

Demographic Characteristics and Complaint Behavior: An Empirical Study Concerning Turkish Customers

Tolon Metehan, PhD

Assistant Professor

Department of Business Administration

School of Economics and Administrative Sciences, Gazi University

PO Box 06500 Besevler, Ankara, Turkey

E-mail: metehan@gazi.edu.tr, Phone: +90 312 2161228

Zengin Asude Yasemin

Research Assistant

Department of Business Administration

School of Economics and Administrative Sciences, Gazi University

PO Box 06500 Besevler, Ankara, Turkey

E-mail: yasasuzengin@hotmail.com, Phone: +90 312 2161207

Abstract

Firms' primary objectives are gaining profit and providing continuity. When thinking in a short period, gaining profit cannot serve the firm's providing continuity. As of late, as long term profits are reinforced by customer satisfaction can contribute to the firm's continuity in a related market. In order to create loyal customers, firms must continue relationships positively. For this purpose, it is of strategic importance for firms to solve customer complaints rapidly and efficiently. At this point firms have to determine complaint behavior differences related to customers. Demographic characteristics take an important role in determining complaint behavior differences between customers. Especially firms which want to operate in international markets have to analyze demographic characteristics of customers in related market. In this study, the effect of the differences between demographic characteristics of Turkish customers over complaint behaviors has been presented empirically.

Key Words: Customer satisfaction, customer complaints, demographic characteristics

1. Introduction

The customers are one of the most difficult elements for firms to analyze. Therefore firms try to set off their marketing mix in order to meet their target market's needs and desires. While profit maximization and the presence are the major goals to reach, such as firms, have to satisfy their customers to achieve these goals.

While customers expressing satisfaction with the relationship between their expectations and the product performance, dissatisfaction occurs when the product performance is below expectations. In this case, customer complaints arise. In order to maintain their profits and presence by creating loyal customers, firms have to pay attention to their customer complaint management. Customer complaint management can be described as the whole practice for the purpose of eliminating the circumstance or discontent that leads to customer complaint (Seyran, 2005: 50).

In customer complaint management it is a key benefit to analyze the differences of each customer's complaint behavior. When it is thought that every customer has different buying behavior according to their demographic characteristics, they also have different complaint behavior. Since Turkey is one of the most important developing countries in the world, its geographical strategic position and its huge population make customer behavior research important for this country. Its developing economy since 1980 and rapidly increasing number of educated people have exposed new customer behavior attributes particularly complaint behavior among its people. So from this viewpoint this study, which investigates the relationship between demographical and socio economic variables and complaint behavior in Turkey, would have significant contributions to customer behavior literature especially to complaint behavior research.

2. Customer Satisfaction and Behaviors of Dissatisfied Customers

Nowadays the philosophy of "the customer is always right" depends on the concept of customer satisfaction, and builds up the heart of the firm's activities. Customer satisfaction is the customers' perceived relation of expectation and the performance of the goods and services. Accordingly, the concept of customer satisfaction is a function of the customer's expectations. If the customer's experiences from a product is higher, than that customer is satisfied, or else dissatisfaction emerges. (Schiffman, Kanuk, 2004: 14-15).

There are several reasons for the emergence of dissatisfaction. Such as (Pride, Ferrell, 1997: 10);

- Incomprehension of customer’s expectations,
- Wrong customer satisfaction standards,
- Lack of expectation - performance,
- Undelivered commitments.

Dissatisfied customers’ behaviors are shown in Figure 1. Accordingly, customers exhibit two major behaviors such as; responsive and unresponsive. Being unresponsive, the customer is acknowledging to live with the dissatisfied situation. This behavior is a function of the customer’s emphasis on purchasing. The main point, when the customer selects to be unresponsive, the customer has no positive attitude about the firm or the brand. When the customer selects to be responsive than s/he can answerback in five types of behavior for the dissatisfaction as shown in the Figure 1. Every behavior pattern has a result of losing sales or customers (Healy et al, 2001: 184).

