CUSTOMER RESPONSE TO DISSATISFACTION

Jodie L. Ferguson
Doctoral Student
Department of Marketing
J. Mack Robinson College of Business
Georgia State University
PO BOX 3991
Atlanta, GA 30302
jferguson@gsu.edu

Wesley Johnston
Department of Marketing
J. Mack Robinson College of Business
Georgia State University
PO BOX 3991
Atlanta, GA 30302

Abstract

Customers respond to organizational buyer dissatisfaction in multiple ways, by voicing a complaint, by exiting the transaction relationship, or by spreading negative word-of-mouth (WOM). This conceptual manuscript provides a synthesis of extant customer (dis)satisfaction-outcomes in the organizational buyer behavior literature. Within firm and third party recipients of voicing and negative WOM are discussed. Possible influences of exit, voice and negative WOM, including competitive environment, past complaint response behavior, relationalism, and type of purchase, are presented in a model of customer response behavior. Propositions on the effects of influence variables on response behavior relationships are provided, along with directions for future research and managerial implications.

Key Words: Customer Dissatisfaction, Response Behavior, Voice, Exit, Negative Word-of-Mouth

In his general model of industrial buying behavior, Sheth (1973) suggests that satisfaction with past buying experiences influences future purchase decisions. In the same vein, *dis*satisfaction with past buying experiences should also influence future purchase decisions. However, dissatisfaction has the potential to bring about undesirable future decisions – not simply future purchase decisions – but decisions to complain and decisions to spread negative word-of-mouth (WOM). In the following manuscript, customer satisfaction/dissatisfaction and response behaviors in the organizational buyer behavior literature are synthesized. A model of dissatisfaction response behavior including propositions for potential influencers of response behavior is presented. Discussion, along with managerial implications and future research directions, follow.

Repercussions of Dissatisfaction Response Behavior

It is in the best interest of a supplier to understand the potential behavioral responses a dissatisfied customer may engage in and also to understand what influences behavioral responses to dissatisfaction so as to lessen undesirable responses. The repercussions of dissatisfaction response behavior could be detrimental to a supplying firm. A dissatisfied customer may engage in complaining behavior or terminate the transaction relationship, but possibly the most costly and potential loss in future revenue and reputation for the supplier occurs when the spurned customer spreads negative word-of-mouth (WOM).

Negative word-of-mouth can be detrimental to a supplier. Money, Gilly and Graham (1998) demonstrated that WOM referrals are used frequently in organizational buying behavior. A current customer may choose to spread negative WOM in response to a dissatisfactory

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experience to other existing and potential customers of the supplier. The impact from this negative WOM may cause the supplier to lose credibility or tarnish its reputation. This could mean substantial revenue loss from multiple firms. With the proliferation of the internet, negative WOM on trade organization websites could blanket the entire industry, potentially crippling the supplier. Bonama, Zaltman and Johnston report that firms rely on WOM communication within firms to make buying decisions (1977). Negative WOM can not only ruin the supplier's reputation for the buying center involved, but can spread to other buying centers within the firm, causing loss revenues for the supplier in other departments.

Dissatisfaction Response Behavior in the Literature

A review of the satisfaction and dissatisfaction in the organizational buyer behavior literature revealed limited insight into dissatisfaction response behavior. Table 1 provides a review of this literature. Much of the research focused on defining or measuring satisfaction (Backhaus and Bauer, 2000; Perkins, 1993; Schellhase, Hardock and Ohlwein, 1999) or examined limited outcomes of or responses to satisfaction, such as exit behavior (Barksdale, Powell and Hargrove, 1984; Giller and Matear, 2001, Jones, Mothersbaugh and Beatty, 2002). However, research by Ping (1993; 1994; 1997) and Hibbard, Kumar and Stern (2001) developed models of response behavior in the channels and retailing literature. Research by Hansen, Swan and Powers (1996) examined multiple dissatisfaction response behaviors, but only revealed clusters of similar responding groups. The present manuscript will develop a model of dissatisfaction response behavior for organizational buying behavior, including propositions of variables that may influence response.

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Table 1

**Review of Customer Satisfaction/Dissatisfaction – Outcomes
Literature in Organization Buyer Behavior Literature**

		Independent Variable(s)	Dependent Variable(s)	Outcomes Variable(s)	Key Findings
Backhaus and Bauer (2000)	JBBM	Presence of Critical Incidents	**Satisfaction**		Critical incidents do impact satisfaction formation.
Barksdale, Powell and Hargrove (1984)	IMM	Purchase Price, Number of Suppliers, Types of Purchase, Relationship with Supplier		Voicing - Complaining	The authors used conjoint analysis and found that purchasing people fall into three different categoris for industrial complaining behavior: those who do not use consistent rules for complaining, those who used a single rule (i.e., price), and those who used price and number of suppliers to decide complaining behavior.
Giller and Matear (2001)	JBIM	Interaction between Trigger Event and Existing State of the Relationship		Relationship Termination	The different perspectives on relationship termination are discussed and a model of inter-firm relationship termination is presented with support through four case studies.
Hansen, Swan and Powers (1996)	IMM	Expertise, Jurisdictional Disagreement, Vendor-Buyer Communications, Dependency	**Dissatisfaction**	Do Nothing, Complain, Warn Others, Third Party Action	The authors create a typology of dissatisfaction style groups: Complainer, Wait and Squawk, Activist and Squaker.

