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Online Consumer Complaint Behaviors: The Dynamics of Service Failures, Consumers' Word of Mouth, and Organization-Consumer Relationships

Seung B. BACH
California State University at Sacramento

Soojin KIM
Singapore Management University, SOOJINKIM@smu.edu.sg

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Seung B. Bach

California State University, Sacramento, Sacramento, California, USA

Soojin Kim

Purdue University, West Lafayette, Indiana, USA

This study aims to provide an understanding of the relationships between consumer's negative word of mouth (WOM) and organizations' rectification behaviors. We see consumers' negative WOM as a process of problem solving when consumers encounter an organization's service failure that dissatisfies them. This study suggests a strategic management of public relations as a principle for consumer complaint management. Based on case studies, this study finds that negative WOM is formed by the dynamics of experience sharing, advice giving, agreement, and disagreement. In particular, we discovered that information sharing is predominant among negative WOM behaviors. Finally, the case study reveals that while a high-performing business tends to have a proactive approach to resolving consumer complaints, a low performer tends to have a defensive approach.

Winning over consumers' minds is not an easy task for marketers. Many scholars have focused on the issue of customer satisfaction, and meeting customers' expectations is by far the most important element in achieving a high level of customer satisfaction. However, in a rapidly changing competitive environment, winning and satisfying consumers becomes a daunting task for an organization because competitors constantly come up with better and more innovative products and services, at a faster pace and even with lower prices. Moreover, when consumers encounter service failures by an organization, they are likely to engage in complaining behaviors to resolve the problems caused by these service failures. Given the advancement of the internet and Wi-Fi access points, cellular networks, and social networking applications, consumer complaints (e.g., WOM) can be exponentially proliferated to other consumers and stakeholders in no time.

As a complaint management strategy, an organization needs a strategic management of public relations that not only addresses consumers' concerns but also helps the organization perform better by correcting the problems that cause consumers' dissatisfaction (Grunig, 2006; J. Grunig & L. Grunig, 1998; Grunig & Kim, 2011; Kim, Bach, & Clelland, 2007). Without a

complaint management strategy, the organization may suffer a bad reputation and consequently weaker organizational performance in the end. More importantly, organizations should note that customers' complains are critical sources of product/service feedback from its market. If consumers do not complain, the organization will miss crucial information regarding its sales losses.

This study focuses on consumers' negative word of mouth (WOM) as a part of consumer complaint behaviors. Consumers are one of the most important strategic constituencies for organizations, and the negative WOM possibly affects organizations' performance both directly and indirectly. Therefore it is necessary to understand customers' communication behaviors, e.g., negative WOM, to make informed and strategic decisions. However, previous research has paid little attention to consumers' complaint behaviors from the communication perspective. Using a literature review and a case study method, this research explores the dynamic nature of consumers' negative WOM in the context of communication behaviors. In addition, this study aims to understand companies' different strategic management of public relations, particularly in dealing with negative WOM.

LITERATURE REVIEW

WOM as Complaining Behavior

Organizations' service failures and customer dissatisfaction often cause complaints and negative WOM among consumers. The original meaning of the term "WOM" is "a process of conveying information from person to person" (Jansen et al., 2009, p. 2169). In a commercial context, negative WOM has been viewed as a part of consumers' complaining behaviors. Consumers' complaining behaviors has been studied for decades (Blodgett, Granbois, & Walters, 1993; Day & Landon, 1976; Day & Bodur, 1978; Day & Ash, 1979; Day, Grabicke, Schaetzle, & Staubach, 1981; Folkes, 1984; Gilly & Gelb, 1982; Hirschman, 1970; Richins, 1983; Singh, 1988, 1990a, 1990b;), including the study of taxonomies and models of consumers' complaining behavior (Hirschman, 1970; Day & Landon, 1977; Richins, 1983; Singh, 1988).

Among the literature in this area, Hirschman's (1970) *Exit, Voice, and Loyalty* is a seminal work and has inspired many scholars. Four types of complaining behaviors are the most widely discussed: exit, voice, negative WOM, and third-party action (Boote, 1998). "Exit" refers to "a consumer who decides not to buy a product or service again, not to shop at a particular retailer or not to buy from a particular manufacturer again" (Boote, 1998, p. 142) or "voluntary termination of an exchange relationship" (Singh, 1990a, p. 2). As a proactive option, "voice" means "any attempt at all to change rather than escape from an objectionable state of affairs" (Hirschman, 1970, p. 30). "Negative WOM" is "the communication of dissatisfaction to family and friends, which is often in the form of a warning not to buy a certain product or to buy from a certain outlet" (Boote, 1998, p. 143). "Third-party action" is "the act of involving an outside agency to deal with a dissatisfying episode –such as a consumer group or a legal representative" (Boote, 1998, p. 143).

