The differences between companies from collectivistic and individualistic cultures regarding the use of response strategies and response styles to online consumer complaints

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Abstract

Previous research has shown that there are differences in communication between cultures in face-to-face crisis situations. The cultural dimension individualism-collectivism is of importance in these intercultural situations. Developments in technology have led to the situation in which a lot of company-consumer crisis situations are handled online. This development raises the question whether the differences in face-to-face crisis situations are also visible in online situations. As collectivistic cultures are shown to be more conflict avoidant than individualistic cultures, it was hypothesised that the tendency to be conflict avoidant is reflected in the response style and response strategy of companies during webcare. Therefore, this study analysed 720 consumer complaints and 720 company responses to these complaints on Twitter. The consumers and the companies originated from two highly individualistic countries and two highly collectivistic countries. The tweets were coded with regard to response style (proactive or reactive) and response strategy (deny/diminish/rebuild). Companies from collectivistic cultures used significantly more reactive response styles and less proactive response styles than companies from individualistic cultures. No significant relation was found between culture and response strategy. Companies expanding their business to countries with a culture of the other side of the individualism-collectivism dimension, should take into account that their way of executing webcare might not be the same as in their home country. Future research should focus on the perception of different response styles among consumers from different cultures.
1. Introduction

Developments in technology have led to the current situation in which a great part of communication between companies and consumers happens through online media. Where 15 years ago it was still common to call a company service centre when encountering a problem, nowadays complaints are often addressed online via social media such as Twitter. These online complaints are a form of electronic word of mouth (eWOM). Online complaints are visible for the whole world and require an adequate response from the company in order to protect its reputation. Therefore, companies have set up webcare teams that manage electronic word of mouth of consumers about their products/services.

Negative eWOM and webcare can be seen as a type of conflict situation. Therefore, researchers have used conflict management theories to study negative eWOM and webcare. These studies have shown that the responses of companies to negative eWOM can differ on two aspects: the style of the response and the strategy of the response. The response style can be proactive (without the consumer asking for a response) or reactive (when the consumer explicitly asks a response). The strategy of the response can differ with regard to the extent to which a company excepts responsibility for the complaint (denying/diminishing the complaint or rebuilding the relationship).

Additionally, there are certain cultural differences that are shown to be relevant in face-to-face conflict situations. One of the dimensions that is relevant in these conflict situations is individualism versus collectivism. People from collectivistic cultures are shown to avoid conflict more in their way of communicating than people from individualistic cultures.

Given that eWOM and webcare are a type of conflict situation and that cultures can differ from each other in the way they handle face-to-face conflicts, the question is raised whether these cultural differences can also be found in online conflict situations such as eWOM/webcare.

When linking the cultural dimension of individualism/collectivism with the findings of previous studies about responses in conflict situations (including the type of the response, which can be responding proactive or reactive, and the response strategy, which can be denying or diminishing the complaint or rebuilding the relationship), it can
be expected that collectivistic cultures use more conflict avoiding response strategies in webcare than individualistic cultures do. First of all, responding *proactively* can be seen as the opposite of conflict avoiding, which leads to the expectation that companies from collectivistic cultures respond less *proactively* than companies from individualistic cultures do. Secondly, the response strategy of *rebuilding the relationship* can function as an improvement of the relational harmony. Therefore, companies from collectivistic cultures are expected to use more *rebuilding relationship* response strategies than companies from individualistic cultures do. Finally, *denying and diminishing* the problem can harm the relational harmony. Therefore, it can be expected that companies from collectivistic cultures use the *denying* and *diminishing* response strategies less than companies from individualistic cultures do in their webcare.

If (any of) these expectations are proven to be correct, it can have practical implications for companies that are internationalising. In order to prevent cross-cultural miscommunication, webcare strategies might need to be adapted when dealing with negative eWOM from customers from a different culture than the company's home country culture.
2. Theoretical Framework

Online communication

Developments in technology have led to a different company-consumer relationship compared to approximately 15 years ago. Traditionally, companies were the senders of positively-framed mass communication and consumers were the receivers, but nowadays consumers also have the power of being a sender of company or product related information with online messages that are publicly accessible (Liu & Fraustino, 2014). The impact of consumer-generated information is large, as Bickart and Schindler (2001) found it to be more useful and trustworthy than marketeer-generated information.

Social media have facilitated this new way of communication in which, unlike in traditional media, an interactive and bilateral way of communication is possible (Kuksov, Shachar & Wang, 2013). Social media platforms, like Facebook and Twitter, give consumers the possibility to voice and share their experiences and opinions about products, brands and organizations with anyone who has access to these platforms (Argenti, 2006; Mangold and Faulds, 2009; Muntinga, Moorman & Smit, 2011). The reach of these online consumer evaluations is very large. Facebook had 1523 million active users in the last quarter of 2018 and another large platform, Twitter, had 321 million active users in the same year (Statista, 2018).

One of the challenges posed by social media is the prevention of misinterpretation of messages. In face-to-face communication there are non-verbal cues that help to understand the message that is transferred. However, in online communication these non-verbal cues are missing. Online messages are transferred by using other cues, such as words.

Electronic Word of Mouth

This online shared company or product review is known as electronic word of mouth (e-WOM) and is defined as “any positive or negative statement made by potential, actual or former customers about a product or company that is made available to a multitude of people and institutions via the internet” (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004, p39).
Electronic word of mouth (eWOM) is basically the online version of the traditional word of mouth (WOM), which is the product advice consumers give each other in face to face communication. Consumers use WOM, and eWOM, to help them form an opinion about products, brands, and organizations (Lee & Youn, 2009). EWOM is found to be more influential than traditional WOM because of the rapidity and accessibility of online messages, and the anonymity due to the absence of face-to-face pressure (Sun, Youn, Wu & Kuntaraporn, 2006). Furthermore, eWOM is shown to have more impact than traditional WOM because of the large reach of eWOM (Williams & Buttle, 2011).

