

## **Impact of Socio-demographic factors on Consumer's Tendency to Exit– A MANOVA Analysis**

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### **Abstract**

Researchers and practitioners acknowledge that despite best efforts, product malfunction or service failures might occur. To retain a dissatisfied consumer, marketers appreciate the information that consumers provide in form of feedback or complaint. However, a worrisome aspect that emerged from the extant literature is that many dissatisfied consumers choose not to complain and silently exit. In the current study, the role of six socio-demographic factors (industry, gender, age, income, education, and occupation) on seven predictors of consumer's tendency to exit (TE) (attitude toward complaining, discouraging subjective norms, perceived likelihood of successful complaint, lower perceived switching cost, poor employee response, negative past experience and complaint process) is examined, with a sample study in India. The research uses five-point Likert scale-based survey data of 600 consumers of three services sectors i.e. hotels and hospitality, automobiles and organized retail stores. Multivariate analysis of variance (MANOVA) was performed as a research method. Results show that industry display difference in the context of TE and its predictors. Gender is not creating any difference in the context of TE and its predictors. Consumers in the age group of 45-60 years show higher TE. Furthermore, the segment of less educated consumers and retired consumers show a high tendency to exit.

**Keywords:** Complaint, customer complaint behavior, tendency to exit, socio-demographic, MANOVA.

### **1. Introduction**

With growing competition both in the services and manufacturing sector, strategic focus has shifted to define retention strategy for the customers (Kumar and Kaur, 2020). Managing consumer dissatisfaction effectively after purchase may lead companies to improve their retention rates and to protect the spread of negative word of mouth (Souiden et al., 2019). It has been suggested in the literature (Gursoy et al., 2007) that retaining customer costs a lot less than attracting a new one. A competitive framework for such a retention plan necessitates the consideration of a robust system capable of handling customer complaints (Tronvoll, 2007). Complaint management and customer complaint behavior (CCB) is a significant issue crucial for the survival of any business. CCB has received growing attention in the services sector (Phau and Baird, 2008, Tosun et al., 2021) because of the continuous interaction between service providers and customers. Given the competitiveness and complexity of the contemporary service sector, there is a growing interest in understanding how consumers have focused attention on the consequences of the negative critical incidents. Organizations need to understand and give importance to CCB so they can solve customer problems, ensure customer satisfaction and can utilize complaints for organizational learning (Arora and Chakraborty, 2021).

Literature evidenced that in case of dissatisfaction a small segment of consumer's complaint and the majority of consumers choose not to complain (Souiden et al., 2019). The literature underlines discrepancies in CCB. Most of the researches in the past shows that most dissatisfied consumer's exhibit indirect behavior, such as negative word-of-mouth and exit, rather than complain directly to the firm (Kim *et al.*, 2003). Despite the growth of digital media and automated means, surprisingly little progress has been made toward increasing the proportion of dissatisfied consumers who voice complaints directly to the firm or service provider. Thus, dissatisfied consumers who do not complain and silently exit could be of special concern to management. Furthermore, in absence of complaints, organizations may hold false beliefs on the efficacy of their product and services and the success of their marketing efforts. Eventually, it may lead to serious consequences such as damage to brand image (Stephens and

Gwinner, 1998) and loss of market share. The researches of CCB have attracted significant attention from consumer researchers in the last few decades, mostly in western countries (Day and Landon, 1977; Sharma *et al.*, 2010). In more recent years, researchers have begun to study CCB in Asian and other non-western markets such as India. Indian market is considered a huge potential market. Therefore, Indian consumers are expected to receive considerable attention from practitioners, academia, etc. However, most past researches have primarily addressed the antecedents and outcomes of CCB, along with some broad taxonomical and typological issues (Sharma *et al.*, 2010). As a result, we know little about why individual consumers react to similar dissatisfaction situations in different ways, and how do they decide whether to complain or not.