Negative WOM is considered consumers' private complaining behavior. Singh (1988) suggests a taxonomy of consumers' complaining behavior with three key dimensions: voice (redress seeking and loyalty), private responses (negative WOM and exit), and third-party action (legal action and complainr to a consumer organization). Singh (1990a) later proposed a model that

explains variation in voice, exit, and negative WOM behaviors. Singh (1998, 1990a) found that complaining to friends and relatives (Richins, 1983) can be a key construct of consumers' complaint behaviors in addition to exit and voice.

Singh (1990b) also proposed a typology of consumers' dissatisfaction response styles, including passives (take no action), voicers (complain actively to the seller), irates (show private responses), and activists (engage in formal third-party complaining). Kucuk (2008) recently argued that Hirschman's theory should be reconceptualized to incorporate the changes in our digitalized society. He suggested that consumer exit and voice can be interpreted as strong indicators of increasing consumer power on the Internet (Kucuk, 2008, p. 1); we discuss this issue in detail in a later section.

Motivators of Negative WOM

Service failures and customer dissatisfaction cannot fully explain all the causes of complaining behaviors and negative WOM among consumers. In addition, even though the taxonomy of complaining behaviors shows consumers' various options when dissatisfied with products or services, it does not completely illustrate when and why some dissatisfied consumers are prompted to engage in negative WOM while others are not. In fact, the majority of dissatisfied consumers do not voice their complaints to an organization (Best and Andreasen, 1977; TARP, 1986; Tschol, 1994).

Mattila and Witz (2004) regard redress seeking and the venting of frustration as two main motivators for consumer complaints (p. 147). Redress seeking refers to "the remedy and rectification of a problem," or "the initiation of a complaint action on the aggrieved consumer's part, to rectify a problem" (p. 149). Seeking an exchange, refund, or repair is typical redress seeking. In contrast, venting is "to give outlet and expression to" (p. 149). The goal of venting is to release frustration and unhappiness in order to make the consumer feel better (Mattila & Wirtz, 2004). Similarly, Folkman and Lazarus (1988) suggest two coping strategies: problem-based coping and emotions-based coping. While problem-based coping involves direct actions to resolve the problem, emotions-based coping uses indirect actions to minimize emotions. However, we find that both studies can explain the causes of complaining, but not necessarily those of negative WOM.

Sundaram, Mitra, and Webster (1998) identified eight motives for consumer WOM. While four of them explain positive WOM, the other four explain negative WOM. Their eight motives are altruism (for positive WOM), product involvement (personal interest in the product, excitement resulting from product ownership and product use), self-enhancement (enhancing images among other consumers by projecting themselves as intelligent shoppers), helping the company (a desire to help the company), altruism (for negative WOM), anxiety reduction (easing anger, anxiety, and frustration), vengeance (to retaliate against the company associated with a negative consumption experience), and advice seeking (obtaining advice on how to resolve the problem) (pp. 529–530). Interestingly, in their categorization of motivations altruism can be a motive for both positive and negative WOM. According to Sundaram et al. (1998), when altruism works for positive WOM it refers to "the act of doing something for others without anticipating any reward in return" (p. 529), but for negative WOM it means "to prevent others from experiencing the problems they had encountered" (p. 530).

The motives for consumers' complaints can be explained by the situational theory of problem solving (Kim & Grunig, 2011). "Given dissatisfaction, the decision to complain is contingent upon *situational* and interpersonal factors" (Blodgett, Granbois, & Walters, 1993, p. 403, emphasis added). Day (1984) and Day, Grabicke, Schaetzle, and Staubach (1981) also argued that even though dissatisfaction causes people to consider complaining, it does not guarantee that actual complaining will occur. Kim and Grunig's (2011) situational perceptual frames are problem recognition, involvement recognition, constraint recognition, and referent criterion.

The effects of these situational factors on communicative actions are mediated by situational motivations. In other words, when consumers want to do something about the problems resulting from the dissatisfactory purchase of products or services but find no immediate solutions to resolve the problems, the level of their problem recognition reaches a high level. In addition to their high problem recognition, when they perceive a high connection to the problem and feel there are few obstacles to doing something about the situation, their motivation to resolve problems reaches a high level. A high situational motivation triggers active communication behaviors (i.e., complaining or negative WOM) to resolve their problems.

In line with Kim and Grunig's (2011) situational theory of problem solving, we argue that consumers' complaining and negative WOM are regarded as ways of problem solving upon encountering an organization's service failure. "A problem is a problem when the consumer feels it is a problem" (Diamond, Ward & Faber, 1976, p. 58). Kim and Grunig (2011) believe that "most human behavior is motivated by problem solving" (p. 123).

Complaining and negative WOM communication can be explained by Kim, Grunig, and Ni's (2010) theory of communicative action in problem solving (CAPS). If the theory of CAPS is applied, consumers' complaining behaviors and WOM communication is seen as dynamics of active information behaviors: information seeking, forefending, and forwarding when consumers are highly motivated in problem solving. Dissatisfied consumers actively seek information pertaining to the problems that they encounter (information seeking). While looking for information, they become very selective about the relevancy and value of the information because they cannot keep all the information available (information forefending).

