultural values are based on and created from interpersonal relationships and social orientations (Yau, 1994a).

Yau (1988, 1994b) identified dimensions of Chinese cultural values were: interdependence, continuity/respect for authority, harmony with the universe, harmony with people, sincerity/suspicion, bao (baoying), group-orientation, face, abasement and past-orientation. The author also found Chinese cultural values have a direct effect on both consumption expectations and satisfaction. Wang (2009) also pointed out that under the Chinese cultural influence, consumers believe in yuanfen (fate), and emphasize on face, zhongyong (the doctrine of the mean or moderation), and being modest; they seek the harmonious relationship with others; their psychological cost of complaining is relatively high.

After integrating all the above mentioned literature together, here are the most prevailing Chinese cultural values: face, harmony, guanxi, bao (baoying), yuan (yuanfen), and zhongyong. Each of these values, together with their inherent meanings, is explained below.

Face is the most distinguished Chinese cultural value. Chinese are extremely sensitive to maintaining face in every aspect of daily social life (Yau et al., 1999). The concept of face contains two parts – lian and mianzi. According to Hu (1944), lian is the respect to a person from a group; it represents the “confidence of society in the integrity of the ego’s moral character, the loss of which makes it impossible for him to function properly within the community” (p. 45). Mianzi “stands for the kind of prestige life, through success and ostentation” (p. 45). Since China is a collectivistic society with the emphasis on the group and authority rather than individuals, gaining and protecting one’s face is crucial, especially in front of the person’s family and friends.

Harmony is defined as a person’s internal balance as well as the balance between individuals and the natural and social surroundings in Chinese culture (Hoare & Butcher, 2008).
Maintaining harmony is vital in Chinese society and people would try best to achieve it. Hoare and Butcher (2008) pointed out the pursuit of harmony is reflected in the Chinese collectivistic culture of conforming to group norms. Harmony and conformity have strong influences on Chinese people’s daily lives.

The word guanxi has been literally translated to relationship in English. However, the inherent meaning of guanxi is more complicated than relationship. This word is composed of two characters, guan and xi. Guan means relating while xi means bonding. Thus, combining them together means the social relationship between two people under some type of bonding (Yau et al., 1999). Yau et al. (1999) explained the social bonding includes: relatives; people from the same town; classmates; colleagues; heirs of friends for more than two generations; people who share the same hobbies; past bosses and subordinates; people who were taught by the same teacher; past students taught by oneself; members of the same school or clan; acquaintances and friends. These bonds have served to control social behaviors in a society. They form social norms that people have to act accordingly (Yau et al., 1999).

The complete word of bao is baoying. The meaning of baoying also carries over the English translation as reciprocity. If a person gives a favor to another, the receiver then carries the obligation to repay it. However, Chinese believe the repayment should be made at the right time when both givers and receivers can be benefited, rather than in an immediate manner. Also, the repayment of the favor usually should be bigger or more valuable than the one he/she received. When a person gives a favor, no matter if it is some sort of help or gift, he/she often does not have an explicit and specific purpose at that time, but he/she may have a general idea of establishing a long term relationship with the receiver (Yau et al., 1999). Unlike reciprocity, baoying can be either positive or negative. This Chinese word also includes the concept of karma, which derives
from Buddhism and basically means that the external supernatural force which is beyond human control, would eventually reward or punish a person or an entity based on the person’s or the organization’s good or bad behavior.

Yuan stands for yuanfen. It is an important belief, which has long been rooted in Chinese hearts (Yau, 1994a). It refers to predetermined relationships with other things or other people. Such relationships are out of one’s control. Yau (1994a) indicated that in social psychological terms, yuanfen is a particular case of the theory of attributions, in which people attribute their failures to external forces.

Zhongyong, the doctrine of the mean, refers to no inclination to either side, which means to avoid extremes. It relates to achieve a person’s internal harmony by regulating his/her passions and impulse. In other words, it is a high degree of self-control.

**The Chinese culture influences on Chinese CCB.**

Yau (1988) noted that Chinese concern for the zhongyong leads to a high degree of self-control, at least in public; taking public action is a serious matter. As a result, traditionally, Chinese consumers seldom would take public action when they are dissatisfied. Legal action, regarded as an extreme behavior, is normally avoided by Chinese (Yau, 1994a).

