Consumer sentiments pre, during and post public announcement:

Implications for corporate handling of social media

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Abstract

The marketing landscape has gone through significant changes with the growing popularity of social media platforms. The role of the consumer in the marketing process has changed and social media has presented us with a new consumer, who is now actively sharing and expressing opinions to a large number of people. This trend has presented a number of challenges for practitioners and a new research area for researchers. For practitioners especially the main goal is to understand how to manage consumer comments online and impact consumer attitude towards the brand. This becomes of critical importance when there is a risk for consumer attitudes to turn negative.

The objective of this research is to understand what consumers are saying on social media during the time of risk for the company, the time when company actions might impact consumer attitudes. For that reason consumer sentiments during an announcement period will be analysed and compared to pre and post announcement. Qualitative content analysis method was used to study consumer sentiments on social media. Analysis of 4,595 social media messages from Twitter, Facebook and blogs were evaluated and categorized.

This study identified that the overall volume of consumer comments and negative sentiment comments increase for both positive and negative announcements during the announcement stage. Comments categorized as sarcastic humour and negative feedback or anger tend to be the most dangerous ones at all announcement stages because of their ability to attract the attention of other consumers who then become engaged in the conversation. This study identified that all consumer comments tend to fit one of four topics: emotional reaction, feedback, humour or comparisons and a consumer sentiments matrix was presented. A 15-item consumer sentiment categorical framework was developed for this research and the main themes within each category by announcement stage were presented.

A two-dimension consumer typology based on consumers’ purchasing relationship and overall attitude towards the brand yielded four types of consumer: defender, attacker, retractor and interactor along with analysis of how each consumer types interacts with the company and each other. A social media decision making process map was presented to act as a strategy blueprint for
practitioners. Theoretical and managerial implications for the main research findings were discussed. The main theoretical contribution is the integration of social media attitude concepts by using customer-centric model and developed frameworks. Major managerial contribution is the recommendations made to practitioners on handling consumer sentiments during the announcement and proven impact of social media strategy on financial indicators.
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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.
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Chapter 1: Introduction

1.1 Overview

Social media is a fascinating phenomenon that has changed the way marketers think about their communication strategy. While social media is gaining popularity among individuals as well as corporates, adaptation is still lagging, especially in New Zealand. One of the reasons is the lack of academic research that would provide strategies for practitioners. Recommendations on social media handling are largely industry driven and often provide conflicting approaches (Kaplan & Haenlein, 2010).

However, companies are unsure whether the return on investment justifies having a social media presence. Many corporates still see it as a desirable element of their communication strategy, but something that does not increase profits (Fisher, 2009). Existing studies looking at return on investment concentrate on businesses where it is easy to track an increase in sales from social media through clicks on the website directed from social media, however for companies that distribute their products through retail and not online, it is harder to measure the impact.

Even though the financial impact is not always clear to practitioners, they realize that social media is the place where consumers now communicate and to be competitive, corporates need to engage with consumers in this two-way communication. Two-way communication is something marketers have been trying to achieve for awhile, incorporating large marketing research spends in their budgets in an attempt to understand what consumers think about the brand, how they rate different attributes, what their attitude is towards the latest advertising campaign and so on. Social media allows practitioners to gain insight into all these areas with relative ease. This is the same reason why academic research into consumer behaviour is developing new ways of analysing attitudinal concepts.

Announcements made by companies are a common occurrence. While it is considered that positive announcements would not damage company reputation, negative announcements are considered a
risk. Along with attitudes, company ability to handle a crisis is one of the most important influences on consumer purchase intention. It is also considered that crisis situations are a part of any business and might result in business failure. Social media amplifies this risk and ability to manage consumer sentiments during the announcement period becomes increasingly important for corporates.

Studying the changes in consumer attitudes and the sentiments they express on social media would contribute towards our understanding of consumer responses to announcements made by a company. Researchers as well as practitioners need to know how announcements by the company will impact consumer attitudes, especially if the announcement is a negative one.

To the best knowledge of the researcher, there are currently no studies that looked at consumer attitudes expressed about a brand on social media. There are also no studies that would look at consumer attitude change by analysing sentiments expressed at different stages of the announcement period. This research will look at analysing consumer sentiments in pre, during and post announcement periods.

1.2 Problem Statement

Compared to other research areas, social media research in marketing is still a relatively new area (Laroche, Habibi, & Richard, 2013). Past studies have been exploratory in nature, and have included case studies that look at a specific brand or social media platform (Kaplan & Haenlein, 2010). Within consumer behaviour, researchers have looked at consumer reviews, what motivates consumers to write these reviews and how objective they are (Hu, Koh, & Reddy, 2014). However one of the key, fundamental areas- attitude research - has received very limited attention in a social media setting. While it is one of the most researched areas within consumer behaviour, attitudes will eventually receive a lot of attention in the social media context.

Sentiment analysis is considered one of the main analytics methods to examine for social media comments made by consumers (Adeborna & Siau, 2014). However, attitudes and sentiments are mostly considered separately by researchers and sentiments as a concept seem to lack in definition and remains untheorized (Gopaldas, 2014). It has been established that sentiments are a good
predictor of attitudes and this concept will grow in importance as researchers conduct more studies into consumer attitudes expressed in social media.

As researchers extend the number of topics they study in the social media context, the study of consumer sentiments as a concept will continue its development. One of the areas where changes in consumer sentiments will play a pivotal role is crisis situations experienced by the company. Other announcements that have the potential to result in strong feelings among consumers will also have an impact on consumer sentiments, attitudes and how they change overtime. This especially so, considering that there is no argument among researchers that crisis situations and negative announcements are all part of standard business practice and no company is able to avoid them (Fink, 1986). Due to the rise in popularity of social media, these crisis situations or negative announcements pose an increased risk to an already risky situation. If practitioners’ confusion around social media handling is added to the mix, it presents a very real danger for the company.

Considering that attitude formation is a key area of consumer behaviour and the increasing popularity of social media will drive future research, researchers and practitioners alike need to understand how consumer attitudes can be studied on social media. Consumer sentiments expressed in consumer comments provide a way for researchers to gain insight into consumer attitudes. However for marketing researchers and practitioners the area of particular interest is how consumer attitudes can be monitored and changed. The area of particular importance is consumer attitudes following an announcement by a company. This is the situation which has the potential to trigger consumer attitude change and therefore especially in crisis situations, researchers as well as practitioners need to understand what consumers are saying as a collective and how their sentiments change at different stages of the announcement period.

Consumer attitudes and attitude formation models have received a lot of attention in past research. However, to this researcher’s knowledge, there has been only one communication research study that looked at user attitude towards controversial topics on social media (Gao, Mahmud, Chen, Nichols, & Zhou, 2014). While past research has looked at product reviews, electronic world of mouth and the activities consumers are engaged in on social media, these studies have not looked
at the link between these actions and consumer attitudes towards a company (Brown, Broderick, & Lee, 2007; Goh, Heng, & Lin, 2013; Wang, Zheng, & Mao, 2011).

Past research on social media evoked criticism that academic research is not providing practitioners with sufficient guidance due to the limited ability to apply the findings in a practical field (Laroche et al., 2013). Existing research has also been criticized for not being grounded in theory, which highlights the need for further research that would address these issues.

This research will look to address the main criticisms or theoretical gaps (identified in problem statement) and conduct a research study that will develop specific recommendations for practitioners, will be grounded in theory and will make theoretical as well as managerial contribution to the body of knowledge.

1.3 Research objectives

This research will look at consumer sentiments on social media in pre, during and post announcement periods to gain an understanding of what consumers are saying and what changes occur due to the announcement. This research seeks to address criticisms regarding the lack of theoretical basis and the limited practical implication of existing social media research. The researcher also aims to further consumer behaviour research in a social media context. The objective is to seek answers for the research questions posed below:

Research Question One: What do consumers say in social media comments and what are their sentiments following a public announcement?

Research Question Two: Are there any differences in terms of consumer sentiments pre, during and post announcement?

Research Question Three: What possible consumer types emerge based on these combinations of sentiments and interactions within the online social group?
Research Question Four: How do consumer sentiments change in response to the type of announcement (i.e. positive versus negative) and strategy employed by the company at post announcement stage?

Research Question Five: What theoretical and managerial implications can be drawn for businesses from our knowledge of sentiments and consumer types that are shaping the digital world of consumption?

1.4 Significance of the Study

The main theoretical contribution of this study is the presentation of a conceptual model that describes the impact of attitudes on relationship formation with a brand (see Figure 1). It was developed by the researcher through the analysis of existing literature, its systematization and integration. It is the first model to make a connection between the type of attitude consumer formed and type of relationship he/she has with the company. This research also presents a categorical framework derived from the empirical data which can serve as basis for future research of consumer sentiments on social media (see Figures 2 to 4). It presents the four main topics consumer comments are dedicated to (see Figure 5) establishing consumer sentiments matrix. The research also established the main themes in consumer comments and the changes that take place depending on announcement stage (see Table 17). Another major contribution of this research is the development of a consumer typology (see Figure 10). This typology has two dimensions: a consumer’s purchasing relationship with the brand and the overall attitude towards it. Thus this research provides a theoretical contribution by concentrating on the online consumer behaviour of those individuals who are actively engaged with a brand. Lastly, this research responds to criticism that social media research is not grounded in theory by building it on the foundation of customer-centric model that integrates consumer behaviour concepts of attitude and attitude formation, emotions and satisfaction.

From a practical point of view, the significance of this study is in its development of a social media decision making process map (see Figure 11). This serves as a blueprint for corporate social media strategy or as a reference for crisis situations where a company does not have an existing strategy.
This research also made specific recommendations to practitioners who manage company’s social media presence during an announcement period. This serves as a response to another significant criticism made about academic research and its lack of guidance for practitioners. Another concern that has come through strongly in past research is practitioners’ concern over the financial impact of a social media presence and the view of some marketers that it does not impact profit levels in a positive or negative way regardless of the strategy. This research provides evidence that an active social media strategy has a positive impact on share prices and profits by amplifying the influence of positive announcements and muting negative announcements.

This research is also relevant to other research areas. It has implications for communication research in its findings concerning social media and comments at different announcement stages. Public relations research can utilize these findings for analysing the impact of company responses and handling of the announcement period. Consumer sentiments have implications for psychology and sociology research areas. Above all, this research aimed at making a contribution in the marketing field.

1.5 Organisation of the thesis

This research is divided into five chapters. The first chapter provides a brief introduction to the research, explaining the reasons why this research should be conducted and its significance. The second chapter conducts an extensive literature review concentrating on three major areas relevant for this research: social media, consumer sentiments and attitudes, and public announcements. A gap in the literature is identified and discussed. The theoretical foundation of the customer-centric model is presented and the importance of this model for the research is explained. The third chapter outlines the research methodology utilized—content analysis with an evaluation of the advantages and disadvantages of the chosen research method. The fourth chapter presents the research findings and a discussion, addressing research questions one to four. This chapter responds to the research questions and presents additional findings this research has yielded. The fifth chapter is the conclusions and recommendations, aiming to address research question five. It provides a summary of the main research findings, and the theoretical and managerial implications
of this research. Further, it provides recommendations for practitioners based on the main areas identified. The limitations of this study are discussed and directions for future research presented. Concluding remarks complete this research study.
Chapter 2: Literature Review

2.1 Introduction
This chapter concentrates on a review of relevant literature that explores changes introduced by social media to the marketing landscape and consumer behaviour. The first section will discuss the trends in social media, practitioners approach to it and the new consumer that has emerged as a result of this phenomenon. Online brand communities and new consumers desire to share their attitudes online will be explored. The second section will discuss how social media has assisted researchers in studying consumer attitudes through sentiment analysis of online comments. An overview of attitude formation, attitude models and key attitude research concepts will be given. Links between emotions, consumption evaluation, satisfaction and consumer brand relationships will be presented. Using literature systematization, a conceptual framework will be presented proposing that the type of attitude has an impact on brand relationship. Consumer relationship with the brand has implications for their social media behaviour. The third section will discuss the need to manage consumer brand relationships with extra care during a period of change or post-announcement. The fourth section will present the theoretical model that this research is built on. A consumer-centric model helps researcher understand the links between different concepts and how they collectively provide a basis for understanding consumer sentiments expressed in online comments. The fifth and closing section will identify the gaps in the existing research.

2.2 Social Media

2.2.1 Overview of the pre-social media marketing landscape

The traditional understanding is that the company brand, marketing messages associated with it and control over the communication channels are all within marketing managers’ domain (Mangold & Faulds, 2009). By managing the traditional promotional channels mix- sales promotion, advertising, PR, direct marketing, personal selling and publicity, marketers were able to communicate with their target market. Through successful integration of these tools, marketing
professionals were able to produce a consistent message across all channels and influence consumer brand awareness, attitudes and purchase behaviour (Hanna, Rohm, & Crittenden, 2011).

Consumer-to-consumer communication was limited to word of mouth, and the underlying assumption was that one dissatisfied customer could tell ten other consumers. Because of the small scale, the impact on the market overall was limited (Kucuk & Krishnamurthy, 2007). Marketers regarded the internet as a consumer information search tool while they themselves still owned the brand and controlled the message, thereby influencing consumer perceptions. Under this system, marketing professionals had a high level of control over what was said about the brand in the public domain. Consumer was a passive and frequently unwilling recipient of the marketing message and had limited power (Hanna et al., 2011). In the academic literature, consumer power was initially discussed from two main perspectives: consumerism (protection of consumer rights) and relationships within the distribution channel (Feick & Price, 1987). Within consumerism, the focus was on consumer protection, welfare, rights to safety, to be heard, choose, be informed, elimination of harmful marketing and business practices (Day & Aaker, 1970). The growth of consumer presence online adjusted this balance of power, changing the way consumers utilised World Wide Web and eventually drove the changes in the marketing landscape.

2.2.2 Transition from traditional media to social media

As a result of the power redistribution between the consumer and marketing professionals, the marketing landscape went through significant changes. Over the past decade, a fundamental paradigm change has occurred, along with a change in our understanding of marketing and the role of marketing professionals. As the World Wide Web was growing in popularity, consumer access to information and other resources assisting purchasing decision and product evaluation has improved (Peterson, Balasubramanian, & Bronnenberg, 1997). Consumers were now able to get accurate, up-to-date product information that was only available to a selected few in the past. This gave consumers the ability to execute their rights in the market more efficiently (Kucuk & Krishnamurthy, 2007). Having access to better quality and more objective information, consumers started moving away from newspaper, radio, TV and magazine advertising.
Consumers now wanted immediate access to information, executing more control over the media messages they consumed (Mangold & Faulds, 2009). As a result, there was an increase in consumer activists, independent reviewers and product experts among consumers (Hanna et al., 2011). Consumers stopped being passive observers, started taking an active stance in content co-creation and their voices grew stronger in the marketplace (Berthon, Pitt, McCarthy, & Kates, 2007; Butler & Kim, 2015). If before consumer needs were limited to researching new market offerings on the internet, the next step forward was to share, collaborate, contribute and engage other consumers, and even companies, with valuable information. Soon there were hundreds of platforms, new communication channels that allowed the sharing of videos, photos, reviews, podcasts, text messaging, blogs, discussion boards and so on, resulting in a marketing communication channels paradigm shift (Harris & Rae, 2009). This change in the communication channels is referred to as the social media phenomenon or also commonly known as user-generated media.

Social media is a form of media defined as a selection of sources that present information online. They are driven by consumer desire to share information with other consumers, companies and brands by initiating conversations, creating content and discussing it (Blackshaw & Nazzaro, 2004). The popularity of these sites has grown rapidly and they now include millions of users. For example, by 2013 Facebook had over 955 million individual users (Laroche et al., 2013). The top ten social networking websites in 2013 were Google, YouTube, Facebook, Wikipedia, Twitter, QQ.com, Baidu.com, Windows Live, Yahoo and Blogger.com (Goh et al., 2013). This increasingly interactive world has transformed consumer-company communication from the original Web 1.0 model to the Web 2.0 model where consumers are becoming the leading force in marketing communications (Kaplan & Haenlein, 2010).

2.2.3 Social media and the new consumer

The social media phenomenon has not only resulted in a change in communication channels, but has also had an impact on consumer behavior. Consumer behaviour changes have occurred in areas such as information search, attitudes, purchasing decision making, post-purchase evaluation
and feedback (Mangold & Faulds, 2009). Consumers now turn to social media as a more trusted source of information in the pre-purchase evaluation stage and to assist them in making purchasing decisions (Vollmer & Precourt, 2008). Consumers have also been transformed from quiet observers into a loud, active and constantly talking, sharing crowd and are quickly taking the driving seat in marketing communication (Keller, 2007). Consumers now want to influence product and service attributes, brand image, company messages and want to participate actively in building the brands they are interested in (Berthon et al., 2007). They also have an unprecedented freedom in sharing their thoughts and they want to be heard (Kaplan & Haenlein, 2010).

Consumers now choose when and what they post, and in what form (message, video, photos). They can decide whether they want to share their comments with just friends or make the post public, where they post it- their personal page, company page or discussion boards. Through social media consumers are able to communicate with each other on an unprecedented scale. With relative ease, consumers can now express their views not just to a couple of friends but to thousands of people. Now any consumer with an internet connection can give details about their brand experience. These descriptions can be very detailed, and include videos and photos documenting each step of the process starting with pre-purchase information search, usage experience and post-purchase evaluation.

The distribution of power means that marketers can no longer assume that they will talk, and consumers will listen; rather, marketers must adjust to a new landscape, recalibrating to a situation where consumers talk, and marketers listen (Patterson, 2012). This presents opportunities for both consumers and marketing professionals.

### 2.2.4 Social media risks and opportunities for practitioners

Despite the opportunities for both consumers and marketing professionals, the marketing literature also discusses how changes in the marketing landscape and social media phenomenon pose a risk to marketing professionals. They are now losing the power to control the dissemination of information about their brand and are no longer able to shape the brand message the way they used to through traditional media. Unlike traditional communication tools used by marketers, social
media is outside of a company’s direct influence (Patterson, 2012). However, researchers need to realistically evaluate the lack of impact traditional media has on the consumer.

The academic literature discusses the falling effectiveness of traditional media tools however continues to describe social media phenomenon from the point of view that it poses dangers to marketers (Hanna et al., 2011). Past research holds a view that marketers held all the power pre-social media but social media has now passed that power over to consumers (Hanna et al., 2011; Kucuk & Krishnamurthy, 2007; Patterson, 2012; Singh & Sonnenburg, 2012; Vries, Gensler, & Leeflang, 2012). However, this view is one-sided at best and lacks balance. Through social media, consumers have gained a way to express their views to a large number of other consumers. At the same time, companies for the first time have gained the ability to collate buyer views on their products by observing consumer conversations in a natural setting and are able to influence consumer-to-consumer conversations.

It would seem that social media in fact presents a huge opportunity for businesses. The existing media tools are quickly losing effectiveness, and social media has allowed companies to re-engage with consumers and grab their attention once again. Therefore, the widely accepted idea, that social media has caught businesses unaware and represents a negative development for marketers seems to be biased. Social media has gained popularity over the years and was originally seen as a way to keep in touch with people in a personal network. Businesses had the time to realize marketing opportunities presented by social media rise (Labrecque, Esche, Mathwick, Novak, & Hofacker, 2015; Thackeray, Neiger, Hanson, & McKenzie, 2008).

The second point that comes through very strongly in the literature is the perception that marketing professionals historically held all the power and were manipulating the consumer. The consumer is described as a bystander with information forced onto them, with no choice or power in the process (Blumberg, 1989; Granter, 2012; Patterson, 2012). The main power consumers had and will always have is in the purchasing decision. Regardless of how much information is presented to the customer, the ultimate control is in the purchasing action.
As explained above, past research has largely viewed social media phenomenon from the customer empowerment point of view. One line of thought suggests that this empowerment largely depends on the type of involvement the consumer has and the participation level. In this case, consumer empowerment depends on the intensity with which the consumer gets involved and the breadth of that involvement. However, it also largely depends on the degree a company uses this content (Labrecque et al., 2015). This means that if a company utilizes consumer feedback for innovation ideas, reviewing their pricing structure or business processes, consumer power increases dramatically. However, this has a reverse impact as well, providing the company with consumer opinions they never previously had access to.

Social media in this sense allows practitioners to learn more about their customers, what product attributes they consider more important in making decisions, what their thoughts are on the company product, pricing, promotion and distribution (place), that is, the 4Ps (Hanna et al., 2011). Therefore, the view of company-consumer power needs to have a more balanced approach. It is important to understand what has actually changed for practitioners with the rise in popularity of social media and how they handle these changes.

### 2.2.5 Social media use by practitioners

The question whether the rise of social media is a positive or negative development can be debated, but the end result is that companies cannot ignore this phenomenon. Businesses now follow their consumers online and have increased their investment in social media marketing campaigns to reach consumers online. In 2014 social media spending by corporates exceeded $3 billion USD. By 2012, over half of Facebook users liked or friended at least one brand page, and these brand pages are becoming main platforms for consumer to consumer and consumer to company communication (Patterson, 2012). Many businesses have included social media into their marketing plans and treat it as a stand-alone marketing tool that exists in complete isolation with other promotional tools and marketing campaigns.

Social media is seen as something businesses are expected to partake in but they are not quite sure how it can increase brand value and consumer loyalty. Many businesses are still unclear
whether the return on investment (ROI) is sufficient to have a social media presence (Fisher, 2009; Kumar & Mirchandani, 2012). Some companies do not clearly define their social media strategy except increasing the number of likes or followers. Others create social media pages and brand profiles but do not actively engage with consumers (Hanna et al., 2011; Laroche et al., 2013). These businesses utilise their social media presence as an extension of their websites, posting links to website content only (Kaplan & Haenlein, 2010). It is suggested that practitioners require more guidance in incorporating social media into their marketing strategy.

One of the strategies that companies are now employing is to try and influence consumers through traditional media before they engage with the brand online. The aim is to increase brand awareness, which is considered the main source of power for the company. The issue with this approach is in the limitation of traditional mass media, and that it is unable to generate engagement and works only on generating reach. Traditional media reach allows companies to spread their message to a high number of potential consumers; however, does not often result in consumer engagement or purchase. Online ads are even less successful that those in printed media or TV and, radio. A study conducted by Hanna et al. (2011) found that only 16% of users click on the advertising and 85% of clicks are generated by 8% of users. The effectiveness of online-based advertising campaigns will continue to decrease. Consumers now live in the world where they are bombarded with advertising messages from companies. This dilutes any hope a company might have of grabbing buyers’ attention. To become visible to the consumer, companies need to engage with consumers directly through interactive platforms (Kucuk & Krishnamurthy, 2007; Zeng, Chen, Lusch, & Li, 2010).

2.2.6 Social media strategy recommendations

To ensure that social media potential is maximized, companies need to integrate it into their promotional mix. Traditionally, companies followed the IMC principle (integrated marketing communications) which integrated all the different promotional tools to formulate and disseminate a unified brand message. This ensured consistency across different communication channels (Mangold & Faulds, 2009). With the emergence of social media, marketers now need to employ
different strategies to communicate with consumers and manage a variety of online information sources. However there are similarities between traditional media and user-generated content (Naik & Peters, 2009).

In a traditional sense, social media allows the company to communicate with consumers. In a non-traditional sense, social media allows consumers to talk to each other. Companies can shape the conversation they have with consumers and also influence conversations consumers have with each other (Winer, 2009). In addition to this, it has been suggested that traditional media and user-generated content are all part of the same ecosystem. This ecosystem consists of three types of media: paid (TV and printed ads, radio), owned (website) and earned (user-generated, the buzz around the company). For this reason, a number of authors have argued that social media is part of the promotional mix and companies need to have a strategy to manage all media to achieve consistency. However, it also means that different social media platforms also need to be viewed as part of this ecosystem.

One mistake that marketers tend to make is treating different social media platforms separately from one another rather than seeing them as a whole. Unlike TV and print advertising that can be treated as two separate tools, platforms such as Facebook and YouTube cannot be treated as two separate tools within a social media strategy (Bernoff & Corcoran, 2009). Content created on YouTube has to be shared on all other websites; for example, YouTube followers should be encouraged to read company blog on the website and express their opinions about it on Twitter and so on. All social media websites are interconnected and need to be treated as parts of the same organism (DiStaso, Wright, & McCorkindale, 2011). This will create opportunities for user engagement, contributing towards story creation and engaging consumers in a dialogue (Hanna et al., 2011). It has been recommended that marketers need to visualize the whole ecosystem applicable to their organization in order to integrate its elements successfully, define the brand story and create a unique voice for the brand. Social media does not require elaborate budgets, which is one of its most attractive traits (Sinclaire & Vogus, 2011). However, just like in traditional media, companies need to identify which communication strategies work best for their target market, the same principle applies to social media. Companies need to identify which social media platforms
are more important to their consumer and visualize the ecosystem with that in mind before communicating their brand message.

### 2.2.7 Social media and brand community

Company brand message needs to be consistent not only across traditional media tools, but also on social media (Hanna et al., 2011; Mangold & Faulds, 2009; Patterson, 2012; Smith, Fischer, & Yongjian, 2012; Vries et al., 2012). Scholars recommend specific steps that companies can take to engage with consumers directly and communicate their brand message. Mangold & Faulds (2009) suggest that companies need to create networking platforms to be used for brand communities. Creating a space where consumers can talk to like-minded individuals is one of the key elements in building an online following. However, it is not enough to just introduce a platform to build a brand community. Companies need to introduce content to drive the conversation—company blogs, YouTube videos demonstrating product use and others. Companies need to be outrageous and to create exclusivity for consumers (for example, running campaigns or discounts for social media users only). They need to provide information about products/services and design them with talking points that are aligned with consumers’ desired self-image. Social media is not about websites or specific platforms but about creating stories and experiences for consumers, as well as building connections and creating a brand following. This can be achieved if consumers are engaged with the brand, and there is a feeling of intimacy, and involvement (Sago, 2010). This is accomplished by building a brand story and communicating a message that will capture consumers’ attention. However, different consumers might display varying behaviours on social media and the approach will need to change accordingly. It has been identified that there are five types of social media behaviours: 1. Critics (rate, comment); 2. Observers (read); 3. Collectors (share); 4. Creators (publish, upload); and 5. Joiners (connect) (Bernoff & Li, 2008). Practitioners need to understand the types of consumers in a brand community.

As mentioned earlier, companies need to cater for different types of consumer behaviour on social media. Consumers are quick to express their displeasure online, however, it has not been identified whether there are differences among critics, contributors, joiners, observers or collectors.
It can be argued that depending on the subject/issue or brand, consumers can transition from one type of online behavior to another. This is associated with consumer’s attitude towards the brand. In order to better identify which social media behaviour consumers might display, it is important to study consumer attitude towards the brand through the sentiments they are expressing in their comments (Cvijikj & Michahelles, 2011).