As not all customers have the same complaining behavior and this may be because of socio-demographics, personality characteristics, or situations. Furthermore, it is evident from past research studies (Tronvoll, 2007) that consumer complaint behaviors have significant changes if the consumer/customer uses a service or buys a product. Consumers, in particular, tend to be more dissatisfied with services than products (Tronvoll, 2007). Customer service department and complaint managers of the services sector can benefit from the knowledge and understanding of consumer's non-complaining behavior (hereafter referred as tendency to exit). Considering this, an attempt is made in this paper to examine the impact of socio demographic factors on consumer tendency to exit and its predictors in Indian settings. In particular, three service sectors, that is - hotel and hospitality, automobile service centers, and organized retail stores have been considered under the study as the three service sectors which are a part of this study witness a variety of service encounters and interactions between the frontline employees and consumers. All three service sectors have emerged as key drivers of growth among the services sector in India (IBEF, 2021). Given that services sector in India accounts for 55.39% of the total GVA in FY 2021 (IBEF, 2021). Hence, Research in this direction can be particularly meaningful to examine different aspects of consumer tendency to exit comprehensively in the selected three sectors. In the sections that follow firstly, the literature review and hypotheses are presented. Next, the research methodology adopted for research and results are presented. The concluding section discusses the findings and the implications thereof.

## **2. Literature review and hypotheses development**

### **2.1 Concept and definition**

A complaint is a negative expression of dissatisfied customer or consumer's about the product, service and organization's actions (Ngai *et al.*, 2007). According to Tronvoll (2007) it is an action taken by dissatisfied individuals, which involves communicating something unwanted or unacceptable regarding the product of service. Complaint management is the process and procedure by which companies systematically handle problems of customers. According to Hansen *et al* (2009) it includes the receiving, inquiry, resolution and prevention of customers and recovery of customer. "As a defensive marketing tool, the practical use of customer complaint management has attracted great importance among academics in the field of marketing research" (Kumar and Kaur, 2020). It has been observed that a customer who has received poor service would often opt not to notify the company and will not return, or may spread negative word about the company (Jones *et al.*, 2002). Some people believe that complaining is a vital, valuable, and necessary function of consumerism, whereas others disagree (Kumar and Kaur, 2020).

### **2.2 Customer complaint behavior (CCB) and TE**

CCB is defined as a process which "constitutes a subset of all possible responses to perceived dissatisfaction around a purchase episode, during consumption or possession of the goods or services" (Phau and Baird, 2008). It is one of the most important forms of customer feedback and can exist in different ways. According to Day and Landon (1977), "CCB can fit into two broad categories: behavioral and non-behavioral". Public action and private action are two types of behavioral responses. The former includes actions such as expressing dissatisfaction with a supplier (i.e. voicing, taking legal action) (Souiden *et al.*, 2019). The latter entails refraining from purchasing the supplier's product/service (i.e. boycotting and exit) as well as alerting those in the immediate vicinity (i.e. negative WOM). The least reactive behavior is the exit.

TE may be defined as an individual's likelihood of not expressing or voicing dissatisfaction or seeking redress. It may be characterized by consumers opting for switching brands, having a readiness to explore alternatives, spending time and money for the same, and perceiving complaining as physically or mentally fatiguing. Exit means that consumers, upon receiving unsatisfactory products or services, resolve to terminate their relationship with the business provider and seek a more reliable one (Souiden *et al.*, 2019). Studies in the CCB domain are difficult to conduct since there are many variables to consider. In a study preceding the current work the authors endeavored to provide a conceptual understanding and an empirical validation on the phenomenon and the

determinants of consumer’s tendency to exit (Table 1) i.e Discouraging subjective norms, Perceived likelihood of successful complaint, Lower perceived switching cost, Poor employee response , Negative past experience , Ease of complaint process. The results have validated the significant impact of all the determinants on consumer’s tendency to exit (Kumar and Kaur, 2022).

