Customer Complaint Behaviour and Companies' Recovery Initiatives: The Case of the Hello Peter Website

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Abstract

With technological advancements, consumers now have many different avenues as platforms to communicate or voice their opinions about organisations and service levels. Increased competition and a more vigilant consumer mean that organisations need to keep track of their customers' perceptions of service and product delivery and where necessary, to respond to customer complaints so as to retain, rather than lose customers.

Hello Peter is the world's largest customer service website which was founded by Peter Cheales in 2000 (Arbuckle 2008: paragraph 2). The website allows for consumers to post their complaints and compliments based on their experiences with a particular firm. The organisation is then requested to provide the consumer with a recovery initiative to remedy the failure.

The objectives of the study aimed to assess and categorise the different types of customer complaints on the Hello Peter website, identify the various companies' recovery strategies to these complaints, and where possible to evaluate the effectiveness of these recovery strategies.

Qualitative research techniques were used to gather in-depth data regarding the consumers' reasons for complaining as well as the organisations recovery strategies. The sample size consisted of 1 000 complaints. Inductive Thematic Analysis was used during data analysis to code and create themes for the data collected.

The most common online complaints on the Hello Peter website were regarding delays in company responses, companies promising action and failing to then act, and unhelpful company responses. Common recovery

strategies used by organisations were offering to be in contact with the complainant and acknowledging the customers' complaint. Offering the customer an apology was also a frequently used recovery initiative. From the consumers who responded to the recovery initiative it was found that a relatively low percentage of complainants were impressed with the recovery outcome and process. The findings also indicated that consumers had the most positive responses when an apology was provided as well as a reference number for the consumer to track their complaint. Online recovery strategy recommendations were made.

Keywords: Online complaint behaviour, customer complaints, recovery strategies, Hello Peter website, customer satisfaction with recovery strategies, Inductive Thematic Analysis

Introduction

Consumers are faced with various choices when making a purchase. Given that consumers are generally spoilt for choice, businesses in any industry need to ensure that they offer a high level of customer service in order to secure customer loyalty as well as a strong brand image. Customer service has a direct impact on customer loyalty as consumers' perceptions are difficult to change (Sabharwal, Soch & Kaur 2010: 126).

With technological advancements, consumers now have many different avenues as a platform to communicate or voice their opinions about organisations and service levels. The Hello Peter website, founded by Peter Cheales in the year 2000, is the world's largest customer service website (Arbuckle 2008: paragraph 2). The site allows consumers to report poor customer service, poor product quality, or provide information on good service that they have received. Companies then have the opportunity to remedy the complaint which will be followed by the consumers' response to the service recovery method chosen.

The purpose of the research project was to provide businesses with an idea of what types of failures consumers' complain about on the Hello Peter website and to provide insight into the different service recovery methods and those that are most effective in solving the customers' complaints.

Literature Survey

This section focuses on current literature relating to customer complaint behaviour and service recovery, as well as the role of technology in customer complaint behaviour. This section also provides a brief discussion of the Hello Peter website and its complaint process.

Customer Complaint Behaviour

Complaint behaviour is one possible response to customer dissatisfaction (Crie 2003: 60). Customer complaint behaviour as an action taken by an individual which involves communicating something negative regarding a product or service to either the firm manufacturing or marketing that product or service, or to some third party organisational entity (Ruoh-Nan & Lotz 2009: 107).

Dissatisfaction can lead to a variety of responses (Lovelock & Writz, 2007: 391):

No action: This refers to the circumstance in which the consumer remains loyal despite the problem experienced and the resulting dissatisfaction. This may be due to there being no available alternative (Butelli 2007: paragraph 6).

Private actions*:* These comprise mainly word-of-mouth communication to friends and family. Dissatisfied customers will tell between eight and ten people about bad service they have experienced, and one in every five angry customers will tell 20 people (Hocutt, Bowers & Donavan 2006: 199). The harm caused by dissatisfied customer's talking to friends is minimal however, compared to the harm generated via new technologies such as the Internet and social media. These technologies make it possible for individuals to voice their disappointment with regards to poor service quickly, in large volumes, around the world and in some cases anonymously (Hocutt *et al*. 2006: 199). The customers who choose negative word-of-mouth usually pursue different objectives to those pursuing public actions, such as simply expressing anger and frustration (Butelli 2007: paragraph 6). An exit strategy refers to the condition in which consumers decide not to repurchase or not to utilize the service again. In order for the consumer to

decide to exit or boycott, s/he must have other available alternatives (Butelli 2007: paragraph 6). According to Kurtz and Clow (1998: 54), only 1 out of 26 dissatisfied customers complain to the firm, the remaining 25 show their displeasure by engaging in firm switching behaviour.

