

**PERCEIVED CONSUMER POWER AND CONSUMER COMPLAINT BEHAVIOR:
THE DIRECT AND INDIRECT INFLUENCES OF CONSUMER AWARENESS OF
THEIR RIGHTS**

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Abstract

This study theorizes and examines the relationship between perceived consumer power and consumer complaint behavior. The study also investigates the indirect influence of consumer awareness of their rights on consumer complaint behavior mediated by perceived consumer power. Finally, this research assesses the direct effect of consumer awareness of their rights on consumer complaint behavior. A sample of 236 respondents from Doha, Qatar was utilized to test three hypotheses. Findings supported the hypotheses. As consumers perceive having power, they are likely to engage in complaint behavior. Also the more consumers are aware of their rights the more they would feel powerful and the more they would engage in complaint behaviors. The findings are discussed.

Introduction

Consumer complaint behavior (CCB) has been drawing research attention for several decades (John and Klein, 2003; Lampman and Douthitt, 1997; Sen, Gurhan-Canli and Morwitz, 2001; Tyran and Engelmann, 2005; Udell, 1974; Ward and Ostrom, 2006; Yan and Lotz, 2009). Consumer complaint behavior can manifest in several forms including negative word of mouth communication, complaints to sellers, complaints to consumer protection agencies, and even eboycott of the seller (Cisse-Depardon and N'Goala, 2009). Research demonstrates consumer complaint behavior can be damaging to marketing practices (Gregoire, Laufer and Tripp, 2010). Thus scholars have been examining various factors that possibly can affect consumer complaint behavior. Among the possible predictors of consumer complaint behavior, perceived consumer power and consumer awareness of their rights seem prominent (Denegri-Knott, Zwick, and Schroeder, 2006; Dommeyer and Gross, 2003).

Today consumer complaint behavior and its associated issues are not only phenomena of developed countries, rapidly growing developing economies are increasingly enacting consumer protection laws to deal with consumer complaint behavior (MBT, 2011). Qatar is a case in point. In 2008, Qatar established the consumer protection law guaranteeing seven basic rights to consumers. On the one hand, Qatar is among the fastest growing economies in the world with among the highest per capita income countries (CIA, 2011), on the other hand, the consumer price index (CPI) has been increasing very rapidly causing serious consumer grievances (QIE, 2011). Also, customer service quality is lagging far behind customer expectations, which is further fueling consumer dissatisfaction (MBT, 2011). At the same time, consumer protection department has been intensifying efforts to increase consumer awareness of their rights. Altogether Qatar is a suitable context for the study of consumer complaint behavior, perceived consumer power and consumer awareness of their rights. This study aims to examine the direct relationship between perceived consumer power and consumer complaint behavior; and the direct and indirect relationships between consumer awareness of their rights and consumer complaint behavior in Qatar.

Literature Review and Hypotheses Development

The constructs of consumer complaint behavior, perceived consumer power and consumer awareness of their rights will be discussed. Then the relationships among the constructs will be theorized.

Literature defines *consumer complaint behavior* as an emotional reaction of a consumer dissatisfied with a product (Yan and Lotz, 2009). The consumer complaint behavior can manifest in a number of ways including boycotting the seller, complaining to the seller, reporting to the consumer protection agency, and negative word of mouth (Donoghue and Klerk, 2009; Klein, Smith and John, 2004; Tronvoll, 2011). The definition of *perceived consumer power* stems from the broader idea of power that purports power is the ability to produce an effect and/or the possession of control, authority and influence over others (Denegri-Knott, Zwick, and Schroeder, 2006; Wang and Head, 2007). In the same vein perceived consumer power is consumer perceived ability to understand, control and possibly change marketplace practices (Long, Hogg, Hartley and Angold, 1999; Shaw, Newholm and Dickinson, 2006). Scholars define *consumer awareness of their rights* as consumer knowledge about their legal rights and duties regarding their experiences with products (Dommeyer and Gross, 2003; Suk-Ching, 2001).