Le Claire (1993) pointed out there is a common conception contained in the literature of the Chinese consumers as reluctant to complain when dissatisfied with goods or services. Such a behavior can be attributed to the pervasiveness of four Chinese cultural values: social harmony, moderation, face, and baoying. Complaining is considered a violation of social harmony. The moderation concept is just another translation of zhongyong - self-control and avoiding extreme behaviors. The confrontation brought by complaint behavior is considered as a risk to lose one’s face. Some people who believe in baoying might choose not to complain since the company or
seller would receive some sort of punishment eventually. Additionally, Le Claire (1993) revealed that the most popular means of complaint is face-to-face and through telephone, while legal action is the least likely to be used.

**The Chinese CCB in the hospitality industry.**

There are very limited studies regarding the Chinese consumer complaint behavior in the hospitality industry. Le Claire (1993) found one third of respondents in her survey chose to complain in order to improve an unsatisfactory service. Again, her study also proves that if consumers have experienced successful complaint before, they are highly likely to complain if they experience similar dissatisfaction. Lam and Tang (2003) indicated that most Hong Kong Chinese customers of hotel restaurants are likely to adopt private complaint behaviors and cease to patronize the restaurant. Lee and Sparks (2007) mentioned that in Chinese culture, the attributions for the cause of a service failure (perceived by customers) might be directed toward yuanfen or fate instead of factors within the control of the service provider. Therefore, those who believe in yuanfen may be less likely to complain.

Although Yau’s (1994a) work has provided useful insights into the influence of prevalent Chinese cultural values on Chinese consumer behavior, it was based on tangible goods but not services. The previous literature review has already mentioned that hotel customers from a culture with large power distance, or high in collectivism are less prone to complain (Huang et al., 1996). According to Hofstede (2009), China scores very high in both power distance and collectivism indexes. Therefore, we can safely deduct that in general, Chinese consumers in the hotel service setting are less likely to complain when they experience service failure and dissatisfaction.
Lee and Sparks (2007) offered a deeper understanding of the cultural values that Chinese consumers hold in hospitality service failure and service recovery. This research revealed five key value themes in Chinese consumer complaint behavior with hospitality services. They are face protection, issue of equity, valued customer, junzi aspiration, and social harmony. Each of them is illustrated below.

Face protection is the number one important issue in service failure situations. Lee and Sparks (2007) stated the face protection does not only apply to the protection of the consumer’s own face, but also the other party’s face, specifically, the group the consumer is with during the service event. The desire to protect face would limit a consumer’s complaint intension or efforts.

Issue of equity means the service quality has to be equal to and match what consumers have paid for. The demanded equity in the complaint behavior embraces the cultural value of zhongyong. When the service failure occurs, a reasonable person is the one who has self-control and asks for only what is fair and just (Lee & Sparks, 2007). Demanding beyond what is fair would break the equity as well as the zhongyong doctrine.

In terms of the valued customer theme, Chinese customers “perceive themselves as being treated as a valued customer in negative service exchanges if service providers do not discriminate against them…, extend a sincere apology to them, demonstrate efforts with service recovery,…in an honest, trusting, and proprietary manner” (Lee & Sparks, 2007, p. 517). This theme is very similar to universal values held by western consumers.

Junzi refers to an ideal person projected by Confucius, a noble or cultured person, and a moral exemplar who carries the virtue of ren, which is being benevolent. Lee and Sparks (2007) argued that when service fails or a confrontation occurs, a person who aspires to be a junzi, may try to restrain his/her behavior to avoid conflict and maintain harmony. It implies that it is
possible to avoid confrontation if the parties involved retreat. Thus, Chinese consumers may choose such a non-confrontation strategy under the aspiration to be a junzi.

Lee and Sparks (2007) noted that social harmony might be achieved if the aggrieved party shows “goodwill, diplomacy, patience, understanding, and tolerance toward the service provider and vice versa” (p. 519). By showing goodwill and tolerance, the aggrieved party may obtain the other party’s reciprocity. Therefore, the baoying culture value is also embraced here.