**Table 1.** Determinants of the tendency to exit

<i>S.no</i>	<i>Variable</i>	<i>Definition/meaning</i>
1	<i>Attitude toward complaining (ATC)</i>	<i>Attitude towards complaining is conceptualized by (Singh and Wilkes, 1996) as an “overall effect towards the goodness or badness of complaining to sellers”. When an individual is unhappy with goods or services, their attitude toward complaining can be described as their propensity to demand compensation from a company (Souiden et al., 2019). Consumers with a more positive attitude to complaints are more inclined to make complaints and seek redress. The vice versa holds true that is a negative attitude towards complaining would lead to an exit (Blodgett and Granbois, 1992). Thus in conclusion it may be said that consumers with positive ATCs are less inclined to exit in case of dissatisfaction and vice versa.</i>
2	<i>Discouraging subjective norms (DSN)</i>	<i>Ajzen (1991) defines subjective norms as the “perceived social pressure to perform or not to perform certain behavior”. Subjective norms have not been studied in context to CCB in the Indian setting before. The behavior of the individual in a collectivist and family-oriented society like India would be influenced by the beliefs held by their social group. When faced with discouragement (perception of the family on voicing complaints being time-consuming, messy, or inhibiting future interactions) from a social setup about complaining or its consequences an individual is more likely to exit rather than voicing a complaint.</i>
3	<i>Perceived likelihood of successful complaint (PLSC)</i>	<i>PLSC is defined as the possibility for consumers to seek compensation, exchange the product, or apology from the firm or service provider (Singh, 1990). The positive influence of the likelihood of successful complaint on complaint intention is well documented in past researches (Day and Landon, 1977; Richins, 1983; Singh, 1990a). When consumers assume that their complaints will be accepted by the company, they convey their feelings more often. If however, they feel that the company has no interest or offers resolution in their complaints, they may consider the act of complaint to be ineffective and pointless hence prefer to leave.</i>
4	<i>Lower perceived switching cost (LPSC)</i>	<i>Switching cost is the “perceived economic and psychological cost associated with the change from one alternative (product or service provider) to another” (Jones et al., 2002). Bergal and Brock (2018) distinguished three types of switching costs: procedural, financial, and relational. The time and efforts required for switching are referred to as procedural switching costs. Financial switching cost includes the possible monetary loss that consumers may face while switching service providers. The possible loss of a personal relationship as well as psychological or emotional distress, when switching service providers is referred to as the relational switching cost. High perceived switching costs can result in more consumers voicing complaints and low perceived switching costs may lead to customer’s TE.</i>
5	<i>Poor employee response</i>	<i>Employee response may be defined as how a frontline employee responds to consumers expressing dissatisfaction. It reflects both the employee and organization’s inclination and commitment to resolving the complaint. It was noted by Bitner (1990) that consumers keep negative employee responses for a long period in their mind. However, this has not been a subject of study in the past in the context of CCB. An empowered, responsible, and cordial employee would encourage voicing complaints and vice versa.</i>
6	<i>Negative past experience</i>	<i>The company's response to past complaining events can strengthen the attitude and conduct of the consumer in future instances (Singh and Wilkes, 1996). As consumers become aware of the mechanisms, options, and positive/negative outcomes, they find out how a firm might respond to voiced complaints and the associated cost/benefit (Singh and Wilkes, 1996). Intention to complain is strengthened by positive past</i>

		<i>complaining experience whereas negative past experiences may increase their TE.</i>
7	<i>Ease of complaint process (CP)</i>	<i>Complaint processes are defined as “how complaints will be lodged, managed, investigated, respond and followed up in online/ offline platforms” (Yang, 2016). Acknowledgment and communication at every step of the complaining process let consumers know that their complaint has been paid attention to. The leniency and complexity of the complaint process would have a significant impact on CCB. Ease of complaint process and proper acknowledgment has a positive impact on consumer intention to complain. Complex and long complaint processes may restrict consumers from complaining.</i>

**2.3 Demographic factors and CCB**

Considering the multidimensional aspect of complaining behavior many studies have opted to emphasize the roles of demographic characteristics (Keng et al., 1995; Singh, 1990; Tronvoll, 2007; Soares et al., 2017). Previous research reveals that characteristics such as demography and psychographics influence complaint behavior (Souiden et al. (2019); Harris and Mowen (2001); Phau and Sari, (2004). Customer complaint behavior is influenced by demographic factors such as age, gender, income, and education. Studies such as (Keng et al. (1995); Mccoll-kennedy et al. (2003), Soares et al. (2017) confirmed that gender, age, income, and education have a significant impact on customer complaint behavior. Women are more inclined to complain, customers at a younger age are more likely to complain (Phau and Sari, 2004); Kumar and Kaur (2020). Generation Y more (born after 1981) have a more complaining attitude because they are tech-savvy and prolific users of social media (Soares et al. 2017). Consumers who are highly educated are more outspoken and exposed to complaints. Income also has a positive impact on complaint behavior as customers in high-income groups are more engaged in complaining. Based on the aforementioned discussion following hypotheses are proposed (Kumar and Kaur, 2020).

