

## MASTER'S THESIS

### Communication strategies used in online complaint communication: effects on customer satisfaction, corporate image and word of mouth communication

Chan, Sze Man Gabrielle

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Communication Strategies used in Online Complaint Communication:  
Effects on Customer Satisfaction, Corporate Image and Word of Mouth  
Communication

CHAN Sze Man, Gabrielle

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Principle Supervisor: Dr. C. W. Elliott

Hong Kong Baptist University

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## ABSTRACT

This experimental research examines the effectiveness of singular or combined forms of different levels of apology and compensation on complainants' satisfaction, corporate image and word of mouth communication after going through complaint communication process in chat room environment. Customer attributions are also considered in this study to see how they affect complainants' satisfaction, corporate image and word of mouth when different strategies are used by customer representatives in the complaint communication process.

The result indicates that the strategy combining 'simple apology and high compensation' obtains highest degree of customer satisfaction. There are no singular or combined forms of apology and compensation with different levels that generate the best corporate image and the most positive word of mouth. However, for corporate image, there is an interactive effect by gender and complaint communication strategies in how complainants perceived the responsiveness of the company produced. Moreover, some dimensions of corporate image are mainly affected by gender factor.

There is no difference in delivering a simple apology or intensified apology in complaint handling communication. However, high level of compensation given in complaint communication process is more effective in generating complainants' customer satisfaction than low level of compensation response.

Concerning the factor of locus in customer attributions, there is no difference in using different forms of communication strategies as complaint communication responses on the effectiveness in obtaining customer satisfaction, good corporate image and positive word of mouth when complainants perceive the company having locus on the cause of service failure. For controllability, when complainants perceive the company as controlling the cause of service failure, using only either apology or compensation strategy is least effective in obtaining higher level of complainant's satisfaction and good corporate image. When complainants perceive the cause of the problem as stable, compensation (accompanied with or without apology) given in complaint communication process is more effective in generating customer satisfaction than merely using apology strategy.

This study is a useful contribution to customer relations professionals who develops complaint response strategies. It highlights in what situations and what combinations of apology and compensation are effective as complaint communication strategies that aid in improving company- customer relations in long term.

## TABLE OF CONTENTS

Declaration	i
Abstract	ii
Acknowledgement	iii
Table of Contents	iv
List of Tables	v
Chapter 1: Introduction	1
Chapter 2: Literature Review	6
General Overview of Complaint Research	6
Customer Attributions: Locus, Controllability and Stability	7
Strategies in Customer Complaint Communication	9
Customer Satisfaction	15
Corporate Image	19
Engagement in Word of Mouth	22
Real-time Customer Complaint Service	24
Chapter 3: Research Questions	29
Chapter 4: Methodology	36
Methodology Considerations	36
Independent Variables and Manipulation	39
Measurement of Customer Attributions	47
Dependent Variables and Measurements	51
Sampling and Procedures	64
Chapter 5: Results	68
Chapter 6 Discussion	89
Reference	111
Appendix A: Tables	124
Appendix B: Questionnaire on Complaint Intention	148
Appendix C: Experiment Guidelines	151
Appendix D: Chat Room Complaint Communication Dialogues	156
Appendix E: Questionnaire on Customer Satisfaction, Corporate Image and Customer Attributions	167
Curriculum Vitae	183