E-complaining: a content analysis of an Internet complaint forum

L. Jean Harrison-Walker
Assistant Professor of Marketing, The University of Houston-Clear Lake, Houston, Texas, USA

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Abstract The emergence of the Internet and its communication capabilities has given rise to a number of complaint sites that function as central forums for consumers to share their bad experiences with other consumers. Companies are reacting by adopting anti-domain sites in an attempt to prevent the creation of such complaint forums. Data from one complaint forum are analyzed to identify the nature of the complaints, whether the complaints were initially voiced to contact personnel, what other attempts were made to resolve the problem, whether the Internet consumer complaint forum was the initial method used for complaining, the responsiveness of the company to non-Internet complaints as well as Internet complaints, and the demographics of complainers using the Internet complaint forum. The suggestion is made that companies should embrace consumer complaints, and compete with the independent complaint forums (rather than try to block them) on the basis of ease of the complaint process and the likelihood of response. Recommendations are offered that are specific to Internet use and benefits to the company are described.

Introduction
The emergence of the Internet and its communication capabilities has given rise to a number of complaint sites that function as central forums for consumers to share their bad experiences with other consumers. Many sites can be found through the Yahoo! search engine. Some of the more active sites include those set up against Disney, United Airlines, MCI WorldCom, and First USA.

The complaint sites are established by individuals (or groups) who are not affiliated with the target company. The complaint site owner for First USA explains the typical motive for establishing the site:

I’m the founder of this Web site and like everyone else, I got scammed by First USA. Of course, at the time I thought it was just me. After battling First USA and getting nowhere, I decided to throw up a quick Web page. I was very surprised when I got bombarded with e-mails from people saying the same thing happened to them. Since then, this site has grown tremendously [http://members.tripod.com/FUSA1/contents.htm].

The owner of the MCI WorldCom complaint site goes on to explain:

Sure, one easy way to resolve a difference with MCI WorldCom would be not to use their services. And, I realize there is a good chance that although you are visiting this Web site, you may have already stopped using their service. But what about those who are considering using MCI WorldCom services that may not know what they are getting themselves into?

Creating a public forum on the Internet, which can be accessed by a global audience, is a very effective tool for word-of-mouth advertising. Consumer
opinion forums, like this one, are powerful weapons in combat against corporations otherwise untouchable [http://www.consumeropinions.org/mci/main.html].

The unfortunate side of consumer complaint sites is that consumers trying to locate information on a particular company will often find the complaint sites first (Marlatt, 1998). Given the potential damage that consumer complaint sites can do to the bottom line, many companies, such as Volvo and Chase Manhattan, are attempting to defend themselves by setting up anti-domains. For example, Volvo owns the anti-domain site, volvosucks.com (Marlatt, 1998). Chase Manhattan was particularly protective, registering four site names: chasesucks.com, ihatechase.com, chasestinks.com, and chaseblows.com (Marlatt, 1998). Vail Resorts owns at least six such sites (Marlatt, 1998). The question for these companies is, “how many name variations does it take to protect the company?”

Newer firms have the unique opportunity to block consumer complaint sites before their name is known. For example, discount airline site Priceline registered Priceline-sucks.com three days before the company’s actual site launched (Marlatt, 1998). In all, at least two dozen companies – or their advertising or PR firms – have registered anti-domains (Marlatt, 1998).

Those firms that adopt such a defensive posture are attempting to block the consumer’s ability to share their negative experiences with others. The damage of dissatisfaction has been well documented. At the very least it leads to negative word-of-mouth regarding the inability of the service provider to meet consumer needs, fewer repeat purchases by the dissatisfied consumer, and fewer initial purchases by consumers influenced by hearing the negative comments (Dolinsky, 1994; Halstead et al., 1993). Retailers and service providers who are unaware of these consumer complaint forums may unknowingly be losing business because of negative comments made by dissatisfied customers (see Blodgett et al., 1995).

The purpose of this paper is to:

(1) expand on the theoretical work presented by Harrison-Walker and Erdem (2000);

(2) empirically investigate the content posted to an Internet complaint forum; and

(3) set forth recommendations for marketing managers.

This paper is presented in three parts. First, the literature regarding consumer complaints and the benefits of complaint management are discussed. Next, the methodology used in the current research and the research findings are reported. Finally, managerial implications and recommendations are presented.

