



Customer opportunistic complaints management: A critical incident approach

Heejung Ro^{a,*}, June Wong^{b,1}

^a Rosen College of Hospitality Management, University of Central Florida, 9907 Universal Blvd., Orlando, FL 32819, United States

^b College of Business Administration, University of Central Florida, 4000 Central Florida Blvd., P.O. Box 161991, Orlando, FL 32816-1991, United States

ARTICLE INFO

Keywords:

Opportunistic complaint
Complaining behavior
Unethical consumer behavior
Critical incident technique

ABSTRACT

Although customer complaints are valued in the hospitality industry in order to create service recovery opportunities and improve service quality, there are occasions when customers knowingly and incorrectly report service failures or make illegitimate complaints. The purpose of this study is to investigate how service employees handle opportunistic customer complaints in service encounters. By using the critical incident technique, we classify 346 incidents from hotel and restaurant services based on complaint source, evidence, compensation, handling, follow-up, and customer return. Managerial implications for these challenging situations are discussed and suggestions are made for improvement.

© 2011 Elsevier Ltd. All rights reserved.

1. Introduction

Hospitality research has consistently emphasized the significance of increasing and maintaining high levels of service quality, satisfaction, and customer loyalty. In particular, research acknowledged the value of complaints for improving service quality and retaining customers through service recovery (Plymire, 1991; Dewitt and Brady, 2003; Snellman and Vihtkari, 2003). Most previous studies assume that customer complaints are legitimate in nature and that dissatisfaction is the one of the main causes of customer complaints (e.g., Singh and Wilkes, 1996; Stephens and Gwinner, 1998). However, research has acknowledged the existence of complaints from customers who may deliberately fabricate problems (Jacoby and Jaccard, 1981). These unjust complaints are called “fake complaints” (Day et al., 1981) or “illegitimate customer complaints” (Reynolds and Harris, 2005).

In the hospitality industry, employees are expected to place guests first and cater to their needs. When it comes to handling complaints, many firms honor customer claims with the motto, “give the customer the benefit of the doubt and compensate with well-dosed generosity” (Lovelock and Witz, 2007). Some firms such as the Ritz–Carlton go as far as doing “everything you possibly can to never lose a guest” (Tax and Brown, 1998). Yet, these service recovery efforts are open to abuse. Due to the common training and policy placing emphasis on guests always being right, handling opportunistic customer complaints can be exceptionally challenging for guest contact employees. Although previous studies provide

some understanding of these opportunistic customer complaints in terms of types and motivations (Harris and Reynolds, 2003, 2004; Reynolds and Harris, 2005; Wirtz and Kum, 2004), there is a lack of research on how these complaints are handled by employees.

The objective of this study is to explore how guest contact employees identify and manage opportunistic customer complaints in hotels and restaurants. Specifically, this research uses the critical incident technique to do the following:

1. Identify and classify opportunistic complaints in the restaurant and hotel industries.
2. Investigate the compensation offered for the opportunistic complaints customers.
3. Investigate how guest contact employees handled the situation.
4. Investigate the follow up procedure after the incident.

This study can contribute to the customer complaining behavior and service recovery literature by adding insights regarding illegitimate complaints management. Also, investigating opportunistic complaint handling from the employees’ perspective can enhance managerial understanding of such complaints and provide service organizations with useful advice on managing the challenging situations.

2. Literature review

2.1. Opportunistic complaints

Researchers recognize that not all complaints originated from dissatisfaction (Reynolds and Harris, 2005; Kowalski, 1996; Day et al., 1981). In reality, some complaint episodes occur without experiencing service failure or dissatisfaction and such complaints are essentially illegitimate and fraudulent in nature (Jacoby and

* Corresponding author. Tel.: +1 407 903 8075; fax: +1 407 903 8105.

E-mail addresses: Heejung.Ro@ucf.edu (H. Ro), junewong@knights.ucf.edu (J. Wong).

¹ Tel.: +1 407 823 2181.

Jaccard, 1981; Reynolds and Harris, 2005). Consumer unethical behaviors have been discussed in the literature using various forms. In a retail setting, “deshopping” or “fraudulent return” refers to the actions of customers who intentionally preplan the purchase of goods in the knowledge that they will use the products, and then fraudulently complain and return them at a later date, often taking advantage of a stores’ return policy (Harris, 2008; Rosenbaum et al., 2011; Schmit et al., 1999).

Similarly, in the service management literature, unethical or undesirable customers have been discussed using diverse terms: problem customers (Bitner et al., 1994), aberrant customers (Fullerton and Punji, 2004), dysfunctional customers (Harris and Reynolds, 2003). Lovelock (1994) describes “jaycustomers” as dysfunctional customers who act in a thoughtless or abusive way, causing problems for service firms, employees, and other customers. Wirtz and Kum (2004) describe opportunistic customers as those who engage in cheating or fraudulent behaviors. Opportunistic customer is also described as someone who recognizes an opportunity to take monetary advantage of company’s service recovery efforts (Berry and Seiders, 2008). Ping (1993) described opportunistic complaint behavior as “self interest seeking with guile”. Similarly, we define “opportunistic complaint behavior” as the behavior in which a customer complains in order to receive material gain by exaggerating, altering, or lying about the fact or situation, or abusing service guarantees.

2.2. Drivers of opportunistic complaints

Previous research suggested that material benefit or monetary gain is the main driver of opportunistic complaining behavior (Harris and Reynolds, 2005; Kowalski, 1996). Harris and Reynolds (2003) also found evidence of a domino effect that describes incidences wherein customers observe and recognize the benefits that fellow patrons receive from making unjustified complaints, therefore causing them to indulge in fraudulent complaining behaviors themselves in order to gain the same benefits. However, researchers also note that dysfunctional complaining behaviors are not always economically motivated. For example, social impression management factors can influence illegitimate complaints such as impressing and gaining approval from observing customers (Marquis and Filiatrault, 2002; Kowalski, 1996), evoking sympathy and attempting to be viewed favorably by others (Alicke et al., 1992), creating negative reactions from onlookers (Goodwin and Spiggle, 1989), and attempting to compete with other illegitimate complainers (Kowalski, 1996). In addition, other researchers found that some customers voice illegitimate complaints in order to enhance their own feelings of self-worth or ego (Reynolds and Harris, 2005).