The study of Cheng and Lam (2008) provided strong evidence of the significance of the social norm guanxi in Chinese behaviors, particularly in their complaining behaviors. The longer and stronger guanxi is between a dissatisfied Chinese consumer and the hospitality service provider, the more likely the consumer is going to complain to the service provider.

**The difference in complaint behavior among different demographic characters.**

Previous literature review has shown that consumer complaint behavior varies by demographic characters. A few studies on Hong Kong Chinese have demonstrated that younger consumers who have a higher education background and a higher income level, are more likely to actively engage in vocal public complaint behavior (Heung & Lam, 2003; Lam & Tang, 2003). Lam and Tang (2003) also found out that female Hong Kong Chinese consumers are more likely to voice their dissatisfaction than their male counterparts are. Additionally, Bai (2009) pointed out that when travelers are dissatisfied with the hospitality experience, males are more likely than females to adopt negative word-of-mouth and complain to the government administration institute.

**The difference in complaint behavior between business travelers and tourists.**

On the other hand, the purpose of travel, either business or leisure, may also cause consumers to choose different complaint behavior. Yet there is not much existing research on the relationship between Chinese travel purposes and their compliant behavior in the hospitality
services. A study by Wang, Vela, and Tyler (2008) did show that both leisure tourists’
expectations and perceptions of the service are considerably different from those of business
travelers, especially in terms of service feature.

Conclusion

Despite the considerable amount of studies devoted to consumer complaint behavior, the
study of CCB in the hospitality industry is generally a new field. Culture has been identified as an
important factor influencing consumer complaint behavior in the hospitality industry.
Nevertheless, there is very limited amount of studies done to examine the Chinese cultural impact
on the CCB decision-making and choice of complaint response in the hospitality industry.
Therefore, there is a need for a conceptual model to integrate all the attributes of consumer
complaint behavior in the hospitality industry with the Chinese cultural values.
Part Three

Introduction

Based on the literature review, this part presents a conceptual model of Chinese consumer complaint behavior in the hospitality industry. All the factors influencing a Chinese consumer’s CCB decision-making as well as his/her specific CCB response choice will be examined in a Chinese cultural setting. Based on such analysis, detailed propositions will be put forth.

Dissatisfaction is the prerequisite of CCB. There are numerous factors influencing a Chinese consumer’s dissatisfaction level. Thus, these factors will also be discussed. In addition to dissatisfaction, the establish research have identified a set of various factors influencing consumer complaint decision-making in the hospitality industry. These factors can be divided into two groups: the non-individual factors and the consumer’s individual factors. The non-individual factors include contextual factors and attritions (stability, locus, and controllability). They have more influence on the CCB decision-making. On the other hand, the individual factors have an impact on both Chinese consumers’ CCB decision making and choice of specific CCB response. Later, the prevailing Chinese cultural values and their impact on specific CCB response will be illustrated.

Conceptual Model

Figure 1 on the following page presents a conceptual model to demonstrate the relationships between CCB determinant factors and Chinese CCB decision-making and response choices.
Figure 1. The conceptual model of Chinese CCB in the hospitality industry.

+ represents an encouraging effect or adds importance to a factor. - represents a discouraging effect or lessens the importance of a factor. ↓ represents a constraint behavior by that cultural value on a certain CCB response. Double frame represents a factor that plays a significant role in CCB decision making. Dotted frame represents a factor having a weak impact on CCB decision making or the least preferred CCB response. Dotted arrow means either a cultural value would lessen the influence of a factor, or a factor would discourage CCB decision making or a certain CCB response.
**Chinese Consumer Dissatisfaction**

It has been proved by numerous studies that consumer complaint behavior (CCB) is triggered by feelings of perceived dissatisfaction with the products/services (Day, 1984; Landon, 1980). The perceived dissatisfaction is the prerequisite for consumer complaint behavior (Singh, 1988). However, it does not mean that dissatisfaction would always lead to behavioral complaint actions. Studies have found that a large portion of dissatisfied consumers do not take any action to deliver their dissatisfaction (Best & Andreasen, 1977; Day & Landon, 1977; Singh, 1988; Boradbridge & Marshall, 1995). Although Best and Andreasen (1977) stated that consumers seem to experience a greater dissatisfaction with services than with tangible goods, it still does not indicate dissatisfaction would necessarily cause consumers to adopt complaint actions in the hospitality service environment. Hence, the first proposition is made as follow:

P1: Dissatisfaction is only a prerequisite and hence a factor in CCB decision making in the hospitality industry.