**2.4 Hypotheses**

*H<sub>1</sub>: The predictors of tendency to exit (ATC, DSN, PLSC, LPSC, NPE, PER and CP) are significantly varying in terms of socio-demographic variables (gender, age, education, income and occupation).*

*H<sub>2</sub>: The predictors of tendency to exit (ATC, DSN, PLSC, LPSC, NPE, PER and CP) are significantly varying across three industries (hotel & hospitality, automobile and organized retail stores).*

*H<sub>3</sub>: TE is significantly varying across three industries (hotel, automobile and organized retail stores).*

*H<sub>4</sub>: TE is significantly influenced by demographic variables (gender, age, education, income and occupation).*

**3. Methodology**

**3.1 Data collection and sample profile**

Data were collected from five major cities (Delhi, Chandigarh, Ludhiana, Solan, and Shimla) of North India. A total of 600 responses were found valid and used for further analysis. Out of the total 600 respondents, 49.2% were male and 50.8% female. The most of the respondents were from the 25-34 years age group. The maximum numbers of respondents were educated on Post graduation and above level (58.2%). The annual income of majority of the respondents was up to 800000 (75.7%). Most of the respondents were employed in the private job (42.5%). Detail of the respondent’s demographic information is given in Table 2.

**Table 2.** Demographic profile of respondents

<b>Demographic Characteristic</b>	<b>Frequency (N=600)</b>	<b>Percentage (%)</b>
<b>Industry</b>		
Hotels	200	33.3
Automobile	200	33.4
Organized retail stores	200	33.4
<b>Gender</b>		
Male	295	49.2
Female	305	50.8
<b>Age (in years)</b>		
25-34	345	57.5
35-44	180	30.0
45-60	70	11.7

Above 60	05	0.8
<b>Education</b>		
Intermediate	18	3.0
Graduation	233	38.8
Post graduation and above	349	58.2
<b>Income</b>		
Up to 8,00,000	454	75.7
8,00,001 to 15,00,000	116	19.3
Above 15,00,000	30	5.0
<b>Occupation</b>		
Govt. Job	112	18.6
Private Job	255	42.5
Self Employed	90	15.0
Retired	04	0.7
Student	96	16.0
Other	43	7.2

### 3.2 Descriptive statistics and reliability analysis

The mean and standard deviation scores of the factors demonstrate the level and variation in the respondent's scores, Table 3 presents the same. In this study, the respondents exhibit a moderate tendency to exit (2.52). In comparison, they have a higher inclination for attitude towards complaining (3.88). Furthermore, perceived likelihood of successful complaint (3.36), ease of complaint process (3.54) have high ratings in comparison of the variables such as discouraging subjective norms (2.49), lower perceived switching cost (2.51), and negative past experience (2.28). The reliability of measurements was assessed by using Cronbach's alpha ( $\alpha$ ) (Table 3). Values for all the variables were greater than the acceptable value of 0.6 (Hair *et al.*, 2010) and hence indicate good reliability.

**Table 3.** Descriptive statistics and reliability analysis

Sr.no.	Variable	Mean (S.D.)	$\alpha$
1	Attitude toward complaining	3.88 (1.04)	0.94
2	Discouraging subjective norms	2.49 (1.11)	0.94
3	Perceived likelihood of successful complaint	3.36 (1.19)	0.95
4	Lower perceived switching cost	2.51 (1.15)	0.93
5	Poor employee response	2.54 (1.07)	0.93
6	Negative past experience	2.28 (0.99)	0.90
7	Ease of complaint process	3.54 (0.95)	0.89
8	Tendency to exit	2.52 (1.18)	0.97

## 4. Results and discussion

The purpose of the present research was to determine significant differences in consumer's tendency to exit for socio-demographic variables (industry, gender, age, income, education, and occupation). To test the differential effect of one or more categorical independent variables on more than one metric dependent variable, multivariate analysis of variance (MANOVA) is used to test the impact of six socio-demographic factors on TE and its seven predictors namely ATC, DSN, PLSC, LPSC, PER, NPE and CP. Results of MANOVA test including group means and standard deviation for each dependent variable are summarized in Table 4.

