Reply or not reply to a negative online customer review? Impacts of the temporality and personalization of the brand's response

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Abstract

As a major issue in brand e-reputation, this research examines the effects of a brand's response to a negative online customer review as well as the conditions under which these responses should be made. For this purpose, a conceptual framework is proposed, allowing to test independently the effects of the response or not of the brand to a negative customer review, of the temporality as well as of the personalization of the response on the perceived risk, trust and loyalty towards the brand. The results of an experimental study conducted online with 243 respondents show that responding to a negative review online significantly reduces consumer's perceived risk and optimizes trust and loyalty towards the brand. This effect is even more significant when the response is personalized, as opposed to temporality, which has no significant effect on overall perceived risk, trust and brand loyalty.

Key Words

customer(s) opinion(s), trust, loyalty, personalization, temporality

Introduction and objectives

E-reputation - "an extension or transposition of reputation on the web" (Castellano and Dutot, 2013) - is a fundamental issue for companies, which allocate more and more human and financial resources to ensure the management of customer relations. E-reputation is built in particular on customer reviews through social networks and review available on internet (Benraiss et al., 2016). This work focuses on e-reputation through customer reviews consulted by 87% of consumers¹ (Ifop, 2021). Much research has focused on the effects of customer reviews on consumer behavior. Thus, it has been proven that the presence of customer reviews has an effect on the perceived quality of products (Beauvisage et al., 2013), trust and e-fidelity (Srinivasan et al., 2002) or the perceived risk at the time of purchase (Hausmann, 2012). Therefore, a strong link exists between online customer reviews and trust, the basis of the customer relationship (Chouk and Perrien, 2004). While the literature is clear on this subject, except the research of Morrisson and Crié (2018) on forgiveness, it does not shed light on the importance of the response or lack thereof by a company to customer reviews - positive or negative; recent or old - on trust, perceived risk and brand loyalty.

Research Question

This research therefore aims to answer the following question: Does the brand's response to a customer review, its temporality and personalization, have an effect on third-party (all consumers) reassurance and loyalty? The objectives of this work are therefore first to understand the contributions of a response to these online customer reviews and the conditions in which these responses must be made, and then to propose clear operational recommendations for professionals.

Conceptual framework and literature review

Customer reviews

The customer review is defined as "any positive or negative statement written by old, current or future customers about a product or company, and accessible on the Internet to a multitude of people and organizations" (Hennig-Thurau et al., 2004) "in the form of either a rating or a free comment left by an Internet user" (Laroutis and Boistel, 2020). It is made up of visual content that is most often arithmetic (e.g., ratings, stars) and/or textual of an expressive nature (explanations) (Beauvisage et al., 2013). It can be spontaneous or solicited; positive or negative. Spontaneous customer reviews tend to be more negative (55%) than solicited ones (17%) because more dissatisfied consumers (33%) express themselves than satisfied ones (20%) (White paper Eloquant: Ten years of customer relation in Banks, 2019²; White Paper - The history of customer reviews from yesterday to today, 2020³).

If positive customer reviews are known to decrease risks (Hausmann, 2012) by becoming real elements of "reassurance" (White paper - The history of customer reviews from yesterday to today) or to build loyalty (Srinivasan et al., 2002), negative customer reviews negatively influence brand image and consumer trust (Lee, Rodgers and Kim, 2009; Vermeulen and Seegers, 2009; Zhang, Craciuna and Shin, 2010; Fan and Miao, 2012). The literature is clear on this topic: regardless of the valence of the opinion, consumer trust is affected (Pasquier,

¹ https://www.sensduclient.com/2021/06/25-chiffres-essentiels-sur-les-avis.html

² Livre blanc Eloquant: 10 ans de relation client dans les banques / assurances / mutuelles – https://content.eloquant.fr/lb-etude-qualitative-banques-assurances-mutuelles

³ Livre blanc : L'histoire des avis clients d'hier à aujourd'hui – https://www.rejoindre-plus-que-pro.fr/livre-blanc-lhistoire-des-avis-clients

2014) but also in parallel, the perceived risk to purchase. We adopt the epistemological posture according to which trust is an antecedent of the behavior (Azoury and Salloum, 2013). On the other hand, few elements are brought on the effects of the brands' response to customer reviews on these same concepts (Wang et Chaudhry, 2018). The objective of this paper is therefore to determine if and how brands should respond to their negative customer reviews to increase consumer trust, reduce their perceived risk and build loyalty.

