

# CUSTOMER COMPLAINT MANAGEMENT IN SELECTIVE RETAIL SECTOR WITH SPECIAL REFERENCE TO COIMBATORE CITY

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## ABSTRACT:

Complaints are the result of customer's dissatisfaction which may arise due to the difference between the expected service encounter and actual service delivery. The prominence of customer's satisfaction has encouraged the service providers to understand the importance of loyalty of customers through complaint management. Complaint management is advantageous for retail as it maintains the present customers and builds the new customer base. The successful Redressal of complaints increases the profitability of firms. The research focuses on the comparative analysis of complaint management system in the retail sectors. The research emphasizes on the complaint management on the basis of nature complaints lodged, effect of demographic factors on complaint behavior of customers, Perception of employees regarding effectiveness of complaint management system in the retail sector. Thus, research is a composite work to investigate the complaint management system in the retail sector.

**Key words:** customer decisionmaking, retail sector, complaint management

## 1.1 INTRODUCTION

Consumer behaviour is an important field of study within the Marketing discipline. With the increase in globalisation, study of consumer complaint behaviour, its antecedents and consequents has also increased. Consumers from different age categories, demographic profile, socioeconomic class, income, education level, cultural background, etc. exhibits different type of consumer complaint behaviour. As the retail firms are expanding globally there is an increase in the amount of studies on consumer complaint behaviour in the retail industry. India, being one of the fastest developing countries with its massive population has become a promising market for Retail business expansion. As a result, the study of consumer behaviour in retail and consequently consumer complaint behaviour has started drawing attention from the researchers.

## 1.2 CONSUMER COMPLAINTS

A consumer complaint or customer complaint is "an expression of dissatisfaction on a consumer's behalf to a responsible party" (Landon, 1980). It can also be described in a positive sense as a report from a consumer, providing documentation about a problem with a product or service.

## 1.3 IMPORTANCE OF CONSUMER COMPLAINTS

There has been a growing interest among the researchers regarding complaints among the customers. The interest has emerged because such behaviours among the customers significantly affect their future repurchase intention, brand loyalty, service recovery strategies of the organization and spread of negative word of mouth. Customer Complaint has increased significantly over the past few years, possibly because of the increasing influence of social media, particularly Facebook and Twitter. Customers can post their comments and give their feedback on the company's products by visiting their Facebook pages without any social fear. Yet, the proportion of customer complaints to dissatisfied customer is short. Very few customers actually complain to the

company. The reason being that customer evaluate the cost-benefit trade off during complaining, sometimes they may feel it's not worth complaining, suppliers might sometimes just ignore the complaints and others might not know where to actually file a complaint. In this age of technology, computerisation of store operations has provided store managers with an opportunity to get complete, timely and accurate information about consumers than ever before.

Over the past several years there has been research on as to how consumers respond to their consumption experiences. Recently the research interest has been shifting on evaluating what actually happens when the consumers are dissatisfied with the product purchase. Although dissatisfaction exists as a primary cause of consumers to complain this does not mean that strong feelings of dissatisfaction can provoke the consumers to take action. We can say that strong feelings of dissatisfaction create an emotional state which can motivate the consumers to take action. Customer complaints serve benefits for both the firm and the customer. The firms get valuable feedback from the customers providing them a chance to improve upon their service delivery processes in future and also prevent customers from switching. An important benefit of complaining is that it gives an opportunity to the consumers to vent out their anger and frustration.

## 1.4 KEY INGREDIENTS IN EFFECTIVE CONSUMER COMPLAINT MANAGEMENT

1. Management commitment
2. Fair policies on repairs, replacements, and refunds
3. Publicity for the system
4. Accessibility of complaint management staff
5. Promptness and courtesy of response
6. Personalised response. Whenever possible
7. Simple, clear communications with consumers
8. Objectivity and flexibility in determining the proper resolution
9. Uniform and consistent record keeping
10. No charge to consumers for filing complaints
11. Minimal cost, if any, for obtaining redress

## 1.5 OBJECTIVES OF THE STUDY

- To study the customer complaint management in selective retail sector
- To analyse the association between type of retail and customer complaint management.
- To provide a few recommendations for managing consumer complaints in retail store

## 1.6 HYPOTHESIS OF THE STUDY

### Null Hypothesis:

There is no significant difference between type of retail and customer complaint management.