		Independent Variable(s)	Dependent Variable(s)	Outcomes Variable(s)	Key Findings
Hansen, Swan and Powers (1996)	JBIM		Effectiveness of Complaint Actions	Types of Complaint Actions: Positive (Seek Assistance of Vendor) and Negative (Switching, Negative WOM, Complaints that Harm Firm Reputation, Wait and See	The authors found that buyers experience problems in different problem categories (i.e., delivery). The authors surveyed buyers to estimate the effectiveness of 13 complaint actions.
Heide and Weiss (1995)*	JM	Pace of Technology Change, Technology Heterogeneity, Experience, Technological Compatability, Vendor-Related Switching Costs, Importance of the Purchase, Formalization, Centralization		Vendor Considera-tion and Switching Behavior	The authors examine buyers' decision processes in high-technology markets. Pace of technology, vendor-related switching costs and formalization all positively effect switching behavior, while experience and centralization both negatively effect switching behavior.
Hibbard, Kumar and Stern (2001)*	JMR	Destructive act intensity, supplier attribution, self-attribution, external attribution, relationship quality, total dependence and relative dependence	Disengagement, constructive discussion, passive acceptance, venting	Performance (supplier's perspective) and relationship quality	This research examines responses to destructive acts in channels setting. Cognitions about the destructive act and relationship characteristics to influence engagement in responses to the destructive act.

		Independent Variable(s)	Dependent Variable(s)	Outcomes Variable(s)	Key Findings
Jones, Mothersbaugh and Beatty (2002)	JBR	Switching Costs		Repurchase Intentions	The authors examine switching costs, proposing six dimensions: lost performance costs, uncertainty costs, pre-switching search and evaluation costs, post-switching behavioral and cognitive costs, setup costs, and sunk costs.
Liu (2006)	JBIM	Customer Value		Switching Costs	Firms can influence perceptions of switching costs by increasing perceptions of customer value.
Liu, Leach and Bernhardt (2005)	JBR	Customer Value	**Customer Satisfaction** and Perceived Switching Costs	Share-of-Business Intention	Customer value, made up of three dimensions (economic value, value of core services and value of support services), customer satisfaction and perceived switching costs influence share-of-business repurchase decisions.
Patterson, Johnson and Spreng (1997)	JAMS	Expectations (influenced by novelty, importance, decision complexity) and Performance (influenced by stakeholding & uncertainty); Disconfirmation, Fairness	**Satisfaction**	Intentions	The authors conclude that the disconfirmation paradigm for determining satisfaction can be applied to industrial buying situations. A model of satisfaction is tested and all but two hypothesized relationships are confirmed.
Perkins (1993)	IMM		**Satisfaction**		The author offers an approach to measuring customer satisfaction, using product and service characteristics.

		Independent Variable(s)	Dependent Variable(s)	Outcomes Variable(s)	Key Findings
Ping (1993)*	JR	Investment in Relationship, Switching Costs, Alternative Attractiveness, **Satisfaction**		Loyalty (inertia), Voice, Exiting, Opportunism, Neglect	The author found negative associations between satisfaction and exit, neglect; between investment and neglect. Also found were positive associations between alternative attractiveness and exit, neglect, opportunism; between investment and voice; between satisfaction and voice; between switching cost and loyalty.
Ping (1994)*	JAMS	Alternative Attractiveness	**Relationship Satisfaction** (moderator)	Exit	Relationship satisfaction has a non-linear moderating effect of alternative attractiveness on exit behavior in a channels setting.
Ping (1997)*	JR	**Satisfaction**, Cost of Exit, Partnering Firm Demographics		Voice	In B2B relationships, satisfaction, cost of exit and partnering firm demographics effect voicing behavior.
Schellhase, Hardock and Ohlwein (1999)	JBIM		**Customer Satisfaction**		Measurement for customer satisfaction in B2B marketing. Specifically developed for retail organizations and their suppliers.
Sharma (2006)	JBIM	**Dissatisfaction**, Marketers' Relational Assets, Buyer's Relational Assets, Quality of Alternatives, Buyer's Knowledge of Key Account Personnel, Lack of Innovation, Social/Personal Bonds, Changes in the Environment		Key Account Success	Dissatisfaction leads to lowers key account success.