***Public actions**:* These include complaint responses made in order to pressure an organisation into rectifying the complaint or offering to refund the buyer (Velázquez, Contri, Saura & Blasco 2006: 495). These public actions may be in the form of voice responses where the complaining behaviour is directed to the parties perceived to be responsible for a dissatisfying experience. Compared to other responses, voice complaints are a direct, confrontational approach to relieving dissatisfaction. By voicing their discontent to a responsible party, consumers may vent their frustration and perhaps more important, get redress for their dissatisfaction (Chan & Wan 2008: 79). Third party responses involve seeking help from outside parties with sanctioning power, such as the media, consumer advocacy groups and legal agencies that are outside the consumer's social circle. By expending relatively significant time and effort on third-party responses, consumers often try to obtain specific remedies for their dissatisfying experience (Chan & Wan 2008: 80).

Usually consumers need to be dissatisfied in order to complain however other factors may be necessary to move the customer from dissatisfaction to complaint. Such factors may be attribution of the cause of dissatisfaction or psycho-sociological characteristics of the individual consumer (Crie 2003: 67). Attribution describes the process of allocating blame. To lead to customer complaint behaviour, the consumer has to identify clearly the party responsible for his/her dissatisfaction during a given consumption incident. Generally, consumers who observe the cause of their dissatisfaction as being stable (the same crisis may happen again) or controllable (consumer feels the organisation could have prevented the cause of dissatisfaction), are more inclined to either leave the organisation or product, or engage in negative word-of-mouth (Crie 2003: 68).

Frustration is a characteristic that can influence the relationship between dissatisfaction and complaint behaviour. The more substantial the frustration the greater the risk of aggressiveness and customer complaint behaviour is (Crie 2003: 68). Frustration arises not only when the objective

assigned to a given behaviour is blocked or interrupted before its fulfilment, but also when the result achieved has a lower level than that sought, or when its realisation requires more resources than the consumer can, wants or expects to spend to reach the desired objective (Crie 2003: 68). Frustration can arise in situations of purchase intention (unavailability of the product or of the brand) or in post purchase situations. Other individual characteristics may also influence complaint behaviour, e.g. loyalty to the brand, product or supplier; the level of quality assessment, the educational level and tastes; the ability to detect quality differences, and perceptions of the cost/profit ratio of the possible actions (Crie 2003: 69).

Recovery Strategies

A recovery initiative refers to the actions an organisation takes in response to a service/product failure (Hocutt *et al*. 2006: 199). Recovery strategies are strategies practiced by an organisation and its employees to return the customer to a state of satisfaction (Nikbin, Ismail, Marimuthu and Jalalkamali 2010: 47). An aim of service recovery is to appease dissatisfied customers through suitable actions in order to reduce potential damage to customer relationships instigated by service failures (Nikbin *et al*. 2010: 47).

While poor complaint management procedures can alienate customers forever, effective recovery strategies offer organisations the opportunity to regain customers through secondary satisfaction or post-complaining satisfaction. One can define customer complaint behaviour as an action taken by an individual who involves communicating something negative regarding a product or service to either the firm manufacturing or marketing that product or service, or to some third party organisational entity (Ruoh-Nan & Lotz 2009: 107). Boshoff and Leong (1998: 24) found that firms accepting responsibility (attribution) for the service failure is the most important factor to customers.

Recovery initiatives illustrate the actions that companies take to counter defects or failures. The most frequent and often used actions are apology, assistance, and/or compensation (Levesque & McDougall 2000: 21). The following section discusses the typical recovery strategies used by organisations to redress failures.