### Alternative Hypothesis:

There is a significant difference between the type of retail and customer complaint management.

## 2.1 LITERATURE REVIEW

**Anbalagan. M** (2015) conducted a research on determinants of consumer complaining Behaviour in the hotel industry with

Special reference to Chennai. The main objective of the research was to identify determinants of complaining behaviour. In order to accomplish this objective, the variables taken for the study are level of perception and expectation of service quality variance. The research methodology used is Exploratory research. The findings of the research found that all the respondents are given the first level of importance to tangibility dimension and last level of importance to empathy dimension.

**AparnaSingh** (2017) conducted a study on an Empirical Study of Complainers Satisfaction towards online shopping in India. The objective of the study was to identify the problems faced by the Frontline employees in the proper functioning of the complaint management system. The research methodology used is One-way ANOVA. The study led to the finding that the various independent variables were found to measure the satisfaction level of the complainers in online shopping. The findings from the study revealed that there is a strong and positive relationship between the factors of online complainer satisfaction

**FatimaSousa** (2015) did a study on expectations of justice in complaint Redressal in the airline industry. The main objective was to understand the airline industry plays a vital role in the world economy by facilitating movement of trade and people across the nations, driven by liberalisation and globalization so it is crucial to rectify customer complaints. The research tools used in this study is Chi-Square test. The findings of the study have found which complaints are perceived as severe and which are not severe and similarly which complaints are perceived as controllable and which are perceived as not controllable.

**Shalini Sharma** (2016) did a study on 'An Analysis of complaint management system in Indian public and private sector banks'. The main objective of the study was to compare the nature of complaints lodged by the by the customers in public and private sector banks. She used pilot study. The findings of the study investigates the post complain behaviour in two types: switching behaviour and satisfaction level of customers.

**Vaishali Singh** (2016) did a research on effect of consumer complaint intention and effective complaint handling on consumer trust and retention a study with reference to the retail sector. The objective of the study was to recommend the strategies to strengthen the complaint management system in the retail sectors. The methodology used in this research is One-way ANOVA and Tukey HSD test. The finding of the study led to the effective complaint handling results in consumer retention and helps build consumer loyalty.

### 3.1 RESEARCH METHODOLOGY

The research design used in this study is descriptive research. Both primary and secondary data have been used for the study. Primary data being collected using a structured questionnaire with 18 questions and secondary data have been obtained from journals, magazines, articles and websites. The sampling technique used for the study is stratified random sampling. The researcher on a convenience basis selected 110 respondents for the study and the questionnaire was administered to these people. The study was undertaken in Coimbatore city. The sample size is selected for the study is 110. The statistical tool used to analyse the data are

- Percentage Analysis
- Descriptive Analysis
- Anova Test

## 4. ANALYSIS AND INTERPRETATION

### 4.1 DESCRIPTIVE ANALYSIS

Particulars	N	Mean	Std. Deviation
Customer satisfaction is the key ingredient	110	1.4091	.72054
Incentives forces staff commitment	110	1.8818	.73861
Written procedures for complaint	110	1.9818	.95765
Systematic strategy for complaint	110	1.9091	.83000
Staff should be aware of the complaint system	110	1.9455	.87615
Gather relevant facts about the complaint	110	1.9273	.86427
Training for complaint management to staff	110	1.7909	.77927
Review complaints and make improvements	110	1.9636	.88750
Work cooperatively with government	110	1.8818	.79830
Educate staff to know external organizations	110	1.7273	.84494
Survey customers to see if they are satisfied	110	1.6818	.77734
Publicize the complaint system to customers	110	1.9909	.78396
Complaint system should be computerized	110	2.2455	1.01535
Company should consider toll free number	110	2.2727	1.00375
Efforts to	110	2.1000	.91822

dispose complaints procedurally			
Redressed is major components of satisfaction	110	1.9182	.89987
Complaint management is essential to retail	110	1.6182	.76604