		Independent Variable(s)	Dependent Variable(s)	Outcomes Variable(s)	Key Findings
Tikkanen and Alajoursijarvi (2002)	JBIM		**Customer Satisfaction**		The authors discuss current procedures for tracking customer satisfaction. Three steps are proposed (the inner context of a business relationship, the connected network of the customer-supplier relationship, and the outer context of the connected network) that must be considered for industrial customer satisfaction.
Tikkanen, Alajoutsijarvi and Tahtinen (2000)	IMM	Critical Incidents	**(Dis)Satisfaction**		The authors demonstrate with a case study that critical incidents do affect buyer satisfaction and dissatisfaction.
Trawick and Swan (1981)	IMM	Follow-up Required, Actual Response = Desired, Prior Complaint Response, Buyer Firm Large Relative to Supplier, Buyer Firm a Major Customer, Another Supplier Available	**Satisfaction** with Firm Response to Complaining Behavior	Intentions to Reorder, Reorders	Follow-up, actual=desired response, prior complaining handled satisfactorily, and the buyer firm being a major customer all significantly affected satisfaction with firm response. Satisfaction with firm response to complaining behavior significantly impacted actual reordering.
Williams and Rao (1980)	IMM	**Dissatisfaction**, Individual Aspects of Behavior, Problem Situation, Structural Variables, Types of Purchase		Organizational Buyer Complaint Behavior	The authors propose a model of organizational buyer complaint behavior

*From the channels literature

Extensive research outside the organizational buyer behavior literature on response behavior can be found as early as Hirschman's response model (1970). Hirschman's model has received recognition in several social science arenas: political science, psychology, organizational behavior, and consumer behavior (Singh, 1991). The model suggests that in reaction to a dissatisfactory purchase experience, consumers will behave in one of three general ways: exit, voice, or loyalty.

A customer has three potential responses to a dissatisfactory purchase experience: exit, voice or loyalty (Hirschman, 1970; Singh, 1991). By exiting, the customer severs the relationship with the selling firm. Activating the voice option initiates the consumer's desire to change the undesirable situation and to seek satisfaction. The loyalty option is passive. Omission of exiting or voicing brings about loyalty. Singh (1990) took the model one step further by introducing another option for the consumer that was close to voicing, but needed its own classification. This option is negative word-of-mouth; spreading the word to others (not the seller) about the dissatisfactory experience (Singh, 1990).

Hirschman's model has recently found some acceptance in the marketing channels literature (Ping, 1993; Ping, 1994; Ping, 1997; Hibbard, Kumar and Stern, 2001). These studies loosely used the exit, voice, loyalty model and made adaptations, including adding additional variables, to fit the channels context. Both Ping and Hibbard et al. tested the effects of antecedents on response behavior and found support for these effects and for the use of Hirschman's response variables in the channels setting.

Singh has done extensive research on response behavior in the consumer dissatisfaction literature, including a typology of consumer response styles (198l; 1990; 1990; 1991). Hansen, Swan and Powers (1996) adapted Singh's (1990) typology of consumer response styles to an

industrial market setting by developing four dissatisfaction style groups: complainers, wait and squawkers, activists and squawkers. The groups were clustered according to behavioral response to a dissatisfying experience. Behavioral responses included: do nothing, complain, switch suppliers, warn others, and take third party actions.

Much of the earlier customer complaint literature focused on complaining solely to the supplier (Williams and Rao, 1980; Trawick and Swan, 1981; Barksdale, Powell and Hargrove, 1984). Hansen, Swan and Powers (1996; 1996) included complaint behavior to third party individuals as well as positive and negative complaint actions, such as negative WOM in their studies. However, the focus of these studies was on complaining to the supplier. With today's ever growing intensity of the communication options, complaint behavior beyond the supplier and the spread of negative WOM has heightened importance in complaint behavior. We include these response options in our conceptual model.

Our proposed model will focus on three response behaviors, including exit, voicing, and spreading negative WOM. While the loyalty, or inertia variable, is a possible response to dissatisfaction, only active response behaviors will be included in the model. It is important to note that exit, voice, and negative WOM are not mutually exclusive responses (Singh, 1990). Instead, these responses can be performed together. For example, it is possible to carry out both voice and exit.

Conceptual Framework

Figure one presents the Customer Response Model being proposed. On the left dissatisfaction with a purchase is represented as the initiator for the customer response. On the right are the response options: exit, voice and negative word-of-mouth. Past complaint response,

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competitive environment, relationalism and type of product are variables that may influence response behavior.