The existing research advances several possible determinants of consumer complaint behavior (Yan and Lotz, 2009). Specifically, consumer, product and legal environment related variables are considered major antecedents of consumer complaint behavior (Donoghue and Klerk, 2009). This study focuses on important consumer related variables. Consumer related variables include consumer demographics, consumer self-efficacy, consumer awareness of consumer rights and consumer activism (Donoghue and Klerk, 2009; Tyran and Engelmann, 2005). The relationship between perceived consumer power and consumer complaint behavior can be theorized by the concept of means-end chain. When consumers perceive having the power to change certain unacceptable business practices they are likely to take actions in terms of complaints (Long et al., 1999; Wang and Head, 2007). Literature suggests perceived consumer power is on the rise leading to increase in various kinds of consumer complaint behaviors such as boycotts of businesses engaged in unrealistic price practices, the use of child labor, polluting the environment, indiscriminate layoffs of workers, and other socially unacceptable practices (John and Klein, 2003; Klein, Smith and John, 2002; Sen, Gurhan-Canli and Morwitz, 2001). Prasad (2008) contends consumers and consumer groups are increasingly being empowered and in turn are lodging progressively more complaints with consumer protection agencies and with concerned businesses. Elsewhere Ward and Ostrom (2006) assert perceived consumer power entices disgruntled consumers spread negative words of mouth through websites, social media, and mobile devices. From our search we found no research on perceived consumer power and its effect of consumer complaint behavior in the important Middle-East region. Both theoretically

and empirically there is a possible relationship between perceived consumer power and consumer complaint behavior. Hence,

H1: Perceived consumer power is positively related to consumer complaint behavior.

As mentioned earlier consumer awareness of their rights is consumer knowledge about their legal rights and duties regarding their experiences with products. On the other hand perceived consumer power is the ability to produce an effect and/or the possession of control, authority and influence over others. Conceptually the ability, control, authority and influence are likely to result from being aware of the legal rights (Suk-Ching, 2001). More specifically, the legal rights form the bases of the ability, control, authority and influence. Studies show empowered consumers are more aware of their legal rights than non-empowered consumers (Dommeyer and Gross, 2003). Suk-Ching (2001) asserts an increase in consumer awareness of their rights has helped increase consumer power. Also, consumers who are more aware of their legal rights they feel having the ability to enact change in the marketplace (Racolta-Paina and Luka (2011). All in all consumer awareness of their rights can lead to perceived consumer power. Thus,

H2: Consumer awareness of their rights is positively related to perceived consumer power.

In addition to having an indirect effect on consumer complaint behavior mediated by perceived consumer power, consumer awareness of their rights can also have a direct effect on consumer complaint behavior. When a consumer is aware of his/her legal rights, he/she is likely to emotionally react when any right is violated causing consumer dissatisfaction (Dommeyer and Gross, 2003; Racolta-Paina and Luka, 2011). This is aligned with consumer hierarchy of effects model that purports a cognitive response leads to a behavioral response through an affective response. As a cognitive response, consumer awareness of their rights can lead to the affective-behavioral response of emotional reactions on the part of dissatisfied consumers. Racolta-Paina and Luka (2011) show the more the consumers are aware of their legal rights the more would be consumer complaint behaviors. Udell (1974) finds consumers who complaints are also aware of their legal rights. In sum, both theoretically and empirically consumer awareness of their rights is related to consumer complaint behavior. Therefore,

H3: Consumer awareness of their rights is positively related to consumer complaint behavior.

Methodology

The data for this study was collected from consumers living in Doha, Qatar. An online data collection firm, SurveyMonkey, was utilized. The questionnaire was sent to a cross-section of 306 respondents representing diverse age groups, education levels, and income levels. It was distributed through e-mails, blackberry broadcasts, and by posting on a popular consumer protection forum in Qatar. The number of completed questionnaires was 236 resulting into a response rate of 77.1 percent. Most studies in the Middle-Eastern countries rely on some sort of judgmental samples because of the non-availability of valid sample frames (Bhuiyan, Abdul-Muhmin and Kim, 2002). Among the respondents, 44 percent was males and 56 percent females. Also, 53 percent was within the age group of 20 to 30 years and 24% was in between 31 and 40 years. This is consistent with the young dominant nature of the population. Most of the respondents were highly educated with 72 percent having at least a bachelor's degree. Further most respondents belonged to high income groups with 82 percent having a monthly income greater than QR11,000. In general, the respondents are young, highly educated and wealthy. They are likely to have the information pertaining to consumer awareness of their rights, perceived consumer power and consumer complaint behavior.

