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### Understanding Gen Y and Their Complaint Behavior towards Bank

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#### ABSTRACT

In banking industry where company has various direct service delivery moments with consumers, complaints seem inevitable. In Indonesia, banking industry has always been ranked as the top 5 industries that get a lot of complaints from consumers. In this study, we interested to discuss about complaint behavior intentions, specifically within Generation Y consumers. In this study, we particularly interested to discuss about complaint behavior intentions of Generation Y consumers. This is important as an effort to predict future market trends, since nowadays, consumers are dominated by digital consumers like Generation Y. Thus, identifying whether the unique characteristics of Generation affects their complaint behavior will be beneficial for company in creating an appropriate complaint handling strategy.

The data in this study were collected using online survey questionnaire to a total of 131 banking customers. A regression analysis was performed to examine the effect of Generation Y characteristics towards their intention to complain. The results showed that from five Generation Y's characteristics tested in this study, only characteristics of tech savvy and desire to engage in social media were proved to significantly affect Generation Y's intention to complain. Meanwhile, all the characteristics of Generation Y do not have effects on to their intention to repurchase after service recovery effort from service provider. Moreover, the study also provides managerial implications to suggest ways for banks to manage customers' complaint, particularly that comes from Generation Y.

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*Keywords: consumer protection; complaints handling; financial services in Indonesia; consumer unpleasant experiences*

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#### 1. Introduction

The study about consumer complaint behavior has begun since 1970s, however, this topic has remained interesting to be discussed nowadays both for business and research (Velázquez, Blasco, and Contrí, 2010). Especially in banking industry where company has various direct service delivery moments with consumers, complaints seem inevitable. There is numerous service encounter during the delivery of banking services, and in each of the service encounter, people might have expectations

towards the banking services that they receive. If these expectations are not met by banking institution, consumers might see it as a service delivery failure, and it will have resulted in consumer dissatisfaction and potential complaints (Ngai, Heung, and Chan, 2007). Traditionally, complaint behavior had been regarded as a negative response from dissatisfied consumers to the company; however, nowadays researchers and managers consider complaints as a useful feedback from consumers, and those "useful feedbacks" enabled companies to become aware of problems in service (Oh, 2005). If the bank treats complaints as a valuable feedback and correct the mistakes early in the process, the bank will be able to avoid the spread of negative word of mouth from dissatisfied consumers, and consumer might also give positive reports

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about the bank to others (Keng, Richmond, and Han, 1995). Eventually, complaints from customers shall prevent the bank from losing its customers, encourage repeat business, and sustain their success in a competitive banking industry (Ngai et. Al., 2007). Therefore, both from theoretical and practical perspectives, understanding consumer complaint behavior in the banking industry is essential for the banks to deliver sustainable prosperity (Meng, 2010).

Specifically, in the case of Indonesia, banking industry has always been ranked as the top 5 industries that get a lot of complaints from consumers. In 2016 alone, out of a total of 1819 complaints submitted to Yayasan Lembaga Konsumen Indonesia (YLKI)--an Indonesian Consumers Foundation-- 56% were dominated by three main sectors that are banking, real-estate, and online shopping (Nabhani, 2017). There are 249 consumer complaints associated with banking services. On the other hand, as of October 2016, the Indonesian Financial Services Authority (OJK) recorded 913,092 reports to OJK in relation complaints against the banking service provider (Nabhani, 2017).

In order to understand consumer behavior, many researches use generational differences since generational cohorts often show similar behavioral characteristics reflecting their similar experiences, technologies, and adaptation to cultural and environmental changes. Thus, generational cohorts usually share similar values and beliefs, which then influence their behavior (Brosdahl and Carpenter, 2017). Harrington et. al. (2012) stated that the similar values and beliefs might also affect consumers' intention to complain or reactions to service, considering that values and beliefs will strongly affect consumers' perceptions of service recovery and justice (Sharma et al., 2012). However, despite substantial research about generational differences, there were not many studies explicitly explain the effects of generational differences in the context of customer complaint behavior (Soares et al., 2017). According to previous study (Bolton et. al. (2013); Brosdahl and Carpenter (2011)), generational categorization can be divided as follows: The Silent Generation (1925-1945), the Baby Boomers (1946-1960), Generation X (1961-1981) and Generation Y (1981-1999).

