

# Marketing Approach to Customer Complaint Management in Nigerian Tertiary Institutions

Agu Godwill Agu<sup>1</sup>, Uche Dickson Ben<sup>2</sup>, Onyeagwara Chukwuemeka O.<sup>3</sup>

<sup>1</sup>Department of Marketing, Abia State University, Okigwe, Nigeria

<sup>2</sup>Department of Marketing, Evangel University, Okigwe, Nigeria

<sup>3</sup>Department of Marketing, Faculty of Management Sciences, Nnamdi Azikiwe University, Awka, Nigeria

## Email address:

talk2godsag@yahoo.com (A. G. Agu), dicksonuche@yahoo.com (U. D. Ben)

## To cite this article:

Agu Godwill Agu, Uche Dickson Ben, Onyeagwara Chukwuemeka O. Marketing Approach to Customer Complaint Management in Nigerian Tertiary Institutions. *Higher Education Research*. Vol. 2, No. 3, 2017, pp. 86-92. doi: 10.11648/j.her.20170203.12

**Received:** March 8, 2017; **Accepted:** March 24, 2017; **Published:** May 15, 2017

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**Abstract:** Service failure and customer dissatisfaction are regular outcomes of service provision in most labour-intensive service industries in Nigeria and other developing countries. The tertiary education sector in Nigeria is not an exception. The various customers of tertiary institutions experience different forms of negative service outcome. The approaches adopted by these institutions in managing the complaints determine whether the resolution will be seen by dissatisfied-complainants as satisfactory or otherwise. Integrating the marketing concept in the compliant resolution policies of tertiary institutions by adopting approaches that uphold fairness, accessibility, responsiveness, efficiency and integration is advocated for in this paper. This will be leverage to the institutions competitively in terms of positive word-of-mouth, strong customer loyalty, good referral, sustainable business, long term profitability and enhanced goodwill. This paper exposes the need for a marketing-based approach to customer complaint management in tertiary institutions.

**Keywords:** Customer Complaint Behaviour Model, Marketing, Customer Complaint Management, Nigerian Tertiary Institutions

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## 1. Introduction

It is a consensus among management scholars that the process of service delivery is largely failure-prone, given the peculiar characteristics of service provision as distinct from goods production and marketing (Ogwo, Okpara, Ogbuji and Agu, 2015; Agu, 2015; Tronvoll, 2008; Kotler & Keller, 2007; Tax & Brown, 1998; Edvardson, 1992). The basic features that underscore the process of service provision include: inseparability, intangibility, perishability and heterogeneity (Agbonifoh, Ogwo, Nnolim & Nkamnebe, 2007; Okpara, 2012; Ogwo et al, 2015; Lovelock & Wirtz, 2007; Kotler & Keller, 2007). Agu (2015) observed that heterogeneity, which implies variability in quality, often leads to customer dissatisfaction which is an outcome of service failure, as most service variations tend to be negatively sloped given the labour-intensive dominant service delivery process in developing countries.

When services fail, customers are dissatisfied and they experience cognitive dissonance (after purchase regret)

which may result in voicing their feelings through complaints. Although scholars have revealed that customers find it very difficult to voice their complaints to service providers when they are dissatisfied, customer complaint has remained an invaluable asset to best service providers globally and a tool for service quality improvement (Agu, 2015; Anyanwu, 2008; Granner, 2003; Scofer, 2013; TARP, 2010). It is believed that only less than 10% of dissatisfied customers choose to complain to the service providers. Others, as noted by Agu (2016) prefer to complain to friends, relations and other customers, thereby spreading negative word-of-mouth which has ten times negative multiplier effect on the image of the service provider. To serve customers correctly and prevent unfavourable service experience with its attendant negative word-of-mouth that can jeopardize the image and competitive position of any tertiary institution, learning, understanding and effectively

managing customer complaints remains important, especially in Nigeria where the tertiary education sector continues to be competitive annually.

An average tertiary institution has at least three classes of customers: the target market (students of all levels including the regular, non-regular and post graduates), internal customers (staff of all levels including academic, non-academic, senior, junior, contract, adjunct, sabbatical, part-time, etc) and stakeholder customers (the key publics of the institution including the government, unions, host community, media, financial institutions, security agencies, parents and guardians, research funding bodies etc). From time to time, complaints, demands and suggestions from these customers emanate. Managing these complaints satisfactorily is the key argument of the marketing concept which upholds customer satisfaction at every point of the service delivery process.