Consumer complaints and the benefits of complaint management
As recently as 1995, Blodgett et al. suggested that retailers and other service providers could not remedy consumer complaints unless the customer first sought redress. Similarly, Tax et al. (1998) “focus on complaints lodged directly with the firm because they are the only responses that provide the organization with an opportunity to recover effectively from service failure.” This is no longer the case. Retailers and service providers who monitor the complaint forums on the Internet are also in a position to take remedial action. The bottom-line reason for attending to consumer complaints, instead of trying to block them is simply because it is cheaper in the long run to keep...
existing customers satisfied than to spend the marketing dollars necessary to find new ones (Fornell and Wernerfelt, 1987). According to Desatnick (1988), it costs five times as much to attract a new customer as it does to retain a current customer. Consumer complaints provide the added benefits of alerting the distribution channel that a problem with a product or service exists, allowing the business to take remedial action, and providing an opportunity to take action quickly – before further damage is done (Broadbridge and Marshall, 1995; Halstead et al., 1993).

Some researchers go as far as to suggest that there are times when dissatisfied customers are actually more beneficial to a company than satisfied customers. McCollough and Bharadwaj (1992) refer to this situation as the “paradox of service recovery.” More specifically, in some situations, effective recovery leads to a customer rating an encounter more favorably than if no problem had occurred in the first place.

In any event, retailers and service providers should not simply monitor consumer complaints. They should actually encourage customers who are dissatisfied to seek redress (i.e. ask for a refund, exchange, or repair) so that they will then have a chance to remedy those problems and retain those customers’ businesses (Blodgett et al., 1995). If businesses can facilitate the expression of complaints, 94 percent of customers will air their issues instead of just 4 percent (Singh and Wilkes, 1996) and three-quarters of the dissatisfied customers can be won back (Scarborough and Zimmerer, 1991).

**Typology of complaining behaviors**

When a consumer experiences a problem with a product or service, there are three options available under consumer complaining behavior to resolve it. First, consumers can take private action by disassociating themselves with the product or company, and/or spreading negative word-of-mouth. Second, consumers can take direct action by lodging a complaint directly with the company. Finally, consumers can take indirect public action by complaining to a third party (Day and Landon, 1977; Singh, 1988).

**Private action.** Consumers can take private action by switching brands, stores, or suppliers; boycotting the product or service; or telling family or friends about their bad experiences (Cornwell et al., 1991; Day et al., 1981; TARP, 1979). As a result, both retailers and manufacturers typically grossly underestimate both the frequency of customer dissatisfaction and the extent of the detrimental effects it triggers (Day et al., 1981). Disassociation directly impacts sales and profitability, requiring the company to then make greater marketing expenditures to solicit new customers (Nader, 1980).

However, negative word-of-mouth works directly counter to such attempts. The tendency of dissatisfied customers to engage in negative word-of-mouth often results in the communication of derogatory information about the seller to a dozen or more friends and acquaintances (TARP, 1981). Consumers who have heard about negative experiences are more likely to be wary about certain products/services the next time they evaluate purchase alternatives (Broadbridge and Marshall, 1995).

Although private complaining strategies appear to be potentially effective in “punishing” the company for its failures, complaining consumers are still left with unresolved issues. According to Carmel (1990), consumers who employ private strategies tend to be less satisfied with the outcome than those who employ a formal strategy by complaining to those directly responsible for the problem.
Direct complaining. Consumers can take direct action by seeking redress directly from the retailer or manufacturer. However, only a small percentage of dissatisfied customers ever communicate with the store (Day et al., 1981). In fact, as many as 70 percent of consumers who experience product or service problems do not lodge complaints (TARP, 1986). Dissatisfied consumers do not complain because they feel that complaining is not worth their time, or will not result in a favorable outcome, or they simply do not know where and how to complain (Bearden and Teel, 1983; Day et al., 1981; Richins, 1979; TARP, 1986).

For a consumer, the process involved in making a complaint is time-consuming and inconvenient (Mitchell, 1993). Most manufacturers demand proof of purchase or a sample of the defective product to “increase the perceived legitimacy of the request and to protect themselves from unscrupulous consumers” (Krapfel, 1988). Tax et al. (1998) found many cases in which the inconvenience of the complaint process made the compensation less appreciated than if it had come immediately. Making the process difficult will undoubtedly affect the consumer’s perceptions of the organization’s responsiveness (Mitchell, 1993) and encourage private complaining behaviors.