In this study, we particularly interested to discuss about complaint behavior intentions of Generation Y consumers. In an effort to predict the future market trends, researchers and companies have been actively investigate the behav-

ioral patterns of this generation of consumers (Nusair et al., 2011 in Soares et. al., 2017). Generation Y has been regarded as an important segment in banking service since this generation is the future of banking business in Indonesia. They are digitally native consumers; thus, represent characteristics of current digital consumers. They are also the generations who will become early adopters and main users of banking digital services. However, there still not much of study that examine the complaint behavior of Generation Y consumers, especially in the context of banking industry in developing countries such as Indonesia. Furthermore, as a digitally native consumer, Generation Y tend to spread negative word-of-mouth quickly when they feel dissatisfied towards company. The consequences will be extensive and costly if company fails to listen and to take appropriate action to manage the complaints of Generation Y. Hence, identifying whether the unique characteristics of Generation affects their complaint behavior will be beneficial for company in creating an appropriate complaint handling strategy. For the purpose of this study, Generation Y rendered as a people within the age group of 18-36 years old. This generation accounts for ± 100 million<sup>1</sup> people in Indonesia (Indonesian Statistics Bureau, 2010).

The purpose of this study is in turn as follows: to investigate factors that relate to Generation Y consumers' complaints about a service failure and service recovery responses. This paper will be organized as follows: the first section will report the literature that we use as a theoretical foundation of this study and to present the proposed model. Then, the methodology section provides details related to measurement, data collection, and sampling. After discussing the results from data analysis, this study concludes with managerial implications, limitations, and outlook for future research.

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<sup>1</sup> The exact number is 100,418,626 people. However, the numbers are for people in an age group of 15 - 39, not necessarily 18 - 36 as this study proposed.

## II. Theoretical background and research hypotheses

### A. Customer Complaint Behavior

According to Singh and Widing (1991), consumer complaint behavior can be defined as all potential behavioral responses that consumers may utilize to deal with his/her dissatisfaction. It is commonly understood that consumers have the right to take action or not take action after they experience service failure. If they decided to take action, consumers usually have different style to communicate their dissatisfaction. They may, among others, switching patronage, telling friends and family, or complaining to a consumer agent (Ndubisi and Ling, 2006).

The literature generally categorized the complaining behavior constructs into two dimensions, which are public complaining response and private response (Varela, 1992; Crié, 2001 in Velázquez et. al., 2010). Blodgett et. al. (2006) explains that private responses include word of mouth comments and change behavior, and recently it also includes web site communications. Meanwhile, public responses refer to complaints directed at the parties involved in the transaction, could be the companies involved in the transaction or third parties, such as consumer protection bodies, the media or legal action (Singh, 1988, 1990; Singh and Pandya, 1991; Blodgett and Granbois, 1992 in Velázquez et. al., 2010). Given that both types of complaints may have very different causes and consequences, another complaint behavior classifications consider them as different dimensions, hence, added another dimension to the classification, which then consists of three dimensions including private responses, complaining responses and third-party responses (Singh, 1988, 1990; Liu and McClure, 2001). To offer a more detail analysis into complaint behavior, this study will measure complaint behavior constructs using those three dimensions that are private responses, complaint responses, and third-party responses.

#### 1. *Complaint Behavior and Demographic Characteristics*

Previous studies on consumer complaint behavior have shown that consumer characteristics were important in predicting consumer complaint behavior. This characteristic includes demographics variable, factors that are asso-

ciated primarily by the consumer (Keng et. al., 1995). Some of the demographic variables are found to influence consumer complaint behavior. In the 1970s, it was confirmed that public complainers tend to be younger in age, had better education, and higher income (Warland et. al., 1975; Day and Landon, 1977). Beardon and Mason (1984) supported the previous results that age had inverse relation with complaint behavior, and income and education positively related to complaint behavior. However, other variables such as race, family type, and employment status did not prove to have significant relationship with complaint behavior.

Keng et. al. (1995) studied complaint behavior in Asian setting--using Singapore shoppers as respondents and identified the different characteristics of complainers and non-complainers. The study found that complainers who resorted public actions tend to be older age groups, better educated, and earned higher incomes. Keng et. al. (1995) confirmed that three demographic variables, which are age, income, and the level of education were positively influenced consumer complaint behavior, while the other demographic variables (marital status, ethnic, and language medium in which respondents received his/her education) do not have influenced on complaint behavior. They also found that there is significant relationship between gender and consumer complaint behavior, and women were more inclined to make complaints than their male counterparts.

Lam and Tang (2003) studied complaint behaviors in Hongkong restaurant industry context and found that customers who were younger, better educated, and had higher income tended to complaint more than those who were older, less educated, and had lower income. Also, in Hongkong, Heung and Lam (2003) revealed in their studies that young and middle-aged consumers (18-44 years old) complained publicly more than older consumers, and female and higher educated customers complained more than male and less educated customers. However, different from previous studies, DeFranco et. al. (2002) found that gender has no significant relation with consumer private actions to complain; however, significant difference was found between male and female when a public action was taken. In addition, DeFranco et. al. (2002) found that age, education, and income have no significant relationship with complaint behavior, either publicly or privately in hotel restaurant services context. Another study conducted by Sujhitamrak and Lam (2004) found

that only age, education, and income affect the complaint behavior of customers, while gender has no significant effect towards complaint behavior. Based on previous studies, it appears that there was no consistent relationship between complaint behavior and consumer demographic characteristics (gender, age, education, income) (Sujhitamrak and Lam, 2005).