Some studies have paid attention to the relationship between different cultures and satisfaction levels. Yau (1988) has argued that Chinese consumers are generally less dissatisfied with product and service failures because they are more submissive to fate. Chan, Wan, and Sin (2006) found that “a fate-submissive value that conduces fatalistic thinking has an attenuating effect on dissatisfaction” (p. 533). Hence:
P2: The belief in yuanfen (fate) would moderate the dissatisfaction when service failure happens.

Figure 3. The impact of the yuanfen value on consumer dissatisfaction.

According to Hoare and Butcher’s (2008) study on restaurant services, face and harmony values influence Chinese consumers’ satisfaction with the service. Chan et al. (2006) stated “a face-conscious value that emphasizes a positive public self-image has an aggravating effect on dissatisfaction” (p. 533). Therefore:

P3: If the service failure event would threaten the Chinese consumers’ face, their dissatisfaction would increase.

Figure 4. The impact of face value on consumer dissatisfaction.

In the hospitality service context, Zeithaml, Bitner, and Gremler (2006) pointed out consumer dissatisfaction with service is a joint result of “perceived service quality, (service related) product quality, and price, as well as situational factors and personal factors” (p. 108). The perceived service quality has five elements: reliability, assurance, responsiveness, empathy, and tangibles. Studies have shown that customers with different cultural backgrounds perceive service quality differently (Becker, Murrmann, Murrmann, & Cheung, 1999; Mattila, 1999). By analyzing the five elements of service quality under each of the five culture dimensions developed
by Hofstede (2009), Furrer, Liu, and Sudharshan (2000) also suggested the importance of these five elements differ among different cultures. Therefore:

P4: Chinese culture affects Chinese consumers’ perception of service quality in the hospitality industry. See Figure 5.

There hasn’t been any specific study related to the Chinese culture and the price perception in the hospitality industry. Nevertheless, the study by Watchravesringkan, Yan, and Yurchisin (2008) using college student samples revealed that consumers in Eastern Asian countries including China are more value conscious. They also suggested that Chinese tend to assume there is a positive link between high price and high quality; expensive products associated with high social status, authority and prestige may be more appealing to Chinese consumers. Zeithmal et al. (2006) also mentioned services have the ability to fill all the needs in Maslow’s need hierarchy system; the higher level the needs in the system are, the more important the service becomes.

P5: Chinese consumers in the hospitality industry are value conscious; meanwhile, having paid a high price, they would expect high service quality, which can fill their social needs, ego needs, and self-actualization needs. See Figure 5.
Heung (2000) found that “Service quality and value” and “Augmented product quality” are the most important factors affecting overall satisfaction levels of Chinese customers from mainland China in Hong Kong hotel services.

P6: Service quality, value, and service related product quality have significant influences on the Chinese consumer’s satisfaction levels. See Figure 5.

The situational factors include service feature, attributions for service failure, perceived equity or fairness, and other people around. In a study of Chinese tourists’ perception of UK hotel services, Wang, Vela, and Tyler (2008) revealed that most Chinese hotel customers have high expectations on hotel service features. They prefer modern decorated and furnished hotel settings with long and convenient service hours. Hotels with a small gate were even perceived as having a zero star rating.

P7: Service feature has strong influences on the dissatisfaction level of Chinese consumers.

See Figure 6.

![Figure 6. The relationship between the situational factors and Chinese consumer’s dissatisfaction level.]

Lee and Sparks (2007) mentioned that with the influence of Chinese culture, the attributions for the cause of a service failure (perceived by customers) might be directed towards
yuanfen or fate, rather than factors within the control of the service provider or the consumer. Thus, the consumer may feel less dissatisfied when service failure occurs.

P8: Under the cultural value of yuanfen, Chinese consumers may attribute the service failure to yuanfen and thus their dissatisfaction may be alleviated. See Figure 6.