2.3 Consumer Sentiments & Attitudes

2.3.1 Consumer sentiments & link to attitudes

Consumer sentiments have been of interest to marketers for a long period of time and are mentioned extensively in consumer research. However, the concept remains untheorised, even though it has been proven that sentiments are key to understanding market changes (Gopaldas, 2014). Consumer sentiment definitions are far in between and lack a united view of the concept. One definition suggests that consumer sentiments are a collective emotional attitude towards a marketplace subject (Gopaldas, 2014). Another author defines sentiments as attitude based on emotion rather than reason (Jandail & Ratan, 2014). These definitions seem to use attitude and sentiment concepts interchangeably. For consumer behaviour research, a distinction between the two is needed. One definition which can be used stipulates that sentiments provide explanations of consumers’ experiences, feelings and emotions, and evaluations of the product or service (Hu et al., 2014). Another research study defines sentiments as a judgement made by the consumer towards product attributes, features, quality and so on. (Cvijikj & Michahelles, 2011). Sentiment analysis is defined as a process of extracting consumer opinions from a text to identify their positive, negative or neutral attitude towards the subject (Adeborna & Siau, 2014). For this research, sentiments will be defined as company, brand or product attribute or affective judgment made by the consumer that serves as an indicator of their attitude.

Even though sentiments as a concept have not been properly defined in the consumer research literature, they have received attention and have been discussed by researchers. Some of the
earlier mentions date back to 1946 when marketers started to use consumer sentiments to identify consumer attitude towards a brand and predict future purchasing activity. According to a study by Gaski and Etzel (1986), consumer sentiments can be an early indicator of consumer attitude trends. Tracking sentiments can be utilized as a consumer attitude barometer especially during the time when a company is making changes to their products or processes (Gaski & Etzel, 1986). O’Connor, Balasubramanyan, Routledge, and Smith (2010) researched consumer sentiments in Twitter messages to measure changes in consumer attitudes towards a political party. They wanted to track them over time and tie them with specific activities, such as party rallies, announcements, politician speeches and other campaign activities. The study also looked at how predictive consumer sentiment research from Twitter text analysis could be compared to traditional polling studies. The authors found that online sentiment analysis results were consistent with traditional polling (80% consistency). This provided evidence that studying online consumer sentiments could be a good predictor of attitude trends (O’Connor, Balasubramanyan, Routledge, & Smith, 2010). In a different study examining consumer sentiments expressed towards fracking and vaccinations, researchers found through quantitative methods that consumer sentiments expressed in Twitter comments were predictive of consumer attitudes. The authors presented an attitude model that utilized sentiments extracted from consumer comments online. They identified that to be predictive, several consumer comments needed to be used in the model and a single comment was not a reliable enough indicator of the overall attitude (Gao et al., 2014).

In the studies described above sentiments were seen as an indicator of consumer attitudes, one of the foundational areas of consumer behaviour. With the growing popularity of social media, researchers have a new avenue for studying consumer attitudes. Comments consumers make on social media are regarded as having either a positive, negative or neutral sentiment (O’Connor et al., 2010). This makes sentiments an integral part of studying consumer attitudes through social media. A single comment might not always indicate a consumer’s attitude towards the brand. It is possible that the consumer’s comment expresses a positive or negative sentiment towards a certain aspect of the product, but does not reflect the consumer’s overall attitude towards the brand (Pang & Lee, 2008). For example, if a consumer likes the product but expresses a negative sentiment towards its wasteful packaging, it does not automatically indicate that the consumer has a negative
attitude towards the brand and that their purchase intention is low (Ostrom, 1969). Therefore, it is suggested that sentiment expressed in a single comment is a building block for understanding consumers’ attitude towards the brand (Divol, Edelman, & Sarrazin, 2012).

2.3.2 Attitude formation components

Sentiment analysis will significantly contribute to our understanding of consumer attitudes towards a brand, especially in a social media setting. The relationships people have with brands are complex in nature and need to be considered from different dimensions. The starting point is to examine consumer attitude towards a product/service. Consumer attitude is defined as a result of the affective, behavioural and cognitive evaluations conducted by the consumer (Agarwal & Malhotra, 2015). Historically, there was a long-standing assumption that as a concept, attitudes were a unidimensional construct measured across two poles: positive or negative (Ajzen & Fishbein, 1977). The understanding was that the consumer would form a general view of a product, brand or advertising through a series of assessments concentrating on specific attributes or characteristics (Bagozzi, 1981). Now consumer behaviour literature discusses attitudes as bi-dimensional or multi-dimensional constructs.

The view has transitioned to stipulate that attitudes have three bases: cognitive, affective and behavioral (Dubé, Cervellon, & Jingyuan, 2003). The cognitive component of consumer attitude represents a logical, fact-based product/service evaluative structure where the consumer forms an attitude based strictly on functional characteristics (Batra & Ahtola, 1991). During this evaluation consumers are forming their attitude for utilitarian reasons (Malhotra, 2005). This means that functional means to end, and non-feeling product attributes play a more important role (Eagly & Chaiken, 1995). The affective component is associated with emotions and feelings the consumer has towards the subject and is strongly related to hedonic attributes (Millar & Tesser, 1989). In this case, consumers evaluate the product based on pleasure, gratification and sensory satisfaction (Batra & Ahtola, 1991). The behavioural component refers to consumer experience with the product and is a strong, straightforward predictor of attitude. Researchers concentrate most of their efforts
studying the cognitive and affective impact on attitude (Foxall & Yani-de-Soriano, 2005; Malhotra, 2005).

The idea that attitudes are made of cognitive and affective components, is not new and even goes back to Hindu and Greek philosophers (Huskinson & Haddock, 2004). Modern psychology is working on understanding under which circumstances attitude is formed using cognitive information and what situations assist in affective attitude formation (Zanna & Rempel, 1988). Researchers have found that different consumers use cognitive and affective information differently to form attitudes and have pre-existing preferences as to whether they rely more on one or the other (Huskinson & Haddock, 2004).

Esses and Dovidio (2002) found that cognitive or affective focus has an impact on consumer’s behaviour. Consumers form a stronger attitude-behaviour intention link when they are in the affective state rather than cognitive (Farley & Stasson, 2003). The impact on attitude itself is also consistent with the focus priming used at the time (Esses & Dovidio, 2002). If a consumer received cognitive stimuli, cognitive attitude will be formed. The same holds true when affective stimuli is applied, resulting in an affective attitude. Consumer, with an affective focus, recalled fewer cognitive characteristics and newly formed attitudes were more aligned with the type of information presented to consumers prior to the study. Consumers that received affective priming and subsequently received negative cognitive information along with positive affective information had a more positive attitude towards the product compared to consumers that were under cognitive focus (van den Berg, Manstead, van der Pligt, & Wigboldus, 2006). This clearly indicates that priming focus has a direct impact on the type of attitude consumers form and their susceptibility to negative cognitive information. Priming focus is especially important to practitioners that manage negative information about their brand because of its ability to adjust consumer’s perception when they receive negative information.

2.3.3 Types of attitude and attitude models

Depending on whether the consumer relies more heavily on cognitive, affective or behavioural components to form an attitude, those attributes will be more salient in their consumption motivation
It should be argued that behavioural basis should not be used as a standalone attitude formation function. It would however act in strengthening either hedonic or utilitarian reasons for consumption (Batra & Ahtola, 1991). Products/services, which are mostly functional, will result in mostly utilitarian attitudes being formed by consumers (for example, visiting a car mechanic). Those with mostly a fun purpose (e.g. going to the cinema) will have mostly hedonic attitudes (Allen, Machleit, Kleine, & Notani, 2005). Of course in real life, this will not work in such a straightforward manner. Different consumers might evaluate the same product or service through different attributes - for example, going to the hairdresser might hold mostly utilitarian attributes for some consumers and hedonic for others. However, the important point is that all three - hedonic, utilitarian and behavioural bases are used for attitude formation by the consumer. From a practical point of view, consumers, who form a primarily utilitarian attitude will react more strongly to changes in the product attributes and price. Those who form a hedonic attitude are more likely to be affected by change when they have an emotional reaction towards a company’s message/actions (Stathopoulou & Balabanis, 2015). This is an important implication for practitioners handling social media comments. One suggestion is that the type of consumption will have an impact on whether consumer forms a utilitarian or hedonic attitude.

With a general view shifting towards distinctions between hedonic vs. utilitarian attitudes, researchers are also starting to view attitude concept as a hierarchy (Dubé et al., 2003). One hierarchical model of attitude formation places the type of consumption need at the foundation of the model. According to this model, attitude formation depends on the consumption need. Immediate consumption, or consumption with a more deliberate nature, results in different attitudes being formed (Giner-Sorolla, 1999). The argument is that the consumer evaluates the product or service differently depending on the type of consumption. For example, if a product/service is a low involvement purchase, it will result in a different attitude formation compared to a high involvement purchase (Dubé et al., 2003). The next level is grouping attitudes as cognitive or affective (Giner-Sorolla, 2001).

Another model utilized quite frequently is adequacy-importance or the “AI” model. The AI model relies on the consumer to indicate which attributes he/she considers important combined with
ratings on how well the brand performs against the above attributes (Batra & Ahtola, 1991). This is applicable to consumers expressing their sentiments on social media as well. It is suggested that consumers only comment on those product/service attributes that are important to them and where the brand performance for these attributes is either highly aligned with consumer expectations or misaligned, causing dissatisfaction. In this case, both hedonic and utilitarian attributes play a role in varying degrees (Malhotra, 2005).

It has been concluded in the literature that attitudes are normally consistent from a theoretical point of view, but can change over time as new information is introduced or transformations to the product/service occurs (Batra & Ahtola, 1991). A great deal of academic work has concentrated on cognitive attitude theories that focus on the consistency of cognitive evaluation. It means that consumers evaluating a brand from a cognitive point of view will always arrive at the same conclusion about it. Therefore, the attitude will remain consistent across these different evaluations (Ostrom, 1969).

However even with stable attitudes, consumer sentiments might vary and are not always consistent with their attitudes (Millar & Tesser, 1989). It has been identified that even people with mildly positive attitudes can express extremely positive, neutral or even extremely negative sentiments towards a brand (Czellar, 2003). In general, researchers are looking to smooth out these extremes by looking at where the survey responses tend to lean and whether the resulting conclusion is a positive or negative attitude (Laros & Steenkamp, 2005).

### 2.3.4 Emotions and link to attitudes

As mentioned above cognitive, affective and behavioural components create the overall evaluation, and one of the components will be more salient compared to others (van den Berg et al., 2006). However, as researchers gain a more thorough understanding of how consumer attitudes are formed, the importance of emotions in the affective component is gaining more attention (Lerner & Keltner, 2000). Emotions contribute towards a fuller picture of a consumer’s attitude and resulting behaviour (Fabrigar & Petty, 1999). It is known that a consumer, who is feeling sad, will act
differently compared to an angry consumer. Sad consumers are more likely to be passive while angry consumers are likely to fight against the company (Laros & Steenkamp, 2005)

Researchers need new reliable tools and methods to study emotion. There has been a fair amount of criticism regarding the concept of emotion in the consumer behaviour research. Those researchers who agree that emotion is an important research area, criticize the methods used drawing attention to the fact that the research is biased and strongly focused on product attributes (Zaltman, 1997). Since the early 1970s research has utilized multiattribute models to study attitudes (compositional model, decompositional model, subjective expected utility model, Bayesian model and others) (Agarwal & Malhotra, 2005). As researchers ventured into the study of emotion, the models used remained largely the same with researchers falling into the same trap of viewing attitudes from the product attributes view only (Aaker, 1996). There is a growing following of researchers proposing alternative models and advocating for more attention to be dedicated to emotion in understanding consumer attitudes (Aaker, 1996; Allen et al., 2005; Desai & Mahajan, 1998; Phillips & Baumgartner, 2002; Zaltman, 1997).

Emotion is one of the areas of consumer behaviour research that draws heated arguments between researchers (Burke & Edell, 1989). The idea that emotions are not a valid research area also has a strong following (Holbrook & Hirschman, 1982). The expectancy-value view developed by Martin Fishbein (1975) has been utilized in attitude research ever since academics first ventured into this area and has been the default for decades. Under this model, the consumer evaluates the product going through a list of its attributes and assigns values to each. Values assigned depend on the consumer’s beliefs associated with each attribute and their perceived importance. However, only beliefs, which are easily accessible can participate in attitude formation (Fishbein & Ajzen, 1975). While the model is very comprehensive and has proved its predictive ability in analyzing brand advantages and disadvantages, there is not much space for emotion within it (Agarwal & Malhotra, 2005). Fishbein himself is a strong believer that emotion and other non-belief based attitude contributors are artifacts only (Allen et al., 2005; Fishbein & Middlestadt, 1995). Subsequently, past research utilizing Fishbein’s model systematically ignored emotions as part of consumer attitude. This past research took a narrow view of consumer attitudes assuming that they were based only
on utilitarian beliefs (Allen et al., 2005; Mellers, Schwartz, & Ritov, 1999; Schwarz, 2000; Zanna & Rempel, 1988).

The main reason researchers are apprehensive about emotions is the difficulty in studying and correctly identifying them. According to Zaltman (1997), consumers experience many emotions unconsciously and so far researchers have relied on consumers’ self-reports to study emotion. If this logic is accepted and most emotions experienced by the consumer do not register, self-reports will have little to no value in studying emotions. However, a study by Allen (2005) proved that consumer emotion reports can be reliable attitude predictors. Now that emotions are becoming a prominent area of attitude research, new tools are being developed especially for this purpose.

As in the case of sentiments and overall attitudes, emotions are divided into negative and positive (Kwortnik Jr & Ross Jr, 2007). Conceptually researchers agree with the positive/negative classification, but note that when using this framework the important differences between different emotions are lost (Richins, 1997). That is why over the years a list of specific emotions studied by researchers has grown substantially with a full range systematized by Laros and Steenkamp (2005). Research also supports a previous finding that there are more words describing negative emotions than positive ones (Morgan & Heise, 1988). However, not all emotions will come up in a consumption situation, and it is important to understand which ones to focus on for research purposes.

To concentrate their efforts better in emotion research academics are able to utilize the Consumption Emotion Set (CES) which describes emotions linked to different product types (Richins, 1997). It has been suggested that emotions should be clustered based on their primary theme. Betlowitz and Harmon-Jones (2004) created a hierarchical structure with four negative (anger, shame, fear and sadness) and four positive basic emotions (pride, contentment, happiness and love (Berkowitz & Harmon-Jones, 2004). At the next level, Laros and Steenkamp (2005) proposed a further 42 emotions based on the Consumption Emotion Set (CES). The authors suggested that researchers also include disappointment and regret to the list of the 42 emotions as they are very relevant to consumption with regret taking root in bad decisions and disappointment in failed expectations (Laros & Steenkamp, 2005). Laros and Steenkamp (2005) also point out that
Researchers need to adjust their emotional model to suit the research question, and a full or part model can be used. This provides researchers with a tool to analyze consumer emotions and adds more consistency to the affective component research. Emotions are also an integral part of studying satisfaction. Consumption satisfaction in turn has an impact on the consumer relationship with the brand (Phillips & Baumgartner, 2002)

2.3.5 Emotions and consumption evaluation

As we know, the affective component contributes towards overall attitude and therefore consumers have a pre-existing idea of what emotions consumption will evoke. Once the consumer has gained experience with the product, they conduct evaluation of the actual vs. expected emotions. Consumer satisfaction is then impacted by the three variables - affective expectations, emotions evoked during consumption and discrepancy between actual and experienced emotions. Positive emotions during consumption have a positive impact on satisfaction while negative emotions have a negative impact (Phillips & Baumgartner, 2002). Satisfaction in itself has been considered a purely cognitive process with some affective components. However as researchers turn their attention to emotions as a research topic, many argue that our understanding of satisfaction can also be enhanced through the inclusion of emotions (Dick & Basu, 1994; Mano & Oliver, 1993; Oliver, 1994; Oliver, Rust, & Varki, 1997; Phillips & Baumgartner, 2002; Rust & Oliver, 2000; Woodruff, Cadotte, & Jenkins, 1983; Yi, 1990; Yu & Dean, 2001).

Past research has looked at satisfaction as a result of the following: 1. consumer review of product attributes and, whether the consumer has evaluated the product from a hedonic or utilitarian point of view; 2. consumption resulting in positive or negative affect; and 3. proving or disproving consumer expectations (Rust & Oliver, 2000). It is important to understand that consumption emotions can arise following disconfirmation, whether consumption experience emotions are better/worse than consumer expectation or a result of product/service performance generating affective evaluation. However, it should be mentioned that if consumer expectations are low, even when product/service performance is low as well, satisfaction can be relatively high. The opposite can also be true when consumers have high expectations, even a high level of product performance.
might result in low satisfaction if consumer is expecting more. Therefore, consumption experience generates a positive/negative emotions baseline. These are then amplified or smoothed out depending on whether consumer expectations are higher or lower (Mano & Oliver, 1993). In a situation where consumer's expectations are higher than achieved by consumption, that is, negative disconfirmation occurred, according to the expectancy-disconfirmation model, consumer may pursue a cognitive exercise by analyzing product attributes. In this situation, consumer would like to establish why his or her consumption experience turned out this way (Phillips & Baumgartner, 2002).

2.3.6 Consumption evaluation impact on attitude and brand relationship

As discussed above, satisfaction is an evaluative process conducted by the consumer following a product experience. It can be argued that through this evaluation, the consumer forms a relationship with the product brand. Regardless of whether satisfaction is high or low, the consumer will create a foundation on which all further interactions with the brand will be built on. There is a line of thought that consumers form brand relationships that are very similar to interpersonal relationships when it comes to expected norms of behaviour. According to this concept, there are two types of brand relationships: communal and exchange. Exchange relationships occur when benefits are provided in exchange for something else while communal relationships indicate that benefits are provided to demonstrate concern. This concept stipulates that consumers evaluate brand activities differently depending on their relationship with the brand. In this case consumers are evaluating whether company action is aligned to the specific relationship norm (Aggarwal, 2004). This also explains why some consumers have brand relationships that go far beyond consumption.

Consumers tend to assign human-like qualities to a brand and form a relationship much like they would with other individuals (Chung, Farrelly, Beaverland, & Quester, 2005; Pichler & Hemetsberger, 2007). It is not unusual for consumers to feel an intimate relationship, a bond with the brand, even passion in some isolated cases. Social relationship theory is often utilized by researchers to analyze these occurrences, explaining that relationships consumers form with brands carry with them the
same behavioural norms as interpersonal relationships. Brands are governed by the same societal rules as individuals and are expected to act as members of the society. For that reason, consumer relationship with a brand goes beyond pure product-money exchange (Aggarwal & McGill, 2007). The relationship extends beyond utilitarian concerns and the brand is expected to do the right thing rather than purely follow commercial benefit (Aggarwal, 2004). Gaining a better understanding of relationships consumers form with brands from a social theory point of view provides an additional insight into attitude formation and assists in predicting behaviour.

Past studies have found that when it comes to social objects, judgments are formed using abstract elements. When non-social objects are evaluated, individuals use actual attributes (Aggarwal, 2004; Feldman & Lynch, 1988; Lingle, Altom, & Medin, 1984). Consumers evaluate social objects using themselves as a point of reference. That is the main difference when comparing evaluation of non-social objects (Fiske & Taylor, 2013). Earlier it was mentioned that each interaction consumer has with a brand serves as a stepping block in building a relationship with the brand. Relationships are defined as a series of interactions where the next interaction between parties is quite different from the interaction expected between strangers (Fiske & Taylor, 2013). This definition indicates that consumer interactions with the brand can also be described as a relationship in a social sense.

Past research has proved that in some cases, consumers view brands as animate objects. This means that consumer believes in brands possessing souls and having human characteristics, enabling consumers to form social relationships with brands. The result is that consumers utilizing social norms and behavioural standards in their interactions with a brand (Aggarwal, 2004). Even though consumer relationships with brands are not on the same level of depth as interpersonal relationships, it is fair to say that there are some similarities and consumers do form relationships with brands.

Depending on the type of relationship consumer forms with the brand- exchange or communal, consumer attitude and reaction to brand actions, will be impacted. In communal relationships, benefits are exchanged between two parties based on concern for well-being and care (Clark & Mils, 1993). In this case, consumers prefer to receive a non-monetary benefit over monetary compensation from the company. Also, consumers who have formed a communal relationship with
a brand, will not expect to get a comparable benefit as a result of the interaction. For example, a consumer will not be expecting a money voucher at the end of the year as a thank you for ongoing support of the brand; rather the consumer will prefer to attend a VIP only event or a chance to view company products prior to the official launch, that is, to receive non-comparable benefits (Aggarwal & McGill, 2007). Consumers, who form an exchange relationship with a brand, are the opposite. They will expect a comparable reward in exchange for their customer, preferably monetary, and will view the relationship as a simple exchange process where both parties have something of value, and the underlying motivation is self-interest (Aggarwal, 2004). Viewing consumer relationships with brands from this point of view provides a number of benefits and clear guidelines as to how the company should interact with the consumer on social media.

Consumers evaluate brand actions based on whether they are aligned with the norms of their particular relationship or not. If brand actions conform to the relationship norms, then a positive attitude is formed. If brand actions violate the norms, then the opposite is true. It has to be mentioned that brand relationships have some monetary component, and while these relationships are considered personal by consumers, they have some impersonal elements as well (Aggarwal, 2004). Researchers warn against over-relying on the relationship comparison when studying brand-consumer interactions (Clark & Mils, 1993).

In a study of differences between exchange and communal relationship consumers, Aggarwal (2004) made a number of observations that would add another layer of understanding to how consumer attitudes are formed. Firstly, in the study communal relationship consumers evaluated the brand positively when the company did not charge a fee for additional help. Charging a fee resulted in a negative evaluation among communal consumers. Secondly, consumers in the exchange relationship evaluated the brand positively regardless of whether a fee was charged or not. The study identified that consumers in the exchange relationship did not mind when no fee was charged, even though this is theoretically inconsistent. It is therefore quite possible that exchange relationship consumers are not strongly opposed to being treated in a communal manner while communal relationship consumers are extremely dissatisfied when exchange relationship norms are applied to them. However, the study also identified that when communal consumers were charged
a fee for technical help but then subsequently received a voucher for the same amount, their evaluation of the brand was still a negative one. This disproves the argument that the negative reaction to the charge was only driven by the monetary loss consumers experienced.

The study by Aggarwal (2004) also found that if technical help was provided for free and the company then approached consumers straight away to respond to a survey in return, exchange consumers evaluated the brand positively. However, if the survey request was sent to the consumer after several weeks, the exchange relationship consumers evaluated the brand negatively. Consumers treated it as an attempt by the company to get something for free. Because this has violated the exchange relationship norms, consumers reacted negatively. In contrast, communal relationship consumers evaluated the survey request positively when it was sent either straight away or after several weeks delay. Aggarwal and McGill (2007) conducted a similar study which added additional evidence for these original findings. Another important finding from these studies was the fact that consumer attitudes were not limited to a specific action, but extended to the overall attitude towards the brand (Aggarwal, 2004; Aggarwal & McGill, 2007).

From the above discussion, we can see that attitude has a complex structure with many variables. Everything from brand relationship type to knowledge acquisition, and consumer priming has an impact on attitude formation. Each of the research areas - attitude-behaviour correlation, emotions, satisfaction, consumer sentiments, hedonic, affective or behavioural attributes of attitude, and brand relationship types, - all have a following among researchers. However, the breadth of this knowledge has not been systemized in the literature to date, and there is no uniform framework that shows the connections between these concepts. For the purpose of this research, a framework of attitude formation will be presented and discussed below. It builds on the existing knowledge and discussion presented above; however, it proposes a different way of viewing attitude formation.
2.3.7 Conceptual framework of attitudes

This conceptual framework is developed based on the integration of several concepts discussed above which aims to establish connections and explain the links between attitude types and brand relationship (see Figure 1). This framework will be used to identify reasons for consumer to...
comment on social media, their motivations and assist in understanding different sentiments consumers express, especially negatives ones. A more in-depth explanation of the conceptual framework is discussed below.

First of all, it is suggested that the behavioural component does not participate in forming an attitude, only enhancing it, but plays a significant role in attitude change and brand re-evaluations. Second, if the consumer utilized mostly affective evaluation of a brand, then a hedonic attitude is formed. If mostly cognitive evaluation takes place, then a utilitarian attitude is formed. Third, a hedonic attitude towards a brand results in the consumer forming a communal relationship with the brand, whereas a utilitarian attitude results in an exchange relationship established between the consumer and the brand. The emotions and satisfaction experienced, also contribute towards this relationship formation. Fourth, the theory of planned behaviour tells us that intentions are created by underlying attitude, consumers adherence to subjective norms and whether they view certain behaviour falling within the control parameters (Farah & Newman, 2010). This means that the communal relationship consumers do not just evaluate the brand based on the relationship norms for this type of relationship, but they also hold themselves to the same norms. Therefore, switching brands is not an easy task for this consumer as they consider it unfair to the brand - unless the consumer is persuaded that the brand has repeatedly violated the communal relationship norms. On the opposite side of the scales are consumers in an exchange relationship with the brand. These consumers evaluate the brand and form their attitude based on perceived economic benefit. If consumer perception is that the brand does not provide the required level of economic benefit, then switching is an easy task for this consumer. Considering the argument above, it is proposed that communal relationship consumers display a high level of loyalty towards the brand. These consumers become brand advocates, while companies experience low churn among these consumers and low price elasticity. The opposite is true for exchange relationship consumers - low loyalty, high churn, and high price elasticity. Fifth, from a social media point of view communal relationship consumers, are more likely to comment on how company actions make them feel, describing them from an emotional point of view. Exchange relationship consumers are more likely to mention utilitarian reasons in their comments, such as service delivery, pricing, quality and other concrete attributes. The type of the relationship a consumer forms with the company is particularly
relevant when there is a change in company offering. This can be a change to the product, increase in charges, a new product or brand extensions launch, or a crisis situation. In these conditions, the company will need to make an announcement to the consumers and then manage the responses they receive via social media among other channels.

2.4 Public Announcement

The type of relationship the consumer has with the brand impacts the way consumer evaluates company actions, communication and will influence the consumer’s overall attitude towards the brand. Companies to date do not fully understand how to engage with consumers on social media. During a public announcement, the task becomes even more difficult with heightened interest from consumers and increased consumer-to-consumer communication. Public announcement is dissemination of information by the company that concerns their new developments, such as product, service or a change in processes, that are communicated to the general public and media (Wu, 2013). Public announcements involving a product or organizational change are a part of every business.

