

Chapter 8

When Consumers' Complaints Fall Into Public Domain: Negative e-WOM on Social Media

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ABSTRACT

Despite previous studies having revealed that the content created by users in social media is predominantly positive, recent studies have challenged this understanding revealing by means of sentiment analysis the predominance of negative and neutral brand related content. The current chapter focuses on the new hybrid form of negative e-WOM in which individual's complaints are directed at firms, which were originally limited to the domain of offline customer care teams. Thus, previous studies are reviewed from the area of crisis management and service recovery strategies with the intent to offer a relevant scope of theoretical propositions that may be considered by managers and researchers while preparing response strategies to deal with this new hybrid form of negative e-WOM. In total, eight theoretical propositions are presented and organized in three groups of guidelines associated to responses' format, content, and context with fait-holders and hate-holders being considered as part of the negative e-WOM rhetoric.

INTRODUCTION

Although previous studies have revealed that the content created by users in social media is predominantly positive, with users advocating in favor of brands (Chevalier & Mayzlin, 2006; Smith et al., 2012), recent studies have challenged this understanding (Liu, Burns, & Huu, 2017) revealing by means of sentiment analysis the predominance of negative and neutral brand related content. As described by the authors (Liu, Burns, & Huu, 2017, p. 245) 'unhappy customers are almost three times more likely to tweet about their grievances than happy customers are to compliment the strengths and merits of the brands (...).' These new findings bring to the spotlight the increasing use of social media as a communication channel to vent one's bad experience with a product or service.

Differently from traditional contexts -where customers react to unpleasant consumption experiences by means of complaining directly to the organization that caused the dissatisfaction (Hirschman, 1970), in social media the complaints are socialized with others in firms' brand pages. As such, while posting consumers are not only complaining to the organization and voicing their intentions, but also sharing their negative experiences with other members of the community and potentially initiating a reputation crisis (Coombs & Holladay, 2012; Van Laer & De Ruyter, 2010; Van Noort & Willemsen, 2012).

This new hybrid form of negative eWOM combines characteristics from the area of customer satisfaction with others that are typically dealt with in the context of reputation management (Van Noort et al., 2014) and challenges firms to develop adapted strategies. Despite the relevance of the topic, studies conciliating this hybrid views are not yet available. The current book chapter addresses this opportunity envisioning to aggregate guidelines and orienting principles from previous studies in the area of service recovery and crisis management. The main contribution of the current study is to offer a broad scope of theoretical propositions that may be considered by managers and researchers while preparing adequate response strategies. In order to address this objective, the authors have compiled a relevant scope of studies focused on exploring the perspective of service recovery and crisis management regarding recommended response strategies.

BACKGROUND

Negative Electronic Word-Of-Mouth (Negative e-WOM) in Brief

Word-of-mouth consists on an oral, informal, person-to-person non-commercially intended communication established between a sender and a receiver, regarding a brand, a product, an organization, or a service. (Higie, Feick, & Price, 1987; Katz & Lazarsfeld, 1995; Arntd, 1967).

With the development of social media, WOM has evolved with the electronic word-of-mouth (eWOM) gaining magnitude as consumers started using the internet to create brand related information and share with others. (eWOM) (Coombs, 2015; Blazevic et al., 2013; Hennig-Thurau et al, 2004). EWOM affects brands in many different metrics such as, product sales, brand evaluations, purchase intentions and firm value (Chevalier & Mayzlin, 2006; Trusov et al., 2009; Sridhar & Srinivasan, 2012; Jalivand et al., 2011). Various characteristics are responsible for driving these results, namely *i) the enhanced volume of conversations* which are able to reach more consumers in a short period of time; *ii) the higher coverage of effect* as eWOM may be distributed across multiple platforms; *iii) its persistence and observability* as after being upload in the web, it usually stays there accessible to everyone; *iv) its anonymity*, with

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