Multiple studies found that electronic word of mouth with a negative product or company evaluation, can have a harmful influence on the decision making process of the consumer. Consequently, the sales figures, brand loyalty and reputation of the company are likely to be negatively affected (Chevalier & Mayzlin, 2006; Vermeulen & Seegers, 2009)

Webcare

In order to limit the effect that negative eWOM can have, companies use webcare to manage their online complaints. Van Noort and Willemsen (2011, p. 133) defined webcare as: “The act of engaging in online interactions with (complaining) consumers by actively searching the web to address consumer feedback. [...] Central to these efforts is the aim to restore or improve the brand evaluations of complaining customers and/or those who have been exposed to the negative eWOM of complaining customers”. Webcare is often carried out by employees of the marketing department of a company or an organisation, or in the case of large companies, specific webcare departments.

Webcare is shown to serve as a mitigator on the effects of negative eWOM (van Laer & de Ruyter, 2010). A quick and adequate webcare response from a company can settle the problem with the complaining customer and can even increase general customer loyalty and generate positive eWOM (Hong and Lee, 2005). Lee and Song (2010) demonstrated that individuals who read complaints followed up by an accommodative response (e.g. apology), evaluate the company more positive than individuals who read complaints that did not receive a (accommodative) response. This shows the importance of responding to negative eWOM.

Previous literature (e.g. Van Noort & Willemsen, 2011) shows two main webcare strategies in which the responses of companies to online complaints can differ: the style
and the strategy. The style of the response can differ between responding proactively or reactively. The strategy of the response can also vary.

**Proactive and reactive webcare**

Responding to a complaint is seen as favourable when the consumer requests an answer or explanation (Van Noort & Willemsen, 2011). A Dutch study (Van Laer & De Ruyter, 2010) showed that companies have the tendency to respond proactively to all negative eWOM. Companies expect that a quick response will give the consumer the feeling that the company is sensitive to their concerns and that they take their clients seriously.

A proactive response entails that companies respond to negative eWOM without the consumer asking for a response. In that case, the consumer is venting its experience with other stakeholders as audience. An example of a message on Twitter of which the response of a webcare team would be proactive can be found in figure 1.

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*The trains @NationalRailwayCompany look and smell like a garbage dumb today... It's disgusting. I will need a shower when I get home.*

- Maria

Figure 1: Example consumer complaint (proactive response)

As shown in the example, the complainer does not specifically ask a question to the company. The consumer sends the message to vent her feelings to the public. There is no direct cue in the message for the company to respond to. This is a typical characteristic of messages that would lead to proactive responses. The consumer tagged the company (@NationalRailwayCompany) which is, most likely, intended to create an audience for her message. In case the tag is replaced by the name of the company, the linguistic structure of the message shows that the consumer is talking *about* the company. If people on twitter could like to read about messages concerning the National Railway Company, they can use this tag to search for it. If the tag was not included in the message, they would need to follow or actively search for the person who posted the message in order to read.

Responding reactively means that webcare teams only respond when this is explicitly asked by the complaining consumer (Van Noort & Willemsen, 2011). An example of a message that would lead to a reactive response can be found in figure 2.
In this example, the consumer explicitly addresses the company and asks a question to the company. The consumer asks for information which would lead to a reactive response of the company. Again the tag (@NationalRailwayCompany) is used to create an audience for the message, but this time the addressed audience explicitly includes the company. When the tag is replaced by the name of the company, the linguistic structure of the message shows that the consumer is talking to the company.

Both proactive and reactive responses are shown to have a positive effect on the consumers’ evaluation of the company (Köhler et al., 2011; Malthouse, 2007; Van Noort & Willemsen, 2011). However, the messages that evoke proactive responses are intended to give recommendations to other consumers and are not directly addressed to the company. This can lead to the situation in which the proactive response from the company is considered as inappropriate (Deighton and Kornfeld, 2009). Fournier and Avery (2011) stated that proactive responses from companies can, in certain cases, come across as intrusive and uncalled for, due to the unsolicited aspect of the response.

**Response strategies in conflict situations**

Besides the response styles, the responses to consumer complaints can also differ in the response strategy. Every negative eWOM message can be seen as the beginning of a potential crisis. Therefore, researchers have been using crisis management theories to study the best response strategies to negative eWOM. In his well-known research, Coombs (2007) created the Situational Crisis Communication Theory (SCCT). It is a framework that offers crisis management strategies focused on preventing reputational damage.

One aspect of the theory identifies response strategies companies can use in a crisis situation. These strategies are designed to influence the perception a consumer has of the crisis, and consequently of the company. Three groups of response strategies were identified based on the extent to which companies accept responsibility for the problem. First of all, companies can deny the problem, focusing on the fact that the organization has
no role or responsibility in the crisis. Secondly, the problem can be diminished by minimizing the responsibility of the company for the crisis, or to minimize the size of the crisis. Thirdly, companies can accept responsibility for the crisis and work on rebuilding the relationship with the complainer. All three groups of response strategies consist of several specific strategies. Figure 1 gives an overview of these subcategories.

Deny crisis response strategies
- **Attack the accuser**: Confronting complainer saying that there is something wrong with the organization
- **Denial**: Stating that there is no crisis
- **Scapegoat**: Blaming person or group outside of the organization

Diminish crisis response strategies
- **Excuse**: Minimizing the responsibility of the organization. Assure there is no intention to do harm and/or that they are unable to control the event that led to the crisis
- **Justification**: Minimizing the perceived harm of the crisis

Rebuild crisis response strategies
- **Compensation**: Offering some kind of compensation (money, gifts etc.)
- **Apology**: Asking for forgiveness and/or taking responsibility for the crisis

Coombs (2007) states that these categories cover all possible response strategies that companies can use in case of a crisis. As negative eWOM and webcare can be seen as a type of conflict situation, Coombs’ categories can be used to classify the responses from companies to negative eWOM. The responses can be expressed in several ways such as actions, verbal statements, strategic choices etc. With regard to negative eWOM and webcare, the most frequently used way of expressing the response is the verbal written response.

There are endless ways of expressing verbal written responses to negative eWOM. However, the Situational Crisis Communication Theory can make it easier to understand the strategy of the response by classifying it using the subcategories given above. A few examples of what classifies a response in a certain Crisis Response Strategy will now be given.

