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Relationship Marketing and Consumer Complaint Resolution: A Conceptual Study

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Abstract

Relationship marketing, which emphasizes the creation, upkeep, and improvement of long-term connections between businesses and customers, has become a significant paradigm in modern marketing. Organizations can no longer rely just on product quality, pricing, and marketing initiatives to keep customers in increasingly competitive marketplaces. Relationship quality, satisfaction, trust, commitment, and loyalty are now significantly influenced by how businesses handle customer complaints. In addition to being instances of discontent, customer complaints give businesses the chance to pinpoint service shortcomings, win back unhappy customers, and fortify enduring bonds.

The link between relationship marketing and customer complaint resolution is examined in this research. In order to provide a conceptual framework that explains how complaint-resolution procedures affect customer relationship outcomes, the study incorporates relationship marketing theory, commitment-trust theory, perceived justice theory, and service recovery literature. According to the study, satisfaction with complaint management is influenced by distributive justice, procedural justice, interactional justice, responsiveness, empathy, communication, and the efficacy of complaint settlement. It is anticipated that customer satisfaction with complaint response will impact relationship commitment and trust, which in turn will impact loyalty and repurchase intention. Additionally, the study suggests that the impact of complaint resolution on customer outcomes may be mitigated by relationship quality and past customer experience.

In addition to developing research hypotheses and propositions appropriate for empirical testing, the study suggests a quantitative research technique that makes use of structural equation modeling and structured questionnaires. By framing customer complaint resolution as a strategic instrument for relationship building and retention rather than just a customer-service function, the framework adds to the body of literature on relationship marketing.

Keywords: *Relationship Marketing, Consumer Complaints, Complaint Resolution, Service Recovery, Customer Satisfaction, Trust, Commitment, Customer Loyalty, Perceived Justice, Relationship Quality.*

Introduction

The contemporary marketing environment is characterized by intense competition, increasing consumer expectations, technological transformation, and declining barriers to switching between competing brands. In such an environment, organizations increasingly recognize that acquiring customers is only one component of marketing success; retaining existing customers and developing mutually beneficial long-term relationships are equally important. This shift has contributed to the development of relationship marketing as an important marketing paradigm.

Relationship marketing emphasizes the creation, development, and maintenance of successful relational exchanges rather than focusing exclusively on individual transactions. Grönroos argued that marketing was moving from a traditional marketing-mix orientation toward a relationship-oriented approach in which organizations focus on building and managing long-term relationships. The significance of relationship marketing becomes particularly evident when a consumer experiences a product or service failure. Complaints are an inevitable consequence of market exchanges because organizations cannot always satisfy every consumer. A defective product, delayed delivery, inappropriate employee behaviour, billing error, poor service quality, or failure to meet expectations can result in consumer dissatisfaction. However, dissatisfaction does not necessarily mean that the relationship must end. The organization's response to the complaint may determine whether the consumer leaves the relationship or continues it.

Complaint resolution therefore represents a critical point of interaction between an organization and its consumers. A complaint provides the organization with an opportunity to demonstrate its commitment to the consumer. When complaints are handled fairly, promptly, respectfully, and effectively, the negative experience associated with the original failure may be reduced. Conversely, ineffective complaint handling can intensify dissatisfaction and damage trust.

Tax, Brown, and Chandrashekar's influential study demonstrated that consumers evaluate complaint experiences in terms of the outcome they receive, the procedures followed, and the interpersonal treatment they receive. Their findings also linked satisfaction with complaint handling to trust and commitment, making complaint resolution directly relevant to relationship marketing.

Thus, the central argument of this paper is that **consumer complaint resolution should be regarded as an integral component of relationship marketing rather than merely an operational customer-service activity.**

Relationship Marketing

Relationship marketing represents a shift from a primarily transactional approach toward a long-term relational perspective. Berry's early work helped establish relationship marketing within services marketing, emphasizing the importance of attracting, maintaining, and enhancing customer relationships.

Grönroos subsequently argued that relationship marketing provides an alternative to a narrow marketing-mix paradigm and emphasizes relationship building and management.

From a relationship-marketing perspective, the organization does not view the consumer as merely a purchaser of a product. Instead, the consumer becomes a participant in an ongoing relationship. The organization therefore seeks to develop:

- trust;
- commitment;
- communication;
- satisfaction;
- mutual value;
- customer involvement;
- long-term loyalty; and
- mutually beneficial exchanges.

This perspective is especially important in services, banking, telecommunications, retailing, hospitality, insurance, healthcare, e-commerce, and other industries where repeated interactions between organizations and consumers are common.

