The Effect of Complaint-Handling System to Enhance Patient Satisfaction through ServQual Dimensions

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ABSTRACT

Healthcare providers become more customer oriented as patient satisfaction is considered as primary goals, which is mostly depends on the ability to handling the complaint and delivering the excellent service quality. Limiting the outpatients as respondents and using private healthcare provider in Tangerang as unit analysis, this study findings that encouraging customer complaints and feedback should be seen as a way in which to improve service quality to have more satisfied patients. The results also confirm the importance of the responsiveness of all the employee and management to handle and improve the area of patient complaints. All dimensions of Parasuraman's SERVQUAL are proven having significant influence to make patient more happy and loyal. Further, this study also discusses the management implications and areas for future research, in which a company that has a good complaint handling system can get advantage over its competitors since it can improve the quality of its products or services and in the same time, able to establish a committed relationship with its customers.

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I. INTRODUCTION

As the 4th most populous country in the world, Indonesia's 2014 population is reached at 252.8 million people (National Social Economic Survey, 2014). Healthcare as basic necessities is also growing together with the raising number of population within the country. People are more demanding to have access in higher quality healthcare provider. Meanwhile, the intense competition in the healthcare industry is forcing each healthcare provider to give excellent services and create loyalty customers. Customer's feedback can be used to analyze what the customers wanted and needed during the service process. Therefore, organization needed to encourage customers to give their feedback while experiencing the healthcare services. All customer feedback even in terms of complaints must be appreciated well. But, sometimes many organizations don't have any regular monitoring system of complaint handling and normally consider complaints of any kind to be indispensable indicators of unsatisfactory performance felt by the customers (Taleghani, *et.al,* 2011).

The customer complaints because there's a perceived gap between the expectations of service that may not always be matched with the service received (Zeithaml, *et.al,* 2012). . Complaints are a natural consequence of any service activity include healthcare industry because "Mistakes are an unavoidable feature of all human endearment and thus also of service delivery" (Boshoff, 2007). Management must have commitment to improve the delivery of the service by creating some service recovery strategies. Hart*, et. al* (1990) suggested that all mistakes, complaints and failures in delivering services to the customer must be anticipated and resolved. Complaints have to be looked in more constructive perspective because they are a useful way to measure the performance and therefore necessary means for putting into improvement actions. Mostly patients' complaints caused by the need of better individual care rather than the need for lower costs (Mintzberg, *et.al*, 1998)

This research chose five biggest private healthcare providers operated in Tangerang Region, Banten Province, Indonesia as a unit analysis. The significant findings on the process of complaint handling system and dimensions of service quality which are creating patient satisfaction will be highlighted and analyzed.

II. OBJECTIVES OF THE STUDY

The main purpose of this study is to examine the process of complaint handling system in the healthcare provider to increase patient's satisfaction by considering the Parasuraman's SERVQUAL dimensions as mediating variables.

III. THEORETICAL FRAMEWORK
a. COMPLAINT HANDLING SYSTEM

Complaint is defined as a statement that something is wrong or not good enough (Braga, 2007); an expression of dissatisfaction about the standard of service; actions or lack of actions by an organization to an individual (Gbettor, et.al, 2014) which involves communicating negatively regarding product or services (Jacoby and Jaccard, 1981) based on the customer's feelings and perception (Diamond, 1976).

Following are some benefits in well complaint handling process according to Singh & Wilkes (2006):
- The information benefit represents the value that is generated by using information from customer complaints to improve products, to enhance efficiency and to reduce failure costs.
- The attitude benefit comprehends the positive attitude changes of the customer due to achieved complaint satisfaction
- The repurchase benefits arises when a complaining customer remain with a company instead of switching to competitor
- Communication benefits describe the oral effect of complaint management. They are generated when complaints are solved and satisfied customers are engaging in positive word of mouth, that is recommending the company and by that supporting the acquisition of new customers.