The perceptions of unfairness can also increase opportunistic claiming in a service recovery context (Wirtz and McColl-Kennedy, 2010). Perceived unfairness during service recovery is expected to encourage self-serving interpretations of what constitutes a fair compensation, allowing customers to generously interpret the perceived damage and take advantage of the opportunity while still maintaining a positive self-concept (Mazar et al., 2008). Some personality factors such as Machiavellianism motivate unethical behaviors (Jones and Kavanagh, 1996) whereas high ethical standards inhibit opportunistic behaviors (Ghosh and Crain, 1995). In addition, customers may learn to exploit service recovery policies of companies that are widely known for engaging in best service recovery practices as these firms make it easy to claim refunds (Berry and Seiders, 2008). Similarly, it is also found that customers are more likely to claim in an opportunistic manner when the “victim” firm is large as opposed to a small firm (Wirtz and McColl-Kennedy, 2010).

The opportunistic complaints are driven by different factors and more likely a combination of them. Wirtz and Kum (2004) synthesize this stream of literature and suggest that customer cheating behavior is driven by the two main effects of personality and situational factors, and their interactions. Personality factors include Machiavellianism and introversion/extroversion while situational factors include potential material gain, rewards and benefits, opportunity to cheat, perceived injustice, external pressure, and dissatisfaction with the relationship (Wirtz and Kum, 2004).

2.3. Guest contact employees in opportunistic complaint handling

Service encounter has been understood as being an interaction between a customer and a service provider (Surprenant and Solomon, 1987). Given the dyadic nature of service encounters, a dysfunctional service encounter can be viewed from two primary perspectives: the actor’s (i.e., customer’s) and the target’s (i.e., guest contact employee’s). During the complaint resolution process, customers spend much of their time describing and explaining service problems and desired remedies, whereas employees or service providers attempt to identify the cause of the problem (attribution) and offer a remedy (equity) (Garrett and Meyers, 1996).

Guest contact employees play critical roles in service encounters by delivering a great experience for the guests (Bitner, 1995; Schneider and Bowen, 1992). They are not only facilitating their interactions with customers but are also expected to frequently look for cues that indicate to them how their service is received by customers (Bitner et al., 1994). Since guest contact employees have frequent contact with customers, they are an important source of information about customers (Bitner et al., 1994). Information gathered from guest contact employees can aid service firms in making strategic decisions regarding service improvement and service modification (Schneider and Bowen, 1984). Employees’ reports, especially, are found to be good sources of data for understanding the origins of undesired organizational outcomes (Luria et al., 2009).

When some customers systematically abuse company service recovery policies and efforts, companies are inclined to either clamp down with tougher rules or increase prices to cover losses (Berry and Seiders, 2008). Employees are put on the defensive and can become more sensitive to customer manipulation by questioning the sincerity of customer complaints and the motives that lie behind their actions (Tyler and Bies, 1990). These dynamics can turn adversarial for service firms. Also, fair customers are penalized and pay for the opportunistic customers misdeeds (Berry and Seiders, 2008). Denying the existence and impact of the unfair customers can erode the ethics of fairness upon which great service companies thrive. Thus, companies must acknowledge the unfair behavior of certain customers and manage them effectively (Berry and Seiders, 2008).

In summary, the existence of opportunistic customer complaints is well acknowledged in the literature but most studies on consumer cheating behaviors have focused on describing the types of unethical behaviors/customers and identifying drivers from the customer’s perspective. However, there is a lack of research on how these complaints are managed. Therefore, the focus of this study is to explore opportunistic complaints from the employees’ point of view—how these complaints are identified and handled.

3. Methodology

3.1. Critical incident technique

This study used critical incident technique (CIT) to explore the phenomenon. The CIT, originally developed by Flanagan (1954), is a

method that has been used in many service encounter studies (e.g., Bitner et al., 1994; Chung and Hoffman, 1998; Reynolds and Harris, 2005). The general procedure consists of collecting qualitative data by asking questions based on past behaviors or experiences. For this study, an initial interview questionnaire was developed primarily focusing on the handling of the opportunistic complaint incidents. Prior to data collection, we asked a convenient sample of 12 hospitality graduate students to review the initial questionnaire and provide suggestions for easier and clearer understanding of the interview questions. Based on the feedback, the interview questionnaire was revised for the study.

3.2. Data collection and procedure

The critical incidents included in this study were collected by student interviewers at a university located in the southeast region of the United States. Student interviewers were trained in human subject research protocols and the principles of the critical incident technique. The principal investigators provided the student interviewers with detailed written instructions for the interviews; the student interviewers practiced the procedure in class by role-playing. Student interviewers were instructed to ask prospective respondents (guest contact employees) to complete the incident report forms. They were encouraged to not rely solely on other students as respondents and that an effort had to be made to contact individuals representing a variety of demographic groups. Each student interviewer recruited two guest contact employees from the hotel and/or restaurant industry.

Interview participants (guest contact employees) were asked to recall and describe critical service encounters involving the handling of the opportunistic customer complaints. Each participant provided one incident and the answers were recorded verbatim. After a brief description of the research project and the definition of opportunistic customer complaints, each interview was initiated by asking a general question: Think about a time when (within recent 6 months), as a frontline employee or manager, you had a customer who was engaging in an opportunistic complaint. When did the incident happen? Then the participants were asked to respond to structured questions as follows:

- (1) What did the customer complain about? Describe the incident in detail.
- (2) What specific circumstances or clues or evidence made you think that the customer was engaging in an opportunistic complaint? Exactly what did you say or do at that time?
- (3) What did the customer ask for? What type and level of compensation did the customer request?
- (4) What was the final resolution for the incident? What resolution or compensation, if any, was provided to the customer in the end?
- (5) Have you received training to handle such situations? If so, did you handle the situation based on the training you've had?
- (6) Was the incident handled according to company policy or based on your own decisions?
- (7) Did you or your company follow up with the customer after the incident? Did the customer return?

A total of 358 incidents (114 hotel and 244 restaurant) were collected. To be used in the analysis, an incident was required to (1) involve hotel or restaurant service encounters, (2) be opportunistic from the employees' point of view, (3) be a discrete episode that is recalled as a specific incident instead of a summary description of a customers' behavioral pattern, and (4) have sufficient details to be visualized by the interviewer. Twelve incidents did not meet these criteria, leaving 346 incidents (109 hotel and 237 restaurant) for this study.

