Why Customer Orientation Does not Necessarily Stimulate Complaint Management Efficiency: The Neglected Role of Orientation Towards Complaints

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Why Customer Orientation Does not Necessarily Stimulate Complaint Management Efficiency: The Neglected Role of Orientation Towards Complaints

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Pourquoi l'orientation client ne stimule pas nécessairement une gestion des réclamations efficace : le rôle négligé de l'orientation envers les réclamations

Résumé en français de 100 mots au maximum :

Nous avons recours à la théorie des perspectives pour expliquer comment l'orientation client peut éviter les comportements organisationnels défensifs vis-à-vis des réclamations. Lorsque les managers et les employés ont une conception négative des réclamations, ils développent des comportements défensifs, et cela se traduit par un management inefficace des réclamations. Les résultats d'une étude menée auprès de 137 responsables marketing montrent que des efforts en termes de gestion des réclamations sont efficaces si l'orientation client se traduit par une orientation envers les réclamations. Le rôle des managers est important pour favoriser une orientation réclamation dans la culture organisationnelle.

Mots-clés : orientation client, réclamation, orientation réclamation, comportements défensifs

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Abstract :

This communication addresses how customer orientation can prevent defensive organizational behaviors towards complaints. We argue that prospect theory offers a relevant theoretical framework to address that question. When managers and employees view complaints negatively, they are likely to exhibit defensive behaviors towards complaints, which results in an ineffective complaint management. A study conducted with 137 complaint managers show that investments into complaint management do not yield returns if customer orientation does not result in a firm's orientation toward complaints. Senior management as a critical to play in implementing a complaint orientation of corporate culture.

Keywords: customer orientation, complaint, complaint orientation, defensive behaviors.

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Introduction

Firms make extra efforts to manage complaint effectively, because managing complaint effectively is a key driver of customer satisfaction and loyalty (Homburg and Fürst 2005), and of a firm's financial returns (Luo and Homburg 2008). Customer orientation should facilitate the implementation of an effective complaint management. Indeed, scholars and managers consider effective complaint management to be a critical evidence of a firm's customer orientation. Homburg and Fürst (2007) state unambiguously that "complaint handling embodies the acid test of a firm's customer orientation" (p. 95). However, a customer orientation of corporate culture is not always sufficient to prevent against the defensive behaviors towards complaints that may arise in a firm (Homburg and Fürst 2007). Indeed, even employees in customer-oriented firms may perceive complaints as threats to their self-esteem, reputation, autonomy, resources, and job security. The consequence is that those employees prevent against acquiring information about customers' complaints, disseminating this information in a firm, and using this information to increase customers' satisfaction. Therefore, given the large investments needed to manage complaints effectively (Fornell et al. 2006) and to successfully create a customer orientation (Gebhardt, Carpenter and Sherry 2006), the important question arises as how a customer orientation of corporate culture can transmit into an effective complaint management.

Our objective in this communication is to address the following question: how customer orientation can prevent defensive organizational behaviors towards complaints? Research on the link between customer orientation and complaint management efficiency remains scarce, so that there is no explanation on why customer orientation has a small influence on the efficiency of complaint management. In this communication, we argue that prospect theory offers a relevant theoretical framework to address that question (Kahneman and Tversky 1979). A firm with strong customer orientation makes customers' satisfaction one of its preeminent objectives. It turns that managers and employees may consider customers' complaints negatively (as "losses") rather than positively (as "gains"). When managers and employees view complaints negatively, they are likely to exhibit defensive behaviors towards complaints, which results in an ineffective complaint management. We suggest that customer orientation stimulates complaint management when customer orientation results in a firm's

will and ability to acquire information about customers' complaints, to disseminate this information in a firm, and to use this information, i.e., when a firm is oriented towards complaints.

