

The Power of Observers: How Consumer-to-Consumer (C2C) Interactions on Complaints Shape Public Opinion

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Introduction

Due to the popularity and publicity of social media, consumers have begun using the platform to complain about brands or customer service. Brands often struggle to handle consumer complaints posted on their social media accounts (Statista, 2019). Notably, there is a growing trend that other consumers who have encountered to complaints actively participate in discussions and provide feedback on complaint messages (Bacile et al., 2018). As the wide scale of social media has increased the complexity of service recovery, companies' attention needs to go beyond handling those who post complaints and those who respond to them. Namely, online audience who silently observe business-to-consumer (B2C) and C2C service recovery remains overlooked. Likewise, research on C2C service recovery has been limited to complaining consumers' evaluations of their interactions with counterparts (other consumers) (Schaefer & Schamari, 2016); there are only a few studies examining the phenomenon from the observers' viewpoints (e.g., Weitzl & Hutzinger, 2017). This study aims to fill the void by exploring if and how observers evaluate other consumers' responses to complaint messages which further affect brand attitude. Specific purposes are twofold: (1) to examine the effects of observers' perceptions of C2C service interactions on brand attitude; and (2) to investigate the mediating roles of perceived fairness and satisfaction of complaint handling.

Literature Review and Hypotheses

Justice theory has been widely applied to explain service recovery (e.g., Javornik et al., 2020). Among the three key justice dimensions (distributive, procedural, and interactional justice), interactional justice is crucial in the context of C2C interactions. Interactional justice concerns observers' perceptions of the *service recovery processes* between complaining consumers and other consumers who respond. It increases when observers perceive a complaining consumer is treated respectfully or friendly by other consumers (Gelbrich & Roschk, 2011). This study operationalizes C2C fairness through interactional justice, defined as the perceived fairness of how a complaining consumer is treated by other consumers from the observers' standpoint (e.g., other consumers expressing care or being polite in their responses, Bacile et al., 2018).

As for antecedents to C2C fairness, this study focuses on observers' perceptions of the *authenticity of responses to complaining messages*. C2C authenticity refers to the extent to which other consumers' responses are perceived to tell the truth. Research demonstrated that observers' evaluations of the responses to consumer complaints (e.g., being human-like) enhances perceived justice and thus favorable outcomes (Javornik et al., 2020). Similarly, when observers view the responses given by other consumers as authentic, their service evaluations and attitudinal responses will enhance. We further examine the observers' responses to C2C recovery interactions in two ways: (1) satisfaction with complaint handling pertaining to how satisfactorily

a complaining consumer is handled by other consumers and (2) brand attitude representing observers' assessment of the brand involved in C2C interactions. Following the service literature (e.g., Filieri, 2015; Orsingher et al., 2010; Qin et al., 2019), we posit that C2C fairness and satisfaction with complaining handling can independently as well as serially mediate the effect of C2C authenticity on brand attitude. Hence, the following hypotheses are developed:

- H1: C2C authenticity increases (a) C2C fairness, (b) satisfaction with complaint handling, (c) and brand attitude.
- H2. C2C fairness increases (a) satisfaction with complaint handling and (b) brand attitude.
- H3. Satisfaction with complaint handling increases brand attitude.
- H4. The effect of C2C authenticity on brand attitude is independently mediated by (a) C2C fairness and (b) satisfaction.
- H5. The effect of C2C authenticity on brand attitude is serially mediated by C2C fairness and satisfaction.

Method and Results

A web-based survey utilizing a mock fashion brand's social media was conducted with participants recruited via Amazon Mturk ($N = 323$, $M_{age} = 36$, 56.3% male). Four vignettes were developed to create C2C situations varying consumer's complaints about the brand's service and other consumers' responses. Participants were asked to review the communications in the given vignette as if they were observers (Bacile et al., 2018) and assess the situation. Measurements were adapted from the existing studies. The measurement model fit, construct reliability and convergent and discriminant validity were all confirmed through CFA.

A serial mediation analysis was performed using PROCESS Macro (Hayes, 2013, Model 6) with 5,000 bootstrapping samples. Results indicated authenticity promotes perceived C2C fairness, satisfaction, and brand attitude. Fairness increases satisfaction, which enhances brand attitude. H1, H2a, and H3 were accepted but H2b was rejected (Figure 1). The mediation tests indicated significant indirect effects for the two mediation models: authenticity \rightarrow satisfaction \rightarrow brand attitude (effect = .16, SE = .04, 95% CI [.08, .25]) and authenticity \rightarrow fairness \rightarrow satisfaction \rightarrow brand attitude (effect = .15, SE = .04, 95% CI [.08, .23]). H4b and H5 were supported, while H4a was rejected.

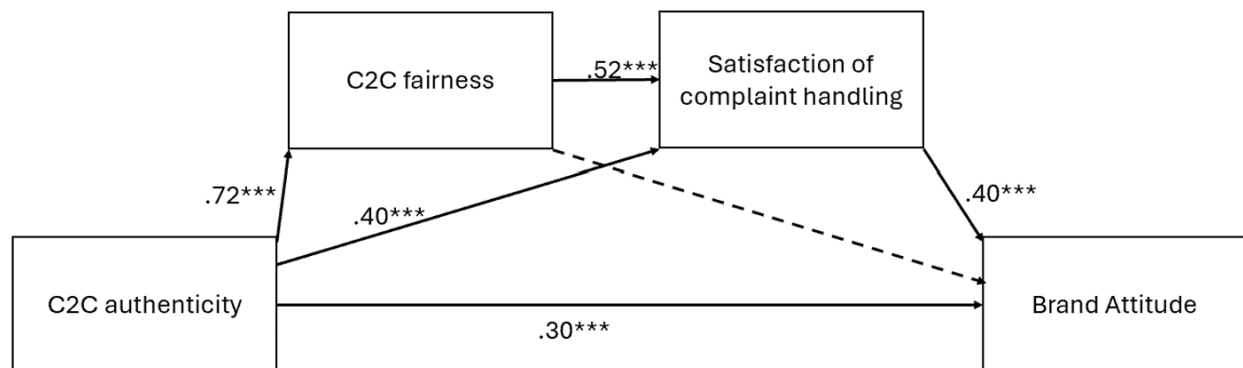


Figure 1. Resulted Model

Discussion

This research investigated observers' information processing of C2C service interactions in social media. This study adds knowledge to the fashion management literature by untangling the complex relationships between the complaining consumers and other consumers who actively advocate brands from the perspective of silent observers. Particularly, we expand the scope of C2C interaction-based complaint handling by revealing how other consumers' responses to complaints impact observers' service evaluations and brand attitude. Practically, brands can leverage effective complaint handling strategies through C2C interactions in digital platforms to further improve service recovery management. By promoting authentic content of other consumers (e.g., through "verified consumer" signs), brands can increase observers' positive evaluations.

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