## *2. Complaint Behavior and Generational Differences*

Some of previous studies have confirmed that younger consumers tend to complain more rather than older consumers (Warland et. al., 1975; Day and Landon, 1977; Heung and Lam, 2003). Roschk et. al. (2003) also found that consumers in the middle and final stage of adulthood (silent generation and baby boomer) tend to be less demanding and less impatient with regards to their complaint behavior. It might be because those older generation have modest personality, low professional status, or low financial liabilities, which make them more prepared in accepting service failure.

The study conducted by Soares et. al. (2017) further confirmed that generational differences were significant predictors of consumers' complaint behavior. According to Soares et. al. (2017), older generations were less likely to complain than Generation Y, but then, the Generation Y consumers most likely to repurchase when service providers offered an effective service recovery strategy. Consequently, it is reasonable to assume that people in different generations exhibit different type of complaint behavior (Soares et. al., 2017).

In Indonesia, studies about Generation Y reveals several characteristics specific to that generation. The most prominent characteristics of Generation Y in Indonesia is they are very familiar with technology, hence, almost all their characteristics are consequences from their ability to operate those digital devices. First and foremost, Generation Y is comfortable in using social media in the daily basis, unlike Silent Generation or Baby Boomers who rarely use social media. Thus, Generation Y prefers to read news via online media rather than conservative media (e.g. newspapers) (Centre for Strategic and International Studies, 2017). Moreover, Generation Y likes to communicate with their peers via social media and online chatting (e.g. Whatsapp, Line, Instagram, etc). In terms of shopping behavior, Generation Y buys something via online shop and often use cashless means to do transaction.

## **B. Generation Y consumers**

There is limited consensus among researches regarding the precise start and end points for Generation Y (Soares et. al., 2017). However, in this study, we follow Bolton et. al. (2013) categorization, which stated that Generation Y is people who born between 1981 to 1999. This means that when the study is conducted, this people will be in the age range of 18 – 36 years old. Researchers have proposed other categorization scheme because they have not agreed on precisely the characteristics that differentiate one generational group to the others, plus there are also within-generation differences (Bolton et. al., 2013). Hence, the characteristics of Gen Y are sometimes discussed in overly broad terms. Nevertheless, for the purpose of this study, the characteristics of Generation Y consumer will be briefly summarized and only some of the characteristics will be used such as tech savvy, being heavily influenced by peers, prolific use of social media, and desire to engage in social network.

### *1. Tech Savvy*

Generation Y was born and raised in the technologically advanced era. This generation is tech savvy and familiar with the use digital devices and technology (Bolton et. al. (2013) in Soares et. al. (2017). Hence, technology has been incorporated into their daily life from their reliance on social media (e.g. Facebook, Instagram), smartphone, and chatting, watching and creating videos via youtube, blogging on the internet, or video chatting with people across the globe. They are the first generation that spent their entire life in the digital environment; thus, they often called as Digital Natives rather than Digital Immigrants (Prensky, 2001).

Today's, the development of technology has increased the range of communication channels between consumers and firms (Camarinha-Matos, 2011 in Soares et. al., 2017), including Bank. The development has encouraged Bank to also use digital communication channels, including social media, to communicate with their consumers. These new digital channels are fast developing and widely adopted, especially by Generation Y who are highly prone to adopting new technologies. In turn, using these new digital channels, Generation Y consumers are able to share their evaluations or service quality experience more easily (Muskat et. al., 2013 in Soares et. al., 2017), includ-

ing complaints following service failure. In this sense, it is expected that Generation Y consumers are more likely to complain about a service failure that they experienced because they have greater and easier access to use technology-supported media. The same is also applied to the company. Since they have an advanced communication channels that enables them to hear their consumers directly, they should be able to prompt rapid response to recover the consumers' service failure, which may lead to greater consumer satisfaction and increase the likelihood of consumers to repurchase from them. Hence:

**H1:** Generation Y consumers' tech savviness is positively related to (a) the likelihood of complaining after service failure, and (b) repurchasing after receiving satisfactory service recovery