As a response to the earlier complaint of John regarding the delayed trains, the National Railway Company could use the response shown in figure 4.
@John according to our systems the trains to Amsterdam Central Station are running on time!

Figure 4: Example company response (denial)

In this response the company denies that there is a problem, the problem of the consumer is refuted. This can be classified as a *deny crisis response strategy* with as subcategory *denial*.

Another response the National Railway Company could give to John is shown in figure 5.

@John the switches of the trails are frozen due to the continuous cold. Unfortunately we can’t do anything to prevent the weather from provoking the delays this week.

Figure 5: Example company response (diminish)

In this case, the company gives an excuse for why the problem exists. They make clear that they are unable to control the reason that led to the problem. With that, they minimize the responsibility of the company. This is an example of the *diminish crisis response strategy* with as subcategory *excuse*.

The company could also make a concession by for example using the response shown in figure 6.

@John have you seen the form on our website where you can receive your money back in case of large delays?

Figure 6: Example company response (rebuild)

In figure 5, the company offers compensation for the problem the consumer has encountered. This can be classified as *rebuilding crisis response strategy* with as subcategory *compensation*.

As can be seen in the examples, the *denying* and *diminishing* response strategies can be seen as defensive forms of responses. These responses intend to limit the responsibility of an organization in the crisis. The organization tries to defend its reputation. The last response strategy, *rebuilding*, shows that the organization does take
responsibility and focuses on rebuilding the relationship with the consumer. By taking responsibility, the company limits the chance of further conflict (Coombs, 2007).

**Cultural differences**

Although previous research has focused on identifying response strategies and proactive/reactive responses in certain situations, it did not include the possible effect of cultural differences on the interpretation of a response in conflict situations. Over the years, studies have provided evidence for cultural differences in communication in conflict situations. These cultural differences can lead to miscommunication because the receiver of the message could interpret the message of the sender in a different way than it is intended by the sender. As companies are operating more globally, they might need to take into account the different ways in which they and their consumers are influenced by culture in their way of approaching conflict situations.

There are many dimensions on which cultures can differ from each other. One of the dimensions that researchers have linked to conflict situations is individualism – collectivism, first identified by Hofstede in 1980. This dimension indicates to what extent people in a certain culture have an individual self-perception or a more society-oriented self-perception. On the one hand, cultures that score high on this dimension tend to be individualistic, focusing on one's personal interests rather than the group-oriented interests. Individualistic cultures emphasize the personal self, the "I" identity. On the other hand, cultures that score low on this dimension are identified as collectivistic cultures. Collectivistic cultures have the tendency to prioritise the interests of the group they belong to over their personal interests (Trubisky, Ting-Toomey, & Lin, 1991).

The cultural dimension of individualism-collectivism is relevant in conflict situations because of the difference between the way these types of cultures handle conflicts (Triandis, Bontempo, Villareal, & Asai, 1988). As online complaints and the responses to the complaints (webcare) can be considered a type of conflict situation, this dimension is also considered to be relevant for webcare. Based on Hall's (1976) framework, Chua and Gudykunst (1987) found that people in individualistic cultures prefer a direct style of communication to deal with conflict situations, whereas people in collectivistic cultures prefer an indirect style of communication to handle conflict situations. Chua and Gudykunst (1987) argue that people in individualistic cultures prefer direct conflict strategies and solution-oriented methods, emphasizing the values of
autonomy, competitiveness and need for control. On the other hand, people from collectivistic cultures seem to prefer conflict-avoidance strategies, maintaining relational harmony and focusing on the value for passive conformation. This difference is rooted in the early lives of people, where, for example, children in individualistic cultures are taught the need of thinking for themselves whereas children in collectivistic cultures are taught to do what is best for the family (Chua & Gudykunst, 1987).

Cai and Fink (2002) found in their study about cross-cultural differences in conflict strategies between students from 31 different countries residing in the USA that collectivists tend to prefer compromising and integrating conflict strategies more than individualists do. This implies that a company from a collectivistic culture would be more likely to seek for a compromise with the complainer than companies from individualistic cultures would do.

Collectivistic and individualistic cultures thus seem differ in the way they handle conflicts. This raises two questions. First of all, as webcare is a type of conflict situation, it raises the question whether people from collectivistic and individualistic cultures also differ in their way of using webcare. We outlined before that webcare can mainly differ in the use of response strategies and types of responses. Consequently, the question arises whether companies from individualistic and collectivistic cultures have a tendency to prefer certain response strategies and response styles. Secondly, the research regarding collectivistic and individualistic cultures has focused on the face-to-face context of conflict situations. As electronic word of mouth is an online form of conflict, it raises the question to what extent previous findings regarding cultural differences in conflict situations are relevant and applicable to online conflict situations. Moser, (2013) stated that problems arise if the differences between face-to-face and online settings are not taken into account. In online communication several non-verbal cues (such as gestures that replace or complement verbal communication) are absent. In face-to-face communication these cues help to understand the message. The absence of these non-verbal cues in online communication could lead to miscommunication (Moser, 2013).

This study
Although research has been carried out regarding response methods (the type and the strategy) in crisis situations, no studies were found which focused on cultural differences in response strategies and styles to negative eWOM.
As companies are crossing borders and expanding their customer database to include more cultures, it is relevant to know whether companies should adapt their webcare strategies to the cultural preferences of the customer. In order to know whether companies should make these adaptations, we should first study whether there is indeed a difference in the way companies from different cultures respond in online conflict situations.