Our communication makes three principal contributions. First, we show that investments into complaint management do not yield returns if customer orientation does not result in a firm's orientation toward complaints. Second, we contribute to the customer orientation literature. Although complaint orientation is part of the measure of customer orientation (Kohli, Jaworski and Kumar 1993), we examine the possibility that a firm oriented to its customers may not be necessarily oriented to their complaints. Doing so, we offer an explanation for a small influence of customer orientation on complaint management efficiency. We provide a comprehensive framework to understand why and how a customer orientation of corporate culture transmits into an effective complaint management. Three, we show that senior management as a critical to play in implementing a complaint orientation of corporate culture.

1. Conceptual framework

In today's competitive markets, customer satisfaction is a universal goal: higher customer satisfaction leads to higher profits (e.g. Fornell et al. 2006). Complaint management offers several potential benefits to a firm whose objective is high customer satisfaction (Luo and Homburg 2008). By effectively soliciting, handling, and analyzing customers' complaints, a firm can ensure high levels of customer satisfaction and loyalty (Fornell 1981, Smith, Bolton and Wagner 1999, Orsingher, Valentini and de Angelis 2010). Indeed, a firm that handles complaints efficiently can identify accurately the reasons for customers' dissatisfaction and can therefore prevent future dissatisfaction (Fornell and Westbrook 1984).

However, there is ample evidence that most firms little invest in complaint management (Tax, Brown, and Chandrashekaran 1998; Estelami 2000; Andreassen 2001; Orsingher, Valentini, and de Angelis 2010). Because of a lack of appropriate complaint channels (Andreassen 1988; Richins 1987; Estelami 2000) most customers refrain from complaining after a dissatisfying experience (Oliver 1997). In the long-term, a "vicious circle" may arise. As a firm receives more complaints, managers in charge of complaint management become more isolated from a firm's decision making (Fornell and Westbrook 1984). It turns that the firm is less able to manage effectively new complaints, and complainers also tend to be more numerous.

Firms little invest in complaint management systems because most managers and employees consider complaints as "bad news" (Fornell and Westbrook 1984, p. 69). Because complaints

are usually seen as bad news, managers and employees perceive them as a source of threat for their self-esteem. Therefore, to protect themselves, they exhibit defensive behaviors towards complaints, which refer to "organizational behaviors which avoid contact with dissatisfied customers, dissemination of complaint-related information within the organization, and responsiveness to complaints" (Homburg and Fürst 2007, p. 524).

Specific organizational behaviors and organizational cultures may help a firm to prevent defensive organizational behaviors towards complaints (Homburg and Fürst 2007). A firm can prevent defensive behaviors with a supportive management of human resources that includes appropriate leaders' behaviors (e.g., setting a good example in terms of complaint management, or presenting the consequences of an effective complaint management), and training activities to efficiently deal with complaints. Because organizational behaviors are framed by a firm's organizational culture (Homburg and Pflesser 2000), research has also considered which organizational cultures most help a firm in preventing defensive behaviors towards complaints. The customer orientation of corporate culture has received a particular interest.

Customers constitute the core of any definition of market orientation, whether cultural or behavioral. Thus, one key component of a market orientation culture is a customer orientation, defined as "the sufficient understanding of one's target buyers to be able to create superior value for them continuously" (Narver and Slater 1990, pp. 21-22). A customer-oriented culture refers to a set of shared values and beliefs that puts the customer's interest first, and it often implies a "natural" predisposition to look for customer information (Narver and Slater 1990; Slater and Narver 1995). A firm with high customer orientation is likely to exhibit less defensive behaviors towards complaints (Homburg and Fürst, 2007). Indeed, a customer-oriented organization is the one that aims at delivering superior value to customers continuously, and is therefore the one who pays close attention to customers' complaints as a way to increase their satisfaction (Jaworski and Kohli 1993).