When they learn that they cannot resolve the problems after they have tried all possible solutions (e.g., they cannot get a refund), they become very upset. At this stage, even though no one solicits information sharing of their bad experience with a specific brand, they are likely to engage in WOM communication very actively, not only within their social networks but also with potential consumers of the product (information forwarding). Hence people who participate in negative WOM are not only involved in advice seeking but also in experience sharing and advice giving. When all these active communicative actions are conducted in virtual space, they can be considered a "cybercoping process," wherein which people "seek, forward, share, and forefend information for the purpose of problem solving" (Kim & Ni, 2010, p. 46).

The Social Network and the Changed Landscape of WOM

The nature and effect of consumers' negative WOM can be interpreted differently when considering the impact of digital technologies and new media. Many consumer research scholars have assumed that consumers who engage in negative WOM do not intend to contact the seller or provider directly (Day & Landon, 1977; Richins, 1983; Singh, 1988); hence, it has been

considered an individual's private action. However, Boote (1998) suggests that negative WOM can also be also public: "Negative word-of-mouth is often private in first instance—where the dissatisfaction is communicated just to close family relations and to friends. However, if the redress is not considered just, then negative word-of-mouth may become public – for example, by writing to a newspaper" (p. 145).

It becomes difficult to distinguish whether negative WOM is private or public action in today's digitalized society. With the advances of information technology and the emergence of social network sites, negative WOM does not remain only within the dissatisfied consumer's limited social boundaries. Web 2.0 has dramatically changed the way information is transmitted among individuals and transcended the traditional effects of WOM (Laroche et al., 2005). Equipped with interactive and flexible platforms, social media enables not only easy and fast production, sharing, and diffusion of various contents among people online, but also collective actions on the Web (Shirky, 2008; Tapscott, 2009) such as group commitment and the promotion of boycotting specific brands in antibrand communities.

Because forwarding and retweeting have no limits to the extent they can travel, these may make WOM more influential than ever. "Online word-of-mouth (WOM) can reach limitless individuals making it a far more powerful weapon against companies than traditional WOM, which is likely to only reach a small number of friends or family" (Kucuk, 2008, p. 6). Mass media are also looking for interesting subjects discussed on Facebook or Twitter, such as negative WOM about specific brands. Sharing bad experiences of specific products or services with personal networks easily becomes public in this social media environment. Even worse, negative WOM about products or services may evolve into crises for corporations, depending on the situation and on management's responses.

Strategic Organization-Consumer Relationships and Reputation Management

The impact of WOM communication is becoming even more significant. The Technical Assistance Research Program (TARP, 1981) found that dissatisfied consumers told nine others about their negative experience with a product or service. In addition, according to Ketchum, a major U.S. public relations firm, when making decisions about products or services consumers regard advice from family, friends, and people they know and trust as the most influential factor (Ketchum Perspectives, 2009). Ketchum's 2008 Media Myth & Realities survey shows that 47% of U.S. consumers listened to the advice of family and friends, and 30% of consumers to their coworkers. The survey reports that the reliance on WOM from both sources is increasing. Because consumers are more likely to believe information from their interpersonal channels, Ketchum's survey suggests that organizations can benefit from tapping into the WOM network.

How can the impact of WOM be interpreted in the context of organization-consumer relationships and organizational outcome? When consumers empowered by digital technologies are engaged in active communication behaviors (e.g., negative WOM) about an organization, the impact of their actions on the organization may be substantial, but the impact can be either positive or negative contingent on the relationships that the company has with consumers.

One study by Kim and Rhee (2011) has an important implication for this research. Kim and Rhee (2011) argue that if employees have experienced good-quality and long-term relationships

with their organization they are likely to forward and share supportive information about their organization during a crisis. In contrast, if employees have experienced poor-quality relationships, they are more likely to engage in forwarding and sharing of negative information about their companies to external constituencies. In the context of the organization-consumer relationship, we argue that consumers who have a good relationship with an organization are more likely to share and forward supportive information via their interpersonal channels if they have had a favorable experience (positive WOM), and consumers who have a bad relationship with an organization are more likely to share and forward negative information about the organization if they have had an unfavorable experience with the company or the company's products and services (negative WOM). Similarly, Hong and Yang's (2009) study argues that relational satisfaction predicts positive WOM intentions.

An organization's reputation is a product of organization-public relationships (Grunig & Hung, 2002; Grunig & Kim, 2011). In a nutshell, if an organization fails to establish a good relationship with its key stakeholders, including customers, it is unlikely that the organization will have a good reputation. Grunig and Hung (2002) also suggest that an organization's relationship with its key stakeholders comes partially from the organization's policies and/or policymaking processes that ultimately address the concerns of its stakeholders.