While positive news, such as the release of new products generates either excitement from consumers or at worst no response, negative news have the potential to lead to business failure if not handled in a way that is expected by consumers. No organization can avoid a crisis for long, and every business goes through critical situations varying in degree of impact. Depending on the school of thought researchers argue that crises are just misfortunate events waiting to happen. Alternatively, they are a result of accumulating risks and problems eventually bursting into business defying critical incidents (Regester & Larkin, 2005). These situations tend to create negative publicity for the organization, but also produce symbolic effects and long lasting consequences for the business. While traditional literature views these events as accidents (Mitroff, Shrivastava & Udwadia, 1987; Fink, 1986), more recent conceptual works stress that these are communication-based phenomena, associated with the projection of negative images in a public setting and the social process of risk construction and dissemination (Coombs, 1999). Defective products, design errors, manufacturing faults, product recalls and even marketing mistakes can initiate a brand crisis,
resulting in dissemination of negative brand images to a wide audience, and leading to long-term consequences for brand equity and consumer trust in a brand (Dawar & Pullitla, 2000).

Increasing consumer demands towards products and the fact that products are becoming more complex in nature has led to an increase in product-related crises (Birch, 1994; Patterson, 1993). Therefore the importance of studying the impact of these phenomena on consumer behaviour has increased dramatically. The lasting effect on brand equity and consumer purchase intentions make this an important consumer behaviour topic for examination (Yannopoulou, Koronis & Elliott, 2010). Also, according to a study by Porter and Novelli (1995) an organization’s ability to handle a crisis is the third most important purchase influence. Past research has focused on corporate reputation during a crisis. However consumer trust, their beliefs about a brand and long-term consequences of a brand crisis have received less academic attention (Dawar & Pullitla, 2000). Yannopoulou, Koronis and Elliott (2010) found that consumers’ personal experience with a faulty product did not undermine their trust in a brand as much as negative media exposure. However a study by Yannopoulou, Koronis and Elliott (2010) concentrated on traditional media and a low-involvement, low-cost product. Further research involving new communication modules, such as social media and virtual brand communities to expand understanding of how they affect consumer brand trust in a collective manner is warranted.

2.5 Customer Centric Model

Marketing studies usually favour the customer-centric approach (Duverger, 2015). This is particularly true when researchers are studying an under-researched area, or conceptualizing or researching completely new areas (Cheung, To, Adcroft, & Adcroft, 2015). This research aims to provide additional knowledge in an emerging area of marketing research, contributing towards a topic that has received very limited empirical attention to date compared to other marketing research topics. It has been mentioned a number of times that social media research in marketing is still in its infancy stage (Butler & Kim, 2015; Hudson, Roth, Madden, & Hudson, 2015; Musgrove, Butler, & Kim, 2015; Voorveld, Bronner, Neijens, & Smit, 2015). One line of thought suggests that social media has attracted a lot of attention from researchers, but so far studies have been overwhelmingly
conceptual in their nature and more empirical studies grounded in marketing theory are needed (Voorveld et al., 2015). This research will contribute to the growing body of research aiming to address this criticism.

The customer-centric model has also been recommended by past marketing research because of the importance to adjust to the changing marketing landscape. It is one of the most commonly used models when studying consumer behaviour in a social media setting (Castronovo & Huang, 2012; Laroche et al., 2013; Schau, Muñiz Jr, & Arnould, 2009; Sheth, Sisodia, & Sharma, 2000; Szmigin, Canning, & Reppel, 2005). Sheth et al. (2000) argued that as marketing slowly moved from a mass to a product segmentation approach, in the 21st century we will see a transition to the customer-centric view. The authors also indicated that the emergence of user-generated content and consumers' increasing role in value co-creation will be the driving forces towards the customer-centric view. Because the basis of this model is in knowing, understanding and satisfying customer needs, consumer will form a positive attitude towards a company that gets it right (Sashi, 2012). Therefore, the main difference between the customer centric model and others is in the way it views the role of the customer and how that role should be evaluated. Consumers and their views need to be analyzed from the consumer perspective and not the company’s perspective (Chan, 2005). This view is particularly beneficial when company actions have an impact on the consumer and elicit a reaction.

When an organization is making changes to its processes or products, or experiencing a crisis situation, there is a need to make an announcement. In both cases the importance of maintaining a good relationship with customers is heightened. Effective change management would require the company to be well aware of their customer base, their customers’ needs and treat them the way they expect. According to the customer-centric view, this is the only way to ensure a positive response to company actions. During this period, practitioners need to ensure that customer needs and interests are at the heart of company actions (Bolton, 2004). Consumer comments following an announcement by the company present unique challenges to practitioners managing social media. It is a time of high risks for the organization and for that reason practitioners need to be equipped with strategies to handle consumer response. This is particularly true if the announcement is a
negative one. The customer-centric model explains the need for the company to focus on the consumer during this period (Bolton, 2004). According to Bolton (2004) too often companies prioritize business process changes over maintaining customer relationship during a time of change or crisis. This is contrary to the customer-centric model which stipulates the need for practitioners not to push the same message or fix to all consumers, but supporting their client base by adjusting their approach in each case. Because this can be a difficult task for mass production products, the customer-centric model encourages companies to segment their client base and offer solutions/responses based on the segment the consumer belongs to. Following this strategy will allow companies to avoid damaging consumer relationships.

According to Bolton (2004), the customer-centric model requires a thorough understanding of consumer behaviour and attitude formation especially. The model emphasizes high levels of respect for consumers and associates this with company’s ability to do well in the market. Bolton also argues that the customer-centric approach allows the company to achieve consistently high quality service to consumers and help them form a positive attitude towards the brand (Bolton, 2004). Creating consumer segments and developing strategies to communicate with each customer are aimed at maximizing consumer satisfaction. Essentially, through meeting consumer expectations, the company is able to create a positive experience for the consumer and, as a result, positive emotions. Emotions are a contributing factor in achieving consumer satisfaction, and customer satisfaction is one of the key areas in the customer-centric model. It creates the foundation for consumer relationship with the company, dictating the type of relationship consumer will form with the brand (Sheth et al., 2000).

Earlier, it has been discussed that when dealing with consumers online, practitioners need to understand what sort of relationship consumer have formed with the company - communal or exchange. Each of the relationship types comes with a set of expectations as to how consumer wants to be treated. The customer-centric model provides unique insight into these concepts, urging marketers to collect all consumer information and interactions to identify what consumers want and what expectations they have of the company (Bolton, 2004). The model also explains that this is important for a company’s ability to achieve sustainability, increase revenue and reduce
customer churn (Amin, Shehzad, Khan, Ali, & Anwar, 2015). This allows the business to increase consumer satisfaction during the announcement period or reduce the negative effect of a crisis due to a response/solution being highly aligned with consumer expectations. Allowing the company to build a stronger relationship with the customer, this approach also contributes towards consumer brand trust and loyalty (Gee, Coates, & Nicholson, 2008).

The customer centric model demonstrates a relationship between the consumer, brand, product, company, other consumers and brand loyalty (Laroche et al., 2013). A study by Szmigin and Reppel (2005) utilizing the customer centric model demonstrated that social media plays an important role in forming these relationships by providing consumer with shared information from various sources. It is suggested that the customer-centric model provides a good basis for understanding the thoughts consumers have about the company (Duverger, 2015). McAlexander (2002) proved that social media assists in creating brand loyalty when exploring consumer satisfaction formation and expression on social media. Another research by Castronova and Huang (2012) have utilized the customer centric model to identify how social media fits into a broader marketing communications model and the impact of WOM (word of mouth) on consumer attitude towards a brand. Past research has identified that the customer centric model is well suited to the study of social media interactions between consumers as well as consumer to company interactions (Szmigin et al., 2005). The model has been utilized to study consumer engagement on social media and reasons for that involvement (Verhoef, Reinartz, & Krafft, 2010). Another research study used the customer centric model to establish the links between consumer attitude, satisfaction, retention, advocacy for the brand, engagement and loyalty on social media (Sashi, 2012).

Ultimately, the reason marketers are looking at consumer attitudes and how they change over time is to predict purchase behaviour and build consumer loyalty towards the brand. Social media has significantly changed the marketing landscape, and consumer engagement with the company brand online is considered one of the variables in forming consumer attitudes and brand loyalty (Laroche et al., 2013). Consumer attitude provides the basis for understanding consumer involvement on social media, their interactions with the company and other consumers (Schau et al., 2009). This research was built on the foundation of the customer-centric model as it makes it possible to explain
the links between the different concepts discussed above. But above all, it explains the importance for companies to handle their social media presence during the announcement period and why consumer comments during that time are of value.

2.6 Research Gap

The main challenge is in the lack of knowledge about social media presence handling and specific strategies that allow companies to establish themselves on social media. Most social media academic studies are descriptive pieces of work providing social media definitions and discussing social media sites traits (Armstrong & Hagel, 2000; Foux, 2006; Laroche et al., 2013; Mangold & Faulds, 2009; Zeng et al., 2010), providing case studies concentrating on specific social media campaigns or company activities using industry examples (Kaplan & Haenlein, 2010; Singh & Sonnenburg, 2012; Stewart & Pavlou, 2002; Vollmer & Precourt, 2008; Walmsley, 2010), presenting advantages of social media opportunities (Armstrong & Hagel, 2000; Brown et al., 2007; Demerling, 2010; Harris & Rae, 2009), overcoming difficulties to corporate social media use for corporates (Goh et al., 2013; Hoffman & Fodor, 2010; Smith et al., 2012; Vries et al., 2012) and for SMEs (Siamagka & Christodoulides, 2011). Researchers have also examined online product review volumes (Chevalier & Mayzlin, 2006; Duan, 2008; Liu, 2006), review subjectivity (Ghose & Ipeirotis, 2011) for one-time purchases, impact of user-generated content compared with traditional marketing efforts in generating sale leads (Chen & Xi, 2008; Mayzlin, 2006; Trusov, 2009; Albuquerque, 2012; Hu et al., 2014), economic value in user-generated content (Goh, Heng & Lin, 2013), advertising attitude and online blogs attitude expression relationship (Huang, Chou & Lin, 2010), building a brand community that increases consumer participation (Woisetschlager, Hartleb & Blut, 2008), role of social media in creating brand loyalty (McAlexander, 2002), different values of brands highlighted through social media (Schau, Muniz & Arnould, 2009) and consumer relationships with the brand through social media (Szmidt & Reppel, 2001).

A number of emerging studies discuss social media return on investment (Beilharz; Hoffman & Fodor, 2010; Kirtis & Karahan, 2011; Kumar & Mirchandani, 2012). Researchers have also started to turn their attention to consumer motivations for participating in online discussions (Butler & Kim,
The majority of academic studies discuss the need to direct consumer to consumer discussion online, engage consumers directly and build a brand community with general guidelines around achieving this. Also except for a number of articles studying negative reviews online (Chen, Fay, & Wang, 2011; Chevalier & Mayzlin, 2006; Kaplan & Haenlein, 2010), only one academic study has concentrated specifically on negative social media comments (Corstjens, 2012). One research study examined consumer attitudes online regarding a controversial non-consumption topic (Gao et al., 2014).

While these past studies have produced noteworthy insights, several important theoretical issues remain unanswered. First of all, we lack an understanding of what consumers actually say in their online comments following a public announcement. Our knowledge is limited and does not extend beyond a positive, negative and neutral classification of consumer sentiments.

Second, past research has encouraged companies to understand how negative/positive reviews/comments impact their own sales even though this is not an easy task. Chevalier and Mayzlin (2006) point out that current linguistic software is unable to distinguish correctly whether the comment is neutral, negative or positive. This limitation of existing text mining software creates the need for manual sentiment analysis to be carried out to establish empirical models. Once models based on manual analysis have been created, this will allow for a more sophisticated programming of linguistic software and subsequent testing.

Third, as discussed earlier, consumer relationships with the brand are heavily dependent on a company’s ability to behave in a way which is consistent with the consumer’s expectations. This is particularly important following a public announcement by the company. During this period, consumers are more likely to discuss the changes or decisions made by the organization. However, the existing literature does not provide any guidance on how practitioners should handle their social media presence during this time.

Fourth, social media is a dynamic phenomenon, and researchers need to identify the impact on brands over a longer time frame and how this influence will evolve over time (Laroche, Habibi & Richard, 2013). It has also been suggested that in situations where consumers use social media for
complaints, further empirical research is needed to analyze these comments and develop effective techniques to manage social media in these cases (Laroche, Habibi, Richard & Sankaranarayanan, 2012).

Fifth, researchers are able to enrich their understanding of consumer attitudes towards a product by examining user-generated content on social media. Past research has identified that both researchers and practitioners are able to gain insight into consumer attitudes expressed in social media by utilizing qualitative methods of research. To date, academic research has heavily concentrated on quantitative research methods when studying consumer behaviour on social media (Goh, Heng & Lin, 2013). Further research concentrating on consumer attitude expressed in social media that utilizes qualitative research methods is needed.

One way or another, previous marketing research tools had the potential to influence the consumer and the results of a focus group study or surveys could have been biased (Kozinets, 1999). For many marketing research studies, the researchers had to set the scene through storytelling or creating specific conditions for the study (Bryman, 2012). Therefore, the question remained as to how close to real conditions these studies really were and whether manipulations impacted consumer perception at the time of the study. There is a need for marketing research, specifically consumer behaviour research, to gain an unobtrusive view of consumer behaviour online.

2.7 Summary

This chapter has discussed the emergence of the social media phenomenon and the transition from traditional media. An increase in consumers expressing their attitudes towards a company on social media has created the need for researchers and practitioners alike to study consumer sentiments online. The link between sentiments expressed in a comment and overall attitude has been established. Consumer attitude definition, types of attitude, theoretical models, and attitude formation concepts have been discussed to provide theoretical understanding of the attitude concept. The roles of emotions, consumption evaluation and satisfaction in forming attitudes and brand relationships have been examined. The importance of brand relationship in handling consumer social media sentiments during a public announcement period has been evaluated. The
customer-centric model has been utilized to create the foundation for this research. This model has demonstrated how the discussed concepts created the overall view of the proposed research and answered the question why companies need to communicate with consumers on social media. The chapter concludes by identifying research gaps. This research aims to address these gaps in existing knowledge base by studying consumer sentiments expressed in social media. Understanding these building blocks of attitude will allow researchers and practitioners to get a deeper understanding of consumer attitudes towards a brand through the utilization of qualitative research methods. There is a need to understand consumer sentiments, especially following an announcement by the company.
Chapter 3: Research Methodology

3.1 Introduction

This chapter will look at the research methodology, and its advantages and disadvantages, the unit of analysis, data collection, sampling and sample size, and coding procedures. It will also give an overview of preliminary and main studies. A qualitative content analysis methodology was used for this research. Announcement stages were identified as a unit of analysis with consumer comments as a unit of observation. A preliminary study was conducted to identify whether the original sample size of three organizations and selected announcements were appropriate. The final sample size of five organizations was identified through purposive sampling. Coding procedures and final categories and sub categories will be presented.

3.2 Content Analysis Background & Definitions

Researchers have undertaken content analysis since the mid 1950s as qualitative or quantitative method (Kassarjian, 1977). Originally, the widely used definition was that content analysis is a research method used to describe content in an objective, quantitative and systematic manner (Marsh & White, 2006). It was used primarily as a quantitative research method whereby text data was coded into categories and then described using statistics. Since the early 1990s content analysis has grown in popularity as a qualitative research method in various disciplines - health studies, psychology, politics, consumer behaviour and others (Cavanagh, 1997). It is one of the many methods used to research text data. The definition has also changed to reflect the importance of content analysis in qualitative research. Content analysis has since been defined as a research method that allows analyses of verbal, written of visual communication (Elo & Kyngäs, 2008). Even though content analysis was first considered an attractive method, at the time researchers agreed that it lacked a formal definition and well defined procedures which limited its application in
research (Hsieh & Shannon, 2005). Since then, content analysis has accumulated a variety of analytical tools and is gaining popularity (Elo & Kyngäs, 2008).

The focus of content analysis is to extract a contextual interpretation of text (Downe-Wamboldt, 1992). Text can also be in a variety of formats - print, electronic form, verbal, narratives, interview, focus group transcripts, observations, open-ended survey questions as well as books or articles (Mayring, 2004). Qualitative content analysis is focused on closely examining large volumes of text to classify into a practical number of categories that will allow the grouping of text with similar meanings (Kracauer, 1952).

Now content analysis is a widely used method for analyzing textual data as it is considered flexible by researchers. It includes a selection of analytical tools starting with interpretive, intuitive, systematic, textual as well as impressionistic analysis. The specific type of content analysis used depends on the research question as well as the specific interests of the researcher (Elo & Kyngäs, 2008).

It has previously been mentioned that prior academic research recommends studying consumer sentiments on social media by applying a qualitative research method. In order to study consumer sentiments online and identify what consumers were saying following an announcement by the company, a qualitative research method provided more in-depth understanding within this study. A quantitative research method was not suitable for this research due to the research question being qualitative in nature and asking the question “what consumers are saying” and how it changes following an announcement. The research questions were aimed at understanding specific messages consumers are communicating through their comments.

This research will utilize the qualitative content analysis method to analyze social media comments collected from Twitter, Facebook and the Kiwi blog website. This method was selected because it offered the researcher the ability to analyze a large volume of text as well as flexibility in the type of analytical tool used. The aim was to understand what consumers are saying on social media following an announcement and to provide contextual interpretation for these comments. The
volume of text collected were analyzed in order to identify categories and group together comments that were similar.

### 3.3 Advantages of Content Analysis

Content analysis presents researchers with a number of advantages over other research methods. To begin with, it does not cause difficulties with access or expense. It is not time consuming or biased, such as surveys (Kassarjian, 1977). Within social media, content analysis allows researchers to access large volumes of data. In general, data is available on demand, free to access and does not require pre-approval from organizations or people that post information (Riff, Lacy, & Fico, 2014).

It has been previously discussed that there is a need for research that gains insight into consumer behaviour online in real conditions with as little interference from the researcher as possible. This research aims to address this recommendation and provide a study which an unobtrusive view of consumer sentiments. Content analysis allowed this research to analyze already existing text on social media and provided benefits in terms of cost and access. Data was publicly available and free. These factors also contributed towards gaining an insight into consumer behaviour in real life conditions rather than simulated ones. Content analysis allows the researcher to test theoretical concepts to deepen understanding of the data. It also presents an opportunity to further research concepts that have received limited attention from researches or have a disparate theoretical foundation (Cavanagh, 1997). Content analysis provides the basis for studying rich, in some ways complicated textual data sets (Downe-Wamboldt, 1992). Researchers are then able to make inferences from that data, allowing new insights and knowledge to emerge (Mayring, 2004). This method is recommended when the studied area is under-researched and researcher needs to build conceptual models or system, identify themes or build a conceptual map (Wheeler, 1988).

As mentioned above, research on consumer behaviour on social media is still in its infancy. Past research has called for studies on consumer behaviour concepts and theories in a social media
setting. Because social media studies have been mostly descriptive studies or case studies, past research has also called for social media research grounded in theory. There are limited theoretical concepts currently developed specifically for social media (Voorveld et al., 2015). Because the area of social media research is still a relatively new, developing area of research and needs further conceptual development, content analysis allows the researcher to create new knowledge, and build conceptual maps and models. This research aims to contribute towards strengthening the theoretical foundations of social media research and for that reason content analysis allows for new conceptual concepts to be a created.

Content analysis also gives researchers a great deal of flexibility in terms of research design and analysis. Researchers have a lot of freedom in designing research studies that are best suited to answering the questions posed. A study utilizing content analysis can be aimed at developing a theoretical concept or conducting analysis to identify critical processes, concepts or meanings. It is well suited for established research areas as well as new ones (Marsh & White, 2006). If there is limited prior knowledge or it is fragmented, researchers recommend the inductive content analysis method. When categories are created based on theoretical knowledge and researchers are looking to prove a theory, the deductive method is recommended (Elo & Kyngäs, 2008). Content analysis is recommended for research that concerns sensitive or many-sided subjects (Hsieh & Shannon, 2005). This research method also allows the researchers to study a phenomenon overtime and identify trends, or conduct event studies and determine their impact overtime (Cavanagh, 1997).

This research aims to study consumer sentiments prior, during and post announcement. Content analysis is a research method recommended for studies that aim to study trends or subjects overtime, which is the aim of this study. It is also extremely important when studying new research areas to have the flexibility to design a study which best suits the research questions. Also as mentioned by past research theoretical knowledge in this area is still fragmented and needs further contributions.
3.4 Criticism & Limitations of Content Analysis

Content analysis is often criticized when used as a quantitative method due to its simplicity and that it does not allow for in-depth statistical analysis. It needs to be argued that any research method can become simplistic if a researcher is lacking in analytical skills or if the chosen method is not the best technique to answer the research question (Elo & Kyngäs, 2008).

This criticism can also be applied when content analysis is used as a qualitative research method. However, the key is to ensure that a researcher conducts in-depth analysis of the text and does not stop at making preliminary, basic observations from the data. The objective of this research is to analyze the text thoroughly, establish categories that can be used for further research and make observations that have theoretical and managerial implications.

A serious disadvantage of content analysis lies in the difficulty of locating messages that match the research question (Berg & Lune, 2004). Researchers have to rely on already recorded data, which might not be suitable for the research. If content analysis is used as an analysis tool and not the whole research study strategy, then this disadvantage will no longer exist (Zhang & Wildemuth, 2009).

The current research did not encounter this limitation, however, other research studies may. This research was designed to rely on already existing social media comments. There was a risk that the researcher would be unable to find any social media comments or only a low volume of comments in regards to an announcement. However preliminary study helped identify companies and announcements that had a high volume of online comments.

Some researchers also state that content analysis as a qualitative method is not sufficiently qualitative because it does not provide strict guidelines as to the procedures that need to be conducted to analyze the data (Sayre, 1992). Also, in the case of secondary data, it does not allow a
researcher to observe the subject, so latent data is lost through the process (Downe-Wamboldt, 1992).

This is a significant criticism of many studies. However, social media research does not need to be conducted with any observation of the consumer. A strength of social media research that consumer is able to post comments in their natural setting with no situational pressures applied by the research setting or the researcher. For this research the disadvantage of being unable to observe the subject is in fact its strength. Consumers have no knowledge that their comments will be used for research and for that reason they express their thoughts freely. As a qualitative study, the lack of strict guidelines could be an advantage or a disadvantage depending on a researcher’s analytical skills. However this research also relied on the content analysis process steps defined by Elo & Kyngas (2008).

Another possible disadvantage of content analysis is that the coding and analysis process is extremely laborious, and time consuming. However, it is also regarded as a very exciting activity once the researcher sees different pieces of the puzzle coming together (Kassarjian, 1977).

This study found confirmation of this occurring as well. Data collection, coding and analysis were extremely time-consuming tasks and confirmed the criticism that content analysis is not a method to be used to establish quick results. However, the second argument that it is an exciting process was also true. Seeing how the different elements made up the full picture and finally came together at the end made it a very rewarding process as well.

### 3.5 Data Collection

Data collection is a process conducted by a researcher and is determined by the overall aim of the study and analytical needs of the research topic (Riff et al., 2014). For this research data collection took place using Twitter, Facebook and blog websites. The search function on Twitter was used to search for messages that mentioned the company and/or announcement. Only blogs that were mentioned on Twitter were used for data collection. The main reason for this was to ensure that the blog post was related to the announcement and was not a general blog post about the company.
Official Facebook company pages were used for data collection as well. The important implication of this research is to identify whether companies respond to consumer comments; therefore, there was a need to select those comments where the company had the ability to respond. Private Facebook pages or blogs were not suitable for that reason.

3.6 Inductive Content Analysis Process

Inductive content analysis is used when limited or fragmented theoretical knowledge is available about the phenomenon (Elo & Kyngä, 2008). It allows researchers to move from the specific to the general. Individual instances are considered and then amalgamated into more general, larger groupings (Cavanagh, 1997). Inductive analysis is used when researchers are not using an existing framework or pre-defined categories, but derive them from the data (Berg & Lune, 2004). For example, it helps analyse specific consumer comments and then to establish categories based on the data (Riff et al., 2014). According to Abrahamson (1983), researchers can create categories using both theoretical foundations and be guided by the data. The combination of both techniques is acceptable (Abrahamson, 1983).

This study used a combination of the two techniques to establish categories. The three high level categories for overall sentiments — positive, negative and neural — were theoretically derived. However, more specific categories were established from the data using the inductive content analysis process. This research is utilized both techniques to ensure thorough analysis of the data. Analyzing collected text based on only existing theoretical categories would have resulted in simplistic results and this is something past research has warned against when conducting content analysis. The inductive content analysis steps are discussed below.

The preparation phase for inductive content analysis consists of three steps: preparation, systemizing and reporting. Even though there are no specific rules as to how the data should be analyzed, content analysis assumes that large volumes of text will be organized into several categories (Elo & Kyngä, 2008).

The preparation phase starts with a researcher identifying the analysis unit, which can be a theme or a word. Choosing a unit of analysis requires careful consideration by the researcher as to what
will be analyzed, in what detail, as well as sampling. The unit of analysis can be one word or can include several sentences. The researcher needs to take care not to use a unit of analysis which is too narrow, but choosing one that is too complex will make the process challenging. In the next step, the researcher immerses him/herself in the data to analyze it and make sense of the messages. At this stage, the researcher is questioning what the data is telling and why. The idea is to become one with the data and study it extensively to the point where the researcher is very familiar with it after reading through it a number of times (Elo & Kyngäs, 2008).

Following this, the researcher can start systemizing the text by establishing categories, open coding and conceptualizing (Berg & Lune, 2004). During the open coding procedure, the researcher reads through the data making notes, leaving comments in the margins. The headings are then collected onto a coding sheet and categories are established. These categories can then be amalgamated under higher level groups (Downe-Wamboldt, 1992). Data is grouped under several categories to collect together those that are similar (Kracauer, 1952). However, the aim is to not just to combine observations that are similar, but to create groupings where observations actually belong to a specific category. This allows comparisons to be drawn between categories. The objective in establishing categories is to provide a basis for studying the phenomenon, deepen understanding and create new knowledge (Kassarjian, 1977).

Conceptualizing is conducted through collapsing subcategories into categories, and these are then grouped into main categories (Berg & Lune, 2004). The process continues while it is reasonable and practical to do so, creating several levels of subcategories, generic categories and main categories. This part of the process is very important as it allows the creation of a complete picture (Elo & Kyngäs, 2008). It also serves as a way to check whether all categories are linked together, and the structure is logical. If the researcher finds that simple results are drawn, it means that analysis has not been conducted fully (Sayre, 1992). Other signs of incomplete analysis are main categories that the researcher is unable to link to an existing theoretical foundation or having many main categories (Krippendorff, 2004).
3.7 Unit of Analysis

A unit of analysis requires a researcher to identify what will be analyzed in the research and what unit will be used to conduct the analysis (Bryman, 2012). Every unit of analysis should be distinct from the next, and none should be overlapping. If items being analyzed are not distinct, then the outcome will not be meaningful (Zikmund, Babin, Carr, & Griffin, 2012). There are three types of analysis units that need to be defined for content analysis: context, coding and sampling units (Kassarjian, 1977). In this research, the unit of analysis was the consumer comment posted on social media. Consumer comments are all individual units, distinct from one another and not overlapping with each other. They represent the unit that will be analysed in this research.