Some industries appear to be more likely to hear complaints than others. For example, Singh (1990a) found that only 17.2 percent of dissatisfied health care consumers complained to their physicians. In contrast, the incidence for grocery shopping and auto repair service problems was 75.8 and 84.5 percent, respectively (Singh, 1990a).

Bolfing (1989) reports that roughly 20 percent of dissatisfied consumers complained to stores or suppliers, while as many as 44 percent did so to service providers. When it comes to complaints against service providers, most complaints are lodged concurrent with the service failure, 65 percent are lodged with frontline employees, and complaints typically concern important problems that place customers in heightened states of frustration and anger (Tax et al., 1998).

Individual businesses that are perceived to be in a position to prevent the problem from occurring are more likely to hear from dissatisfied customers than those who are not. That is, the more consumers blame the seller, believe that the dissatisfying event is likely to happen again, and perceive that the dissatisfaction could have been avoided, the stronger the inclination to engage in consumer complaining responses (Folkes, 1984; Krishnan and Valle, 1979).

Individual consumer differences exist as well. Complainers have typically been found to be younger (25-34), well educated with a higher than average income, and hold professional job characteristics (Broadbridge and Marshall, 1995; Morganowsky and Buckley, 1987; Singh, 1990b; Warland et al., 1975). They have also been found to be more assertive and self-confident relative to non-complainers (Richins, 1983b; Singh, 1990b).

Private complaining and direct complaining are not mutually exclusive behaviors. In fact, most consumers engage in multiple complaint responses such as complaining to the retailer as well as talking to friends and relatives about the bad experience (Broadbridge and Marshall, 1995; Day, 1984; Richins, 1983a). Broadbridge and Marshall (1995) find that when problems are poorly resolved, private complaining (particularly in the form of word-of-mouth) is triggered.
Indirect public action. Consumers can take indirect action by complaining to a third party. Such complaints involve, for example, complaining to the media, registering the complaint with a consumer association, or bringing legal action (Day and Landon, 1977; Singh, 1988). Only a small percentage of complaints are lodged with third parties (Schouten and Van Raaij, 1990; Day and Landon, 1977; Diener, 1975). The use of these sources depends on the type of the problem and the type of product; consumer perceptions of the expense that may be associated with pursuing third party action (Broadbridge and Marshall, 1995); consumer awareness of specific redress schemes – which has been found to be low (Barnes and Kelloway, 1980; Office of Fair Trading, 1991) – and perceptions of the third party. For example, many outlets for third party complaints, such as the Better Business Bureau, require that a customer first file his/her complaint with the provider before filing with the third party.

Benefits of complaint management
Companies have much to gain by handling complaints rather than avoiding them. Specifically, effective complaint management can:

1. have a dramatic impact on customer retention rates;
2. deflect the spread of damaging word-of-mouth;
3. promote more positive word-of-mouth;
4. increase customer perception of quality;
5. lead to cross-selling opportunities to satisfied complainants;
6. improve bottom-line performance;
7. improve marketing intelligence;
8. promote a positive company image; and
9. reduce the likelihood of legal proceedings

(Fornell and Wernerfelt, 1987; Halstead et al., 1993; Gilly and Gelb, 1982; Kelley et al., 1993; McColough and Bharadwaj, 1992; Mitchell, 1993; Mitchell and Critchlow, 1993; Reichheld, 1993; TARP, 1979, 1981). Interestingly, Adamson (1991) presents data drawn from a company-specific study that show that loyalty can be higher among satisfied complainants than among those who had no problem at all.

Research methodology and results
The purpose of the current research is to analyze the content of complaints posted to non-commercial, consumer complaint forums on the Internet and to set forth recommendations for marketing managers. Specifically, data that address the following research questions (Harrison-Walker and Erdem, 2000) are sought:

1. What is the nature of the complaints most commonly voiced on the Internet complaint forum?
2. Did the consumer voice a complaint to the contact personnel at the time the problem was experienced?
3. What other attempts, if any, has the consumer made to resolve the problem?
4. Is the consumer using the Internet complaint forum to voice his/her initial complaint?
How responsive was the company to non-Internet methods of complaining?

Is the company responding to consumers who voice complaints on the Internet complaint forum?

What are the demographics of complainers using the Internet complaint forum?