For instance, an unhappy group of stakeholders may be willing to go the extra mile (e.g., hold a press conference; negative WOM) if the company does not adequately deal with its concerns; consequently, the company's reputation may be damaged. However, if the company promptly deals with stakeholders' concerns via a strategic management of public relations, the issue will be resolved; consequently, no further damage to the company's reputation will occur. Consumers' complaints should thus be considered to be the result of failed strategic decisions and also lack of strategic management of public relations. It is therefore necessary for an organization to review its strategic management process, including its strategic public relations management, if it wants to resolve conflicts with consumers and maintain quality relationships with them. In particular, the organization needs to deal with any crisis, e.g., a service failure and unhappy customers who have had a bad experience.

Grunig and Hung (2002) propose a reputational relationship and an experiential relationship. When publics are directly involved with an organization, e.g., have purchased a product, they are considered to have an experiential relationship with an organization. When they are not directly involved with an organization they have a reputational relationship with the organization based on what they hear from other people or media. If consumers are dissatisfied with an organization (experiential relationship), they are likely to be engaged in negative communication behaviors about the organization—negative WOM communication.

In contrast, consumers who only have a reputational relationship are less likely to engage in negative WOM communication about the organization. Their study indicates that an organization should pay more attention to the issues of publics who have experiential relationships with the organization. Grunig and Kim (2011) also emphasize the identification and management of experiential relationship holders and their issues to influence corporate brand or reputation.

This study proposes that the strategic management of public relations should serve as a guiding principle for consumer complaint management. Not only does it help an organization maintain a favorable reputation among consumers, but it also makes an organization perform better by addressing key consumer issues. The strategic management of public relations aims to provide publics with a voice in management decisions and to bridge gaps in interests and stances

on problems between an organization and its environment by communicating proactively (Kim & Ni, 2010).

RESEARCH QUESTIONS AND PROPOSITIONS

Based on the literature review, we believe that consumers' positive or negative attitude toward an organization can be shaped by: 1) a direct experiential relationship with the organization; 2) experienced service failures; and, 3) a strategic management of public relations. Although the direct effect of online WOM on the consumers' attitude toward an organization may be substantial, the organization's approach to WOM, e.g., a strategic management of public relations, can play a significant role in influencing the consumers' attitude as well, and ultimately in the company's overall business performance. This study therefore brings the following research questions:

The major research question is:

RQ1: What are the antecedents of a positive organization-consumer relationship?

To answer this question, we must address the following research questions.

RQ2: What is the nature of online WOM communication among consumers of companies with different levels of performance?

RQ3: How does the strategic management of public relations differ between a high-performing company and a low-performing company, particularly in dealing with consumers' negative WOM?

Based on the literature review and our research questions, the following propositions are developed. First we understand that service failures as a main originator for negative WOM and the degree of service failures are subject matters for each individual and also depend on the idiosyncratic situations customers face. Therefore, counterintuitively, we expect to see as many negative WOMs for a high-performing company as a low-performing company.

P1: Negative WOMs are initiated by customers of both high-performing companies and low-performing companies.

Second, we believe consumers who have a bad relationship with an organization are more likely to share and forward negative information about the organization (negative WOM) if they have had an unfavorable experience with the company or the company's products and services. In addition, the advance of new media makes it easy to share information. We therefore expect to see that consumers' negative WOM behaviors will show active negative "information sharing" and "forwarding" above and beyond "information seeking."

P2: Information sharing and forwarding is more likely to be salient among negative WOM behaviors.

Next, even though we do not foresee any major differences in terms of the frequency and total amount of negative WOMs regarding different companies with different performance levels, we do expect a different strategic management of public relations from different companies with different performance levels. In fact, we regard this as a differentiator for the level of performance.

P3: A high-performing company is more likely to take a proactive approach to consumer complaints, and a low-performing company is more likely to take a defensive approach to consumer complaints.

METHODS

This study explores the processes of negative WOM online spaces and focal companies' rectification efforts, e.g., strategic management of public relations, regarding negative WOMs. For this purpose, this study uses a case study methodology. There are several rationales for the case study methodology. First, this study is explorative in nature, particularly in understanding a company's specific but dynamic process for dealing with negative WOMs. Second, the method has a methodological match with our research questions, e.g., "why" and "how" questions (Yin, 2009), as stated in the previous sections. Furthermore, all online WOMs, such as posting complaints and follow-up comments to the posted complains, are externally originated events from the perspective of focal companies. To a great extent, they are dynamic in nature and not a subject that can be easily decomposed for further analyses (Lee, 1999; Yin, 2009).

The unit of analysis for this study has two different tiers. Because of the complexity involved in the contexts of online WOMs and the multiple dimensions of our research questions (the nature of WOMs and companies' different processes for dealing with negative online WOMs), the unit of analysis for this study is somewhat less straightforward. For the first and second propositions, the unit of analysis is an online posting (either negative or positive online postings), and for the third research proposition the unit of analysis is a company.

