

# Tweeting responses to complaints on social media triggers new complaints

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Companies engaging with customers on Twitter beware: responding to complaints on social media has the side effect of triggering new complaints. That is one finding of a new study published in the Articles in Advance section of *Marketing Science*, a journal of the Institute for Operations Research and the Management Sciences (INFORMS).

[The Squeaky Wheel Gets the Grease - An Empirical Analysis of Customer Voice and Firm Intervention on Twitter](#) is by a trio of professors, Liye Ma of the Robert H. Smith School of Business at the University of Maryland, Baohong Sun of Cheung Kong Graduate School of Business, and Sunder Kekre of the David A. Tepper School of Business at the Carnegie Mellon University.

As companies large and small flock to [social media](#) outlets to engage with their customers, a key managerial question arises: do such service interventions on social media work and if so, in what way? The study investigates this question, and the finding is intriguing: on one hand, addressing complaints on social media does improve customer relationship with the company. On the flip hand, however, it also increases customers' expectations to receive help, and makes customers more likely to speak up in the future. That is, responding to complaints has the downside effect of encouraging even more complaints.

For their study, the authors examined the history of compliments and complaints by several hundred consumers of a major telecommunications services provider made on Twitter and the

company's responses. They used a dynamic statistical model to investigate both how consumers' relationships with the company evolve and how they decide whether to compliment or complain. Accounting for both aspects turned out to be crucial in revealing these opposing effects of social media complaint management.

"People complain on Twitter not just to vent their frustration," says Ma. "They do that also in the hope of getting the company's attention. Once they know the company is paying attention, they are more ready to complain the next time around."

Despite this side effect, addressing complaints is still worthwhile. The improved customer relationship from such effort outweighs the downside of encouraging more complaints. However, if companies only look at what customers say on social media without recognizing this "squeaky wheel" effect, they will underestimate the effectiveness of their service intervention, the study cautions. Furthermore, the study emphasizes that managers should examine the underlying customer relationships, since this can help improve the tuning of service intervention efforts.

The study also investigates the influence of friends on social media: hearing more positive words from friends improves a customer's relationship with the company. However, the customer reaction to voices can go either way: in certain cases the customer feels the need to agree with friends and compliment them, while at other times the customer disagrees with friends and complains.

"The social media environment is in a sense self-stabilizing," observes Sun, "and companies should not overreact to negative comments."

"What people say about a company on social media does reflect their true perceptions, but only to a certain extent," says Ma. "There are also

other important factors that affect what they say, the company's past responses to [complaints](#) being one of them. This is a key takeaway for understanding and managing service interventions on social media."

"Social media is a double edge sword - companies need to watch out and weigh the plus side against the down side for marketing and service interventions," echoes Kekre. "The viral effects of social media need to be unlocked and leveraged to harness the state of the art in marketing science."

Provided by Institute for Operations Research and the Management Sciences

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