2. Hypothesis

A firm that is oriented towards the customers has not necessarily the will and ability to identify, analyze, and respond to customers' complaints (Homburg and Fürst 2007). Prospect theory (Kahneman and Tversky 1979) provides a relevant theoretical framework to understand why customer orientation may have a low influence on preventing defensive behaviors toward complaints. As we mentioned above, in today's competitive markets, the quest for satisfaction is omnipresent. According to prospect theory, this satisfaction quest

creates (1) a positive prospect for satisfaction because satisfaction is seen as a gain (a positive "reference point"), and (2) oppositely, a negative prospect for dissatisfaction because dissatisfaction is seen as a loss. Therefore, because managers consider complaints as the visible expression of customers' dissatisfaction, complaints may be perceived as losses rather than gains. Consequently, managers are likely to develop psychological defense mechanisms towards complaints (Homburg and Fürst 2007). These psychological defense mechanisms are "habitual and unconscious strategies used to deny, distort, or counteract sources of anxiety and to help maintain an idealized self-image" (Oldham and Kleiner 1990, p. 1), which extend to the organizational level (Argyris 1985; Brown and Starckey 2000; Homburg and Fürst 2007).

Therefore, high levels of customer orientation can lead to a dual effect. On the one hand, a firm that is oriented towards customers may consider complaints as means to satisfy dissatisfied customers. In this first case, the firm sees complaints as "gains", and higher customer orientation should encourage complaint management. This is a gaining path. On the other hand, a firm that is oriented towards customers may consider complaints as the expression of customers' dissatisfaction. In this second case, complaints are perceived as "losses", and higher customer orientation should not encourage complaints handling. This is a loosing path. Therefore, customer orientation should favor complaints management when customer orientation results in a firm's will and ability to identify, analyze, and respond to customers' complaints to be able to create superior value for them continuously, i.e., when a firm is oriented towards complaints.

Our approach of a firm's complaint orientation clearly parallels Narver and Slater' (1990) views on market orientation, and also corresponds to a cultural approach. We thus consider that any desired positive change on the behavioral level regarding complaints must be preceded by positive changes on the cultural level. Consistently with the behavioral approach of market orientation, we differentiate three distinct information processes: (1) information acquisition about customer complaints, (2) dissemination of information about customer complaints, and (3) use of information about customer complaints (Homburg and Fürst, 2007). We thus posit that:

H1a: The effect of a firm's customer orientation on information acquisition about customer complaints is mediated by a firm's complaint orientation.

H1b: The effect of a firm's customer orientation on dissemination of information about customer complaints is mediated by a firm's complaint orientation.

H1c: The effect of a firm's customer orientation on use of information about customer complaints is mediated by a firm's complaint orientation.

Cultures are unlikely to appear spontaneously within an organization. This is because a new culture entails essential changes in the values and norms of the organization, which means changes in the organization's most fundamental ways (Gebhardt, Carpenter, and Sherry 2006). Cultures rather result from a process of cultural transformation (Kennedy, Goolsby, and Arnould 2003; Gebhardt, Carpenter, and Sherry 2006). Senior management plays a critical role in this process, as research on creating a market orientation highlights. Narver, Slater, and Tietje (1998) posit that without appropriate leadership, implementing a customer orientation culture may be impossible. Webster (1988) states that "customer oriented values and beliefs are uniquely the responsibility of top management" (p. 37). Indeed, values are initially shaped through senior management actions that (1) exemplify desired values and (2) promote within the organization behaviors that are consistent with such desired values (Gebhardt, Carpenter, and Sherry 2006). Lam, Kraus, and Ahearne (2010) confirm that senior managers' individual customer orientation enhances the individual customer orientation of middle managers. Kirca, Jayachandran and Bearden (2005) demonstrate in their meta-analysis that senior management emphasis significantly and positively influences the level of market orientation within the organization. Therefore, we posit that senior management commitment towards complaints drives a firm's complaint orientation. Hence, we posit:

H2a: The effect of senior management commitment toward complaints on information acquisition about customer complaints is mediated by a firm's complaint orientation.
H2b: The effect of senior management commitment toward complaints on dissemination of information about customer complaints is mediated by a firm's complaint orientation.
H2c: The effect of senior management commitment toward complaints on use of information about customer complaints is mediated by a firm's complaint orientation.