In Lee and Sparks’ study (2007), they found many Chinese consumers desired to be treated fairly and equally in a hospitality service context. They suggested Chinese consumers’ dissatisfaction would arise if a service outcome were not equal to their input in a service situation. Ooi (2007) also indicated that Chinese consumers would become aggressive when they feel they are being “snubbed” by the service provider. Therefore,

P9: Perceived equity or fairness would affect Chinese consumers’ dissatisfaction level in the hospitality service setting. See Figure 6.

Other people include other consumers, family, friends, and co-workers around the consumer during service consumption. Renao, which is literally translated as hot, noisy and crowded in English, actually means a positive consumption environment in Chinese society. It relates to individuals obtaining a sense of social security through belonging to a social group at the consumption location (Warden & Chen, 2009). Other people on the consumption site are the key component of renao, which in turn plays an important role in attracting consumers to join and enjoy the consumption environment. On the other hand, in a highly collectivistic social environment, Chinese consumers are highly likely to comply with others’ opinion. Hence,

P10: The feeling and degree of dissatisfaction of Chinese consumers are more likely to be affected by other people. See Figure 6.

The personal factors of service include demographic characters, personality, emotion and mood, as well as consumer’s travel purpose as either leisure or business. There is no study
specifying the relationship between Chinese consumers’ demographic characters and their satisfaction level in the hospitality industry. General studies in the demographic characters and their influence on consumer satisfaction may give us a hint. According to Vikas and Wagner (2001), female consumers have a higher satisfaction level than their male counterparts; people who are over 60 years old have a higher satisfaction rating than younger people. They also pointed out education level matters as well - consumers with some college or more education give lower satisfaction ratings than those with only a high school education or less; yet people with postgraduate education have a higher satisfaction level than people with some college education.

Studies did show there is a link between personality and satisfaction level (Costa & McCrae, 1980; Mooradian & Olver, 1997). Generally speaking, people with an extrovert personality demonstrate a higher level of satisfaction than people who are introvert. On the other hand, studies have proved that emotions influence a consumer’s satisfaction/dissatisfaction level (Mano and Oliver’s work as cited in Varela-Neira, Vazquez-Casielles, & Iglesias-Arguelles, 2008; Zeithaml et al., 2006). Smith and Bolton (2002) further argued that emotion plays a role as a moderator in consumers’ dissatisfaction level. Therefore, we propose:

P11: Demographic characters and personalities would affect a Chinese consumer’s dissatisfaction level with the service. See Figure 7.

P12: Emotions and moods do have moderate influence on consumers’ dissatisfaction level. See Figure 7.
Figure 7. The relationship between Chinese consumers’ personal factors and their dissatisfaction level.

Whether a consumer’s travel purpose would have impact on his/her satisfaction level is a new area of research. Wang et al. (2008) showed that both leisure tourists’ expectations and perceptions of service are considerably different from those of business travelers.

Satisfaction/dissatisfaction is always about the equation between expectation and perception. Consequently:

P13: Whether the Chinese consumer is a leisure or a business traveler would affect his/her dissatisfaction level with the service. See Figure 7

Non-individual Factors

Contextual factors.

The contextual factors referred here are different concepts from the situational factors affecting a customer’s dissatisfaction level discussed above. They include the importance of the service, the perceived value (the relationship between costs and benefits) of complaint, the likelihood of a successful complaint, store/brand loyalty, and the company’s attitude towards consumer complaints.
Blodgett and Granbois (1992) proposed that product importance provides a motive for consumer to complain. Thus we can posit that the importance of service - intangible product - is also a factor influencing consumer CCB decision. Since hospitality service always involves interactions among people, it inherently associates with the Chinese cultural value face, which is the number one social concern for the Chinese consumer. The face concept is related to the perceived importance of a service. The more desire a consumer has on maintaining or even increasing his/her face during a service event, the more important the service is to him/her. Therefore:

P14: The importance of service is a strong factor affecting Chinese consumers to make a CCB decision. See Figure 8.

Figure 8. The contextual factors influencing Chinese CCB decision-making.