Case Studies

For this study we selected two companies in the video tape rental industry (SIC of 7841). We focused on a single industry because we wanted to secure a homogenous research environment in which we could more keenly and directly observe the dynamic nature of customers' behaviors and reactions, and also because a single industry setting has less chance of having potential compounding effects. Furthermore, the video tape rental industry has two obvious national-level competitors, so the industry structure could provide advantages in observing the variance of phenomenon in a relatively simple research design. The two video rental companies selected for this case study are BRMT and NEON. Pseudonyms are used for these company names.

Case Background

Google.com was used to find WOM examples for each company. Keywords used were "ilove+ corporation name," "ihate+ corporation name," "anti- + corporation name," and "corporation name." The results led to one Web site, www.pissedconsumer.com, where consumer complaints for both companies can be observed. We selected postings from the three most recent years (2008–2011), as of May 2011. After reading all postings we categorized

them into eight categories: business policy, customer service, product/service error, charging, advertising/marketing, movie selection/editing/organizing, service operation, and others ("others" includes misunderstandings and employment issues).

With a similar rationale, we categorized comments to postings into agreement, disagreement, advice giving, experience sharing, flaming, comments from employees, and others ("others" includes responses from a poster, questions, influenced by postings, and not relevant to postings). Frequency was counted for both complaint postings and comments. For company performance, simple financial and market performance indices, such as EPS, Market Cap, and stock prices were reviewed.

In addition, the search results from google.com showed one antibrand community against BRMT, four favorable Web sites for NEON, one discussion group site for NEON complaints at Yahoo, seven comparison/review Web sites for different video/DVD rental service companies, and each company's Web site. NEON has three Web sites including blogs. One antibrand community Web site against BRMT was reviewed (2008–2011) to see whether the nature and patterns of negative WOM behaviors are similar to those at www.pissedconsumers.com. To analyze each company's consumer complaint management and communication strategy, we reviewed their official blogs and Facebook sites.

Case Coding

Before coding postings and comments, a workshop was held to explain coding schemes to two independent coders. Three page examples were given to help coders understand how coding schemes apply to cases. Each person coded postings and comments according to the schemes. Interrater reliability from two independent coders was 88.3 percent. To identify the reasons for disagreements from two coders, two coders compared and discussed l items they disagreed on one by one. After serious discussions, agreements were reached and total number of postings and comments per coding scheme were recounted based on their consensus. In this study the numbers for postings and comments used are based on the final agreed-on results. In addition, once two coders were in full agreement, this study decided to have one coder for one anticommunity Web site against BRMT.

RESULTS

BRMT

A total of 39 postings of complaints on pissedconsumer.com were analyzed (Table 1). The most highly reported issue was "customer services" (13 postings, 33.3% of total complaints). Many cases indicated that BMRT's employees were rude and unresponsive. The majority had the impression that BRMT's employees did not want to fully engage with customers. One complainant warned, "Do not trust anything BRMT employees tell you." They even called BMRT's customer representatives liars. Consumers complained that BRMT's customer service representatives never returned calls or reply to email inquiries. The second-highest issue was "charging" (12 postings, 30.8% of total complaints). Complainants were upset with late fees, continuing

TABLE 1
Number of Postings at pisssedconsumers.com (2008–2011)

	BRMT	NEON
Charging	12	6
Customer Service	13	4
Marketing	0	12
Movie Selection/Editing/Organization	0	13
Product/Service error	7	11
Policy	3	3
Service Operation	2	10
Others	2	6
Total	39	65

TABLE 2
Number of Comments to Postings at pisssedconsumers.com
(2008–2011)

	BRMT	NEON
Advice	16	32
Agreement	4	17
Comments from employees	12	0
Comments from previous employees	2	0
Disagreement	9	33
Flaming	4	0
Sharing	28	49
Others	9	15
Total	84	146

charges after cancellation of membership, free-trial offer charges, and other unknown charging. Other reports included product/service errors (7 postings), policies (3 postings), service operations (2 postings), and others (2 postings).

Replies (comments) to complaint postings were studied to explore how negative WOMs develop among consumers (Table 2). There were a total of 84 comments to complaints posted against BRMT. While there were comments that showed agreement (4), shared similar experiences (28), flaming (4), advice (14), and others (9), only 9 comments disagreed with the complaint postings. After summing the number of comments on simple agreement (4 comments) and sharing similar experiences (28 comments) a total of 32 comments (38.1%) were against BMRT. Results show that the majority of people who replied to the complaints were sharing similar experiences or providing advice to prevent other people from having further trouble with BMRT, e.g., how to stop BRMT from charging their credit cards. Some BRMT users shared their experiences with BRMT's customer service, such as not following up calls or emails or even some extreme cases of hanging up if a customer asked to speak to a supervisor or declined to provide their contact information and name.