The complaint handling management system started after the healthcare provider delivered the services to the patients. First, the healthcare provider must open channels with the patients in order to receive the suggestions, doubts, questions and complaints. Then, all confirmed complaints must be resolved by some corrective actions. Finally, the results and feedback must be communicated directly into the patients to make sure that all the complaints treated well

and patients satisfied with the solution. In brief, this study can describe a common process handling system in the healthcare provider, like as follow:

Picture 1
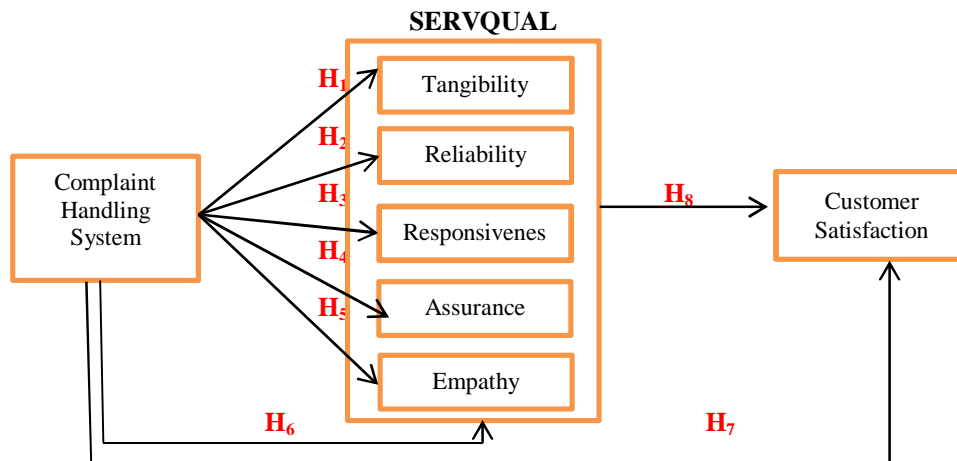**Complaint Handling Process**
In the Healthcare Provider
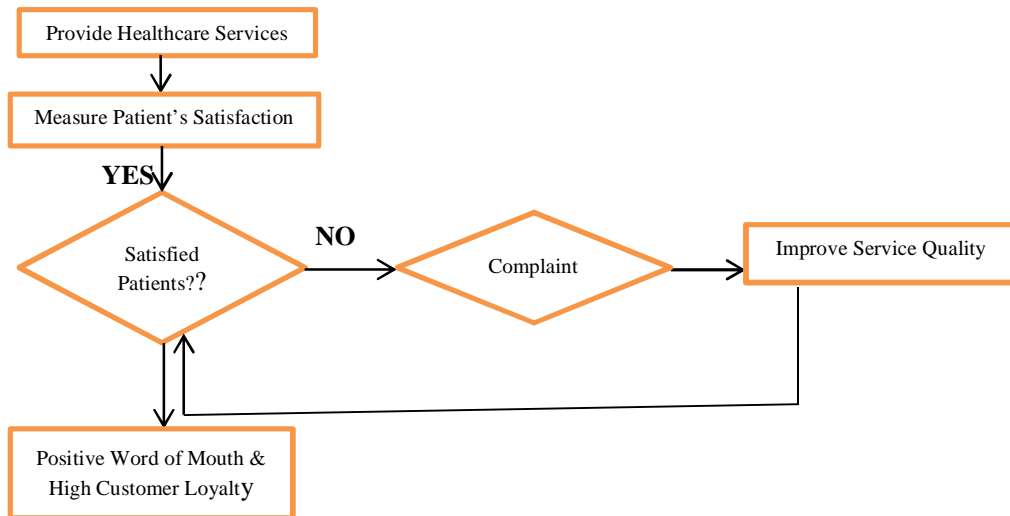
b. CUSTOMER SATISFACTION