Hypotheses development

Non-response is defined as an answer like a manifestation of dissatisfaction, discord or refusal (Brasseur, Lacroux and Magnien, 2015). It is often associated with a confession (Dulong, 2000). Not responding is therefore, in the collective imagination, an admission of fault, accepting to a dysfunction and a sharing of the negative opinion expressed. In this sense, responding is a sign of opposition to the opinion expressed, a consideration of the problem and of benevolence. The latter is a component of trust in the sense of Gurviez and Korchia (2002). A link can therefore easily be made between the response given to a customer advice and the trust generated by this response. At the same time, generating trust means reducing the risks perceived by consumers (Chouk, 2005). The response to a customer review in this case can be seen as a strategy for reducing perceived risk in the sense of Roselius (1971). Finally, trust in a brand leads to stronger brand loyalty (Azoury and Salloum, 2013). As a corollary, we can therefore assume that responding to a customer review can ultimately increase consumer brand loyalty.

H1: The presence (versus absence) of a brand response to a negative online review has a (H1a) negative effect on overall perceived risk, (H1b) positive effect on brand trust and (H1c) positive effect on brand loyalty.

Responsiveness is a fundamental in the handling of multiple problems (Vidal and Fenneteau, 2013). Today, 62% of consumers are irritated by excessively long wait times coming from customer service. At the same time, consumers want brands to make progress in processing time. Coyle, Smith and Platt (2012) explain that responsiveness, a dimension of interactivity, contributes significantly to the experience with a brand and can affect perceived trust, perceived goodwill, attitude toward the brand, and purchase intent. Thus, we can assume that a response to a customer review will have more impact if the time between the formulation of the review and the response is short, especially on trust, perceived risk and loyalty.

H2: A short (versus long) temporality of brand response to a negative online review has a negative effect on overall perceived risk (H2a), a positive effect on a consumer's trust in the brand (H2b), and a positive effect on brand loyalty (H2c).

By specifically addressing the problem and the opinion posted by the customer and responding to it in a personalized way, the company makes an effort to provide a quality service, which contributes to increasing consumer trust in the company or brand in question (Koufaris and Hampton-Sosa, 2004). Thus, companies that respond accurately to messages are perceived more positively, as caring and loyalty (Coyle, Smith and Platt, 2012). We can therefore assume that personalizing the response to a customer review generates more trust in the brand. As a corollary, and since perceived risk and trust are negatively related (e.g. Mitchell, 1999), it can be assumed that personalizing the response to a customer review will decrease the perceived risk to purchase for readers of the review and the response. Finally, the personalization of the customer relationship and communication media is known to have a positive effect on customer loyalty (Laborde, 2005). This idea can thus be transposed to the personalization of the response to the customer's opinion. The H3 hypotheses are therefore posed.

H3: Personalizing the brand's response (versus not personalizing) to a negative online review has a negative effect on overall perceived risk (H3a), a positive effect on brand trust (H3b), and a positive effect on brand loyalty (H3c).

Method

Methodology and sample. An experiment was conducted online via the Google Form platform during two weeks in March 2021. It is based on five experimental cases using the same negative review but for which the presence or absence of a response from the brand, the temporality of the response (short versus long) and the personalization of the response (non-personalized or personalized) are manipulated. The review was extracted from Trustpilot.com on march 2021. The 243 respondents are randomly assigned to the five experimental cases. Case 1 has no response to the negative notice (n=59), Case 2 has a so-called optimal response because it is instantaneous and personalized (n=49), Case 3 has an instantaneous and non-personalized response (n=44), Case 4 has a long and personalized response (n=50) and Case 5 has a long and non-personalized response (n=41). The surveyed sample was composed of 68.7% women and 31.3% men. The average age was 38 years (standard deviation=13.7). 34.6% are executives and higher intellectual professions, 30% are employees and 13.6% are students. Finally, 65% of the respondents are in a couple (half of them with children).

Measurement scales. In order to test the research hypotheses, trust was measured using the Gurviez and Korchia (2002) scale (total explained variance=88.22%; Alpha Cronbach=0.981) (used as a second order construct), overall perceived risk using the Bezes (2011) scale (total explained variance=93.88%; Alpha Cronbach=0.967) and consumer loyalty from the Nguyen and LeBlanc (2004) scale (Total Variance Explained=92.039%; Alpha Cronbach=0.971). All items were measured on a 7-point Likert scale (1=strongly disagree to 7=strongly agree).