3. Research methodology

3.1. Data collection

To ensure a high response rate, we collected the date in partnership with the AMARC. The AMARC is a French professional association whose mission is to help complaint managers by creating a professional network to share best practices about complaint management. The

AMARC includes more than 200 firms; 90% are part of the CAC40 companies. Also, it was important for the key informants to have a broad overview of the firm strategies and of the firm complaint management system. Therefore, complaint managers of the firms were deemed suitable to act as key informants for this study. Respondents at this level are familiar with a broad organization-wide perspective, and deemed to be qualified to provide informed responses for the questions asked in the survey. Because the AMARC essentially includes complaint managers, the partnership with the AMARC allowed us to get the responses from the right manager within each firm. To motivate complaint managers to answer to the survey and to reduce inherent social desirability, we undertook to provide an individual feedback to each manager. This feedback was a benchmark of the practices in the manager's industry. To get a valid benchmark, respondents were thus truly motivated to not under-evaluate or over-evaluate their responses. These executives were contacted via e-mail and sent a link to a web-based survey using Qualtrics. Respondents were assured of complete confidentiality and anonymity. After removing incomplete responses from the sample, the final sample included 137 firms, representing a response rate of 68,5%.

3.2. Validity and Reliability of Measures

We employ two types of constructs in our study: reflective constructs and formative constructs. Information acquisition about complaints, information dissemination and information utilization are formative constructs (Homburg and Fürst, 2007). We thus followed Diamantopoulos and Winklhofer's (2001) guidelines to index construction. We checked for potential multicollinearity, which did not seem to be a problem: the maximum VIF comes to 1.94, which is below the common cut-off threshold of 2.

We use reflective scales to measure all other variables. Where ever possible, existing scales were used in this study. Orientation towards complaints is an original scale. The initial set of items was developed from Homburg and Fürst (2007)' measure of human resources management, because three items from that scale clearly reflected a firm's complaint orientation. A qualitative phase with managerial experts was used to complete this initial list of items. To identify experts of the domain, we used a pyramiding approach, which proved to be efficient in identifying rare subjects (von Hippel, Franke and Prügl 2009). We first asked nine managers responsible for complaint management from firms with different sizes in various sectors to provide a list of renowned experts. Twelve experts finally participated.

They came (1) from 12 different sectors, including BtoB and BtoC settings, (2) from national and international companies, and (3) from small and large firms.

To assess the face validity of the scale, we followed the usual approach suggested by Zaichkowsky (1985), slightly reframed by Obermiller and Spangenberg (1998). We first chose four scholars according to their previous publications in the field. Then, we asked them to evaluate the degree to which each item is a ‘‘very good’’, ‘‘good’’, ‘‘fair’’ or ‘‘poor’’ representation of our definition of a firm’s complaint orientation. No expert rated an item as poorly representative of the concept. The experts agreed that all items provided at least “good” representations of the concept (PRL = 1; Rust and Cooil 1994). Therefore, according to Lichtenstein, Netemeyer and Burton (1990)’ cut-off criteria, we concluded that our scale exhibited good face validity. Also, it is a parsimonious scale that avoids the risk of artificially raising the scale’s validity indices (Feldman and Lynch 1988).

On the basis of our exploratory factor analyses, we removed several items from the scales because their communalities are less than .500. Results of a CFA show that the fit indices of a model that includes all the scales have satisfactory values: RMSEA = .075, SRMR = .064, CFI = .947, TLI = .926.

