

# Antecedents and Consequences of Consumer's Dissatisfaction of Agro-food Products and Their Complaining through Electronic Means

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**Abstract.** In this study the antecedents and the consequences of agro-food products consumers' dissatisfaction is studied. Particularly, the main reasons for triggering dissatisfaction are identified and ranked. Moreover, the consumers complaining behavior is also studied and the level of e-complaining adoption is investigated. Additionally, consumers future intentions to complain traditionally or electronically is depicted. Finally, correlations of their complaining behavior and intention to some demographics are found and commented.

**Keywords:** consumers' satisfaction, Agro-food products, complaining behavior, electronic means

## 1 Introduction

The rapid development of the Internet and e-commerce has brought changes in the marketplace. Online communities gain importance over their traditional counterparts. Online portals allow individuals to purchase books, movie tickets, and music CDs as well as hospitality services. Consumers make purchase decisions based on other customers' opinions on the Internet.

Especially, for tourism businesses, the Internet offers the potential to make information and booking facilities available to a large number of tourists at relatively low costs. Many social media Websites provide online platforms within which consumers communicate with others who have information or previous experience about products and services. In this context, online reviews play a key role in buying products and thus, social networking websites traffic has increased (Mauri & Minazzi, 2013). These reviews provide customers experience and offer recommendations to potential customers. This phenomenon is quite strong in the hotel industry, where Gretzel (2006) stresses that 77,9% of online users is affected in deciding "where to stay" based on online reviews. However, in areas like agro-food products is not developed at all.

Effective analysis of online customer comments and especially of negative comments, originating from third parties, is needed through organized service

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recovery approaches. The marketing variables entailed in third party websites are usually those that have to do with product's quality, price, etc.

Furthermore, companies should entail the customer complaining behavior variables in their IT systems and, especially, in the CRM software and store data originating from third party reputation systems. This is exactly the aim of this paper. In such a way, the CRM system will be provided with a large collection of online customer reviews and more reliable information will be available to hotel managers.

Based on the previous thoughts and the literature review, which is presented later, this paper attempts to investigate the consumer's dissatisfaction related to agro-food products and the attitude, behavior and intention of the consumer regarding his/her complaining reaction. Particularly, the objectives of the paper are:

- To investigate the profile of the sample of the research

- To investigate the reasons that contribute to the consumer's dissatisfaction

- To investigate their complaining behavior

- To investigate their complaining intention

- To investigate whether the consumer's characteristics are related to the degree of the consumer's complaining reaction

- To investigate if electronic means are used and in what degree to express complaining for agro-food products

The rest of the paper is organized as follows. In section 2 the literature review is made. In section 3 the methodology followed is described. In section 4 results are presented and in the last section some conclusions are given.

## **2 Literature Review**

The key-point for a company is to develop a management philosophy and a strategy which enables it to optimize revenue and increase customer value through understanding and satisfying the individuals customers' needs (Liu, 2007). Individual customer satisfaction is vital for a company. Relationship marketing is at the core of customer –centric orientation. When a firm adopts customer-centric orientation, and therefore exercises relationship marketing, it is attempting to develop and establish long-term relationships with customers. Hence, it is aiming at improved customer service and satisfaction, thus, retaining and further increasing the sales level (Sarmaniotis and Stefanou, 2005). However, customer relationship management (CRM) goes a step further. CRM has been defined as a management approach that involves identifying, attracting, developing and maintaining successful customer relationships over time in order to increase satisfaction, loyalty and retention of profitable customers (Bradshaw and Brash 2001, Massey et al., 2001). In addition, Fjermestad and Romano (2003) maintained and most of the authors and the practitioners accepted that successful CRM requires attracting and keeping economically valuable customers while repelling and eliminating economically invaluable ones.

All companies are positive and in fact wants to collect information about their customers. The point is the ability of the companies to facilitate the collection of, and access to, customer information and further to exploit data mining methods

Obviously data collection and maintenance has been identified as a critical component of a company to enhance its relationships with the customers. Unfortunately, it appears that there has been little consideration of the impact could have variables such as complaining behavior, satisfaction/dissatisfaction, behavioral loyalty including volume and frequency of purchase over time, on a company's strategy. Even though, many studies in marketing field and CRM in particular have shown that customer satisfaction is a critical point in achieving and retaining a competitive advantage and can lead to brand loyalty, repurchase intention and repeat sales (Oliver, 1999; Parasuraman and Grewal, 2000; Stefanou et al., 2003) and finally to customer retention, instead emphasis has been given in acquiring additional customers by a lot of companies.