1. Apology: An apology is recommended as a pre-requisite for service recovery. While an apology is better than no apology, an apology alone is relatively ineffective when a customer experiences a failure. Typically, a customer expects some gain for their loss. An apology offers little gain but may be effective when minor problems are encountered (Levesque & McDougall 2000: 21). Through apologies, organisations indicate to complainants that the organisation stands on the same side as the customer and this allows them to work together to solve the problem (Hui & Au 2001: 163). Past findings indicate that providing a respectable explanation can minimise customers' dissatisfaction with poor service experiences. By apologising to complainants, organisations accept responsibility for the problem and express their genuine regret to complainants (Au, Hui & Kwok 2001). The presence or absence of an apology is strongly correlated to customer's perceptions of interactional justice (Wirtz and Matilla 2003: 151).

2. Assistance: Assistance involves taking action to rectify the problem. Assistance is possibly the most effective single recovery strategy, because it can bring the customer back to the original purpose of buying the product/service. It is argued that the service firm has little leeway; it must fix the problem quickly. The gain is fulfilling the basic promise, which may equal the loss from the failure (Levesque & McDougall 2000: 22).

3. Compensation: Compensation involves monetary payment for the inconvenience the customer has experienced and may be required if the failure cannot be fixed. Increasing compensation should lead to greater satisfaction with the recovery strategy (Levesque & McDougall 2000: 7). However, according to Smith, Bolton and Wagner (1999: 369) equity theory suggests that over rewarded customers' may be less satisfied, as they feel distress and guilt about the inequity of the exchange. Thus while consumers want a gain in this loss situation, and increasing the gain through compensation and assistance should improve satisfaction, there may be an upper limit to the gain (Levesque & McDougall 2000: 22). By organisations

offering some kind of compensation, the company is able to decrease the extent of perceived injustice by having an effect on the physical outcome of the complaint. More importantly, compensation is also believed to express a symbolic statement of respect to the complainant and express heartfelt regret of the company. These symbolic meanings are likely to affect perceived fairness of the complaint process (Hui & Au 2001: 163).

Customer Satisfaction with Recovery Strategies

Schoefer (2008: 211) proposes that satisfaction with recovery strategies will be influenced by a customer's perception of i) the way in which s/he was treated during the recovery practice (interactional justice), ii) the means in which conclusions are made and encounters determined (procedural justice), and iii) the perceived result of the complaint (distributive justice).

1. Distributive justice refers to the assignment of tangible resources by the organisation to remedy and reimburse a service failure (Nikbin, *et al*. 2010: 49). Customers may expect various levels of compensation depending on how severely the service failure affects them (Hocutt, *et al*. 2006: 200). In a service recovery effort, tangible compensation will lead to higher perceptions of distributive justice (redress fairness), which in turn will result in higher customer satisfaction and lower negative word-of-mouth intentions (Hocutt, *et al*. 2006: 200). Consumers expect outcomes, or compensation, that corresponds with the level of their dissatisfaction. This compensation can take the form of actual monetary compensation, an apology, future free services, reduced charges, repairs and/or substitutes (Wilson, Zeithaml, Bitner & Gremler 2008: 379).

2. Procedural Justice is the perceived fairness of the process through which results are attained. The perceived fairness of procedural justice is influenced by voice and neutrality. Voice refers to the opportunity that is provided to the consumer to present information about their experience regarding the service failure. Neutrality

occurs when a particular organisation follows a set of processes to redress the situation (Sabharwal, *et al*. 2010: 128). Thus in addition to fair compensation, customers expect fairness in terms of policies, rules and timeliness of the complaint process. Customers want accessibility to the complaint process, and they want things handled quickly, preferably by the first person they interact with (Wilson, *et al*. 2008: 379). A timely response on the part of the front-line employees who are permitted to manage a service failure situation would function as an indication of the suppliers consideration of the consumer's needs (Hocutt *et al*. 2006: 201).

3. Interactional justice is the degree to which customers feel that they have been treated justly while personally interacting with employees of a company during the recovery process. This justice comprises the communication process and treatment of individuals with courtesy, respect and explanation. The capability and enthusiasm of the contact employees to respond and handle service failures can affect the service encounter being remembered as satisfactory of dissatisfactory (Sabharwal *et al*. 2010: 129). Features of this form of justice include interpersonal sensitivity, treating people with dignity and respect, or providing explanations for the events (McColl-Kennedy & Sparks 2011: 253). Interactional justice is the strongest predictor of trust in a supplier as well as overall satisfaction (McColl-Kennedy & Sparks 2011: 253).

Guidelines to Effective Recovery Strategies

The effectiveness of recovery strategies depends on what is done and how it is done (Levesque & McDougall 2000: 21). The following guidelines are an indication as to how organisations can develop a recovery process to ensure customer satisfaction and ultimately customer retention.

