Consumer Discontent with Retail Business: Comparison Study between Japan and US

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The marketing literature contains a number of efforts to develop a global measure of consumer satisfaction with business in general (Gaski and Etzel 1986, Sternquist, Byun, and Jin 2004, Lundstrom and Lamont 1976). Consumer discontent (Lundstron and Lamont 1976) is one of such efforts to assess consumers' attitudes towards marketing practices and business institutions.

The concept of consumer discontent has its roots in the consumer movement of the late 1960s (Lundstrom and Lamont 1976; Singh 1991). Marketing researchers proposed the consumer discontent concept in an effort to understand how consumers feel about the business system and to assess how marketing is doing. Lundstrom and Lamont (1976) defined consumer discontent as "to include the collection of attitudes held by consumers toward the product strategies of the business, business communications and information, the impersonal nature of business and retail institutions, and the broader socio-economic forces which are linked with the business system." The authors explained that the four conceptual components were operationalized to include specific marketing and market-related factors.

The consumer discontent scale was developed and published by Lundstrom and Lamont (1976). However, the use of the scale has been limited in empirical studies. Worse, the dimensionality of the scale has never been properly investigated. There have been a few attempts to test the Lundstrom and Lamont consumer discontent measure in an empirical setting. Hanson and Macklin (1984) found that complainers tended to have a higher level of discontent than non-complainers. Westbrook (1980) reported that discontented consumers tended to perceive lower satisfaction with automobiles. Lundstrom, Skelly, and Scglimpagila (1979) found that consumers who were married, black, less educated, and above 53 years showed significantly greater discontent.

The present study aims to investigate discontent with retailers of Japanese and the US consumers. The first objective is to identify and test the underlying dimensions of the consumer discontent scale. The second objective of the present study is to propose a conceptual framework that will help to find antecedent variables of consumer discontent with retail business and empirically test the part of the model. Three sample groups of consumers were selected to examine the effect of socio-cultural (Japanese socio-cultural factors vs. American socio-cultural factors) and retail industry factors (Japanese retail industry vs. the US retail industry) on consumer discontent. Individual consumer

characteristics including age, income, sex, and hedonic shopping value were expected to affect consumer discontent, and these variables were controlled as covariates.

METHODOLOGY

To measure consumers' discontent with retailers, 25 items of scale were adopted from Lundstrom and Lamont's study (1976). The original 82 items of scale were tested with 42 sample of US students in 1994. Based on reliability analysis, only 25 items were selected for the current study. The items were measured with a six-point Likert scale: the higher the score, the stronger the consumer discontent. The 11 items measuring hedonic shopping values were adopted from Babin, Darbin and Griffin (1994). A nine-point Likert scale was used: the higher the score, the stronger the hedonistic value.

Three separate samples were selected to examine the effect of socio-cultural (Japanese socio-cultural factors vs. American socio-cultural factors) and retail industry factors (Japanese retail industry vs. the US retail industry) on consumer discontent: Japanese consumers in Japan, Japanese consumers in the US, and American citizens in the US. When the effects of other factors are controlled, the difference of consumer discontent between group 1, and group 2 and 3 is explained by the retail industries of the two countries. Also, the differences between groups 2 and 3 will reveal the effect of socio-cultural factors as these two groups have the same retail industry to assess.

RESULTS

Three sample groups were similar in their gender composition. Approximately 60-70% of each group was female. However, in age distribution, there was a distinct difference among samples. While the American sample was highly skewed to younger ages, the Japanese sample in the US was evenly distributed among early 20s, late 20s, and 30s. This age difference in samples should be considered in the result interpretation.

Confirmatory Factor Analysis of Consumer Discontent

A confirmatory factor analysis was conducted for 25 items of the consumer discontent construct to identify four sub-components of the construct. The parameters were estimated by the Maximum Likelihood Method using EQS 5.7. To achieve reliability and validity, two researchers grouped 25 items into 4 separate components based on Lundstron and Lamont (1976), and the results were compared. The initial model showed a poor fit to the data. The Lagrange Multiplier Test indicated that several cross-loaded items contributed to the poor model fit. Thus, items showing a significant cross-loading were deleted from the model one by one. When the last item with a significant cross-loading was deleted, the model fit had improved ($x2$=284.137, df=74, p<.001; GFI=.890; AGFI=.845, RMSEA=.087). The largest

standardized residuals ranged between −0.097 and −0.216. All three items specified to reflect the fourth component (Socioeconomic and political forces) were deleted based on LM testing, and the final model was composed of three components. All factor loadings were significant at .01 level.

Multivariate Analysis of Covariance

For three components of consumer discontent as the dependent variables, three sample groups were specified as fixed independent variables, while individual consumer characteristics including age, income, sex, and hedonistic shopping value were controlled as covariates.

MANCOVA results for each dependent variable were only reported for those two dependent variables which showed satisfactory equality of error variances. The sample group showed main effects on both product strategy discontent (F=6.780, df=2, p<.01), and impersonal nature discontent (F=4.455, df=2, p<.05).