As outlined before, responding proactively to customer complaints can come across as intrusive as the response is unsolicited. The company actively seeks for negative eWOM to reply to, in order to minimize its possible damaging effect. Also, cultures differ in the extent to which they try to avoid conflict. Actively seeking the web to respond to customer complaints can be seen as the opposite of conflict avoiding, namely seeking conflict (even though it is intended to minimize its possible negative impact). Based on the theory that people from collectivistic cultures are shown to be more conflict avoiding than people from individualistic cultures, the following hypothesis was formulated:

\[ H1: \text{Companies from collectivistic cultures use fewer proactive responses to online complaints than companies from individualistic cultures do.} \]

The strategy of the responses to crises can be grouped in: denying the problem, diminishing the problem, and rebuilding consumer relationship. However, as research has shown, collectivistic cultures seem to prefer conflict avoidance-strategies focused on maintaining the relational harmony. The only group of response strategies (Coombs, 2007) that has as focus the relational harmony is rebuilding consumer relationship. With that response strategy, the company takes responsibility and prevents further conflict. The other response strategies, denying and diminishing the problem, can be seen as rather defensive responses. Therefore, a second and third hypothesis were formulated:

\[ H2: \text{Companies from collectivistic cultures use more rebuilding response strategies to negative eWOM than companies from individualistic cultures do.} \]

\[ H3: \text{Companies from collectivistic cultures deny and diminish negative eWOM less than companies from individualistic cultures do.} \]
3. Methodology

Materials
In order to test the hypotheses, this study was based on a corpus analysis collected by a student of the master’s degree International Business Communication of the Radboud University, The Netherlands. The corpus consisted of 720 customer complaints and 720 responses from companies to these complaints. Both the complaints and the responses were collected on the social medium Twitter. This medium was chosen as the provider of the materials as it is one of the most prominent social mediums (Macnamara & Zerfass, 2012). The messages posted on Twitter are called tweets. From now on this term will be used to indicate the messages posted on this social medium. The consumers and the companies that were analysed originated from four different countries. Based on the individualism/collectivism dimension of Hofstede (1980), two highly individualistic countries (the USA and The Netherlands) and two highly collectivistic countries (Chile and Colombia) were selected. The companies were selected on having their headquarters and main practices in that country. With that, the assumption was made that the complaining consumers and the webcare teams originated from the same national culture as where the headquarters and main practices are located. A quick-scan showed that in all four countries Twitter is commonly used. Therefore, there was sufficient material available to execute this study.

In order to increase the validity of the results, tweets from a total of 24 different companies (six per country) were analysed. All companies originated from one of the four countries that were studied. Finally, six different sectors were chosen in order to make sure that possible product-related characteristics of the complaints and responses are equally divided over the countries. Based on Hornikx and Hendriks (2015), from each country material was collected from (1) an airline, (2) a supermarket, (3) a bank, (4) a post service company, (5) a national or local transportation company, and (6) a company in the Fast Moving Consumer Goods (FMCG) sector. Appendix A gives an overview of the 24 companies that were selected for this study.

The corpus was collected in the month of May 2019 but the tweets in this corpus originated between September 2018 and May 2019. When collecting the data, the researcher started with tweets posted on the day of the data collection and searched back in time until 30 sets of data were found that met the criteria discussed below. This means
that the most recently posted tweets that met the criteria were posted. For some companies, tweets posted within just one day led to 30 sets (one set is a complaint and the corresponding response) of data that met the criteria, whereas for other companies it was needed to search back in time nine months to find 30 sets of data that met the criteria.

With the advanced search function of Twitter, it was made sure that only messages posted by the company were shown. Thereafter, it was checked whether the posted message of the company was a response to a different account. This would be indicated by the words “replying to” followed by @AccountName. In case the company’s message was indeed a reply, the conversation was opened to check the messages on the following criteria.

There were two main criteria on which the messages were selected for the corpus. The first criterion was whether the message of the consumer included negative eWOM. This entailed that the person writing the message should express their negative opinion or experience with the product or service of the company. Secondly, the complaint of the consumer must have received a response from the company. Responses that solely asked for more information about the case (for example via a private message) were excluded from the selection. The reason for that is that the actual response of the company to the complaint was then given in a private message, which was not accessible for this study. Consumer messages without a response from the company, or messages posted by the company without replying to a consumer, were not included in the corpus. When a conversation was found that met the criteria, both the complaint as well as the response of the company (comprising a set) were included in the corpus.

**Procedure**

**Coding the corpus**

After collecting the corpus, it was firstly indicated whether the tweets were sent to and by a company from an individualistic or a collectivistic culture. Furthermore, the country, the sector of the company, and the name of the company were indicated for the entirety of the corpus.

Consequently, the complaints from the consumer were coded with regard to type of response in order to be able to test H1. If the consumer asked for an answer in the tweet

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1 After @ the name of the Twitter account of the consumer was shown.
(by e.g. asking a question, explicitly addressing the company, or providing the order number), the response of the company was coded as reactively. If the consumer did not specifically ask the company for an answer or information in the message, the response of the company was coded as proactively.

Secondly, to gather the necessary data to test H2 and H3, all responses from the companies to the complaints were coded based on a slightly adjusted version of the response strategies of Coombs (2007). During the collection of the data it was found that the response strategies of Coombs (2007) were not exhaustive to code all the company responses expressed in the tweets. A frequently occurring response from the company that could not be coded with the original coding scheme was to offer help, promise future improvement, or to promise to solve the problem. Therefore, an eighth sub response strategy with the name *improvement* was added to the coding system. As offering to solve the problem can be seen as a way to improve the consumer relation and to limit the chance of further conflict, this strategy was subsumed under the main strategy *rebuild*. Furthermore, there were a few tweets where there was no clear response strategy identifiable. Therefore, a fourth main strategy *no strategy* was added to the coding.

<table>
<thead>
<tr>
<th>Number</th>
<th>Category name</th>
<th>Explanation subcategory</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deny crisis response strategies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td><em>Attack the accuser</em></td>
<td>Confronting complainer saying that there is something wrong with the organization</td>
</tr>
<tr>
<td>2</td>
<td><em>Denial</em></td>
<td>Stating that there is no crisis</td>
</tr>
<tr>
<td>3</td>
<td><em>Scapegoat</em></td>
<td>Blaming person or group outside of the organization</td>
</tr>
<tr>
<td><strong>Diminish crisis response strategies</strong></td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td><em>Excuse</em></td>
<td>Minimizing the responsibility of the organization. Assure there is no intention to do harm and/or that they are unable to control the event that led to the crisis</td>
</tr>
<tr>
<td>5</td>
<td><em>Justification</em></td>
<td>Minimizing the perceived harm of the crisis/giving an explanation for the crisis</td>
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<tr>
<td><strong>Rebuild crisis response strategies</strong></td>
<td></td>
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</tr>
<tr>
<td>6</td>
<td><em>Compensation</em></td>
<td>Offering some kind of compensation (money, gifts etc.)</td>
</tr>
<tr>
<td>7</td>
<td><em>Apology</em></td>
<td>Asking for forgiveness and/or taking responsibility for the crisis</td>
</tr>
<tr>
<td>8</td>
<td><em>Improvement</em></td>
<td>Offering help/promising to do something about the problem/promising to improve the situation</td>
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<tr>
<td><strong>No strategy</strong></td>
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<tr>
<td>0</td>
<td><em>No strategy</em></td>
<td>None of the above crisis response strategies is identifiable</td>
</tr>
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scheme. This main strategy was meant to only identify the lack of a response strategy. The final version of the coding scheme can be found in table 1.