The Cronbach α for the scales range from .739 to .804, demonstrating satisfactory reliability for each scale. Convergent and discriminant validity were established using the procedure outlined by Bagozzi, Yi and Phillips (1991). We checked for the convergent and discriminant validity of customer orientation and orientation towards complaints. We found that they are different although related constructs with a correlation significantly different from zero (Unrestricted model $Khi^2 = 43.18$ with d.f. = 19; Khi2 with Restricted correlation of 0 = 83.69 with d.f. = 20; $Khi^2 = 40.51$ with d.f. = 1; p-value < 0.01) and with a correlation significantly different from 1 (Khi^2 with Restricted correlation of 1 = 82.70; d.f. = 20; $Khi^2 = 39.52$; d.f. = 1; p-value < 0.01). Therefore, all the scales used show good psychometric properties.

4. Results

In this research, we control for the effects of three variables on information acquisition about customer complaints, dissemination of information about customer complaints, and use of information about customer complaints: (1) interfunctional coordination because it is likely to facilitate information dissemination within an organization (Jaworski and Kohli 1993), (2) firm’s size (Menguc and Auh 2008), and (3) switching costs. It is important to control for the effect of switching costs. Indeed, when switching costs are high, customers can hardly change from one brand to another. It turns that organizations are less prompted to implement

a market-oriented culture. In contrast, when switching costs are low, customers can choose among many alternatives to satisfy their needs. Organizations are also more prompted to adopt a market-oriented strategy. We measured firm size as a log-transformation of a firm's turnover. We measure interfunctional coordination with Auh and Menguc (2005)' scale and switching costs with one item from Chung-Yu (2010)'s scale.

We tested our hypotheses with path analysis. We employ two types of constructs in our study: reflective constructs and formative constructs. Information acquisition about complaints, information dissemination and information utilization are formative constructs (Homburg and Fürst 2007). Therefore, we averaged the responses to the items to create indexes for each of these three constructs (Diamantopoulos and Winklhofer 2001). Because the other constructs are reflexive ones, we calculated factorial scores for these constructs. We report our results in Table 1.

Relation	γ
Customer Orientation → Complaints Orientation	- .420***
Management Commitment → Complaints Orientation	- .355***
Complaints Orientation → Information Acquisition	- .285**
Customer Orientation → Information Acquisition	- .025$^{n.s.}$
Management Commitment → Information Acquisition	.207**
Firm Size → Information Acquisition	.162**
Switching Costs → Information Acquisition	- .219***
Complaints Orientation → Information Dissemination	- .071$^{n.s.}$
Customer Orientation → Information Dissemination	.094$^{n.s.}$
Management Commitment → Information Dissemination	.436***
Firm Size → Information Dissemination	.006$^{n.s.}$
Switching Costs → Information Dissemination	- .084$^{n.s.}$
Interfunctional Coordination → Information Dissemination	.169**
Information Acquisition → Information Dissemination	.094$^{n.s.}$
Complaints Orientation → Information Utilization	- .258***
Customer Orientation → Information Utilization	- .004$^{n.s.}$
Management Commitment → Information Utilization	.198**
Firm Size → Information Utilization	.110*
Switching Costs → Information Utilization	- .002$^{n.s.}$
Information Dissemination → Information Utilization	.382***

Table 1. Results

All fit indices have satisfactory values: RMSEA = .088, SRMR = .025, CFI = .984, TLI = .900. More specifically, we find support for our hypothesis H_{1a}. An organization's orientation towards complaints mediates the effect of a firm's customer orientation on a firm's acquisition of information about complaints. Customer orientation has a significant and positive effect on orientation towards complaints (γ = - .420, p < .01), which has a significant and positive effect on a firm's collection of information about complaints (γ = - .285, p < .01). Interestingly, we find a full mediation. Indeed, we find no significant direct effect of customer orientation on collection of information about complaints (p > .05). A full mediation is also found with the approach recommended by Zhao, Lynch and Chen (2010), implemented with Process macro (Hayes 2012). The direct effect of customer orientation on a firm's collection of information about complaints is not significant (p > .05), whereas the indirect effect (i.e., mediated by orientation towards complaints) is (β = - .154, p < .05).