Handling check. First, the perceived presence or absence of a response to the notice is checked. 100% of individuals who had a case with a response saw and viewed the response. 100% of those who had case 1 (no response) reported not seeing a response to the notice. Furthermore, two ANOVA tests show (1) perceived temporality is significantly lower for cases with instant response versus cases with long response (p<0.001; F=24.086; means are presented in Appendix 2) and (2) perceived personalization is significantly higher for cases with personalized response versus cases with non-personalized response (p<0.001; F=103.456; means are presented in Appendix 2). Thus, the manipulations regarding the timing of the advice and its personalization are also verified.

Confound check. Non-parametric Kruskall-Wallis tests show the similarity of the experimental groups according to gender (p=0.997), socio-professional category (p=0.262) and family situation (p=0.262). An ANOVA test also shows their similarity according to age (p=0.251; F=1.353). The experimental groups were thus comparable, also by the fact respondent are not customer of the brand

Method of Analysis. Independent sample Student's t-tests were used to independently test the effect of response/non-response, temporality and personalization on the three dependent variables. Although a MANOVA would have been preferable, the results of the Box M test do not allow its use.

Findings

The direct effects of the response and its characteristics (temporality and personalization)

To reply or not reply to customer reviews?

The first Student's t-tests on independent samples are based on the independent variable presence (cases 2 to 5) or absence of response (case 1) to a negative opinion and as dependent

variables the global perceived risk, trust and loyalty towards the brand. They help to test hypotheses H1a, H1b and H1c.

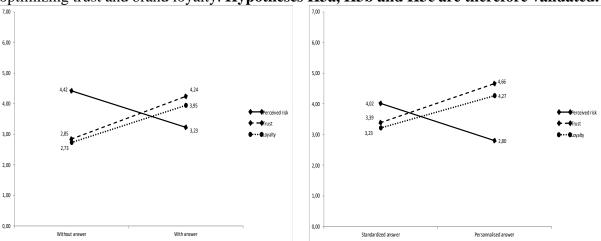
The results show a significant and negative effect of the presence of a response on the perceived risk of purchase (Levene's test: p=0.004, F=8.306; p<0.001; t=4.312, df=80.995), a significant and positive effect of the presence of a response on brand trust (Levene's test: p=0.819, F=0.052; p<0.001; t=-6.113, df=241) as well as on brand loyalty (Levene's test: p=0.348, F=0.885; p<0.001; t=-5.078; df=241). In other words, the presence of a brand response to a negative online review significantly reduces a consumer's perceived risk in purchasing, optimizing brand trust and loyalty. **Hypotheses H1a, H1b and H1c are therefore validated**. It therefore seems necessary to respond to an online customer review, but is it necessary to respond quickly and in a personalized way?

The effects of the temporality of the response

In order to independently study the effect of response temporality, experimental cases 2 and 3 are pooled to illustrate the short response and cases 4 and 5 to illustrate the long temporality. The results of Student's t-tests show no significant effect of temporality alone on overall perceived risk (Levene's Test p=0.159, F=1.999; p=0.554), brand trust (Levene's Test p=0.011, F=6.502; p=0.479) and brand loyalty (Levene's Test p=0.002, F=9.465; p=0.934). **Thus, hypotheses H2a, H2b and H2c are rejected.** The temporality, short or long, of the response of a notice does not affect the overall perceived risk, trust and brand loyalty.

The effects of personalizing the response

In order to independently study the effect of response personalization, experimental cases 2 and 4 are pooled to illustrate the personalized response and cases 3 and 5 to illustrate the non-personalized response. Student's t-test results show a significant and negative effect of response personalization on perceived purchase risk (Levene's test: p=0.010, F=6.736; p<0.001; t=6.097, df=233.827), a significant and positive effect on brand trust (Levene test: p=0.039, F=4.305; p<0.001; t=-6.681, df=229.261) as well as brand loyalty (Levene's test: p=0.450, F=0.573; p<0.001; t=-4.983; df=241). In other words, the presence of a personalized brand response to a negative online review significantly reduces a consumer's perceived risk in making a purchase, optimizing trust and brand loyalty. **Hypotheses H3a, H3b and H3c are therefore validated.**



Additional analyses in the form of multiple linear regressions simultaneously including perceived personalization and perceived temporality as independent variables allow us to test the simultaneous effects of perceived temporality and personalization. This regression showed a significant and consistent effect of perceived personalization on overall perceived risk (p<0.001; β =-0.305), trust (p<0.001; β =0.341), and loyalty (p<0.001; β =0.268). Temporality

had no effect on overall perceived risk (p=0.531) or trust (p=0.318) but a significant effect on loyalty (p=0.038; β =0.147), although this was smaller than the influence of response personalization. In other words, personalization is the key characteristic to consider when responding to negative feedback. Temporality is less important, even if it seems to contribute to more customer loyalty.