The aim of this coding was to determine the different strategies that the responses included, not how often these strategies occurred in one response. Therefore, multiple expressions of the same strategy (e.g. apologizing multiple times) were only coded once with the corresponding strategy.

**Sub strategies and main strategies**

The sub strategies, as shown in table 1, were used to identify which overall group the response strategy belonged to. Only the sub strategy (e.g. scapegoat, excuse, compensation) was coded as it is the most precise way to identify the response strategy in the message. When the whole corpus was coded, all subcategories of this variable were also recoded to the overall type of crisis response strategy (deny, diminish or rebuild). Consequently, both the subcategories as well as the main categories were used to test the hypotheses. The main categories give direct results regarding the hypotheses whereas the subcategories give a more complete and detailed image of the main strategies. Two examples are now given to explain the recoding of sub strategies to main strategies.

In figure 7 you can find an answer from the American train company Amtrak to a consumer complaint about bad WiFi in the trains. The company responds by apologizing, coded as *apology* and consequently by stating that they are working on improving the situation. The latter is coded as *improvement*. This response contains two different subcategories that fall under the same main strategy (*rebuild*).

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We do apologize for any WiFi issues. We are working on upgrading our service soon - Amtrak
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*Figure 7: Example company response*

In figure 8 you can find the response from UPS to a consumer complaint about a delay in the delivery of a package. The response contains several response strategies. First of all, the company gives information on why the package was delayed. They blame the weather on the travel path, which is a way of minimizing the responsibility of the organization by stating that they were unable to control the cause of the delay. Following the coding scheme, this sentence was coded as an *excuse*. Consequently, the company
apologizes, which was coded as an apology. Finally, the company promises to improve the situation by saying they will do their best to deliver the items as quickly as possible. This last sentence was coded as improvement. This response contains three different subcategories of response strategies. As apology and improvement fall under the same main strategy (rebuild), this response contains two different main categories of response strategies (diminish and rebuild).

The weather delay may not be in the local area, but on the travel path the package has to take. I apologize for any troubles you have experienced. We will do our best to have your items delivered as quickly as possible - UPS

Figure 8: Example company response

Just like the examples in figure 7 and 8, the corpus contained multiple responses that included more than one sub strategy. There were a total of 720 responses that included a total of 994 sub strategies. There were 457 responses coded with one sub response strategy, 252 responses coded with two sub response strategies, and 11 responses coded with three different sub response strategies.

In order to test the hypotheses, which were based on main strategies, the sub strategies were recoded to main strategies. It appeared that some subcategories had led to several occurrences of the same main strategy in the same response. The responses of Amtrak (figure 7) and UPS (figure 8) are examples of this. In both responses, the sub strategies apology and improvement occurred which are both part of the rebuild main strategy. As mentioned earlier, two expressions of the same sub strategy were coded only once with that sub strategy in order to prevent an imbalance in the dataset. The same goes for main strategies. Apologizing and promising improvement are in fact two expressions of the same main strategy. Therefore, multiple expressions of the same main strategy were coded only once with that main strategy. In the example of Amtrak (figure 7) therefore only one main strategy coded (rebuild), in the example of UPS (figure 8) two main strategies were coded (diminish and rebuild).

Overall, 151 tweets were coded with different sub strategies but which fell under the same main strategy. After recoding the sub strategies to main strategies, this resulted in a total of 843 different main strategies for the total of 720 responses in the corpus.
total, 598 responses were coded with one main strategy, 121 responses coded with two different main strategies, and one response coded with all three main strategies.

**Intercoder reliability**

To determine the reliability of the coding, the corpus was partially coded by a second coder and a third coder. The coders were trained by going through the coding scheme together after which the coding of a few sets was practiced. One coder coded only sets from Dutch companies, the other coder coded only sets from American companies. Both coders coded 7% of the corpus (each 50 sets of two tweets). Based on that, the intercoder reliability was calculated using Cohen’s Kappa. The intercoder reliability between the first and the second coder for the variable *Response Type* was relatively reliable: $\kappa = .69, p < .001$, and for the variable *Response Strategy* was acceptable: $\kappa = .70, p < .001$. The intercoder reliability between the first and the third coder for the variable *Response Type* was relatively reliable: $\kappa = .64, p < .001$, and for the variable *Response Strategy* was acceptable: $\kappa = .77, p < .001$.

**Pre-test**

In order to test whether the collection of the materials and the coding procedure would serve its function properly, a small scale pre-test was done. A total of 30 sets of messages (complaints and responses) was gathered and coded as outlined above. The same second coder as mentioned above served as second coder for this dataset. Based on that, the interrater reliability was calculated. The intercoder reliability between the first and the second coder for the variable *Response Type* was acceptable: $\kappa = .77, p < .001$, and for the variable *Response Strategy* was also acceptable: $\kappa = .71, p < .001$. This test showed that the coding procedure served its function acceptably. The two coders did not see any possibilities to improve the coding procedure and the corresponding intercoder reliability. Therefore, no changes needed to be made to the coding scheme after this pre-test. The coded data of the pre-test was included in the final corpus.

**Statistical Treatment**

In order to analyse the gathered data and to test the hypotheses, chi-square tests were used.
4. Results

This study was set up to provide insight into the response type (proactive/reactive) and the response strategy (deny/diminish/rebuild) that companies from collectivistic and individualistic cultures use to deal with online complaints. The results will be discussed for the response type and the response strategy separately.