## 2. Heavily influenced by peers

In general, it is known that social environment such as peers and relatives could influence consumer behavior. In theory of planned behavior research, this statement is widely accepted since researches has proven that individuals are likely to hear opinion from their significant others before they perform certain behavior (Ajzen, 1991). Specifically for generation Y consumers, they were said to be community minded, meaning that they tend to strongly value their friends and relatives. In their survey, Boston Consulting Group (2012) found that for Generation Y, the definition of "expert"- a person with credibility to give opinion about brand, products, and services- has shifted from someone with professional or academic credentials to potentially anyone with firsthand experience, ideally their peer or relatives. Generation Y consumers' active participation in social networking, either virtual or physical networking, contributed to their interpersonal connectedness. This vast connections towards each other provides Generation Y with a voice that is louder and more impactful than that achieved by previous generations. Based on theory explain above and study conducted by Soares et. al. (2017), this study expects that Generation Y will rely on their peers or relatives when considering whether to complaint, accept the service recovery effort from company, or decided to stay with the service provider (Soares et. al., 2017). If peers hold favorable view toward complaining or accepting service recovery from service provider, then, Generation Y consumers will likely adopt similar view. Furthermore, since Generation Y consumers

are tech savvy, it is easy for them to access others' opinion in the internet or in other social media that they have. Hence:

**H2:** Generation Y consumers' being heavily influenced by their peers, is positively related to (a) the likelihood of complaining after service failure, and (b) repurchasing after receiving satisfactory service recovery

## 3. Low trust in brand

There are considerable amount of evidence that shows Generation Y tends to be immune towards advertisement or other branding efforts. They practically grew up in an environment where information about products is abundant and easy to be accessed, hence, they might see round-the-clock advertisement on their smartphones and social networking sites (Soares et. al., 2016). Generation Y consumers' purchases are more benefit-driven than brand-driven. This generation, also called Millennial generation, is much more willing to experiment with new brands, hence, they thrive on options—the more the merrier (Pasquarelli, 2017). This notion is also supported by previous research, which found that Generation Y consumers exhibit relatively low trust towards brands and advertising (Obercam, 2013 in Soares et. al., 2017).

Judgment related to service failure is partly influenced by brand trust and brand loyalty (Brady et. al., 2008 in Soares et. al., 2017), so that consumers with greater brand loyalty or trust is incline to forgive service failures and continue in their relationship with the service providers. Nonetheless, since Generation Y has low trust in brand, this generation tends to be more sensitive to and dissatisfied with the service failure they experience, thus they should be more likely to complain after they experience service failure. In addition, Generation Y decision-making judgment depends mainly on the value that they received from the service provider. If Generation Y satisfied with the service recovery efforts given by the service provider, these consumers tend to stay with the firm and repurchase from it. Hence:

**H3:** Generation Y consumers' low trust in brand, is positively related to (a) the likelihood of complaining after service failure, and (b) repurchasing after receiving satisfactory service recovery

#### 4. Prolific use of social media

Previous research indicates that Generation Y consumers are obsessed with social media (Bolton et. al., 2013). Driven largely by their strong need to interact with other people, his generation regularly updates their social profile in their online social network (Bolton et. al., 2013). Since they were growing up in a technologically advanced environment, they were already mastered using social media, computers, or internet for most aspect of their lives, including communication in particular (Leggett, 2013 in Soares et. al., 2017). Generation Y consumers are prone to value other opinions in social media, and they feel important when they provide feedback for their peers related to the experience using products or services. They believe that by providing feedback, they can influence how others view the brand or services (Savage et. al., 2011 in Soares et. al., 2017). In addition, Generation Y consumers has stronger beliefs, compare with Baby boomers, that service providers should offer consumers more ways to share their opinions online (Forrester, 2013). Therefore, Generation Y, with their heavy dependence on social media to support their decision-making, is expected to share more of their experience, either positive or negative, to their peers or the service providers, as well as to re-purchase after service recovery efforts from service provider. Hence:

**H4:** Generation Y consumers’ prolific use of social

media, is positively related to (a) the likelihood of complaining after service failure, and (b) re-purchasing after receiving satisfactory service recovery

#### 5. Desire to engage in social network

Most of Generation Y regarded social networks as a necessity for their daily existence, both offline and online. The results from BCG research shows that Millennials use social-media platforms more than non-Millennials (79 percent versus 59 percent), and they maintain significantly larger networks; 46 percent have 200 or more “friends” on Facebook, compared with 19 percent of non-Millennials (Boston Consulting Group, 2012). They use technology to connect with a greater number of people, more frequently, and in real-time. Generation Y thinks that they are missing out if they do not share moments on social media, and they feel accepted when the community “likes’ their posts (Boston Consulting Group, 2012).