At the anti-BRMT community ihatebrmt.com, the patterns of postings were similar to those on pissedconsumers.com (Table 3). Among a total of 29 postings, "charging" was the most highly

TABLE 3
Number of Postings at ihatebrmt.com (2008–2011)

	Number of Postings	Ranks
Charging	7	1
Customer Service	6	2
Marketing	1	7
Movie Selection/Editing/Organization	0	8
Product/Service error	5	3
Policy	3	5
Service Operation	4	4
Others	3	5
Total	29	

reported case (7, 24.1%). The second-highest issue was "customer service" (6, 20.7%); other postings included "product/service errors" (5, 17.2%), "service operation" (4, 13.8%), "policies" (2, 6.9%), "marketing" (1, 3.4%), "movie" (1, 3.4%) and "others" (4, 13.8%). However, the patterns of comments to complaining postings were somewhat different from those at pissedconsumers.com. While there was no way to determine how many actual employees were participating in the antibrand community, there were 127 postings from employees among the 255 total comments at the ihatebrmt forum (49.8 percent) for the past three years (2008–2011). This indirectly implies that BMRT may involve this community as a gateway for communicating with its consumers.

The interactions of anticommunity participants yielded several information behaviors (Table 4): "disagreement" with a poster (34, 13.3%)[1], "disagreement" with repliers (21, 8.24%), "agreement" with a poster(25, 9.8%), "agreement" with repliers (17, 6.7%), "advice giving" (71, 27.8%), "experience sharing" (7, 2.8%), "question" (5, 1.9%), "flaming" (21, 8.2%), "response from original poster (8, 3.1%), and "not relevant to postings" (46, 18.04%). Regardless of participant type, "advice" was the most salient type of comment. Interestingly, 71.8% of advice was telling BMRT users what to do and what to avoid for a better experience with BMRT. Only 9.9% of the advice was negative information for exit. In a significantly different pattern, pissedconsumers.com had a low percentage of sharing (7, 2.8%). Slightly more flaming comments were observed in this anticommunity, (21, 8.24%), compared to pissedconsumers.com (4, 4.8%).

In terms of communication channels for consumers, BMRT provides a variety of channels including a phone number, email address, chatting, blog, Twitter, and Facebook. However, BMRT uses its blog mainly to introduce top rentals, movies of the week, games, and television shows. People can participate in three simple ways: leave a comment, share postings, and click Facebook's "Like" button. There was no actual space for consumers to discuss issues related to BMRT. However, its Facebook has a discussion board where 228 topics have been discussed by Facebook users (2009–2011): 144,076 people liked BMRT's Facebook page and 9,919 have followed its Twitter so far. Based on our performance measure, we regard BMRT as a relatively low-performing company as of May 2011.

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[1]The relatively high percentile for this category may come from BMRT employees' comments.

TABLE 4
Number of Comments to Postings at ihatebrmt.com (2008–2011)

	From BRMT Employees	From Previous BRMT Employees	From Others	Total
Advice	44	12	15	71
a) Advice to help users have a better experience at BRMT	34	7	10	51
b) Advice to discourage users from using BRMT	2	1	4	7
c) Advice (neutral)	8	4	1	13
Agreement	25	6	11	42
a) Agreement with a poster	15	2	8	25
b) Agreement with repliers	10	4	3	17
Disagreement	32	9	14	55
a) Disagreement with a poster	19	6	9	34
b) Disagreement with repliers	13	3	5	21
Flaming	4	3	14	21
Question	2	0	3	5
Sharing	3	2	2	7
Response from a poster	0	0	8	8
Others	17	10	19	46
Total	127	42	86	255

NEON

Pissedconsumer.com had a total of 65 complaint postings against NEON from 2008 to 2011 (Table 1). Looking at these complaints in detail, the most complaints were related to the issue of "movie selection/edit/organization: (13 postings, 20% of total complaints), followed by "marketing" issues (12 postings, 18.5%). People complained about NEON's movie selection because they thought NEON did not have a wide enough variety of movies. They also believed that NEON did not offer services as advertised. They often found that they were charged after they signed up for a one-month free trial because they were not eligible for the free trial. They were frustrated because NEON did not offer a refund for that. Some consumers were not happy with the way NEON advertises such as via its television commercials.

Others were offended by NEON's 3% credit offer to compensate for service errors (Table 1). Some consumers argued that NEON falsely advertised its services when its streaming service did not meet their expectations. The third-highest category of complaints was "product/service errors" (11 postings, 16.9%). Because NEON delivers DVDs or discs to customers via USPS, customers often found the delivered DVDs or discs were unusable or broken. People complained that NEON does not check the status of discs before sending them to its customers. In addition, when they watched NEON streaming videos, they often experienced annoying pauses. People were also unhappy when they had to wait more than a month for new movies (10 postings, 15.4%). Other complaints included "charging" (6 postings, 9.2%), "customer service" (4 postings, 6.2%), "policies: (3 postings, 4.6%), and "others" (6 postings, 9.2%).