The perceived value of complaint is basically an equation between costs and benefits of complaint. According to Andreasen (1988), these costs and benefits can be both economic and psychological, such as money and time invested in the complaining process, and the psychological discomfort provoked by the complaint. Wang (2009) mentioned the psychological cost of complaining is relatively high among Chinese consumers. One the other hand, Landon (1977)
argued that when the perceived benefits of complaint are large, consumers might complain even with a low level of dissatisfaction. As indicated earlier, Chinese consumers are highly value conscious, therefore:

P15: The perceived value of complaint is a significant factor influencing Chinese consumer’s CCB decision-making in the hospitality setting; since the overall cost of compliant is relatively high to Chinese consumers, the benefit needs to be large enough to encourage them to complain. See Figure 8.

Numerous studies have proved that the perceived likelihood of a successful complaint is one of the determinants for consumer to make CCB decisions (Blodgett & Granbois, 1992; Blodgett, Granbois, & Walters, 1993; Jin, 2010). Dong and Chen (2006) stated that high uncertainty avoidance cultural feature of Chinese affects their consumption behaviors. The greater the possibility of success, the less uncertainty involved, thus the more likely consumers are going to make a complaint.

P16: The uncertainty avoidance cultural feature would add weights to the possibility of successful complaint factor in influencing Chinese consumer’s CCB decision-making. See Figure 8.

Store/brand loyalty also plays a role in determining the CCB decision. Yau (1988) argued that Chinese consumers tend to be more brand loyal than consumers in western society. Studies have found that loyal customers are more likely than non-loyal customers to voice their complaint to the company (Blodgett & Grandois, 1992; Maute & Forrester Jr.’s work as cited in Zaugg & Jäggi, 2006). Thus:

P17: The loyalty of Chinese consumers towards a hospitality business would influence their CCB decision-making in the hospitality setting. See Figure 8.
Previous research has well documented that a company’s attitude towards consumer complaints would affect consumer’s CCB decisions (Day & Landon, 1977; Blodgett & Granbois, 1992; Blodgett et al., 1993). A welcoming and encouraging attitude of a company, including providing convenient channels for complaining, would prompt dissatisfied consumers to voice directly to the company. Chinese are generally very face conscious and shy when it comes to a complaint. The more positive attitude towards complaints from the company, the more likely the company is to reduce consumers’ concern of losing face and voice their dissatisfaction. Thus:

P18: A welcoming and encouraging attitude of a company towards complaints would have a positive influence on Chinese consumer’s CCB decision making. See Figure 8.

Attributions.

The attribution theory also plays a role in influencing a consumer’s CCB decision-making. Attributions contain three dimensions: stability, locus/locus of control or attribution of blame, and controllability.

In hospitality industry, services generally are less stable than goods due to service’s unique characteristics - intangibility, perishability, simultaneity, and heterogeneity (Zeithaml et al., 2006). In general, research findings pointed out that if consumers believe a service failure is due to the provider (external locus), possible to happen again (stable), and could have been avoided by the provider (controllability), they are more likely to complain (Folkes, 1984). Yet, the belief of yuanfen (fate) might lead Chinese consumers to attribute the locus to fate and luck, a force out of human being’s control and thus moderate their intention to complaint.
Individual Factors

Individual factors refer to the specific situation of a particular consumer in a service failure context. They include not only the consumer’s personal factors - demographic characters, personalities, emotions and moods, but also elements such as a consumer’s knowledge of complaining, previous complaining experience, and attitude towards complaint.

Studies have indicated that younger Chinese consumers who are well educated and earn a higher level of income tend to prefer public vocal complaint response (Heung & Lam, 2003; Lam & Tang, 2003). Gender-wise, female Hong Kong Chinese consumers are more likely to voice their dissatisfaction than male consumers (Lam & Tang, 2003) are; while males are more likely than females to adopt negative word-of-mouth and complain to the government administration institute. So we can posit:

P19: Chinese consumers’ CCB decision-making and choice of complaint response vary by their demographic characters. See Figure 10.
Richins (1982) argued that assertiveness and self-confidence are important positive influences on the complaint behavior. A person who is assertive and self-confident is more likely to adopt vocal complaint actions. However, under the profound influence of both Confucianism and the secondary philosophy Daoism, Chinese are in general modest rather than assertive. According to Russell (1922), Chinese “have an imperturbable quiet dignity, which is usually not destroyed even by a European education…their pride is too proud to be self-assertion” (p. 117). Although as a nation the Chinese have enough confidence, when it comes to individual self-confidence, the prevalent typical Chinese family and school education style does not do a good job to shape a person’s self-confidence. Thus, compared with westerners, Chinese generally are less assertive and less self-confident.