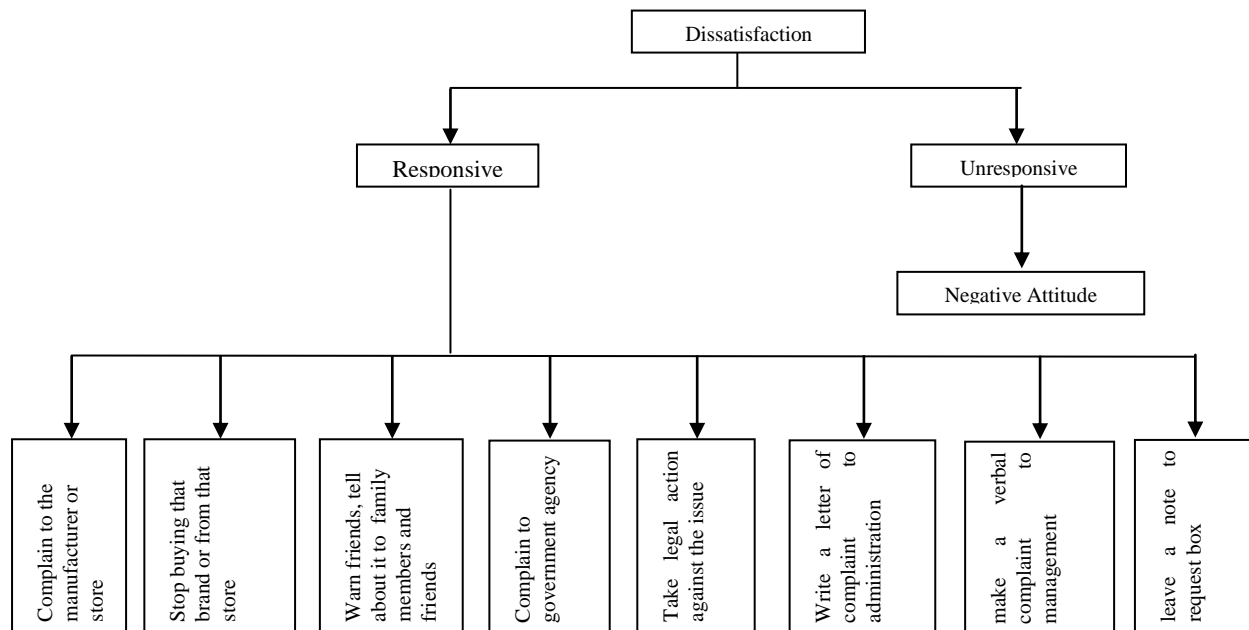


Figure 1. Dissatisfied Customer’s Behaviors

Source: Hawkins, Del I., Best, Roger J., Coney, Kenneth A., *Customer Behavior Building Marketing Strategy*, 9th Ed., McGraw-Hill Irwin: New York, 2004, s. 641, Kitapçı, Olgun, “Restoran Hizmetlerinde Müşteri Şikayet Davranışı: Sivas İli’nde Bir Uygulama”, *Erciyes Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, Sayı: 31, Temmuz-Aralık 2008, s. 116

Firms can satisfy their customers by making sensible promotion activities. Every behavior type that is displayed by the customers when they are dissatisfied will cause firms to lose sales and customers.

When customers are dissatisfied, the most intelligent behavior is to connect with the customer, determine the sources of dissatisfaction and solve them. At this point, evaluating customer complaints is the key factor for managers.

3. Customer Complaints

The reasons for customer loss of an entity can be counted as; product defect, the behavior of employees, discontent with pricing policies, other disturbing factors and the entity’s inadequate policies concerning the complaint management. In this sense, customer complaints should be regarded as a tool in enhancing the elements of marketing mix to render them likeliest with the target market rather than regarded as a negative circumstance. In the sense of entities, the importance of customer complaints can be counted as below (Özkul, Bozkurt, 2006: 330-331):

- 14% of the existing customers don’t maintain their relations with the entity owing to the fact that their complaints were not solved by the entity
- 9% of the existing customers leave because they find the products of competing entities more attractive
- 15% and %40 of the customers, who report that they are content with the offered products, demand the products of other entities
- 98 of the discontent customers never complain but switch to competing entities

- The cost of gaining a new customer is 5-8 fold more than retaining an existing customer
- The likelihood that “completely satisfied” customers will demand the products of an entity in 1 or 2 years is 6 fold than the likelihood that “satisfied customers” will purchase the products of an entity in 1 or 2 years

As seen from the elements counted above, customer complaints, especially high rate of uncomplaining customers which constitutes a big problem for entities, have importance in terms of entities. There is a significant cost which cannot be measured besides measurable costs for entities. This is the cost of losing a customer. In the case of losing a customer, the entity can only measure the amount of trade if this is a routine trade. In this case, the immeasurable cost is the number of customers that are taken along by the lost customers or the number of customers that are brought by this customer in the case of being satisfied.

A. Types of Complaining Customers

There are different types of complainers. These are as follows (Hoyer, MacInnis, 2007: 289):

- *Passives*: These customers who are least likely to complain.
- *Voicers*: Those who are likely to complain directly to the retailer or service provider.
- *Irates*: Those who are angry customers that are most likely to engage in negative word of mouth, stop patronage, and complain to the provider but not to a third party such as the media or government.
- *Activist*: They engage heavily in all types of complaining, including complaining to a third party.