MANOVA test results in context of predictors of TE among males and females, It was found that male and female display no difference in context of predictors of TE (Wilks'  $\lambda = 0.981$ ;  $F = 1.469$ ;  $p < .165$ ;  $\eta^2 = 0.019$ ). Partial eta squared (0.019) evidenced a minute effect size, indicating that gender explains 1.9% of the variance in predictors of TE. Furthermore, from the mean analysis of predictors of TE, it was found that male consumers reported a comparatively higher degree for PLSC and NPE than their female counterparts. Female consumers show higher degree of ATC, DSN, LPSC, PER and CP.

**Table 4.** Results of MANOVA analysis

Value label	N	ATC		DSN		PLSC		LPSC		PER		NPE		CP	
		M	S.D	M	S.D	M	S.D	M	S.D	M	S.D	M	S.D	M	S.D.
<b>Industry</b>															
Hotels	200	3.8	1.0	2.6	1.0	3.1	1.1	2.6	1.1	2.6	0.9	2.6	1.04	3.13	1.00
		1	9	4	9	6	2	3	3	9	7	6			
Automobile	200	4.0	1.0	2.2	1.0	3.8	1.1	2.2	1.0	2.2	1.0	2.2	1.04	3.69	1.08
		5	6	2	5	7	3	2	6	5	2	3			
Organized retail stores	200	3.6	1.0	2.8	1.0	3.2	1.1	2.7	1.0	2.7	0.9	2.8	1.09	3.11	1.01
		9	5	6	8	4	6	8	8	4	7	1			
<i>Wilks' λ = 0.886; F = 3.360; p = .000; η² = 0.059</i>															
<b>Gender</b>															
Male	295	3.8	1.0	2.5	1.0	3.4	1.1	2.5	1.1	2.5	1.0	2.5	1.07	3.30	1.05
		2	7	4	9	3	6	2	3	5	1	9			
Female	305	3.8	1.0	2.6	1.1	3.4	1.2	2.5	1.1	2.5	1.0	2.5	1.10	3.32	1.08
		8	9	1	1	2	0	6	0	7	1	5			
<i>Wilks' λ = 0.981; F = 1.469; p = .165; η² = 0.019</i>															
<b>Age (in Years)</b>															
25-34	345	3.7	1.0	2.7	1.0	3.2	1.1	2.7	1.0	2.6	0.9	2.7	1.02	3.14	0.95
		2	0	2	2	9	2	1	0	9	0	1			
35-44	180	4.5	0.9	2.5	1.1	3.4	1.2	2.4	1.1	2.5	1.0	2.5	1.11	3.41	1.11
		1	6	1	4	4	2	2	8	1	8	2			
45-60	70	3.8	1.1	2.0	1.2	4.0	1.1	1.9	1.2	2.0	1.1	1.9	1.16	3.90	1.26
		3	9	0	1	4	7	7	6	5	7	7			
Above 60	5	4.2	0.1	2.9	1.0	3.1	1.2	3.2	0.9	2.7	0.9	2.6	1.09	2.90	1.11
		0	1	5	0	0	4	5	1	0	7	5			
<i>Wilks' λ = 0.755; F = 7.235; p = .000; η² = 0.089</i>															
<b>Education</b>															
Intermediate	18	3.6	0.5	2.7	1.1	3.8	1.2	2.7	1.1	2.0	1.0	2.1	1.23	3.83	1.18
		1	2	7	9	4	5	3	7	1	1	7			
Graduation	233	3.9	1.1	2.2	1.0	3.2	1.1	2.4	1.0	2.4	0.9	2.7	1.03	3.15	0.99
		7	1	5	1	6	4	4	2	9	5	3			
Post graduation and above	349	4.5	1.0	2.4	1.1	3.5	1.1	1.4	1.1	2.7	1.0	2.4	1.10	3.39	1.10
		8	5	5	4	1	9	4	6	1	3	8			
<i>Wilks' λ = 0.860; F = 5.783; p = .000; η² = 0.073</i>															
<b>Income</b>															
Up to 800000	454	3.6	1.0	2.5	1.1	3.5	1.1	1.4	1.1	2.4	1.0	2.4	1.09	3.39	1.08
		3	7	0	2	1	9	9	1	9	2	9			
800001-1500000	116	3.9	1.1	2.8	1.0	3.1	1.0	2.7	1.0	2.8	0.9	2.6	0.99	3.07	0.94
		8	5	0	1	2	8	2	8	1	2	2			
Above 1500000	30	3.9	0.8	2.6	1.1	3.3	1.2	2.6	1.2	2.5	1.0	2.8	1.10	3.14	1.22
		0	7	9	4	4	4	7	3	9	2	6			
<i>Wilks' λ = 0.849; F = 4.148; p = .000; η² = 0.053</i>															
<b>Occupation</b>															
Govt. Job	112	3.7	1.2	2.4	1.0	3.5	1.2	2.3	1.1	2.3	1.0	2.3	1.07	3.42	1.15
		6	5	1	7	4	1	3	1	9	3	8			
Private Job	255	4.1	0.9	2.4	1.1	3.5	1.1	2.3	1.1	2.4	1.0	2.4	1.13	3.46	1.11

