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AN EMPIRICAL STUDY OF IMMIGRANT CONSUMERS' COMPLAINING BEHAVIOR

Submitted to the Committee on Undergraduate Honors of Baruch College of The City University of New York in partial fulfillment for the requirements of the degree of Bachelor of Business Administration with Honors

by
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ABSTRACT

The main objectives of this study are two fold: (1) to ascertain the magnitude of complaining behavior in the American immigrant population, and (2) to ascertain the types of the complaining strategies that American immigrants use. To achieve these research objectives, those two behavioral aspects of immigrants were compared to those of a non-immigrant population. It was hypothesized that there are significant differences between immigrants and non-immigrants in terms of those two aspects of complaining behavior.

A survey of parents and relatives of students in a large urban university supported both hypotheses with a high level of significance. Both managerial implications and future research agenda are suggested in the last section of this paper.

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INTRODUCTION

In recent years consumers' complaint intentions and behaviors are getting more attention in the marketing literature (Yi 1990). This is because the success of a firm depends on its ability to apply the marketing concept and satisfy consumers better and more efficiently than competitors. Hence, consumer complaint management has become an important strategic factor. Customers can be a valuable resource in identifying problems and offering potential solutions to them. If consumers are dissatisfied, companies can analyze the sources of dissatisfaction and try to address those factors before they turn into uncontrollable problems. The dissatisfaction may arise due to inferior quality, unrealistic expectations, or poor management of consumer complaints.

Various changes in business environments also have added to the heightened interest and importance of effective complaint management. Today's consumers are more sophisticated and better informed than their predecessors. Better education and a higher level of information availability coupled with extensive media exposure help today's consumers to reach their current level of knowledge and sophistication. Therefore, unless consumers complaints are well resolved by firms, they may switch to other competitors easily. Considering the fact that it is much easier and less costly for a firm to maintain its existing customers than attracting new ones in the market, complaint management becomes most important for firms.

Most research on complaining behavior has focused on the individual and his/her ability to complain. There is also some research that has been done on satisfied and dissatisfied consumers in different cultures (Richins and Verhage 1985, Villarreal-Camacho 1983). But research covering the area of immigrant and non-immigrant behavior in the United States is very limited (Cornwell, Bligh, and Babakus 1991). There are few empirical studies about how immigrant and non-immigrant populations differ in their complaining behavior. However, research on the types of complaining strategies that are employed by the immigrant population as compared to non-immigrant population has not been undertaken.

As the diversity of immigrants is increasing, especially in urban areas of the United States, their complaining behavior and attitudes become an important managerial issue for many businesses. The impacts of cultural patterns on complaining behavior are particularly important. Suppose a person is raised in a society where going against norms

or values is considered wrong, there is less chance that he/she will go against the norms or values even if he/she comes to a country where going against norms or values is not considered a bad thing. There is little empirical study on how those cultural differences influence complaining behavior of immigrant populations. This research tries to fill the gap in the consumer behavior literature by investigating the immigrants' complaining behavior, especially those that come from cultures that differ from the typical American culture (i.e. non westerner European).

LITERATURE REVIEW

Overview

Several researchers have attempted to sketch profiles of dissatisfied consumers. The study of consumer complaint intentions and corresponding behaviors has also received increasing attention in the last few years from researchers and practitioners alike (Richins and Verhage 1985, McClure and Kiecker 1993, Warland, Herrmann, and Willits 1975). In this section the different aspects of consumer complaining behavior are covered. The process of complaining behavior starts as soon as consumer starts evaluating product or service. If he/she feels unsatisfied, either he/she will take some action (behavioral response) or will not do anything (non-behavioral response). Consumers either use formal or informal channels to file complaints. In filing a complaint, cultural and socioeconomical factors play an important role.

Complaints are an important source of communication between consumers and businesses. Consumer complaint behavior like all consumer behavior can be divided into two classes, private and public (Day and Landon 1977). Public actions include complaining to some third party (e.g. Better Business Bureau), taking legal action, or complaining to a seller or manufacturer, while private actions include negative word-of-mouth such as telling friends and relatives, or switching products.