Commitment-Trust Theory

Morgan and Hunt's Commitment-Trust Theory provides an important theoretical foundation for understanding relationship marketing. They conceptualize relationship marketing as the establishment, development, and maintenance of successful relational exchanges and argue that **relationship commitment and trust are key mediating variables** in successful relationship marketing.

According to this perspective, consumers are more likely to remain in relationships when they trust the organization and perceive sufficient value in maintaining the relationship.

Complaint resolution is particularly relevant to this theory because a complaint represents a moment when consumer trust may be threatened. If the organization responds appropriately, trust may be maintained or restored. If the organization ignores the complaint, delays the response, communicates poorly, or provides an unfair resolution, trust may deteriorate.

Consumer Complaints and Complaint Resolution

A consumer complaint can be understood as an expression of dissatisfaction concerning a product, service, employee, process, transaction, or organizational behaviour.

Complaints can arise from:

1. product defects;
2. service failures;
3. delays;
4. incorrect billing;
5. poor employee behaviour;
6. inadequate information;
7. failure to fulfil promises;
8. delivery problems;
9. technical problems;
10. unfair treatment; and
11. unmet consumer expectations.

Complaint resolution refers to the organization's process of receiving, investigating, responding to, and resolving consumer complaints.

An effective complaint-resolution system normally involves:

Complaint registration → Acknowledgement → Investigation → Communication → Corrective action → Resolution → Follow-up

The quality of each stage may influence consumer perceptions of the organization.

Relationship Marketing and Consumer Complaint Resolution

The relationship between relationship marketing and complaint resolution can be understood through the idea that **every complaint interaction is a relationship encounter**.

An organization may invest heavily in advertising, loyalty programs, personalization, and customer engagement. However, these relationship-building activities may lose their effectiveness if the organization performs poorly when the consumer encounters a problem.

Consequently, complaint resolution can be considered a "relationship test."

A consumer experiencing a service failure may ask:

- Does the organization listen to me?
- Does it take responsibility?
- Does it provide a reasonable solution?
- Does it treat me respectfully?
- Does it communicate honestly?
- Does it resolve the problem quickly?
- Can I trust the organization in the future?

The answers to these questions influence relationship quality.

Tax et al. found that satisfaction with complaint handling has a direct effect on trust and commitment, while previous positive experiences provide only limited protection against poor complaint handling.

This suggests that even a strong pre-existing relationship can be damaged by poor complaint resolution.

Review of Selected Literature

Author(s)	Major Contribution	Relevance to Present Study
Berry (1983/2002)	Relationship marketing in services	Establishes the relationship-marketing foundation
Grönroos (1994)	Shift from marketing mix to relationship marketing	Supports relational perspective
Morgan & Hunt (1994)	Commitment-Trust Theory	Provides theoretical foundation for trust and commitment
Tax, Brown & Chandrashekar (1998)	Complaint experience and relationship marketing	Directly connects complaint handling with trust and commitment
Smith, Bolton & Wagner (1999)	Service failure and recovery	Explains consumer reactions to recovery
Maxham & Netemeyer / related recovery literature	Service recovery and customer outcomes	Supports relationship between recovery and future behaviour
Homburg & Fürst (2005)	Organizational complaint handling	Connects complaint management with justice, satisfaction and loyalty
Gonçalves Filho et al. (2023)	Brand relationship quality and justice perceptions	Provides recent evidence connecting relationship quality with service recovery

Homburg and Fürst examined how organizational complaint management affects customer justice evaluations, satisfaction, and loyalty, distinguishing between mechanistic and organic approaches to complaint management.

More recent research has also found that stronger brand relationship quality can lead consumers to perceive greater justice during service recovery, subsequently increasing satisfaction with complaint handling and purchase intention.