3.8 Sampling Units

It is not often possible or practical to study the whole population which means that being able to generalize the findings is of particular importance to research. Researchers should be able to make conclusions from the sample studied and extend these conclusions to the rest of the population (Bryman, 2012). A sample is a small model of the population and through the sampling procedure the researcher selects a number of units from the target population (Berg & Lune, 2004).

For this research, sampling units were identified as publicly listed companies with operations in New Zealand, which had an announcement in the past five years and had a social media (Twitter or Facebook) account. All companies needed to be commercial, for profit organizations and consumer brands. Social media at this stage provides more benefits in B2C (business to consumer) relationships than in business to business relationships (Laroche et al., 2013). Therefore only businesses that predominantly had individuals as a client base were selected for this research.
3.9 Sampling Method & Sample Size

Sampling is a procedure that allows the researcher to draw a small model which is representative of the population. Multiple sampling methods exist including snowball, random, stratified and convenience sampling (Bryman, 2012). For this research, the population included all New Zealand companies that had an announcement in the past five years and had a Twitter or Facebook account. A list of these companies was not readily available and therefore random sampling was not feasible. Researchers have reported this difficulty in the past with social media research and content analysis in particular and recommended a non-probability sampling method to be utilized instead (Riff et al., 2014; Zhang & Wildemuth, 2009).

As mentioned above, mathematic probability sampling could not be utilized, therefore, purposive sampling was applied in this research (Palys, 2008). Purposeful sampling, as it is also referred to, is a non-probability sampling method used for qualitative research where the researcher is using already available samples or judgment samples (Ye & Ki, 2012). Utilized widely for qualitative research, this sampling method allows the researcher to exercise judgment by selecting samples which are best suited to answer the research question and is also dictated by the resource at researcher’s disposal.

For this study purposive sampling was used to select organizations for the sample. It was decided that five organizations would be identified for the study and all social media comments relating to these companies would be selected within a two-week period from the date of the announcement (see Table 1). Also, messages posted two weeks prior, and two weeks post announcement have been collected.
Table 1: Companies and announcement types

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Announcement</th>
<th>Type of announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone</td>
<td>4G new service launch</td>
<td>Positive</td>
</tr>
<tr>
<td>Telecom</td>
<td>XT network failure</td>
<td>Negative</td>
</tr>
<tr>
<td>ANZ Bank</td>
<td>Discontinuing National Bank brand</td>
<td>Negative</td>
</tr>
<tr>
<td>Fonterra</td>
<td>Suspected botulism contamination</td>
<td>Negative</td>
</tr>
<tr>
<td>Danone</td>
<td>Suspected botulism contamination</td>
<td>Negative</td>
</tr>
</tbody>
</table>

Past research did not make recommendations regarding sample sizes for qualitative studies. Other studies examining social media topics mostly quote the number of individual consumer messages or profiles they have used for the study and figures differ from hundreds to millions. However it has been recommended that qualitative researchers use the concept of saturation when deciding on the sample size, which means collecting data until the researcher is able to answer the research questions. It is difficult to come up with an arbitrary number of consumer comments which would give an indication of what the sample size should be when conducting qualitative research. It has been observed that social media research overall tends to have sample size from a couple of hundred comments and up to 6,000. Researcher in this case wanted to be in line with the upper limits observed. But also in order to achieve saturation, all available social media comments on the subject across selected media were collected.

Event studies in marketing that measure the impact of celebrity endorsement or a new product launch on sales or market share have identified that the whole event window is considered to be 45 days if daily data is used. An event window consists of three stages: the event period during which the impact is felt, after the event period to confirm lasting impact and the same number of days before the event has taken place. Before and after periods are used for comparison. However, two days are added to allow for the announcement to be picked up by the media and one additional day is added if the announcement is made in the evening to allow for the stock market to react to the news (Moorman & Lehmann, 2004). Considering that this study is on social media, an immediate effect was assumed, therefore the three days allowed for an announcement to be picked up were not applicable. The 42 days divided between the three announcement stages justified the two weeks period utilised for data collection.
3.10 Preliminary Study

Originally it was decided to use three companies for the study from different industries representing a negative announcement. During the data collection stage, it was identified that consumers included other companies in their comments. The other two organizations consumers mentioned also had announcements that they needed to handle and therefore it was decided to include them in the study as well. These additional organizations allowed the researcher to add an additional layer to the study by comparing companies that had different social media strategies. It was considered whether the sample sizes needed to be increased further, however, there were no further announcements that fitted the criteria and generated sufficient response from consumers.

3.11 Main Study

Data collection was conducted over a period of three months (November 2013-January 2014). Because the research was concerned with consumer comments made in the past rather than new ones, time frames for data collection were not a consideration. Google was used to identify organizations with an announcement in the past five years that were also publicly listed companies. Twitter was utilized to further identify whether the company had a social media account and whether the announcement generated consumer comments. For companies where consumer comments volume was low, Facebook was utilized to see if consumers used an alternative social media platform to comment on the announcement. Facebook allowed the researcher to collect additional consumer comments and therefore was utilized for data collection across all companies in the study.

Twitter comments were collected using the search function for the company name and then comments that fitted into the pre, during and post announcement period were collected separately. On Facebook only comments on the official Facebook company page were collected. Blog post comments were collected but only if the consumer posted a link to the blog on Twitter. This was done to ensure that the company was able to see the blog post and had the opportunity to respond to it.
All consumer comments, as well as company responses, were captured by print screen and pasted into a Word document. Each company had three separate files – one for each of the announcement periods. A total of 4,959 comments were collected across all platforms. Out of that 1,972 comments were company responses and links to newspaper articles.

The researcher spent a significant amount of time reviewing the data and re-reading the text collected as recommended by the content analysis method procedure. The three main categories (positive, negative and neutral) have been defined by the literature; however, the researcher decided to identify general categories and sub categories from the data. After reviewing the data, the researcher created 16 categories. It was decided that further sub-categories would not add value to the analysis process.

### 3.12 Coding

The coding procedure utilized usually depends on the study design and the categories identified within it. A category can be a sentence, a word, theme, characters and, so on. It can be theoretically based, derived from the data or a combination of the two (Berg & Lune, 2004). When a coding unit is assigned into a category, it is called coding and the individual conducting this procedure is referred to as the coder (Bryman, 2012).

In this study, coding was performed on all the individual Twitter, Facebook and blog comments collected where each comment/blog post was considered as one unit regardless of the number of sentences within it. Each comment/post was allocated into a category. The three main categories of sentiments (positive, negative and neutral) were identified through the literature review and were theoretically based; however, general categories and sub categories were derived from the data.

### 3.13 Coding Procedures

Coding procedure as well as data analysis were completed manually. All the Word documents with consumer comments were printed and hard copies were used for coding. The researcher acted as
the first coder and went through all comments assigning them into categories. Positive and negative comments were then organized into a table (Appendix A) by category and announcement period. Neutral comments were not included in the table and nor were company responses. The main reason is because company responses were posted under the company’s official social media page and did not require coding. Neutral sentiment comments were either fact-based or included a link to a newspaper article and did not include the consumer’s sentiment towards the company. For that reason, these comments were excluded from further coding as well.

Once all the comments were organized into a table, the researcher went through the confirmation process. Each comment was re-evaluated to confirm that category fit was appropriate before involving the second coder. According to the coding procedure proposed by Lee and Conroy (2005), the aim is not always to achieve complete and absolute agreement among the coders. To enhance the research results and strengthen them, the first coder performs the coding and provides his/her comments and explanations to the second coder. The role of the second coder is then to assess the plausibility of interpretations drawn and challenge them. The second coder went through the transcripts and meticulously questioned each coded construct ensuring that it was interpreted accurately. This continuous comparative method of analysis forced the researcher to return to the data repeatedly, which added rigor to the coding process and helped enhance data reliability. The third coder is then engaged to participate in the discussion around disagreements and help assist in making the final decision (Lee & Conroy, 2005).

The process described above was replicated in this research. After allocating all the consumer comments into a table with assigned categories, the researcher provided the second, independent coder with the study background, explanation of the coding procedure and definitions for the categories. The role of the second coder was to either agree with the researcher’s judgment or contest it. Once results from the second coder had been received, the researcher had the option to disagree and re-assigned comments to a more appropriate category. For comments where views were contesting, the researcher then met with the third coder to discuss the comments made by the second coder and go through a discussion process to resolve any disagreements. In this case the third coder acted as a judge, making the final decision based on the discussion.
3.14 Summary

This chapter has discussed why utilizing qualitative content analysis methodology for this research is best suited to answer the research questions. The advantages and disadvantages of using content analysis have been discussed and their impact on this research evaluated. Unit of analysis, unit of observation, sample size and sampling methods have been defined and stated for this research. A new, innovative take on the coding procedure has been discussed and its implementation for this research discussed. Preliminary and main study procedures and a table of developed categories with definitions have been provided.
Chapter 4: Findings & Discussion

4.1 Introduction

This chapter will present the research findings and discuss them from a theoretical point of view. The first section will present a categorical framework developed for consumer sentiment research on social media. While this framework takes root in existing literature, it provides a more comprehensive foundation for future consumer sentiment studies. Definitions for each of the categories will be presented.

The second section will present a consumer sentiments matrix developed as a result of this study. The matrix shows that consumer sentiments are broadly associated with the following four topics: feedback, emotional reactions, humour and comparisons.

The third section will answer research questions one and two. The findings are organized around each of the consumer sentiment topics with categories in each topic discussed. Each category is then evaluated and findings are presented by demonstrating comments pre, during and post announcement. Where appropriate, a category is also discussed from a theoretical point of view.

The fourth section presents a customer typology developed in this research and will discuss findings aimed at addressing research question number three. A contribution of this typology to the knowledge base, its importance and points of difference will be addressed as well as practical application.

The fifth section is dedicated to corporate social media strategies and an overview of differences between positive and negative announcements. This section will answer research question four. Observations made in this research around social media handling by different companies following positive and negative announcements will be discussed.
The sixth section will present additional questions the researcher endeavoured to answer as a result of this research study: “Is there a financial impact of varying social media strategies? Is there proof that having an active social media strategy has any implications for a company’s financial indicators?”

The last section will discuss additional findings that provide further insight into consumer sentiments and present unexpected areas uncovered by this research. This area provides possible areas for further research.

4.2 Consumer Sentiment Categorical Framework

Consumer comments were initially categorized based on the sentiment they were expressing. Sentiments can be broadly identified as positive, negative or neutral. Those can then be further divided into categories based on the main topic of the sentiment. Because sentiments are an indicator of attitudes, the main types (positive, negative, neutral) mirror those used for overall attitudes. Even though most researchers concentrate on positive and negative attitudes, there is a growing interest towards ambivalent attitudes where the consumer is undecided and not confident in forming a positive or negative attitude, therefore remaining neutral towards the brand. Researchers are particularly interested in ways to influence such consumers and help them form a positive attitude (Farah & Newman, 2010; Jonas, Diehl, & Brömer, 1997). This explains why all three sentiment categories were initially included in this research.

The categorical framework beyond the existing classification is presented below. Existing theoretical categories were used as a foundation, however new and more descriptive categories were derived from the data. Unlike past research, this categorical framework is not context-dependent and is generalized to enable other researchers to adopt it as well. It includes a total of 16 categories and depending on the study, researchers could find that some categories are redundant. Formal definitions for each of the categories are provided at the end of this section. This framework was
developed specifically for consumer sentiments towards a specific company or brand. Therefore, its use in studying general consumer sentiments online is limited.

Comments made by consumers expressing a positive sentiment towards a company were divided into the following categories (see Figure 2): positive humour, positive comparison to company competitors, excitement, positive feedback and comments defending the company.

Figure 2: Positive sentiment categories
Negative sentiment comments were identified as: sarcastic humour, negative comparison to company competitors, anger or negative feedback, quality failure or disappointment (see Figure 3).

Neutral sentiment comments were usually either fact-based (a link to a newspaper article or company website page), a consumer asking a question regarding a product/service, discussing a rumour or those comments where sentiment was unclear (see Figure 4). The scope of this research is to study positive and negative consumer sentiments online. Even though neutral sentiment categorical framework has been developed, this research will not concentrate on studying those categories in-depth. A brief overview of neutral sentiment comments will be discussed in the additional findings section.
It has already been discussed that researchers have identified more negative emotions when studying the affective component of attitudes (Phillips & Baumgartner, 2002; Richins, 1997). When creating categories for this research, a confirmation of that view was found. A greater number of negative categories for consumer sentiments were identified compared with positive ones. It is suggested that consumers tend to be more descriptive in their comments when writing negative sentiments, which gives researchers the ability to identify more categories. Positive sentiment, on the other hand, comments usually fit fewer categories.

For this research, it was decided that an equal number of positive and negative sentiment categories would be utilized for a more balanced view. The categories were identified to ensure that each positive category had a corresponding negative one.
The categories derived from the data are presented in the table below (see Table 2) with an indication on whether the category includes positive, negative or neutral sentiment comments.

**Table 2: Categories and Sub Categories**

<table>
<thead>
<tr>
<th>Sub Category</th>
<th>Main Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humour/Sarcasm</td>
<td>Negative</td>
<td>Consumer demonstrated negative attitude towards the company and made sarcastic comments and/or a joke that presented the company in a negative light</td>
</tr>
<tr>
<td>Fact-based</td>
<td>Neutral</td>
<td>Consumer comment is strictly based on facts, i.e. linked to a newspaper article, technical information about a company product, and etc.</td>
</tr>
<tr>
<td>Disappointment</td>
<td>Negative</td>
<td>Consumer expressed disappointment in the company and/or its services. A mild negative attitude was expressed directed at a specific situation</td>
</tr>
<tr>
<td>Quality Failure</td>
<td>Negative</td>
<td>Consumer specifically mentioned a company failure in regards to a specific product/service</td>
</tr>
<tr>
<td>Defending the company</td>
<td>Positive</td>
<td>Consumer provided a comment to defend the company against negative feedback and stated their positive attitude towards the business</td>
</tr>
<tr>
<td>Positive Feedback</td>
<td>Positive</td>
<td>Consumer provided positive feedback about the company and/or its product/services expressing their satisfaction.</td>
</tr>
<tr>
<td>Discussing rumours</td>
<td>Neutral</td>
<td>Consumer comment discussed a rumour about the company, awaited product launch/new service/mergers &amp; acquisitions/executive movers and shakers, and etc.</td>
</tr>
<tr>
<td>Negative feedback/anger</td>
<td>Negative</td>
<td>Consumer provided strong negative feedback or expressed anger towards the company</td>
</tr>
<tr>
<td>Comparing to competitors-positive</td>
<td>Positive</td>
<td>Consumer made a comparison rating the company higher than its competitors, expressing his/her loyalty to the company</td>
</tr>
<tr>
<td>Comparing to competitors-negative</td>
<td>Negative</td>
<td>Consumer made a comment comparing the company to its competitors stating that competitors were superior</td>
</tr>
<tr>
<td>Asking a question</td>
<td>Neutral</td>
<td>Asked for further information/a</td>
</tr>
</tbody>
</table>
Each of the sentiment types will be discussed below with comparisons between the pre, during and post announcement periods.

### 4.3 Research Questions One & Two

Research Question One: What do consumers say in social media comments and what are their sentiments following a public announcement?

Research Question Two: Are there any differences in terms of consumer sentiments pre, during and post announcement?

To further conceptualize categorical framework presented in Figures 2 to 4, the next level has been identified based on common themes in consumer comments. Consumer sentiments online both positive and negative categorised earlier fit into four broad topics: humour, comparisons, feedback and emotional reactions. Humour includes positive humour and sarcasm. Feedback was also made up of positive and negative feedback/anger, and quality failure comments. Comparisons were made either in favour of the company (positive comparison) or in favour of the competitor (negative comparison). Consumer emotional reactions included excitement, disappointment and situations where the consumer defended the company. To address research questions one and two, each of
the sentiment groups and changes in the pre, during and post announcement stages will be discussed below.

Figure 5 presented below shows the four general topics consumer sentiments dedicated to. Each of these topics contains several categories discussed earlier. The next section will discuss each of these topics and the corresponding categories within.

![Figure 5: Consumer sentiments matrix](image)
4.3.1 Humour

![Diagram showing categories of humour]

Figure 6: Humour category themes

4.3.1.1 Humour/Sarcasm

Sarcasm is one of the more powerful tools consumers use when expressing their dissatisfaction with the company. In this study, sarcastic comments attracted more responses from other consumers, got re-tweeted more often and for that reason have the ability to cause more damage to the company reputation than any other type of negative feedback.

For example, there was a conversation that started with a single comment from the consumer around contaminated milk powder. The consumer suggested that the company involved in the announcement could find an alternative use for the milk powder- “if I mix Company milk powder into a paste and slap it on my forehead, will the wrinkles disappear? #botox” which was a reference to the paralytic effect of the botulinum toxin that contaminated the milk powder in question. Another
consumer suggested that it could be a way for the company to “turn a PR disaster to a triumph” and another person suggested that the contaminated milk powder” was bound to be going cheap somewhere”. Consumers continued mocking the company by saying this was “a good way to offload the contaminated powder” and it should be marketed “for the mums instead of the babies. Look tired no more, this will take years off!” Consumers continued the discussion agreeing that it was a “brilliant” idea, and they had just saved the company – “I can see a whole new market for #company. Hell yes. You’re welcome, Company”, but in the end they decided to patent the idea themselves saying that the company in question would steal their idea due to a desperate need for positive PR- “bastards will nick the idea for sure. They need some positive PR desperately. Let’s do it ourselves”, “print some new labels, double the price-bam, you’ve made a fortune” and “market it as a pamper pack with a nice bottle of wine”.

The conversation in itself would have been amusing for other consumers; however, it had potentially significant consequences for the company brand image. The conversation gave an indication of consumers’ attitude towards the company, its products and future purchase intention. The words used to describe company behaviour in this situation gave a clue to consumer attitudes: “bastards, would nick the idea, need positive PR desperately”. It is also curious that consumers commented on the way the company handled the announcement by calling it a “PR disaster”.

Consumers were also quick to create sarcastic jokes that mocked the company or the way it handled the announcement. In this case, consumers tended to tag the company in a post, but would not engage with it directly. When the company suggested the possibility that a dirty pipe was responsible for the product contamination, consumers were quick to react with a range of jokes aimed at mocking the company’s explanation. For example, “Company head ‘what caused this outbreak’ guys look awkwardly around looking for something to blame ‘bloody pipe mate’” or another example, “you’re all lying. It was I who infiltrated Company, posing as a cow” and this example, “pipe has lawyered up amid claims of pressure & intimidation from storage tank, warnings ignored #piplegate”. In one example a consumer said that his “daughter ate Company formula a few months ago and now she won’t brush her teeth at night #endoftimes”. In this example, the consumer was mocking the company, but also other consumers and media that tend to overreact.
In the same vein, another consumer recommended that he should “immediately call a journalist” further mocking the reaction of other consumers and the media. While these comments did not directly defend the company, they provide a different perspective and help relief the pressure on the company brand by highlighting that the situation is not as serious as the media would lead people to believe.

In all the above cases, consumers included the company in the post by adding @company, however, the posts themselves were not directed at the company. There were other sarcastic posts that were directed at a company and in some cases required company action. For example, “hey @company, im going to bed now. Please don’t text me twice tonight around midnight? Sweet dreams, xoxo”. This particular comment utilized sarcasm but also required the company to stop texting consumers late in the evening. Another example also required an action from the company: “@company cell site is down. Surprise surprise! 😊 So nothing’s changed in the past 10 years then?” While using sarcasm, the consumer’s ultimate goal was to tell the company that their cell site was down, and there was a breakdown in service. The next example raises the point that the company called its existing customer base to offer plans which were inferior to the consumer’s existing plan which is also a failure in their processes: “aww, just got a nice call from those lovely people at @company who offered me a worse plan than the one I’m on now. Which was nice.” In all three examples, consumers were trying to attract the company’s attention to a failure in their process/service delivery. In these cases, consumers were more open to a conversation with the company. Once the company responded to this type of post, consumers were more likely to express a positive attitude afterwards. Usually, consumers thanked the company for looking into the issue.

Another type of sarcastic comment was aimed at belittling the company achievements or their product/service offering. For example, when the company released a new 4G mobile service to its clients, many responded with sarcasm. One consumer said, “@company launches 4G, mobile porn watched in NZ are over the moon!” indicating that the new service would only be exciting news to a small proportion of the overall consumer populace. Also, when a different telecommunications
company launched a new network, one consumer responded by saying: “Criminals agree: @company network ‘faster in more places’”.

Based on the above, three types of sarcasm were identified: 1. Aimed to mock the company or situation; 2. Aimed to belittle company achievements; and 3. Aimed to highlight the issue.

Sarcasm used to highlight the issue was more common in the pre and post announcement stages. This would suggest that consumers wanted to achieve a solution to the problem they were experiencing, but did not necessarily have a negative attitude towards the company. Sarcasm used to mock or belittle the company was most common in the during announcement stage. The announcement itself gave consumers an opportunity to express their negative attitude towards the company, which is the reason why sarcastic humour was common in both positive announcements (i.e. new product launch) and negative announcements (botulism, network failure). Additional examples for each of the sarcasm types are given in the table below.

Table 3: Humour/Sarcasm Themes

<table>
<thead>
<tr>
<th>Aimed to mock</th>
<th>Aimed to belittle</th>
<th>Aimed to highlight the issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>#9: hahaha, ‘is that anthrax in this bag?’ ‘worse its NZ milk powder’.</td>
<td>#141: @company launches 4G, mobile porn watched in NZ are over the moon!</td>
<td>#149: how can they guarantee that this ‘recall’ won’t happen again? It’s not like we can go and buy another baby in a shop.</td>
</tr>
<tr>
<td>#1: Feel a bit funny after my cornflakes. Maybe its botulism.</td>
<td>#1: @company has released 4G in Auckland. According to their map, it’s mostly in the sea.</td>
<td>#23: in light of the latest #compterror, little miss muffet is now left with only Kurds to eat. And they just want to be free.</td>
</tr>
<tr>
<td>#262: yea 4G is great. If you’re a WiFi enabled shark in the Manukauhabour maybe.</td>
<td>#17: Criminals agree: @company network ‘faster in more places’.</td>
<td>#60: Company network becoming laughable. It’s supposed to be a net-WORK. Not net-fail or net-broke!</td>
</tr>
<tr>
<td>#26: why do they hate us? We gave them grass for their cows?</td>
<td>#457: hi Jay I saw your question. Please could you give us a call at the Company on 0800 000 000 for NZ we’d like to help. bet it’s closed on a Sunday.</td>
<td>#79: Anyone want to buy a @company phone. *does not come with working network.</td>
</tr>
<tr>
<td>#41: media offered a cup of tea while waiting for a Company briefing to begin, but there’s no milk. Ominous?</td>
<td>#684: great news, company will be conducting a full &amp; through review on this whole crisis. Lemme guess...a white paper perchance?</td>
<td>#125: seems to be up and down more frequently that a nympho on a vibrating space hopper!</td>
</tr>
<tr>
<td>#142: Drinking game- take a shot glass of contaminated milk every time someone on the news says Company</td>
<td>#74: Company network for sale on trademe. Whoever made this=legend.</td>
<td>#33: at 90mbps, @ company is almost fast enough to live-stream the changes to the iTunes Terms &amp; Conditions.</td>
</tr>
<tr>
<td>#94: also, if I mix Company milk powder</td>
<td>#159: I recall one ex Company staffer</td>
<td>#153: doesn’t anyone use the old, reliable...</td>
</tr>
</tbody>
</table>
into a paste and slap it on my forehead, will the wrinkles disappear? #botox might be how to turn a PR disaster to a triumph.

semi-joking to me that I had to understand that Company wasn’t an IT company, it was a law firm that had contractors provide telecommunication services. pigeons any more? It’d be faster than Network

- #240: I love those calls from Company offering a bad deal!
- #372: I guess @company used the delorean to go back to the 80s and get this web design??? So cutting edge...
- #241: Company rep he went on to say; ‘you’re very lucky to be on your current plan’ to which my obvious response was ‘why the hell’ would I change?
- #545: Dear Company, “in parts of Auckland” isn’t very futuristic.
- #238: aww, just got a nice call from those lovely people at @company who offered me a worse plan than the one I’m on now. Which was nice.
- #242: I was waiting for them to force me into taking it! #jacketwasoff #fistswereraised

Overall, the volume of sarcastic comments was the highest during the announcement period, and the tone was more animated (91 tweets). The least number of sarcastic comments were observed in the pre announcement stage (10 tweets). In the post announcement, stage the number of comments was substantially lower compared to the during announcement period, but still remained two times higher compared to pre-announcement (22 tweets). Both positive (new service launch) and negative (service failure) announcements attracted more sarcasm during the announcement stage.

Humour with sarcasm was utilized by the consumers in all three announcement stages: pre, during and post but was most popular in the during announcement period.

Table 4: Humour/Sarcasm Comments by Announcement Stage

<table>
<thead>
<tr>
<th>Pre announcement</th>
<th>During announcement</th>
<th>Post announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>- #235: hey @company, im going to bed now. Please don’t text me twice tonight around midnight? Sweet dreams, xoxo</td>
<td>- #107: they could market it (contaminated milk powder) as a pamper pack with a nice bottle of wine. market it for the mums instead of the babies “look tired no more, this will take years off”</td>
<td>- Nice of @company to put 4G in by the St James around the time the ballet they sponsored starts. Coincidence? #thinknot</td>
</tr>
<tr>
<td>- #238: aww, just got a nice call from those lovely people at @company who offered me a worse plan than the one I’m on now. Which was nice.</td>
<td>- #123: bastards will nick the idea for sure. They need some positive PR desperately.</td>
<td>- @company cell site is down. Surprise surprise! © So nothing’s changed in the last 10 years then?</td>
</tr>
<tr>
<td>- #24: @Company found this one on website. Apparently the butter is not nuclear.</td>
<td>- #136: don’t forget the perks: trips to China, all the yoghurt you can eat.</td>
<td>- flatmate tried to find out more about 4g on @company website but site was too slow. Ironic? #awkward</td>
</tr>
<tr>
<td>- #242: I was waiting for @Company to force me into taking it! #jacketwasoff</td>
<td>- #164: botulin-country of origin: New Zealand, 100% natural and organic, gluten-</td>
<td>-That’d be right (cc @company): RT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>@consumer: Company offer a mobile</td>
</tr>
</tbody>
</table>
Companies that were actively engaging on social media were able to limit sarcastic comments to one or two per consumer. Following a response from the company, other consumers joined in less frequently. However, for companies that were not active on social media, sarcastic comments turned into lengthy conversations between consumers with sarcastic stabs at the company brand.