The response type

A chi-square test was used to test H1: *Companies from collectivistic cultures use fewer proactive responses to online complaints than companies from individualistic cultures do.*

The test showed a significant relation between the culture of the country (individualistic or collectivistic) and the response type (proactive or reactive) ($\chi^2 (1) = 10.09, p = .001$). Companies from collectivistic cultures responded relatively more often reactive (75.6%) and relatively less proactive (24.4%) than companies from individualistic cultures. Companies from individualistic cultures responded relatively more proactive (35.3%) and relatively less reactive (64.7%). Table 2 gives an overview of the results of this chi-square test.

<table>
<thead>
<tr>
<th></th>
<th>Collectivistic</th>
<th>Individualistic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$N$</td>
<td>%</td>
</tr>
<tr>
<td>Proactive</td>
<td>88$^a$</td>
<td>24.4%</td>
</tr>
<tr>
<td>Reactive</td>
<td>272$^a$</td>
<td>75.6%</td>
</tr>
<tr>
<td>Total</td>
<td>360</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Note: Different subscript letters denote column proportions which differ significantly from each other at the .05 level.*

The response strategy

**Main strategies**

A second chi-square test was used to test H2: *Companies from collectivistic cultures use more rebuilding response strategies to negative eWOM than companies from individualistic cultures do* and H3: *Companies from collectivistic cultures deny and diminish negative eWOM less than companies from individualistic cultures do.*
The chi-square test showed a significant relation between culture (collectivistic or individualistic) and response strategy (no strategy/deny/diminish/rebuild) ($\chi^2 (3) = 9.61, p = .022$). The responses from companies from individualistic cultures lacked more often a response strategy (2.1%) than the responses from companies from collectivistic cultures (0.2%). There was no significant difference found between culture (collectivistic or individualistic) and the deny, diminish, or rebuild response strategies. Table 3 gives an overview of the results of this chi-square test.

<table>
<thead>
<tr>
<th></th>
<th>Collectivistic</th>
<th>Individualistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>No strategy</td>
<td>1(^a) 0.2%</td>
<td>9(^b) 2.1%</td>
</tr>
<tr>
<td>Deny</td>
<td>59(^a) 14.4%</td>
<td>52(^a) 12.0%</td>
</tr>
<tr>
<td>Diminish</td>
<td>84(^a) 20.4%</td>
<td>109(^a) 25.2%</td>
</tr>
<tr>
<td>Rebuild</td>
<td>267(^a) 65.0%</td>
<td>262(^a) 60.6%</td>
</tr>
<tr>
<td>Total</td>
<td>411 100%</td>
<td>432 100%</td>
</tr>
</tbody>
</table>

**Note 1:** Different subscript letters would denote column proportions which differ significantly from each other at the .05 level.

**Note 2:** From the total corpus of 720 messages, 122 messages included more than one main response strategy. The total count shows the total number of main categories the corpus contained.

**Sub strategies**

The sub strategies give more insight into the results of the previous chi-square test regarding main strategies. By exploring the sub strategies, a more complete image regarding the main response strategies can be given. A chi-square test showed a significant relation between the culture of the country where the company originates from and the subcategories of the response strategy ($\chi^2 (8) = 47.88, p < .001$). Companies from individualistic cultures used more excuses (10.3%) and compensation (1.8%) but promised less improvement (43.5%) in their responses to consumer complaints than companies from collectivistic cultures did. The latter used fewer excuses (2.4%) and compensation (0%) but promised more improvement (51.7%) in their responses to complaints. Furthermore, the responses from companies from individualistic cultures had more often no response strategy (1.8%) than the responses from companies from
collectivistic cultures (0.2%)². Table 4 shows an overview of the results of this chi-square test.

Table 4: counts and percentages of the chi-square test of the subcategories of response strategy and culture.

<table>
<thead>
<tr>
<th></th>
<th>Collectivistic</th>
<th>Individualistic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td><strong>No strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No strategy</td>
<td>1</td>
<td>0.2%</td>
</tr>
<tr>
<td>Attack the accuser</td>
<td>12</td>
<td>2.4%</td>
</tr>
<tr>
<td>Denial</td>
<td>22</td>
<td>4.4%</td>
</tr>
<tr>
<td>Scapegoat</td>
<td>25</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Diminish</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excuse</td>
<td>12</td>
<td>2.4%</td>
</tr>
<tr>
<td>Justification</td>
<td>72</td>
<td>14.5%</td>
</tr>
<tr>
<td><strong>Rebuild</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Apology</td>
<td>96</td>
<td>19.3%</td>
</tr>
<tr>
<td>Improvement</td>
<td>257</td>
<td>51.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>497</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note 1: Different subscript letters would denote column proportions which differ significantly from each other at the .05 level.

Note 2: From the total corpus of 720 messages, 263 messages included more than one sub-response strategy. The total count shows the total number of subcategories the corpus contained.

² For the reason that there are no subcategories for the main category no strategy, these results are the same as those of the chi-square for the main category no strategy.
5. Discussion & Conclusion

The present study was designed to test to what extent companies from collectivistic cultures and companies from individualistic cultures differ in their online responses to consumer complaints. The first variable studied was the response style of companies, which could either be proactive or reactive (Van Noort & Willemsen, 2011). The second variable that cultures were expected to differ on, was the response strategy based on a slightly adjusted version of Coombs’ response strategies (2007).

Regarding the response style, the literature review led us to infer that companies from collectivistic cultures use fewer proactive responses to online complaints than companies from individualistic cultures (H1). Regarding the response strategy, it was hypothesized that companies from collectivistic cultures use more rebuilding response strategies to negative eWOM than companies from individualistic cultures (H2). In line with this hypothesis, it was also assumed that companies from collectivistic cultures deny and diminish negative eWOM less than companies from individualistic cultures (H3).

The findings

The findings of the tests will be discussed for the variables response style and response strategy separately.

Response style

As the first component to respond the overall question whether there are differences in the way companies from different cultures respond in online conflict situations, we looked into the response styles of companies from collectivistic and individualistic cultures.

