Airing Dirty Laundry in the Public Square: an Examination of Public Complaining

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“Customer created complaining websites” (CCCW’s) are a potentially serious threat to brands. At least 50% of Fortune 1,000 companies have been targeted by CCCW’s. Extant studies provide useful descriptions, but surprisingly, related empirical research does not exist. This paper attempts to fill this gap by empirically investigating effects on consumers’ behavioral intentions, and the potential protection of strong branding. Results indicate a significant interaction between exposure to CCCW and strong branding, suggesting that CCCW’s reduce consumer perceptions, but strong brands offer some protection. Consistent with reactance theory, if the targeted brand is among a consumer’s favorites, perceptions are ironically increased.

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These empirical results offered further evidence that consumers’ perception and emotional evaluation of color plays such an important role in decision making that it has a noteworthy influence on consumer’s evaluation about the price of an automobile. Furthermore, the present study provided quantitative information regarding the relationship between color and price with automobile purchase. There are many vehicles in the market that the color is a very important decision making criterion, and consumers are willing to pay more for a car of choice simply because of its color. This implies that purely emotional attributes can be a very powerful tool for pricing strategies of automobile sales. It is interesting to explore how these differences due to color are influenced by consumer characteristics (e.g., gender or age), regions (e.g., urban versus rural), and how they interact with vehicle types (e.g., luxury versus non-luxury). Further investigation in these areas will help us better understand the relationship between the emotional attribute and purchase price decision.

References

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Abstract
“Customer created complaining websites” (CCCW’s) are a potentially serious threat to brands. At least 50% of Fortune 1,000 companies have been targeted by CCCW’s. Extant studies provide useful descriptions, but surprisingly, related empirical research does not exist. This paper attempts to fill this gap by empirically investigating effects on consumers’ behavioral intentions, and the potential protection of strong branding. Results indicate a significant interaction between exposure to CCCW and strong branding, suggesting that CCCW’s reduce consumer perceptions, but strong brands offer some protection. Consistent with reactance theory, if the targeted brand is among a consumer’s favorites, perceptions are ironically increased.

Conceptualization
The advent of the Internet into markets continues to force the evolution of market dynamics (Deighton 1997; Lamb et al. 2006). One such change is that customer complaining is being transformed from a relatively private behavior to a quasi-public activity (Ward and Ostrom 2006), such as on consumer created complaining websites (CCCW’s). These sites are widespread, and a potentially serious threat to brands. It is estimated that half of all Fortune 1,000 firms have been the target of a CCCW (Trigaux 1999), including venerable brands as Wal-Mart, Allstate Insurance, Viacom, and Toys’R’Us (France and Muller 1999).

This study investigates 1) the effect of CCCW’s on consumers’ behavioral intentions regarding the brand and 2) the potential of a strong brand to protect against negative information attacks. This research contributes by extending findings of extant studies (Ward and Ostrom 2006; Ward and Ostrom 2003), which provide useful descriptions of the phenomenon.

Customer Created Complaining Websites
The Internet is enabling consumers to become active broadcasters of market information. As a result, the marketplace is transforming into one in which marketers and consumers participate in a communication network. One particularly interesting instance of this is manifest in websites created by consumers to communicate their dissatisfaction to other consumers.

CCCW’s share several similarities with civic protests: 1) CCCW often present firm failures as a betrayal of consumer rights, 2) CCCW often present stereotypes of evil executives, and 3) CCCW’s typically emphasize individual and collective efficacy in standing up to the firm (Ward and Ostrom 2006). These features combine to create a potently persuasive message, especially in light of the negativity effect.

The Negativity Effect
Consumers give greater weight to negative information than to positive (Ahluwalia 2000; Ahluwalia et al. 2001; Mizerski 1982). This well known finding is referred to as “the negativity effect” (Ahluwalia 2000; Ahluwalia et al. 2001; Anderson 1981; Fiske 1980). This is thought to occur because consumers consider negative information to be more diagnostic than positive. (Maheswaran and Meyers-Levy 1990; Skowronski and Carlston 1989). It is predicted that negative information will be disproportionately weighted, and will reduce consumer behavioral intentions.
H1: Exposure to negative information about a brand in the form of a customer created complaining website will reduce consumers’ behavioral intentions related to repurchase.

The Buffer Effect of Existing Brand Attitudes

When a person is familiar with an object, the person’s existing attitude guides the processing of new information related to that object (Petty and Cacioppo 1986). People pay selectively greater attention to information consistent with their attitudes (Frey 1986). Biased processing is also evident in people’s ready acceptance of information consistent with existing attitudes (Kunda 1990; Petty and Cacioppo 1986), and in their perception of such information as more persuasive (Edwards and Smith 1996; Petty and Cacioppo 1986). Participants who are familiar with and like a brand are predicted to use these attitudes as a guide in processing negative information.

H2: The effects of exposure to CCCW specified in H1 will be attenuated when the brand is one that the consumer is familiar with and likes, as compared with one with which the consumer is unfamiliar.

Study 1

Method

In the first study, 122 undergraduate students (77 females) were randomly assigned in a 2 (negative information: present or absent) x 2 (brand: familiar brand or unfamiliar brand) between-subjects factorial design. Participants were shown a webpage based on a well known, or fictitious, service provider. Negative information condition participants were shown a CCCW modeled after a related website, while others proceeded directly to the questionnaire. The dependent measure—behavioral intentions related to repurchase—was measured using three items adapted from Zeithaml, Berry, and Parasuraman (1996).

Major Findings

A brand (familiar or unfamiliar) x negative information (present or absent) between-subjects analysis of variance (ANOVA) found significant main effects for brand [F(1,121)=38.70, p<.001], and negative information [F(1,121)=12.08, p=.001], qualified by a significant interaction [F(1,121)=4.07, p=.046]. Consistent with predictions, negative information reduced behavioral intentions more sharply for the unfamiliar brand. The main effect of negative information was interpreted as support for H1, while the interaction was interpreted as support for the H2.

Study 2

The context of study two was a tangible product—fashion clothing. Finding were extended by investigating circumstances under which an existing attitude goes beyond buffering. When existing attitudes are strong, negative information may enhance behavioral intentions, as predicted by reactance theory.

Reactance

Reactance theory (Brehm 1966; Brehm and Brehm 1981; Wicklund 1974) posits that resistance to persuasion results from a motivation to preserve personal freedom when such freedom is threatened by a communicator. The message recipient may reassert their freedom by moving their attitude further away from the advocated position. It is predicted that when negative information contained in a CCCW consists of such arguments, consumer’s will react by raising their behavioral intentions.

H3: Negative information in the form of a CCCW consisting of arguments that threaten a consumer’s freedom to disagree will enhance behavioral intentions towards familiar brand, but decrease them for an unfamiliar brand.

Method

A total of 125 undergraduate students (69 females) at the same university took part in a 2 (negative information: present or absent) x 2 (brand: familiar brand or unfamiliar brand) between-subjects factorial design. The same procedure was used, except the target brand was chosen through a process designed to elicit a personally relevant brand, eliciting reactance. For the unfamiliar brand conditions, an Australian brand of fashion clothing was used.

Major Findings

A brand (familiar or unfamiliar) x negative information (present or absent) between-subjects analysis of variance (ANOVA) was conducted. A significant main effect was found for brand [F(1,116)=47.56, p<.001]. The main effect of negative information was not significant [F(1,116)=.409, ns]. There was a significant brand x negative information interaction [F(1,116)=5.62, p=.019]. Consistent with H3, exposure to negative information resulted in an increase in behavioral intentions related to repurchase for a familiar brand, but a decrease for an unfamiliar one.

References