Figure 1

Customer Response Model

	Competitive Environment	**Past Complaint Response**	
Customer Dissatisfaction			**Exit**
			Voice
			Negative WOM
	Type of Product	**Relationalism**	
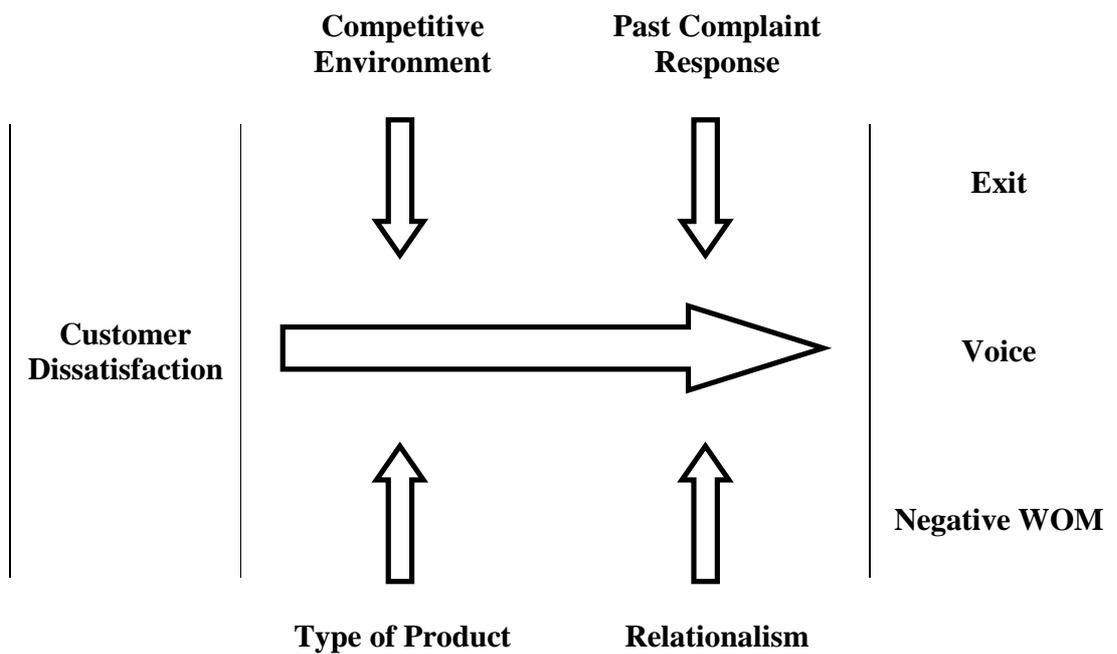
First to be explored will be the response behavior options, including the distinction between voice and negative WOM. Voicing and negative WOM are directed actions. The behavior is directed from the customer to or at another individual or group. The individual or group on the receiving end of these two options will then be examined. Next, each influence variable will be assessed as to what impact each has on response behavior.

Exit, Voice and Negative WOM

When a customer chooses to exit, the customer no longer wishes to continue the transaction relationship with the vendor. The experience is so severe that the customer believes that voicing will not get a vendor response that would make the experience satisfactory. The dissatisfactory experience at hand may be the last in a succession of dissatisfactory responses, possibly being the one to push the customer to extremes and sever the transaction relationship. Exiting would lead to finding alternative sources to fulfill the need the vendor was currently supplying.

The exit response does not necessarily mean that the customer exits all transactions with the supplier. In organizational buying behavior, a firm may utilize a vendor for many different products and/or services. If faced with a dissatisfactory situation with one product or service, the firm may decide to exit the relationship for that particular product or service, but may decide to continue as usual with fulfillment from the same vendor for other products and/or services. For example, Customer A purchases bolts and fasteners from Supplier B. Supplier B delivers the bolts on time but the fasteners are two weeks late in delivery, Customer A may decide to sever the fastener purchasing part of the relationship and continue to keep the bolt purchasing as is. Because of satisfactory service on the bolt orders, Customer A will continue that portion of the relationship with Supplier B, but will exit the fastener portion of the relationship with Supplier B. Throughout this manuscript, when *exit* is discussed, only the portion of the relationship that is directly responsible for the dissatisfactory product or service will be severed.

Customers who experience dissatisfaction with a supplier can complain to the supplier. The purpose of complaining is to obtain a response from the supplier to make good on the problem and change the experience from dissatisfactory to satisfactory (Trawick and Swan,

1981). This is the main prominent behavior of voicing. Voice is an active response to dissatisfaction, with intention to seek restitution, and without the intention to escape the relationship (Singh, 1991). Voice is often executed in the direction of the supplier but can be directed towards individuals within the buying firm (customer) and to individuals of a third party.

Negative word-of-mouth (WOM) describes the action taken by the customer to tell others about the unsatisfactory experience (Singh, 1990). Negative WOM is not directed at the supplier, but instead is directed to other individuals within the buying firm or third party recipients. Voice and negative WOM may seem similar, but there are distinctions. Voice is an active option, where the customer seeks a change to occur; negative WOM is active, but not to seek a change. Negative WOM can be thought of as venting or an attempt to express frustration.

Within Firm and Third Party Recipients

In their exit, voice and loyalty studies pertaining to marketing channels, Hibbard et al. and Ping each examined the customer response of only a single informant, and his or her response to the supplier (Ping, 1993; Hibbard, Kumar and Stern, 2001). In reality, customer response behavior could stem from a variety of individuals in the buying firm[1] (customer) and could be directed towards individuals and/or groups outside the dyadic relationship. Tikkanen, Alajoutsijarvi and Tahtinen (2000) suggest that, when studying customer satisfaction, one must look at the internal context (the buyer-seller dyad) as well as the external context (industry scene). In this way, the response behavior should be looked at within the buying firm (customer), between the two firms (customer and supplier), and with those within the industrial network. The following section discusses all of these.

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[1] The buying firm is also the "customer" throughout the context of this manuscript.

Voice and negative WOM are distinctive from exit because the action can be directed to a recipient beyond the supplier. When a customer decides to exit, he is exiting the relationship with the supplier only. Voice can also be directed to the supplier, but it can also be directed towards others within the buying firm's buying center or to a third party. Like voice, negative WOM can be directed towards others within the buying firm or to a third party. Figure 2 illustrates within firm voicing and negative WOM and figure 3 illustrates third party voicing and negative WOM.