Out of the respondents, 45% of the respondents were men and 55% were women. Most respondents (58%) had some college education and another 33% had a college degree. The average age was 27 (range 18–65) and the average work experience of the respondents was 7.5 years (range 1–45). Approximately 60% of the respondents were front line employees and 40% were in a managerial position. In the hotel sample, 10.5% were small, 29.5% were middle, and 60% were large scale hotels. In the restaurant sample, 16.5% of them were limited services, 68.8% were casual dining, and 14.7% were upscale restaurants.

3.3. Classification procedure

Once the data was collected, the incident classification scheme was developed to categorize the incidents. Using an iterative process, two researchers read, sorted, and reread the incidents in order to develop a categorization scheme. Then, all incidents were subjected to the categorization process by two independent judges who were graduate students. Each judge was provided with the categorization scheme developed by the authors and asked to code each incident. The interjudge agreement between the two judges was 83% for the hotels and 86% for the restaurants. Sample quotes from the incident reports are illustrated in Table 1.

4. Results and discussions

First, we categorized the incidents by the source of complaint. According to the services marketing literature, the service encounters are generally understood through two aspects: outcome and process (Smith et al., 1999). The outcome failure refers to the core service or product failure (e.g., wrong or unavailable product), whereas the process failure is described as when the delivery of the core services is flawed or deficient in some way (e.g., long waiting, inattentive or rude server) (Smith et al., 1999; Chan et al., 2007). In Table 2, these two types are translated as the *product* related complaining (food for restaurants and rooms for hotels) and the *service* related complaining (delivery process), respectively. Some complainers used both product and service failures to take advantage of the situation, therefore we included a *combination* category.

Overall, 58% of customers complained about the product, 31% of customers complained about the service and 11% of customers complained about both the product and the service. It seems that customers are using tangible products more often than intangible services as their complaint source, for opportunistic gains. In the hotel context, product and service categories were at a similar level (46% and 43%, respectively) but restaurant customers used products (64%), such as wrong order or inadequate food, more often than services (26%), such as delayed process, as their opportunistic complaint sources. The result of the contingency table analysis indicated a significant association between the type of industry and the sources of complaint (L. R. $\chi^2 = 11.28$; $df = 2$; $p = .004$).

Table 3 describes what leads employees to believe that the customer is engaging in opportunistic complaints. The *clear evidence* category describes that employees actually had some evidence that could verify the customers' opportunistic complaining. For example, a customer complained about the noise in the next room but the records indicated that the rooms around the guest's room were vacant. While the *unclear evidence* category refers to the employees' beliefs about the customers' engagement in opportunistic complaints based on their intuition, circumstances, and observations of customers' behaviors. These incidents can fall in the so-called "gray area" of no tangible evidence but do cross the line of being opportunistic in employees' minds.

Only 14% of the incidents actually had some clear evidence such as records for verification and witnesses for the complaint incidents

Table 1
Sample quotes from the opportunistic complaints incident reports.

	Hotel	Restaurant
Source of complaint		
Product	"The customer complained about the room they booked. The room had an odor and there were roaches running around the room."	"A customer complained of human hair in his salad."
Service	"The wake-up call was scheduled. . . {Customer was} complaining to me that he never received his wake-up call, so therefore he missed his flight."	"A 70 year old lady came in and said that she had a piece of glass in her to-go fish dinner." "{a customer said} It took too long for me to bring her beverage to the table. It really only took about 3 minutes. . . I got the manager for her and she told him it had taken 15 minutes to get her drink."
Combination	"What did she not complain about.. She had been staying here for four days and had apparently racked up as many complaints as possible and then just machine gunned me right before check out. She said that room service was bad, that her AC was really cold; the room was filthy, bugs everywhere. She even complained about the professionalism of our bellman. . . claiming he was flirtatious. . . (Laugh)"	"A customer complained that the shrimp Alfredo wasn't fresh looking and also stated that she found glass in her meal. She also complained about the service and the restaurant in general."
Evidence or clues		
Clear evidence	"After checking the calls, there was record of the wake-up call to the guest being made at 5 am and the follow up at 5:15 am, in which the guest answered to both." "We have a machine {key read} to tell us times that people entered the room. The times the woman gave us did not match our key read."	"When I examined the salad, there was noticeable cut hair, as though it was freshly cut from the customer's head, same color and it was such a large piece of cut hair, it was not done accidentally." "As I looked at the {security} tape and I saw her put something in her dinner which I assumed was glass because we check all of the food before it goes out."
Unclear evidence	"Basically, just the way she knew the compensation she wanted and demanded it aggressively in an attempt to intimidate." "As soon as I talked to her, I knew exactly what she was doing. She wanted a free stay. . . all four days. You could tell she was digging and just flat out exaggerating just about everything." "She was a "BOLO" or a "be on look out for" on our register. She had over 120 incidents reported by our managers."	"They deliberately said <i>guest satisfaction</i> ", "you know you can do it" "When she asked for more of "those free food things" "Because she had been in our restaurant and done the same thing before. She knew that our restaurant had a 100% customer satisfaction policy so she would come in and purposely order the wrong thing so she would get free meal out of it."
Compensation		
Full compensation	"In addition to my compensation {room upgrade}, another front desk agent on duty agreed to give him breakfast for his family of five, an hour later the guy came back and complained to him."	"The manager gave the gentleman what he was asking for, The manager did not want to get into a problem with corporate."
Partial compensation	"I explained to him the situation showing him our records . . . at the end both the guest and I came to an agreement in just a discount on the stay and a free breakfast."	"The final resolution was him and the manager coming to an agreement that they would take 50% off of his entrée."
No compensation	"We are unable to compensate your room because of company policies. Yes, we normally would compensate. . . but you have done this at four other properties."	"He did not, however, have proof of an order so no compensation was given." "We didn't give her anything because she was caught on tape."
Handing		
Company policy	"I handled the situation based on the company's 100% satisfaction policy, I feel like it is better just to stick to what I know because it will make the customer happy." "Company policy, they cannot compensate the room if they {the customers} have done it 4 times or more."	"The incident was handled according to our company policy, but I believe our own decision would have been more appropriate for this particular incident."
Own decision	"We have a 100% hospitality guarantee but we decided not to use it, as this group had tried to gain something at our expense before."	"We make decisions based on the severity of the incident and use our best judgment."
Both (company and own)	"Solved by my own decision but with understanding of company policy." "The incident was handled according to the policy but the final outcome was based on my own decision."	"Company policy and partially my own decision, but the management would have said the same thing."
Supervisor involvement	"My manager was there to approve the decision."	"The incident was handled according to my managers' own discretion. Personally I would have comp'd her drink but not given her the meal."
Training		
Yes	"The situation was handled based on the training received: remain calm and the customer is always right!" "We had received training for situation like this one, once I got hired; regarding profit management and how to handle certain situations that every employee has to take and pass. I did indeed handle the circumstance as our training had instructed."	"I received training to handle this type of situation and it was handled based on the training that I had received."
No	"Nope, only training I received was watching others deal with these complaints."	"I have not received any training to handle a situation like this, I've always been told to get my manager."