Moreover, it should be noted that customer complaining is strongly related to the notion of customer dissatisfaction. Customers usually have some expectations about a product or service and when their expectations are not met they feel dissatisfaction which might lead to the adoption of one or more types of complaining behavior (Stefanou et al. ,2003). Particularly, it can be mentioned as an example that in the hotel industry, it is very essential for hotel management to write down customer's complaining behavior, in order to respond in such a way that dissatisfaction is reduced and repeat business is encouraged (Nyer, 2000, Zineldin, 2006). Therefore, consumers' complaints should be studied so that company's management could have the opportunity to improve consumer perception of service quality. Complaints are useful sources of information that help marketers identify sources of dissatisfaction (Nyer, 2000). However, there is a lack of entailing the customer complaining behavior variable in the CRM systems applied and especially in the agro-food companies.

Gathering feedback from customers through organized marketing policies should be a daily activity of a company in order to maintain satisfied and loyal customers (Holloway and Beatty, 2003). The importance of having an effective system to deal with possible problems and to handle them properly is that it increases retention rates and creates a positive word-of-mouth (Zhang, Ye, Law and Li, 2010). There is a range of e-channels which provide a fast and easy method to express one's experience (Au, Buhalis and Law, 2009), such as social media (facebook, twitter, linkedIn), petition lists to sign, blogs, or even more to some areas special websites. For example in the hotel industry, guests use hotel reviews sites, such as Booking.com, tripadvisor.com, hotelchatter.com and many others to express their feelings. Prior studies (Houser and Wooders, 2006) showed that customers seriously consider online feedback when making purchasing decisions, and may be even willing to pay more for products/services with good reputation. Moreover, more than 60% of consumers consult a customer feedback before making purchases (Lightspeed Research, 2011). Ye, Law and Gu, (2009) present a quantitative analysis that shows how a 10% improvement in reviewers' rating can increase sales figures by 4.4%.

Thus, review websites for products, or more generally electronic means of complaining should be considered by companies and even more from agro-food companies in order to understand their customers complaining behavior, decrease customer dissatisfaction by increasing customer's perceived product quality. To the best of the author's knowledge electronic complaining behavior regarding agriculture

food products has not been studied extensively yet, although it is a quite important industry especially for Greece.

### 3 Methodology

The survey instrument was a structured questionnaire. There were questions included which identify whether the customer had a previous bad experience with some agro-food products. Then a group of questions investigated the complaining behavior followed. Additionally, the profile of the consumer is investigated regarding demographic parameters and psychographic characteristics.

720 sample members were gathered by interviews electronically or by face-to-face interviews. The sample was not layered to the Greek population.

Descriptive statistics and significance test hypotheses are used in order to statistically process the data. Results of the statistical analysis are followed.

### 4 Results and Discussions

The majority of the sample was females (54,9%). Regarding the education level of the consumers the fourth of the sample holds a graduate degree or a post graduate degree, 11,1% were students and the rest of the sample has up to 12 years education. 15,8% was aged up to 24 years old, 22,1% was from 25 to 34 years old, 19,3% from 34 to 44 years old and 42% more than 45 years old. 36% of the sample has an annual income up to 10000 euros, 26% from 10001-15000 euros, 15,8% 15001-20000 euros and the rest of the sample more than 20000 euros.

Several reasons have been identified as a source for consumers' dissatisfaction. 23% recognized that the product's quality was not the appropriate and 22% claimed that the product shortly degraded after buy (see Fig. 1).

The interviewees were also asked about what was the most important reason for dissatisfaction in comparison to the others. The results are shown in Fig. 2.