This paper therefore, aims at:

1. Reviewing the nature of customer complaints in Nigerian tertiary institutions.
2. Exposing the dangers of institution-oriented customer complaint handling systems that are largely in practice in most Nigerian tertiary institutions
3. Proposing a customer-based approach to complaint management in tertiary institutions using an adapted framework of the Common Wealth Ombudsman (2009).

## 2. The Nigerian Higher Education Sector

The higher education system in Nigeria recognizes universities, colleges of education, mono and polytechnics as well as innovative enterprise institutions as the tertiary education options available to students. According to Shuara (2010), there were three sixty five (365) approved higher education institutions in Nigeria. For the 2016 Joint Admissions and Matriculation Board statistics, there are three thirty three (333) tertiary institutions. This number includes 134 universities made up of 55 private, 39 state and 40 federal institutions. 63 colleges of education, made up of private, state and federal institutions. 122 mono and polytechnics made up of 65 private, 36 state and 21 federal institutions. Finally, there are 63 innovative enterprise institutions that award professional certificates. It should be recalled that in 2011, nine new federal universities were established by the federal government and three more in 2013. Activities in these institutions are regulated by National Universities Commission (NUC), National Commission for Colleges of Education (NCCE), National Board for Technical Education (NBTE) and Joint Admissions and Matriculation Board (JAMB). This shows that the higher education sector in Nigeria is highly competitive.

Again, yearly admission seekers in the country had been on the increase, the cost of acquiring tertiary education, and the economic state of the nation notwithstanding. From JAMB(2016) statistical records, there were one million five

hundred and seventy nine thousand twenty seven (1579027) admission seekers for the year. This is a significant increase compared to the 2015 figure of one million four and eight thousand three hundred and seventy nine (1408379). Yet, in spite of this sectoral growth, many institutions are constantly witnessing significant drop in the number of admission seekers choosing them as preferred choices. Understanding and effectively managing customers complaints in this institutions becomes imperative to enhance positive word-of-mouth communication that would result in improved preference.

## 3. The Nature of Customer Complaints

In Nigeria, the increasing level of competition in different sectors of the economy such as telecommunications, transportation, banking, insurance, education, and even in religious activities, has made firms to begin to think about the best ways of handling and resolving customer complaints in satisfactory manners. The concept of customer complaint has been defined in many ways. Complaint is defined as an expression of dissatisfaction with organization's procedures, charges, employees, agents or quality of service (Sydney Electrical, Australia 2011 in Agu, 2015). It is an expression of dissatisfaction made to an organization, related to its products, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected (ISO, 10002:2004 in Agu, 2015). A complaint is an expression of dissatisfaction made to an organization, about its products (goods, services, ideas etc), employees, or the complaint handling process itself, where a response or resolution is explicitly or implicitly expected (Agu, 2015). To Raghavar (2013), customer complaint is an expression of dissatisfaction made by a customer to a service provider relating to the products and services of the firm or the complaint handling process itself while a response or resolution is explicitly or implicitly expected.

Customer complaints in the tertiary institutions come in different forms. It can be about non-access to results, late release of results, no/inadequate covering of course content before examinations, grades below student's expectation, harassments and intimidations, delayed or non-promotions, underpayments, fee increments, unconducive learning and teaching environment, poor facilities, reimbursements issues etc. Explaining the basic reasons for customer complaints, Lovelock and Wirtz, (2011) identified four main purposes for complaining as follows; obtaining restitution or compensation, vent anger, help to improve the service and for altruistic reasons.

The expectations of complaining customers are satisfactory resolution and adequate compensation in faire manner. Tax and Brown (1998) identified three major expectations of complaining customers and best practice complaint handling and recovery process thus:

Procedural Justice: This concerns policies and rules that any customer has to go through to seek fairness. Customers

expect firms to assume responsibility, which is the key to the start of a fair procedure for handling customer complaints, followed by a convenient and responsive recovery process. That includes flexibility of the system and consideration of the customer inputs into the process.

**Interactive Justice:** involves employees of the firm who provide the service recovery and their behaviour toward the complaining customers. Giving an explanation for the failure and making an effort to resolve the problem are very important. However, the recovery effort must be perceived as genuine, honest, and polite.

**Outcome Justice:** concerns compensation a customer receives as a result of the losses and inconveniences incurred because of a service failure. This includes compensation for not only the failure but also time, effort, and energy spent during the process of service recovery.