Who Gets Upset and Who Takes Action

A study done by Warland, Herrmann, and Willits (1985) investigated consumers who get upset and the actions they take to resolve their dissatisfaction. According to this study, the majority of people personally complain to the firms if they feel unsatisfied. The next most frequent action is inaction. Next comes complaining to the Better Business Bureau, informing manufacturers, going to lawyers, and informing friends and family. Another finding was that consumers with higher incomes and higher education more frequently file complaints (This is evident in our study). They suggested that this is probably because more affluent or better educated customers know where and how to file a complaint. The researcher divided consumers into three groups; 1) Upset-Action oriented, 2) Upset-No Action oriented and 3) No Upset oriented. In this way they combined consumer actions with their behavior. Consumers belonging to Upset-Action group were more educated, with more income, and belonging to higher social classes as compared to

Upset-No Action and No Upset groups. This study suggested that many socioeconomical factors influence consumer complaining behavior. These findings are also supported by our study. And it gives us insight into consumers' complaining behavior.

Tendency to Complain

Another closely related study by McClure and Kiecker (1992) was done to identify the causes and effects of consumer dissatisfaction. According to this study, consumers' responses to a dissatisfying experience depend upon the type of industry, characteristics of the situation, and demographic and psychographic characteristics of the consumer involved. According to this research, consumers consider different factors like availability of alternative products/sellers, limited information, consumer knowledge, the length of purchase cycle, and the price. Their income, education, sex, age, and personality characteristics are also a factor before deciding about their complaint strategy. It seems that demographic and psychographic factors play very important role in consumers complaining behavior.

Cultural Differences in Consumer Attitudes

A study done by Richins and Verhage(1985) put emphasis on the need to handle product-related customer dissatisfaction differently in different countries. This study has compared attitudes toward complaining held by consumers in two relatively similar countries, U.S and the Netherlands. Despite cultural similarity, nationality accounted for 29 percent of the variance in attitude, even after response bias was controlled. Even larger differences can be expected if comparisons are made between countries at differing levels of economic development. This evidence coincides with previous findings of varying satisfaction and complaint levels across countries. A cross-cultural study was also done by Olander (1977) in different countries (Britain, Germany, Canada, Turkey, and European Communities). Across these countries complaint rate and dissatisfaction-type differed significantly. This study implies that nationality which determines culture is one of the most important factors in complaining behavior. People belonging to different cultures respond differently to a dissatisfied incident.

A Cross-Cultural Comparison

A study of consumer complaining behavior in a cross cultural comparison (Villarreal-Camacho 1983) showed that some concepts in consumer behavior may be culture-bound and suggested that complaining behavior can not be used as an indicator of dissatisfaction. According to her study, people in different cultures use different channels to complain. She studied cultural effects on Mexican and other Hispanic consumers. According to her research work, there is a difference between American, Hispanic, and Mexican consumers. She ascertained that Hispanic and Mexican consumers have less confidence in their shopping abilities. They are less likely to use formal complaining channels. Because of their lack of shopping confidence, they blame themselves for any product-related problem rather than the retailer or manufacturer. On the other hand, Americans are more confident in their shopping abilities, and they tend to use more

formal channels to complain and tend to blame retailer or manufacturer for product faults instead of themselves.

In addition, a recent study was done by Cornwell, Bligh, and Babakus (1991) about the role ethnicity plays in consumer's complaint behavior. According to this study, minority groups like Mexican-American have different complaint characteristics as compared to other ethnic groups.

The Purpose of this Study

While the literature reviewed above establishes the influence of ethnicity on consumers' complaining behavior, it remains silent on the complaining behavior of immigrant consumers. Research is thus needed to determine how immigrant consumers respond to dissatisfied purchases in the form of formal and informal complaints as compared to non-immigrant consumers, which is the main theme of this current study. Instead of comparing consumers from different countries, our target is immigrant and non-immigrant consumers of America.

HYPOTHESES

Even though a large body of literature addresses conditions which lead consumers to file complains, it does not address the issue of the amount of complaining of immigrant populations. On the basis of the description of immigrant and non-immigrant consumers' culture in the literature review section, the following hypotheses about differences in complaining behavior between immigrant and non-immigrant populations are offered for empirical testing:

H1: Immigrant consumers tend to complain less as compared to non-immigrant all other things being equal.

As we have discussed, possible explanations for this reasoning include; cultural difference, where speaking up is not a virtue in some cultures; their prior experience was so negative that they do not have high expectation of resolving the complaint successfully; and lack of communication skills like language problems.

H2: Immigrant consumers tend to utilize less formal complaining channels compared to non-immigrants.

The reason for this could be immigrant populations' lack of experience in complaining through formal outlets. Today, most of the immigrant population in the United States comes from somewhat under-developed countries where there is little knowledge of and faith in consumers' rights. Their negative experience with government agencies in their home countries may discourage them to follow formal channel of complaints.