The sense of customer satisfaction was conceptualized as a loyalty research in a thorough evaluation of the consumer experience with a service provider, not just specific transactions based on satisfaction of judgments (Moliner *et.al*, 2006; Han, 2008). Satisfaction is the degree to which performance meets customer's expectations (Negi and Ketema, 2013). It also an emotional state that occurs in response to a positive evaluation of the interaction experiences (Chang and Ku, 2009). If customers are satisfied with a product, they increasingly tend to repurchase its products or services and become a loyal customer. Customer satisfaction is considered as one of the main factors that influence customer loyalty (Evanschitzky and Wunderlich, 2006). Nyer (2000) agrees that consumer complaints are useful sources of information that help organization identify some sources of dissatisfaction. Unhappy customers do create awful reputation for the organization by informing others their bad service experiences (Stauss & Schoeler, 2004). Customer satisfaction can be increased by encouraging patients to complaints because complaints provide organizations with an opportunity to recover from their mistakes, retain dissatisfied customers and influence customers future attitudes and behavior (Estelami, 1999; Swan and Oliver, 1989). Consumers in the healthcare industry are reluctant to complaint because they fear that they may receive lower service quality if and when the need for future care arises (Tax and Brown, 1988).

c. SERVICE QUALITY

Service quality is the important key to achieve customer satisfaction (Cronin, *et.al,* 2000). Service quality is customer perception of service excellence and determined according to customer's evaluation of the level of service provided according to the current and past experience with service performance (Carvajal, *et. al,* 2011; Bhat, 2005). Parasuraman, *et. al* (1988) define service quality as the degree and direction of discrepancy between consumer's perceptions and expectations in terms of different but relatively important dimensions of the service quality, which can affect their future behavior. They introduced five dimensions of service quality (SERVQUAL) including: tangibility (in terms of physical facilities, equipment and appearance of personnel); reliability (the ability to performed the promised service dependably and accurately); responsiveness (willingness to help customers and prompt service); assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence) and empathy (caring, individualized attention the firm provides to its customers0.. All these dimensions of Servqual are important to evaluate the quality of complaints handling system (Metwally, 2013).

IV. RESEARCH FRAMEWORK

SERVQUAL

V. RESEARCH HYPOTHESES

H_1: There is a positive effect of complaint handling system into tangibility dimensions of service quality.

H_2: There is an effect of complaint handling system into reliability dimensions of service quality.

H_3: There is a positive effect of complaint handling system into responsiveness dimensions of service quality.

H_4: There is a strong effect of complaint handling system into assurance dimensions of service quality.

H_5: There is an effect of complaint handling system into empathy dimensions of service quality.

H_6: There is a positive effect of complaint handling system into overall service quality dimensions.

H_7: There is a strong effect of complaint handling system into customer satisfaction.

H_8: There is a strong effect of overall service quality dimensions into customer satisfaction.

VI. RESEARCH METHODOLOGY and DATA COLLECTION TECHNIQUES

The research questionnaires in this study consisted two parts. The first part was drawn for collecting demographic information profile of the respondents and the second part of questionnaire represented the main research questions is taken from the previous study which are adjusted with the current respondent. Each question will be measured base on Likert 5th option spectrum coded from: Scale 1 = Very Disagree, Scale 2 = Disagree, Scale 3 = Doubtful, Scale 4 = Agree and Scale 5 = Very Agree.

Based on SEM rule of thumb, it's enough using comparison 5:1 with the minimum of sample = 200 respondents. For this study, the researcher distributed 500 questionnaires among five biggest private healthcare providers located in Tangerang, with the allocation of 100 questionnaires for each hospital.

For the purpose of the study, all customers of healthcare provider are called as patients. From the Webster dictionary, the meaning of patients are all persons who receiving or registered to receive medical treatment from the healthcare provider. The unit of analysis in this study is the entire patients of healthcare providers, including all the walk-in patients and hospitalized patients. The data was collected directly from all the respondents. The respondents answered all the questions listed in the questionnaires. The research design in this study is hypotheses testing using cross-sectional time dimension; field study research, causality with individual as unit analysis using the Structural Equation Models (SEM) technique and the Lisrel Program. For the sample collection method, this study used convenience sampling.