All constructs were measured with multi-item scales adopted from the literature and modified to make them suitable for the study with the help of a panel of marketing faculty (Denegri-Knott, Zwick and Schroeder, 2006; Dommeyer and Gross, 2003; John and Klein, 2003). *Consumer awareness of their rights* was measured by a 15-item scale. Among them three questions were on the Likert format ranging from 1 (strongly disagree) to 5 (strongly agree). A sample question is 'I know pretty much about my rights as a consumer in Qatar.' The other thirteen questions pertained to consumers' awareness of consumer protection laws in Qatar where the response anchors were unaware (1), just heard about it (2) and fully aware (3). Sample questions are 'the right to return, replace or repair the product free of charge, if a defect is found out or it doesn't meet standard specifications or its purpose,' 'the right to obtain high quality product,' 'the right to find all relevant product information including its type, nature, components, etc.' *Perceived consumer power* was assessed with a five-item scale on a five-point Likert format. Sample questions are 'I feel that I can influence retailer on their offerings or services,' 'I feel that I can influence retailer on their pricing,' and 'I feel that I have leverage over retailers.' *Consumer complaint behavior* was measured by a five-item scale on Likert format. Sample items are 'when I find a shop violating any consumer rights in Qatar, I will do nothing,' 'when I find a shop violating any consumer rights in Qatar, I will spread negative word of mouth (I'll tell everyone)'

and ‘when I find a shop violating any consumer rights in Qatar, I will complain to the seller.’ In addition five demographic questions were asked namely gender, nationality, age group, education level, and income.

The Cronbach’s alpha score for consumer awareness of their rights was 0.888. For the first three questions and the last three questions related to Qatari laws the Cronbach’s alpha scores were 0.689 and 0.890 respectively. The perceived consumer power produced a Cronbach’s alpha score of 0.883. Finally, the Cronbach’s alpha score for consumer complaint behavior was 0.607 after deleting a bad item. In general all scales turned out to be fairly reliable.

To test the hypotheses, three regression models were estimated (see Table 1, 2 and 3). In the first model, five demographics were entered as control variables along with perceived consumer power as independent variables while consumer complaint behavior was the dependent variable (see Table 1). In the second model, perceived consumer power was the dependent variable and demographics and consumer awareness of their rights were the independent variables. Composites of both overall awareness (all 15 items together) and awareness of Qatari laws (13 items) were entered (see Table 2). In the third model, consumer complaint behavior was the dependent variable and demographics and perceived consumer power and consumer awareness of their rights were the independent variables (see Table 3).

Table 1: DV – Consumer Complaint Behavior and IVs – Demographics and Perceived Consumer Power

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.932	.399		7.350	.000
	Gender	-.031	.109	-.021	-.286	.775
	Nationality	-.081	.120	-.050	-.673	.502
	Age	.042	.053	.060	.796	.427
	Education	.039	.099	.028	.393	.694
	Income	-.029	.035	-.065	-.834	.405
	C. Power	.244	.053	.294	4.607	.000

a. Dependent Variable: Consumer Complaint Behavior

Table 2: DV – Perceived Consumer Power and IVs – Demographics and Consumer Awareness of Their Rights

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.083	.461		4.521	.000
	Gender	-.007	.127	-.004	-.053	.958
	Nationality	-.122	.140	-.063	-.877	.381
	Age	.007	.061	.008	.116	.908
	Education	-.153	.115	-.093	-1.335	.183
	Income	-.029	.041	-.054	-.711	.478
	Overall Awareness	.195	.067	.214	2.913	.004
	Awareness of Qatari Laws	.337	.119	.208	2.838	.005

a. Dependent Variable: Perceived Consumer Power

Table 3: DV – Consumer Complaint Behavior and IVs - Demographics, Perceived Consumer Power and Consumer Awareness of Their Rights