- Encourage and track complaints: A critical component of a service recovery strategy is to encourage and track complaints. In many cases it is difficult for the firm to be aware that a service failure has

occurred unless the customer informs the company. A relatively low percentage of customers (5-10%) will complain to an organisation. Firms however can develop strategies to provoke consumers to complain such as developing the mind-set that complaints are good, making complaining easy and being an active listener (Wilson *et al*. 2008: 382). Customers should know where to go and/or who to talk to if they have a complaint. Technological advances have made it possible to provide customers with multiple avenues to complain such as customer call centres, email addresses as well as website feedback forms. Huppertz (2007: 433) states that consumers observe complaining as easier when firms device detailed policies intended to decrease the time and effort necessary to complain. Authorising employees, decreasing the hassle involved in returning goods, as well as providing contact customer service agents make complaining easier. Freephone call centres, emails and pagers are used to facilitate, encourage as well as track complaints.

- Act quickly: Complaining customers want quick responses. Therefore if the company welcomes, even encourages complaints, the firm must be prepared to act on them quickly. Immediate responses require not only systems and procedures that allow quick action but also empowered employees (Wilson, *et al*. 2008: 385). Gordon, McDougall, Terrence and Levesque (1999: 12) found that when a service failure concerning waiting occurred, service recovery strategies (including both assistance and compensation) that were typical of industry practices did not lead to positive future intents towards the service provider. Response speed is one of the main factors of successful service recovery. According to Mattila and Mount (2003: 142), technologically inclined customers seem to have a no tolerance for delayed responses to their electronic complaints. Subsequently these upset customers are able to promptly share their bad experiences with a big number of other consumers through Internet complaint sites; negative word-of-mouth can have a snowball effect on an organisation. Participants who showed a lower level of technology interest were more lenient through a 48 hour period. Cho, Im, Hiltz and Fjermestad (2002: 323) also found that

prompt responses to consumers' complaints are related to repeat purchase intention.

- Take care of problems on the front line: Customers want the persons who hear their complaints to solve their problems whether a complaint is expressed in person, over the telephone or via the internet (Wilson *et al*. 2008: 285). Schoefer (2008: 211) states that it is not the service recovery initiative in itself that produces emotion but rather the manner in which the individual assesses it. Particular emotions and their force are linked to an assessment of the circumstance provoking the emotional response. For example, the polite treatment (i.e. high level of interactional justice) of a customer during service recovery strategies is likely to cause higher levels of positive emotions such as happiness. A rude treatment (i.e. low level of interactional justice) of the consumer, conversely, is likely to increase the possibility of negative emotions such as anger being stimulated (Schoefer 2008: 212).

- Empower employees: Employees must be trained and empowered to solve problems as they occur (Wilson *et al*. 2008: 385). This statement is reinforced by Schoefer (2008: 212) who states that employees should be trained to play their roles in accordance to customer expectations. Schoefer (2008: 212) also states that contact employees should be conscious of the emotional environment of customer complaint management and should be trained to observe it. Employees need training to cultivate emotional capabilities and decision-making expertise. Decision making training can minimise negative emotional responses on customers' perceptions.

- Provide adequate explanations: When customers experience service failures, these individuals try to understand why the failure occurred. Research suggests that when a firm's ability to offer an acceptable outcome is not successful, further dissatisfaction can be reduced if an adequate explanation is provided to the customer (Wilson *et al*. 2008: 387).

- Treat customers fairly: Customers expect to be treated fairly in terms of the outcome they receive, the process by which the service recovery takes place, and the interpersonal treatment they receive (Wilson *et al*. 2008: 387).

Role of Technology in Customer Complaint Behaviour

Consumer complaining is moving from a private to a public sensation. Consumers who once might have voiced their dissatisfaction with a firm to a few family members or friends are now complaining to the first mass media available, to the public World Wide Web (Ward & Ostrom 2006: 220). The evolution of the Internet and its communication potential has given rise to various websites that function as forums for consumers to share their positive or negative experiences when dealing with various organisations (Harrison-Walker 2001: 397). The Internet offers consumers an anonymous and simple available channel for negative word-of-mouth through expressing their viewpoints and/or making complaints available to others. Negative word-of-mouth in the form of consumer criticisms has the potential to taint a brand and sway a potential consumer to search elsewhere for the product (Sparks & Browning 2011: 799).