4.3.1.2 Positive Humour

This type of consumer sentiment is rare and was only observed on social media relating to companies that actively engaged with their customers. In the pre and post announcement stages, consumer positive humour was commonly a response to a company’s post and therefore not consumer driven. Consumer driven positive humour was more common in the during announcement stage and was associated with increased activity overall.

Table 5: Positive Humour by Announcement Stage

<table>
<thead>
<tr>
<th>Pre</th>
<th>During</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>-#22: feels like you are my girlfriend! Tonight you told me 4 times about my smart19 plan! I hear you!! -#100: This big red company wonder what it is @company :D -#360: this @company customer service guy just either called me ma’am or man. Ugh the perils of being gay -#754: will try and reboot and update and see how it goes before ringing the dreaded 777 😊</td>
<td>-#6: faster cat videos -#97: nice! Although I can’t help but feel that something is wrong when wireless broadband speeds now outperform wired connections. -#254: who cares User today moved to New Zealand and married a 4G network. -#256 get away from her she’s MINE -#258: my marriage proposition/immigration threat stands -#355: having 4G &amp; a DeLorean (thanks @company) meant I could go to the future to see who was named as Kiwis captain. -#413: working around the clock to get order through 😊</td>
<td>-here is my 4G speed sitting on the loo Auckland New Zealand on @company +pic -just a bad joke. Haha. I’m using chrome and clicked the link in the email.</td>
</tr>
</tbody>
</table>
Humour has been studied extensively in marketing research but a vast majority of studies have concentrated on humour in advertising (McCullough & Taylor, 1993; van Dolen, de Ruyter, & Streukens, 2008; Zinkhan & Gelb, 1990). Researchers have made a number of observations as to what happens if a company uses humour in their communication with consumers, but no solid theories have been presented as a result of these studies (Zinkhan & Gelb, 1990). Consumers utilizing humour in online comments or reviews have not been researched. There was one study that identified that humour use in WOM (word of mouth) enhances message persuasiveness (Wang et al., 2011). This study made a distinction between two types of humour: sarcastic humour and positive humour. It has been established that sarcastic humour attracts more attention from other consumers and its volume increases during the announcement period. Together with previous research establishing that humour increases the quality of consumer reviews, this finding highlights the important need for practitioners to target this area during the announcement period. It is suggested that the use of humour in online consumer comments is an area worth further attention and could provide interesting insight into brand perceptions. Its ability to cause substantial damage to company reputation makes it an important area for further research.

4.3.2 Comparisons
4.3.2.1 Comparing to competitors—negative

Consumers used social media to provide feedback to the company and express their attitude; however, they also used it as a word of mouth source, asking for advice and providing recommendations to fellow consumers. Frequently, consumers recommended an alternative provider of a product/service in their post about the company. First they would explain what they didn’t like about the company product/service before stating that a competitor was superior and encouraging other consumers to switch providers. This area is very important in the announcement period and below is the analysis of the consumer negative sentiment comments where they recommended a competitor.

Pre announcement

In the pre announcement period, all messages in this category were directed at telecommunications providers while other companies only started to receive these comments in the during and post announcement periods. The main observation here is that telecommunication companies that actively engaged with their consumers online received the bulk of negative feedback with the
recommendation to swap to a competitor. Consumers knew that providers who were active on social media would see the comment and consumers would feel heard. This is the main reason why companies actively engaging with consumers were receiving more negative comments.

In the pre-announcement period, consumers stated issues with the service and in their frustration threatened to swap to another provider: - “pathetic speeds in Auck CBD. Competitor1 and competitor2 laughing? Time to move on”, “WAITED 10MINS FOR A @COMPANY OPERATOR SO I JUST HUNG UP #NOTIMPRESSED. Switching to competitor1. Better background music at least” or “thanks to competitor for their free WiFi in #whiti can actually use my phone. Half a bar and weak 3G from @company. Time to switch ISP?”

While these comments indicate that consumers were unhappy with their current provider, it was comments from consumers that had switched already and praised their new provider that carried more weight: - “great decision. We’ve been more than happy with competitor coverage and service since we switched” or “nothing makes me appreciate competitor as much as falling back to the @company network for data. This is painful”. Overall the volume of these comments was relatively low (23) and they were unlikely to substantially hurt the company’s reputation.

However, even in this case two themes can be identified: 1. Threatening to switch due to quality failure; or 2. Consumers that have switched and advocate for a competitor brand. As seen in the examples, consumers who threatened to switch tended to express more emotion in their statements, expressing their frustrations by the use of capital letters, and hashtags, in contrast the second type of consumers (those that had already switched).

**During announcement**

During the announcement period, the volume of these comments increased five times (104). Interestingly, the telecommunication company with the positive announcement saw the volume of these messages drop seven times, and consisted only of messages posted by consumers who were threatening to switch due to service/quality failure.
For all other companies a negative announcement resulted in a sharp increase in messages where customers threatened to switch, which is not surprising: - “maybe why I’m ditching company. They forget about the dads #DadTweet” or “on the professional advice I’m switching brands to Competitor”, “I’ve had enough. I shall be saying goodbye to Company and hello Competitor later this week. I don’t want to lose any more business”, “if the Company drops Brand1, I will be changing banks. I went to Brand1 due to @Company poor service. Will try Competitor”, also “I’d rather pay $200 and get out of my contract. I don’t think it is too much considering the fact that I can never rely on the fact that my phone will working if I get into any trouble or blow my bike up in the middle of nowhere…I am pretty sure I will sign up with Competitor”. All these comments represent a more subtle tone.

Comments with stronger emotions still fell into the same category of consumers who were unhappy and frustrated with a service/product and wanted to start using a competitor brand: - “nope, I get zero coverage. Not a f**king sausage. Company phone sits in a drawer and im back on CDMA network. Time for Competitor who finally has managed to get my signal to 2/5 bars” or “reported closure of Brand raises questions. Whaaaaa?! Company is #rubbish. I will change banks” and “closing the Brand, auto-converting everyone to Company. I’m leaving to another bank!” Consumers still expressed their negative attitude towards the company and were threatening to switch to a competitor, but the tone was even stronger with exclamation marks, swear words and generally more emotional reaction to the news.

Consistent with the pre announcement stage, the second category of comments was made by consumers that had already switched and were encouraging others to follow their example: - “try a competitor1 stick on pre-pay. I have found competitor1 stick working well in all places” or “interestingly have a friend who he and his wife have switched to @competitor1…loving it” and this comment, “my son was on Company formula and I’ve stopped it. Competitor1 does not use the affected ingredient so has been cleared as safe to use”. However, the volume of these comments in the during announcement stage was lower compared to the pre-announcement stage, and the tone was not as animated. While in the pre-announcement stage consumer comments that fell into this category used words like “painful, makes you appreciate competitor network more, useless, great
decision to switch”, in the during stage, consumers concentrated more on highlighting their preference for the competitor. Their negative attitude towards the target company was not as prominent, but support for the competitor was stronger to the point where they hardly mentioned the company and concentrated on listing competitor advantages.

The above two types of consumer comments were observed in both pre and during announcement stages. However, in the during announcement stage the third category of comments was identified - consumers that consistently used a competitor company and advocated for target company consumers to switch. This was the most aggressive group of consumers in their comment volume, sentiment strength and desire to persuade other consumers to make the switch. They used strong words in their comments- “Oh yea @company really sux all the things, no surprises there. You know what I think, @competitor1 is by far the best at everything” or “another pleasant day with competitor1 network. All systems go. Unfortunately tell-lie-company send the profits from NZ overseas instead of investing in infrastructure…Hopefully the cheque has cleared from the last publicity campaign” and “First network problems sure can happen in early adoption of new hardware/infrastructure but a year later…Then executive leaves in a hurry. Now emergency 111 calls not working properly. Can someone switch the lights off in Company mobile/phone division on the way out? Someone come to the party and give them some serious competition? I really have sympathy for the pro Network people out there hit by this. Wonder what the Company to Competitor1 conversion rate is right now?? Competitor2 really should have a business model in place to catch the fallout?” and this as well “pfffft @company! Go, go @competitor1!”, “unlike @company Competitor1 DOES NOT USE any of the contaminated whey, as it is not an ingredient for their products” and “Ahhh life is good on an alternative mobile carrier who planned their network meticulously”.

This category also included consumers that had insider information about the company and shared it with other consumers to discredit the company: - “This person might have been privy to an expert outside consultant relaying the pending doom that users of a certain mobile phone network are now experiencing many factors. A certain company may or may not be capable of planning a drunken grope in a house of ill repute, even with complimentary alcoholic beverages. Due to legal reasons
this is as specific as I can be.". This particular comment indicated that the target company not only knew about the risks but ignored them. The comment also made reference to the company being unable to successfully execute a service offering, their core business. This would have been a significant blow to the company’s reputation considering that the comment came from a person privy to insider knowledge of the company. Another example of insider knowledge being used against the company was an ex-employee saying that if he had known what he was in, he “would have stayed on the freakin’ dole” and that the new company network “is cr*p compared to @competitor1” and “even the original Company network does not compare”. One consumer “hated the brand of equipment” the company was “pushing” on them because it was “utter cr*p with p*ss poor reception and extremely poor functionality” also mentioning that the company tried to support a network “with a range of products that more often than not seem to come up short which was a f*rking nightmare”. Both consumers mentioned that they never used the company services, but their experience in a consultant or employee capacity had further persuaded them not to, as well as making them want to share their knowledge with other consumers.

Post announcement

In the post announcement period, the volume of comments was much lower than the pre and during periods (15). Surprisingly all three types of comments were present but the tone of these comments was considerably calmer compared to pre and during periods. For example, in the first type of comments, consumers that were using company products/services but were threatening to switch wrote: “my phone hardly ever connects when at home. Drops calls. Even text messages don’t work. My friends devices on @competitor2 work fine. Maybe it’s time” or this comment, “@company I’ve decided that Company isn’t working for me anymore. Money grabbers…@competitor1 offer free 4G the opposite of greedy. I’ll go to them”.

Consistent with pre and during periods, the second type of comments were made by consumers that had already made the switch and were advocating for other consumers to do the same, the following comments are examples of this type of consumer in the post announcement stage: “We had switched to Company brand the week before the scare and botulism or no botulism, I couldn’t breathe for the first few days of the massive stuff up thinking my tiny princess was at risk. Doing fine
on Competitor brand now” or “bit of a shame really. I had one of my kids thrive on Company product. She’s now a healthy 2 year old and I also put my son on it from newborn but because of all this crap I had to change him to Competitor just to be safe” and this comment “I do appreciate the apology just really disappointed I got lied to in the beginning on your Company line…I do wish you a good future but I won’t be using your product again in future. My son now is on @Competitor cow milk”.

The third type of comments identified in the during announcement stage was also present in the post period: “Hospital tell me any formula is fine. Whatever is cheap is best. But I go by what my baby suits and Competitor1 has done her well and its 16dollars” or “reminds me of frustrations with the Company network people experienced a while back…Tribute to Competitor that never caused me any issues”.

Discussion

To summarize, there were three types of consumer comments identified within this category:

1. Consumers threatening to switch to a competitor
2. Consumers that had already switched and were advocating others to switch
3. Consumers that never used the company and were advocating for a competitor (not present in the pre announcement period)

Consumers were far more likely to rate a competitor more favourably when expressing their attitude towards the company during the announcement period. Consumers that never used the company and were advocating for a competitor were far more aggressive than any other type of consumer in the during announcement stage. Consumers that were threatening to switch expressed stronger attitudes in the pre and during stages compared to the post period. Those consumers that had already switched and were advocating for others to follow their lead were expressing mild attitudes, and there was not as much emotional saturation in their comments.

The vast majority of comments in this category appeared to be by consumers who were in an exchange relationship with the brand. Most comments quoted utilitarian reasons (ingredients used,
reception difficulties, slow speed) for switching brands, including unhappiness with the company’s product/service performance. After stating their reasons, consumers concluded that the competitor brand was superior. Earlier it was suggested that consumers in an exchange relationship with a company form a negative attitude if norms of the relationship are violated (Clark & Mils, 1993). In the current study, consumers’ felt that, for the money they had paid, the company was not providing an adequate product/service which made it economically unfeasible for the consumer to continue the relationship. Generally, consumers in this category appear to switch brands easily and pursue suppliers that are perceived to provide a balance between charges and products/services rendered. In one example, a consumer had a communal relationship with the company and decided to switch. The consumer mentioned that the company was greedy while the competitor was not. This is a really good example of the differences between exchange and communal relationships. In this case the consumer held the company to the same behavioural norms that apply to interpersonal relationships where greed is considered a negative quality.

4.3.2.2 Comparing to competitors-positive

**Pre announcement**

In the pre announcement stage, the number of comments in this category was slightly lower (16 comments) compared to comments negatively comparing a company to its competitors (23 comments). Comments in the pre announcement stage could be identified by two themes. The first theme was comparing the target company to its competitors in terms of its social media strategy. If the company actively engaged consumers on social media, it generated positive feedback from consumers, especially when the competitor failed to respond to consumers or did not actively engage with them. What came through very strongly was consumers’ dislike at not getting a response from the company. For example, “well, the fact that you replied has you leading the rankings right there @company” or “so far you are winning by default that neither @competitor1 nor @competitor2 have bothered to respond to anything. So, thanks” and this example “if I base my mobile telco on tweets, I’d jump ship from @competitor1 to @company in a heartbeat- they’re a
bloody funny team!”. Consumers actively complimented companies on their social media handling and quickly noticed the differences between companies.

The second theme was consumers making a positive comparison based on a company’s product/service offerings, their core business: - “so @company get full service at my new house whereas @competitor2 gets none. Decisions decisions...” or “@company have better coverage in both east cape and northland than @competitor1” and “@Company ROCK!!! Competitor1 1 week with no internet, still not fixed or given a date to fix our Broadband....move to...” and “Competitor1 is big fail on cust service AND service. No explanation for a week without internet! Will change asap to @company tho! Competitor1 is a joke”.

**During announcement**

In the during announcement stage, the same two themes came through as identified above. There were 39 messages that fell into this category, which was lower compared to during announcement volume where consumers made negative comparisons about the company - 95 comments. Consumers praised the company for not ignoring their comments on social media, same as in the pre announcement stage: “more response from Company to a flippant comment than from @competitor1 to a serious question about their service. Interesting”. Also consistent with the pre announcement stage, consumers made positive comparisons regarding a company’s products/services when benchmarked against a competitor: - “sonyxperia z speedtest on @company 4G, holy smokes that’s fast! @competitor1, take notes” or “competitor1 started to target Company network woes: ‘NZ’s most reliable network’. Well yes but only if u like your reliability painfully slow” and “we use Company because it’s always had better coverage in the country. We can make calls from most places on our farm when visitors with competitor1 cant” or “not that im being a real monster about this, my 5 month old bubba has severe reflux which makes her really ill and Company formula is the only one she doesn’t projectile vomit, im a really concerned parent”. Overall, consumer comments in the pre and during stages were divided into two themes:

1. Consumers praising a company for its social media strategy compared to its competitors
2. Consumers praising a company for its superior products/services compared to its competitors

Post announcement

While the pre and during announcement comments were higher in volume for negative comparison, in post announcement the situation changed. There were 16 comments made by consumers negatively comparing a company to its competitors and 23 comments from consumers making a positive comparison. Themes for the comments were also different from the pre and during stages, but were consistent with the post announcement stage where negative comparisons were made: 1. Consumers threatening to switch (from a competitor to the company); 2. Consumers that had already switched and were advocating for others to do the same; 3. Consumers that had never used competitors and were advocating for other consumers to switch to the company.

Table 6: Positive Comparison to Competitors Themes

<table>
<thead>
<tr>
<th>1. Consumers threatening to switch (from a competitor to the company)</th>
<th>2. Consumers that had already switched and were advocating for others to do the same</th>
<th>3. Consumers that never used competitors and were advocating for other consumers to switch to the company.</th>
</tr>
</thead>
<tbody>
<tr>
<td>@competitor1 seriously over this service back to @company I go. The End ahaha</td>
<td>@competitor1 stink, no 4G in Hawkes Bay...works well with @company since I switched! thanks...</td>
<td>Other networks are going to have big catch up to do, as usual having great time using @company DC/4G network this morning.</td>
</tr>
<tr>
<td>@company I’m planning on switching back from @competitor1 to Company to 4G. I’m so dang excited!</td>
<td>#4: since the move I have not had one call failed or sms fail to be sent to the network. Call quality seems significantly better on Company compared to Competitor1. Ability to make and receive phone calls in several locations that I just couldn’t on Competitor1. Company appears to have better signal penetration or at least have organised their cell sites better to get in to those tougher indoor spots.</td>
<td>#23: I wouldn’t go on a network that separates. not much would move me from Company Network, far superior to Competitor1 and Competitor2.</td>
</tr>
<tr>
<td>Thinking of changing from Competitor1 to Company. Hmmm</td>
<td>#4: since the move I have not had one call failed or sms fail to be sent to the network. Call quality seems significantly better on Company compared to Competitor1. Ability to make and receive phone calls in several locations that I just couldn’t on Competitor1. Company appears to have better signal penetration or at least have organised their cell sites better to get in to those tougher indoor spots.</td>
<td>I think Company brand is an excellent product. I am hesitant to use other formulas scare or no scare as many use soy products in them, and soy is a known hormone mimicker.</td>
</tr>
<tr>
<td>#133: I have to agree!!! My little one was great with Company and since having to switch to Competitor1 he hasn’t been the same and it is almost like he is sugar rushing after a bottle, where as Company brand made him satisfied ☺ can’t wait to get him back to Company brand!!!</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#151: I switched to a different brand just because of the fear factor. But my baby didn’t like the new formula and had terrible tummy pains. I’ve switched back to Company and we haven’t had any problems since. I’m glad the botulism scare has been clarified and ruled out.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#151: I switched to a different brand just because of the fear factor. But my baby didn’t like the new formula and had terrible tummy pains. I’ve switched back to Company and we haven’t had any problems since. I’m glad the botulism scare has been clarified and ruled out.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#151: I switched to a different brand just because of the fear factor. But my baby didn’t like the new formula and had terrible tummy pains. I’ve switched back to Company and we haven’t had any problems since. I’m glad the botulism scare has been clarified and ruled out.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As mentioned above, the themes in the consumer comments praising the company and comparing it negatively to competitors were identical across two categories in the post announcement stage. However, while consumers that never used the company and were advocating for a competitor were the most active and expressive in their comments in the negative category, and consumers that had already made the switch away from the company were very mild in their comments, in the positive category the situation was reversed. Consumers that had never used the company were less likely to talk positively about it, which is interesting since they were very active in talking negatively about companies they had never used. Consumers that had already made the switch were the most active group in advocating for the company.

**Discussion**

The conclusion is that consumers who switched providers were more likely to talk positively about their new provider rather than continuing to provide negative feedback about their old provider. Consumers planning to make the switch were active in both categories. However, consumers tended to pick only one form of feedback - they either engaged with the company they wanted to switch to or they provided negative feedback about their current supplier whom they wanted to leave.
Many research studies to date have spoken about the importance of social media for companies but research in this area is falling behind growing industry needs (Cvijikj & Michahelles, 2011; Divol et al., 2012; Goh et al., 2013; Hanna et al., 2011; Laroche et al., 2013). Lack of specific strategies for social media handling has been discussed and has found confirmation in this research. Consumers are not used to a systematic approach by companies on social media. During this study, it became evident that most companies did not have an active social media strategy in place. Therefore, if consumers came across a company which had a strong social media presence and a strategy in place, they tended to comment on that, complimenting the business even if they did not consume the company’s products/services. This is one of the more important confirmations that companies do not receive sufficient guidance from the academic world around the handling of social media.

While academic literature analyses at length the need for companies to engage consumers through social media, researchers do not usually discuss the ability of a successful social media strategy to attract consumers that are using other brands, thereby presenting a business development, sales opportunity. Prior research has identified that priming will have an impact on what attitude- hedonic or utilitarian a consumer will form depending on which information hr/she has been exposed to prior to forming an attitude (Foxall & Yani-de-Soriano, 2005). Earlier it was mentioned that companies are able to condition consumers and influence the type of attitude they form by exposing them to stimuli which evoke feelings of pleasure, arousal and dominance (Russell & Mehrabian, 1977). Findings in this research support this conclusion. Companies that evoked consumer’s positive emotions gained their attention and were able to impact consumer’s attitude towards the brand even when the individual was using a different brand.

Just like with consumers that provide negative comparisons of company with its competitors, in this study, consumers that made a positive comparison were also guided by utilitarian considerations. It is proposed that when switching brands some consumers prefer to go back and provide negative feedback to their supplier while others prefer to provide positive feedback to their new supplier. More research is needed into understanding why certain consumers prefer to concentrate on
negative sentiment for their existing/previous supplier and others provide positive feedback about their new/future supplier instead.

4.3.3 Feedback

Negative feedback provided by consumer fitted into two categories: negative feedback/anger or quality failure. While quality failure comments were very straightforward and just focused only on the quality/service attribute that did not perform, negative feedback/anger provides better insight into consumer sentiments. Positive feedback included comments from consumers that expressed their satisfaction towards the company/brand.

![Feedback category themes](image.png)

Figure 8: Feedback category themes

4.3.3.1 Negative feedback/anger

Pre announcement

Consumers expressing their negative feedback or anger in the pre announcement stage tended to do so mostly due to company product/service dissatisfaction or disagreeing with company actions or claims made. Unlike other categories, comments in this category across the two themes were
similar and monotonous. There were a total of 91 comments in this category with the majority (56) belonging to the second theme - consumers disagreeing with company claims or actions.

Table 7: Negative Feedback/Anger Themes Pre Announcement

<table>
<thead>
<tr>
<th>1. Product/service dissatisfaction</th>
<th>2. Disagreement with company actions/claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>-#56: no not as yet. I still get one or no bars making it impossible to make calls.</td>
<td>-#36: hey @company thanks for sending me my password in plaintext without so much as asking for it. I’m glad you take security seriously #smh</td>
</tr>
<tr>
<td>-#64: followed closely by that awkward moment when your data is too slow to play a video.</td>
<td>-#285: oh, you had a free weekend calling deal from 1st Dec- why wasn’t I hear about this @company #badform</td>
</tr>
<tr>
<td>-#210: just connected to wifi...The 3G in Whitiangasux Thanks @company for nothing lol</td>
<td>-#5: thanks! No reason to raid AKL grocery stores, now that @Company has discontinued the best product they ever came up with.</td>
</tr>
<tr>
<td>-#648: hey how about getting some service...being on hold for faults 10min haven’t spoken to a real person yet.</td>
<td>-#61: hooray justice! Boo milk! #company</td>
</tr>
<tr>
<td>-#673: answered. Then disconnected!!! W T F @company</td>
<td>-#blog3: so why all the fanfare for something we already have...because their arrogance presumes that we have never seen it before.</td>
</tr>
<tr>
<td>-#211: useless maaf*ckaz</td>
<td>-#35: Company telling porkies about its milk.</td>
</tr>
<tr>
<td>-#2: Rip off!</td>
<td>-#52: @company misleading health claims. Company forced to amend its website.</td>
</tr>
<tr>
<td>-#51: and lower your outrages milk prices too!-@Company</td>
<td>-#54: love this. Big dairy loves to claim “essential’ character. Good to see them get shot down.</td>
</tr>
<tr>
<td></td>
<td>-#56: Dairy is NOT essential...more Company brainwashing on NZers exposed.</td>
</tr>
</tbody>
</table>

**During announcement**

During the announcement stage, negative feedback and comments expressing anger increased more than four times to 433 comments. Even for a company that had a positive announcement about a new service launch, the volume of negative comments expressing anger increased twice.

The themes remained consistent for the most part- firstly, consumers gave negative feedback regarding company products or services: “I think of mobile data caps are applaudingly low. 2/3gig a month is terrible. I constantly go over my 2gig every month” or “@company how about working on getting anyG reception in Papatoetoe before rolling out 4G nationwide #crawlbeforeuwalk” and
“yes. At an extra $10 per month and most of your coverage is over the ocean. Makes no sense” and the more expressive comment, “F * C K E R S !! Now that my work is using network too I cant use either of my f*cken cell phones. Company just sent an email to our work”.

As with the second theme in the pre-announcement period, it included consumers who criticized company actions or statements: “p*ss off with your advertising in twitter. It’s annoying. Puts me off your products immediately” or “@company p*ss off with your ads. I don’t care” and also “your actions are shocking!” and “cannot believe the Company won’t name the other potentially contaminated products”.

An additional theme appeared during the announcement period which made comments about the company in general, its impact on the larger community or references to its reputation: “Company w*nkers full of sh*t. NZ still miles behind the rest of the world” or “new Company advert where executive takes the stage by telling us kiwis how great we are, before trying to convince us that he really is worth his $5M salary, because he can make a phone call in the Greenstone valley on his Network phone…or can he? Not only have they screwed up the Network but they think kiwis are so dumb, they will just fall for this bs because of a little flattery” or this comment “Gutted about this! Originally chose Brand2 because they had a horse for a mascot (I was about 10)”. The last theme gathered the most number of strongly worded, expressive comments: “final straw, awful, terrifying, lethal, ridiculous, mega stressed, terror and also quite a few comments with curse words.

Consumers were very quick to pick up on instances where a company did not disclose the full truth or done it in a timely manner: - “your recall notification tells us only certain batches are affected. If this is true why on Campbell Live it was said that ALL Company products are to be recalled?” or this comment, “it took 3 days to get that information to the public! I find that disgusting!” and “Company appear to be changing advice on the hoof & I say this as someone with a half empty tin of Company infant formula in the cupboard”. Consumers also pointed out instances where a company did not conduct itself well: “Company- simultaneously destroying both NZ’s reputation and our waterways 😞” or this example “#compterror a good name for them anyway. They’re bullies in the market plus the environmental damage done by Diary farming” and “We should have a codename for @company. Dodgy Way Bathing Company”.

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Consumers also noticed and commented on the way a company handled the announcement. Previously consumers have been shown complimenting companies on their social media handling; however, this is the opposite whereby consumers criticized the way a situation had been addressed by the company: “from what we’re learning today, Company scandal has hallmarks of PR case study on how not to handle crisis” and this comment: “the phone pressers were shocking #PRFAIL” as well as this: “as if the botulism wasn’t bad enough it seems Compterror’s management also have a case of foot in mouth” and another example: “would not want to be that Dutch guy who is the CEO of Company at the moment. What a PR disaster for #compterror”. Additional examples for each of the three themes identified during the announcement stage of this category are given below. Again interestingly the third theme only appeared during the announcement period and was not present in the pre announcement stage.

