

## **The Effect Of Consumer Complaints On Company's Reaction To Social Media: A Study Of Twitter**

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**ABSTRACT:** This investigation examined the effect of consumer complaints on company's reaction of social media using Twitter as a case study. Primary source of data was employed which was sourced and distributed to people living in Lagos Nigeria where 176 reports were successfully returned and used for the analysis. The study employed descriptive analysis, reliability test, crosstabs test, correlation test and regression analysis were employed as the techniques. From the analysis, it was found that not all companies use Twitter to communicate to customer though customers prefer using social media to complaint about the quality of a product. It was proved that most of the time, complaints always take long duration before it is attended to, some companies do not accept social media complaints from their customer and responses are not always sincere. It was concluded that company product complaint exhibited a positive influence on company reaction but it is not significant, consumer price complaint indicated a positive but insignificant influence on company reaction, consumer service complaint showed a positive impact of consumer service complaint on company reaction with no significant, and consumer quality complaint showed a negative impact exists from consumer quality consumer to company reaction.

**Keywords:** Customer Complaint, Company Reaction, Service Complaint, quality and Product.

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### **I. INTRODUCTION**

Consumers share experiences and evaluate products on a wide variety of commercial challenges via product review websites, forums, newsgroups, instant messaging, blogs and virtual communities (Lovett, Peres, & Shachar, 2013; Punj, 2013; Fang, 2014; & Hornik, Satchi, Cesareo & Pastore, 2015). The widespread of internet has changed the ways in which marketing communication operates from businesses to consumers (Campbell *et al.*, 2011). Social media conversations between businesses and consumers could stimulate consumer buying behavior due to easy accessibility of these messages. Products produced are main aimed to satisfy the final consumer but in some cases some of the products are not met as expected. This makes many consumers worried and mostly react via available channels. The aspect of customer complaints and how firms handle these complaints have awakened universally. Various elements have made it essential for businesses to concentrate on effectively settling client complaints. Numerous businesses perceive that complaints show means to cure product related issues and impact consequently on client conduct.

Complaint handling entails a key task in the management of customer and obviously situations complaint management is an imperative tactical instrument for businesses of all kinds. Identifying the worth of client complaints for refining the business's products increases long-term between organization and customer. Well management complaints upsurge the chance of improved client fulfilment and consequently replicate backing conduct whereas lessening negative word-of-mouth. Then again, when complaint is much, there is a high danger of losing even clients who have been fulfilled before (Homburg & Furst, 2005). At the point when consumers take part in broad daylight complaining exercises, they hope to see that the organization is responsive toward their grievance and expects to tackle the issue. Consequently, quick reactions fill in as sign that clients are valued and being thought about by the firm (Ringberg, *et al.*, 2007).

### **II. LITERATURE REVIEW**

#### **Complaint Fulfilment**

The complaint fulfilment derive from the response of the firm to its customers is in different fold, due to different in challenges encounter from the product(s). Complaint fulfilment refers to the assessment of customer grievances on a certain issue from the company's feedback. As indicated by Tronvoll (2007), client complaint conduct can be characterized as a process that develops when a client's understanding lies outside the

"contentment" during the process as well as in the client's assessment of the esteem being used of the service. Such grumbling conduct can be communicated as correspondence (verbal as well as non-verbal) with another person or persons and it can prompt behavioral changes.

**Social Media and Consumer Complaints**

Social-media usage has prompted massive variations and the components of human associations take on another perspective. Online long-range interpersonal communication has outfitted consumers with stages to outline a sort of inalienable system around a thing or brand. Regardless, firms that hold onto web based as a framework must recognize that they are losing a part of control to the customer. For some organizations today, online life is their biggest web nearness, overwhelming their organization sites and email programs (Mangold & Faulds, 2009). Along these lines' web-based life has changed how organizations work together and relate with their customers similarly as how they develop and execute their customer relationship techniques. Social media is one of the most popular slogans just as mechanical ideas, which has achieved influential changes in business-to-business correspondence, business-to-customer correspondence, and customer to customer correspondence (Kietzmann, *et al.* 2011). Internet based life began as a strategy for individuals to either associate or reconnect with one another. As of late, organizations are utilizing online life advertising to effectively develop their organizations and to get their statement out in an enormous manner. The best promoting methodology is one that utilizes internet-based and customary advertising pair. Entrepreneurs have made use of online has an exceptionally beneficial outcome on the achievement of business and it is a technique that takes next to no cash to achieve a strong outcome (Cohn, 2010).