Figure 2
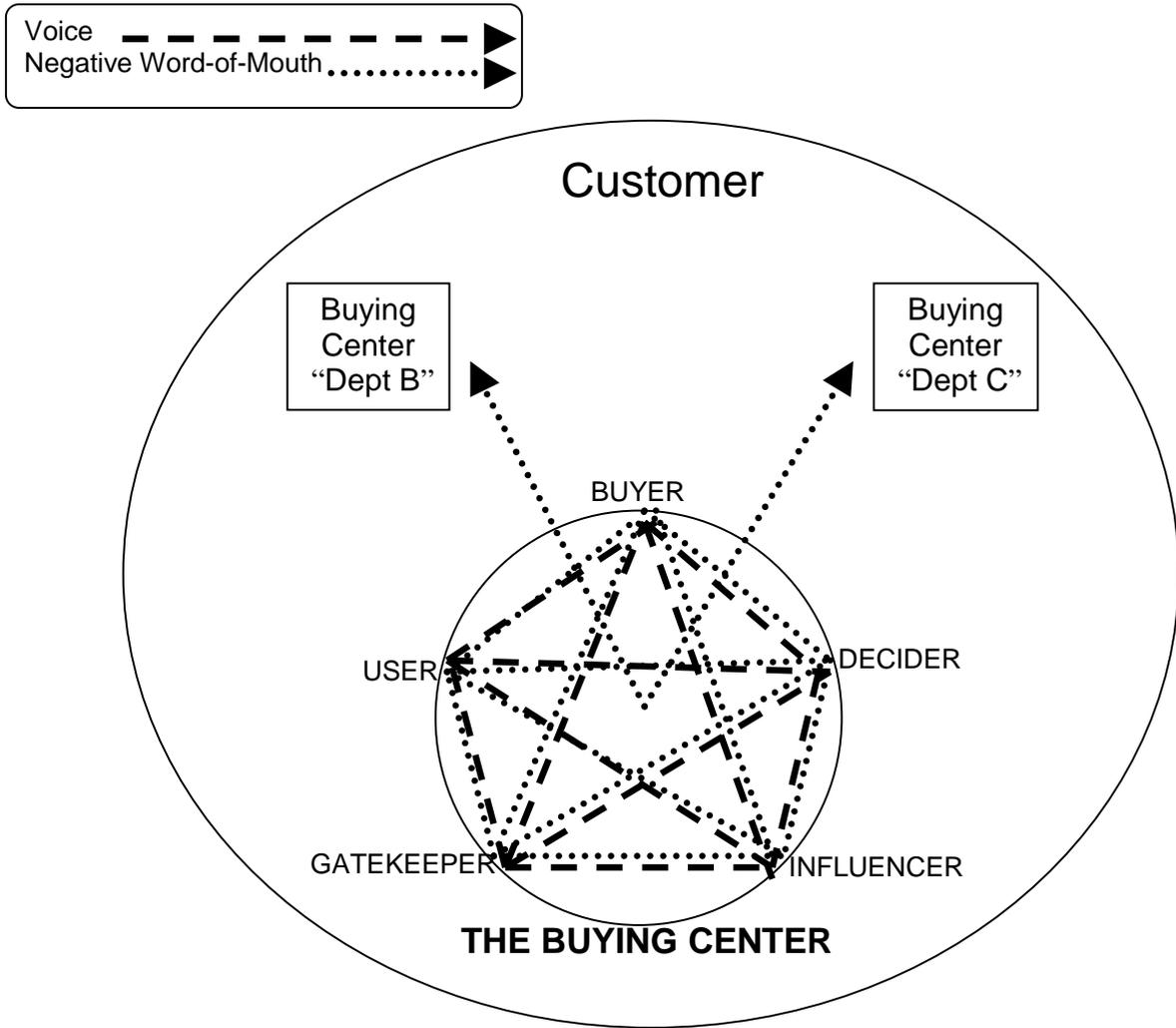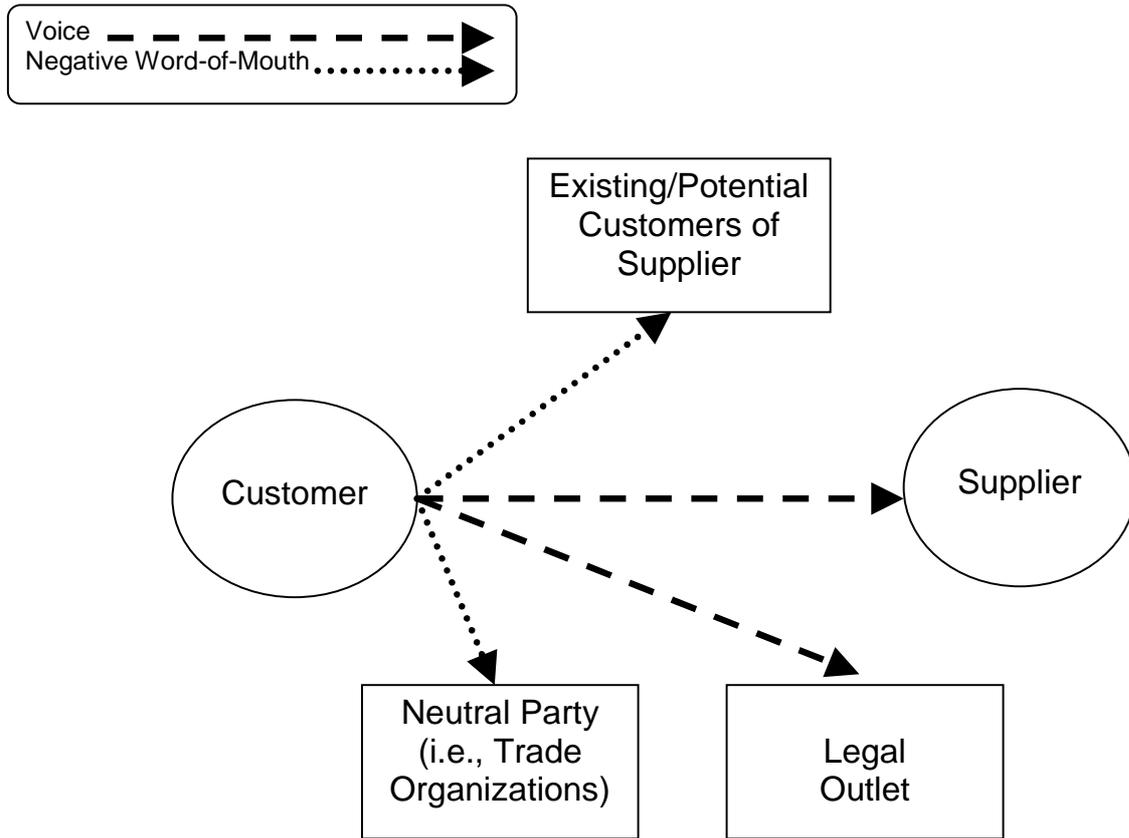
Within Firm Voicing and Negative WOM