The sample was drawn from the service industry. As noted by Dolinsky (1994), complaints may be of greatest value to organizations that primarily provide services, since services are inherently heterogeneous or variable. Such variation is likely to give rise to more perceived problems, and therefore more customer complaints (Dolinsky, 1994). Best and Andreasen (1977) agree, suggesting that the selection of services rather than physical goods is supported simply because services entail greater dissatisfaction than do goods. For the purposes of the current research, the data are drawn from the “Untied” Web site, which functions as a complaint forum against United Airlines. This complaint site was selected because the complaint forum has a relatively long history of complaints and because it is well structured (in terms of the type of data collected) to address the questions of interest. Six months of data (or a total of 551 individual complaints) were analyzed.

The nature of the complaints

The top reasons for customer complaints were employee rudeness, other reasons (which primarily related to canceled or delayed flights, but also to lying and dishonesty), employee incompetence, receiving misinformation from employees, and baggage handling (see Table I). While canceled or delayed flights may sometimes be unavoidable, each of the other reasons cited is likely to be perceived as controllable, prompting consumers to engage in negative word-of-mouth behavior (Blodgett et al., 1995). The Internet complaint forum may be perceived as a vehicle for spreading negative word-of-mouth.

Further, many complainants expressed dissatisfaction with more than one aspect of the service. For example, there seemed to be high intercorrelations among employee rudeness, employee incompetence, and misinformation.

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<th>Percentage</th>
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<td>Unaccompanied minor</td>
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<td>Safety</td>
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<td>Premium class disservice</td>
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<td>Special needs</td>
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<td>In-flight meals</td>
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<td>Mileage plus problems</td>
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<td>Refund problem</td>
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<td>Baggage</td>
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<td>Misinformation</td>
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<td>Employee incompetence</td>
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<td>Employee rudeness</td>
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<td>Other</td>
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Note: Average number of complaints per person: 2.21

Table I. Nature of the complaint
In the current study, 288 (52.3 percent) consumers said that they had lodged complaints with contact personnel at the airport (see Table II). These findings are consistent with those reported by Tax et al. (1998) who found that most complaints against service providers are lodged concurrent with the service failure and 65 percent are lodged with frontline employees. The fact that 551 consumers in six months went on to file a complaint with the Internet complaint forum suggests that these consumers were dissatisfied with the employee’s ability to resolve or redress the problem. (The total number of consumers complaining to contact personnel, necessary to compute the percentage of consumers satisfied by the employee, is not determinable from the data.)

While most customers voiced their complaint to the service contact personnel, many also complained directly to the company by telephone, letter, and/or e-mail (see Table II). Relatively few contacted the Department of Transportation or the media. Many consumers noted that they had had no response from the company; some may be waiting for a response from the airlines before proceeding to contact third parties.

Interestingly, a number of consumers admitted that the Internet complaint forum was their first attempt to lodge a formal complaint (see Table II). However, this particular Web site allows the consumer to have a copy of the complaint forwarded to United Airlines general e-mail, the director of customer relations for United, and/or the chairman and chief executive office of United. Consumers may be lodging complaints with the company as they address the complaint forum. The complaint forum may simply be easier for consumers to identify and access than the company.

Many customers tried to lodge complaints immediately with contact personnel or by contacting the company using the telephone, writing letters or sending e-mail. Of the 447 customers lodging complaints in any manner other than the complaint forum, only 8.5 percent were responded to by the company (see Table III). Considering that some of the Internet forum complaints were copied to the company directly by e-mail, the number responded to could be as low as 6.9 percent.

Interestingly, Gilly et al. (1981) find that complaints about the attitudes of personnel (note that the primary complaint in the current study was employee rudeness) tend to get resolved internally by management, but

| Percentage |
|------------------|-----|
| Complaints to contact personnel | 288 | 52.3 |
| Complain by telephone | 175 | 31.8 |
| Complain by letter | 143 | 26.0 |
| Complain by e-mail | 130 | 23.6 |
| Contacted US Department of Transportation | 24 | 4.4 |
| Contacted the media or a consumer rights watchdog | 14 | 2.5 |
| United Complaint Forum only | 104 | 18.9 |
| Average number of complaint approaches per person | 878 | 1.6 |

Table II. Attempts to resolve the problem
without a follow-up response to the complainant. Complaints about service performance (such as baggage mishandling) tend to be resolved by non-managers rather quickly by responding to the complainant, but without a recommendation for corrective action to the company (Gilly et al., 1981).