Discussion and conclusion

Customer reviews have been widely studied in marketing, but few research has focused on how brands can respond to them. This research aims to understand "if" and if so, "how" brands should respond to negative reviews. The results demonstrate the value of responding to customer reviews to generate trust and loyalty towards the brand and to decrease the perceived risk to the readers' purchase. These results complement the current literature by positioning responses to customer reviews as a source of trust and loyalty and as a risk reducer (Roselius, 1971). The personalization of the response reinforces these effects. And if the literature on personalization alerts us to the possible risks of hyper-personalization (Verhoef et al., 2009), the case of responses to customer reviews does not seem to be affected, since the more personalized the response, the greater the trust and loyalty towards the brand and the lower the perceived risk of purchase. These results lead us to consider personalization or even hyperpersonalization as a major challenge for companies and their brands. They must be able to offer each consumer a unique experience that is close to him or her, characterized by a real-time offer, prices defined according to the issues at stake, contact channels adapted to constraints and preferences, and consideration of current expectations and feelings. Coyle, Smith and Platt (2012) demonstrate that because expectations of helpfulness are deeply embedded, the experience of interactivity is maintained when companies are perceived as responsive. In contrast, the experience of interactivity is interrupted when a company fails to help. Regarding temporality, it seems to have only a weak effect and only in the case of a personalized response. This result is somewhat counter-intuitive in an era where consumers want "everything, right away. It can be explained by the fact that we are interested in the effect of the response on a third party and not on the person who issued the negative customer review. The temporality may indeed be more important for the person who issued the review, who is more involved in the problem and therefore more in need of a response. Further research on this subject would shed light on this point. In short, brands have more interest in responding in a personalized way, without necessarily taking into account the date of publication of the reviews.

Beyond the contributions highlighted above, one main limitation remains and concerns the context of the study. The experimental cases feature the company Cofidis France, a credit organization referring to a sector for which the majority of French people are distrustful. Testing these same hypotheses in another context, such as that of a mass retail company for example, distinguishing between both pure player and omnichannel companies, could represent a relevant research avenue. Another avenue of research would be to study the effect of other types of responses to customer reviews in a more real context, integrating other reviews, to make it possible for the respondent to infer the brand's general strategy like showed by Wang and Chaudhry (2018). Moreover, a next experimentation should integrate the initial notoriety and loyalty towards the brand which are not measured here.

In particular, what happens when another consumer makes the response to a negative review? The consumer's advocacy of the brand may have an even greater impact on third parties and would lead to the conclusion that it is necessary to engage customers. Although this work provides initial answers on the effects of responses to customer reviews, a multitude of research on the subject is available to researchers in order to promote practitioners in their customer relations and communication strategy and thus ensure the respect of their e-reputation.

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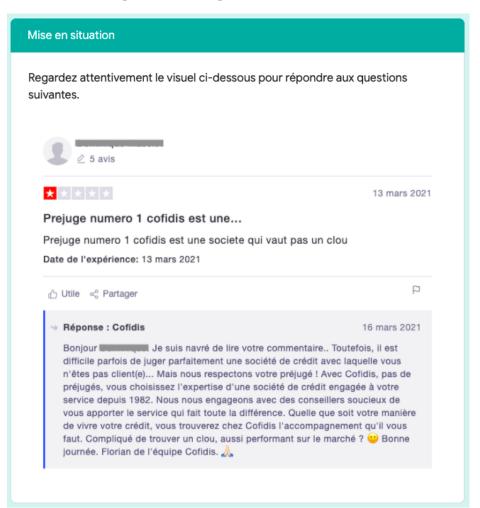
Appendixes