Figure 3

Third Party Voicing and Negative WOM

Webster and Wind (1972) discuss the concept of the buying center within a buying firm

(customer) in their general model of understanding buying behavior. Because the buying process

can be so complex with multiple persons involved, multiple goals and potentially conflicting

decision criteria, a buying center is created to handle the buying process (Webster and Wind,

1972). The buying center consists of all of the members in an organization involved in the

buying process, including the users, influencers, deciders, buyers, and gatekeepers (Webster and

Wind, 1972). Each member of the buying center will possibly have different levels of

expectations for the product/service purchased (Williams and Rao, 1980). With these differences in expectations, individual members may experience dissatisfaction while other members do not. Also, some members of the buying center will respond differently than others.

Johnston and Bonoma (1981) suggest that the buying center exists as a communication network that derives its configuration from the regularized patterns of communication. Among other communication dimensions, the vertical involvement and lateral involvement imply that communication flows up and down hierarchical levels of the organization and side to side among division or departments, all within the buying center (Johnston and Bonoma, 1981).

Figure two demonstrates that all members of the buying center (within the buying firm, or customer) can execute both voice and negative WOM to each other. For example, in the case where a buying center member would voice to another member of the buying center, the "user" may complain to the "buyer" about an insufficient supply of product from a purchase order. The user may not know that the buyer ordered the correct quantity and it is the fault of the supplier, but because the user voiced a complaint to the buyer, in order to seek a change in the situation, the user is executing voice. On the other hand, if the user knew the buyer ordered the correct quantity of product, and complained to the buyer about the supply shortage just to express frustration without seeking restitution, the user would be executing the negative WOM response.

Figure two also demonstrates how members of the buying center can spread negative WOM beyond the buying center at hand to other buying centers within the buying firm (customer). When faced with a dissatisfying experience with a supplier, members of the buying firm can vent to other buying centers, thereby expressing dissatisfaction with a common supplier.

Voice and negative WOM can also be directed towards third parties. A dissatisfied customer may decide that voicing to a legal outlet, or suing the selling firm, is the best response

to get restitution. Members of the buying firm's buying center may feel the urge to spread negative WOM about the supplier to friends and colleagues outside the buying firm (customer). These may be current or potential customers of the supplier. Another outlet for customers to vent may be to a neutral third party such as a trade organization. Trade organizations may have boards, especially on the internet, established for communicating dissatisfaction with vendors. Similar customers could utilize them as a resource when making purchasing decisions. Figure three depicts the third party recipient options.

Influences of Customer Response Behavior

Throughout response behavior literature, variables have been found to influence response. In channels, Ping (1993; 1997) has found that switching costs can influence exit and voice behaviors. Hibbard, Kumar and Stern (2001) found a relationship between intensity of destructive act, attribution and relationship quality all influence response behavior. Heide and Weiss (1995) also found that switching costs influence switching (or exit) behavior. Hansen, Swan and Powers (1996) suggest that expertise, jurisdictional disagreement, vendor-buyer communications and dependency are variables that influence response behavior. In the consumer context, Hirschman (1970) suggests that industry characteristics, such as availability of alternative suppliers, and individual characteristics, such as perceived probability of successful complaint can influence response behavior. In this organizational buyer model, we examine past complaint response, competitive environment, type of product, and relationalism as influences of response behavior.