METHODOLOGY

A survey approach was employed to investigate these issues. The total sample of 153 was comprised of relatives and parents of college students attending an urban university (see [Table 1](#) for sample characteristics). Out of 153 respondents 59.7% of the respondents were immigrants, 36.3% were not, and 4% were foreign students. Students were asked to recruit one member of their family who could respond to his/her recent dissatisfied purchase decision. The students returned the surveys during the following week for extra credit.

Respondents were asked to identify their recent purchase occasion and fill out the questionnaire, which was divided into five sections. In the first section, respondents were asked to respond to actions taken by them after buying the last product they are unsatisfied with (a seven-point likert scale ranging from strongly disagree to strongly agree was employed). The second section ascertained quantitative information regarding their complaint behavior in general like time period used to file a complaint, number of unsatisfied products, the number of times filed a complaint, and the monetary value of the unsatisfactory products. The third section was about consumers' attitude towards complaining behavior (a seven-point likert scale was employed ranging from strongly disagree to strongly agree). In the fourth section questions were asked to distinguish between immigrant and non-immigration population. In the fifth and last section a battery of questions addressing the demographic characteristics of the respondents including gender, age, education, marital status, income, occupation, and number in household were asked.

TABLE 1

DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

Characteristics	N	Percent
Sex		
Male	70	45.8
Female	83	54.2
Age		
18-25	50	33.3
26-35	60	40.0
36-45	19	12.7
Over 46	21	14.0

Income

	Less than \$20,000	15	13.3
	\$20,001-\$40,000	52	46.0
	\$40,001-\$60,000	22	19.5
	Over \$60,000	24	21.2

Education

	Less than High School	14	9.4
	High School Graduate	30	20.1
	Some College	43	28.9
	College Graduate	45	30.2
	Post Graduate	17	11.4

Immigrant Status

	1st Generation*	30	19.9
	1.5 Generation**	30	19.9
	2nd Generation***	30	19.9
	Non-Immigrant****	55	36.3
	Foreign Student	6	4.0
	*First Immigrant in your family		
	** Immigrated with parents		
	***Born here under immigrant parents		
	****All others		

The instrument used to conduct the research is attached in the [Appendix A](#).

RESULTS AND DISCUSSION

For the purpose of hypothesis testing, mean differences with respect to the complaining behavioral measures were tested via ANOVA runs. To facilitate the testing of the second hypothesis, a set of attitudinal questions was put into an exploratory factor analysis. Two factors of interest were reported in [Table 2](#).

TABLE 2

FACTOR ANALYSIS RESULTS OF COMPLAINING BEHAVIOR		
Items	Informal Channel Factor	Self-Blaming Factor
I switch to another retailer.	.712	--

I complain to friends, family, or relatives.	.611	--
I decide not to purchase product or service again.	.684	--
I stop shopping at the store	.586	--
I return the defective product.	--	-.640
I pay to get it fixed.	--	.720
I blame myself for the defective product.	--	.588
I threw the product away and forgot about it.	--	.731

In the initial analysis of all four groups of immigrant status, no differences emerged among the 1.5 generation, second generation and non-immigrant groups. Thus the following analysis to test the two proposed hypotheses was based on the direct comparison between immigrant (N=30) and non-immigrant groups (N=55). Refer to [Table 3](#).

It was found that the non-immigrant group did complain more frequently than the immigrant group ($F=4.78$, $p=.0318$). This supports our hypothesis 1, saying that immigrant consumers tend to complain less compared to non-immigrants. This may be because immigrants tend to attribute dissatisfied products or services as partly due to their own faults (refer to self-blaming factor in [Table 2](#) & cf. Villarreal-Camacho 1983) or they are not familiar with the complaining channels or systems available because of their introduction to a new system. This is supported empirically in this study. Immigrants reported higher difficulty in finding how, to whom, and how to file a complaint than the non-immigrant group ($F=4.49$, $p=.0372$; see [Table 3](#)). To support this argument further, attitudinal questions about complaining behavior in general were included. While immigrants showed a similar attitude toward the need to complain and the right to do so, immigrants are more pessimistic about the willingness of the retailers/manufacturers to resolve reasonable complaints than non-immigrants. It is also interesting to observe that immigrants feel more embarrassed to return or exchange a defective product than the non-immigrant population ($F=5.93$, $p=0.0170$; see [Table 3](#)). Accordingly, immigrants tend to view store employees as more unpleasant to them when they return or complain about an unsatisfactory product or service than non-immigrants ($F=4.15$, $p=.0449$; see [Table 3](#)). Some studies (Cornwell, Bligh, and Babakus 1991) showed that immigrants tend to avoid complaining due to a lack of language fluency.