Scholars have advocated effective recovery strategies in organizations for customers' satisfaction, happiness and loyalty to be restored after a dissatisfaction experience arising from goods or service failure. Service recovery is an umbrella term for systematic efforts by a firm to correct a problem following a service failure and to retain a customer's goodwill (Lovelock and Wirtz, 2011). Complaining customer expect immediate recovery actions from service providers. Anyanwu (2008) defined it as actions taken by service providers in response to service failure which try to put back smile on a customer's face after service failures. Effective recovery systems should possess the following qualities: pro-activeness, planned, trained and empowered (Anyanwu, 2008; 1995; Lovelock & Wirtz, 2011). This means that recovery systems need to be initiated on the spot. Before customers have a chance to complain, contingency plans should be developed, recovery skills must be taught and employees should be empowered to use their skills to develop solutions to customer complaints. When these principles are observed, the recovery paradox will be experienced. Service recovery paradox refers to the effect that customers who experienced a service failure and then have it resolved are sometimes more satisfied than customers who have had no problem in the first place.

#### **4. Triggers of Customer Complaint Behaviour**

Authorities in the field of marketing, management and psychology have identified certain factors that trigger customer complaint behaviour. Tronvoll (2008) captured various assertions which center on the service quality and the service process as key triggers of customer complaint behaviour. The participation of customers in the co-creation process of service entails that, besides the service outcome, the service process is important and affects the service quality (Gronroos, 1984; Smith et al, 1999) and service experience perception (Tronvoll, 2008). Again, Hirschman (1970) and Singh (1988) explain the trigger of complaint

behaviour as a lack of quality while Gronroos (1988), Landon (1980) and Stephens (2000) identified dissatisfaction as the key trigger. However, Day (1984) and Singh and Pandya (1991) disclosed that dissatisfaction is not sufficient cause for customers to complain.

In all, the researcher believes that in addition to the views of these schools, customers' complaint behaviour is aroused when customers perceive any action, situation or event that signals infringement of their rights. The key consumer rights are: Right to safety in use of products, right to be informed, right to choose and right to be heard and obtain redress (Agbonifoh et. al., 2007). However, organizations should be careful to discover the type of complaint, and complainer at each time when handling customers' complaints as the approaches to adopt in addressing them may differ. Anyanwu (2013) while quoting Bateson (1995) identified four types of complaints as: Instrumental complaints (which are expressed to alter an undesirable state of affairs), Non instrumental (complaints in which the complainers do not expect the state of affairs to change) and ostensive (complaints which are directed to someone or something else outside the realm of the complainer with expectation that a change would be made). Also, scholars have identified five types of complainers as: the meek complainer who will hardly complain, the aggressive complainer who complains very loudly and repeatedly, the high roller complainer who complains in reasonable manners, rip off complainer who aims at winning by getting undue favour, the chronic complainer who is never satisfied but believes that something is always wrong and always aims at winning. Hoyer and MacInnis (2007) identified the types of complainers as: passives (customers whole are least likely to complain), voicers (Those who are likely to complain directly to the service providers), irates (Angry customers that are most likely to engage in negative word-of-mouth, may stop patronage or complain to the provider aggressively but not to a third party such as the media or government) and activists (complainers who engage heavily in all types of complaining, including complaining to a third party).

#### **5. Marketing Approach to Customer Complaint Management**

Customer complaint management can be described as the whole practice for the purpose of eliminating the circumstance or discontent that leads to customer complaint (Segran, 2005). Customer complaint management refers to the application of management principles in handling customer complaints. It requires planning, organizing, controlling and directing of activities towards identifying, anticipating, communicating and responding to new complaints as they come (Agu & Opkara, 2015). The marketing approach to customer complaint management emphasizes deep understanding of the complaining

customer and having the mindset that the complaint demands satisfactory resolution. The Common Wealth Ombudsman (2009) identified the following steps of effective, marketing-oriented customer complaints management:

- i. Acknowledge all complaints quickly
- ii. Assess the complaint and give it priority
- iii. Plan the investigation
- iv. Investigate the complaint
- v. Respond to the complaint with a clear decision
- vi. Follow up any customer service issues
- vii. Consider if there are any systemic issues.

The guide equally identified five principles of effective, customer-focused complaint handling as: fairness, accessibility, responsiveness, efficiency and integration. Effective complaint management beneficial to an organization in the following ways:

It identifies areas that need to be changed and allows clients to provide input to service improvement, gives the organization a second chance to serve and satisfy dissatisfied clients, provides an opportunity to strengthen public support for the organization, helps reduce an organization's work load, improves customer loyalty, enhances positive word-of-mouth promotion and ensures long-term profitability.