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.399	.397		6.043	.000
	Gender	-.024	.105	-.016	-.228	.820
	Nationality	-.085	.115	-.052	-.735	.463
	Age	.033	.051	.048	.663	.508
	Education	.005	.095	.004	.052	.959
	Income	-.013	.033	-.028	-.374	.709
	Overall Awareness	.133	.056	.174	2.353	.019
	Awareness of Qatari Laws	.252	.100	.187	2.525	.012
	C. Power	.145	.055	.174	2.654	.009

a. Dependent Variable: Consumer Complaint Behavior

Results

Overall regression results support all three hypotheses. The results of the first regression model indicate the model is significant at a significance level of 0.000 with an R-square of 0.092. The demographics (gender, nationality, age, education, and income) are all insignificant. Perceived consumer power is significantly and positively influencing consumer complaint behavior supporting hypothesis 1, where the corresponding t-value is 4.607 and the significance level is 0.000 (see Table 1). The second regression model is also significant at a level of 0.000 with an R-square of 0.163. Again no demographic variable is significant. Consumer awareness of their rights appears significantly and positively related to perceived consumer power in support of hypothesis 2. The corresponding t-value is 2.913 and significance level is 0.004 (see Table 2). The composite of consumer awareness with Qatari laws is also significant (t-value=2.838, sig.=0.005). Finally, regression model three is also significant at a level of 0.000. The R-square is 0.179. None of the demographics was significant. Consumer awareness of their rights appears a significant predictor of consumer complaint behavior (t-value=2.353, sig.=0.019) supporting hypothesis 3. Also perceived consumer power is a significant predictor of consumer complaint behavior (t-value=2.654, sig.=0.009).

Discussion and Conclusion

This paper aims at empirically examining the influence of perceived consumer power on consumer complaint behavior. Also the direct and indirect effects of consumer awareness of their rights on consumer complaint behavior and perceived consumer power are assessed. The indirect effect is mediated by perceived consumer power.

The study context was Doha, Qatar. Qatar is currently among the fastest growing economies in the world. The per capita income of Qatar is also among the highest in the world. Consumer rights have become a prominent social and legal issue in Qatar particularly following the recent substantial salary hikes of Qatari nationals ranging from 60 percent to 120 percent. This salary increase has triggered a rise in the consumer price index, which resulted into a wide spread consumer grievances in terms of organizations of boycotts, protests on social media, complains with consumer protection organization, and word-of-mouth communications. At the same time consumer protection agency has intensified its efforts to increase consumer awareness of their rights guaranteed by consumer protection laws of Qatar enacted in 2008. All in all Qatar was suitable for a study of the inter-relationships among consumer awareness of their rights, perceived consumer power and consumer complaint behavior.

A cross section of 236 consumers in Qatar participated in the study. Results show as expected the higher is the perceived consumer power the higher is the consumer complaint behavior. This finding is consistent with existing research (Suk-Ching, 2001). As consumers in Qatar feel they have the ability to understand, control and change business practices, they will increasingly engage in various kinds of complaint behaviors. The study also finds the consumer awareness of their rights is significantly influencing both perceived consumer power and consumer complaint behavior. These findings are also consistent with past research (Sen, Gurhan-Canli and Morwitz, 2001; Shaw, Newholm and Dickinson, 2006). With the increase in the awareness level of consumer rights consumers will feel more and more powerful and they will increasingly engage in complaint behaviors. Businesses have lessons to take from these findings. Taking steps to protect consumer rights would be beneficial for businesses. Businesses should be proactive in responding to consumer rights to portray a good business image.

This study has a number of limitations that need to be addressed in future research. A study in Qatar lacks generalizability. Similar studies need to be undertaken in other Middle-Eastern countries and beyond. The use of a judgmental sample limits the scope of the study. Future researchers should attempt to utilize some kind of probabilistic sampling technique. In order to explain consumer complaint behavior, this study chose to include perceived consumer power and consumer awareness of their rights as the predictors. Future studies can look into other predictors related to product attributes, environmental factors, legal issues, and other consumer related factors. Finally, there is scope to further improve the measurement scales of the constructs. In the final note, businesses should pay attention to consumer rights, consumer power and consumer complaint behavior.

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