Competitive Environment

The competitive environment refers to the concentration of alternative suppliers available to the customer at the time of dissatisfaction. This can include the ability to fulfill the need internally (within the means of the buying firm, or customer), utilizing another supplier, or using a substitute solution to fulfill the need. Hirschman referred to this competitive situation as the seller being a monopoly or a loose monopoly (Hirschman, 1970). When the supplier is the only alternative, or one of just a few, the customer will react differently to a dissatisfactory experience.

The more alternatives a customer has, the more confident the customer will feel, and the less the customer will feel dependent upon the supplier. When faced with a dissatisfying experience, the customer will feel more confident that there are alternatives if no restitution is provided. In this case, the customer is likely to take action to solve the problem by voicing. Since other options are available, if voice does not rectify the situation, the customer can switch to another alternative. The customer is also more likely to exit because there are multiple alternatives to fill this product or service need. The following proposition suggests the influence of competitive environment on response behavior.

> P1: The more alternatives a customer has to fulfill the need that the supplier is currently fulfilling, the more likely the customer will respond to dissatisfaction by voicing or exiting.

Past Complaint Response Behavior

The response by a supplier to a customer's voice is called complaint response behavior. This would be the action taken by the supplier to provide restitution to the customer for the dissatisfying experience. If a customer has filed a complaint (voiced) with the supplier in the past, the supplier's response to the complaint can influence the customer's future behavior

(Trawick and Swan, 1981). If the actual response taken by the supplier is the same as the customer's desired response (responded in timely way, gave refund, etc.), then the customer will be satisfied with the supplier's complaint response behavior. If the actual response is not the desired response of the customer, then the customer will be dissatisfied with the supplier's complaint response behavior.

Trawick and Swan found that the customer's satisfaction of a supplier's complaint response does effect reordering from the existing supplier. This satisfaction with the supplier's complaint response behavior can influence the customer's response behavior when another dissatisfying experience occurs in the future. If the past complaint response by the supplier has been satisfactory, the customer will be likely to use the same response (voice) to future dissatisfactory experiences. If the past complaint response by the supplier has been dissatisfactory, the customer will be more likely to be unhappy with the current transactional arrangement, and will be more likely to exit or engage in negative WOM. The following are propositions regarding past complaint response behavior.

P2a: When past voicing has resulted in satisfactory responses by the supplier, the customer is more likely to respond to dissatisfaction by voicing again.

P2b: When past voicing has resulted in dissatisfactory responses by the supplier, the customer is more likely to respond to dissatisfaction by exiting or spreading negative WOM.

Relationalism

The role of relationalism in market transactions has been discussed in the channels literature (Williamson, 1975; Macneil, 1981). Adapting Macneil's (1981) view on relationalism, on one end of a continuum is the discrete (or one time) transaction, while the other end is the relational contract. Relational contract is based on repeated transactions in which the two dyadic

members have developed relationship tendencies (Macneil, 1981). The closer to the relational contract end of the continuum, the greater the amount of relationalism.

When a customer has more relationalism with a supplier, the more the customer has invested in the dyadic relationship. The customer may have emotional, social or idiosyncratic investments in the relationship that connect the two (Williamson, 1975). Severing the relationship may be an unwanted circumstance. With a high amount of relationalism, the customer may feel more comfortable bringing a problematic issue to the attention of the supplier in hopes that it will be resolved. Also, because of past experiences with the supplier, the customer may be more willing to let the dissatisfying experience pass without acting. On the other hand, if there is less relationalism with a supplier, closer to the discrete transaction end of the continuum, the customer may feel less motivation to continue the relationship in the event a dissatisfactory experience takes place. Because there may be little invested in the relationship, customer may not feel any reservations about spreading negative WOM. Propositions concerning amount of relationalism are listed below.

> P3a: In response to dissatisfaction, the greater the amount of relationalism (i.e., relational contract) that exists between customer and supplier, the more likely the customer will engage in voicing, and the less likely the customer will perform exiting.

> P3b: In response to dissatisfaction, the less the amount of relationalism (i.e., discrete transaction) that exists between customer and supplier, the more likely the customer will exit, and spread negative WOM.

Type of Purchase

McQuiston conducted a study of the impact of three types of purchases (novelty, complexity and importance) on participation and influence variables in an industrial purchase decision (1989). Novelty refers to the lack of experience of individuals in the buying center of the buying firm (customer) with similar purchase situations. Complexity signifies how much

information the customer must gather before the purchase to make an accurate evaluation of the product. The perceived impact of the purchase on organizational profitability and productivity is characterized by the importance of the purchase (McQuiston, 1989). Novelty, complexity and importance may influence response behavior.