Van Noort and Willemsen (2011) identified two types of responses to online consumer messages, proactive and reactive responses. Proactive responses are sent by companies that actively seek the internet for messages they are mentioned in. Reactive responses are a reply to messages in which the company is addressed directly. Fournier and Avery (2011) found that proactive responses can come across as intrusive due to the unsolicited aspect of the response. Cultures are shown to differ in their way of dealing with conflicts (Trubisky, Ting-Toomey, & Lin, 1991). People from collectivistic cultures
tend to be more conflict avoidant than people from individualistic cultures (Chua & Gudykunst, 1987).

The results of this study are in line with the expectations that followed from this and previously mentioned literature, and with that confirm H1. Companies from collectivistic cultures used significantly fewer proactive responses to online complaints than companies from individualistic cultures did. Unsolicited responses were thus more often given by companies from The Netherlands and the USA than by companies from Colombia and Chile. Therefore, the companies from collectivistic countries seem to be more conflict avoidant than the companies from individualistic countries.

Moser (2013) argued that the absence of non-verbal cues in online communication leads to differences between online and face-to-face communication. However, this argument is not reflected in the results of our study for this variable. The results are in consonance with previously outlined research that was done in face-to-face situations. This implies that the absence of non-verbal cues does not influence the response style of companies.

**Response strategies**

Besides the response style, we looked into the response strategies companies use in their responses to consumer complaints, in order to create a better picture of possible differences between companies from different countries in the way they handle online conflict situations.

Coombs (2007) identified the main categories for these strategies to be denying the problem, diminishing the problem, and rebuilding the consumer relationship. However, collectivistic cultures tend to focus on relational harmony and avoiding conflict (Cai & Fink, 2002; Chua & Gudykunst, 1987). The only response strategy that is in line with this tendency of collectivistic cultures is the rebuilding the consumer relationship (Coombs, 2007). The other response strategies denying and diminishing can be seen as rather defensive.

The results of this study are not in line with either of the two hypotheses that followed from this study. However, it should be noted that there was one main category, no strategy, found to differ significantly between collectivistic and individualistic companies. However, this significance can be considered less relevant, as the
corresponding counts were very low (one, 0.2%, for collectivistic cultures and nine, 2.1%, for individualistic cultures).

First of all, companies from collectivistic cultures did not use significantly more rebuilding response strategies than companies from individualistic cultures did. More than half of the responses included a rebuild response strategy 60.6% for individualistic companies and 65% for collectivistic companies. However, in concrete counts there were only five more rebuild strategies in the responses from companies from collectivistic cultures compared to the responses from companies from individualistic cultures.

Secondly, companies from collectivistic cultures did not deny or diminish negative eWOM significantly less than companies from individualistic cultures did. Also in this case, the counts and percentages did not differ a lot from each other. Companies from collectivistic cultures denied seven more times (14.4%) a response compared to companies from individualistic countries (12%). Companies from individualistic cultures diminished the responses more (109 times, 25%) than companies from collectivistic cultures (84 times, 20.4%).

There are a few reasons we can think of that might explain the results to be in contrast with previous research. To start with, we assumed that the theories and coding schemes that are applicable in face-to-face situations, also apply in online situations. For the first hypothesis (regarding response style) this seems to be indeed true. However, for the variable response strategy, we did not find any significant differences whereas literature about cultural differences led us to infer that also for this variable we would find differences. It might be that cultures simply do not differ on this variable. But it might as well be that the possible cultural differences are not expressed online. The main difference between the variable response style (where the results were in line with the hypothesis) and response strategy is that with the response style it was an action (responding proactively or reactively) that was identified whereas the response strategy was identified in the content, the words, of the tweet. Words are different from actions in the way that words cannot include non-verbal cues. Because of that, all the information needs to be expressed in the content of the tweet (mainly words). This might limit the ways in which a response can be expressed and therefore influence the results of this study for this variable.

In the second place, the internet, and with that social media like Twitter, are relatively new. They are media that are accessible by everyone who has access to the
internet, which makes it to cross borders on a large scale. Furthermore, it seems to have its own habits (such as what is appropriate to post on which medium). This raises the question to what extent national cultures are actually expressed online. It might be that due to the fact that the internet has grown exponentially over the last decades in combination with its worldwide accessibility, it has created a more homogeneous worldwide culture on the internet where consequently national cultures are limitedly visible.

Finally, bigger companies sometimes have webcare strategies that state how to deal with online complaints. An example of a part of a webcare strategy is to always apologize for the inconvenience, even though the problem is not caused by the company. If companies included in our corpus follow a webcare strategy, than the data in our corpus reflects the webcare strategies of companies and not the natural response of a company. In that case, webcare strategies mask the culture. It remains unknown if/which of the companies in our dataset use a fixed webcare strategy.

However, we have also looked into the sub strategies in order to gain more insight into the main strategies. The sub strategies are more detailed and more specific than main strategies and might therefore identify things that the main strategies would not identify. A few significant differences were found between the culture of the country and the sub strategies. However, neither of the significant differences for sub strategies were strong enough to lead to a significant difference in the main strategy the sub strategy was connected to.

A significant difference was found between the countries with regard to the sub strategy improvement. Companies from collectivistic cultures promised more improvements (257 times, 51.7%) than companies from individualistic cultures did (216 times, 43.5%). The sub strategy improvement is part of the main strategy rebuilding the relationship. We hypothesised (H2) that collectivistic cultures would use the rebuilding strategy more than companies from individualistic cultures would. The findings for this sub strategy are therefore in line with H2 but do not confirm the hypothesis. Collectivistic cultures are more focused on maintaining the consumer relationship and on relational harmony (Chua & Gudykunst, 1987). Promising to improve the situation, product, or service can be seen as beneficial to the company-consumer relationship.