Note: {} are parts added by the authors based on the context for clarification.

Table 2
Source of complaint.

	Hotel	Restaurant	Total
Product	50 (45.9%)	151 (63.7%)	201 (58.1%)
Services	47 (43.1%)	61 (25.7%)	108 (31.2%)
Combination	12 (11.0%)	25 (10.5%)	37 (10.7%)
Column total	109 (100%)	237 (100%)	346 (100%)

Table 3
Evidence or clues.

	Hotel	Restaurant	Total
Clear evidence	29 (26.6%)	19 (8.1%)	48 (13.9%)
Unclear evidence	80 (73.4%)	217 (91.9%)	297 (86.1%)
Column total	109 (100%)	236 (100%)	345 (100%)

Table 4
Compensation level.

	Hotel	Restaurant	Total
Full compensation	39 (36.1%)	137 (59.1%)	176 (51.8%)
Partial compensation	38 (35.2%)	48 (20.7%)	86 (25.3%)
No compensation	31 (28.7%)	47 (20.3%)	78 (22.9%)
Column total	108 (100%)	232 (100%)	340 (100%)

being fraudulent. In most cases (86%), employees reported that the evidence was not clear but they knew it from their instincts and observations of circumstantial clues. Employees often found the customers' explanations illogical or their stories changing unreasonably yet it was also difficult to prove or accuse customers of wrongdoing due to the circumstantial nature. For example, a customer said that the meal was fine during the checkups by the server. However, after finishing the meal, the customer claimed that the order was not the way he or she wanted and asked for the whole meal to be complimented. Another typical situation of unclear evidence involves a customer repeatedly engaging in the same or different complaints which are observed and remembered by employees.

Unclear evidence was more prevalent in restaurants (92%) than in hotels (73%) in our results (L. R. $\chi^2 = 19.88$; $df = 1$; $p = .000$). Restaurants often serve a larger volume of customers in a short period of time, thus customers may take advantage of the busy setting in which employees and managers may miss clues or evidence to verify. Compared to restaurants, hotel operations are less busy in the sense that employees can focus their attention and time on each customer. Also, this is probably due to the information systems hotels have that keep their customer records, room occupancies, room maintenance work, etc., which enables them to verify the records to some extent.

Next, we explored the level of compensation offered by the company for opportunistic complaints. Table 4 illustrates whether the customers are receiving what they asked for or not. Overall, about half of the customers (52%) received what they asked for or more (*full compensation*). Approximately 25% of the customers received not full but some compensation (*partial compensation*) and 23%

Table 5
Handling of the incident.

	Hotel			Restaurant			Total
	FLE	Managerial	Combined	FLE	Managerial	Combined	
Company policy	25 (48.1%)	20 (36.4%)	45 (42.0%)	66 (46.1%)	38 (48.7%)	104 (47.1%)	149 (45.4%)
Own decision	7 (13.5%)	16 (29.1%)	23 (21.5%)	22 (15.4%)	20 (25.6%)	42 (19.0%)	65 (19.8%)
Both (company & own)	13 (25%)	14 (25.4%)	27 (25.2%)	16 (11.2%)	14 (17.9%)	30 (13.6%)	57 (17.4%)
Supervisor involvement	7 (13.5%)	5 (9.1%)	12 (11.2%)	39 (27.3%)	6 (7.7%)	45 (20.4%)	57 (17.4%)
Column total	52 (100%)	55 (100%)	107 (100%)	143 (100%)	78 (100%)	221 (100%)	328 (100%)

Note: FLE = front line employees; Managerial position includes managers and owners.

Table 6
Training.

	Hotel	Restaurant	Total
Yes	77 (70.6%)	131 (55.5%)	208 (60.3%)
No	32 (29.4%)	105 (44.5%)	137 (39.7%)
Column total	109 (100%)	236 (100%)	345 (100%)

of the customers did not receive anything (*no compensation*). Full compensation was offered more often in restaurants (59%) than in hotels (36%), while no compensation was more prevalent in hotels (29%) than in restaurants (20%). This association between the type of industry and the level of compensation was significant (L.R. $\chi^2 = 15.99$; $df = 2$; $p = .000$).

Hotels were less likely to give full compensation for opportunistic complaints than the restaurants possibly because of the high recovery costs. The main product of a hotel (rooms) is more expensive than that of a restaurant (meals). Thus, it is more common for hotels to offer a discount or gift certificates rather than complimenting the entire room or stay. On the other hand, when a customer is engaging in opportunistic behavior in a restaurant, employees and managers may want to resolve the situation as quickly as possible by providing what the customer asked for or even more in order to not disrupt the busy peak time and to avoid making a scene that may affect the other customers in the service setting. Although restaurants may be losing revenue for the free meals, giving away a free meal to an opportunistic customer can be more advantageous than affecting busy operations and other customers.

Tables 5 and 6 show how the incident was handled and whether employees were trained for such situations. Approximately 45% of employees reported that they handled the incident based on the *company policy*. About 22% of hotel employees and 19% of restaurant employees reported that they made their *own decision*, which they believed was more appropriate for the situation. In the case of *supervisor involvement*, about 11% of hotel employees and 20% of restaurant employees reported that they brought in managers to resolve the situation. This association between the type of industry and the handling of the incident was statistically significant (L.R. $\chi^2 = 9.88$; $df = 3$; $p = .020$). Regarding training, approximately 60% of them indicated that they received training to handle such situations, while 40% indicated that they did not receive training. The percentage of those who received training was higher in hotels (71%) than in restaurants (56%) suggesting that restaurant employees are less prepared for handling opportunistic complaints (L.R. $\chi^2 = 7.30$; $df = 1$; $p = .007$).