Also:

It prevents customer loss and reveals the production and service delivery problems of an organization.

- a) It prevents negative word of mouth communication.
- b) Helps the provider to develop a sustainable business.
- c) Indicates the extent of customer loyalty, discontent and welfare (Singh, 1991).
- d) Effective resolution of customer complaint can have a positive impact on customer's trust and commitment (Tax et al, 1998).
- e) Complaint handling is a critical moment of truth in maintaining and developing customer relationship (Berry and Parasuraman, 1991; Dwyer et al, 1987).
- f) By decreasing customer defection among dissatisfied customers by just 5 percent, a company can achieve a profit improvement of 78 – 85 percent (Reichlead and Sasser Jr., 1990).
- g) Complaint handling can be a significantly superior investment for a service company and can generate 30 – 150 percent return on investment (Brown, 2000).
- h) A good complain response can be used to recover from an unfavorable service experience and subsequently secure the future of the company.
- i) Frustrated and angry customers (especially those whose complaints were not promptly and satisfactorily handled) voice their negative impressions on the internet (Bailey, 2004).
- j) It provides marketing intelligence data and identifies

common problems of the firm.

This review is a proof that over the years scholars have recognized the importance of customer complaint behaviour to the survival and growth of service providers. Emphasizing the need for effective customer complaint management strategy in the organized road transport firms in view of the ever increasing competition in the sector in Nigeria, Agu and Okpara (2015) disclosed that the adoption of an international complaint handling standard that is carefully developed, objective, customer-focused and well communicated is imperative for firms wishing to survive.

## 6. Understanding Antecedents to Customer Complaint Behaviour

To understand the core antecedents to customer complaint behaviour, which is a major step towards a satisfactory customer complaint resolution, higher institution can adopt the empirically-based conceptual model proposed by Agu (2015). This because a good understanding of the antecedents is needed before a decision on the best approach to adopt is made. The model shows the antecedents (variables) that constitute the constructs, indicating those that have significant impact or weak impact on customer complaint behaviour based on the author's previous empirical studies. It also shows that a dissatisfied, complaining customer observes one or more of the three behavioural responses. The customer may take a private action, public action or no action at all. The response behaviours are greatly influenced by the antecedent. The model identifies twenty three variables as major antecedents to complaint behaviour which are summarized in six constructs: situational, demographic, psychological, purchased-service, service provider and industry condition. The situational variables are cost of complaining, benefits to derive when complaint is handled, likelihood of success and criticality of source of dissatisfaction. The demographics are age, gender, occupation, level of education, life cycle and employment status. The psychological factors are attitude, self perception and personality. The purchased service variables are the importance, cost and type of service. The service provider variables include customer perception of firm reputation, responsiveness of firm to service failure, ownership, size and initial claims (promises) of the firm. The industry conditions include the nature of competition and government regulation. This model was tested in the transport industry in Nigeria and has been helpful to firms in the sector in managing customer complaints. Just two (age and firm size) out of the tested variables showed weak relationship to customer complaint behaviour in that study.

The model is as shown on figure one.