Previous research has shown that the main reasons Generation Y use social media are for social needs and social networks. This desire for connection and shared experience also extends offline. Millennials are much more likely than non-Millennials to engage in group activities—especially with people outside their immediate family (Boston Consulting Group, 2012). In today’s market,

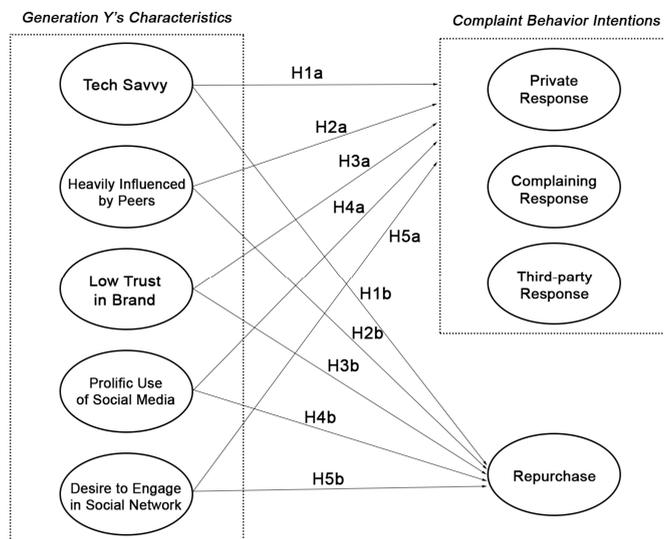


Figure 1. Proposed Model

companies are increasingly providing not only quality service to consumers but also creating a community of people with shared interest, which can be regarded as social networks (Soares et. al., 2017). Since Generation Y consumers do not want to lose these social networks, they are reluctant to switch to another firm. Hence:

**HS:** Generation Y consumers' desire to engage in social network, is positively related to (a) the likelihood of complaining after service failure, and (b) repurchasing after receiving satisfactory service recovery

### III. Research methodology

#### A. Data source and measurement scale

The data has been collected through a structured questionnaire. The items in the questionnaire were adopted from previous studies, measured using a 7-point Likert scale (1= "strongly disagree to 7= "strongly agree"). The items to measure generation Y characteristics including tech savvy (three items), heavily influenced by peers (three items), low trust in brands (four items), prolific use of social media (three items), and desire to engage in social network (three items) were adopted from the scales used by Soares et. al (2014).

Complaint behavior intentions constructs were measured using scales from Velazquez et. al. (2010). Moreover, the three-item repurchase scale was derived from Soares et. al (2017). The socio-demographic profiles of the respondents such as gender, age, monthly expenditure, and education level were also recorded. In the last part of the questionnaire, the questions related to respondents' real service failure and complaint experience were also asked. Thus, there were a total of 39 questions in the questionnaire included a service failure and service recovery scenario in the banking context. The scenarios were self-developed and examined by the experts and the potential respondents for clarity and appropriateness. The questionnaire was subsequently piloted with 30 Bank consumers to ensure that the questions and response format were clear. Minor adjustments were made based on feedback received from the pilot study.

#### B. Data collection procedure and data analysis

To data were collected in September 2017 using an online survey. A convenience sampling method was used to collect the data. A link to the survey was posted and advertised to invite people to participate in the study. In the survey, participants are explicitly informed that this study wanted to examine the behavioral intention of Generation Y toward service failure and service recovery situation. Since the intended respondents for this study are people who are define as Generation Y (be aged within the ranged of 19 - 36 years old in year 2017), a screening question was given to the respondents to filter out those who are not age between 19 - 36 years old. The survey was opened for almost one week, and a total of 160 respondents obtained, however; only 131 responses qualified to be analyzed further. The reliability and validity of the data was examined using Cronbach's alpha and Factor analysis. Then, multiple regression analysis and Factor analysis was used to test the hypotheses in this study. The data was being analyzed using Statistical Package for Social Sciences (SPSS) version 22.

### IV. Results and discussion

#### A. Description of the sample

The summary for demographic features of respondents is presented in Table 1. The results show that majority of respondents were female (68%), while remaining 32% of respondents were male. The age range is extended from 19 - 36 years old, in line with our definition of Gen Y consumers. The results also show that most of respondents are undergraduate (67%), followed by high-school (24%), master (7%), and diploma (2%). Related to the monthly expenditure, most of the respondents (46%) have an expenditure of Rp. 2,000,000 - Rp. 5,000,000, 23% respondents have an expenditure of Rp. 1,000,000 - Rp. 2,000,000, 15% respondents have an expenditure of Rp. 5,000,000 - Rp. 7,000,000, 7% respondents have an expenditure of < Rp. 1,000,000, closely followed by 6% of respondents who have expenditure of Rp. 7,000,000 - Rp. 10,000,000, and only 2% respondents with an expenditure of > Rp. 10,000,000. Furthermore, most of