A second significant difference was found between the countries with regard to the sub strategy excuse. Companies from collectivistic cultures used fewer excuses (12 times,
than companies from individualistic cultures did (51 ties, 10.3%). This stub strategy is part of the main strategy *diminish*. We hypothesised (H3) that companies from collectivistic cultures would use less *diminish* response strategies than companies from individualistic cultures would. The findings for this sub strategy are therefore in line with the hypothesis but are not strong enough to confirm the full hypothesis. The *diminish* response strategy can be seen as rather defensive, which collectivistic cultures are assumed to be less likely to use due to their tendency to focus on relational harmony (Chua & Gudykunst, 1987).

To conclude, there are a few possible explanations for not finding affirmative results to support H2 and H3. We will later look into the recommendations for future research that can elaborate on the above mentioned possible explanations.

**Limitations**

There are a number of limitations that should be considered for this study.

First of all, the theories about cultural differences in conflict situations that are the foundation for this study seem to have a few shortcomings. Both the theory about individualism-collectivism of Hofstede (1980) and the findings of Chua and Gudykunst (1987) about intercultural differences in conflict communication styles are relatively dated. It raises the question whether in the meantime there have been any changes in cultures that would be relevant for these theories to take into account. Furthermore, both studies see cultures equal to countries as if countries have homogenous cultures. However, nowadays these are seen as separate concepts.

Secondly, questions arose about the suitability of the coding scheme for this type of data (tweets). First of all, the overall intercoder reliability of this study was *relatively reliable* but never *good or excellent*. The coding variables were mainly based on the theory of Van Noort and Willemsen (2011) and Coombs (2007), nevertheless the coding was dependent on the subjective interpretation of the coder. After the pre-test, the coders did not find any options to improve the coding scheme and, with that, the intercoder reliability. Secondly, significant differences were found between the sub strategies but not between main strategies. This seems to show that there were differences in the data that could not have been detected if only the main strategies were used. Consequently, it raises the question whether there are more (hidden) differences that could be identified with a more specific coding scheme.
Finally, during the data collection it appeared that in some countries and for some companies, company-consumer conversations occurred via direct message (DM), a private message service of Twitter, instead of via the publicly available streams. In that case companies responded to the consumers that they would continue the conversation via direct message. In those cases, the actual response strategy of the company was not publicly available and could therefore not be included in the corpus. It can be assumed that there is a reason for a company to not want a response to be publicly available. A reason could be that the response contains a response style that might damage the company’s reputation if visible for the whole world (e.g. if the company does not offer a compensation while others think it should be offered). This raises the question whether the publicly available responses are representative for all responses of the company to consumer complaints. This might have influenced the representativeness of the sample, and with that, the generalisability of the results.

Future research

This study was set up as a preliminary study to research whether there are any intercultural differences in webcare. As we have found a few significant results, there is abundant room for future research in this field.

The results of this study are exploratory in the field of intercultural crisis communication. Further research should be done to test the hypotheses about response strategies with an improved coding scheme (see below) and to confirm the results regarding response styles.

Due to the fact that we have found differences between countries in their response style, the next step would be to test whether the consumers are affected by a different use of response style than is common in their culture. Fournier and Avery (2011) and Deighton and Kornfield (2009) stated that proactive responses from companies can come across as intrusive and inappropriate. The results of this study show that companies from collectivistic cultures use fewer proactive responses to negative eWOM than companies from individualistic cultures do. Further studies can test whether this also means that consumers from collectivistic cultures find proactive responses intrusive or inappropriate compared to reactive responses.

One of the limitations of this study is the suitability of the coding scheme for the variable response strategy. The results have shown significant differences between the
sub strategies but not between the main strategies. This can be considered an indication for the need of detailed coding schemes when studying company responses to consumer complaints on Twitter. Further research can work on creating a more detailed coding scheme for online conflict situations.

Practical implications

Companies invest a lot when targeting new markets. When expanding to countries with different cultures than their home culture, it is considered relevant to know more about potential cultural differences. In the beginning of this study we addressed that the results could have practical implications for companies that are internationalising. It is important that internationalising companies adapt their ways of communicating to the habits of the (new) national market. Therefore, it is relevant to know which communication habits the countries have, in order to know whether and how webcare strategies need to be adapted when a company deals with negative eWOM from customers from a different culture than the home country's culture.

The findings suggest that companies that are internationalising need to take into account that there seems to be a difference between individualistic and collectivistic cultures in their commonly used response styles to eWOM. In case a company from an individualistic culture is expanding to a country with a collectivistic culture, it should take into account that other companies in collectivistic countries use less proactive responses and more reactive responses than is common in individualistic countries. On the other hand, if a company from a collectivistic culture is expanding to an individualistic country, it should consider to use more proactive and less reactive responses to eWOM than is common in their home country.

The results regarding the response strategies lead us to believe that there are only negligible differences between collectivistic and individualistic countries in the response strategies used. This implies that companies would not need to adjust their response styles to eWOM based on its score on the individualism-collectivism dimension of Hofstede (1980).
6. References


### Appendix A – Companies in Data Collection

Table A: Overview of companies whose responses to consumer complaints, and the consumer complaints themselves, were included in the corpus

<table>
<thead>
<tr>
<th>Category</th>
<th>The Netherlands</th>
<th>USA</th>
<th>Chile</th>
<th>Colombia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airline</td>
<td>KLM</td>
<td>Delta Airlines</td>
<td>Latam Chile</td>
<td>Avianca</td>
</tr>
<tr>
<td>Supermarket</td>
<td>Jumbo</td>
<td>Kroger</td>
<td>Tottus</td>
<td>Tiendas JumboCo</td>
</tr>
<tr>
<td>Bank</td>
<td>Rabobank</td>
<td>Bank of America</td>
<td>Banco BCI</td>
<td>Bancolombia</td>
</tr>
<tr>
<td>Post Service</td>
<td>Post NL</td>
<td>UPS</td>
<td>Correos Chile</td>
<td>4-72</td>
</tr>
<tr>
<td>National Transportation</td>
<td>NS</td>
<td>Amtrak</td>
<td>Transantiago</td>
<td>TransMilenio</td>
</tr>
<tr>
<td>Fast Moving Consumer Goods</td>
<td>Karwei</td>
<td>Home-depot</td>
<td>Falabella</td>
<td>Alkosto</td>
</tr>
</tbody>
</table>