We also find support for our hypothesis H_{1c}. Again, a full mediation is found. We find no significant direct effect of customer orientation on utilization of information about complaints (p > .05), and we find a significant and positive effect of customer orientation on orientation towards complaints (γ = - .420, p < .01), which has a significant positive effect on a firm's utilization of information about complaints (γ = - .258, p < .01). A full mediation is also found with Zhao, Lynch and Chen (2010)'s approach. The direct effect of customer orientation on a firm's utilization of information about complaints is not significant (p > .05), whereas the indirect effect is (β = - .248, p < .05).

We do not support our hypothesis H_{1b}. We do not show a significant effect of a firm's orientation towards complaints on a firm's dissemination of information about complaints (p > .05). Our hypothesis H_{2a} is supported: an organization's orientation towards complaints mediates the effect of the senior commitment towards complaints on a firm's acquisition of information about complaints. Indeed, senior commitment has a significant and positive effect on orientation towards complaints (γ = - .355, p < .01), which has a significant and positive effect on a firm's collection of information about complaints (γ = - .285, p < .01). A mediation is also found with Zhao, Lynch and Chen (2010)'s approach.

Hypothesis H_{2c} is supported. We find a significant and positive effect of senior commitment on orientation towards complaints (γ = - .355, p < .01), which has a significant positive effect on a firm's utilization of information about complaints (γ = - .258, p < .01). A mediation is also found with Zhao, Lynch and Chen (2010)'s approach.

We do not support our hypothesis H_{2b}. Indeed, we do not find support for a significant effect of a firm's orientation towards complaints on a firm's dissemination of information about complaints ($p > .05$). Consistent result is found with Zhao, Lynch and Chen (2010)'s approach. We discuss these results in next section.

5. Discussion and managerial implications

Scholars and practitioners do agree that higher customer orientation should result in higher customer satisfaction. Therefore, in today's competitive markets, firms have largely invested to implement customer-oriented cultures. However, recent research surprisingly reports mixed results regarding the actual impact of customer orientation on complaint management, which is considered to be a prevalent tool to increase customer satisfaction (e.g., Homburg and Fürst 2007). Building on prospect theory (Kahneman and Tversky 1979), our study shows that investments into complaint management do not yield returns if customer orientation does not result in a firm's orientation toward complaints. More specifically, we propose three insights.

First, although complaint orientation has been embedded in the definition and in the measure of customer orientation (Kohli, Jaworski and Kumar 1993), we establish that these two concepts are actually distinct concepts. Indeed, we find that a firm that is oriented to the customer is not necessarily oriented to his/her complaints. We also establish the discriminant validity of both constructs. Second, we reveal the role of complaint orientation as a mediator of the effect of customer orientation on complaint management, which comprises the acquisition of information about complaints, the dissemination of information about complaints and the utilization of information about complaints. Third, we demonstrate that top management commitment toward complaints is critical to boost complaints handling in a firm.

By revealing the neglected role of complaint orientation, our study makes the following contributions to the marketing literature. First, we provide an explanation for the surprising results regarding the impact of customer orientation on complaint management; we therefore give new avenues for research concerning the return of investments into complaint management. For instance, Homburg and Fürst (2007) surprisingly found a significant but very small impact of customer orientation on complaint management. In contrast, they found a significant and four times higher effect of HR supportiveness on complaint management. To explain these unexpected findings, we built on prospect theory to introduce the construct of complaint orientation, which was in prior research part of the measure of customer orientation