Table 8: Negative Feedback/Anger Themes During Announcement

<table>
<thead>
<tr>
<th>1. Product/service dissatisfaction</th>
<th>2. Disagreement with company actions/claims</th>
<th>3. Disapproval of company in general, their reputation &amp; impact on a wider community</th>
</tr>
</thead>
<tbody>
<tr>
<td>#356: when does Hamilton get hooked up with 4g? I hope you will start offering better data plans for such fast internet 😊</td>
<td>#522: your ad still doesn’t explain – much less promote- how business will use 4G mobile data. Its all entertainment focused.</td>
<td>#76: @company screw up is really bad news for us all.</td>
</tr>
<tr>
<td>#498: simple you blow through your tiny data cap even faster. 10x speed should mean 10x cap then it would be interesting.</td>
<td>#523: personally I dislike having kids even kids from the future explain things to me in ads-especially dopey-sounding kids</td>
<td>#72: this Company issue is going to hurt us all.</td>
</tr>
<tr>
<td>#513: how about making 3G work everywhere first? Like the ferry terminal?</td>
<td>#548: if I was interested I would follow your twitter. I am not, and do not. Don’t force it upon me.</td>
<td>#263: very scary for everyone</td>
</tr>
<tr>
<td>#126: my new/stink arse phone has bee3n packed away ready to go back for a few weeks now, stooped @company network that don’t work. It took ten, yes ten! Days to receive the texts sent off one network to @company network</td>
<td>#727: I’m sorry to say but DM won’t be necessary. Your CSA made it clear that it was my error ☹️ so I guess the customer is never right.</td>
<td>#362: followon was still on the shelves at my local last nite...worse than useless PR Company</td>
</tr>
<tr>
<td>#30: I’ve got a 6 mth old on your formula. I thought by paying more, we’d be safer-</td>
<td>#16: at the very least #Compterror should be prosecuted for producing biological weapons of mass distraction.</td>
<td>#313: it boggles the mind that contamination of milk product could be not picked up for 14 months by</td>
</tr>
<tr>
<td>Tweet</td>
<td>Text</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>#607</td>
<td>how is it fair that you charge $10 extra to use 4G when your customers have already paid for the data?!</td>
<td></td>
</tr>
<tr>
<td>#118</td>
<td>maybe its cause I am being boring and sitting at home rather than in a shipping container in the middle of the ocean but I have had it with the brilliant network that is claimed by @Company! Is anyone else in Wellington having any issues with making and receiving phone calls today?</td>
<td></td>
</tr>
<tr>
<td>#428</td>
<td>pretty scary for parents to have to deal with this because of @company conduct</td>
<td></td>
</tr>
<tr>
<td>#645</td>
<td>why don’t u get the data up as offers for the new 4G? Coverage issue so irritating please fix that.</td>
<td></td>
</tr>
<tr>
<td>#81</td>
<td>Bad move to go down this road I reckon. Union wants clarity on Company’s Brand2 plans.</td>
<td></td>
</tr>
<tr>
<td>#4</td>
<td>Troubles still plague @company network – heads roll. Are @company doing enough to make up for failure?</td>
<td></td>
</tr>
<tr>
<td>#770</td>
<td>now ill tell all of my friends not to bother with 4G until you offer higher data caps at better prices.</td>
<td></td>
</tr>
<tr>
<td>#334</td>
<td>oh my god that’s awful what they are doing!</td>
<td></td>
</tr>
<tr>
<td>#45</td>
<td>network meltdown continues to short-circuit businesses in the hub of the NZ open.</td>
<td></td>
</tr>
<tr>
<td>#102</td>
<td>rid the world of the evil that is Company Network.</td>
<td></td>
</tr>
<tr>
<td>#376</td>
<td>thanks very much @company for the sleepless night, wondering if we have fed our 8 month old tainted milk.</td>
<td></td>
</tr>
<tr>
<td>#69</td>
<td>No shit Sherlock! Brand2 demise offers rich pickings for competitors.</td>
<td></td>
</tr>
<tr>
<td>#96</td>
<td>Yes, I think company sh*t network is an indication of how well #company would handle setting up our ultrafast broadband.</td>
<td></td>
</tr>
<tr>
<td>#15</td>
<td>it’s the culture of the company/brand that creates good service/people. Brand 1 didn’t…</td>
<td></td>
</tr>
<tr>
<td>#38</td>
<td>I think I speak for a lot of Brand2 customers when I say DO NOT WANT! Company to scrap Brand1!</td>
<td></td>
</tr>
<tr>
<td>#122</td>
<td>its f*cken shitty. I rang there 0800 number from my work and was on the phone to them for 20mins.</td>
<td></td>
</tr>
<tr>
<td>#40</td>
<td>I’m the same…People hate changing banks but this might light the fire. Let me get over the shock of no more Brand1</td>
<td></td>
</tr>
<tr>
<td>#36</td>
<td>but I don’t wanna be a Brand1 proper.</td>
<td></td>
</tr>
<tr>
<td>#579</td>
<td>@company shut up you don’t even offer blackberry services</td>
<td></td>
</tr>
<tr>
<td>#335</td>
<td>really don’t feel safe or confident feeding any Company product to my child.</td>
<td></td>
</tr>
<tr>
<td>#335</td>
<td>shared this-people need to know!!! Terrifying for anyone using this muck!!</td>
<td></td>
</tr>
</tbody>
</table>
Post announcement

In the post announcement stage, the themes were the same as in the pre announcement stage. There was one significant difference in the second theme where consumers expressed their dissatisfaction with company actions or claims. Even more consumers mentioned broken trust and said that they were not happy with misleading information from the company: “so essentially, this article you put out is a lie +link” and this comment “that's pretty loose. You could say dual carrier 3G is UFB. That's quite misleading” as well as this “so why didn't you just tell me it's not free for me in the first place? I was told via call centre it would be free after 6th” and “I could tear that media release to shreds, no offence. The cost of data with the 173% increase but price is the same? #ripped”.

Broken trust messages included comments like this: “that sucks, because I will never put my baby back on Company formula, the trust has been broken, and now my baby two used to Competitor1 product and won’t like Company formula anymore” and this “I wouldn’t even trust buying Company at all. In fact, the first test should have been checked properly, to make damn sure there was no botulism. Then maybe they wouldn’t have made a botchup” and “I can make judgements for myself thanks, I’m pissed off at Company for lying to me when I rung them about it on the phone and I’m pissed off at Supplier1. Trust is broken”. Unlike other categories, the volume of comments in the post announcement stage in the negative feedback/anger category was lower than the pre announcement stage. Additional examples for the two themes are provided in the table below.

Table 9: Negative Feedback/Anger Themes Post Announcement

<table>
<thead>
<tr>
<th>1. Product/service dissatisfaction</th>
<th>2. Disagreement with company actions/claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying extra data for the fourth time this month. I would really really NOT recommend changing to 4G at all. Cc @company</td>
<td>These 4G ads are just frickin’ annoying!!!One is historically inaccurate; I know, I studied</td>
</tr>
<tr>
<td>so your 4G capable plans start at $40 for 500MB. Why is data so much more expensive than a few years ago?</td>
<td>best sort out your cable maps in Chch. Your rep was prepared to process an order for my neighbor who is over 1km out of zone. Need to sort out your claims.</td>
</tr>
</tbody>
</table>
Discussion

As discussed earlier, consumers have affective expectations as to how the process of consumption will make them feel about the product/service, whether there is a misalignment between expected emotions vs. actual and whether product attribute evaluation results in satisfaction or dissatisfaction (Phillips & Baumgartner, 2002). In this research, confirmation was found for all three causes of satisfaction and dissatisfaction but it is argued that product attributes are at the root cause of any consumption feelings and their misalignment. It was also observed that consumers will always state the reason for negative sentiment and the reason for their dissatisfaction. Therefore, a company’s objective should be addressing the underlying problem.
Consumer anger towards company claims/actions or the company as an entity is more difficult to address. Both are an indicator of consumer brand perception and company reputation in the marketplace, and therefore, will require a more fundamental fix to change the way the company is perceived in the market. Consumer disagreements with company actions/claims are likely to be a result of incorrect handling of a crisis situation in the past that resulted in negative brand image information dissemination (Coombs, 1999). It has been proven that consumer's negative experience with a faulty product, for instance, does not result in consumer forming a negative attitude towards the company (Dawar&Pullitla, 2000). Therefore, these comments directed at the company itself or its actions/words are proof that marketing mistakes during a crisis situation will have far reaching consequences for brand equity and consumer trust. In this study it was found that consumers use any small issue to provide harsh feedback to a company, and react in a very emotional manner to things like map errors, or not being able to find information straight away or promotional messages.

Another explanation of the negative feedback and anger from consumers might be a company's inability to communicate with the consumer in a way that meets expectations. It has been discussed that consumers that view their relationship with the brand as communal have a significant dislike towards a company's actions/words that reflect the norms of an exchange relationship (Aggarwal, 2004). This research found consistent confirmation of this theory through consumer sentiments and examples that demonstrated this well. For example, consumers that found out that their bank brand was to be discontinued, expressed anger towards the parent company that made the decision. In consumers’ eyes, this decision lacked consultation with the consumers and indicated that the parent company did not care about the relationship with the affected customers. Another example is where a consumer questioned why a quality issue had not been picked up for a prolonged period of time, mentioning that the trust had been broken and that the consumer thought the company cared while they clearly did not. These comments make a very strong supportive argument for the communal vs. exchange relationship view.
4.3.3.2 Positive Feedback

Regardless of whether the announcement was positive or negative, positive feedback was at its highest rate during the announcement period for companies with an active social media strategy (130 comments for companies with a negative announcement and an additional 83 for the company with a positive announcement). It should be noted that the company with a negative announcement that used social media to post media releases received zero comments of positive feedback. Another company also with a negative announcement that did not engage in social media at all received 43 positive comments, which is about half compared with companies that actively engaged with consumers.

Pre announcement

In the pre announcement period consumer positive feedback was divided into two categories: 1. compliments regarding company product/services or reputation and 2. compliments regarding company handling of the consumer issue and customer service overall. For example, consumers who positively commented on company products/services expressed the following sentiments: "reception is awesome!" or "nice work @company. Fast as here and gotta love the speed!" However, the majority of comments addressed company customer service: “amazing sales rep”, “very helpful”, “massive thank you”, “great customer service”, “great twitter work” and “company rules on twitter”. The last two comments were not only complimenting on the prompt customer service they received, but also commented that it was delivered via social media. Yet again consumers notice and comment on company social media handling.

Table 10: Positive Feedback Themes Pre Announcement

<table>
<thead>
<tr>
<th>1. Compliments regarding product/service</th>
<th>2. Compliments regarding customer service</th>
</tr>
</thead>
<tbody>
<tr>
<td>-#54: whoaaa! The @company 3G reception in grey lynn is awesome! Wish I had that in botany.</td>
<td>-#175: thanks for the reply! 😊 #service</td>
</tr>
<tr>
<td>-#208: nice work @company. Fast as here in Chch. Gotta love the speed!</td>
<td>-#167: @company we’ll have to do coffee one day...many a story we can share! 😊</td>
</tr>
</tbody>
</table>
During announcement

In the during announcement stage, categories remained exactly the same as in the pre-announcement stage. Consumers continued to comment on company products/services and customer service. For the companies with a negative announcement about their products/services, consumers continued to provide positive feedback: “I love @company formula. It’s the best EVER” or “can I just comment on how well this has been handled. Compared to Competitor handling of the same issue last year, you’ve done a great job in your response and managing this for your
customers” and this comment “can’t wait for this all to be over and we go back to using Company formula. Thank you for doing the right thing and recalling it. We hope that you have it sorted soon. Thank you for your open and honest communication with your customers. I HATE using an Irish made product…Can’t wait to buy yours again 😊 good luck in the coming weeks to you and your helpful, wonderful staff”. Also, these comments were made: “once @company fixes their network, it will be the best in NZ for coverage” or this: “new technology launches don’t always go smoothly. I’m sure @company will make it right soon. I’m prepared to wait. They are still NZ’s best telco”. Even though the categories remained the same, the volume of comments in each has changed. The majority of comments complimented the product/service rather than the customer service. The main reason for this is because people were discussing the main object of the announcement which was company product quality issues or a new service offered, therefore, the main subject of the positive feedback was associated with that.

Table 11: Positive Feedback Themes During Announcement

<table>
<thead>
<tr>
<th>1. Compliments regarding product/service</th>
<th>2. Compliments regarding customer service</th>
</tr>
</thead>
<tbody>
<tr>
<td>#32: you have a great product and my baba loves it. I am sure you will sort this out soon. Thank you for doing the right thing and putting our kids above your own interests.</td>
<td>#108: @company I received AMAZING service from Salesperson in Albany mall yesterday, he deserves a bonus! I was very happy 😊</td>
</tr>
<tr>
<td>#110: I don’t care about the colour of my bank card- just my t&amp;cs. Financial advisor guy says nothing will change. They are the best bank for me and it’s their right to discontinue a brand if they choose to.</td>
<td>#23: thank you @Company for giving such comprehensive advice through your helpline. It’s comforting to know which formula batches are safe for use.</td>
</tr>
<tr>
<td>#132: the @company 4G speeds ain’t too shabby.</td>
<td>#87: they might be axing the brand, but just like the ad said- they are still the same people. So I assume nothing will change and I will still receive great service from them.</td>
</tr>
<tr>
<td>#106: @company check out these speed tests done on iPhone5, various North Shore spots. #awesome</td>
<td></td>
</tr>
<tr>
<td>#203: Ah ok. I will do! On LTE in the CBD now...Mental!!!</td>
<td></td>
</tr>
<tr>
<td>#204: ok @company, you got me. Now, shut up and take my money! 4G how do I get it?</td>
<td></td>
</tr>
<tr>
<td>#267: Total nerd Instagram. Just got 4x faster Internet than my</td>
<td></td>
</tr>
</tbody>
</table>
Post announcement

In the post announcement stage, the volume of positive comments was lower than in the pre announcement stage. Consumer comments still fell into the same two categories and following the trend established during the announcement period, the majority of comments were associated with the product/service rather than customer service.

Table 12: Positive Feedback Themes Post Announcement

<table>
<thead>
<tr>
<th>1. Compliments regarding product/service</th>
<th>2. Compliments regarding customer service</th>
</tr>
</thead>
<tbody>
<tr>
<td>-#62: thank you very much I would be happy to continue on with the Company brand formula and I feel much better that I don’t have to stress to much about it. It’s a great product.</td>
<td>-thanks. Ended up calling and spoke to a very helpful informed sales person. Great experience. Tempted by the 4G and HD Voice.</td>
</tr>
<tr>
<td>-#72: would have done the same but there was none on the shelves...doing my shop tonight and grabbing my @Company brand formula. It’s the best! Thanks Company for being cautious and I am hopeful you are compensated for loss of sales.</td>
<td>-wow well covered I didn’t see! ® your call centre staff have been very good at explaining as well</td>
</tr>
<tr>
<td>-#102: my sons had Company from birth and loves it ® didn’t bother to change milk brands when they did the recall even though it wasn’t his stage I wasn’t worried cos my sons perfectly fine on it, can’t even get him on normal milk cos he knows the difference lol</td>
<td>-yummy 4G and great experience at Company store. I am now a happy customer.</td>
</tr>
<tr>
<td>-#137: my baby loves Company formula, and all my overseas friends envy me for being able to get the product easily...I was lost when all this happened and wish it didn’t happen, as I am still struggling to find him a better option and will go back to it probably.</td>
<td></td>
</tr>
<tr>
<td>-#171: my babies love Company brand too.</td>
<td></td>
</tr>
</tbody>
</table>

104
Discussion

Prior research has established that consumer attitudes have affective and cognitive components. This research found confirmations of that as well. Positive feedback sentiment comments were either cognitive, attribute based or affective (positive feedback towards company customer service, consumer treatment or emotions consumer experiences towards the brand). In the pre and during announcement periods there was a good balance of cognitive and affective attribute based comments. However, the majority of positive sentiment comments in post announcement stage concentrated on the affective component and did not specify concrete attributes customer liked about the brand. When companies had a negative announcement, consumers in the post announcement stage were particularly prone to posting affective attribute comments. This was associated with consumer's positive attitude towards the company and their desire to support the brand during a difficult time. Therefore, consumers generally concentrated on expressing their attitude using affective, emotional basis rather than justifying their attitude using a selection of cognitive, product attributes.
4.3.4 Emotional Reactions

Figure 9: Emotional reactions category themes

4.3.4.1 Disappointment

Pre announcement

In the pre announcement stage, disappointment as a sentiment did not appear often (44 comments overall). Disappointment was mostly associated with a consumer not getting what he/she expected from the company (not offering a service the consumer needed, product/service not living up to expectation) or finding out about additional fees/charges imposed by the company.

Table 13: Disappointment Themes Pre Announcement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-#287: I can’t keep checking offers, and was told by csr there had been a GLITCH and not everyone had been sent the offer info.</td>
<td>-#415: even though I have switched broadband providers @company still thought it was ok to charge me. Rang for a refund and they said no. #sad</td>
<td>-#9: worse is @company’s claim their network is faster than most phones-heard of 4G/LTE? The rest of the world has.</td>
</tr>
<tr>
<td>-#271: experienced a LOT of no coverage at all on our trip in East Cape &amp; Northland. Disappointing.</td>
<td>-#212: hard bro. they quick to charge and slow to supply adequate services. #disappointing</td>
<td>-#217: bad tone in that tweet @company. It’s not my phone it works fine in Aus.</td>
</tr>
</tbody>
</table>
During announcement

During the announcement period, comments expressing disappointment as a sentiment could be divided into the same themes established in the pre-announcement period. In terms of volume, disappointment was a far more common sentiment (206 comments) compared with the pre-announcement stage. This is another category where themes remained consistent between pre and during announcement stages.

Similar to other categories, consumers commented on a company’s handling of social media and expressed disappointment that a company was not adept at effectively handling the crisis on social media: - “Company might wanna hire a better social media team...” or this comment “company needs to learn what social media is for. This is embarrassing!” As part of this theme, consumers also commented on company public relations execution: “I'll say. Talk about burying their heads in the sand. Useless and dangerous. #PR101” and this comment “company has and has had the worst PR of any company in New Zealand. The latest their commercial adds insult to injury, And the ad...
itself insults every New Zealander with its presumption that we can be seduced by flattery. You’ll forgive me if I put my finger down my throat. The time to walk the talk is long past”.

When the main theme was consumer disappointment with company claims or actions, consumers were also disappointed when the explanation from the company was not clear enough- “A simple answer will help us make a better decision on what we do for our babies” and “people need to know! It’s disappointing the company wouldn’t give a straight answer”.

When the main theme was charges issues, consumers commented that the charges implemented by the company either did not make sense to them, or they were disappointed that there was a charge. For example, a consumer who wanted to obtain a premium service commented: “aww stink! $10 extra for 4G” and another said, “I’m on your $65 a month plan. Why do I have to pay extra for this?”

Service/product issues also resulted in disappointment. Customers mentioned issues that they did not expect or were surprised by: “Amazed a single component failure in CHCH can take out half the @company network!” or “network proved not to be top gear” and “yea but how long do we have to wait for it in rural Canterbury??? It’s not even a full launch yet”.

Disappointment as a sentiment from consumers was stronger during the announcement stage and consumers used stronger words when describing the company claims or actions. This highlights the importance for companies to monitor their messages closely during the announcement stage. Consumers quickly pick up on inconsistencies. If a company conceals the facts or wants to keep information from consumers, there will be a large and negative impact on company credibility and reputation. While disappointment caused by issues in service or product could be resolved and improvements could be implemented, consumers’ perception that the company is dishonest or has tried to keep information from them would cause a deep and lasting damage, not only to the company’s relationship with the consumer but also with any consumer that reads these comments.
### Table 14: Disappointment Themes During Announcement

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>#752: CANT GET IT....sad...still on s3 plan...can't even upgrade via customer service</td>
<td>#34: mmm from 97% to 25% coverage. When you pay top dollar for a network u expect top service.</td>
<td>#59: heh. Too many episodes like the current one and we won’t have to worry too much about the cash cows...but yes, agree.</td>
</tr>
<tr>
<td>#487: Alright! First alert.info email alert. Didn’t think it would be for a company product recall.</td>
<td>#137: I am seriously considering writing a strongly worded letter to whoever I need to asking to be released from my 24 month contract. A contract works both ways and they are not providing me with the service I signed up for. I am not going to continue paying them.</td>
<td>#45: I was reading the story yesterday and was similarly confused by the description of the formula. MAKE IT SIMPLE.</td>
</tr>
<tr>
<td>#510: don’t know how I missed it but looks like a real mess and a disaster for company to have this product issue</td>
<td>#335: $40??? That’s nuts.</td>
<td>#363: ‘I’ll say. Talk about burying their heads in the sand. Useless and dangerous. #PR101</td>
</tr>
<tr>
<td>#1: Amazed a single component failure in CHCH can take out half the @company network!</td>
<td>#107: @company $10 extra is a bit of a rip off though?</td>
<td>#455: Company might wanna hire a better social media team...</td>
</tr>
<tr>
<td>--#39: their much hyped network is showing signs of major decay.</td>
<td>#168: You have to pay extra to use 4G on @company!! Yay you get to pay more to use your small data cap quicker #WTF</td>
<td>#456: or, you know, hire a social media team full stop.</td>
</tr>
<tr>
<td>#59: Problems with network: company is tonight again having trouble with its cellular network.</td>
<td>#189: a bit stink that you need to <em>pay</em> for that extra speed.</td>
<td>#464: worst public relations job ever. Hope customers punish them in the pocket</td>
</tr>
<tr>
<td>#106: Company’s beleaguered network has again gone offline.</td>
<td>#42: I actually live in 4g coverage area and I am paying 120 bucks a month. Why am I not getting 4g? 😞</td>
<td>#558: NZ companies totally unrelated to Company will be tarred with the same brush sadly</td>
</tr>
<tr>
<td>#159: oh Company- you were doing so well. It’s time for an update to the Company network map. From the communications I can glean that the latest map looks something like this- either no coverage or very spotty.</td>
<td>#309: yes, but if somebody is asking how to make it work. Then it’s unlikely they are paying &gt;$140 a month and getting it in their plan.</td>
<td>#12: sorry unfortunately it does not answer my question I appreciate your precautionary measures but is the recall on all products or only stage 1 and 2? A simple answer will help us make a better decision on what we do for our babies.</td>
</tr>
<tr>
<td>#152: there’s nothing like customer service. Just a shame that tell-lie-company have never attempted to master the art.</td>
<td>#312: hang on a second. You need to pay another $10 per month for LTE? Isn’t it cheaper to run than 3G? I need a deal!</td>
<td>#1: my position with the Company has always been &quot;when the horse goes, I go&quot;. Looks like it’s time to find a new bank.</td>
</tr>
<tr>
<td>#310: when will 4G be available to pre-pay customers? We matter, too.</td>
<td>#14: appears 4G LTE is a premium offering from @company- so available if you’re willing to pay enough</td>
<td>#115: a marketing expert says Company is risking a huge risk by dumping Brand2.</td>
</tr>
<tr>
<td>#11: why pretend we have real competition? But Brand 2 was better and it’s disappointing Company is axing it.</td>
<td>#37: Company/Brand1 to scrap Brand2 Nuts!</td>
<td></td>
</tr>
<tr>
<td>#161: the only messages I could get on my Company mobile phone were: emergency calls only and no networks detected. And after a few hours, nothing at all. My mobile wouldn’t work in cook islands.</td>
<td>#76: I know stink aye about Brand2. I liked that horse.</td>
<td></td>
</tr>
<tr>
<td>#121: its f**ked. There was an item in the news earlier this morning, cell and mobile broadband is rooted. But the ite’s disappeared, I guess company hadAWord.</td>
<td>#161: Company has and has had the worst PR of any company in New Zealand. The latest their commercial adds insult to injury, And the ad itself insults every New Zealander with its...</td>
<td></td>
</tr>
</tbody>
</table>
Post announcement

In the post announcement stage, disappointment was strongly apparent but the number of comments fell to 137 from 206 – a great drop compared to during announcement stage. The same trend was observed in other categories; however, the number of themes increased. Consumers who were disappointed with the service or product made suggestions to the company. For instance, “Better plans please @company, else 4G sucks” and “how about responding by making Company favourites applicable to any network then?” and this as well: “Now can you increase the cap on 3g vodem sticks!”. Consumers continued to comment on additional charges: “Faster phone internet isn’t worth $10 a month” and “look up the definition of “free”- it doesn’t mean what you think it means”. However, two new themes came through in the consumer comments: comments from consumers that had switched brands and consumers who commented that through their actions, the company had proved that they were bad at marketing. Consumers that had switched brands stated that they would never use the company’s product again and in some cases mentioned how long they had been with the company before switching. Consumers that made comments about company marketing efforts have mostly criticized the company for not having a clear marketing message or not explaining the benefits of the new product/service offering.
### Table 15: Disappointment Themes Post Announcement

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-why no data heavy-min/txt light plans for 4G? Seems odd to assume that the more data one wants. The more means you have to buy.</td>
<td>-so to match my current plan would cost $100/month vs. $40 I pay currently. 4G isn’t looking so good.</td>
<td>-#104: that Sucks, because I will never put my Baby back on Company formula.</td>
<td>-#8: gordy, im not sure Company knows too much about marketing. Their whole approach to TV product hasn’t paid off and their broadband marketing seems to be missing in action. One thing they’re good at is billing people. That’s for sure!</td>
</tr>
<tr>
<td>-Tho I must say, I’ve noticed no difference in speed between 3G and 4G which has been a bit disappointing.</td>
<td>-when will 4G be free to customers? Paying extra for it seems really stupid. Faster phone internet isn’t worth $10 a month.</td>
<td>-#247: awesome well after having to take our sick baby off it and change she will never go back after the massive fuss it took to get on a new one</td>
<td></td>
</tr>
<tr>
<td>-Exactly. I changed to a plan based on my 3G usage habits. Ah well. It’s just NZ telecommunications I guess.</td>
<td>-@company unfortunately you have to be on one of @company 4G plans to get that speed. So it comes at a cost.</td>
<td>-#121: I probably would not purchase the Company baby formula anymore. I do not blame Company 4 what happened Supplier1 is defo 2 blame.</td>
<td>-after considerable saturation by @company I still have NO idea what ***net is (and <em>still</em> have no UGB plans). Marketing gone rogue.</td>
</tr>
<tr>
<td>-Huge mistakes in cable coverage address checker in chch still happening. 7 days ago you said it needed to be corrected ASAP. -when will 4G be rolled out to the rest of the North Shore? I’m in Browns Bay &amp; don’t get 4G coverage.</td>
<td>-look up the definition of “free”- it doesn’t mean what you think it means</td>
<td>-#109: I will never put my son on Company brand!!!</td>
<td>-Company bad at marketing and real quick to charge for everything.</td>
</tr>
<tr>
<td>-My mobile data use for last 3 months. Jan 1531MB, Feb 1308MB, Mar (changed to 4G) 3067MB. Better plans please @company, else 4G sucks.</td>
<td>-so no 4G for my current plan the smart 1? Guess I won’t be upgrading then! It’s not worth additional $10</td>
<td>-#181: they should coz when this happened I was in Fiji with my last can of Company formula and had to use a different brand there since they only have Competitor1 brand and Competitor2 brand which caused my baby terrible constipation..! I Confused on what to give baby now but not this Company formula.</td>
<td></td>
</tr>
<tr>
<td>-why the massive hole in the CBD?</td>
<td>-given the geographical availability and the vastness of the multi national. It’s still difficult to understand y you charge extra. Isn’t 4G cheaper to run?</td>
<td>-I’m in the same predicament. Its bollocks and is the end of a 13 year relationship for me with this telco.</td>
<td></td>
</tr>
<tr>
<td>-@company Riccarton/Addington-no 4G + pic</td>
<td></td>
<td>-#109: I will never put my son on Company brand!!!</td>
<td></td>
</tr>
<tr>
<td>-#20: how about responding by making Company favourites applicable to any network then?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-awesome! Now can you increase the cap on 3g vodem sticks! Lol. No broadband at my house sucks!</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-@company thanks for the 4G trial, but can you boost my data to...</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
accommodate all these speed tests?