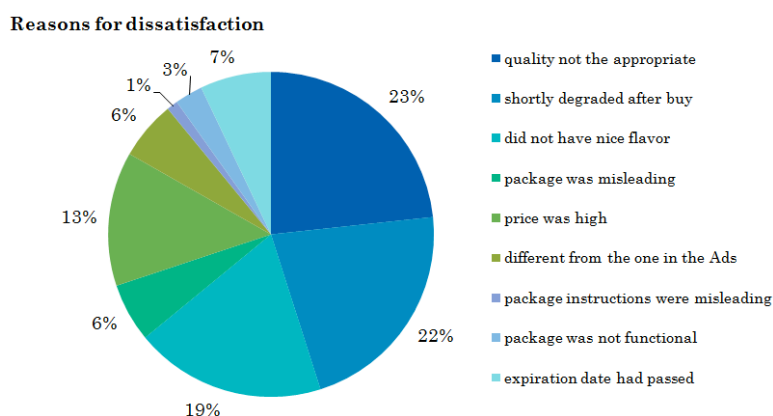
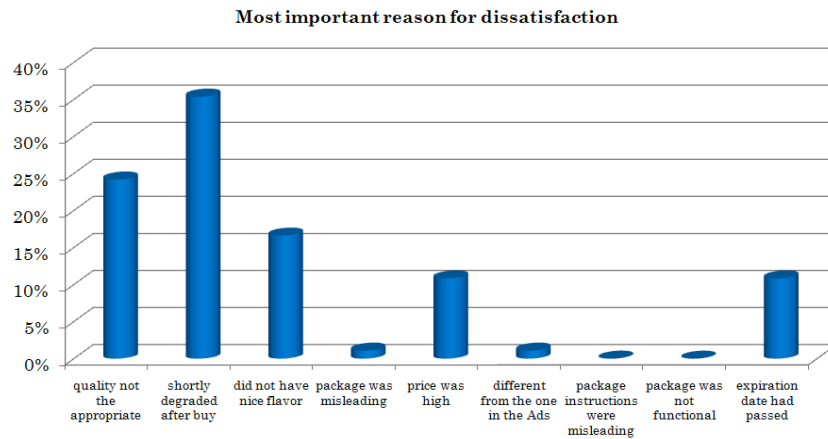
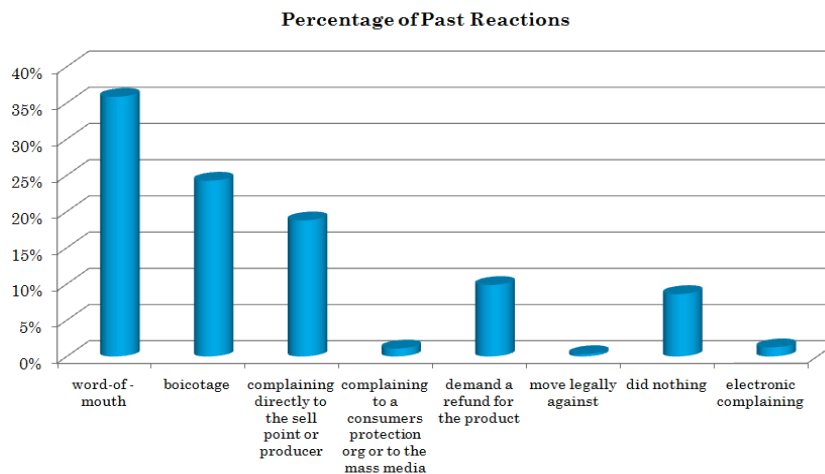


Fig. 1. Reasons for dissatisfaction after buying agro-food products.

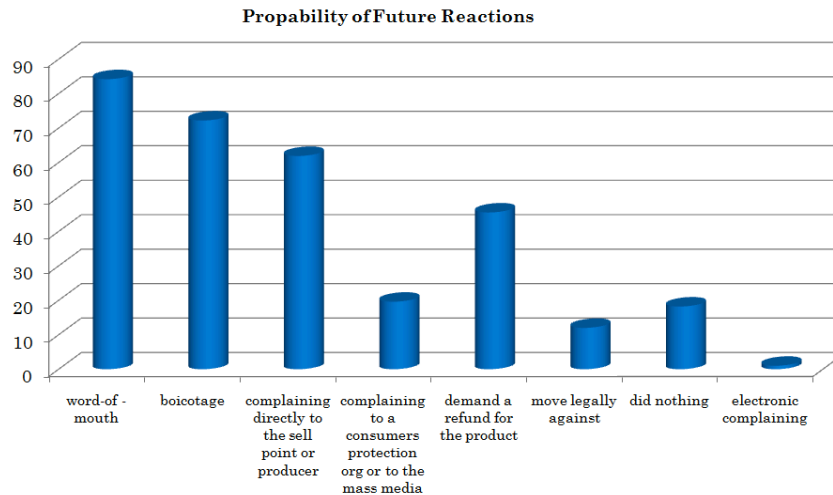


**Fig. 2.** Reasons for dissatisfaction as ranked the most important.

Regarding the complaining behavior results shown that more than 43% did nothing or just discussed the situation with others, when they experience a problem with an agro-food product (see Fig. 3). The electronic complaining method (i.e. social media publication, blogging or petition signing) is around 2% of the total reactions. The most disappointing result is that 83% intent to have a weak complaining behavior in the future (Fig. 4). The electronic complaining remains rather low as a percentage of the total intended reactions. Both results depicts that e-complaining is in its infant stages in Greece contrary to other divisions of the economy like tourism where it is quite developed. Trying to connect demographics with the complaining behavior of the consumer it is found that gender affects complaining behavior at a significance level less than 0,1 whereas age affects complaining behavior at a level of 0.05.



**Fig. 3.** Complaining behavior of a consumer towards problems originating from agro-food products



**Fig. 4.** Complaining intention of a consumer towards problems originating from agro-food products

## 5 Conclusions

It can be seen that the product quality can be considered as one of the most important reasons that contribute to consumer's dissatisfaction. The latter is very important in building stable relationships with a company's customers and hence, maintaining customers loyal.

Product's quality is the most important reason for not having satisfied agro-food consumers. Regarding their reactions when they face such a bad situation the so called word-of mouth and the boycott are the most popular complaining behaviors. This study reveals that the e-complaining is currently very low. On the other hand word-of mouth and boycott are the most popular complaining intentions. The intention to complain electronically is also rather low around 1%.

Finally, some demographic characteristics like gender and age are related to the degree of the consumer's complaining reaction.

Further research should be made in the area of identifying demographic relationships and e-complaining behavior.

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