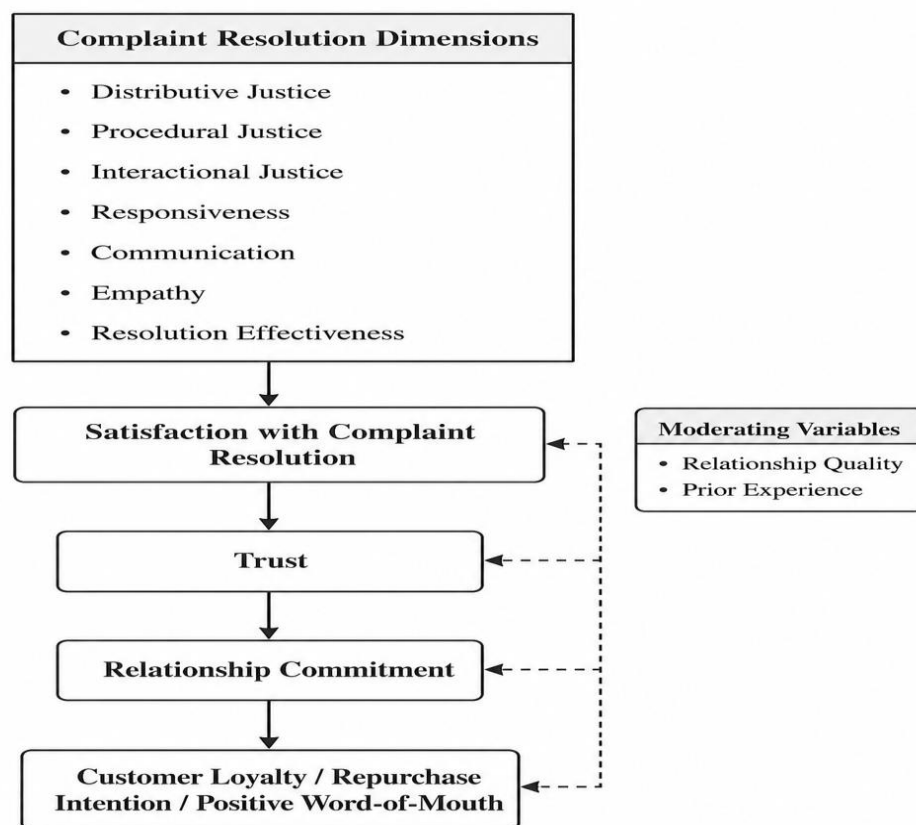
Research Gap

Although substantial research exists on relationship marketing, customer satisfaction, service recovery, and complaint management, several research gaps remain.

Existing research frequently investigates complaint handling, satisfaction, justice, trust, commitment, and loyalty as separate constructs. There is scope for integrating these constructs into a comprehensive relationship-marketing framework. Complaint management is frequently treated as a customer-service or operational activity. A stronger theoretical argument is required for considering complaint resolution as a strategic relationship-marketing mechanism. Complaint resolution involves more than compensation. Responsiveness, communication, empathy, procedural fairness, interactional fairness, distributive fairness, and resolution effectiveness may jointly influence relationship outcomes.

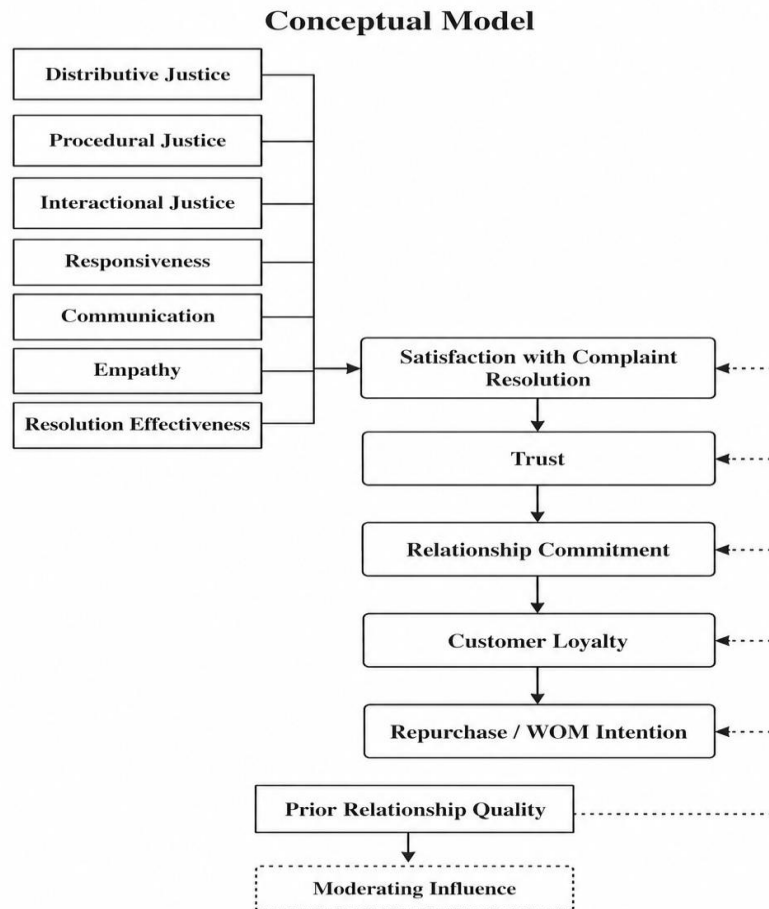
Proposed Conceptual Framework

The proposed framework is:



Relationship quality and prior experience may be examined as moderating variables.