Company policy can vary depending on the company from 100% guest satisfaction policy to no reimbursement unless verified and necessary. Training also guides employees' reactions differently; some companies emphasize that employees make their own decisions while others instruct employees to get the manager or supervisor. Due to the uncertain nature of the opportunistic complaints in most cases, handling of the complaints depends on employees' the assessment of the situation and the solution that is considered to be most appropriate at the time.

Table 7
Follow up.

	Hotel	Restaurant	Total
Yes	46 (43.0%)	46 (19.5%)	92 (26.8%)
No	46 (43.0%)	174 (73.7%)	220 (64.1%)
Do not know (unaware)	15 (14.0%)	16 (6.8%)	31 (9.0%)
Column total	107 (100%)	236 (100%)	343 (100%)

Table 8
Customer return.

	Hotel	Restaurant	Total
Yes	20 (18.3%)	74 (31.2%)	94 (27.2%)
No	15 (13.8%)	22 (9.3%)	37 (10.7%)
Unaware	74 (67.9%)	141 (59.5%)	215 (62.1%)
Column total	109 (100%)	237 (100%)	346 (100%)

Although the findings indicate that following the company policies is the most frequent method that employees use to handle opportunistic complaints, hotel employees seem more independent in handling the process while restaurant employees tend to rely on supervisors to handle the situation. This may have resulted from the nature of employment in that restaurant employees are often part time with a less rigorous training in problem solving. Therefore, they may feel less confident to handle unusual situations on their own and less empowered in complimenting meals or giving discounts without supervisor's permission. Also, restaurants tend to train the employees to reach out to a manager in problematic situations, while hotels provide employees with training and empowerment in resolving customer problems by making decisions of their own.

Tables 7 and 8 indicate whether the company or employees followed up with the customer after the incident and whether the customer returned or not. Overall, 64% of respondents indicated no follow up and only 27% of respondents reported a follow up after the incident. Specifically, 43% of hotel employees indicated that they have followed up with the customer but only about 20% of respondents in restaurants followed up after an incident (L.R. $\chi^2 = 29.68$; $df = 2$; $p = .000$). Next, regarding customer returns, approximately 27% of the employees observed that the customer returned to the company after the incident but most employees (62%) reported that they are unaware of whether the customer returned or not. The percentage of unawareness of customer return was slightly higher in the hotels (68%) than in the restaurants (60%) and this association between the type of industry and the follow up procedures was statistically significant (L.R. $\chi^2 = 7.07$; $df = 2$; $p = .029$).

It would be easier for hotels to follow up with a customer after them leaving than for restaurants because of the availability of customer information in the registration system. Also, services training, which hotel employees would have received more of than restaurant employees, may often include following up with the customer by calling and checking the customer's satisfaction with the service recovery. Whereas restaurants are less likely to use and keep customer information from the transactions, which makes it difficult for them to track the customer after the incident. However, interestingly, more hotel employees were unaware of the customers' return than restaurant employees. This result may be due to the type of customers in the service context. Restaurants tend to have more local customers while hotels have more vacationers and business travelers who are transient. Local customers have a higher tendency to visit the restaurant more often than a customer to stay at the same hotel more than once. This contextual difference may have contributed to the employees' ability to be aware of the opportunistic complaint customers' return. Based on the results, restaurants followed up less than hotels but they were more aware of the opportunistic customers' returns than hotels.

Since the opportunistic customers are not the most profitable customers for the companies and service recoveries are costly, the findings are quite alarming for the restaurant managers.

In summary, opportunistic customers tend to complain more about tangible products than intangible services. Employees often use circumstantial information to determine if complaints were opportunistic but rarely have hard evidence to prove the nature of the complaints. Hotels were more conservative than restaurants in terms of compensation. More hotel employees were trained for dealing with opportunistic complaints than restaurant employees. Also, hotels seem to have more resources than restaurants to identify and track customer opportunistic complaints. Even though restaurants conducted less follow ups after the incident, they were more aware of the customers' return than hotels.

5. Managerial implications

Although organizations may espouse superior service performance, research indicates that service encounters also involve undesirable customers who intentionally disrupt and act dishonestly to take advantage of the service policies (Cox et al., 1993; Harris and Reynolds, 2003; Wirtz and McColl-Kennedy, 2010). Despite substantial benefits of companies having an effective complaint management, many firms do not handle customer complaints appropriately (Homburg and Fürst, 2007). Investigating opportunistic complaint handling from the employees' perspective can enhance managerial understanding about the challenging situations and provide service organizations with useful guidelines for preventing future incidents.

5.1. Reporting, complaint database and follow up

It is not surprising that clear evidence of opportunistic customer complaints is hard to find. However, senior management's knowledge about complaints, and hence, about the effectiveness of recovery strategies, depends on the analysis of hard data reaching it through the formal channels. Therefore, bottom-up reporting of complaints is important (Luria et al., 2009). Once complaint incidents are reported and recorded, they can serve as an important database for uncovering the pattern of opportunistic complaints. Also, customers may learn to exploit service recovery policies from previous experience and repeating opportunistic complaints for their benefit. Having a database of customer complaints allows service managers to examine who the frequent complainers are, what are some of the areas/problems often abused by opportunistic customers, who handled the complaints, what compensations were offered, and most importantly, whether the problem areas can be improved by preventive efforts or whether the customers should be red flagged. This knowledge can be used to improve the pitfall areas and reduce the subjectivity of possible customer dismissal for repeated unduly complaints.

Yet, the issue of risk taking may affect employees' decisions as to whether and how to share information with the management (Luria et al., 2009). Some employees may choose to not bring a manager into the situation because they are afraid of being negatively perceived or accused of causing the incidents or believe that the management will not pay serious attention to the problem (Luria et al., 2009). Thus, service management should create a service culture that views complaints as feedback instead of a problem or a fault (Plymire, 1991). We also emphasize the importance of peer communication to a successful service delivery (Gittel, 2002). Sharing the complaint incidents with peers can help other employees to prevent future incidents and produce appropriate handling procedures. Organizations may use various organizational learning processes, such as surveys or journals, periodic team meetings,

suggestion boxes, and other means for guest contact employees to understand the nature and patterns of opportunistic complaints and to suggest quality improvements.