The interaction between complainants indicates that not only did unhappy consumers visit pissedconsumer.com, but NEON's fans or potential consumers also browsed the Web site to

learn what others thought about NEON (Table 2). There were a total of 146 comments to the complaints against NEON. Complainants and other NEON users made WOMs by "sharing" each other's bad experiences with NEON (49, 33.6% of total comments) or "agreeing" with complainants (17, 11.6% of total comments). However, many people argued in favor of NEON (33, 22.6% of total comments).

There is no anticommunity Web site against NEON. However, there are a few Web sites that are favorable to NEON, including hackingneon.com, Neonfan, Neonholic, and Neonreview.com. Hackingneon.com is the most active fan site; it not only provides NEON news and announcements, but also engages people in discussions on sensitive consumer issues. Even though the Web site discusses other video rental companies as well, the blog owner claimed that he still leans toward NEON.

To communicate with consumers, NEON has been utilizing a company blog, a tech blog, Twitter, and Facebook. NEON's Twitter is followed by 73,115 people and 1,197, 281 people liked NEON's Facebook page. A total of 2,486 topics have been discussed on its Facebook page (2008–2011). NEON participates in discussions on its key customer issues, such as "question about free trial" and "watch instantly unavailable" using its discussion board. Noticeably, its official blog is run by a team of NEON executives. The blog allows users to tweet or comment to NEON executives' postings, or to leave comments.

A total of 136 postings have been uploaded since 2008. Using the blog, NEON informs people about NEON news, asking people's opinions, promoting new features of its services, and addressing issues related to its services. When the same coding scheme was applied to this blog, a total of 65 postings were related to "service operation." Service operation issues include NEON's launch on a variety of platforms, movie players, shipping, and Web site features.

The next most mentioned topic was "movie selection/organization" (18), followed by "product/service errors" (17). Other topics discussed on the blog include "marketing" (17), "charging" (3), "customer service" (2), and "others" (14). NEON tries to address several consumer issues on its blog. When the company encountered Web site errors or shipping delays, the executive in charge reported the errors and their specific action plans and updated their progress. NEON uses its official blog for announcements on many other occasions; however, it obviously engages in two-way communication between the organization and its consumers.

NEON demonstrates that it listens to customers and values consumers' opinions. For example, when NEON announced that it would terminate the profile feature from its service (June 19, 2008), the product manager received many responses from users who wanted to keep the feature. The product manager reviewed this feedback and then announced that the company would keep the feature (June 30, 2008). "We were persuaded by the well-reasoned, sincere responses of loyal members who very much value this feature. . . . Listening to our members, we realized that users of this feature often describe it as an essential part of their NEON experience. Simplicity is only one virtue and it can certainly be outweighed by utility. . . . We apologize for any inconvenience the previous announcement caused." We regard NEON as a relatively high-performing company based on our performance measures, as of May 2011.

Findings

Although both companies had many negative WOMs in terms of posting and comments online, one of the interesting contrasts between the two companies was the number of complaints pertaining to "customer service." While BRMT customers had many WOMs on customer service,

such as the rudeness or unprofessional attitudes of employees, there were fewer complaints about customer service among NEON complainants.

Instead, NEON consumers were dissatisfied when their expectations with what NEON offered or promised to offer were not met. The majority of complaints addressed NEON's service quality, such as broken discs, a service delay due to lack of available copies, and movie selection. This result partially comes from the fact that NEON is an online company, so there is less chance for customers to directly engage with NEON employees. However, this is not the only reason because there are many other channels for communication, e.g., emails, phone calls, online chatting, and so on.

Both cases showed that negative WOM can be formed via "agreement," "experience sharing," and "giving advice" among brand users, potential users, employees, and previous employees. "Sharing" was predominant among the various categories of complaints. While negative WOM cannot be directly stopped by companies, companies still have much discretion on how to approach and handle consumer complaints. As illustrated in the previous case description, the approach of each company was different. While NEON has been proactive in communicating with consumers, addressing consumer issues by participating in discussions, and involving NEON executives in its communication efforts, BRMT has used the new media mostly to promote its new video rentals. In addition, even though BRMT employees actively participated in an antibrand community to offer advice to unhappy consumers their actions were mostly defensive, aimed at protecting their company from criticism.

DISCUSSION

This study has several implications. First, while previous consumer research considers negative WOM to be a consumer's private complaining behavior, this research extends the meaning of WOM to a consumer's public communication behavior. The advances of new information technologies and consumers' various communicative behaviors with capabilities helped by social media allow WOMs to travel beyond personal networks. The case study shows that consumers' online WOMs can engage customers, employees, previous employees, and even potential customers.