Conceptual Model



OBJECTIVES OF THE STUDY

1. To determine the motivations behind the purchase of economy cars.
2. To understand the purchasing aspects that affect a car purchase.
3. To research customer happiness and dissatisfaction after a purchase.
4. To investigate how After Sales Service affects the settlement of complaints.

Hypotheses

Ho1: Customers of four distinct brands do not significantly differ in the elements that influence their purchasing decisions.

Ho2: The reasons why consumers of four different manufacturers felt the need to purchase a new automobile did not differ significantly.

Ho3: Customers of four distinct brands do not significantly differ in their perceptions of the efficacy of information sources.

Ho4: Among consumers of four distinct brands, there is no discernible difference between post-purchase customer satisfaction and discontent.

Ho5: Customers of four different automobile brands do not significantly differ in their perceptions of service and complaint handling.

Proposed Research Methodology

Data Collection: The data for this research was collected by using both primary data and secondary sources.

Primary Data: Primary data was collected with the help of structured questionnaire from the car owners.

Secondary Data: Secondary data provides a context within which to set the work. The secondary data will mainly be based on articles from journals, newspapers, books, websites and magazines.

TARGET POPULATION AND SAMPLING DESIGN

Target Population: Car owners of four leading brands i.e. Hyundai, TATA, Maruti and Chevrolet in Hyderabad & Vijayawada.

Sampling Design

Sampling Method: Convenience Sampling

Sample Size: Sample size of 800 is selected for this study. A sample size of 400 from each city i.e. from Hyderabad & Vijayawada.

	Hyderabad (T.S)	Vijayawada (A.P)	Total
Tata	100	100	200
Hyundai	100	100	200
Maruti	100	100	200
Chevrolet	100	100	200
Total	400	400	800

QUESTIONNAIRE

Primary data was collected by administering a structured questionnaire. The questionnaire consists of four parts:

Part I- Demographic Data

The first part of the questionnaire consist Demographic profile such as Gender, Age, Education and Income.

Part II – This part of the questionnaire consist of reasons for purchasing a car

Part III – This part of the questionnaire consist of factors in buying decision of a particular car.

Part IV - This part of the questionnaire consist of questions regarding Post Purchase Customer Satisfaction and Dissatisfaction

Part V - This part of the questionnaire consist of questions regarding Customer Perception regarding Service and Complaint resolution

DATA RELIABILITY The reliability (Cronbach's Alpha) of the questionnaire is found to be 0.8 (approx)

DATA ANALYSIS METHODS

The responses obtained from the respondents through questionnaire have been analyzed by using statistical techniques viz., Mean, Standard Deviation, Factor Analysis and ANOVA.

Conclusion

Relationship marketing has transformed the way organizations conceptualize their interactions with consumers. Instead of viewing marketing as a series of isolated transactions, relationship marketing emphasizes long-term relationships based on trust, commitment, satisfaction, and mutual value. Within this framework, consumer complaint resolution represents an especially important relational encounter.

A service failure or product problem can threaten an established relationship. Nevertheless, the organization's response can determine whether the relationship deteriorates or is strengthened. Existing research indicates that consumers evaluate complaint handling according to the fairness of outcomes, procedures, and interpersonal treatment. Satisfaction with complaint handling can influence trust and commitment, while effective recovery can contribute to future behavioural intentions.

Consequently, complaint resolution should not be considered merely a reactive customer-service function. It should be incorporated into the organization's broader relationship-marketing strategy. Organizations that respond to complaints promptly, fairly, respectfully, transparently, and effectively are better positioned to preserve consumer trust and develop long-term relationships.

The proposed research framework provides an opportunity to empirically examine these relationships through a structured model incorporating perceived justice, complaint-resolution effectiveness, satisfaction, trust, commitment, and loyalty. Future empirical research using structural equation modelling can test the proposed relationships and determine which dimensions of complaint resolution have the strongest influence on relationship outcomes.

Ultimately, the success of relationship marketing may not be determined only by how an organization treats consumers when everything goes well. It may be determined even more strongly by **how the organization treats consumers when something goes wrong**.

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