**Source: Primary data**

#### INTERPRETATION:

The result from the above table (4.2) shows customer complaint management in selective retail sector; the mean value (2.2727) implies that the Company should consider toll free number and the mean value (2.2455) implies Complaint system should be computerized, the mean score (2.1000) implies that Efforts to dispose complaints procedurally, the mean value (1.9909) implies that company should Publicize the complaint system to customers, the mean value (1.9818)

implies there should be Written procedures for complaint, (1.9636) implies that Review complaints and make improvements, the mean value (1.9455) implies that the Staff should be aware of complaint system. the mean value (1.9273) implies that the Gather relevant facts about complaint, the mean value (1.9182) implies that the Company should Redressed is major components of satisfaction and the mean value (1.9091) implies Systematic strategy for complaint ,the mean score (1.8818) implies that Incentives forces staff commitment, the mean value (1.8818) implies that company should Work cooperatively with government, the mean value (1.7909) implies there should be Training for complaint management to staff, the mean value (1.7273) implies that Educate staff to know external organization, the mean value (1.6818) implies that Survey customers to see if they are satisfied, the mean value (1.6182) implies that Complaint management is essential to retail, the mean value (1.4091) implies that the Customer satisfaction is key ingredient.

#### 4.2 ANOVA TEST

#### CUSTOMER REALTIONSHIP MANAGEMNT IN SELECTIVE RETAIL SECTOR

**TABLE: 4.2.1**

ANOVA						
Particulars	Practices	Sum of squares	Df	Mean Square	F	Sig
Customer satisfaction is key ingredient	Between Groups	1.340	3	.447	.857	.466
	Within Groups	55.250	106	.521		
	Total	56.591	109			
Incentives forces staff commitment	Between Groups	3.093	3	1.031	1.939	.128
	Within Groups	56.371	106	.532		
	Total	59.464	109			
Written procedures for complaint	Between Groups	3.309	3	1.103	1.210	.310
	Within Groups	96.655	106	.912		
	Total	99.964	109			
Systematic strategy for complaint	Between Groups	1.879	3	.626	.907	.440
	Within Groups	73.212	106	.691		
	Total	75.091	109			
Staff should be aware of complaint system	Between Groups	1.852	3	.617	.800	.497
	Within Groups	81.821	106	.772		
	Total	83.673	109			
Gather relevant facts about complaint	Between Groups	3.036	3	1.012	1.369	.256
	Within Groups	78.382	106	.739		
	Total	81.418	109			
Training for complaint management to staff	Between Groups	4.378	3	1.459	2.503	.063
	Within Groups	61.813	106	.583		
	Total	66.191	109			
Review complaints and make improvements	Between Groups	2.280	3	.760	.964	.413
	Within Groups	83.575	106	.788		
	Total	85.855	109			

Work cooperatively with government	Between Groups	1.702	3	.567	.888	.450
	Within Groups	67.761	106	.639		
	Total	69.464	109			
Educate staff to know external organizations	Between Groups	.532	3	.177	.243	.866
	Within Groups	77.286	106	.729		
	Total	77.818	109			
Survey customers to see if they are satisfied	Between Groups	3.517	3	1.172	1.993	.119
	Within Groups	62.347	106	.588		
	Total	65.864	109			
Publicize the complaint system to customers	Between Groups	1.196	3	.399	.642	.590
	Within Groups	65.795	106	.621		
	Total	66.991	109			
Complaint system should be computerized	Between Groups	5.594	3	1.865	1.851	.142
	Within Groups	106.779	106	1.007		
	Total	112.373	109			
Company should consider toll free number	Between Groups	1.279	3	.426	.417	.742
	Within Groups	108.539	106	1.024		
	Total	109.818	109			
Efforts to dispose complaints procedurally	Between Groups	.418	3	.139	.161	.922
	Within Groups	91.482	106	.863		
	Total	91.900	109			
Redressal is major components of satisfaction	Between Groups	3.590	3	1.197	1.498	.219
	Within Groups	84.674	106	.799		
	Total	88.264	109			
Complaint management is essential to retail	Between Groups	1.486	3	.495	.840	.475
	Within Groups	62.478	106	.589		
	Total	63.964	109			