Not all service failures are expected to lead to online and public actions. Customers usually engage in online public complaining when a service failure is shadowed by failed recoveries (Gregoire, Tripp & Leoux 2009: 19).

Previously, retailers and service providers were unable to redress customer complaints unless the consumer first sought remedy; however this no longer applies (Harrison-Walker 2001: 398). Retailers and service providers who observe complaint forums on the Internet are also in a position to take corrective action (Harrison-Walker 2001: 398). Creating a public forum on the Internet, which can be accessible to a global audience, is a very useful tool for word-of-mouth advertising. The unfortunate side of consumer complaint sites is that consumers seeking information about various organisations will often locate the complaint sites first (Harrison-Walker 2001: 398).

Considering the possible damage that these websites can have on the bottom line of an organisation, many firms such as Volvo and Chase Manhatten are attempting to shield themselves by creating anti-domains, such as chasestinks.com, chaseblows.com etc. (Harrison-Walker 2001: 398). This provides newer firms with an opportunity to block complaint sites before their name is known (Harrison-Walker 2001: 398). Firms that adopt such a defensive stance are attempting to block the consumer's capacity to share their negative incident with others. The damage of dissatisfaction has been acknowledged (Harrison-Walker 2001: 398). At the very least it results in negative word-of-mouth with regard to the inability of the service provider to meet consumer needs, reduced repeat purchases by the dissatisfied consumer and also fewer purchases by new consumers who has been exposed to the negative word-of-mouth (Harrison-Walker 2001: 398).

The key reason for attending to consumer complaints, instead of trying to block them is merely for the reason that it is cheaper in the long run to retain existing customers' satisfied than to spend the marketing monies needed to find new ones. Also, research shows that it costs five times as much to draw a new customer as it does to maintain a current consumer (Harrison-Walker 2001: 399). Whilst in the past an unhappy consumer might tell another 12 to 20 persons about the experience, it appears the reach of complaints expressed on the Internet is virtually endless (Sparks & Browning 2011: 800). As a result, retailers and service providers who are unaware of these consumer complaint forums may unknowingly be losing business because of negative comments made by unsatisfied customers (Harrison-Walker 2001: 398).

According to Butelli (2007: paragraph 15), organisations that do not receive complaints are depriving themselves of the most priceless form of information. It can be seen as 'free' feedback which can provide vital information that is otherwise not available.

The Hello Peter Website

Hello Peter enables consumers to post comments about their experience with a particular company whether it is positive or negative (Arbuckle 2008: 1). The purpose of the website is to improve the service levels of suppliers by

providing a platform for consumers to post company specific constructive criticism as well as compliments (Arbuckle 2008: 2). To date Hello Peter has listed 1 470 companies which are registered with them, and 679 which do not respond to customers complaints. In addition there are 1 321 companies which have been mentioned for the first time in the past 6 weeks and which are still pending and have not become subscribers yet (Hello Peter 2010).

Published customer complaint or complement reports remain on the website for a period for 12 months (Hello Peter 2010). Consumers do not pay to submit a report and can browse other people's reports and search for reports on a particular industry or company (Hello Peter 2010). A company that wishes to subscribe to this service pays an annual subscription fee of R427.50. Additionally, companies are charged an annual response fee according to the number of responses received per annum (Hello Peter 2010). The companies' annual fee includes email notification when a customer report is posted mentioning the particular organisation. In addition to email notification suppliers can choose to have SMS notifications sent to them as well. Each report is accompanied by the customers' name, email and telephone number. The supplier also has the ability to respond to the customers' complaint as well as have access to the customer's rating of the response (Hello Peter 2010).

Research Methodology

Sample Design and Data Collection

The sample population can be described as all individuals who are aware of the Hello Peter website and who utilise the website as a complaint platform. It is therefore difficult to ascertain the population size. A sample size was selected using non-probability sampling due to the type and quality of information needed for the research. Non-probability sampling is described as less complicated and more economical in comparison to probability sampling (Welman, Kruger & Mitchell 2005: 68).

In order to collect data the website was monitored over a two week period (11- 24 July 2011) on four days a week (Monday, Wednesday, Friday and Sunday). Every alternative day was chosen allowing for new complaints

to be posted as well as for suppliers and customers to respond in order to achieve the research objectives. The period of two weeks allowed for conclusive data on the different types of complaints that were on the website as well as, the various recovery strategies that were being utilised.