Based on our findings, the majority of respondents indicate no follow-up after the incidents. We encourage hospitality firms to conduct follow-ups after an incident for several reasons. First, it can provide additional information about the opportunistic customers. The company can utilize the information to identify possible loopholes for improvement and so that it can train employees to handle the incidents better. Second, follow up procedures can send a message to intentional opportunistic customers that the company is paying attention to them which may increase their guilt. If the customer is a chronic habitual opportunistic complainer, the follow up can be a gentle reminder for that customer of company's attention or a warning for the employees to be extra careful. If the customer's opportunistic complaint was not necessarily intentional and habitual but instead accidental and/or a misunderstanding, the follow-ups can lead the customer to view the company more positively by being aware of the company's effort for better service quality. However, follow-ups may induce some discomfort in customers who made genuine complaints. Service companies need to be careful that the follow-up procedures are conducted in a professional and constructive manner to avoid customers' perceptions of nuisance or intrusiveness.

5.2. Employee service training and empowerment

Due to the heterogeneous nature of hospitality services, employees often encounter exceptions and unusual situations that make scripted procedures almost impossible and each problem becomes unique (Chebat and Kollias, 2000). Guest contact employees receive a variety of problems or complaints; therefore, it is quite difficult to guide an employee to react to every situation in a same manner. However, we emphasize that that frontline workers should be suitably empowered and trained to handle unusual situations (Homburg and Fürst, 2005).

Empowering guest contact employees has been suggested for service organizations because it allows employees to make daily decisions without following strict guidelines or scripted procedures (Chebat and Kollias, 2000; Bowen and Lawler, 1992). Similarly, empowerment can provide employees with the confidence and flexibility for handling complaints including opportunistic ones. However, empowerment can be counterproductive when it is used undesirably, especially when compensating customers' wrongdoing. Our findings show that employees and managers often give away a full or even more than full compensation to resolve the complaints even though they are unjustified. Guest contact employees and managers may fear that a partial or conditional service recovery would negatively affect customers' service quality evaluations. However, researchers found that a conditional service recovery improves perceptions of service quality while an unconditional service guarantee has no positive effects on service evaluations (McColl et al., 2005). Service organizations must have employees understand that empowerment is not about carelessly giving away company's resources whenever an employee wants to and rewarding undesirable customer behavior, but making decisions that help the organization reach the goal, which is building long term relationships with the right customers.

Most hospitality organizations provide employees with formal training such as orientation and job training to prepare employees to do the job as the organization intended. Thus, employees may have been trained to do the ordinary job well, but they may not be prepared for unusual situations, such as opportunistic complaints. Considering the nature of opportunistic complaints is rather unpredictable and unique, service training that includes role playing exercises could help employees be better prepared

to handle unusual situations. Service training should focus on the communication skills and having the latitude to determine what happened and to then attempt service recovery. In the cases of unmerited rudeness by opportunistic customers, employees who demonstrate empathy and reflective listening can often defuse tension (Johnson, 2005). Employees need an appropriate coping ability and problem solving skills to handle customers as well as their own personal feelings in these situations (Bitner et al., 1994). We believe that good service training, not job training, can guide employees' complaint handling and also empower them to make appropriate decisions by having a better understanding of company's policies and guidelines.

5.3. Relationship building

Most importantly, we emphasize the importance of relationship building and emotional bonding with customers. Relationship marketing literature has shown that there are positive associations between a true relationship and customer satisfaction, loyalty intent and word of mouth communication (Gretler and Gwinner, 2000; Price and Arnould, 1999). Also, relationship-bonded customers tend to be generous with a service failure, and hence are less likely to complain (Dewitt and Brady, 2003; Mittal et al., 2008).

Recently, researchers found that opportunistic customer behaviors can be inhibited by the trust developed over time in an exchange relationship (Wirtz and McColl-Kennedy, 2010). Customers with repeat purchase intentions showed less cheating on service guarantees than the customers in one-time transactions, because they developed a sense of loyalty and trust with the organization and cheating would have made them feel more guilt (Wirtz and Kum, 2004). On the other hand, Van Kenhove et al. (2003) found that repeat purchase behavior is not related to the consumers' unethical behavior but affective commitment is negatively correlated with consumers' unethical behavior. Therefore, building relationships with customers at the affective level is suggested for hospitality firms in order to diminish opportunistic customer complaints.

6. Theoretical contribution, limitations and future research

The current study explores opportunistic customer complaints from the guest contact employees' view in the hotel and restaurant services. While various aspects of unethical customer behaviors are researched, this research focuses on managerial issues of one of those behaviors, particularly, opportunistic complaint. This study provides customer complaining behavior literature with another piece of evidence regarding illegitimate complaints. Customer complaints are not necessarily triggered by dissatisfaction or service failure and those behaviors are observed by employees. Also, the findings of this study reveal several important services marketing and management issues such as relationship building, complaint database and follow up, and employee training and management that would spur more research on the topic. However, since the nature of this study was exploratory based on qualitative data, analyses were quite descriptive and findings are limited in offering conclusive evidence for the opportunistic complaint management topic. Future studies may focus on examining the effectiveness of the management strategies and implementations in minimizing the occurrences of opportunistic complaints.

This study relies on the employees' experience with the issue. Their views and interpretations of an incident can be subjective. Self-serving bias refers to the tendency for people to take credit for successes and deny responsibility for failures (Krusemark et al., 2008). Given this bias, we would expect employees to blame the customer for service failures whereas customers would more likely

blame the system or the employee. Therefore, the results would be different from the customers' views regarding the causes of service dissatisfaction and the appropriate solutions (Fisk et al., 2010). Future research can compare customer and employee perceptions in order to gain more insights into opportunistic complaints. Additionally, a perspective from a third party such as another customer may offer different insights on the issue. Other customers' perception of service recovery of opportunistic complaints may influence fairness, trust and service quality, particularly the assurance dimension.