P20: The Chinese personality in general does not encourage public complaint actions. See Figure 10.
General studies have identified that the emotion anger is a full mediator for public complaint behavior and negative word-of-mouth, but a partial mediator for service provider switching behavior (Bougie, Pieters, and Zeelenberg, 2003). Wang, Li, and Yu (2008) pointed out the emotions Chinese consumers have after consumption would affect their choice of complaint channels. Thus,

P21: Emotion is a factor influencing Chinese consumer’s complaint decision-making and choice of complaint response in the hospitality industry. See Figure 10.

Dong and Chen (2006) pointed out that high uncertainty avoidance is one of the core dimensions affecting Chinese consumption behaviors. The uncertainty involved in complaining would be lowered if consumers were knowledgeable about complaining. Likewise, a consumer’s previous complaining experience would also lower the uncertainty of complaining and make the results more predictable. Thus, it affects whether consumers would adopt any complaint action and which action to use. Le Claire (1993) also proved in her study that Chinese consumers are more likely to complain if they have previous successful complaint experience. Generally, a consumer who has a positive attitude towards complaining would be more likely to adopt some type of vocal complaint action. Conversely, a consumer who has a negative attitude towards complaining would be more likely to do nothing or engage in a private complaint action. However, contrary to previous studies, a more recent empirical study conducted in restaurants in Shanghai, China, Cheng and Lam (2008) found out that an individual’s attitude towards complaint is not a determinant of CCB. In short, the following propositions can be advanced:

P22: Chinese consumers’ knowledge of complaining has a positive impact on their CCB decision-making. See Figure 10.
P23: Chinese consumers’ previous complaint experience has a positive impact on their CCB decision-making. See Figure 10.

P24: Chinese consumers’ personal attitudes towards complaining do not have a significant impact on their CCB decision-making. See Figure 10.

The Impact of Chinese Cultural Values on Different CCB Responses in the Hospitality Industry

Based on the work of Day and Landon (1977), Day (1980), Singh (1988), Broadbridge and Marshall (1995), Davidow and Dacin (1997), and Zeithaml et al. (2006), the possible CCB responses in the hospitality industry can be divided into three broad categories: no action, private actions and public actions. Private actions can be further divided into negative word-of-mouth (WOM), which includes warning others, and discontinued patronage. Public actions include direct complaining to the service provider, complaining to a third party agency, and legal action.

Figure 11. The CCB responses in the hospitality industry.

From the previous literature review, we have identified a few Chinese values that have significant influences in determining specific Chinese CCB responses - the complaint choices - in
the hospitality industry. These values are face, social harmony, yuanfen, baoying, guanxi, and zhongyong. The second level of the conceptual model is comprised of the impact of each value on the choice of specific CCB response.

Face is the most crucial concern for Chinese consumers. Protecting and maintaining their own and their group’s face is extremely important in Chinese social life. Publically voicing complaints places a risk at losing the consumer’s own and his/her group’s face. Lam and Tang (2003) also proved that most Hong Kong Chinese customers of hotel restaurant services are more inclined to engage in discontinuing patronage, negative word-of-mouth or no action.

P25: The desire to maintain face causes Chinese consumers to be more likely to engage in no action or private actions, and to avoid public actions.

![Figure 12](image-url) The impact of the face value on Chinese CCB response.

The pursuit of social harmony is reflected in the Chinese collectivistic culture (Hoare & Butcher, 2008). Chinese would try their best to maintain the harmony of the society. However, the confrontation in public complaint behaviors, especially the legal action, is considered by Chinese as a violation of social harmony. Hence:

P26: Public actions, especially legal action, are considered a violation of social harmony, and thus are less preferred by Chinese consumers.
As mentioned earlier, the belief in yuanfen (fate) might lead Chinese consumers to attribute the blame of service failure to fate - the external supernatural force outside of human being’s control. Thus, they tend to view the service failure is set for them.

P27: The belief in yuanfen would prevent Chinese consumers from taking any actions.