**Significant at 5% level****INTERPRETATION:**

In the above row (A) the f value is 0.857 and significance value is 0.466. In the above row (B) the f value is 1.939 and significance value is 0.128. In the above row (C) the f value is 1.210 and significance value is 0.310

In the above row (D) the f value is 0.907 and significance value is 0.440. In the above row (E) the f value is 0.800 and significance value is 0.497. In the above row (F) the f value is 1.369 and significance value is 0.256. In the above row (G) the f value is 2.503 and significance value is 0.063. In the above row (H) the f value is 0.964 and significance value is 0.413. In the above row (I) the f value is 0.888 and significance value is 0.450. In the above row (J) the f value is 0.243 and significance value is 0.866. In the above row (K) the f value is 1.993 and significance value is 0.119. In the above row (L) the f value is 0.642 and significance value is

0.590. In the above row (M) the f value is 1.851 and significance value is 0.142. In the above row (O) the f value is 0.161 and significance value is 0.922. In the above row (P) the f value is 1.498 and significance value is 0.219. In the above row (Q) the f value is 0.840 and significance value is 0.475. It is more than acceptable value of 0.005, so the null hypothesis is accepted and the alternative hypothesis is rejected.

**5.FINDINGS OF THE STUDY**

Majority of the respondents (30.9%) are taken from department stores and (33.6%) are working 6 to 9 years as a retailer where (32.7%) are managers who (49.1%) says that the complaint gets redressed within more than 15 days to 1 month but (69.1%) says that there is sometimes a problem in handling complaints and (60.0%) says that customer's complaint directly.

The highest mean value (2.2727) implies that the company should consider a toll free number because it improves the



customer retention rate and this platform provides easy reachability to customers and results in higher customer satisfaction. The lowest mean value (1.4091) implies that the customer satisfaction is the key ingredient in the customer complaint management system.

### 5.1 SUGGESTIONS

Effective complaint management enhances a company's reputation consumer confidence and loyalty, and attracts new customers.

Effective complaint management can result in increased sales, better products, improved personal performance, and business economies.

Effective complaint management strategies can involve the use of toll free numbers.

Effective complaint management helps business meet its responsibility to cooperate with Federal and State regulatory agencies.

Top level commitment to effective complaint management establishes the motivation and incentives for all personnel to strive for consumer satisfaction.

These policies and procedures should be put in writing and communicated to all employees.

Management should regularly review and when necessary find ways to improve complaint management procedures

Short and long range planning should include adequate budget and staff allocation for consumer service and complaint management.

Company management should closely supervise complaints reviews and resolution

### 5.2 CONCLUSION

Customer complaint management is a powerful tool for the success of any industry in the business world. It creates the ways to maintain a positive relationship with customers to increase the business and profitability. The strategies and methods employed by customer complaint management are targeted at mutual benefits to customers and the industry. It creates deep and wide impact on customers and make in deep inroads in identifying the move of the industry. Customers can be won in life by taking the trouble to fix their problems in a competent and caring way. By really listening to concerns, and by immediately responding with a solution, customers can be both impressed and delighted. A complaining customer usually believes that something can and ought to be done to remedy his or her problem; this offers a special opportunity for organizations to ensure that they retain valuable customers. Extraordinary customer experiences are mostly achieved by doing many small things effectively to build up an outstanding record of customer service careful follow-up is a critical aspect of customer complaint resolution, which helps to further build and cement relationships.

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