As there are three groups in the sample group, post-hoc analysis was conducted. The results indicated that the US sample had a significantly higher discontent than he two Japanese samples for product strategy discontent. Specifically, American consumers in the US have a significantly higher discontent than Japanese in the US, which implies that the socio-cultural characteristic of US consumers affects the higher consumer discontent. On the other hand, for impersonal nature discontent, Japanese in the US sample showed significantly lower discontent compared to the other two sample groups. When comparing the results of Japanese consumer groups in the US and Japan, the US residents showed a significantly low level of discontent with impersonal nature of the retail business.

DISCUSSION AND CONCLUSION

The present study supported that consumer discontent with retail businesses is affected by retail industry characteristics, socio-cultural characteristics, and individual consumer factors. The comparison of three consumer groups − Japanese in Japan, Japanese in the US, and American in the US − provided interesting results of differences of these groups for their consumer discontent (Figure 1).

Among the three groups, Japanese consumers in the US showed the lowest discontent. The difference between this group and the Japanese group in Japan implies that consumers have more positive attitudes toward the US retail system than the Japanese counterpart. In other words, even Japanese consumers prefer the US retail system to the Japanese, and therefore, the Japanese retail industry should benchmark the US retail industry to increase consumer satisfaction in the domestic market.

When socio-cultural characteristics affect the consumer discontent level, it automatically implies that consumers in a certain society are more likely to be discontent than others

regardless of retail business practices and individual characteristics. Lundstrom and Lamont (1976) suggested consumer discontent results in "upset action" of consumers such as voicing complaints. Thus, multinational companies that expand their business overseas should consider the potential consumer discontent level in the target market. When it is expected that the socio-cultural characteristics of the target market are associated with higher level of consumer discontent, the company should prepare to meet the higher expectation of consumers.

Figure 1. The Test Model of Consumer Discontent
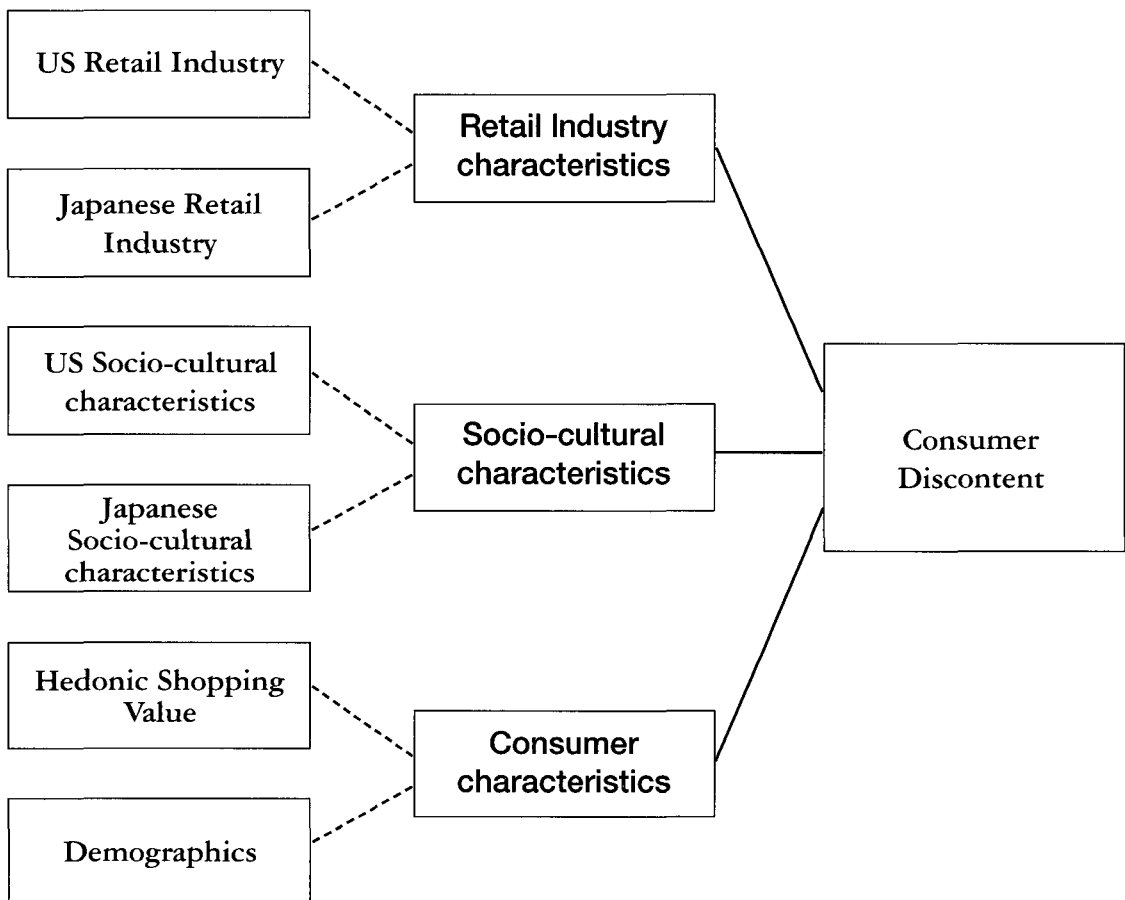
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