		8	8	4	5	9	7	5	4	5	4	7			
Self	90	3.6	1.1	2.8	1.0	3.1	1.1	2.8	1.0	2.8	0.8	2.8	1.02	3.06	0.96
Employed		8	0	6	1	3	1	1	7	2	8	2			
Retired	04	4.0	0.1	3.2	0.8	2.8	1.3	3.6	0.4	2.8	1.0	3.0	0.88	2.57	0.97
		0	2	5	6	7	1	2	3	7	3	0			
Student	96	4.0	0.6	3.5	0.9	3.5	1.1	2.7	0.9	2.5	0.8	2.5	0.96	3.32	0.83
		5	5	2	8	1	2	1	2	5	8	4			
Other	43	2.6	1.1	3.2	1.0	3.6	1.0	3.2	0.9	3.2	0.9	3.1	1.02	2.69	0.95
		6	1	6	1	1	2	1	9	1	5	2			

*Wilks' λ = 0.774; F = 3.872; p = .000; η<sup>2</sup> = 0.050*

Notes: ATC= attitude toward complaining; DSN= Discouraging subjective norms; PLSC= perceived likelihood of successful compliant; LPSC= lower perceived switching cost; PER= poor employee response; NPE= negative past experience; CP= ease of complaining process; S.D.= standard deviation

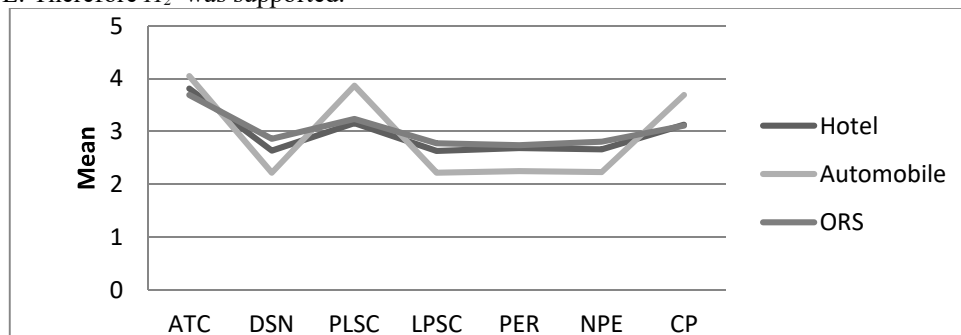
With regards to predictors of TE and age, it was found that predictors of TE vary significantly across different age groups. (Wilks' λ = 0.755; F = 7.235; p < .000; η<sup>2</sup> = 0.089). Partial eta squared (0.089) evidenced a reasonably good effect size, indicating that age explains 8.9% of the variance in predictors of TE. Result show that consumers of the 25-34 years age group have a higher degree for DSN, LPSC, PER and NPE. Whereas, 35-44 years age group consumers have a higher degree for ATC and for PLSC and CP consumers of 45-60 years age group shows a higher degree.