Baoying includes both reciprocity and karma. It leads to two directions. Lee and Sparks (2007) pointed out during a direct complaint to service providers, by showing good will, understanding and tolerance, the aggrieved consumer would gain reciprocity from the service provider. On the other hand, consumers may choose to simply discontinue their patronage since the cycle of karma would eventually punish the service provider for its bad treatment to consumers.
P28: Baoying may lead Chinese consumers into two ways in CCB responses: discontinue future patronage, or constrain their behaviors during a direct complaint to gain reciprocity.

![Figure 15. The impact of the baoying value on Chinese CCB response.](image)

Chinese are not used to expressing their feelings and thoughts to non-familiar people. Cheng and Lam (2008) suggested the longer and stronger guanxi (relationship) is between the dissatisfied Chinese consumer and restaurant, the more likely the consumer is going to complain to the restaurant’s management. Thus:

P29: Guanxi, contrary to other cultural values, has a positive influence on Chinese consumer CCB decision-making and would lead to a direct complaint to management.

![Figure 16. The impact of the guanxi value on Chinese CCB response.](image)
Zhongyong value refers to the avoidance of extreme behaviors. It is a virtue that involves a high degree of self-control to achieve a person’s internal harmony. Under the zhongyong value influence, Chinese consumers would maintain self-control when service failure occurs; extreme behaviors such as taking legal action are least likely to be considered. It does not mean that zhongyong encourages no action or private action. A study on Chinese college students revealed that under the zhongyong cultural value influence, people tend to prefer cooperation and compromise when conflict arises instead of avoidance of the problem (Wang, Wu, Liang, & Chen, 2005). We may imply that people with zhongyong cultural value may still choose public complaint behavior, such as direct complaint to the service provider or to third party agencies. Hence:

P30: Zhongyong value leads Chinese to avoid using legal action and to maintain self-control during a direct complaint to either service provider or third party agencies.

Figure 17. The impact of the zhongyong value on Chinese CCB response.

Conclusion

Complaint behavior is a complex process. This paper has proposed a conceptual model to identify all the possible factors influencing Chinese consumer complaint decision-making and
his/her specific choice of complaint response. Complaint behavior starts with dissatisfaction as a prerequisite. There are numerous factors influencing a consumer’s dissatisfaction level. The Chinese culture may start to influence Chinese consumer complaint behavior from the dissatisfaction stage. The model examines contextual factors, attritions, and consumer’s individual factors that would affect a consumer’s complaint decision-making, as well as the Chinese cultural value impact on these factors. The model also posits the prevalent Chinese cultural value influences on specific complaint response choice. Overall, the Chinese culture may have significant influences on Chinese consumer complaint behavior in the hospitality industry. In general, under the Chinese culture influence, Chinese consumers are more likely to choose private actions over public actions. Therefore, in order to understand Chinese consumers and provide better services, hospitality practitioners need to put forth more efforts to encourage Chinese to voice complaints directly to them. An easy complaint channel and a welcoming attitude towards complaints is the first step. For example, for hospitality providers outside of the Chinese boundary, they may establish a complaint hotline in Chinese language, collect customer satisfactory questionnaire from the travel agencies arranging Chinese travelers, or even designate a person who speaks Chinese language to solve Chinese consumer complaints. Once the reason of the Chinese consumer’s dissatisfaction is identified, the service provider needs to respond quickly and provide a solid service recovery. On the other hand, there will always be some complaints delivered in private ways, particularly the negative word-of-mouth. Since the social networking sites are fairly popular in China nowadays, the service provider may consider collecting and responding to this type of complaints via social media.

Furthermore, this model points out directions for future empirical research to collect actual data to verify all the propositions demonstrated in the model. There may be some other variables
influencing Chinese consumer complaint behavior that are not included in this model. For instance, the profession of a consumer may be a variable that existing research has not taken into account in CCB studies. Since China is a large country in terms of geography, Chinese consumers in different geographic areas may also demonstrate various complaint behaviors. In addition, the rapid social change, particularly the popularization of western culture, might wear out the influences of Chinese culture on Chinese consumer complaint behavior. Therefore, the study of Chinese consumer complaint behavior should intertwine with the studies of the current Chinese social situation.
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