A1. Basic experimental case

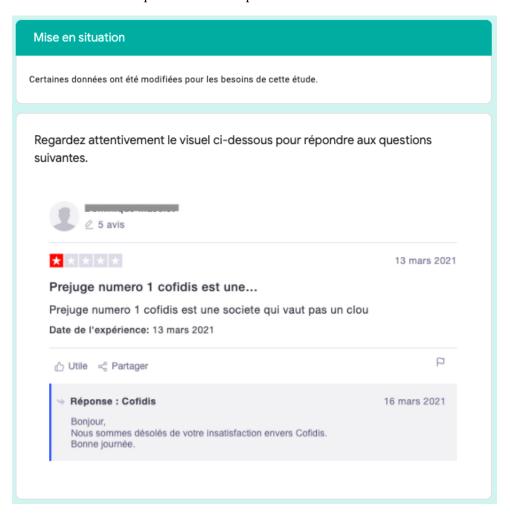
Case 1: Without response



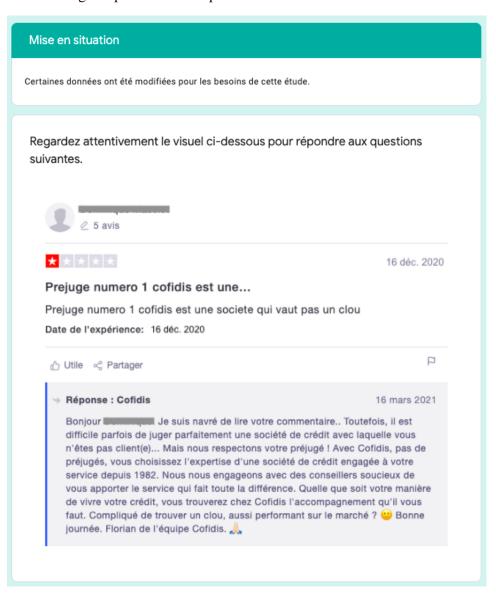
Case 2: Instant and personalized response



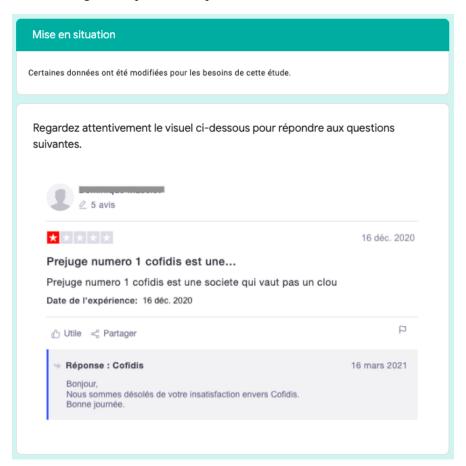
Case 3: Instant and impersonnalized response



Case 4: Long and personalized response



Case 5: Long and impersonal response



A2. Manipulation check

ANOVA and mean per case tests for temporality and personalization.

		Somme des carrés	df	Carré moyen	F	Sig.
Réponse avis client instantanée	Entre groupes	255,757	3	85,252	24,086	<,001
	Intra-groupes	637,113	180	3,540		
	Total	892,870	183			
Réponse avis client personnalisée	Entre groupes	739,356	3	246,452	103,456	<,001
	Intra-groupes	428,796	180	2,382		
	Total	1168,152	183			

Sous-ensembles homogènes :

Réponse avis client instantanée

Scheffé^{a,b}

Schene	Sous-ensemble pour alpha = 0.05		
CAS	N	1	2
réponse longue perso	50	1,82	
réponse longue non perso	41	2,71	
réponse instantannée et perso	49		4,49
réponse instantanée et non perso	44		4,50
Sig.		,170	1,000

Les moyennes des groupes des sous-ensembles homogènes sont affichées.

- a. Utilise la taille d'échantillon de la moyenne harmonique =45,701.
- b. Les tailles de groupes ne sont pas égales. La moyenne harmonique des tailles de groupe est utilisée. Les niveaux d'erreur de type I ne sont pas garantis.

Réponse avis client personnalisée

Scheffé^{a,b}

		Sous-ensemble pour alpha = 0.05		
CAS	N	1	2	
réponse longue non perso	41	1,49		
réponse instantanée et non perso	44	1,77		
réponse instantannée et perso	49		5,51	
réponse longue perso	50		5,78	
Sig.		,854	,873	

Les moyennes des groupes des sous-ensembles homogènes sont affichées.

- a. Utilise la taille d'échantillon de la moyenne harmonique = 45,701.
- b. Les tailles de groupes ne sont pas égales. La moyenne harmonique des tailles de groupe est utilisée. Les niveaux d'erreur de type I ne sont pas garantis.

A3. Correlation matrix

Corrélations

		CONFIANCE	FIDELITE	RPGLOB
CONFIANCE	Corrélation de Pearson	1	,841**	-,706**
	Sig. (bilatérale)		<,001	<,001
	N	243	243	243
FIDELITE	Corrélation de Pearson	,841**	1	-,709**
	Sig. (bilatérale)	<,001		<,001
	N	243	243	243
RPGLOB	Corrélation de Pearson	-,706**	-,709**	1
	Sig. (bilatérale)	<,001	<,001	
	N	243	243	243

^{**.} La corrélation est significative au niveau 0.01 (bilatéral).