4. Customer Complaints Management

Up to this point, it has been discussed why the customers are not satisfied and why they complain. Vigorously designed complaint management enables the firms to know how they should behave when they are faced with customer complaints. Customer complaint management can be described as the whole practice for the purpose of eliminating the circumstance or discontent that leads to customer complaint (Seyran, 2005: 50).

Entities need the absolute support of the senior management to effectively manage the customer complaints. Any activity without the participation of senior management will come through adequately. For this reason, the senior management primarily should be disposed to manage customer complaints and evoke the subordinates on this issue. Besides, the employees should have the product and entity knowledge which will enable them to eliminate customer complaints and persuasive skills of employees should be at a high level.

A. The Benefits of Customer Complaint Management

One of the most important objects that entities and especially marketing managers try to accomplish is to create loyal customers. Enabling this depends on which level the customers are satisfied and if phenomenon of satisfaction is continual or not. For this purpose, effectively conducted customer complaint management will yield the following benefits (Seyran, 2005: 48):

- To prevent customer loss,
- To reveal the production problems of the entity,
- To develop the current products,
- To attain new product concepts,
- To protect the trademark,
- To prevent the negative word of mouth communication.

5. Demographic Characteristics and Complaint Behavior

There are various studies about the relationship between demographic characteristics and customer complaint behavior. These studies have searched complaint behaviors of customers from different countries according to their demographic characteristics. Evidence from the literature, it can be thought that customers from different demographic characteristics would have varied in post purchase behavior particularly in complaint behavior in Turkey. In this research, we suggest that customers would act in various compliant behaviors according to their different demographical characteristics. In literature occupation, education, household income, age, gender, status, residence and cars have been used as variables for defining customers' demographical and socioeconomic characteristics and these variables have been widely used to differentiate the complaint behavior.

Higher status occupations are defined in terms of ownership, control of the means of production and control over the labor power of others. People who function in higher status occupations have characteristic personalities, motives and values that set them apart from those in less prestigious positions (Williams, 2002:252). Tronvoll (2007), reported from previous research that there is a significant relationship between occupation and complaint behavior and from the study of Liefeld et.al. (1975) people who have managerial and professional occupational status are complainers (Tronvoll, 2007:28-29-30-31).

In summarizing the body of CCB literature researchers widely maintain that customers who complain are typically holding professional jobs (Reynolds and Harris, 2005:322).

H₁: There is a positive correlation between occupation level and complaint behavior.

Age has been used as another variable for defining demographical characteristics. While, elders are less likely to report a dissatisfying experience, though those who do express dissatisfaction are likely to take actions just like young consumers (Hakimah et. al., 2010:64). Previous research has shown that the complaining behaviours of older customers may differ from those of the population as a whole, with complaining being found to decrease with age (Grougiou and Pettigrew, 2009:989). Tronvoll (2007), expressed that with respect to the age of customers most studies suggest that younger customers are more likely to complain and middle aged customers were found to be positively associated with complaints (Tronvoll, 2007:33-34). Most studies have indicated that younger people file more complaints than older people (Ngai, et. al., 2007:1378). Phau and Baird (2008), found a positive relation between age and complaining behavior. They proposed that customers who are over the age of 40 begin to expect more from their products purchased and also not having much interest related to social expectations and perceptions, they are therefore more inclined to complain. The respondents over the age of 54 might have more time in hand than those who are younger and are therefore more willing to expend the time and effort involved in making a complaint (Phau and Baird, 2008: 593).

H₂: There is a positive correlation between age and complaint behavior.

Education is another important variable that strongly relates to occupation. Education affects customer information processing and decision-making (Williams, 2002:252). College educated customers tend to read more, read different magazines, spend less time for watching television, rely less on well-known brands and put more time and effort into purchase decisions than high school educated customers (Williams, 2002:252). In CCB studies, the level of education has been treated as a demographic variable. High educational attainment might be associated with a higher propensity or perceived competence to write letters of complaint, a greater likelihood of perceiving injustice and perceiving reasons for complaint, a higher expectation of value, or general attitudinal or value differences between customers with different educational attainment (Liefeld et.al., 1975: 75). According to Phau and Baird (2008), people who have tertiary education are less likely to complain than those with lower educated ones (Phau and Baird, 2008:594). The majority of studies have found a significant positive correlation between high education and complaint frequency (Tronvoll, 2007:34).

H₃: There is a positive correlation between education level and complaint behavior.