-@company pretty shocked you’re so far behind the 8 ball with 4G or LTE, especially in Auckland, really makes an iPhone5 redundant.
Discussion

Disappointment is considered one of the contributing factors towards dissatisfaction with a product. Along with regret, disappointment creates consumer dissatisfaction and results in one of these behaviours: switching brands, inertia, complaining and negative word of mouth (Zeelenberg & Pieters, 2004). Through social media, consumers are able to simultaneously display two behaviours: WOM and complaining. This research also found that disappointed consumers use social media to notify others that they have switched brands and in some cases advocate for others to do the same.

Disappointment takes root in consumer experiencing negative disconfirmation, when product/service delivered falls below consumer expectations. According to prior research, disappointment is triggered when other parties are responsible for the dissatisfying experience. It has a strong impact on consumer’s desire to complain and discuss their negative experience with other consumers (Zeelenberg & Pieters, 2004; Zeelenberg et al., 1998). Existing studies have found that there is a correlation between disappointment and consumers switching brands, however, not as strong as when consumer experiences strongly negative emotions such as anger or aggression.

Past research has also found that consumers that express disappointment are less likely to try and cause harm to the company. Unlike anger, disappointment does not influence consumers’ desire to spread incorrect negative information about the brand or involve media (Berkowitz & Harmon-Jones, 2004; Zeelenberg & Pieters, 2004). This research found that consumers expressing disappointment were constructive in their comments explaining the exact reason for their dissatisfaction. Therefore, such consumers could be used by a company to improve their product/service offering.

A question for further research is why some consumers do nothing following a disappointment while others switch? There are a couple of suggestions that could explain this and provide some guidelines for future studies. First of all, it is suggested that consumers rate product/service attributes as first importance and secondary. If disappointment concerns secondary importance
attributes, the consumer will still experience negative emotion and will act on it. However, action will be limited to inertia, word of mouth or complaining. If disappointment occurs in regards to primary attributes, the consumer will consider switching brands. Another suggestion is that one disappointment will not cause a consumer to switch brands straight away even if it concerns a primary importance attribute. It is likely that consumers switch once they have reached a certain level of disappointment saturation. This saturation level will differ for each consumer. Additional research could form a hypothesis based on the suggestions above and identify if these suggestions hold true empirically.

4.3.4.2 Excitement

Pre announcement

In the pre announcement stage excitement was virtually non-existent with only 6 comments qualifying for this category and consumers mentioning that “they are really excited about the Company network” and mentioning that they “can’t wait to switch to Company unlimited plan which almost seems too good to be true”.

During announcement

In the during announcement stage, the number of excited comments from consumers increased to 98 comments, all of which were for a company that made a new service announcement. Consumers were excited about the new offering, wanted to know when it will be available in all parts of the country and asked technical questions. The excitement for these consumers was pre-consumption. Tracking these consumer comments demonstrated that post-consumption they also demonstrated a high level of excitement. For example, a pre-consumption comment was: “when can I start using it?! Can’t wait to get it in Wellington!” and post-consumption, “ooo it’s even better than I expected! These speeds are amazing!!!” Pre-consumption, “oh please please please. What do I have to do?” and post-consumption, “the wait was totally worth it! Freaking amazing”. Other consumers that have already made use of the new service posted comments about the new internet speed they were receiving and generally providing excited comments about the service
performance. For example, “@company the only network in NZ supporting 4G on the iphone5!” or “OMG OMGOMGOMGOMG HOW/WHEN/WHERE/WHEN! NOW!!! PLEASE! HOW!!!” and this “wish I had a @company 4G device so I can try out their new network! Sounds awesome”. Consumer comments in this category were overwhelmingly positive: “swwweeeeeeet!” and “awesome! It’s in my area!!! I was just wondering if we were meant to get a text about it but coolies. C’mon youtube! Lol” as well as this comment “4G speedtest on my wife’s phone was 88meg down and 44 up. Sweet baby Jesus it was amazing @company”.

Post announcement

In the post announcement period, the volume of excited comments was still high - 65 comments. Consumers continued expressing their excitement about the company’s new service offering but there were also comments from consumers supporting companies with a negative announcement; however, they were few (3) and they were from consumers who were hopeful that the bad times of their favourite brand were behind them. For example, “look whats come through the office, coming soon to the Company network, looking forward to it!” or this, “by the way, my little boy’s skin is 100% better after only a few days back on Company brand 😊 I could not be happier!” and this comment “We briefly swapped to Competitor1 formula. The other stuff was making bubbs’ skin a bit weird. He likes the Company stuff better anyway! Happy bubbs, happy daycare after finally getting bubbs to take formula at all and then to have it recalled! Glad we are back on track!”

Discussion

Excitement is considered a strong positive consumption emotion, on a higher end of the emotional scale. From a theoretical point of view strong positive consumption emotions co-exist with and are parallel to the satisfaction continuum. The stronger the satisfaction from consumption, the stronger the affective response the consumer experiences from the brand (Westbrook & Oliver, 1991). Researchers normally concentrate on emotions evoked during the consumption process. This research has demonstrated that strong positive emotions also occur in the pre-consumption stage. Based on the link established between satisfaction and emotions in the academic research, it is suggested that strong positive pre-consumption emotions act in two ways: 1. They act as a
predictor of purchase intention and 2. Consumers have a higher base satisfaction level post-consumption. This research found evidence of this occurring in the telecommunication industry, but further research is needed to establish the extent to which this holds true for non-telecommunication products. Another possible explanation could be a consumer’s previous experience with the brand in a non-consumption space that helped the consumer form a positive attitude towards the brand, which led to pre-consumption excitement.

4.3.4.3 Defending the company

Pre announcement

In this study, there are cases where a consumer’s negative sentiment received the attention of another consumer who defended the company by either expressing his/her own opinion, which was a positive, or alternatively presenting a fact-based argument proving that the original commenter was being unreasonable. In this case, some consumers engaged in the discussion directly. Others merely just posted a response expressing a positive sentiment but did not engage the original commenter directly. In both situations, this was very powerful because even when the original comment was a negative sentiment, a follow up positive sentiment from a different consumer neutralized the original negative comment. In the pre-announcement period, there were only five comments whereby consumers defended the company.

During announcement

One example demonstrated how a negative consumer sentiment received a response from another consumer defending the company. The original commenter said, “a bit stink that you need to pay for that extra speed”. The second consumer responded, “Why wouldn’t you need to pay? I’m guessing the upgrades were costly”. This second response essentially defended the company and its decision to charge extra for a premium service. It also provided a more rational view of the company’s decision to have an extra fee which made sense. These comments were especially important in the announcement and post announcement stage because they provided a balance to a high volume of negative comments.
During the announcement stage, the number of comments increased to 152. Consumers were mostly responding with rational, fact-based comments to defend a company’s position. For example, when consumers were unhappy about the Company discontinuing the brand they were using, other consumers made the following points: “it was eventually going to happen don’t you think?! They could not renew their rights to continue using the horse, it was too expensive” or “company to scrap Brand2. No more creepy horse hanging out at weddings and on family holidays then. But nothing actually changes, not sure what the problem is for some people”. Other consumers showed sympathy to the company supporting them through the situation: “I still support you and will continue to buy your products. It’s an unfortunate situation and scary for some, but the way I see it, it’s Supplier’s fault and you too are an innocent consumer of theirs. It’s just unfortunate that your brand has been tarnished by them”. This consumer also declared that he/she would continue placing the trust in the even though other consumers might not: “I think we need to remember we have trusted Company brand for some parents, a number of years and, “They”, trusted Supplier1. Does that mean we ‘crucify them’ I won’t be switching brands as I feel Company did everything possible (and then some) given the circumstances and most parents can see this. And to me that speaks volumes for a company and brand. Unfortunately, I can’t say the same for Supplier1”.

Consumers also made comments where they made fun of the public reaction to the announcement essentially dismissing people’s concerns by saying they were exaggerated. For example, “my daughter ate company formula a few months ago and now she won’t brush her teeth at night #endoftimes” or “haha. #jealousy gets you nowhere. Better settle down or switch providers?” and “uh, did that last paragraph imply that botulism is infectious?” and this gets picked up by overseas media in 3,2,1”.

Another theme in the consumer comments that defended the company was to ask people to base their comments on hard facts rather than believing everything they heard: “so would you want facts about any danger, or would you abuse the company and throw in some wild claims?” and “can understand their concern but why go to the news before you’ve got results back, this just scaremongering” and also “so scary that some parents are commenting on the company site
claiming to have found out the product has ‘killed some babies’ and people are only going to be more fearful if people make ridiculous claims about ‘killing babies’.

**Post announcement**

In the post announcement period there were 68 comments defending the company, which were an after effect of the announcement and driven by the fact that consumers were still discussing the announcement. However, the tone of the messages in the post announcement stage was more supportive, and there was more praise for the company. For example, some consumers used uppercase in their comments defending the company.

Table 16: Defending the Company Themes Post Announcement

<table>
<thead>
<tr>
<th>1. Continued loyalty expressed</th>
<th>2. Praise for taking ownership of the problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITS NOT COMPANY FAULT PEOPLE. IT IS SUPPLIER1 FAULT. COMPANY IS GOOD AND I’VE BEEN USING THAT SINCE MY BABY WAS BORN! SHE IS A YEAR OLD AND LOVES COMPANY BRAND. EVEN THOUGH I TOOK HER OFF IT WHEN THE NEWS CAME ON FOR THE RECALL. I GET WHERE SOME PARENTS ARE COMING FROM NOT WANTING TO USE IT BUT YOU ALL GOT TO REALIZE THAT IT WAS NOT COMPANY’S FAULT. IT WAS SUPPLIER’S. THEY SHOULD BE THE ONE GETTING THE BLAME. THEY HAVE RUINED COMPANY REPUTATION. SO YES COMPANY I WILL BE USING THEIR FORMULA. YOU ARE AMAZINGLY AWESOME. KEEP UP THE GOOD JOB. SUPPLIER1 YOU SUCK. ☹️ XXX</td>
<td></td>
</tr>
<tr>
<td>first off it was only a precaution and second it wasn’t Company fault. You are parents so start acting like it instead of spoilt teenagers! 100% behind Company!!! If my child was on newborn I would have switched to Brand and if he was on gollow on Brand2 I would have switched to standard follow on. It’s really that simple!</td>
<td></td>
</tr>
<tr>
<td>I never wavered from Company, my daughter has had a great deal of digestive issues and Company formula has been the only formula which she has been able to tolerate so be assured Company there are many like myself that never wavered and have continued to use your fabulous product.</td>
<td></td>
</tr>
<tr>
<td>NZ is listed as one of the least corrupt nations so I would trust NZ made over any other-made infant/child formula. It could have been swept under the carpet or damage control of the ambulance at the bottom of the cliff otherwise...</td>
<td></td>
</tr>
<tr>
<td>awesome! I mix-feed and prefer Company. Less wind for baby for some reason. I’m sorry that people are blaming you, when you acted promptly and responsibly with the information you were given. It’s a shame your business has been so affected by something that was entirely not your fault.</td>
<td></td>
</tr>
<tr>
<td>Good for you, Company, for putting all the babies’ safety first. The way Company have handled the scare has made me trust them as a brand even more. I currently breastfeed but would trust Company as a brand if my son needs it in the future. Yes, people are angry but thank goodness that Supplier1 and Company took no chances with this despite the huge impact it will have on you guys.</td>
<td></td>
</tr>
<tr>
<td>for goodness sake people need to pull their heads in and actually think about this and get the facts before posting tripe on here! My daughter is on Brand and we trust the brand! Scares happen when it comes to food products and they’ve done their best in the</td>
<td></td>
</tr>
<tr>
<td>Great! Glad to know! As a mum of twins, using Company, and Supplier1, I’m more than happy with how you’ve handled all of this!</td>
<td></td>
</tr>
</tbody>
</table>
circumstances! Grow up some of you, seriously.

<table>
<thead>
<tr>
<th>Tbh I knew it wasn’t unsafe I mean cmon, top brand, highly recommend &amp; all. Someone was bound to have made it look like mud 😠 just because it was selling well! Awesome to hear the updates ⭐️ my son loved Company formula it was the best for him he’s off it now nearly 3yrs old but it provided him with so many good sources 🍽️&amp; brain &amp; body development.</th>
<th>I feel like hitting my head against a brick wall here because it’s so pathetic how people are treating this.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’ll keep buying Company. It’s not their fault they got a false result saying it contained something it didn’t.</td>
<td>Isn’t it just ridiculous! Some parents are so irrational. Go Company!</td>
</tr>
<tr>
<td>still a brand id stay with</td>
<td>if I was a parent this precautionary recall would make me trust this brand more! Good on you Company.</td>
</tr>
<tr>
<td>always had faith on @Company network.</td>
<td>awesome stuff Company the migraine I had when this happened sucked but I’m glad you took the right steps to ensure our childrens safety. Time to put my boy back on it. You have my full support!</td>
</tr>
<tr>
<td>hi there ive read people comments above and just wanted to confirm that all Company formulaz are ok to give to babies now? I’ve used Company before with my first two children and would like to carry on using your formula with my third child as well. My kids are well and healthy and hope others negative opinions.</td>
<td>that’s what precautions and testing is for. Redundant if testing is completed with no public transparency. Great stuff, Company. Better a precaution than after the fact 😊</td>
</tr>
<tr>
<td>hi, I love Company and can’t wait for the normal follow on formula to be back on the shelf, I have been mixing the stuff I had in the cupboard with another brand to make it last but can’t wait to be back on solely Company brand again my bubs loves it!</td>
<td>Supplier1 have very strict safety standards which is why this was picked up...had it been a formula made overseas it would not have been recalled, let alone us being told about it until someone came forward as sick, if ever really. Company were awesome in recalling just in case and as much as like all mothers, I was very worried, it is great to know that the systems do work and it was picked up and everyone’s responsible came to the party and owned up.</td>
</tr>
<tr>
<td>more than happy to help and support Company to keep going. You’re doing a wonderful job and at least trying to explain things to those who don’t wanna use Company formula. Keep up the good job.</td>
<td>I take my hat off to you for taking the precautions. As a company you knew full well what it would cost financially and reputationally yet you still put the health and safety of our kids first. Some of the panic button pushers on this page need to realise this. Their continued negativity only shows their ignorance (as does some of the typing and grammar lol).</td>
</tr>
<tr>
<td>until proven otherwise, Company always had my support. Your products assisted myself and friends when we needed it for our children. Thank you 😊</td>
<td>I used to feed my kids Company brand and now they are healthy thriving teens, tweens and children. If people choose to be extra precautions about the food they give their babies so be it. I don’t think there any need to condemn them for it. But we as kiwis should support our NZ businesses as soon as we find out all is well. We hope the hysteria stirred up mostly by the media is over so NZ dairy industry and Supplier1 can move on.</td>
</tr>
<tr>
<td>that’s a relief- overdue with no 2 and was panicking about what to use as Company brand was great with a refluxing first baby! Won’t hesitate to use again!</td>
<td>Poor Company!!! I love Company cause it doesn’t make my girl sick or anything so if my baby happy then im a happy mama!! Go Company. You are doing a great job 😊</td>
</tr>
<tr>
<td>always have used and will prob always use Company and I use Supplier1 products too. People jump to conclusions far too fast WITHOUT knowing the facts and I HATE it. Does my head in. Anyways- Welcome back Company 😊</td>
<td></td>
</tr>
</tbody>
</table>
Discussion

One of the focus areas for researchers within social media has been to study online brand communities and identify what makes them strong and how the company can create one. The general conclusion has been that a company must ensure it communicates with consumers regularly, provides content and offers privileges to consumers who are active in the online brand community (Danaher, Wilson, & Davis, 2003). The idea behind an online brand community is to create a strong brand following that will become brand advocates. In this study, the majority of the comments from consumers who defended the brand were from what appeared to be brand advocates. Many consumers mentioned the number of years they had used the product/service and quite aggressively defended the brand from “irrational, pathetic and ridiculous” people that expressed negative sentiments towards the brand.

Previous research has demonstrated that strong offline brands also have a stronger online brand (Danaher et al., 2003). This study found confirmation of that, but also that strong brands have the potential to become weaker online if marketers have a poor social media strategy. The majority of comments by consumers who defended the company came from company users who received ongoing advice from the company and education not only on the product, but also on related topics. The company was a manufacturer of baby food and online content posted by the company’s marketing team consisted of medical advice regarding children’s health, development, entertainment and other topics that would be interesting for new parents. This illustrates how a company that invests time into communicating with consumers via social media will bring benefits to the business during a crisis situation.

The table that follows (Table 3) provides a summary of the findings and themes derived in each of the categories.
Table 17: Sentiment Themes by Category

<table>
<thead>
<tr>
<th>Themes in each category by period</th>
<th>Pre announcement</th>
<th>During announcement</th>
<th>Post announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humour/sarcasm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Aimed to mock the company or situation</td>
<td>1. Aimed to mock the company or situation</td>
<td>1. Aimed to mock the company or situation</td>
<td></td>
</tr>
<tr>
<td>2. Aimed to belittle company achievements</td>
<td>2. Aimed to belittle company achievements</td>
<td>2. Aimed to belittle company achievements</td>
<td></td>
</tr>
<tr>
<td>3. Aimed to highlight the issue</td>
<td>3. Aimed to highlight the issue</td>
<td>3. Aimed to highlight the issue</td>
<td></td>
</tr>
<tr>
<td>Quality Failure</td>
<td>1. Quality Failure</td>
<td>1. Quality Failure</td>
<td>1. Quality Failure</td>
</tr>
<tr>
<td>Comparing to competitors- negative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Consumers threatening to switch to a competitor</td>
<td>1. Consumers threatening to switch to a competitor</td>
<td>1. Consumers threatening to switch to a competitor</td>
<td></td>
</tr>
<tr>
<td>2. Consumers that had already switched and were advocating others to switch</td>
<td>2. Consumers that had already switched and were advocating others to switch</td>
<td>2. Consumers that had already switched and were advocating others to switch</td>
<td></td>
</tr>
<tr>
<td>3. Consumers that never used the company and were advocating for a competitor</td>
<td>3. Consumers that never used the company and were advocating for a competitor</td>
<td>3. Consumers that never used the company and were advocating for a competitor</td>
<td></td>
</tr>
<tr>
<td>Comparing to competitors- positive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Consumers praising company for their social media strategy compared to competitors</td>
<td>1. Consumers praising company for their social media strategy compared to competitors</td>
<td>1. Consumers threatening to switch (from competitor to the company);</td>
<td></td>
</tr>
<tr>
<td>2. Consumers praising company for their superior product/service compared to competitors</td>
<td>2. Consumers praising company for their superior product/service compared to competitors</td>
<td>2. Consumers that had already switched and were advocating for others to do the same;</td>
<td></td>
</tr>
<tr>
<td>3. Consumers that never used competitors and were advocating for other consumers to switch to the company.</td>
<td>3. Consumers that never used competitors and were advocating for other consumers to switch to the company.</td>
<td>3. Consumers that never used competitors and were advocating for other consumers to switch to the company.</td>
<td></td>
</tr>
<tr>
<td>Negative feedback/anger</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Product/service dissatisfaction</td>
<td>1. Product/service dissatisfaction</td>
<td>1. Product/service dissatisfaction</td>
<td></td>
</tr>
<tr>
<td>2. Disagreement with company actions/claims</td>
<td>2. Disagreement with company actions/claims</td>
<td>2. Disagreement with company actions/claims</td>
<td></td>
</tr>
<tr>
<td>3. Disapproval of company in general, their reputation &amp; impact on wider community</td>
<td>3. Disapproval of company in general, their reputation &amp; impact on wider community</td>
<td>3. Disapproval of company in general, their reputation &amp; impact on wider community</td>
<td></td>
</tr>
<tr>
<td>Excitement</td>
<td>1. Excitement about the product/service</td>
<td>1. Excitement about the product/service</td>
<td>1. Excitement about the product/service</td>
</tr>
<tr>
<td>Positive Feedback</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Compliments regarding product/service</td>
<td>1. Compliments regarding product/service</td>
<td>1. Compliments regarding product/service</td>
<td></td>
</tr>
<tr>
<td>2. Compliments regarding customer service</td>
<td>2. Compliments regarding customer service</td>
<td>2. Compliments regarding customer service</td>
<td></td>
</tr>
<tr>
<td>Disappointment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Charges issues</td>
<td>2. Charges issues</td>
<td>2. Charges issues</td>
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<tr>
<td></td>
<td></td>
<td>4. Company marketing</td>
<td></td>
</tr>
</tbody>
</table>

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4.4 Research Question Three

Research Question Three: What possible consumer types emerge based on these combinations of sentiments and interactions within the online social group?

4.4.1 Different categories of consumers

While analysing consumer sentiments towards a company in different announcement stages, this research identified four groupings of consumers yielding a typology with two dimensions: relationship with the company and overall attitude towards it: 1. Consumers that like the company and use its products/services (Defenders). 2. Consumers that do not like the company but still use its products/services (Retractors); 3. Consumers that do not like the company and do not use its products/services (Attackers); 4. Consumers that like the company but do not use its products/services (Interactors). Dimensions for the typology have been identified from consumer comments. Researcher looked for the dimensions that were available in the vast majority of consumer comments. In many situations those are the only 2 factual pieces that consumer provides in their comment. In some cases it is possible to obtain further information, such as future purchasing intention, but researcher would be inferring that from the comment rather than having solid basis for the conclusion. The labels have been chosen by the researcher based on their overall fit with consumers’ behaviour towards the brand on social media.

The usefulness of this typology is in demonstrating the link between a consumer’s purchasing relationship with the company, and his/her attitudes and behaviour on social media. It also demonstrates that consumer attitude towards the company and purchasing relationship have an impact on consumer behavior on social media. From the practitioners point of view it provides more clarity as to how different consumers should be handled on social media. In addition to this, typology provides insight into consumer interactions with other consumers as well as the company.
Each consumer type and their comments on social media provide an opportunity for the company to utilize the best social media strategy suitable for a specific comment in the pre, during and post announcement period. The application of the typology is in providing practitioners with a guide to handling comments made by each of the consumer types.

Figure 10: Customer typology matrix
While it might not always be possible to precisely identify the type of consumer from the comment made, this typology provides an insight for the company and will have important implications for social media strategies, especially during an announcement period. Keeping in mind the type of consumer who is commenting, it is valuable to analyze the content of the comment itself.

Broadly speaking consumers that use a brand and do not like it (retractors) are the ones that threaten to switch. Their comments present an opportunity for the company to take steps towards transforming the customer experience in order to prevent consumers from switching. Those consumers that display positive sentiment in their comments, that is, like the brand but do not currently use it (interactors), also present an opportunity for the company to generate new business.

Attackers are consumers that do not use the brand and do not like it. The only solution with these consumers is to apologize and/or explain the point of view of the company if appropriate. It is possible that the company might not be able to take active steps to handle these consumers. This is where defenders of the brand will come through and engage these consumers directly. It is also likely that other consumers will see that the attack is unfair and will express their opinions to the attacker. Prior research has suggested that consumers that engage in black PR or being unreasonable will be handled by brand advocates. The best strategy for the company is to apologize and provide a fact-based response if a consumer is misrepresenting facts (Hennig-Thurau, Gwinner, Walsh, & Gremier, 2004; Kietzmann, Hermkens, McCarthy, & Silvestre, 2011).

In terms of interactions with other consumers, typology also provides an insight into what types of consumers are likely to support each other’s comments. As indicated by the matrix, attackers and retractors are on the same side while defenders and interactors are on the other. In social media discussions, attackers and retractors will engage in discussions about the company and the other group (defenders with interactors) as well. It has also been observed that defenders and retractors are likely to interrupt negative discussions by attackers/retractors about the brand using cognitive reasons rather than affective.

The typology developed in this research concentrated only on those consumers that actively engaged with the company and other consumers. These are the consumers that need to be
managed during the announcement period. However each consumer requires a specific approach depending on their relationship with the company and attitude towards it. Discussion above provided an overview of each customer type and recommended strategies for practitioners. The advantage of this typology is in being able to quickly identify which consumer the practitioner is dealing with. The only difficulty is in identifying whether consumer is using the brand or not, however that could be easily clarified by asking consumer a follow up question. Another advantage is in being able to build corporate strategies around these consumer types and prepare specific instructions for staff that handle corporate social media account to ensure a unified approach.

A review of industry publications reveals a strong focus on turning a negative commenter into a brand advocate, which is consistent with existing academic research classifications. However, there are also disparate categories that aim to systemize consumer behaviour online and on social media. These categories, developed through observation, describe different behaviours consumers display when social media content is presented to them- they will read, comment, share, tag friends and so on. New consumer types identified through this research allow for a more in-depth view of consumer sentiments online and consumers’ motivations.

4.5 Research Question Four

Research Question Four: How do consumer sentiments change in respond to the type of announcement (i.e. positive versus negative) and strategy employed by the company at post announcement stage?
During the analysis it was identified that there are differences in consumer sentiments depending on the type of company announcement and the social media strategy employed. Company with a positive announcement saw an increase in negative sentiment comments, especially disappointment comments, in the post announcement stage. It was also identified that companies with a negative announcement saw an increase in positive sentiment comments post announcement. Discussion of announcement types and impact of company responses on consumer sentiments will follow.