**Table 1.** Socio-demographic profile of respondents

Variables	Frequency	Percentage (%)
<b>Gender</b>		
Male	43	32.8
Female	88	67.2
<b>Age (years)</b>		
18-22	55	42
23-26	63	48.1
27-30	10	7.6
30-36	3	2.3
<b>Education</b>		
Highschool	30	22.9
Diploma	3	2.3
Undergraduate	90	68.7
Master	8	6.1
<b>Expenditure (in a month)</b>		
< Rp. 1,000,000	10	7.6
Rp. 1,000,000 - Rp. 2,000,000	29	22.1
Rp. 2,000,000 - Rp. 5,000,000	62	47.3
Rp. 5,000,000 - Rp. 7,000,000	18	13.7
Rp. 7,000,000 - Rp. 10,000,000	9	6.9
> Rp. 10,000,000	3	2.3
<b>Frequency in using bank services</b>		
Rarely (could be less than once a month)	2	1.5
Less than 3 times a week	35	26.7
3-5 times a week	78	59.5
Very often (minimum once a day)	16	12.2

the respondents (59.5%) in this study use banking services 3 – 5 times a week, and 26.7% of respondents use banking services for less than 3 times a week.

## B. Complaint Behavior

As shown in table 2, respondents in this study were in favor in taking private responses and complaint responses to third-party responses. Highest scores were achieved for “I would tell my friends and/or relatives...” (mean = 6.37), followed by “I would complaint to bank personnel who is responsible...” (mean = 5.99), and “I would rather use financial products/services from another bank” (mean = 5.72). Third-party responses including “I would tell a consumer protection body...” (mean =

4.09), “I would write a letter to local newspaper...” (mean = 3.5), and “I would take legal action against the bank” received the lowest scores. The results in this study showed that when consumers experienced service failure from bank, they prefer to complain privately rather than publicly via third-party. Such findings were consistent with previous study by Lam and Tang (2003) which found that complaint behavior in restaurant industry context in Hongkong were mainly private rather than public responses.

Furthermore, of all the total respondents in this study, 55% of them (72 respondents) had real service failure experience with bank. Among 72 respondents who had service failure experience, 80% of them stated that they complaint about their bad experience to the bank. The other 20% said that they were not reported their service failure experience to the bank. The type of banking products/services that are the source of the service failure they experienced. According to the respondents, the three biggest source of service failure are automated teller machine (ATM), mobile banking, and savings account, respectively. Moreover, specifically most of the respondents said that the facility of the bank (including ATM, Internet Banking, SMS Banking, Mobile Banking, etc) is not functioned correctly, and often times they fail to do the transaction via ATM or mobile banking. Some of the respondents also mention that the service that they received from the bank staff was not satisfactory.

Table 3 shows the t-test differences between respondents who had previous service failure experience and respondents who never experience service failure on their intention to exert complaint behavior. In all the types of complaint behavior (private, complain, or third-party responses), there were no significant differences between the two groups, with experience and no experience. The mean responses between the two groups are also almost identical, which indicates that prior service failure experience did not increase the likelihood of consumer to complaint.

## C. Results

### 1. Reliability and validity

Prior to testing the hypothesis, the reliability and validity of the items used in this study is examined. To measure reliability, cronbach’s alpha is used. The sug-

**Table 2.** Customer Complaint Behavior

Customer Complaint Behavior	Type of Complaint Behavior	Mean	Ranking
I would tell my friends and/or relatives about my bad experience in using financial product/services from that Bank	PR	6.37	1
I would complain about my bad experience to related bank personnel who is responsible in giving me such bad experience, and asking for solution	CR	5.99	2
I would rather use financial product/services from another Bank	PR	5.72	3
I would have commented on my bad experience so that the Bank could improve	CR	5.4	4
I would complain about my bad experience to the manager or other top management position of that Bank	CR	5.28	5
I would not use financial product/services from that Bank again	PR	5.26	6
I would persuade my friends and/or relations not to use financial product/services from that Bank	PR	5.06	7
I would tell a consumer protection body regarding my bad experience	TR	4.09	8
I would write a letter to a local newspaper describing my bad experience	TR	3.5	9
I would take legal action against the bank	TR	3.2	10

**Table 3.** Complaint Behavior by Service Failure Experience

Complaint Behavior	Mean		Sig.
	Real Service Failure Experience	No Service Failure Experience	
I would tell my friends and/or relatives about my bad experience in using financial product/services from that Bank	5.55	5.67	0.471
I would rather use financial product/services from other Bank			
I would not use financial product/services from that Bank again			
I would persuade my friends and/or relations not to use financial product/services from that Bank	5.55	5.57	0.638
I would complain about my bad experience to related bank personnel, that is people who responsible in giving me such bad experience, and asking for solution			
I would comment on my bad experience so that the Bank could improve			
I would complain about my bad experience to the manager or other top management position of that Bank	3.65	3.53	0.943
I would tell a consumer protection body regarding my bad experience			
I would write a letter to a local newspaper describing my bad experience			
I would take legal action against the bank			

gested cut-off value for cronbach's alpha is 0.6 (Malhotra, 2010). Meanwhile, factor analysis method is used to analyze the validity of the items. Before the factor analysis, the suitability of the data was checked using Kaiser Mayer Olkin (KMO) of sampling adequacy and Bartlett's test of sphericity.