Income obviously affects buying behavior in terms of the amount, types and prices of products purchased (Williams, 2002:252). Also, income is correlated with complaint behavior. It is reasonable to assume that consumers with higher incomes purchase more goods, and more big ticket goods, therefore possibly having more to complain about (Liefeld et.al., 1975: 77). Individuals with higher income have greater personal resources which enable them to express dissatisfaction more readily (Tronvoll, 2007:34). According to Haron and Paim (2008) lower income and education group have been identified as having most problem in unfair deals and deceptions in the market compared to the other consumer groups (Hakimah et. al., 2010:64). Phau and Baird (2008), indicates that there is no significant relationship between different levels of complaining behavior. But within different income categories, when dissatisfied above the category of \$40,000 they will be more likely to complain than those with an income of less than \$40,000 (Phau and Baird, 2008:594).

H₄: There is a positive correlation between household income level and complaint behavior.

The other variable is gender and it has been treated as a demographical factor in complaint behavior research. According to study of Liefeld et.al., 1975 there is no difference between the actual and expected rates of complaining between the sexes (Liefeld et.al., 1975: 77). Phau and Baird (2008) report that they found there is no significant difference between male and female complainers and this finding contradicts the previous research by Heung and Lam (2003) and Kau et.al.(1995) who both found females to complain more than males (Phau and Baird, 2008:593). Also Ngai, et. al. (2007), suggests that males are more likely to want to get things straight, thus resulting in more complaints from them to the management and to third parties than from females.

H₅: Females are more likely to complain than males.

6. Research Methodology

A. Objectives and Limitations of the Research

Main goal of this research is to determine the relationship between customer complaint behavior and demographical characteristics. In other words, this study investigates whether there is a difference between customer complaint behavior in terms of demographical characteristics.

Survey was conducted in Ankara so the most important limitation of this research is that it only covers one city in Turkey.

B. Sampling and Data Collection

In this research face to face survey method was used to collect data and information. Before conducting the surveys, a questionnaire was developed and pre-tested on 20 consumers. After the pre-test, surveys were conducted at various quarters of Ankara city centre that are thought to have different demographic attributes from each other. In this sense, survey was applied to 762 customers. Questionnaire form includes two segments. The first segment consists of demographical questions. After demographical questions, respondents were asked to answer the questions related to customer complaint behavior. The second segment was measured in five point likert scale (1= Strongly agree, 5= Strongly disagree). In Table 1, demographic attributes as age, gender, occupation, income, level of education, family size are shown.

Considered at age distribution it can be seen that most of the respondents consist of young and middle aged consumers. Looking at gender distribution it can be seen that research sample consist of 49% women and 51% men. From Table 1 it can be understood that the percentage of respondents that have high school and lower education level is 42.9% while the percentage of respondents that have university and over education level is 56.8%. Considered at the distribution of family size, it is understood that most of the respondents have 3 person family and above. Looking at respondents' occupation groups it is seen that 31.3% are civil servants, 26.3% are professionals and 25.6% are semi-professionals. As it can be understood from all these results data obtained from a sample that represents different socio-demographic attributes.

Table 1. Demographic Characteristics of Respondents

Age	N	%	Occupation	N	%
8-25	197	25.9	Top manager	35	5.0
25-34	205	26.9	Professional	184	26.3
35-44	132	17.3	Semi professional	179	25.6
45-54	121	15.9	Civil servant	219	31.3
55-64	73	9.6	Poorly paid positions	82	11.7
65 and above	34	4.5	Total	699	100.0
Total	762	100.0			

Income (TL)			Family Size		
475 and below	10	1.3	2 person or below	107	14.2
476-880	72	9.5	3 person	183	24.3
1035-2220	328	43.3	4 person	276	36.6
2960-4440	242	31.9	5 person	128	17.0
4441 and above	106	14.0	6 person or above	60	7.9
Total	758	100.0	Total	754	100.0

Education			Gender		
High School and lower	326	43.0	Female	373	49.0
University and over	432	57.0	Male	388	51.0
Total	758	100.0	Total	761	100.0

Source: Authors' Research

7. Research Foundations

In this part of the study, results of reliability analysis associated with the scales used in the research and Mann-Whitney U and Chi-Square analysis results were explained.

According to the reliability analysis, the Cronbach's Alpha value (0,693) indicates that results are in the acceptable boundaries.

Table 2.The Results of Chi-Square Analysis

	Occupation		Age		Education		Household Income	
	Gamma	p_value	Gamma	p_value	Gamma	p_value	Gamma	p_value
Null Hypothesis	0,171	0.009*	0,145	0.014*	0,246	0.029*	0,126	0,098

Note: * Rejects the null hypothesis of no relationship between two variables at %5 significance level.