Complaint handling system usually used in the service recovery process in which customers expect the company to solve their problem quickly. The process of complaint handling system was measured using the RECOVSAT instrument (Stone, 2011) which consists of six dimensions of service recovery, namely: communication (X_1), empowerment (X_2), feedback (X_3), atonement (X_4), explanation (X_5) and tangibles (X_6). The dimension of service quality using a scale adapted from Parasuraman, Zeithaml and Berry perspectives, which is known as SERVQUALs dimension (Parasuraman, *et.al,* 1988) and consists of: tangibility (Y_1), reliability (Y_2), responsiveness (Y_3), assurance (Y_4) and empathy (Y_5).

Satisfaction is the degree to which performance meets customer's expectation and consists of the following dimension ((Negi and Ketema, 2013): all products/services offered had met the customer's expectation (Y_6); high-quality products/services (Y_7) and overall satisfaction in consuming the product or experiencing the services (Y_8).

Validity Testing.
By correlating among scores for each item in form of questions using Pearson correlation and the pre-test with critical $t > 0.795$ showing that all items have greater correlation value and VALID.

Reliability Testing.
Using Cronbach's alpha coefficient and admissible is all values yielded alpha coefficient exceeded the values of 0.50 suggested by Nunnaly (1978). The pre-test showed that the alpha reliability value is greater than 0.795 and VALID.

Test of Model Fit Measurement. In this study, Confirmatory Factor Analysis (CFA) is used.

Structural Model Fit Test.
Evaluation on analysis of structural model includes examination of correlation of latent variables in this research. If significance degree reaches alpha = 0.05 and t-value $>= 1.96$, then significance of every coefficient that represents causal relation that is hypothesized can be tested systematically.

Test of Structural Model Fitness.
From the Goodness-of Fit (GOF) test showed that all the covariance matrix of the data samples were suitable with the estimated covariance matrix of all population. Therefore, it can be said that the relationship between research framework and the research theory was perfect. The result for goodness for fit testing in this research is as follows:

Table 1
Design Summary for Goodness for Fit Testing Model

GOF Indicator	Estimated Value	Testing Result	Conclusion
Absolute Fit Value			
GFI	GFI $\geq$ 0.90	0.90	Good Fit
RMSEA	RMSEA $<$ 0.08	0.048	Good Fit
Incremental Fit Value			
NNFI	NNFI $>$ 0.90	0.98	Good Fit
NFI	NFI $>$ 0.90	0.97	Good Fit
AGFI	AGFI $>$ 0.90	0.91	Good Fit
RFI	RFI $>$ 0.90	0.96	Good Fit
IFI	IFI $>$ 0.90	0.98	Good Fit
CFI	CFI $>$ 0.90	0.98	Good Fit

Source: Data Analysis using LISREL 8.80

Operational Definitions of Variables. Operational definition of variables is using to explain all the variables measured in this research, which the main problems of the study are:
1. Complaint handling dimensions (ξ_1) as independent variable
2. Service quality dimensions (η_1) as mediating variable
3. Patient satisfaction dimensions (η_2) as dependent variable

Descriptive Analysis Research Results. This research will explain the descriptive analysis for each variable that can be used for managerial implication guidance. The result of descriptive analysis for each dimensions are as follows:

Table 2
Descriptive Analysis

Variable	Dimension	Indicator	Score
Complaint Handling (ξ_1)	Communication (X_1)	- Employees communicate clearly by asking questions to clarify the questions	1945
		-Employees honest in trying to solve the problem	2011
	Empowerment (X_2)	-Employees can solve the problem quickly without help of someone else	1989
	Feedback (X_3)	-Healthcare providers give written feedback about the progress of solving the problem	1998
		-Healthcare providers give a written apology	1965
	Atonement (X_4)	-Healthcare providers apologize for any financial loses	1863
		-Healthcare providers give replacement or offer other services free of charge	1879
	Explanation (X_5)	-Healthcare providers explain clearly what went wrong	2254
		-Management of the healthcare providers show empathy into customer dissatisfaction	1765
	Tangibility (X_6)	-Well-dressed employees	1723
		-Employees are working in a tidy and professional environment	1634
		Total Score:	**21026**
		Average Score:	**1911**
Service Quality (η_1)	Tangibility (Y_1)	-There're clear signage and direction in the hospital	1025
		-The waiting lounge are comfortable	1145
		-The cleanliness of overall hospital	986
		-All facilities and equipment are working properly	1032
		-All doctors and employees are friendly, neat and polite	1254
	Reliability (Y_2)	-Accurate diagnosis of the illness	1575
		-On-time delivery of medical and laboratory test results	1876
		-Giving accurate information before performing medical treatments	1654
		-Giving appropriate medicine based on the patient's illness and symptoms	1554
	Responsiveness (Y_3)	-Easy appointment by phone or online	1873
		-Less waiting time to register	1956
		-Less waiting time to get the doctor services	1988
		-Less waiting time to get proper care	1990
		-Less waiting time for medicine preparation	1932
		-Quick responses into customer complaints	2185
	Assurance (Y_4)	-Reputable and trusted doctors	1799
		-Doctors have appropriate skills and knowledge	1801
		-The patients receive the appropriate medical treatment	1786
	Empathy (Y_5)	-Adequate information about the usage of medicine	1815
		-Clear information about the healthcare services offering	1868
		-Well-information regarding the cost of the service	1856
		-The doctors listen the patient carefully by creating interactive communication	1870
		-Encourage patient involvement in making decision of medical treatment	1809
		Total Score:	**38629**
		Average Score:	**1680**

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Patient Satisfaction (η_2)	Expectation (Y_6)	- All medical services are met with patient expectation	2198
	High-Quality (Y_7)	- All healthcare providers provide high-quality medical services	2205
	Overall Satisfaction (Y8)	- Patients are satisfied with the overall healthcare services	2218
	Total Score:		**6621**
	Average Score:		**2207**

Source: Data Analysis using LISREL 8.80

Following are the results of the description of each variable estimator as it shown in the table 2.

a. **Complaint Handling Process:** The table above shows that for the complaint handling process indicator that has the highest score is *"healthcare providers explain clearly what went wrong"* (Score = 2254). This data shows that most respondents request for more clear explanation how the healthcare provider will solve their complaints. Respondents need more quick response for their problem solution. This study also shows that mostly all respondents don't consider the tangibility aspects in terms of working environment to handle their complaint by proven the lowest score of the indicator of *"employees are working in a tidy and professional environment"* (Score = 1634).

b. **Service Quality:** The data showed that the highest indicator on the respondent's answer of service quality dimension was *"the quick response into customer complaints"* (score =2185). All respondents need healthcare speedy response and actions to solve their complaints. The indicator from the tangibility dimensions, which is show *"the cleanliness of overall hospital"* has the lowest score (score =986). Majority of respondents don't consider the tangibility in terms of cleanliness as an important aspects in creating service quality, even currently cleanliness of the hospital is related with the hygienists of the hospital itself.

c. **Patient Satisfaction:** Mostly *"all the patients are satisfied with the overall healthcare services"* (score = 2218). The satisfactions of the patients are significantly related with the better service quality and good complaint handling process. Meanwhile the indicator of *"all medical services are met with patient expectation"* has the lowest score in patient satisfaction dimensions.

VII. DATA ANALYSIS RESULTS

The results of Hypotheses Testing are shown in the following table:

Table 3
Summary of Result of Hypotheses Testing

Hypothesis	VARIABLES	Coeff. Std	*t*-Value	Statistical Conclusion
H_1	Complaint → Tangibility	-0.06	-0.38	Data Not Supported
H_2	Complaint → Reliability	0.88	6.26	Data Supported
H_3	Complaint → Responsiveness	0.89	9.78	Data Supported
H_4	Complaint → Assurance	0.87	3.48	Data Supported
H_5	Complaint → Empathy	0.88	6.26	Data Supported
H_6	Complaint → ServQual	0.90	10.91	Data Supported
H_7	Complaint → Patient Satisfaction	0.91	11.32	Data Supported
H_8	ServQual → Patient Satisfaction	0.92	11.62	Data Supported