Based on prior observation of the website it had been noted that there are approximately 500-700 complaints daily. Therefore in order to ascertain a representative sample, the average daily complaints were divided by the days in which research was conducted thus resulting in 125 complaints per day, and ultimately leading to a sample size of 1 000 randomly chosen complaints.

Data Analysis

Inductive Thematic analysis shares several of the actions and principles of content analysis (Marks & Yardley 2004: 57). Thematic analysis is an exploration for themes that develop as being important to the description of the phenomenon (Fereday & Cochrane 2006: 82). An inductive approach means the themes identified are strongly related to the data themselves (Braun & Clarke 2006: 83). A theme refers to a specific pattern found in the data in which one is interested. A further distinction in terms of what represents a theme lies in whether it is drawn from existing theoretical ideas (deductive reasoning) or from the raw information itself(inductive reasoning) (Marks & Yardley 2004: 57). The method involves the identification of themes through vigilant reading and re-reading of the data. It is a form of pattern acknowledgment within the data, where developing themes become the groupings for analysis (Fereday & Cochrane 2006: 82).

Further evaluation was conducted by comparing the recovery strategies to the customers' responses, to identify which recovery strategies are most effective.

Results

Table 5.1 presents product or service failures that have been experienced by consumers in various industries.

Table 1 Types of Complaint Themes

	Theme	Frequency	Percentage
1	Delay in response	459	45.9
2	Promise to do something and didn't	439	43.9
3	Unhelpful	408	40.8
4	Ignored	354	35.4
5	Defective product	227	22.7
6	Bad attitude	209	20.9
7	Rude or impolite	97	9.7

Table 5.1 indicates that the largest category of complaints (45.9%) are due to a delay in response. This theme incorporated statements such as 'to date nothing has happened'. Research suggests that technologically-inclined customers have no tolerance for delayed responses to their electronic complaints, subsequently these upset customers are able to promptly share their bad experiences with other consumers through Internet complaint sites (Mattila & Mount 2003: 142). According to the findings, 43.9% of the complaints were about suppliers who have promised to do something and did not. Statements such as 'Promise to contact you and never do' were used by the complaining customers. This reinforces the literature that states if the promises made by the organisation have not been met, consumers are likely to become dissatisfied (Gordon *et al*. 1999: 8). Unhelpful employees were the 3rd most common complaint theme (40.7%).These consumers used phrases such as 'I called the call centre; no one knew how to help me'. This dissatisfaction is reinforced by Gruber, Reppel, Abosag and Szmigin (2008:132) who state that if the frontline employees are unable to deal with a customer's expectations effectively, the customer is likely to become dissatisfied.

Table 5.2 indicates the various recovery strategies used by suppliers.

Table 2 Recovery Strategy

	Theme	Frequency	Percentage
1	Contact	675	67.5

2	Acknowledgement	479	47.9
3	Apology	470	47
4	Investigate	421	42.1
5	Reference number	228	22.8
6	Compensation	49	4.9

The most frequent supplier response theme (67.5%) was that of suppliers offering to be in contact with the complainant. Studies show that customers being able to voice their complaint produced a significant impact on both perceived fairness of the complaint-handling process and perceived fairness of the complaint result (Hui & Au 2001: 171). A relatively high percentage (47.9%) of suppliers provide acknowledgement to the consumers of their complaint which is reinforced by comments such as 'corrective measures will be put in place'. According to Magnini, Ford, Markowski and Honeycutt (2007:214) trust can be reinforced when partners take action in ways that acknowledge an individuals' specific need and assert their sense of worth. Firms gain trust from the complainants by acknowledging their complaints and providing explanation as to what the firm intends on doing with regard to the complaint. This trust that is gained, can ultimately ensure customer retention.

Offering apologies to complainants was used in 47% of the cases. Supplier comments such as 'please accept my apologies' were found. The literature states that an apology alone is relatively ineffective when a customer experiences a failure (Levesque & McDougall, 2000: 21). Furthermore, Gordon, *et al*. (1999: 12) states that 'doing something' further than apology was significant but not good enough. These statements are an indication that organisations should use an apology as the minimal recovery initiative and not the only strategy. The apology should be combined with other strategies appropriate to the severity of the failure, such as compensation or assistance.