The most common form of response was providing the customer with travel vouchers to use as partial payment on future travel. As noted by Mitchell (1993), product replacement may be more effective than refunds since it gives the consumer an opportunity to try a product that is representative of the company’s normal quality, conveys a more personal approach that may give the complainant a feeling of being special, and may restore the consumer’s confidence in the company (Mitchell, 1993). However, many customers noted that they were so disturbed by the problems they encountered, they had no intention of using the vouchers. Thus, consumers appear to believe that the problems at United are stable and recurring.

Blodgett et al. (1995) suggest that complainants who perceive the problem to be stable are more likely to engage in negative word-of-mouth behavior. Letters to customers were the second most common response. As a rule, letters are considered to be the most efficient and cost-effective way to reply (Mitchell, 1993). Interestingly, only 11 of the 551 customers said that they had received a letter; another five had received an e-mail response.

Company responses to complaints on Internet forum
According to the Untied Web site, only seven individuals who filed their complaint with the complaint forum have been responded to. One consumer was responded to in each of five months for which data were collected, while two customers were responded to in one month. This suggests that United is probably aware of the Web site and may be monitoring the Web site on a monthly basis. It would be interesting to learn whether other companies are aware of the complaint forums set up against them and to what extent corporate resources are directed at monitoring these complaints. When companies do respond to complaints lodged on the complaint forum, are other complaining consumers aware that the company is in fact responding? Will the activity on the complaint forum increase over time as a result of finding the complaint forum to be an effective means of getting the company’s attention? Or, will the activity decrease over time as a result of customers acknowledging that the company is responsive after all and feeling more confident in contacting the company directly?

Demographics of Internet forum complainers
Little demographic information was available from the Untied Web site. Using first names as an indication, it appears that most of the Web site

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<td>Travel vouchers</td>
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<td>Letter</td>
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<td>E-mail</td>
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<tr>
<td>Refund or reimbursement</td>
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<tr>
<td>Waived a fee</td>
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<td>Mileage plus miles</td>
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<td>Total</td>
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Percentage of complaints receiving responses: 8.5 percent
complainers are male (see Table IV). Interestingly, more than 81 percent of the complainers were willing to disclose their identity, lending some degree of credibility to the claims. However, the fact that some complainers preferred to remain anonymous should not be interpreted as lacking credibility. There could be a number of reasons for masking an identity.

Managerial implications and recommendations

The benefits of customer complaints were outlined earlier in this paper. General implications for complaint handling are well documented in the literature (see Blodgett et al., 1995; Gilly et al., 1981; Goodwin and Ross, 1990, 1992; Horovitz, 1987; Mitchell, 1993; Tax et al., 1998; Vanderleest and Borna, 1988). Therefore, the focus of the current article is on Internet-specific implications and recommendations.

The most immediate marketing implication from the current research is in response to the question posed earlier – how many anti-domain sites should a company purchase? The answer is none. Consumer complaint forums are borne from the frustrations shared by a number of dissatisfied customers that feel they have no better way to voice their opinions and make some sort of an impact. Spending corporate resources on attempts to prevent complaint forums is virtually impossible since consumers with sufficient motivation will find a domain name and it will turn up in the various search engines. Rather, the company should regularly monitor the complaint forums and promptly respond to complaints. If the company fails to monitor the complaint forum, negative word-of-mouth flourishes, while a number of consumer voices go unheard. As the findings from the current study point out, many consumers lodge first-time complaints on the forums, rather than directly with the company.

The second important implication from the current study is that companies should facilitate complaining behavior directly to the company, and be willing to make adjustments to minimize those problem areas perceived by consumers as stable and uncontrollable. Complaint management may be facilitated through:

(1) the adoption of call centers staffed by specialists trained to resolve individual customer problems; and

(2) the efficient design of a company Web site (Harrison-Walker and Erdem, 2000).

Call centers can take a number of forms. Each form of call center can be identified on (or hyper-linked to) the company’s Web site.

E-mail and toll free telephone numbers have been the traditional mechanisms for contacting a business. The advantages of telephone contact over e-mail are that operators can request clarification as needed from the customer.