Source: Data Analysis using LISREL 8.80

Picture 2
Structural Diagram *(Standardize)*
The Effect of Complaint Handling System and Service Quality into Patient Satisfaction
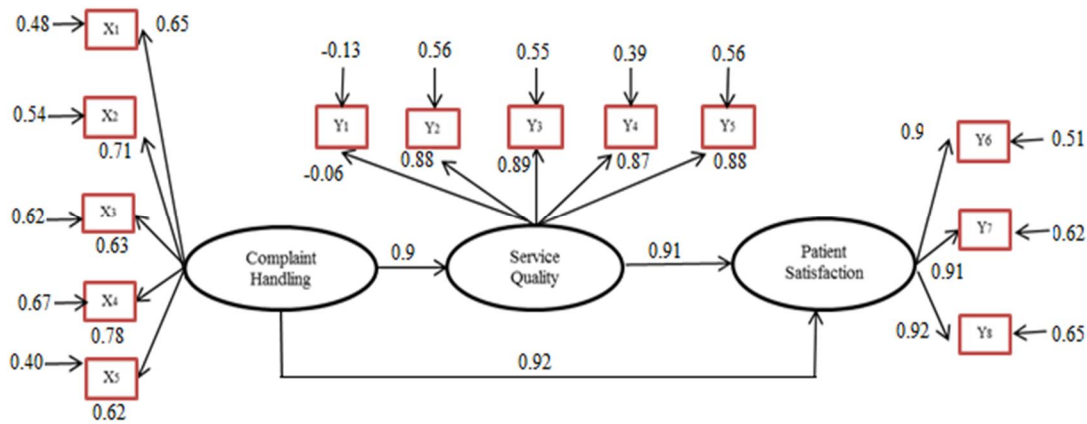
Picture 3
Structural Diagram *(T-Value)*
The Effect of Complaint Handling System and Service Quality into Patient Satisfaction
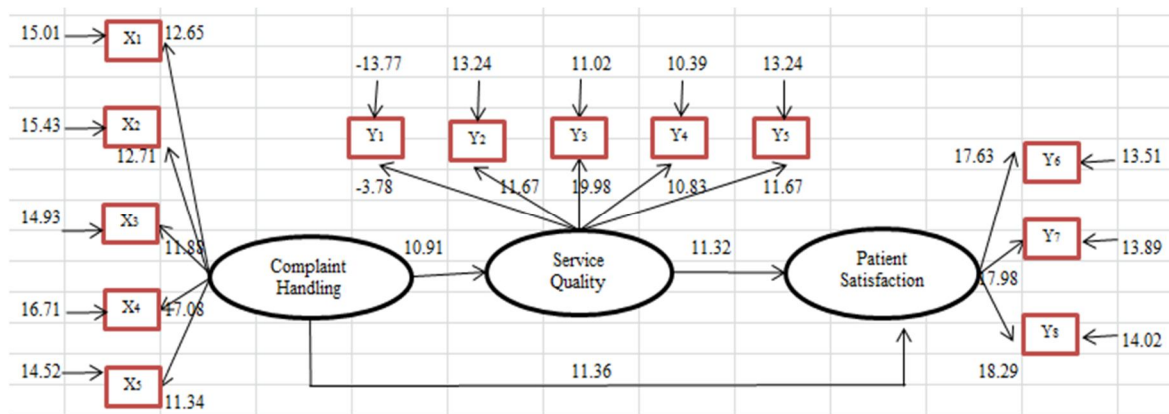
VIII. DISCUSSION

The result of all hypothetical tests indicates that all hypotheses tested on all respondents are supported by data. First hypothesis showed that the effect of complaint handling system into tangibility dimension has a lowest coefficient standard (-0.06) with the *t*-value of -0.38.That means that the degree of physical involvement in by the customer in the service process especially in the healthcare industry is low and is not the main concern for the patients. Even the effect was not significant; the healthcare provider should consider equipping all their employees with the comfortable working environment and uniforms to strengthen the organization image.   Second hypotesis also said that complaint handling system will have a positive effect to the reliability dimensions of service quality, with proven by the *t*-value 6.22 and component coefficient 0.88. Patients who are complaint mostly feel dissatisfied with the delivery of the service. The dissatisfaction usually related to the cost occurs during the service process. The responsibility from the management for any financial loss and in the same time having commitment to give replacement or offer other services free of charge will create a higher patient's reliability into organization.