Although no one really believes that customers are always right, hospitality firms have policies that tend to believe this is so, and managers demand that guest contact employees treat customers as if they are always right. With an emphasis on customer orientation in contemporary service management (Reynolds and Harris, 2006), hospitality companies encourage customers to express their dissatisfaction. Needless to say, such enforcement can lead to stress and burnout for guest contact employees. Therefore, in some cases, guest contact employees can fall "victim" to the customer oriented culture (Reynolds and Harris, 2006). Murray-Gibbons and Gibbons (2007) note that there is a marked increase in occupational stress in the hospitality industry over the preceding 15–20 years compared to other industries. In fact, researchers recognize that deviant customer behavior is a source of role stress and emotional labor for frontline service employees (Ben-Zur and Yagil, 2005). Different coping tactics used by employees to handle deviant customer behavior were identified (Reynolds and Harris, 2006) yet there is a lack of research on how employees can effectively manage their stress from unjust customers. Future research is suggested on employees' job stress and emotional labor in dealing with opportunistic customers in a customer oriented organizational culture.

Also, employees' reactions to the opportunistic complaints may vary by individual factors (e.g., work experience, work status) and organizational instructions (e.g., types of company policy and trainings). Although our study sheds some light on those influencing factors, our analysis is limited due to the lack of details on the type of company policy and training, work experience and work status. For example, work status, full versus part time employees, can influence their opportunistic complaint handling and coping with the stressful situations. We can expect that full time employees may feel more confident in the opportunistic complaints handling process than part time employees due to their perceptions of empowerment/authority, job security, and organizational commitment. Future study can explore employees' reactions to the opportunistic complaints considering their individual and organizational factors. In addition, guest contact employees may not always be passive in their reactions to unjust opportunistic customers and please them no matter what. Some researchers argue that guest contact employees may actively seek revenge on customers or retaliate for perceived injustice through sabotaging services (Bies and Tripp, 1998). Further research can focus on the employees' passive and active reactions to opportunistic complaints.

Finally, our data collection involved student interviewers. It should be noted that their lack of research experience might have influenced the accuracy of the data. In order to prepare our student interviewers for this research, they were trained with the basic principles of critical incident technique interviews and practiced the interview process in class through role playing exercises. Also, they were instructed to record all the answers verbatim without summarizing the answers, in order to minimize possible bias from the interviewers' subjective interpretations of the answers. However, interview participants (guest contact employees) of our study are basically a convenient sample from only two hospitality industries (hotel and restaurants) and our results are limited for generalization. In order to minimize homogeneous sample bias, we

specifically instructed student interviewers not to rely on other student employees. Future study can enhance the generalizability of the study by incorporating a more representative sample through probability sampling and other hospitality contexts, such as theme parks.

References

- Alicke, M.D., Braun, J.C., Glor, J.E., Klotz, M.L., Magee, J., Sederholm, H., Siegel, R., 1992. Complaining behavior in social interaction. *Personality and Psychological Bulletin* 18 (3), 286–295.
- Berry, L.L., Seiders, K., 2008. Serving unfair customers. *Business Horizons* 51, 29–37.
- Ben-Zur, H., Yagil, D., 2005. The relationship between empowerment, aggressive behaviors of customers, coping, and burnout. *European Journal of Work and Organizational Psychology* 14 (1), 81–99.
- Bies, R., Tripp, T.M., 1998. In: Griffin, Ricky, W., O'Leary-Kelly, Anne, Collins, Judith, M. (Eds.), *Revenge in Organizations: The Good, The Bad, and The Ugly. Dysfunctional Behavior in Organizations: Violent and Deviant Behavior*. Elsevier Science/JAI Press, pp. 49–67.
- Bitner, M.J., 1995. Building service relationships: it's all about promises. *Journal of the Academy of Marketing Science* 23 (Fall), 246–251.
- Bitner, M.J., Booms, B.H., Mohr, L.A., 1994. Critical service encounters: the employee's viewpoint. *Journal of Marketing* 58 (4), 95–106.
- Bowen, D.E., Lawler III, E.E., 1992. The empowerment of service workers: what, why, how, and when. *Sloan Management Review* 33 (3), 31–39.
- Chan, H., Wan, L.C., Sin, L.Y.M., 2007. Hospitality service failures: who will be more dissatisfied? *International Journal of Hospitality Management* 26, 531–545.
- Chebat, J.C., Kollias, P., 2000. The impact of empowerment on customer contact employees' roles in service organizations. *Journal of Service Research* 3 (1), 66–81.
- Chung, B., Hoffman, D.K., 1998. Critical incidents-service failures that matter most. *Cornell Hotel and Restaurant Administration Quarterly* 39 (3), 66–71.
- Cox, A.D., Cox, D., Anderson, R.D., Moschis, G.P., 1993. Research note: social influences on adolescent shoplifting—theory, evidence, and implications for the retail industry. *Journal of Retailing* 69, 234–246.
- Day, R.L., Grabick, K., Schaezle, T., Staubach, F., 1981. The hidden agenda of consumer complaining. *Journal of Retailing* 57 (Fall), 87–106.
- Dewitt, T., Brady, M.K., 2003. Rethinking service recovery strategies—the effect of rapport on consumer responses to service failure. *Journal of Service Research* 6 (2), 193–207.
- Fisk, R., Grove, S., Harris, L.C., Keeffe, D., Daunt, K.L., Russell-Bennett, R., Wirtz, J., 2010. Customers behaving badly: a state of art review, research agenda and implications for practitioners. *Journal of Services Marketing* 24 (6), 417–429.
- Flanagan, J.C., 1954. The critical incident technique. *Psychological Bulletin* 51, 327–357.
- Fullerton, R.A., Punji, G.N., 2004. Repercussions of promoting ideology of consumption: consumer misbehavior. *Journal of Business Research* 57 (11), 1239–1249.
- Garrett, D.E., Meyers, R.A., 1996. Verbal communication between complaining consumers and company service representatives. *Journal of Consumer Affairs* 30 (2), 444–475.
- Ghosh, D., Crain, T.L., 1995. Ethical standards. Attributes toward risk and intentional noncompliance: an experimental investigation. *Journal of Business Ethics* 14 (5), 353–365.
- Gittell, J.H., 2002. Relationships between service providers and their impact on customers. *Journal of Service Research* 4, 299–311.
- Goodwin, C., Spiggle, S., 1989. Consumer complaining: attributions and identities. *Advances in Consumer Research* 16, 17–22.
- Gremler, D.D., Gwinner, K.P., 2000. Customer–employee rapport in service relationships. *Journal of Service Research* 3 (1), 82–104.
- Harris, L.C., 2008. Fraudulent return proclivity: an empirical analysis. *Journal of Retailing* 84 (4), 461–476.
- Harris, L.C., Reynolds, K.L., 2003. The consequences of dysfunctional customer behavior. *Journal of Service Research* 6 (2), 144–161.
- Harris, L.C., Reynolds, K.L., 2004. Jaycustomer behavior: an exploration of types and motives. *Journal of Services Marketing* 18 (5), 339–357.
- Homburg, C., Fürst, A., 2005. How organizational complaint handling drives customer loyalty: an analysis of the mechanistic and the organic approach. *Journal of Marketing* 69 (3), 99–114.
- Homburg, C., Fürst, A., 2007. See no evil, hear no evil, speak no evil: a study of defensive organizational behavior towards customer complaints. *Journal of the Academy of Marketing Science* 35 (4), 523–536.
- Jacoby, J., Jaccard, J.J., 1981. The sources, meaning and validity of consumer complaint behavior: a psychological analysis. *Journal of Retailing* 57 (3), 4–24.
- Johnson, L.K., 2005. Managing corrosive customers. *MIT Sloan Management Review* 46 (2), 15.
- Jones, G.E., Kavanagh, M.J., 1996. An experimental examination of the effects of individual and situational factors on unethical behavioral intentions in the workplace. *Journal of Business Ethics* 15, 511–523.
- Kowalski, R.M., 1996. Complaints and complaining: function, antecedents, and consequences. *Psychological Bulletin* 119 (2), 179–196.
- Krusemark, E.A., Campbell, K.W., Clementz, B.A., 2008. Attributions, deceptions, and event related potentials: an investigation of the self-serving bias. *Psychophysiology* 45 (4), 511–515.