All the variables in this study had a cronbach's alpha ( $\mu$ ) higher than the threshold value of 0.6 ensuring the scale reliability. The Kaiser Mayer Olkin (KMO) for all

the factors shows a number greater than the cut off value of 0.5, and the Bartlett's test of sphericity was also significant ( $p = 0.000$ ) for all factors. These numbers indicate that the inter item correlation were sufficiently large for factor analysis to be conducted. Furthermore, all the items has a factor loadings greater than 0.5, hence, the items in this study are valid (see Table 2).

**Table 4.** Reliability and Validity of Constructs

Construct	Indicator	Factor Loadings	Cronbach's Alpha
Tech savvy (TS)	TS1	0.833	0.765
	TS2	0.907	
	TS3	0.729	
Heavily influenced by peers (HIBP)	HIBP1	0.842	0.840
	HIBP2	0.661	
	HIBP3	0.887	
	HIBP4	0.881	
Low trust in brand (LTIB)	LTIB1	0.878	0.910
	LTIB2	0.910	
	LTIB3	0.907	
	LTIB4	0.857	
Prolific use of social media (PUSM)	PUSM1	0.912	0.868
	PUSM2	0.936	
	PUSM3	0.849	
Desire to engage in social media (DESN)	DESN1	0.922	0.911
	DESN2	0.952	
	DESN3	0.896	
<b>Complaint behavior intentions</b>			
Dimension 1: Private responses (PR)	PR1	0.774	0.688
	PR2	0.504	
	PR3	0.838	
	PR4	0.742	
Dimension 2: Complaint responses (CR)	CR1	0.747	0.696
	CR2	0.832	
	CR3	0.794	
Dimension 3: Third-party responses (TR)	TR1	0.865	0.862
	TR2	0.905	
	TR3	0.887	
Repurchase	REP1	0.783	0.764
	REP2	0.799	
	REP3	0.889	

## 2. Hypotheses testing and discussion

To test the hypotheses, multiple regression analysis was performed. The regression models predict the effect of Generation Y consumers' tech savviness (TS), being heavily influenced by their peers (HIBP), low trust in brand (LTIB), prolific use of social media (PUSM), and desire to engage in social network (DESN) on likelihood to complaint (CBI) and to repurchase (REP). Table 5 and 6 show the results of regression analysis used to assess the relationship between Generation Y's characteristics and intention to complaint.

In the first regression model (table 5), the independent variables account for 13.5% of explained variances for consumers' intention to complaint ( $F=2.892$ ,  $p = 0.017$ ,  $R^2 = 0.135$ ). To test the hypotheses, a one-tailed critical value, which is 1.645 ( $\mu = 5\%$ ), is used. The results show that characteristics of tech savvy and desire to engage in social network contribute significantly to consumer's intention to complaint, thus, H1a ( $t = 1.763$ ) and H5a ( $t = 1.822$ ) are accepted. Meanwhile, H2a ( $t = 0.947$ ), H3a ( $t = 1.246$ ), and H4a ( $t = -0.543$ ) are not supported. From the beta estimates, it is observed that Generation Y's desire to engage in social network ( $\beta = 0.282$ ) is more strongly predict customer's intention to complaint than their tech savviness ( $\beta = 0.166$ ).

In the second regression model, the independent variables account for 10.4% of explained variances for consumer's intention to repurchase after service recovery. The results shown in Table 6 indicate that all hypotheses (H1b - H5b) are not supported. Gen Y characteristics' (tech savviness, heavily influenced by peers, low trust in brand, prolific use of social media, and desire to engage in social network) do not have effects towards Gen Y's repurchase intention after service recovery.

Overall, the results show different outcome from pre-

**Table 5.** Multiple regression analysis predicting consumer complaint intentions

Predictors	Mean	Regression Analysis			Collinearity	
		SE	t - value	Beta	TOL	VIF
Tech savvy	6.28	0.094	1.763	0.166	0.779	1.283
Heavily influenced by peers	4.71	0.093	0.947	0.088	0.803	1.245
Low trust in brand	4.84	0.088	1.246	0.109	0.898	1.114
Prolific use of social media	6.05	0.154	-0.543	-0.084	0.291	3.433
Desire to engage in social network	5.82	0.155	1.822	0.282	0.289	3.457

Notes:  $R^2 = 0.135$

**Table 6.** Multiple regression analysis predicting repurchase

Predictors	Regression Analysis			Collinearity	
	SE	t - value	Beta	TOL	VIF
TS	0.096	-0.286	-0.028	0.777	1.287
HIBP	0.095	1.061	0.101	0.802	1.247
LTIB	0.089	0.625	0.056	0.898	1.113
PUSM	0.159	0.642	0.102	0.285	3.504
DESN	0.159	1.222	0.195	0.285	3.508