Even though the complaining incidence of the immigrants is lower than that of non-immigrants, the speed of bringing the complaints to the retailer/manufacturer is faster for immigrants than for non-immigrants. This may be due to the perception of immigrants that they may not have a chance to redress the unsatisfied product or service unless they take a quick action. Another reason is their lack of self-confidence, as we know that Hispanic consumers have less confidence in their shopping abilities (Gillet and Scott, 1974).

In terms of attitude toward general complaining behavior, immigrants tend to blame themselves more for the unsatisfied products or services while non-immigrants tend to attribute those to retailers and/or companies (refer to the Self-blaming factor in [Table 2](#); $F=3.95$, $p=.0501$). This fact was also supported by other studies. For example, Mexican consumers tend to blame themselves rather than retailers or manufacturers (Villarreal-Camacho 1983).

As hypothesized, immigrants tend to utilize informal channels more to resolve their dissatisfaction with products or services than non-immigrant consumers (see Informal Channel Factor in [Table 2](#); $F=2.89$, $p=.0931$). This could be because of their perception. Consumers in different cultures who perceive the idea of complaining differently take different actions, as demonstrated in the case of Dutch consumers who perceive business as less responsive to consumer complaints than American

TABLE 3

RESULTS FOR HYPOTHESES TESTING

	Immigrant (N=30)	Means Non- Immigrant (N=55)	F	p
Number of Complaints (H1)	1.3019	1.6900	4.78	0.0318**
Factor Score* of Formal vs. Informal Complaining Channels (H2)	17.166	19.166	2.89	0.0931***
Did you have any difficulty in finding how, and to whom, to file a complaint? (Never 0, Always 7)	3.48	2.27	4.49	0.0372**
I often find it embarrassing to return or exchange a defective product. (Strongly Disagree 1, Strongly Agree 7)	3.40	2.45	5.93	0.0170**
Store employees are often quite unpleasant to consumers when they return or complain about an unsatisfactory product or service. (Strongly Disagree 1, Strongly Agree 7)	5.20	4.24	4.15	0.0449**

*Factor score was calculated by adding up four Likert-type scales (see methodology section for detail)

**Significant at the .05 level

***Significant at the .10 level

consumers (Richins and Verhage, 1985). So they use more informal channels to complain as compared to Americans. Similarly our finding is supported by a study done on Mexican consumers in which it was ascertained out that Mexicans use more informal channels of complaint as compared to Americans (Villarreal-Camacho, 1983) because of their cultural belief that they can not control whatever "happens" to them.

Another set of interesting findings not directly related to the hypotheses may be worth noting here. Average income of immigrants is \$33,083 while that of non-immigrant is \$53,066. This result says that consumers with more income tend to complain more as compared to consumers with less income.

As far as age is concerned in the total respondent population, the younger consumer group (less than 28 years old by median split) is considered to file more complaints as compared to older people (over 28 years old). This is consistent with the research result of Warland, Herrmann, and Willits (1975).

CONCLUSIONS AND FUTURE RESEARCH AGENDA

In this study we tested two main hypotheses. One was that the amount of complaints of the immigrant group would be lower than the number for the non-immigrant group, while the other one was that the immigrant group would use more informal channels of complaint. Both of these hypotheses were empirically verified in our survey study.

The issue of consumer complaint behavior of immigrants is very important for managers to understand in the current economic situation. If a consumer is not satisfied with a product and does not file a complaint because of procedural difficulties, this will cause a lot of difficulties in managing consumer complaints. Under this situation, no complaint does not imply that every thing is fine because firms would not know what factors are making consumers dissatisfied due to lack of communication. More often than not, customers are the first and most important source to figure out such problems.

Based on the findings of this empirical study, firms who market their products and services to immigrants can take some strategic actions suggested in the following:

1. Firms can use multi-language labels and signs to attract and inform immigrant consumers about the products.
2. Firms can introduce some educational programs about consumers' rights in immigrant communities. This would help immigrants to understand that complaining is not a negative thing. But by complaining they are actually helping firms to improve their products and services.
3. Firms should try to make the complaining process less time consuming and more efficient to win immigrant consumers' confidence by reducing unnecessary paper work and delay. They should setup separate counters or departments for immigrant consumers.
4. Hiring bilingual salespeople would be a desirable way of handling immigrants' complaints.

According to our study, consumer complaining behavior is culture bound. It is not a good indicator of consumers' dissatisfaction. If a consumer is not complaining, it does not mean that he is satisfied. Other factors should be studied to better understand the complaining behavior of immigrants.

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Appendix A

Survey of Consumer Complaint Behavior. [Download \(PDF, 155kb\)](#).

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