Table 5.3 indicates the various recovery strategies that service providers have utilised and the consumers' response to these efforts.

Table 3 Recovery Strategies and Customer Responses

	Positive responses	Negative responses	Total responses	Total recovery offers
Apology				470
Frequency	155	15	170	
Percentage	32.9	3.2		
Reference Number				227
Frequency	97	4	101	
Percentage	42.6	1.7		
Investigate				421
Frequency	118	14	132	
Percentage	28	3.3		
Contact				675
Frequency	84	23	107	
Percentage	12.5	3.4		
Acknowledgment				479
Frequency	134	28	162	
Percentage	20	4.1		
Compensation				49
Frequency	19	38.8		
Percentage				

According to the findings, providing a customer with a reference number in order to track their complaint results in the highest positive response outcome (42.6%). However, there is no relevant literature to reinforce this finding.

Nearly thirty-three percent of consumers however, had a positive perception when an apology was provided to them by the supplier. According to Levesque and McDougall (2000: 21) an apology alone is relatively ineffective but better than none at all. This again suggests that suppliers

should provide an apology as a minimal recovery initiative and not the only strategy.

Table 5.4 indicates how many consumers problems were solved after the offer of the following recovery strategies.

Table 4 Recovery Strategies Effectiveness on Solving the Problem

	Problem Solved	
Total	114	
	Frequency	Percentage
Apology	90	78.9
Reference Number	52	45.6
Investigate	65	57
Contact	53	46.5
Acknowledge	78	68.4
Compensation	9	7.9

Table 5.4 indicates that the majority of complaints (78.9%) were solved after an apology was offered by the supplier. This is followed by the organisation acknowledging the customers complaint (68.4%). This finding supports Magnini, *et al.*'s (2007: 214) statement that trust can be reinforced when partners take action in ways that acknowledge an individuals' specific need and sense of worth.

Table 5.5 indicates how many consumers are still awaiting further response from the supplier and their problem has not been solved.

Table 5 Recovery Efficiency

	Awaiting Further Response	
Total	17	
	Frequency	Percentage

Apology	11	64.7
Reference Number	3	17.6
Investigate	6	35.3
Contact	8	47.1
Acknowledge	11	64.7
Compensation	0	0

Even though an apology was provided to the customer, 64.7% of these consumers were still awaiting further response from the supplier. According to Mattila and Mount (2003: 142), response speed is one of the main factors of successful service recovery. The authors also state that technologically inclined customers are not tolerant of delays in responses to complaints.

Recommendations

The results of the study indicate that most consumers complain due to their being a delay in response. Delays are no longer tolerated (Mattila and Mount, 2003: 142). Therefore the recommendation is for organisations to reassess their current complaint handling process, and implement controls to alleviate the possibility that customers may experience a delay in response.

According to Hocutt *et al*. (2006:199) the Internet lets people voice their frustrations regarding poor service quickly, in great volume, around the world, and anonymously. Therefore it is recommended that companies develop their own websites to deal with customer complaints, in this way allowing the organisation more control of what information is shared with vast numbers of potential customers. This is reinforced by the actions of Volvo who have created their own anti-domain (Harrison-Walker 2001: 398).

Limitations

Complaints on the Hello Peter website with customer updates are not done immediately after the recovery initiative has been executed, therefore the findings may lack representation with regard to that objective as not all

complaints had customer responses to the recovery initiative. It did however enable one to get an idea of the customers' opinions of the recovery initiatives. As with all qualitative data analysis, a fair amount of subjectivity occurs. The authors however, attempted to reduce this subjectivity by comparing responses between themselves as well as to the literature on complaint behaviour and recovery strategies.

Conclusion

The Hello Peter website has revolutionised the way customers complain about their experiences, as well as affected the way organisations attempt to remedy these failures. The purpose of the study was to determine what customers were complaining about, what recovery initiatives companies used and where possible, the effectiveness of the recovery strategies. Customers most frequently complained about experiencing a delay in response, organisations promise to do something but do not. The most common recovery initiatives were organisations offering to be in contact with the complainant as well as acknowledgement of the complaint.

The study has provided information and suggestions in order for companies to improve their current online complaint handling strategies as well as develop insight into the most effective service recovery initiatives from the customers' perspective.

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