Third hypothesis stated that there is a good effect of the customer handling system and responsiveness dimension. This research showed that there is significant influence between the dimension of customer handling process into responsiveness with the highest value within service quality dimensions: the *t*-value 9.78 and component

coefficient was 0.89. The speedy complaint handling system is showed by a quick response and feedback to solve the patient problems. An apology is an initial action the organization must do to recover the services and followed by the continuous report about the progress of the action to handle the problem.

Fourth hypothesis said that the complaint handling system has positive influence against assurance dimensions. This study indicates that the hypothesis is proven to significantly with a value of the *t*-value 3.48 and component coefficient 0.87. Healthcare providers with better patient complaint handlings will increase patient's assurance for any medical treatment they received. Empowered employees convince the patient to get appropriate healthcare services.

Meanwhile the fifth hypothesis declared that there is a positive effect of the complaint handling system into empathy. Authentication is done on the research indicates that the hypothesis is supported significantly the data with the *t*-value 6.26 and component coefficient was 0.88. A speedy and more communicative response into customer complaints will create more empathy feeling of the patients. Patients are getting clear information about the product or service offering especially in terms of cost, and the doctors are willing to listen what patients suffered about their illness.

The sixth hypothesis also stated that the complaint handling system has positive effect against overall dimensions of service quality with the *t*-value of 10.91 and component coefficient was 0.90. Better handling customers complaints will lead into better service quality offered to the patients.

The seventh hypothesis stated that complaint handling system has significant effect into customer satisfaction with 0.91 coefficient standard and 11.32 *t*-values. This result supported the research done by Carmel (1990) who stated that patients who are satisfied with the results of the resolution of their complaints, are more likely to express overall satisfaction with hospital.

The final hypotesis described that service quality has a highest effect to patient satisfaction with the value component coefficient of 0.92 and the value of the *t*-value amounted up to 11.62. This means that excellent service quality will bring higher patient satisfaction and allow the healthcare provider to build patient loyalty. In the long-term, the good relationship will make the patient return to receive other healthcare services and recommend it to other potential customers, which contributes to healthcare provider's success.

IX. CONCLUSION

Healthcare provider can become more customers oriented by taking advantage of the information provided by customer complaints, increasing patient satisfaction and improving the service quality.

The existence of a negative influence of complaint handling into tangibility dimension with the *t*-value amounted to -0.38 showed the data obtained not support the H_1. The results of the study also showed that complaint handling process affect the reliability dimensions with the *t*-value 6.26. It can be concluded that the data obtained support the H_2. The strength significant influence between the complaint handling system into the responsiveness dimensions with the *t*-value 9.78 also showed that the data fully support the H_3. The data obtained also support the H_4 because complaint handling system has a positive effect into assurance dimensions. Meanwhile, the variabel of customer handling also proven to have a positive effect into empathy dimensions with *t*-value of 6.26 which means it support the H_5. Furthermore, variable complaint handling also has higher effect into service quality dimensions with *t*-value 10.91 and this result support the H_6. In addition, there was significant influence between complaints handling process into patient satisfaction, as evidenced by the *t*-value 11.32, support H_7. The variable of service quality dimensions has a greatest and significant effect of patient satisfaction with *t*-value of 11.62. This data obtained is support the H_8.

From all the variables discussed and tested in this research, it described that the service quality has the greatest effect into patient satisfaction. It also showed that patient satisfaction is highly dependent on better service quality and better complaint handling. Better complaint handling process also will improve better service quality, in which responsiveness dimensions are the most important aspect in complaint handling process.