Second, this study attempts to explore how negative WOM is formed via consumers' communication behaviors. By categorizing replies to complaint postings in an online consumer complaint forum and in an antibrand community, this study identifies specific patterns of WOM behaviors. This research shows that negative WOMs among consumers are formed by interactions of agreement, disagreement, experience sharing, and advice giving. Despite the fact that we identified a few cases of flaming and comments from employees, they were not dominant among all WOM behaviors. However, in an antibrand community Web site targeting a low-performing company, flaming was more noticeable than in the online consumer complaint forum. In addition, WOM behaviors among antibrand community participants were more complicated than in an online consumer complaint forum. People disagreed or agreed not only with the posters but also with repliers in the antibrand community, yet participants in the consumer complaint forum were focusing their comments on complaining postings.

Third, we discovered that information sharing is predominant among negative WOM behaviors. This indicates that online antibrand communities or consumer complaint forums can be a

"resource hub, a central place for information sharing" (Hollenbeck & Zinkhan, 2006, p. 481). People who participated in an online consumers' complaining forum not only actively shared their experiences but also gave advice to help other participants in the forum.

Based on this finding, we believe Sundaram, Mitra, and Webster's (1998) altruism (for both positive and negative WOMs) can be reconceptualized as advice giving. They viewed advice seeking as one of the motives for WOM communication. However, we found that people participate in online complaining forums to share their experiences and give advice either in support of a company or to prevent others from having bad experiences with the company. Therefore WOMs go beyond simple advice seeking. Consumers who engage in negative WOMs are not just information consumers, they are information creators and sharers.

Fourth, this study identified differences in companies' complaint management strategies by using a case study method. Specifically, this research looked at companies' use of online communication channels to address consumer complaints. New communication technologies not only change the effect and nature of WOMs among consumers, but also influence companies' communication strategies for dealing with consumers' WOMs. The case study indicates that companies can proactively approach consumers' complaints and negative WOMs by utilizing a variety of online media. In other words, it shows how companies can utilize a strategic management of public relations in today's digitalized society. By conducting online monitoring, companies can identify where unhappy consumers gather to complain and what key issues they have with those companies. In the NEON case, the company addresses the key consumer issues by engaging NEON executives and a variety of teams in its communicative efforts and by participating in discussions on Facebook. In this way, NEON not only demonstrates that it has attempted to identify key issues but also that it is ready to talk with consumers about those issues in order to correct them.

While the above findings contribute to the body of knowledge in this field, this research has constraints on generalizing the findings. First, it is an explorative study that aims to browse the dynamics of negative WOMs without controlling possible exogenous variables. Therefore the findings should be understood for explorative purposes only. Second, it is a case study within one industry and did not include any cases from outside of the focal industry. For this reason, extra caution must be used in applying these findings to other industry contexts.

Consumers are one of the most important stakeholder groups that affect an organization's outcomes. When the organization does not fully consider its key stakeholders in its decision making, the stakeholders affected by its decision become vocal about their issues with the organization. The Internet plays a significant role in the formation of antibrand communities and the spread of negative WOM communication among consumers and other public online. Consumer activism also affects the perceptions of potential consumers about the organization. Not only do unhappy consumers who experience service failures participate in antibrand communities, but potential consumers also visit those communities to learn more about the brand before purchasing or contracting. After reading negative comments about a specific brand, those potential consumers may switch their business transactions to others.

However, consumer activism can be seen as a strategic opportunity for organizations. The NEON case clearly showed how a company can tap into consumer complaints to satisfy both the company and its consumers. If the organization listens to and addresses consumers' concerns and problems, the company can improve its performance, which helps satisfy its key publics, improves relations with them, and achieves organizational effectiveness in the long

run (L. Grunig et al., 1992). This is what we call a strategic management of public relations (L. Grunig, J. Grunig, & D. Dozier, 2002; J. Grunig, 2006; Kim, Bach, & Clelland, 2007). Consumerism is ultimately beneficial for both consumers and businesses because it helps to seek solutions and ensures long-term value for consumers (Kotler, 1972). As discussed in this study, a strategic management of public relations plays a key role in building and maintaining favorable organization-consumer relationships and consumers' positive attitude toward an organization.

A strategic management of public relations can help management teams assess the external and internal environment and respond to them appropriately. Specifically, public relations should 1) identify what groups are critical, 2) learn the publics' needs and wants in relation to the organization's decisions, actions, and policies, 3) incorporate such information into the decision-making process, and 4) manage communication programs to increase understanding between management and its strategic publics.

Public relations practitioners should advise top managers of the organization on what consumers view as responsible and irresponsible before the dominant coalition makes decisions on policies or programs. By providing the management team with valuable information from stakeholders and publics in the environment, public relations can help management make more responsible decisions and choose behaviors that result in better relationships with publics (Kim & Ni, 2010) and a strong brand and reputation (Grunig & Kim, 2011).

If public relations contribute to a quality relationship with publics via effective communication, it helps an organization fulfill its responsibility to publics. When public relations are strategically managed, it contributes to organizational effectiveness in the long run. Building and maintaining good relationships with these strategic publics maximizes the organization's ability to achieve its goals (L. Grunig, J. E. Grunig, & D. Dozier, 2002).

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