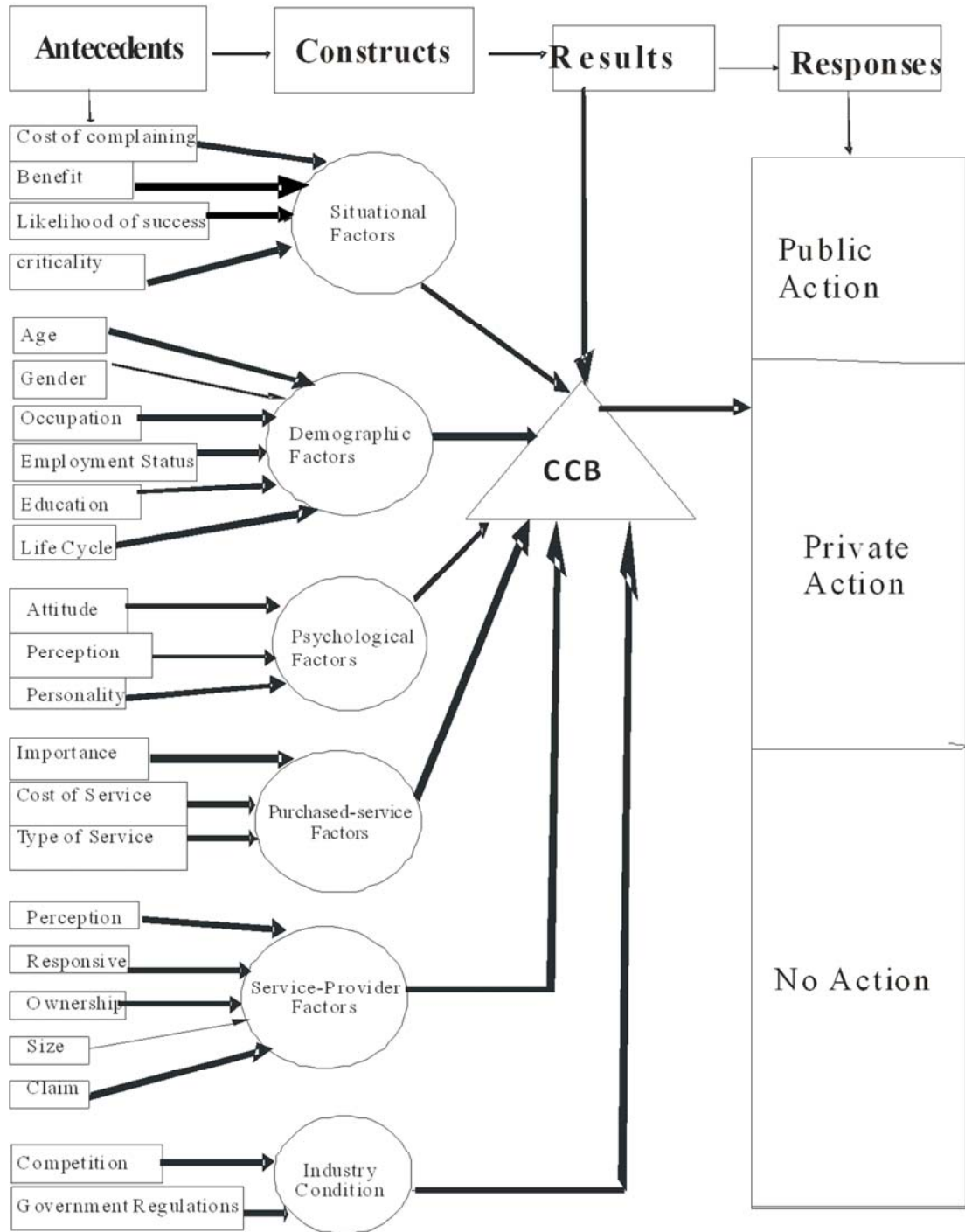


Figure 1. Proposed model of antecedents to customer complaint behaviour.

Source: Agu G. A (2015). Customer complaint behaviour in the service industry: A study of customers of the organized road transport firms in Nigeria. Ph.D Thesis. Abia State University, Nigeria.

## 7. Conclusion

Higher education institutions and the armed forces are two sectors that retain some authority despite the dismal showing of institutions as a whole (Edelmar, 2016). However, as noted by Nair (2016), best practice around multiculturalism has been woefully insufficient in many universities globally. In

Nigeria, many customers of higher institutions hardly voice their complaints owing to the non-customer-centric procedures adopted in resolving customer complaints. Implementing a more customer-focused complaint management process in higher education marketing remains a command for firms desirous of long term customer loyalty, positive word-of-mouth and enhanced competitiveness.

## Recommendations

To achieve satisfactory customer complaint management in the tertiary education system, the following are recommended:

- 1) Since there is not only one formula that will ensure satisfactory customer complaint resolution, the key is to understand the customers so well that the institution can manage their experience and earn the trust in the relationship. This demands periodic customer knowledge research.
- 2) The cardinal principles of a customer-centric complaint management process; fairness, accessibility, responsiveness, efficiency and integration, are advocated for higher institutions that wish to stand the taste of time.
- 3) Periodic review of complaint resolution process based on global standards is advocated.
- 4) Complaint lodging process should be openly communicated to customers and they should be encouraged to voice their complaints.
- 5) We recommend the Agu's model of customer complaint behaviour antecedents to tertiary education administrators globally. This is because marketing practice is at its best when the firm has good understanding of the customer. The model is a guide to comprehensive knowledge of the complaining customer prior to resolution of complaints.

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