The study also proved that healthcare industry is highly centered on the patient interaction with the employees and the importance of human element in delivering the medical services. Therefore, training plays a critical role in directing all employees towards the same goal of customer satisfaction. Employee training should not only focus on building up employees medical and technical skills but also strengthening their communication skills to handle customers' complaints quickly.

X. RESEARCH LIMITATIONS & FURTHER RESEARCH

The present study has certain limitations such follows:
First, the respondent of the study is limited in one specific industry (namely private healthcare providers) which is located in Tangerang region. As such, the applicability of the current findings to other industry contexts would

need further research and should be extended to respondents from different industries. Future research should also test whether the issues and applications discussed here are applicable and helpful in other service industry, such as hotels, airlines, local operators, restaurants, entertainment venues and more.

Secondly, this study concentrated only on outpatient side of the healthcare providers. It focuses only what the outpatients experiences when receive the medical services. Future studies may address another point of view by incorporating deeply on data collection form both outpatients and inpatients who are receiving the medical services. It means considering the facilities and the medical treatment from the doctors or nurses or staffs during the patients are hospitalized.

Thirdly, the study considers the service quality as a mediating variable that can affect the complaint handling process and the customer satisfaction. The result of the study is consistent with the previous research showing the importance of the excellent service quality to increase customer satisfaction. The future research could elaborate more another variables that influence the customer satisfaction, so it can be applied and contribute in management decision making.

In summary, the recommendations stated above might interest future researchers who may be interested to fill any research gap of the study.

XI. THE THEORETICAL IMPLICATIONS

Fornell and Johnson (1996) explain that the higher is the level of customer satisfaction with the organizational products and services, the less is the number of complaints. The complaint handling process can be used as a feedback to increase the service quality, which in turn can enhance the high level of customer satisfaction. The benefit of this complaint handling management will lead to the repurchase intention, positive word of mouth and in the long-run will increase the healthcare provider profit. Satisfied patients also serve as referrals for the healthcare provider by encouraging others to use the service provider, whereas dissatisfied patients can damage the provider's reputation via negative word-of-mouth communication with others. This study also supported the findings from Lyon and Powers (2001) who stated that the healthcare providers should implement effective service recovery and encourage customer complaints by handling problems effectively to ensure customer satisfaction and positive word of mouth for the organization.

XII. THE MANAGERIAL IMPLICATIONS

Employee played an important role in the service recovery process. Management should empower all the employees to take a positive and proactive approach in the complaint handling process and equip them with the sufficient skills, level of authority and responsibility to solve the patient's problems.

The present model can be considered as an empirical approach capturing the major part of patient responses of healthcare industry demonstrating the relationship between the related constructs and their direct or indirect influence on satisfaction. From a managerial view, it is apparent that service quality lies on the heart of this specific model affecting directly satisfaction. Thus, the patient satisfaction is highly dependent on the ability to use the complaint handling process to improve the service quality. Healthcare provider should maintain their service quality process and reducing the number of patient's complaints. A higher patient's satisfaction will lead into the increasing of patient's loyalty and their intention of repurchase. This result is consistent with the previous study from Morgan and Hunt (1994) who is stated that the companies should look beyond satisfaction, trust and commitment to develop customer loyalty in order to ensure long-term relationship.

The continuous patient satisfaction will also lead to the construction of a good relationship between the patient and healthcare provider. The organization should not wait for the customers to report a complaint, rather asking customers periodically about their satisfaction with service level is argued to be the key to maintain loyalty. The patients tend to repurchase the products/services and also will recommend their good experience to their friends and relatives. Healthcare provider management needs to do a strategy to increase the satisfaction of its customers by improving service and knowledge of their employees in the buying interaction process. The management must keep trying to increase consumer confidence by improving employee's ability to understand the needs required by consumers; to help resolve customer problems; to fulfill the promise that has being made, to be honest and transparent in providing adequate information.

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