Source: Authors' Research

The results of Chi-Square analysis are shown in Table 2. As seen from results we can say that H1, H2 and H3 are statistically significant. On the other hand, H4 is not statistically significant. According to our analysis results, it can be said that there is a positive correlation between occupation level and complaint behavior at 5% significance level.

In other words, customers who have higher occupational level are more likely to complain about a firm or a product when they feel dissatisfaction. This means that firms, which targeted higher occupational level customers, must be more sensitive about managing customer complaints. As seen from chi square analysis results, there is a positive correlation between education level and complaint behavior at 5% significance level. $P= 0.029$ value indicates that higher education level refers to intense complaint behavior. This result shows parallelism with related literature. Ngai, et. al. (2007) emphasized that most past studies have indicated that people with a higher level of education file complaints more frequently because better-educated people know where and how to file complaints (Ngai, et. al., 2007:1378). From Table 2 it can be understood that there is a positive correlation between age and complaint behavior at 5% significance level. In other words, older customers are inclined to show complaint behavior. This means that Turkish customers who are over the age of 45 expect more from their product purchase and services provided by the firm. This can be the result of purchase experiences of these customers.

According to Chi-square results, there is no statistically significant relationship at 5% significance level between household income and complaint behavior. Despite the fact that previous literature mainly emphasized that there is a significant relationship between household income and complaint behavior, the results of our chi square analysis indicates a contrary situation. Besides, our correlation value shows that there is a positive correlation between two variables. Since the complaint behavior variable is an ordinal measurement variable, we use non-parametric tests in order to test the null hypothesis. Mann-Whitney U test is used to test the fifth hypothesis. Results of Mann-Whitney U Test shown in Table 3.

Table 3. Mann-Whitney U Test Results

Mann-Whitney U	21030
Z	-0,148
Asymp. Sig. (2-tailed)	0,882

Source: Authors' Research

According to the Mann-Whitney U statistic's results; there is statistically no significant relationship between males and females with respect to the complaint behavior at 5% significance level. Our results show similarity with most of the previous researches. In other words for Turkish customers there is no difference among sexes in terms of complaint behavior.

8. Discussion and Further Research

This study has contributed to the customer complaint behavior literature in the context of Turkish customer. As Turkey is an emerging market, it can be very attractive for international firms to enter this market. Without doubt, the key factor for success in international markets is to examine in detail external environment factors as well as customer characteristics. In addition, one of the ways of increasing customer satisfaction is to analyze the customer characteristics of related market. According to our analysis results, following suggestions can be made. When Turkish customers' complaint behavior examined in term of occupational groups it is seen that they are more inclined to complain when they are dissatisfied. Since, Turkey is an emerging market, increasing purchase experiences of customers, who are in the upper occupational group in this market, cause increases in expectations of these customers. This situation requires businesses which specify their target market as upper occupational groups to act responsibly towards not only developing market offers but also managing customer complaints.

Hence, international orientation increases their expectations from the products they purchased, the upper occupational group complains more likely from others. In this research, it is found that older Turkish customers are more likely to complain contrary to related literature which indicates that younger customers are more inclined to complain. According to Turkish culture children live with their families unless there is a marriage or compulsory situation. This can lead to a decrease in the frequency of independent purchase considering the structure of Turkish family. This situation requires the businesses which operate and want to operate in Turkish market to pay more attention to older customers. Besides, the generation over a certain age is more inclined to complaints as they are less responsive to dissatisfying situations. Regarding the relation between complaint behavior and educational level, our analysis results indicate that better educated Turkish customers exhibit more complaint behavior. This finding of the study is similar to findings of other country studies. Comparing with other countries the educational level of Turkish people is increasing rapidly. This also affects the number of customers who are more conscious and sensitive to the dissatisfying situations. Hence, the businesses which operate in Turkish market must consider this situation to effectively operate in Turkish market. When customer complaint behaviors were examined according to the income level in Turkish market, no statistically significant relationship was found.

Main reason of this can be stated as income, educational and occupational levels are not always counterbalance in Turkey. This situation must be considered carefully by businesses which plan to make segmentation only on the basis of income. Therefore it is a need for businesses, which operate and plan to operate in Turkish market, to examine not only income variable but also other demographical variables.

According to analysis results, there is statistically no significant difference between males and females in terms of complaint behavior. Along with increasing educational level, Turkish females take further part in working life and this also increase their shopping experiences and expectations. For further researches it can be recommended to extend this study by taking into account sub-cultural characteristics to analyze customer complaint behavior for different regions.

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