- Lovelock, C.H., 1994. *Product Plus: How Product and Service Equals Competitive Advantage*. McGraw-Hill, New York.
- Lovelock, C., Witz, J., 2007. *Service Marketing—People, Technology, Strategy*, 6th ed. Prentice Hall, Upper Saddle River, NJ.
- Luria, G., Gal, I., Yagil, D., 2009. Employees' willingness to report service complaint. *Journal of Service Research* 12 (2), 156–174.
- Marquis, M., Filiatrault, P., 2002. Understanding complaining responses through consumers' self-consciousness disposition. *Psychology and Marketing* 19 (3), 267–292.
- Mazar, N., Amir, O., Ariely, D., 2008. The dishonesty of honest people: a theory of self-concept maintenance. *Journal of Marketing Research* (December), 633–644.
- McColl, R., Mattsson, J., Morley, C., 2005. The effects of service guarantees on service evaluations during a voiced complaint and service recovery. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior* 18, 32–50.
- Mittal, V., Huppertz, J.W., Khare, A., 2008. Customer complaining: the role of tie strength and information control. *Journal of Retailing* 84 (2), 195–204.
- Murray-Gibbons, R., Gibbons, C., 2007. Occupational stress in the chef profession. *International Journal of Contemporary Hospitality Management* 19 (1), 32–42.
- Ping Jr., R.A., 1993. The effects of satisfaction and structural constraints on retailer exiting, voice, loyalty, opportunism, and neglect. *Journal of Retailing* 69, 320–352.
- Plymire, J., 1991. Complaints as opportunities. *The Journal of Services Marketing* 5 (1), 61–65.
- Price, L.L., Arnould, E.J., 1999. Commercial friendship: service provider–client relationship in context. *Journal of Marketing* 63 (October), 38–56.
- Reynolds, K.L., Harris, L.C., 2006. Deviant customer behavior: an exploration of front-line employee tactics. *Journal of Marketing Theory and Practice* 14 (2), 95–111.
- Reynolds, K.L., Harris, L.C., 2005. When service failure is not service failure. *Journal of Services Marketing* 19 (5), 321–335.
- Rosenbaum, M.S., Kuntze, R., Wooldridge, B.R., 2011. Understanding unethical retail disposition practice and restraint from the consumer perspective. *Psychology & Marketing* 28 (1), 29–52.
- Schmit, R.A., Sturrock, F., Ward, P., Lea-Greenwood, G., 1999. Deshopping: the art of illicit consumption. *International Journal of Retail & Distribution Management* 27, 290–301.
- Schneider, B., Bowen, D.E., 1984. New service design, development and implementation and the employee. In: George, W.R., Marshall, C. (Eds.), *Developing New Services*. American Marketing Association, Chicago, IL, pp. 82–101.
- Schneider, B., Bowen, D.E., 1992. In: Gerald Ferris, Kendrith Roland (Eds.), *Personnel/Human Resources Management in the Service Sector. Research on Personnel and Human Resources Management*, vol. 10. JAI, Greenwich, CT, pp. 1–30.
- Singh, J., Wilkes, R.E., 1996. When consumers complain: a path analysis of the key antecedents of consumer complaint response estimates. *Journal of the Marketing Science* 24 (4), 35–365.
- Smith, A.K., Bolton, R.N., Wagner, J., 1999. A model of customer satisfaction with service encounters involving failure and recovery. *Journal of Marketing Research* 36 (3), 356–373.
- Snellman, K., Vihtkari, T., 2003. Customer complaining behaviour in technology-based service encounters. *International Journal of Service Industry Management* 14 (2), 217–231.
- Surprenant, C., Solomon, M., 1987. Predictability and personalization in the service encounter. *Journal of Marketing* 51, 86–96.
- Stephens, N., Gwinner, K.P., 1998. Why don't some people complain? A cognitive-emotive process model of consumer complaint behavior. *Journal of the Academy of Marketing Science* 26 (3), 172–189.
- Tax, S.S., Brown, S.W., 1998. Recovering and learning from service failure. *Sloan Management Review*, 75–88.
- Tyler, T.R., Bies, R.J., 1990. Beyond formal procedures: the interpersonal context of procedural justice. In: Carroll, J. (Ed.), *Advances in Applied Social Psychology: Business Settings*. Lawrence Erlbaum Associates, Hillsdale, NJ, pp. 77–98.
- Van Kenhove, P., De Wulf, K., Steenhaut, S., 2003. The relationship between consumers' unethical behavior and customer loyalty in a retail environment. *Journal of Business Ethics* 44, 261–278.
- Wirtz, J., Kum, D., 2004. Consumer cheating on service guarantees. *Journal of the Academy of Marketing Science* 32 (2), 159–175.
- Wirtz, J., McColl-Kennedy, J.R., 2010. Opportunistic customer claiming during service recovery. *Journal of the Academy of Marketing Science* 38, 654–675.