When involved in a novelty purchase, the customer may not feel confident about the purchase decision or about the customer's efforts to communicate specifications to the supplier. The customer may feel that for a novelty purchase, the inexperience of the customer could have added to the dissatisfying experience. In a dissatisfying purchase experience the customer may prefer to voice to the supplier to reiterate what is needed and to help resolve the problem. Also, the customer may chose to exit in this novelty purchase situation because with so little invested in the new purchase situation, it may be simple to end the transaction relationship. The customer may be less likely to spread negative WOM because there is no confidence in knowing if expectations have been met. Also, there may be confusion as to who is responsible for the situation.

A highly complex purchase decision involves a great deal of investment on the part of the customer. With so much invested in the purchase, the customer will want to voice complaints to make the problem right, and will find it very difficult to sever the relationship so easily. However, if the purchase is highly complex and the customer has spent a long time investing making the purchase decision, the customer may feel the responsibility to let others in similar purchase situations know about the dissatisfactory experience from the supplier. This customer may choose to spread negative WOM.

Highly important purchases will also find the customer more likely to file complaints, not only with the supplier, but with a legal outlet if necessary. A dissatisfactory experience with a

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highly important purchase can be very costly to the customer. In this situation, the customer may

also be more likely to exit the relationship to prevent further dissatisfying experiences. As with

the highly complex purchase, customers will also have invested time and money in making the

purchase decision for a highly important purchase. They may decide to spread negative WOM to

inform others who are making such important purchase decisions about the dissatisfactory

experience with this supplier.

The following propositions reflect the influence type of purchase may have on customer

response behavior.

> P4a: For a highly novel purchase, customers may be more likely to respond to a
> dissatisfactory experience by exiting and voicing, and less likely to respond by spreading
> negative WOM.

> P4b: For a highly complex purchase, customers may be more likely to respond to a
> dissatisfactory experience by voicing and spreading negative WOM, and less likely to
> respond by exiting.

> P4c: For a highly important purchase, customers will be more likely to respond to a
> dissatisfactory experience by voicing and spreading negative WOM, and less likely to
> respond by exiting.

Discussion and Future Research

Customers have several active responses to a dissatisfying experience with a supplier. In

this conceptual model, three responses are discussed: exiting the transaction relationship, voicing

a complaint, and spreading negative WOM. Past research has shown that there are variables that

influence response behaviors. We have extended these to include competitive environment, past

complaint response, relationalism and type of product. This model and propositions need to be

verified. For consistency, future research should test this model within the context of

organizational behavior in both a service and a product setting.

The impact of negative WOM both within the buying firm, within and between buying centers, and to third parties needs to be further examined. The impact of negative WOM may be far more intense than we conceptualize. Future research needs to capture the effects of negative WOM and to add to our understanding of how negative WOM operates in organizational buyer behavior. Customer value, brought to recent research attention (Anderson & Narus, 1998), may be an influence directly on dissatisfaction response behavior. Liu (2006) and Liu, Leach and Bernhardt (2005) found that customer value can impact customers' perceptions of switching costs and ultimately repurchase behavior and exit behavior. Further studies should be conducted to understand how customer value impacts response behavior.

Managerial Implications

When conducting sales of products or services in the business-to-business segment, it is important for the supplier to be prepared in the event the customer is not satisfied with the purchase. Follow up service should be available along with procedures for dealing with complaints. What the supplier may not be prepared for is the other responses the customer may engage in in response to dissatisfaction, i.e., exit and negative WOM. Both exit and negative WOM is undesirable to the supplier.

Exit translates to loss of current sales plus loss of additional sales that may have come in the future. Loyalty, inertia, or the absence of customer voicing, is also not a desired response to dissatisfaction. The supplier may have retained the business of the customer for the present, but the supplier will also be unaware of the customer's dissatisfaction. Without knowing to correct the problem, this could lead to repeat dissatisfactory experiences, not only for the current customer, but for other customers who purchase similarly from the supplier.

Although complaint handling may be arduous and costly, customer voicing may be the desired response of the supplier. Voicing lets the supplier know of the dissatisfactory experience and allows them the opportunity to correct the problem (Hansen, Swan and Powers, 1996). Voicing can also bring better products, services, and processes to other customers or improve an existing protocol (Hansen, Swan and Powers, 1996). Hansen, Swan and Powers suggest that the optimal response behavior for all parties involved is "friendly" complaint behavior. This is voice in a constructive context. Making the dissatisfaction known to the supplier and allowing the supplier to take appropriate action to rectify the situation makes for an optimal solution.

Understanding what influences different customer response options can provide the supplier with actionable information. The supplier can do its best to change the variables influencing response behavior so that in the event of a dissatisfactory experience, the customer would choose to voice a complaint to the supplier. For example, the supplier can strive to make the dyadic exchange take on a higher level of relationalism by investing more in the relationship. The supplier could spend more time with customer calls and increase the number of customer on-site visits. Higher levels of relationalism would influence the buyer to use more voice when faced with a dissatisfying experience.

Another possible influence of response behavior, past complaint response, could also be changed by the supplier. Implementing an aggressive response plan to customer complaints, such as faster turnaround, could influence the decision for a dissatisfied customer to issue another complaint, knowing that previous complaints were handled satisfactorily. Changing the variables that influence response behavior may change the customer's decision on how to respond to a dissatisfactory experience.

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