MANOVA results for predictors of TE and education (Table 4) display differential effect (Wilks' λ = 0.860; F = 5.783; p < .000; η<sup>2</sup> = 0.073). Partial eta squared (0.073) evidenced a moderate good effect size, indicating that education explains 7.3% of the variance in predictors of TE. Results show that consumers with educational qualifications of intermediate level have a high degree for DSN, PLSC, LPSC and CP. Consumers having an education on graduation level have high degree for NPE whereas for ATC, consumers with education on post graduation and above level have higher degree.

With regards to impact of income on predictors of TE, consumers from different income groups display differential effect (Wilks' λ = 0.849; F = 4.148; p = .000; η<sup>2</sup> = 0.053) (Table4). Income explains 5.3% of the variance in predictors of TE. Results show that consumers from the 800001-1500000 income group have a high degree for ATC, DSN, LPSC and PER. Whereas, income group of Above 1500000 has a high degree for NPE, and income group up to 800000 has high degree for PLSC and CP.

Next, MANOVA results for occupation and predictors of TE demonstrate that occupation create significant difference in context of predictors of TE (Wilks' λ = 0.651; F = 6.634; p = .000; η<sup>2</sup> = 0.082) (Table 4). Occupation explains 8.2% of the variance in predictors of TE. Results show that retired consumers have a high degree for LPSC, NPE and PER whereas students have a high degree for DSN. Consumers in private jobs have high degree for ATC and CP. Overall it was found that demographic factors except gender display difference in context of predictors of TE. Therefore H<sub>1</sub> was supported.

With regards to predictors of TE across three industries, consumers from different industries display differential effect (Wilks' λ = 0.886; F = 3.360; p = .000; η<sup>2</sup> = 0.059) (Table 4). Industry explains 5.9% of the variance in predictors of TE. Results (Table 4 and Figure 1) shows that consumers from the automobile industry have a high degree for ATC, PLSC and CP whereas consumers from organized retail stores has a high degree for DSN, LPSC, PER and NPE. Therefore H<sub>2</sub> was supported.

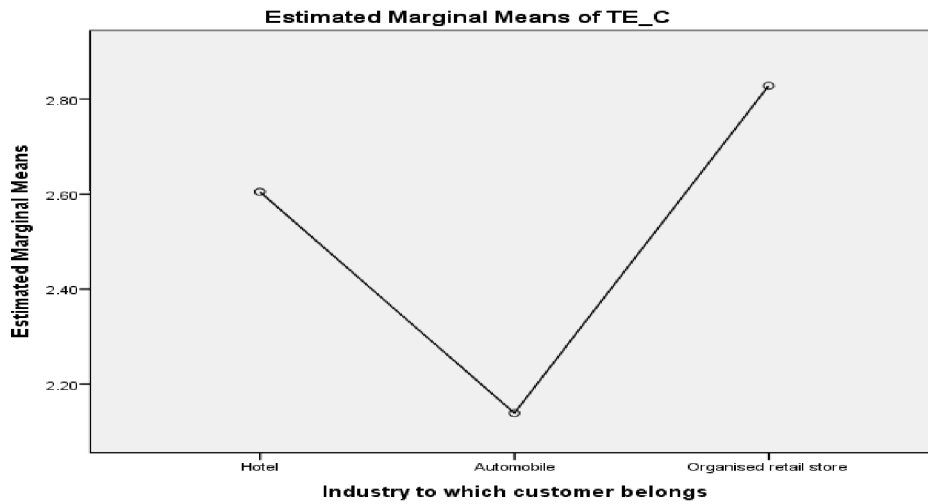


**Figure 1.** Predictors of TE across three industries

Next, to see TE among three selected industries (Hotels, Automobile, Organized retail stores) from the mean analysis of industry, it was found that consumers in organized retail stores (2.82) reported a comparatively higher degree of TE than consumers in the hotel (2.60) and automobile (2.13) industry (Table 5 and Figure 2). Therefore  $H_3$  was supported.