**Table 1: Tabulation of Empirical Review**

S/N	Year	Name	Content Discussion
1	2001	Strauss and Hill	worked on customer complaints and firm responses through e-mail
2	2002	Stauss	investigated complaint dimensions in relation to satisfaction of the customer and company's response in Germany
3	2003	Mattila and Mount	studied the relationship between responses and its features of internet complaints and intent return
4	2005	Matzler, Pechlaner, Abfalter, and Wolf	carried out the response to customers enquiries via e-mail using Austria hotels
5	2010	Lee and Song	investigated the responses strategy of corporate through e-word of mouth and informational motive using e-shopping sites as the experimental survey in conjunction with content analysis.
6	2011	Noort and Willemsen	they examined internet complaints on brand evaluation in Netherland
	2011	Tronvoll	studied consumer complaint and negative emotions using bot qualitative and quantitative methods
7	2012	Xuet <i>al.</i> ,	investigated internet sites usage such as Twitter, Facebook, and others in US
8	2012	Dekay	carried out the way firms respond to unfavorable comments on Facebook in USA
9	2013	Jamenez and Mendoza	studied factors influencing internet reviews on buying intention and product experience using an experimental research design.
10	2013	Ryngelblum, Vianna and Rimoli	wrote on the means by which firm responds to customers complaint in Brazil
11	2014	Chang, Tsai, Wong, Wang, and Cho	concentrated on word of mouth in a negative way and its response strategy.
12	2015	Einwiller and Steilen	wrote on social networking sites and complaint responses in US firms using Twitter and Facebook as sample study

Source: Writer's compilation (2020)

### III. METHODOLOGY

Primary data was employed to collect information from the participants. Questionnaire form of instrument was used to gather information in Nigeria and it was structured in Likert form which includes strongly agree, agree, undecided, disagree, and strongly disagree. The sample size used was convenient random sampling which warrant the use of distributing the questionnaire conveniently to the participants though Twitter users were mainly focused. 200 respondents were targeted though 176 questionnaires were successfully returned and used for the analysis.

#### Model Specified

$$CR = F(CQC, CPC, CPRC, CSC)$$

Where

CR = Company Reaction

CQC = Consumer Quality Complaints

CPC = Consumer Price Complaints

CPRC = Consumer Product Complaints

CSC = Consumer Service Complaints

**Table 2: Variable Descriptions**

Variable	Description
Company Reaction (CR)	Company Reaction is the feedback gotten from a consumer on a product discomfort and it is measure as the dependent variable.
Consumer Quality Complaints (CQC)	Customer quality complaints is used as one of the controlling proxies which determines the compliant on the quality of a product.
Consumer Price Complaints (CPC)	Consumer Price Complaints is employed as one of the controlling variables of customer's complaint.
Consumer Product Complaints (CPRC)	Consumer product complaints is also used as one of the controlling variables of complaints that affect market reaction on a product.
Consumer Service Complaints (CSC)	Consumer service complaint is used as the moderating variable since not all firms are into product.

Source: Author's compilation (2020)

### IV. RESULT AND DISCUSSION

#### Reliability Analysis

**Table 3: Reliability Statistics**

Cronbach's Alpha	N of Items
.723	20

Source: Writer's formation (2020)

The report of the reliability analysis presented in table 2 shows the Cronbach's alpha value of 0.723 with 20 items, which indicates that the items have above 70percent reliability.

#### Descriptive Analysis

**Table 4: Descriptive Statistics**

	Mean	Std. Deviation	Skewness	Kurtosis		
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Company Reaction	2.99	1.371	.403	.184	-1.141	.365
Consumer Product Complaint	3.33	.948	-.409	.184	-.259	.365
Consumer Price Complaint	2.77	1.085	.030	.184	-.944	.365
Consumer Service Complaint	3.68	.884	-.888	.184	1.085	.365
Consumer Quality Complaint	3.21	1.007	-.253	.184	-.584	.365
Valid N (listwise)						

Source: Writer's formation (2020)

The descriptive analysis shows that company reaction has the mean value of 2.99, standard deviation of 1.371, skewness value is 0.403, and Kurtosis value of -1.141. The consumer product complaint has the mean value of 3.33, with standard deviation of 0.948, Skewness value of -0.409, and Kurtosis of -0.259. The

consumer price complaint mean value is 2.77 with standard deviation of 1.085, Skewness value of 0.030, and Kurtosis of -0.944. The consumer service complaint mean value is 3.68 with standard deviation value of 0.884, Skewness value of -0.888 and Kurtosis value of 1.085. The consumer quality complaint mean value of 3.21 with standard deviation value of 1.007, Skewness value of -0.253 and Kurtosis value of -0.584.

**Correction Analysis**

**Table 5: Correlations**

	Company Reaction	Consumer Product Complaint	Consumer Price Complaint	Consumer Quality Complaint	Consumer Service Complaint
Company Reaction	1	.059 .439	.069 .367	-.020 .793	.013 .867
Consumer Product Complaint	.059 .439	1	.073 .338	.110 .147	.063 .405
Consumer Price Complaint	.069 .367	.073 .338	1	.196** .009	.109 .151
Consumer Quality Complaint	-.020 .793	.110 .147	.196** .009	1	.049 .524
Consumer Service Complaint	.013 .867	.063 .405	.109 .151	.049 .524	1

**Source:** Writer's formation (2020)

Table 5 shows the correlation result conducted in this study and it reveals the correlation value of 0.059 between company reaction and consumer product complaint with the sig value of 0.439, indicating that positive correlation exists between company reaction and consumer product complaint but not significant. The correlation value between company reaction and consumer price complaint is 0.069 with sig value of 0.367, showing that positive relationship exists between the two items but not significant. Company reaction and consumer quality complaint shows the correlation value of -0.020 with sig value of 0.793, implying a negative and insignificant correlation between them. The correlation value between company reaction and consumer service complaint is 0.013 with sig value of 0.867, indicating a positive connection but not significance between the two variables.

