Handling complaints on social network sites – An analysis of complaints and complaint responses on Facebook and Twitter pages of large US companies

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ABSTRACT

Social media provide numerous possibilities for consumers and other stakeholders to voice their complaints about organizations in public. While this can damage the reputation of an organization, effectively handling complaints also bears considerable opportunities to win back complainants and to win over observers of the interaction. This study analyzes how large companies handle complaints on their Facebook and Twitter pages. Results reveal that the companies are not fully embracing the opportunities of social media to demonstrate their willingness to interact with and assist their stakeholders. Organizational responsiveness is only moderate, and companies often try to divert complainants away from the social network site. The most frequently applied response strategy is asking complainants for further information which does not appease complainants. Response strategies that foster complaint satisfaction are used less often. They comprise offering a corrective action, connecting the complainant with someone who can provide a problem solution and thanking the complainant.

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1. Introduction

The Internet in general and social media in particular offer a plethora of possibilities for consumers and other stakeholders to express their opinions and exchange information on organizations and their products (Deighton & Kornfeld, 2009; Hennig-Thurau et al., 2010). For organizations, electronic word-of-mouth (eWOM) communication, which is any positive or negative statement made by customers and other stakeholders about the organization, or one of its products or services via the Internet (cf. Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004), is a two-edged sword. Rave reviews and enthusiastic recommendations get a chance to be seen by thousands or even millions, but the same applies to negative feedback. When a person is dissatisfied with an organization, its product or service he or she may be motivated to express this dissatisfaction online in form of a complaint, preferably directly on a social media site of the respective organization or brand.

The majority of communication professionals interviewed for the European Communication Monitor 2013 consider consumers who raise their voice on social media as relevant gatekeepers for their organization (Zerfass, Moreno, Tench, Verčič, & Verhoeven, 2013). A vast majority of professionals polled in 2014 furthermore know that organizations are expected...
to interact with consumers and others online by responding to their questions or by providing service (Zerfass, Tench, Verčič, Verhoeven, & Moreno, 2014). “The key terms on social media are interaction, joint experiences, and feedback” (Zerfass et al., 2014, p. 83). Yet, a survey among 1298 US Twitter users who frequently tweet and have used Twitter to complain about a specific product, service, brand, or organization reveals that only about one third have received a response to their complaint from the organization (Maritz Research, 2011).

Responding to complaints voiced on an organization’s social media site in a way that satisfies the complainant is important for the management of stakeholder perceptions and reputation. Because social media sites of organizations are generally made available for public view complaints voiced here are accessible for all Internet users. This is a main difference to “traditional” complaining via telephone, email or letter which remains unrecognized by others but some close acquaintances with whom the complainant speaks about the issue personally. Through the public nature of the complaint on social media the complainant can spread his or her dissatisfaction and potentially achieve support from other dissatisfied stakeholders. In fact, research in crisis communication shows that information disseminated by a third party through social media aggravates publics’ emotions such as anger, contempt, and disgust when the crisis origin is internal (Jin, Fisher Liu, & Austin, 2014). If others join in the complaining, the consequence may be a so-called online firestorm (Pfeffer, Zorbach, & Carley, 2014). This is a viable threat as complaining is said to be often contagious (Kowalski, 1996). As a result, an organization can experience a paracrisis which is a “publicly visible crisis threat that charges an organization with irresponsible or unethical behavior” (Coombs & Holladay, 2012, p. 409) and that potentially damages the organization’s reputation. Because paracrises are identified and dealt with in the crisis management stage of crisis prevention (Coombs & Holladay, 2012) complaint management can be considered part of this stage. Here, complaints serve as early warning signals that allow the organization to quickly take remedial action before further damage is done.

Apart from crisis prevention and risk control, complaints bear a number of opportunities. Effective complaint management that results in the restoration of customer satisfaction has been shown to result in positive WOM communication and repurchase behavior of complainants (Halstead & Page, 1992; Homburg & Fürst, 2005; Kau & Loh, 2006; Maxham, 2001; Smith & Bolton, 1998; Tax, Brown, & Chandrashekaran, 1998). Economic reasons for effectively attending to customer complaints are simply because it is cheaper to keep existing customers satisfied than to spend the money necessary to find new ones (Fornell & Wernerfelt, 1987). When the successful complaint management process takes place online, for example on the organization’s Facebook page, the complainant’s positive reaction may also have a favorable effect on others who observe the interaction between the organization and the complainant. Thus, effective online complaint management bears the extraordinary opportunity not only to win back the complainant but also to win over others and to shape reputation. Thus, complaint management is also an integral part of relationship and reputation management.

The main body of research on the effects of organizational responses to complaints has been generated in marketing (for an overview see Davidow, 2003). Findings on complaints voiced on traditional media are rather numerous in the marketing literature; also online forums and booking sites have attracted researchers’ attention (Harrison-Walker, 2001; Sparks & Browning, 2010). Yet, empirical research on the effectiveness of handling complaints voiced on social media is still scarce. Besides marketing, understanding on the effectiveness of complaint responses can be drawn from the literature on account giving and image restoration (e.g., Benoit, 1995, 1997; Schönbach, 1980, 1987; Scott & Lyman, 1968). However, the scarcity of empirical research on the effects of organizational responses in social media also applies to communication research. In this article, we address this open question of how to handle complaints on social media, especially on social network sites (SNSs),² by content analyzing how large corporations respond to complaints voiced on their Facebook and Twitter pages and which effects the responses have on the complainants’ level of satisfaction.

2. Literature review and research questions

2.1. Complaints and complaining behavior

Complaints are a specific form of negative WOM communication. While negative WOM comprises any statement with negative content, a complaint is voiced to achieve a certain goal (Kowalski, 1996). Also, dissatisfaction resulting from disconfirmation of expectancies is generally considered an antecedent of complaining behavior (e.g., Day & Landon, 1977) but does not necessarily precede negative WOM. Drawing on literature from marketing (Stauss & Seidel, 2004) and psychology (Kowalski, 1996) we define a complaint as an expression of dissatisfaction for the purpose of drawing attention to a perceived misconduct by an organization and for achieving personal or collective goals.

Complaints voiced against companies, which are the focus of our empirical research, can relate to any kind of business conduct that forms individual perceptions and consequently corporate reputation. This includes above all a company’s products or services, its financial performance, or its environmental or social responsibility (see Barnett, Jermier, & Lafferty, 2006; Einwiller, 2013; Fombrun, Gardberg, & Sever, 2000). Yet, a preliminary study on social media complaining behavior showed that the vast majority of complaints posted on Facebook are product or service related (Crecelius, Einwiller, &

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² SNSs are “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system” (Boyd & Ellison, 2007, p. 211).