

THE IMPACT OF COMMUNICATION MEDIA ON COMPLAINT OUTCOMES

In today's marketplace, companies are facing increasingly intensive pressures to resolve consumer complaints than ever before (Smith et al. 1999). How these companies successfully handle complaints and generate service recovery can significantly impact consumer satisfaction and further build loyal customer groups (Genesh et al. 2000; Tax et al 1998). Previous studies have identified various factors that influence customer satisfaction with the resolution of post-purchase complaints, such as compensation, speed of response, and politeness when handling such complaints (Tax et al. 1998). However, most of the studies focused on organization and customer complaint interaction, leaving a few questions about a key perspective, media use in the complaint process, unanswered.

Given the fact that "complaint handling can be viewed as a sequence of events beginning with communicating the complaint" (Tax et al. 1998, P 61), it is important to understand how the selected complaint communication media influence complaint outcomes. It is well known that media can convey meanings. Mattila and Wirtz (2004) found that when consumers seek complaint recovery, they prefer certain media over other media. Communication literature also suggests that media are different in terms of information richness, with the outcomes of the communication message dependent on the match between media capacities and communication requirements. As a result, individuals have different perceptions of communication depending on their use of different media (Daft & Lengel 1986).

Building on previous literature, the current study attempts to understand media use in complaint communication and how such use leads to consumer satisfaction. Specifically, the study will address the following research questions: 1) Do complaint media use influence

consumers' perceptions of communication effectiveness? 2). Do consumers' perceptions of communication characteristics affect complaint communication? and 3) Does the use of complaint media contribute to overall consumer satisfaction?

Theoretical Background

A dissatisfied customer can engage in a number of possible actions. The customer will either complain about the quality of the service or the product or s/he will not. In most instances, estimated to be 96% of the time, the customer will not complain and will, if feasible, simply take his/her business elsewhere (LeBoeuf, 2000). In the 4% of the cases where a consumer will complain, the complaint resolution process and outcome are keys to maintaining a relationship with the customer. Estimates show that 70% of customers will continue as customers if the company resolves the problem to their satisfaction; 95% will stay if the issue is resolved to their liking immediately (LeBoeuf, 2000). In instances where the company has quickly and effectively resolved the customer's problem, research shows that customers can be even more loyal than they were before the service problem.

Consequently, an effective service recovery process is important to retaining consumer satisfaction. However, the recovery process is complex with the interplay of several factors. One leading factor is that commutative service providers need to be proactively informative (Keaveney 1995). Companies should provide the right information and embrace good communication with consumers. Media selection plays an important role in the complaint communication process. First, media differ in their ability to communicate certain types of information effectively, and the effectiveness relies on the match between communication requirements and media richness (Daft and Lengel 1984, 1986).

Media richness theory addresses “the ability of information to change understanding within a time interval” (Daft and Lengel, 1986). The more capable media is of improving understanding in a given communication encounter, the richer it becomes. As such, communication media can be arrayed along a continuum of richness on the basis of media’s capacities to resolve ambiguity (Fulk and Boyd 1991). Understanding the level of ambiguity in certain tasks where there are “multiple and possibly conflicting interpretations of the available information (Dennis and Kinney, 1998)” is pivotal for understanding communication activities and identifying uncertainty reduction mechanisms. Daft and Lengel (1986) defined four criteria for media richness: speed of feedback, variety of communication cues, personalization of medium, and language variety. Generally speaking, face-to-face communication is the richest media, followed by telephone, internet chatting, email and written memos or letters. Daft and Lengel (1986) contend that performance in an organization improves if richer media are used in ambiguous situations.

However, research based on media richness theory has some mixed findings. The theory seems to work well when dealing with traditional media, but does not seem to be as explanatory with new media such as internet chatting and email (Lee 1994). To resolve the controversy, researchers have proposed other factors in predicting media evaluation. An emerging research approach is based on rational choice perspective that complements media richness theory with social presence theory.