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<tr>
<td>Male</td>
<td>248 (45.0)</td>
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<tr>
<td>Female</td>
<td>135 (24.5)</td>
</tr>
<tr>
<td>Anonymous</td>
<td>103 (18.7)</td>
</tr>
<tr>
<td>Could not be determined</td>
<td>59 (10.7)</td>
</tr>
<tr>
<td>Couples</td>
<td>6 (1.1)</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
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Table IV. Demographics of Internet forum complainers
before formulating a response (Salerno, 1988) and respond more quickly, potentially leading to greater customer satisfaction (Martin, 1994). Existing research suggests that corporate response using e-mail and toll-free telephone numbers has been less than desirable. A mystery shopping team found that 56 percent of companies did not respond to e-mail correspondence within 48 hours and 26 percent did not respond at all (Morganowsky and Buckley, 2000). A total of 36 percent had busy toll-free telephone numbers or failed to provide assistance by phone (Morganowsky and Buckley, 2000). Round-the-clock response by the company is optimal. The quicker the company can respond to the individual complaint, the more quickly a customer's anger and frustration can be diffused.

A third mechanism for customer service is through the use of chat lines. Chat lines allow the customer to interact one-on-one in real time with a service representative. As users’ equipment becomes more technologically sophisticated, Internet telephony may become an increasingly viable option for providing real-time customer service. (Internet telephony requires the installation of a small Web-phone, a microphone, and speakers.) The real-time response mechanisms (toll-free telephone numbers, chat lines, and Internet telephony) appear to have an advantage, even when an issue can not be remedied. As one study found, a complainer who is denied a request in a phone conversation is 30 percent more likely to continue buying the product than someone who receives similar information in the mail (Sellers, 1988).

Regardless of the response mechanism(s) used, call center specialists should be trained to apologize and to allow customers to communicate feelings freely, as well as to offer some type of tangible remedy (Goodwin and Ross, 1992). Such responsiveness should not be limited to complaints about service performance (such as baggage handling), but to all complaints (including complaints about the attitudes of personnel that are seldom responded to). In the current study, employee rudeness, lying and dishonesty were among the top reasons cited for customer complaints. The Internet further allows for written apologies and immediate tangible redress (such as electronic travel vouchers), when appropriate, that can be transmitted electronically to consumers. The Internet enables companies to respond individually and immediately.

If management, once alerted to the problem, decides to take some form of corrective action within the organization, a personalized follow-up can be e-mailed to the customer. The customer can once again be thanked for bringing the problem to the company’s attention, assured that appropriate corrective actions have been taken, and encouraged to use the company’s services again in the future.

While the personal responsiveness of a call center is essential, an efficiently designed Web site has an added advantage. Not only can consumer complaints be processed and responded to individually (as with the call center), but data can be aggregated (as was done in the current study) to identify particular problem areas as well as new opportunities (Harrison-Walker and Erdem, 2000). For example, problem areas identified in the current research suggest an immediate need for training contact personnel and customer service representatives to improve courtesy as well as competence, and for control processes to be put into place with regard to baggage handling.

By analyzing the aggregated data, new market opportunities can also be identified. For example, as baby boomers get older and continue traveling,
there will be more passengers with special needs. Monitoring the complaint data over time to identify the special needs as they emerge may give the airlines a competitive edge.

Reviewing the complaint data may further give rise to new product or service ideas. For example, there were a number of passengers traveling with infants. The new product or service ideas might include children’s snacks or meals, promotional toys to entertain restless toddlers, facilities to warm bottles or baby foods, or diaper changing facilities.

An additional advantage of a well-designed Web site is its contribution to corporate image. More specifically, corporate image plays a role not only in attracting new customers, but also in regaining dissatisfied customers (Andreassen, 1999).

Facilitating complaint management through the adoption of call centers and the efficient design of a company Web site requires systems integration. Each and every time a customer makes a contact with the company (whether to make a purchase, make an inquiry, or file a complaint), the nature of the contact should be registered on a centralized customer activity record (CAR). Further, a customer’s CAR should be readily accessible by all boundary-spanning personnel. Complete information about a customer allows the employee to get a complete picture of the customer’s buying habits, concerns and priorities, and allows the employee to respond on an individualized basis. For example, when an airline traveler calls in to file a complaint, service personnel should be able to pull up the customer’s CAR. The CAR should show, for example:

(1) how often the customer travels;
(2) travel patterns in terms of destination and timing;
(3) how long the individual has been a customer;
(4) any specific inquiries made regarding the availability of special services; and
(5) the number and type of complaints registered in the past, if any.