Notes: R2 = 0.104

vious study conducted by Soares et. al. (2017). In previous study, researchers found that Generation Y's tech savviness, being heavily influenced by peers, low trust in brand, and desire to engage in social network have significant effect towards complain behavior intention and repurchase after service recovery. They found that only one characteristic, which is prolific use of social media, did not have significant effect on complain behavior intention among Generation Y consumers. Meanwhile in this study, tech savvy and desire to engage social network proved to significantly influenced consumer's intention to complain. Regarding the repurchase intention after recovery, the study did not support the notion that Generation Y tend to stay with service provider after experiencing service recovery effort. In this sense, service provider should be cautious in dealing with Generation Y's complain, since they tend to lose their trust to service provider and not wanting to repurchase the same products/services, even after service provider exhibit service recovery efforts to correct the mistakes.

The different results between similar study conducted by Soares et. al. (2017) could be attributed to: 1) different industry context (Soares et. al. (2017) conduct the study in telecommunication industry context, while this study in banking industry context) and 2) different cultural context (Soares et. al. (2017) conduct the study in Portugal—western country, while this study in Indonesia—eastern country). Prior research conducted by Ngai et. al. (2006) found that there are differences in complaint behavior between Asian and Non-Asian consumers. In their study, hotel guest's collectivist cultures (Asians) tend to “find it disturbing to voice a complaint” compared with guests from individualistic cultures (non-Asians). Furthermore, customers who are tech savvy and prone to adopt new digital technology and are engaged in social networks

are more likely to complain. These results might suggest that Generation Y prefer to exert private action when they are experiencing service failure using multiple, technologically-supported communication channels. These channels are fast-developing and widely adopted, which makes it easy for Generation Y to communicate their bad experience to the people that belongs to the same community or shared the same interest with them. It is also supported by previous study which stated that Asian consumers are more likely to engage in private complaining action such as negative word-of-mouth and telling their friends/relatives about the bad experience (Ngai et. al., 2007). Therefore, although generation Y characteristics are quite similar globally, there were evidences from previous research that consumers in different cultures could demonstrate different types of complaint behavior and intentions (Ngai et. al., 2006; Huang et. al., 1996).

## V. Conclusion and implication

This study designed to gain better understanding of complaint behavior intention and repurchase intention after service recovery. The major findings from this study indicate that only partial characteristics of Generation Y, tech savvy and desire to engage in social network, explain as a precursor of Generation Y's complaint intention. Their desire to engage in social networks might suggest that they are more likely to complaint privately by telling their relatives/friends about their bad experience, online or offline. Furthermore, because they are digital native consumers, they preferably use digital communication channels which are easy to use and widely adopted by their peers, such as Whatsapp, Line, etc to voice their complaints. Consumers who do not voice their complaint directly to company are more threatening to the business, since they could decide to just stop using company's products/services or even worse, they create negative word of mouth to public in general about the company. Hence, company should encourage Generation Y to voice their complaint by making convenient and easy to access channel, ideally private channel that connects company directly with their consumers. Company could also make one site dedicated for consumers who wants to make comment (either negative or positive) to the company. By creating

that kind of site, the company indirectly establish social network for their Generation Y consumers and at the same time the company will be able to control and reply directly to the comments from their customers. Furthermore, Bank should increase the awareness of consumers' complaint procedure and the channels they might use to voice their complaint, so that the consumers will not submit their complaint to third party. In conclusion, Bank should treat complaints as opportunities to learn about problems that can help firms provide better quality products and services.

## VI. Limitations and future studies

The main shortcoming of this study is that the size of the sample is small (131 respondents) and not demographically represented, such as most of the respondents are in their early 20s. These could lower the reliability and generalizability of the results regarding the impact of Generation Y characteristics on complaint behavior intention. Moreover, this study only consider Generation Y characteristics as an antecedent of complaint behavior intentions, while previous research has shown that complaint behavior was influenced by other factors such as consumers' cultural values, importance of situation, level of dissatisfaction, etc.

Therefore, we believe that future research should attempt to increase the sample size of Generation Y. It will be useful to add other constructs that likely have an effect on Generation Y customers' complaint and repurchase behavior, such as cultural values since culture might also be one of the biggest predictor of how consumer in certain culture behave. It would be also interesting to investigate whether there are differences in Generation Y's complaint behavior intentions in different service industry and different cultural context. It should be noted that this study only covers consumers' intention to complain not the real complain behavior, however, intention to behave is believed to be a representation of actual behavior. Furthermore, the study will give much more impact by incorporating the kind of complaint handling procedure preferred by Generation Y consumers.

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