**Table 5.** Tendency to exit in terms of selected industries

<b>Industry</b>	<b>Mean</b>
Hotels	2.60
Automobile	2.13
Organized retail stores	2.82



**Figure 2.** TE across three industries

Next, in context of influence of demographic factors on TE, results show (Table 6) that male consumers have higher tendency to exit as compare to their female counterparts. Consumers in the age group 35-44 years are comparatively less inclined to exit and consumers in age group above 60 years have high tendency to exit. Consumers having an education on intermediate level are more inclined to exit; non tech-savvy-ness and lesser knowledge of complaint channel could be a probable reason. Consumer's lies in income group up to 8,00,000 have high tendency to exit in comparison of other income group. A segment of consumers contain retired individuals and students have higher tendency to exit compared to the other segments of consumers. Therefore  $H_4$  was supported. The results of MNOVA support the assertion that the predictors of TE were significantly influenced by socio-demographic factors.

**Table 6.** Tendency to exit in terms of selected socio-demographics

<b>Socio-demographics</b>	<b>Mean</b>
<b>Gender</b>	
Male	2.53
Female	2.51
<b>Age (in years)</b>	
25-34	2.66
35-44	1.87
45-60	2.49
Above 60	2.82
<b>Education</b>	
Intermediate	2.72
Graduation	1.94
Post graduation and above	2.41
<b>Income</b>	



Up to 8,00,000	2.76
8,00,001 to 15,00,000	2.48
Above 15,00,000	2.68
<b>Occupation</b>	
Govt. Job	2.38
Private Job	2.33
Self Employed	2.48
Retired	3.10
Student	2.79
Other	3.43

## 5. Conclusion

This research concentrates on the impact of selected socio-demographic factors (industry, gender, age, education, income and occupation) on predictors of tendency to exit (ATC, DSN, PLSC, LPSC, NPE, PER and CP) among Indian consumers. Although a concept such as ATC has been highlighted in several studies in CCB literature, no prior research has specifically examined the phenomenon of consumer's tendency to exit amidst complaints. The contemporary marketing environment is fiercely competitive and therefore retaining and satisfying current customers needs constant focus and conscious effort. It is imperative to understand the factors that influence a consumer to exit rather than to voice a complaint. In this study of Indian consumers, respondents exhibited a notable tendency to exit amidst complaints- something which should remain uppermost for customer relationship managers. As the hypotheses suggested, that demographic factors except gender display difference in context of predictors of TE. Further, Predictors of tendency to exit are significantly varying across three selected industries (hotel, automobile and organized retail stores).

## 6. Implications

1. In a collectivist and family-oriented society such as India, managers must consider the influence of family and friends and suitably design their complaining process and response. For example, gestures such as being open to group meetings, acknowledging the viewpoints of those who are related to the complainant, giving time to the complainant to discuss with family members, etc. may be fruitful.
2. Company policies for refund, replacement, maintenance, compensation, or repeat process should be communicated clearly and designed fairly and equitably. Wherever possible it should be made visible at service centers, websites, or on invoices. Data on successful redress or customer testimonials may be shared on websites etc.
3. Modern-day technologies promptly offer past consumer history (maybe past consumer ratings on services) and can help service providers to factor the same in the present and future service encounters. Eventually, it will help build an environment where consumers feel comfortable in voicing concerns and dissuade them from exiting.
4. Consumer complaint systems require user-friendly interfaces that reduce the amount of time and effort taken by consumers to file a complaint (Gelbrich and Roschk, 2011). Organizations may design their complaint registering and tracking process which economizes time and effort as well as is not intimidating for (non-tech savvy) consumers. The Internet and the widespread use of smart phones seem to be opportune innovations that may facilitate a 24X7 connection and facilitate prompt registration and response for complaints.

## 7. Limitations and directions for future research

The findings are limited in their generalizability because all factors are measured on self-reported scales. When generalizing the study's conclusions, caution is advised. Simultaneously, just a few demographics were looked at, and no interaction effects were looked into. It's worth mentioning that expanding the number of important variables could help future studies provide more trustworthy results and provide fresh information for marketers and researchers. Another avenue for future research is to figure out the link between customer attitudes regarding complaining and repurchase intentions, especially when demographic data are taken into account.

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