The customer’s CAR enables the customer service representative to provide personalized attention.

Successful results of the company’s actions should be communicated to the public at large. Press releases may be created that report aggregated results, such as the decline in the number of complaints or a new service created by the company reflecting responsiveness to evolving consumer needs. Human-interest stories can be disseminated reflecting how the company handled a particularly unique situation. These stories can be also be reported in capsulated versions on the company’s Web site to let site visitors know that the company cares and is responsive to the needs of its customers. The responsive actions of the company should not be kept secret.

In summary, rather than adopting a defensive posture, companies should work the Internet to their advantage. They should facilitate customer complaints, particularly those voiced through the Internet. Boundary-spanning personnel should have access to each customer’s CAR to permit personalized responses. Employees should be trained to thank each customer for bringing the problem to the company’s attention (i.e. so that management can take corrective measures) and should tell the customer how much his/her business is appreciated (Blodgett et al., 1995). Further, management should
analyze the aggregated feedback from customers on an ongoing basis and respond with marketing strategies directed at gaining and maintaining a competitive edge (Harrison-Walker and Erdem, 2000). The responsive actions of the company should be communicated to its Web site visitors, as well as to the public at large.

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Executive summary and implications for managers and executives

The Internet as a new channel for complaints

The emergence of the Internet has given rise to a number of sites where dissatisfied customers can air their grievances against a company. Firms such as Volvo and Chase Manhattan are attempting to defend themselves by registering site names which dissatisfied customers might select. Chase Manhattan, for example, has registered chasesucks.com, ihatetchase.com, chasestinks.com and chaseblows.com. But customers with sufficient motivation to complain will always find a domain name and it will turn up in the various search engines.

The benefits of effective complaint management

Companies have much to gain by handling complaints rather than trying to avoid them. Effective complaint management can improve customer retention (which is important given the estimate that it costs five times as much to attract a new customer as to retain an existing one), deflect the spread of damaging word of mouth, promote more positive word of mouth, increase the customer’s perception of quality, facilitate cross-selling opportunities to satisfied complainants, reduce the likelihood of legal proceedings, improve marketing intelligence, promote a positive company image and boost profitability. In some situations, a satisfied complainant may end up being more loyal than a customer who had no problem at all.

Companies should not simply monitor complaints. They should encourage people who are dissatisfied to seek redress so they will have the chance to remedy the problems and retain those customers’ business. Service companies, in particular, have much to gain from managing complaints effectively. Services are inherently more variable than manufactured goods, and this variation is likely to give rise to more perceived problems.

A case study involving complaints against United Airlines

Harrison-Walker examines the complaints posted to the independent forum against United Airlines. The author discovered that employee rudeness, delayed flights, employee incompetence, misinformation and poor baggage handling were among the main reasons for complaints. More than half (52.3 percent) of Internet complainants had already lodged complaints with contact personnel at the airport. Many had voiced their complaint to the company by telephone, letter or e-mail.

Almost 20 percent of consumers admitted that the Internet complaint forum was their first attempt to lodge a formal complaint against the company. But since the Web site allows the consumer to have a copy of the complaint forwarded to United, some of these consumers may simply have been using the Web site as a convenient way of getting their complaint to the relevant airline personnel.

Firms should work the Internet to their advantage

Harrison-Walker recommends that, rather than adopting a defensive posture, firms should attempt to work the Internet to their advantage. Companies should regularly monitor complaint forums and promptly respond to complaints. Firms should make it easy for dissatisfied customers to complain directly to the company. This could be done through call centres staffed by specialists trained to resolve individual problems, efficiently
designed company Web sites or through chat lines which enable the customer to interact one-to-one in real time with a service representative.

Web sites enable data to be aggregated to identify particular problem areas and new opportunities. The Internet further allows for written apologies to complainants and immediate, tangible redress. For example, travel vouchers can, when appropriate, be transmitted electronically to customers.

Each time a customer makes contact with the company, the nature of the contact should be recorded on a file which would grow to show how often the person travels, to which destinations and when, plus how long the individual has been a customer, what his or her special requirements are and the number and type of complaints he or she has registered in the past. Each service representative should have access to this information, to be able to provide personalized attention.

The actions the company takes in response to complaints should be communicated to Web site visitors and to the public at large.

(A précis of the article “E-complaining: a content analysis of an Internet complaint forum”. Supplied by Marketing Consultants for MCB University Press.)
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