(e.g., Kohli, Jaworski and Kumar 1993). Therefore, customer orientation can induce a positive view of complaints (a tool to gain higher customers' satisfaction) or a negative view (a consequence of customer's dissatisfaction). Our study reconciles these two views. By establishing that complaint orientation is not a dimension of customer orientation but a distinct concept, we offer a new framework that (1) explains why some studies report a weak effect of customer orientation on complaint handling behaviors and (2) offers avenues for research on both customer orientation and complaint handling literatures. First, one of the most promising perspective concerns the fact that, contrary to previous findings (e.g., Homburg and Fürst 2007), our study shows that customer orientation is a driver of complaint handling behaviors. Our study gives a comprehensive framework to understand why and how, even organizations with negative prospects complaints, increasing customer orientation may actually have a strong impact on complaints handling behaviors. Second, by differentiating the effects of customer orientation on three complaints handling behaviors we extend Homburg and Fürst (2007)'s study that integrates these three behaviors into one single construct, which they call "defensive organizational behaviors". This distinction is important because our results show that complaint orientation fully mediates the link between customer orientation acquisition and utilization of information about complaints, but not the link between customer orientation and dissemination of information about complaints. Also, our findings suggest that loss realization and loss aversion may produce employees' psychological defenses against utilization of information about complaints. An important consequence is that implementing a strong customer orientation does not have any positive effect on complaints handling behaviors until complaints are not seen as gains. Therefore, since scholars unanimously recognize that effectively handling complaint drives satisfaction, loyalty and profit (e.g., Singh 1988; Smith, Bolton and Wagner 1999; Luo 2007; Orsingher, Valentini and de Angelis 2010), the mediating role of complaint orientation will be an operative insight for future research to optimize complaint handling management. Our results regarding dissemination of information about complaints are unexpected. Contrary to our hypothesis, we find that higher customer orientation does not reduce the lack of complaints' dissemination within a firm. However, this result is consistent with prior literature. For instance, Homburg and Pflesser (2000) also find no evidence for an effect of market orientation on market-oriented behaviors, which encompass dissemination of market intelligence within an organization. Third, our findings suggest that senior management commitment towards complaints has direct and indirect effects on complaint management. On the one hand, we contribute to the literature on the implementation of a customer-oriented

culture in an organization. Despite the widely acknowledged links between market orientation and firm success (Kirca, Jayachandran and Bearden 2005), few studies are devoted to the question of how a firm can be more customer oriented. Prior research indicates that senior management plays a critical role in promoting the behaviors that characterize firms with customer-oriented cultures (Gebhardt, Carpenter and Sherry 2006). We extend this research, and we show that senior management commitment is particularly effective in encouraging complaint management. When top management recognizes and promotes complaints handling, it makes complaints handling a salient and important objective for the employees. Senior management commitment towards complaints encourages all the behaviors that define an effective complaint management system: acquisition of information about complaints ($\gamma = .189$, $p < 0.05$), dissemination of information ($\gamma = .436$, $p < 0.05$), and utilization or information ($\gamma = .203$, $p < 0.05$). Senior management commitment has the strongest impact on dissemination of information about complaints. Top management is usually "unwilling to devote attention to communication about complaints, and even put the blame on the person trying to transmit the information" (Homburg and Fürst 2007, p. 527). One consequence is that employees are likely to develop strong defense mechanisms against transmitting information about complaints. Therefore, when top management is committed to complaint management it encourages dissemination of information about complaints in the organization, because in this case employees feel free to transmit that information, or even they feel rewarded for it. On the other hand, senior management commitment towards complaints also has an indirect effect on complaint management: top management commitment encourages a firm's orientation towards complaints that in turn encourages complaints handling behaviors. Finally, we offer some contribution to market orientation theory. There's some empirical evidence that market orientation is not always beneficial to a firm's performance (Kirca, Jayachandran and Bearden 2005). The reasons for some unexpected results remain unclear. Our results suggest that prospect theory offers one possible explanation. The traditional hypothesis is that market orientation should result in higher customer satisfaction and, in turn, in higher firm's performance. But, because market orientation indicates that customer satisfaction is a norm to achieve superior performance, customer dissatisfaction is likely to be seen as a "loss" rather than a "gain". When dissatisfaction is seen as a loss, a vicious circle can arise.

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