

Chapter 5.6

Consumer Complaint Behavior in the Online Environment

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ABSTRACT

The emergence of the Internet and its communication capabilities have changed the way consumers communicate their negative experiences with products and services. This chapter offers a comprehensive assessment of the Internet as a viable complaint communication channel and details its related threats and opportunities. An integrated conceptual model of consumer complaint behavior is proposed. It is suggested that an in-depth understanding of the psychological mechanisms that underlie consumer complaint behavior and the characteristics of online communication as well as the characteristics of the business may be essential in taking advantage of the Internet as a complaint communication channel. Managerial implications and recommendations for practical implementation are also suggested.

INTRODUCTION

Consumer complaint behavior (CCB) is usually defined as a set of all behavioral and non-behavioral responses which involve communicating something negative regarding a purchase episode and is triggered by perceived dissatisfaction with that episode (Singh & Howell, 1985). As such, CCB has generally been viewed as falling into one of a set of consumer responses: voice responses (e.g., seeking redress from seller), private responses (e.g., word-of-mouth communication or exit), and third-party response (e.g., reporting to a consumer agency or taking legal action against the firm) (Singh, 1990a).

The emergence of the Internet and its communication capabilities has changed the way consumers communicate their negative experiences with products and services. Before the Internet, the name of the game was one-to-one communication between the consumer and the

business. Most of the previous research in CCB literature therefore sought to identify factors that led dissatisfied consumers to exit silently rather than to voice their complaints. With the Internet, however, the game is now played out in the open and on a broader communication continuum (Widdows, 2001).

Through the Internet, for the first time in human history, consumers can make their thoughts, feelings, and viewpoints on products and services easily accessible to the global community of Internet users. The Internet becomes a sort of super-megaphone, giving any individual's word-of-mouth (WOM) the kind of reach way beyond anything previously possible (Solovy, 2000). Many online retailers even encourage consumers to post their reviews of products and services (e.g., www.epinion.com, www.elance.com). These "published" opinions are actively sought out by other consumers with the goals of specific information input to purchase decision, the desire for support and community, and, perhaps, some degree of entertainment motives (Schindler & Bickart, 2002). Furthermore, the online feedback has worked as a viable mechanism for building trust in electronic markets, which is otherwise a very risky trading environment (Dellarocas, 2003).

Given the increase of Internet usage and the potential damage that negative WOM information posted on the Web can do to the bottom line, companies have worked hard to integrate online communication into their consumer service function (Strauss & Hill, 2001). A cursory examination of company Web sites indicates the significant presence of interactive capabilities for consumers to send in comments and complaints. Cross-media promotion such as an e-mail or Web site address printed on product packages with an 800 number under the line of "comments or complaints?" is also very common these days.

Clearly, developing Web sites with all the bells and whistles of interactive functions is not a difficult task for companies these days. The challenges that face today's business, however, are how to

engage consumers in a one-to-one relationship so that dissatisfied consumers will make use of the company's Web sites to voice their dissatisfaction. This will require an in-depth understanding of the psychological mechanisms that underlie CCB. The purpose of this chapter is to provide a comprehensive assessment of the Internet as a viable complaint communication channel. An integrated conceptual model of CCB that describes the psychological processes consumers with a dissatisfying marketplace experience go through is provided. Based on this conceptual model, an assessment of online technology as a complaint communication channel and its related threats and opportunities are laid out. Finally, managerial implications and recommendations for practical implementation are suggested.

INTEGRATED CONCEPTUAL MODEL OF CCB

Past Research on CCB

In one of the earlier attempts to conceptualize CCB, perceived consumer dissatisfaction (CD) was posited as a significant predictor of CCB (Bearden & Teel, 1983). CD was said to result from a combination of the discrepancy between expectations and performance and the importance of this discrepancy to the consumer (Landon, 1977). Although it appears intuitively obvious that the more dissatisfied consumers are the more they would engage in complaint behaviors, empirical studies conducted thus far suggest that this relationship is not particularly strong (Singh & Pandya, 1991). In fact, CD could explain no more than 20 percent of the variance in CCB (Bearden & Teel, 1983; Oliver, 1986).

Given that dissatisfaction is a sufficient but not a necessary precursor to complaining, Kowalski (1996) argued that a distinction should be made between people's thresholds for experiencing and expressing dissatisfaction. Experiencing dissatis-

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