Social presence has been defined as not only a sense of “being with others (Heeter, 1992)” but also in terms of how involved or aware individuals are when interacting (Biocca and Nowak, 2001; Short, Williams, & Christie, 1976). Social presence theory posits that task completion requires a certain level of interpersonal involvement. Matching the correct level of

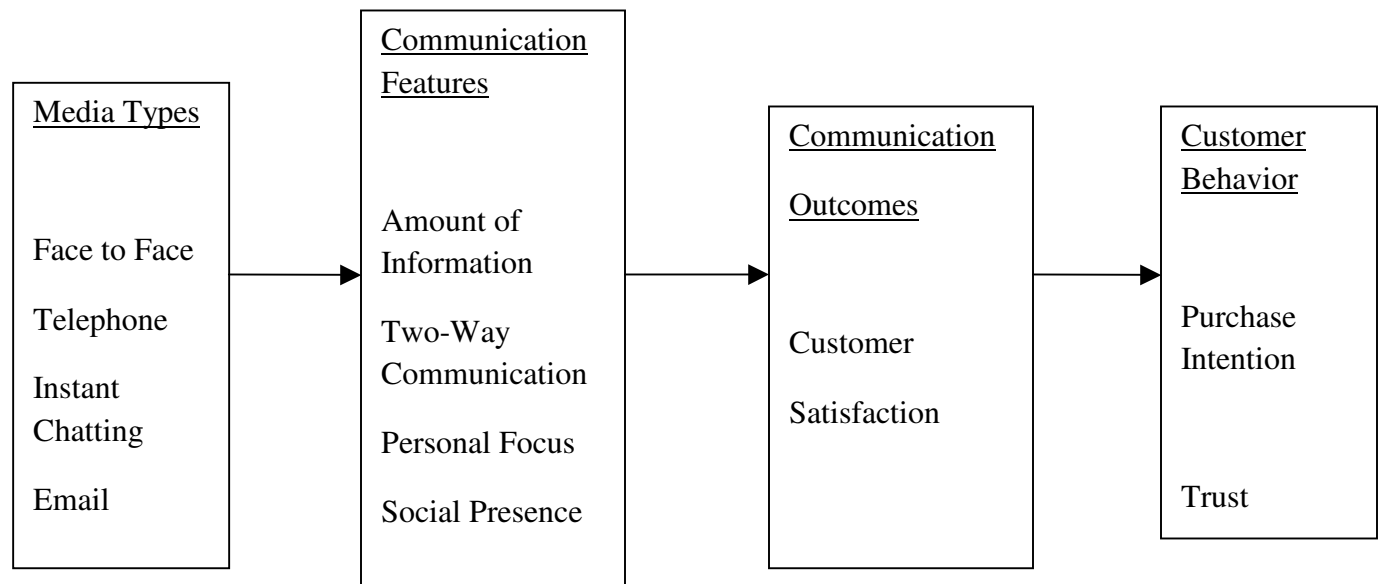
involvement with the appropriate communication mechanisms determines the success of the outcomes. Social presence theory indicates that individuals view media based on the degree to which social presence is necessary for the particular task. Fulk and Boyd (1991) argue that media users are generally aware of the degree of social presence available with specific media, and tend to avoid using the media for interactions that require higher degrees of social presence than what they perceive is associated with the media.

To sum up, media richness theory and social presence theory reinforce that communication is not just about information, but also about how information is communicated. It is expected that media can impact consumers' complaint and service recovery process by influencing consumers' complaint approach and how accurately the approaches are perceived. Because media have different abilities to effectively communicate different types of information, complaints communicated through different media would be perceived differently in terms of communication features, and that may lead to different communication outcomes.

Research Framework

The study proposed a research framework (Figure 1) that illustrates theoretical foundations of the study and related hypothesis.

Figure 1 Model of Proposed Relationship among complaint media, media features, communication outcomes, and customer behavior



The model focuses on the understating of how companies handle complaints by using four different media, and consumers' perceptions of using the different media. Specifically, the model will first test the relationship between media and consumers' perceptions of media characters, and then examine media impact on complaint outcomes that include consumers' overall complaint satisfaction and their further behavior outcomes.

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