

# The Influence of Online Complaints on Third-Party Consumers

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## Motivation

- Consumer frequently complain about products and services, both offline and online
- Other consumers witness these complaints online and are also influenced by this negative information
- We investigate how and through what process these “Third-party consumers” (TPCs) make sense of and are influenced by others’ complaints
- We frame TPCs’ sense-making as a counterfactual thinking process

## Data

- 1) **Online complaint data** from a public complaint forum consisting of complaints, comments to complaints, and firm responses
- 2) **Two behavioral experiments** that illustrate a) TPCs’ cognitive process when witnessing a complaint and b) the influence of the complainant’s involvement in the failure situation on TPCs’ response

## Empirical Studies

**Study 1:** Estimating the impact of complaints on subsequent comments

**Study 2:** Manipulate complaint content and measure TPCs’ counterfactual thoughts

**Study 3:** Manipulate the involvement of the complainant in the failure situation

## Selected Results

	All Complaints		Complaints with Comments					Mediation Models for Complaints with Comments			
	Views	Comments	Views	CFT (Firm)	CFT (Compl.)	Valence <sup>a</sup>	Comments	CFT (Firm)	CFT (Compl.)	Valence <sup>a</sup>	Comments
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11
<b>TPCs’ Response</b>											
Complaint Views								.51	1.54***	2.25	.26***
CFT (Firm)										-.61	.02***
CFT (Complainant)										-1.07*	.02***
Comment Valence <sup>a</sup>											.00
<b>Complaint Characteristics</b>											
Distrib. Injust.	-.04	-.02	-.06	.30	-1.57**	1.06	-.02	.33	-1.47**	-.28	.03
Proced. Injust.	.16**	-.01	.16***	.77	-1.05*	15.56**	-.04	.68	-1.30**	14.54**	-.06
Interact. Injust.	.20***	.17***	.16**	.73**	.32	10.66*	.04	.65*	.08	11.10*	-.02
Complain. Fault	.17**	.27***	.05	1.37**	1.64**	-33.0**	.12	1.34**	1.56**	-30.56**	.04
Firm Response	.39***	.20**	.44***	2.42*	-1.82*	7.04	.27**	2.20	-2.49**	5.60	.16
<b>Control Variables</b>											
Complainant Anonymous	.04	-.02	.06	-.01	.96**	-8.71*	.06	-.04	.86**	-7.84	.02
Words per Sentence	.19***	.17**	.19**	.63	-.64	4.80	.09	.53	-.92	4.09	.05
Punctuation	.00	.00	.00	.01	-.04	1.04	.00	.01	-.04	1.00	.00
Swear Words	-.01	-.12	-.01	4.76***	-2.42*	-3.49	.04	4.77***	-2.40*	-3.12	.03
Complaints last 5 days	-.13***	-.11**	-.12**	.11	-.49	-4.41	.01	.17	-.30	-4.59	.05
Weekend	.08	.11*	.07	.46	.36	-8.50	.09	.42	.26	-7.99	.05
Time fixed effects	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
R <sup>2</sup>	.45	.34	.38	.13	.16	.22	.28	.13	.19	.23	.43
adj. R <sup>2</sup>	.43	.30	.33	.05	.09	.16	.21	.05	.12	.16	.37
F-value	20.5***	13.2***	9.5***	2.0***	4.1***	5.7***	6.3***	2.1***	4.8***	5.7***	8.9***
N	944	944	585	585	585	585	585	585	585	585	585

Notes: \*\*\* p < .01 \*\* p < .05 \* p < .10 <sup>a</sup> Positive (negative) values of Comment Valence indicate that TPCs support (criticize) the complainant and criticize (support) the firm.

Table 1. Results for Study 1

	Mediator		Outcome Regressions				Mediated Outcome Regressions			
	CFT (Firm)	CFT (Compl.)	Firm Attitude	NWOM tow. Firm	Valence Comment tow. Firm	Valence Comment tow. Complainant	Firm Attitude	NWOM tow. Firm	Valence Comment tow. Firm	Valence Comment tow. Complainant
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10
<b>Mediator</b>										
CFT (Firm)	--	--	--	--	--	--	-.12**	.34***	-.52***	.30***
CFT (Compl.)	--	--	--	--	--	--	.09*	-.27***	.39***	-.58***
Injustice by Firm	2.34***	-.25	-.48**	1.74***	-1.70***	.69**	-.17	.89***	-.38	-.16
Complainant Fault	-.76**	2.38***	.10	-1.16***	1.54***	-2.21***	-.21	-.25	.22	-.60*
Injustice*Fault	.08	-.36	-.03	-.25	-.32	.38	.02	-.38	-.13	.15
Intercept	3.91***	2.85***	3.99***	2.97***	3.96***	4.85***	4.20***	2.43***	4.89***	5.33***
R <sup>2</sup>	.44	.36	.07	.34	.36	.32	.13	.48	.62	.58
adj. R <sup>2</sup>	.43	.35	.05	.33	.35	.30	.10	.46	.61	.57
F-value	40.76	28.98	3.80	26.51	28.46	23.52	4.33	27.51	49.77	42.30
N	157	157	157	157	157	157	157	157	157	157

Notes: \*\*\* p < .01 \*\* p < .05 \* p < .10

Table 1. Results for Study 3

## Conclusions

- Prior research has almost exclusively focused on the relationship between firm and complainant. We address this research gap with a conceptual model that predicts TPCs’ response to others’ complaints and proposes a sense-making process that informs their response
- When the complainant is involved in the failure situation, TPCs tend to attack the complainant and defend the firm
- Thus, moving complaints offline should not be firms’ knee-jerk reaction when facing complaints that motivate comments by TPCs