**Crosstabs Analysis**

**Crosstabs I**

**Table 6: Crosstabulation I**

		Do you have Twitter account?		Total
		No	Yes	
Gender	Male	25	72	97
	Female	21	57	78
		46	129	175

**Source:** Writer's formation (2020)

The report of the crosstabs between male and female on Twitter account shows that male has the number of 72 that have Twitter account while female users are 57, indicating that male uses Twitter account more than the female.

**Table 7: Crosstabulation II**

		Have you encountered any issues in buying product online?		Total
		No	Yes	
Gender	Male	30	67	97
	Female	25	53	78
Total		55	120	175

**Source:** Writer's formation (2020)

Table 6 shows the crosstabs between gender and whether they have encountered issues in buying product online, the report shows that 30 male chose No and 67 male chose Yes while 25 female chose No and 53 female chose Yes, this signifies that male mostly encountered issues in buying product online.

Crosstabs II

**Table 8: Crosstabulation III**

		Do you have Twitter account?		Total
		No	Yes	
Age	15-29years	18	49	67
	30-49years	26	78	104
	50years and above	2	2	4
<b>Total</b>		<b>46</b>	<b>129</b>	<b>175</b>

**Source:** Writer's formation (2020)

This shows that age group between 15-29years has 18 No and 49 Yes, age group 30-49years has 26 No and 78 Yes, while 50years and above has 2 No and 2 Yes, indicating that age group between 30-49years have Twitter account followed by age group 15-29years.

**Table 9: Crosstabulation IV**

		Have you encountered any issues in buying product online?		Total
		No	Yes	
Age	15-29years	20	47	67
	30-49years	32	72	104
	50years and above	3	1	4
<b>Total</b>		<b>55</b>	<b>120</b>	<b>175</b>

**Source:** Writer's formation (2020)

20 chose No and 47 chose Yes for age group 15-29years, 32 chose No and 72 chose Yes for age group 30-49years, while 3 chose No and 1 chose Yes for 50years and above, showing that age group between 30-49years has encountered more issues in buying product online.

**Regression Analysis**

**Table 10: Coefficients**

Dependent Variable: Company Reaction	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.622	.645		4.067	.000
Consumer Product Complaint	.084	.111	.058	.752	.453
Consumer Price Complaint	.091	.099	.072	.920	.359
Consumer Service Complaint	.005	.119	.003	.041	.967
Consumer Quality Complaint	-.055	.106	-.041	-.519	.605

**Source:** Writer's formation (2020)

The regression analysis through the coefficient presented in Table 10 shows the constant coefficient value is 2.622 with sig value of 0.000, meaning that at constant, positive and significant impact exists on company reaction. The company product complaint coefficient value is 0.084 with 0.453 indicating that product complaint from the consumer has a positive influence on company reaction but it's not significant. The coefficient value of consumer price complaint is 0.091 with sig value of 0.359, implying that positive but insignificant influence on company reaction from consumer price complaint. Consumer service complaint shows the regression coefficient value of 0.005 with sig value 0.967 implying that there is positive impact of consumer service complaint on company reaction with no significant. The coefficient of consumer quality complaint

shows the value of -0.055 and sig value of 0.605, meaning that negative impact exists from consumer quality consumer to company reaction.

## V. CONCLUSION AND RECOMMENDATIONS

Based on the findings, the study concluded that most customers prefer using social media to complaint about the quality of a product and most companies do not respect customer's complaint via social networks. It proved that most of the time, complaints always take long duration before it is attended to and some companies do not accept social media complaints from their customer. Furthermore, it was concluded that negative complaints through social media on service delivery decreases the intention to patronize a product brand and most companies do not put in positive energy in resolving a problem via social networks. More so, it was deducted that company product complaint exhibited a positive influence on company reaction but it is not significant, consumer price complaint indicated a positive but insignificant influence on company reaction, consumer service complaint showed a positive impact of consumer service complaint on company reaction with no significant, and consumer quality complaint showed a negative impact exists from consumer quality consumer to company reaction.

### Recommendations

- i. This investigation recommended that companies should always respect customer's complaint via social networks and the complaints should be attended to on time since most customers prefer using social media to complaint about the quality and other issues relating to a specific product.
- ii. Companies should put in positive energy in resolving a problem via social networks and they should encourage good staff attitude to influence buying behavior and decreases negative complaints which in turn stimulate complaint satisfaction, trust and commitment of the brand.
- iii. Since social networks is generally used and offer ease accessibility of product within and without location, companies should emulate to increase these platforms in giving good quality products and services and introduce reward to customer for poor quality of services.

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