4.5.1 Differences between a positive and negative announcement

In the analysis, five companies were included for comparison purposes. Four companies represented a negative announcement (service failure, product recall, quality failure, brand amalgamation) and one company presented a positive announcement (new service launch). This fact was examined to establish if there were differences between the different announcement types, however, the findings were counter intuitive.

All companies, regardless of the announcement type, experienced an increase in negative comments. The only difference was in disappointment, positive feedback and negative comparison to competitor categories. The company with a positive announcement experienced an increase in consumer comments categorized as disappointment during the announcement stage. For those companies with a negative announcement, the number of disappointed sentiment comments dropped off post announcement. This was the opposite in the case of company with a positive announcement, where there was an increase in the number of comments classified as disappointment as well as intensification of the comment strength. This is most likely associated with the fact that consumers were given a chance to try the new service and were then either disappointed because it did not live up to expectations or they felt the additional charge was not worth it.

The company with a positive announcement also saw an increase in the number of positive feedback comments in the post announcement stage, which mirrors the previous point. There was a
group of consumers that tried the new service and were very pleased with it hence an increase in positive feedback post announcement.

Unlike companies with a negative announcement, in the positive announcement situation consumers did not compare the company negatively to its competitors. This was mostly because the company was the first to market with the new service offering, previously unavailable in New Zealand and even if consumers wanted to praise a competitor they probably felt it would not have been taken seriously, with counter arguments easy to come by in the during announcement stage.

At the same time for companies with a negative announcement, negative comparisons to competitors almost disappeared in the post announcement stage, but increased in number and with more intense comments for the company with a positive announcement. Again this is associated with those consumers that had a chance to form an opinion about the new service offering and decided that it did not make the company more desirable compared to its competitors. However, it may also have been associated with competitor brand advocates having enough time to gather information about the new service and using those arguments in their comparisons. Also black PR should not be discounted in this case and it is possible that comments were from individuals hired by the competition to discredit company’s new service offering that could not be offered by the competition for quite some time.

4.5.2 Company responses

Out of the five companies included in this research only one engaged with consumers by responding to every single comment and was the main contributor to the 942 comments classified as company responses. Another company created content for their consumers on Facebook and engaged with consumers if they saw a complaint, or a certain discussion was attracting a lot of attention. However, they began responding to all consumer comments only during the announcement period and only on Facebook and not Twitter or blog posts. Overall, these two companies employed an active social media strategy. The other three companies used social media for media releases or standardized comments on the company social media page, either directing consumers to the website or posting a short apology. These standard posts from companies.
generated a lot of negative feedback from consumers and were responsible for many of the comments consumers made about the company’s poor handling of social media. It is clear that these companies employed a passive social media strategy.

As mentioned above, all companies, regardless of the type of announcement, experienced an increase in consumer comments, especially in the number of negative sentiment comments. For the study, two pairs of companies were chosen that represented different company behaviour on social media (two telecommunication companies and two dairy manufacturers). Another company was chosen from the banking sector to see if conclusions obtained from the telecommunication companies and manufacturing companies were consistent with this completely different industry.

This research identified that company responses to consumer negative sentiment comments reduced the number of negative consumer-to-consumer conversations involving the brand. The largest impact was noticed in the sarcastic humour category. For example, one consumer said, “flatmate tried to find out more about 4g on @company website but site was too slow. Ironic? #awkward”. The response from the company was to ask the consumer which part of Auckland they were located in and confirm that they would check whether there were any issues reported, promising to log this as a slowness issue with the tech team. In another example, a consumer sarcastically pointed out an error to the company: “ehh Company. Your confirmation email say – we be contacting you. Do you handle our upgrades as well as your grammar?!”. To this, the company responded: “haha thanks for attracting our attention to it. It’s a template issue on the website. We be fixing it 😊”. Another consumer discussed the fact that the company representative gave him a call to offer a plan which was worse than the one he was currently on with the company. This attracted another sarcastic comment from the second consumer, “he loves when they do that”. To these comments the company responded: “We do want to remind you what a great plan you are on. But on a serious note we apologize we bothered you unnecessarily”. To that the consumer responded that it didn’t bother him, and that he thought it was funny.

These examples demonstrate how company involvement stops sarcastic sentiment comments from attracting more than a couple of further comments, thereby limiting the damaging impact. This is in
stark contrast with examples of sarcastic conversations running freely that were discussed earlier and their damaging impact on brand image.

It was also been observed that a company’s social media presence had an impact on the number of positive sentiment comments posted during the announcement period. Companies that had an active social media strategy saw an increase in positive comments while companies who were passive observed a reductive in positive comments.

For one company that employed a passive social media strategy, the announcement period resulted in a large volume of negative comments being posted. The company utilized social media to post media releases which attracted a lot of criticism regarding their social media and PR crisis handling. However, post-announcement there was a sharp increase in positive sentiment comments for this company, which needed further investigation. After reviewing consumer comments, the reason seemed to be the large credits the company offered their customers and opportunity to use their mobile phone minutes/sms/data for free for a period of time. This was introduced in an attempt to stop consumers from switching to a competitor and for consumers that had not already switched this worked and persuaded consumers to give the company another chance.

Even though it has been identified that having an active social media strategy helps the company to turn negative sentiments into positive and reduces the impact of a negative announcement, it is not clear whether being active on social media actually presented any financial benefits to the company.

4.6 Financial Implication Analysis

It is important for this research to provide concrete conclusions for practitioners on whether active participation on social media during an announcement period would have positive financial implications for the business. For this purpose this study analysed financial metrics across five companies to measure the impact of different social media strategies on revenue and share prices.
4.6.1 Financial Impact of Social Media Strategy

For the first dairy manufacturer company that used social media to post media releases only, prior to the announcement shares were trading at $7.60 per share. Over the announcement period price per share decreased to $6.70. This represented a drop of 12%. Now the company’s shares trade at $6 per share. According to the company website, revenue for the accounting period where announcement is attributed to, fell 18% compared to the previous year and earnings per share fell 77%. In the company’s annual report the explanation for the drops in revenue and earnings per share were attributed to challenges the company faced in the announcement period (Yahoo Finance, 2014). The graph below demonstrates the share price movement prior to the announcement and during the announcement period.

![Graph of share price movements](https://nz.finance.yahoo.com/echarts?s=FCG010.NZ#symbol=FCG010.NZ;range=1d)

Graph 1: First dairy manufacturer share price movements

The second dairy manufacturing company that was impacted by the same announcement was picked for this research as well. This company employed a different social media strategy actively creating content for consumers and building an online community. During the announcement period, this company employed a social media strategy where they responded to every single comment from consumers. Company share prices fell from $64 per share prior to the announcement to $58 per share during the announcement period. This represented a drop of 8%. The company’s revenue fell 10% on previous year and earnings per share fell 3%. Annual reports
also quoted the announcement affair as the main reason for reduced earnings compared to the forecast (Yahoo Finance, 2014).

When comparing day-to-day share price changes as a percentage of the starting share price, the drop was higher for the company that did not engage its consumers directly 12% drop vs. 9% drop in share price for the company that worked with its consumers to overcome the crisis situation. Revenue figures, as well as earnings per share drops, are significantly different for the two companies. For the business that adopted a passive social media strategy revenue fell 18% vs. 8% reduction for the company that opted for active social media presence during a crisis situation. Further confirmation came from earnings per share reported by two businesses -77% vs. -3% drops. Analysis of the financial figures supports the conclusions made from consumer sentiments. 42% of consumer comments expressed a negative sentiment towards the company that adopted a passive social media strategy during the announcement. The other dairy manufacturing company that adopted an active social media strategy had 26% of all consumer comments expressing a negative sentiment and majority of comments (30%) expressing a positive sentiment (Yahoo Finance, 2014).

Two telecommunications companies chosen for this research also displayed polar social media strategies. Both companies started with a positive announcement regarding a new product launch;
however, for the first company the new product offering was plagued with technical difficulties early on. Discussion of each of the telecommunications’ companies share price movements is presented below.

To measure the social media strategy effectiveness of the first telecommunication company, the following is the examination of the share prices in the three weeks period from the launch of the product until the announcement regarding technical failure. The share price for the company with a passive social media strategy increased from $2.50 to $2.70 per share representing an increase of 8%. After the announcement the share price dropped to $1.90 (-24%).

![Graph 3: First telecommunications provider share price movements](https://nz.finance.yahoo.com/echarts)

The second telecommunications company employed the most active social media strategy out of all companies selected, responding to every comment from consumers on Twitter pre, during and post announcement period. It was part of the business as usual operations for the company, regardless of new product offerings or technical issues. This company's share price increased from $165 to $190 per share following the announcement, which represents a 15% increase (Yahoo Finance, 2014).
Graph 4: Second telecommunications provider share price movements

Once the first telecommunication company started experiencing issues, and share prices dropped, the financial indicators could not be compared anymore. The share price changes at the beginning were comparable for the two companies; however, it was clear that the company that actively engaged its client base on social media managed to grow its shares by 15% vs. 8% for the company that employed a passive social media strategy. Both companies launched a new product that was the first offering of its kind in New Zealand and therefore the situations were very similar. Again, it can be concluded that employing an active social media strategy results in financial gains for the company.

The final company was part of the banking sector and also made an announcement on social media. This company employed a passive social media strategy and used it only for their media releases and to promote the charities they support. During the announcement period, the company's share price slipped from $25.50 to $23.50 representing a 7.8% drop. The announcement made by this business concerned the discontinuance of one of its brands with no impact on the clients, and it received comments from consumers that we analyzed earlier. The reduction in share price would suggest that changes were not communicated well to the client base. Having a more active social media strategy would have assisted in de-mystifying the changes and calming down consumers and the market (Yahoo Finance, 2014).
Graph 5: Banking sector company share movements

The above findings suggest that differences in social media strategy, especially around announcement time, have implications for a company’s financial performance. While these findings are only applicable to the companies and industries researched, this could be a starting point for further research on social media strategy impact on financial indicators, in particular share prices during an announcement period. Considering that this research was in part an event study, which is a very common type of research in the finance field, the impact of the event, such as an announcement on share prices has been utilised to a high degree in past research. It would not be correct to assume that social media strategy is the sole drive behind changes in share price. However relative differences in increases or decreases in share prices as a percentage of the starting share price provide interesting insight. Arguably, when two companies are compared with the exact same announcement, the changes in percentage their share prices dropped should be very similar. However we have observed differences. One of the reasons behind that could be polar social media strategies.

The first example of the two manufacturing companies affected by the same crisis presents an interesting picture. The second company that employed an active social media strategy was able to mediate the negative situation better than the first manufacturer. While there would have been other factors at play here, these findings allow us to start considering financial implications for active participation on social media.

An active social media strategy allowed a company to enhance the impact of a positive announcement, such as a new product launch. Companies that engaged with consumers online
were able to achieve higher share price gains compared to those companies that remained passive. For companies that want to maximize the effect of a positive announcement on their stock are advised to adopt an active social media strategy actively engaging consumers online.

However, during the negative announcement period, the importance of actively managing consumer sentiments grows in importance. As discussed earlier, companies that talked to their consumers on social media and addressed their concerns were able to reduce the impact of the announcement on both share prices and revenue. This provides concrete basis for companies to adopt an active strategy.

General statements encouraging companies to incorporate social media into their marketing mix and manage different consumer types do not provide sufficient basis for practitioners to justify the cost and resources to their executives. Difficulties in proving return on investment contributes towards a slow uptake of social media by the corporates, especially in New Zealand. The ability to provide proof that a social media strategy has an impact on financial indicators will help justify the investment required. It makes for a more persuasive conversation with executives when asking for budget allocation towards social media management.
4.7 Additional consumer sentiment findings

This research has uncovered additional findings that were not part of the research questions. However, these additional findings provided further insight, have important implications and also highlight areas for future studies.

4.7.1 Consumer sentiment change after a response from another consumer or company

When consumers post negative comments about the company, it is important what sort of response they receive. For example, it was observed that if another consumer responded to the negative feedback, they are able to get the first consumer to change their mind. For example, one consumer commented on a company's announcement by saying, "@company I think mobile data caps are appallingly low. 2/3 gig a month is terrible. I constantly go over my 2 gig every month". Another consumer believing the comment was not fair to the company responded: "@Company is by far the best still. Any argument is essentially asking a telco to slash profits". To that the consumer that originally posted the negative comment replied: "I agree that @company is still the best. Majority of users wouldn't use that much data. I do and 512 mb block is often isn't enough". It is clear from the follow up response that the consumer still has a positive attitude towards the company. He admitted that most people would find the company's offering sufficient for their needs, and he personally was an exception to the rule. He did not go back on his opinion that the mobile data caps were low, but clarified that he had high data needs. The sentiment and the tone of his follow-up comment was significantly different from the original post, which was negative, referring to company's offering as "appalling and terrible". However, after another consumer defended the company, the tone changed, and the negative comment turned into an agreement that the company was still the best on the market and that most people will find their services just right.
Another example showed consumer making a very sarcastic comment about the company-
“Company claiming 30% coverage with their 4G network. That’s about the same as their 3G
coverage!” but after two other consumers responded in defense of the company- “are you nuts?”
and “maybe it’s only 30% of their network rather than 30% of the country?”; the original commenter
decided to withdraw his comment and said, “humour dear boy”. In fact, it would seem that the
consumer had been quite serious in trying to mock the company coverage; however, adjusted his
sentiment to neutral once other consumers disagreed with him. It is most likely that the consumer
had a negative attitude towards the company, and it did not change, however once his negative
sentiment did not get support from other consumers, he turned the sentiment to neutral.

There are cases where consumers who were strong supporters of a competitor brand admitted the
superiority of the company who made the announcement. For example, a consumer who was a
client of a company that made an announcement asked them a question. He received a response
from another consumer saying, “interestingly have a friend who he and his wife have switched to
Competitor…loving it”. To that, the original consumer inquired whether the competitor company
offered the 4G service. The person who advocated for the competitor company responded that
“neither competitor (Competitor1/Competitor2) has announced when they’re getting 4G”.

While the initial sentiment from the second consumer indicated that the competitor brand was
superior, further questioning forced the consumer to admit that the competitor did not offer the
advanced service that the first company did. Surprisingly, the original consumer did not seem
persuaded by the claims that the competitor brand was better, but questioned whether they actually
offer the same service. The comments of the second consumer advocating for the competitor were
quite powerful because they implied that his friends were unhappy with the company, and switched
to a competitor, which they preferred a lot more compared to the company service they used to
receive. Also, this consumer did not reference his/her own experiences, which suggests that he was
trying to make the claim sounds more legitimate by providing third person references. However,
even in this case, a question from the original consumer turned the situation around.
By admitting that the company was the only one on the market providing the service, the consumer promoting the competitor basically undermined his/her original comment and unintentionally highlighted one of the main competitive advantages of the first company.

More research is needed to identify the reasons why consumers tend to change their sentiment if they come across resistance from another consumer(s). It is important to understand whether a consumer’s attitude really changes towards the company, or this is only a reaction to peer pressure. The importance of word of mouth communication has received a lot of attention in academic research, however, it is not clear what happens if the other consumer rejects the sentiment in an online space and how this rejection is perceived by other consumers who are reading this exchange.

4.7.2 Comments that show both positive and negative sentiment

Interestingly, in this study there were comments that actually expressed both positive and negative sentiment. For example: "4G LTE network is super fast and awesome! $10/month to burn my data plan even faster sucks" or “can I please have consistent coverage first? Would go to @Competitor but have had my number for 12 years and you seem to be trying to improve and I’m really excited about 4G" or this: “when r u guys gonna have 4G coverage in east Auckland? Always keen on going 4G from day 1 but no coverage 😞". The following comments comments from consumers who admitted that company product was the best, but also provided negative feedback, mentioning that using the company’s product had become too risky and alternatives had better pricing as well: “I've always used your formula for my baby and it is the best on the market but really not certain whether I should use it now. I don't want to change because we really like your formula, but it’s too scary and other options seem to be cheaper as well" or this: “the hospital recommended us your formula and we used it ever since, the baby liked it and was good on it. In light of what's happening I am not prepared to take the risk, even though I understand it's not your fault, so we switched to @competitor brand which is not too bad either. I recommend it to anyone looking for an alternative”. Another example was: “it is disgusting what Company is doing to our rivers, but at the end of the
day once this blows over, they will come up as a leader. Being a NZ company we need to support them”.

Comments that seemed to be both positive and negative in their sentiment provide interesting insight into consumer perceptions. They are an indicator of what is known from attitude research, that is, that consumer attitudes have affective and cognitive components. These consumer comments seemed to represent situations where consumers evaluated the product positively from an affective point of view and negatively from a cognitive point of view. More research is needed in terms of understanding consumer sentiments that seem to display both positive and negative attitudes towards a company.

### 4.7.3 Use of Hashtags

There were a number of consumer comments where the sentiment was not clear from the main text; however, the hashtags used by the consumer provided necessary clarification and also added more depth to the comment, emphasizing the main topic and adding strength to consumer sentiment. Consumers were very creative in coming up with new hashtags that served to convey the message they wanted to express. Here are some examples: #hoperethesnolalsepromises, #tooslow, #worstthaneverbefore, #endoftimes, #FasterThanASpeedBullet, #comeon, #badform, #winning, #WhenDidYouBuildThat, #failday, #PRFAIL, #Competerror, #NOTIMPRESSED, #SayOneThingDoAnother, #whatajoke, #suckers, #rubbish, #pleasepleasepleaseplease, #slimchance, #didimentionplease, #TradeInTime, #monopoly, #trolololol, #jealousy, #crawbforeuwalk, #competitorAlwaysFour, #DadTweet, #3rdworldbroadband, #ripped,

As mentioned above, hashtags played an important role in understanding not only the sentiment of the comments but also their meaning. For example, “Maybe why im ditching company. #DadTweet “Our prime focus is to give mums everywhere the reassurance they deserve”. This comment would not make any sense without the use of the hashtag by the consumer who wanted to attract attention to the fact that it’s not just mothers who are worried about their children. Another example is, “what is this 4G you speak of? #TradeInTime”; Without the added hashtag, this comment would probably
be classified as neutral, however, with the use of the hashtag it is quite clear that the consumer was excited about the new product offering.

In other cases, hashtags helped enhance the sentiment in a comment. For instance, “oh, you had a free weekend calling deal from 1st Dec- why wasn’t I hear about this @company #badform” or “I could tear that media release to shreds, no offence. The cost of data with the 173% increase but price is the same? #ripped” and another example, “any chance of bringing 4G to Northland like Kerikeri and near areas #4g #pleasepleaseplease #slimchance #didimentionplease”. In each of these examples, the use of the hashtag increased the intensity of the sentiment and enhanced the understanding of consumer’s message.

From the hashtags listed earlier, it is easy to see that most of them were of the negative nature and accompanied a negative sentiment comment. This is most likely due to the more emotional nature of negative comments made by consumers, which led them to be creative in expressing their anger, frustration and dissatisfaction with the company. The most interesting one was #Compterror that consumers used very widely during the announcement period for one of the companies. It was a combination of the company name and the word terror put together. It also seemed that the hashtag had been created previously and not associated with a particular announcement captured here. This spoke very loudly about the company’s reputation and consumers’ attitudes towards it.

Throughout the analysis of consumer sentiments towards the company, PR or social media handling came up a number of times with consumers actively commenting on how well or how badly a company handled the announcement period. For the company that did not manage the situation well, consumers also used the hashtag- #PRFAIL which reiterated that consumers paid a great deal of attention to company messages and responses to consumers during the announcement period. For example, consumers mocked the company for their social media handling. When consumers contacted the company on Twitter, the company posted a message back asking consumers to ring its 0800 number. Following this, consumers started to post responses to each other pretending to be the company: “Hi Jay I saw your question. Please could you give us a call at the Company on 0800 000 000 for NZ we’d like to help and bet it’s closed on a Sunday”.
The use of hashtags in consumer comments is an interesting area for future research. It is important to understand under what circumstances consumers feel it is necessary to start using them and why these are used a lot more frequently for negative comments rather than positive ones.

4.7.4 Neutral comments: fact-based, asking a question, discussing rumours, unclear sentiments

Neutral comments do not provide insight into consumer sentiment towards the brand however there are lessons to be learnt from the volume of these comments. First of all, there was a considerable number of comments that fit into this category- 1,612 comments in total. In comparison, there were 2,324 positive and negative sentiment comments together. Second, it indicates that there is a lot of neutral conversation that takes place around the company at all times and increases dramatically during the announcement period (919 comments) vs. 284 in the pre-announcement and 409 in post announcement stages. The question is whether there is an opportunity for the company to turn these neutral comments into positive. Third, companies that actively engage their consumers on social media also see a higher volume of these neutral comments.

Further research is needed into understanding these comments and their importance in establishing whether they have an impact on other consumers’ sentiments. Also, it has been mentioned earlier that neutral attitudes are a growing research area. This study found that there is a significant volume of neutral comments that exist on social media, and it is unclear what impact they have on other consumers if any.

4.8 Summary

This chapter started by presenting a categorical framework where consumer sentiment categories have been derived from the data and can be utilised for other studies. At the next level, researcher identified four main topics consumer sentiments are dedicated to. This allowed to further summarise the categorical framework and provided basis for our overall understanding of consumer
sentiments. This research also resulted in a development of customer typology that identified different consumer types analysed from two dimensions: consumer relationship with the company and the overall attitude towards it. A discussion of company social media responses, different announcement types and social media strategies followed. However one of the areas that remained unanswered was whether active social media strategy actually brings financial benefits. This research undertook additional analysis aimed to answer that question and have demonstrated that there are financial gains in having a strong social media presence. Financial benefits come through strongly for both positive and negative announcements. The chapter was concluded with additional research findings that were outside of the main research questions and presents opportunities for further research.
Chapter 5: Conclusions and Recommendations

5.1 Introduction

A number of interesting findings emerged from this research and have been discussed in the previous chapter. This chapter will present the major findings identified and discuss their theoretical as well as managerial implications addressing research question five. Theoretical implications will focus on the categorical framework presented earlier (see Figures 2-4), consumer sentiments matrix (see Figure 5), main themes identified in consumer comments at different announcement stages (see Table 17), and attitude conceptual framework (see Figure 1) developed from existing literature and categorical framework derived from the research data. From the managerial point of view consumer typology (see Figure 10) as well as main themes derived from consumer comments will be discussed. A social media decision making process map will be presented as well to assist practitioners in formulating their own social media strategy. Research limitations and areas of future research will be identified.

5.2 Major Research Findings

This research first presented a conceptual framework of attitude formation that made the link between consumer attitude type and relationship they form with the brand. Proposed framework assisted the researcher in providing explanations for consumer sentiments at different announcement stages. It was particularly useful in explaining consumer motivations and how negative comments can be mitigated by understanding consumer expectations in the brand relationship.

The researcher also identified the four main topics consumer sentiments belong to: emotional reactions, feedback, humour and comparisons. This provided the next level of conceptualization and allowed to summarise consumer responses in a way that assisted understanding of what is important to consumers. It is important for consumers to provide feedback, to see how the brand
performs in the marketplace by drawing comparisons, their emotional reactions to the brand performance, company reputation and its behavior in the marketplace. Consumers also tend to humanise the brand and interactions also involve humour, similar to the communication between human beings.

Categorical framework derived from the data is not context dependent and therefore can be utilised for other research studies looking at consumer comments on social media. All categories also fit into one of the four topics of consumer sentiments: comparisons, humour, feedback or emotional reactions. While the categories themselves were derived from the data, they are grounded in theory. These categories fit into the positive, negative and neutral framework which is widely used in past research.

When responding to consumer messages, marketers need to keep in mind what type of consumer they are speaking to. Being able to identify consumer motivation for posting a comment and their relationship with the brand play an important role correctly responding to the comment. The response from the company has the ability to either enhance consumer's positive attitude or mitigate the negative. Consumer typology presented in this research will assist in that task. It also has important theoretical implications by examining consumer social media behavior and its link to purchasing relationship with the company and overall attitude.

Themes established in each category and differences observed by announcement stage provide interesting insight into consumer comments online and what attributes become important at different announcement stages. Knowing these themes will allow practitioners to better formulate their social media strategies, prepare in advance for an announcement and the sort of comments they will need to deal with. Presented below are the main findings by each of the categories.

Sarcastic humour was found to be the most damaging type of negative sentiment during the announcement period. This was mainly due to its dissemination and the attention received from other consumers in terms of participation, likes and reposts. It was identified that in cases where company had an active social media strategy sarcasm was limited to one or two comments. It was very damaging for the companies that did not engage consumers on social media with long
sarcastic conversations taking place among consumers. This study saw evidence of company involvement reducing the number of sarcastic comments and improving their tone. Knowing that humour enhances message persuasiveness in WOM messages, sarcastic humour during an announcement period poses real dangers to a company. Three types of sarcasm in consumer comments were identified: mocking, belittling and aiming to attract attention to the issue.

Companies that are active on social media received more negative feedback messages in the pre announcement stage compared to other companies. However during the announcement period, these companies received more positive sentiment comments than those companies that did not have a strong social media presence. This effect also extended into the post announcement stage. In general, consumers are driven by a desire to be heard by a company. If consumers have complaints that they would like to resolve with ease, and knowing that the company has a strong social media presence, it is very likely that consumers will post their complaints on social media. However, once resolved, these consumers are likely to post positive sentiment comments. This explains why businesses that have an active social media strategy receive more negative sentiment comments pre announcement.

In this study, consumers that expressed negative sentiment and praised the competitor in their comments pre-announcement were either 1) threatening to switch or 2) had already switched. Consumers that were only threatening to switch but had not done so yet were more active and used stronger language in their comments. However, it was in the during and post announcement periods that consumers who had never used the brand advocated for a competitor along with the other two types of comments.

Consumers that were making comments favouring the brand to its competitors in pre and during announcement period were either praising company social media handling or their product/service performance and features. This also proves that exchange relationship consumers are more likely to engage in this sort of comparison. Post announcement themes were identical to the negative sentiment category where consumers were praising competitor. It included comments from consumers that switched from a competitor to the company, consumers that were threatening to
switch from a competitor to company and consumers that never used competitor brands and were advocating for the company.

Consumers expressing anger in pre and post announcement stages were expressing their product/service dissatisfaction or disagreement with company actions. However, during the announcement consumers also actively expressed negative sentiments towards company reputation and impact of their actions on a wider community.

Disappointment was not commonly expressed by consumers in the pre announcement stage. Comments that were posted in the pre and during announcement periods followed the same three themes: product/service related issues, charges issues and disappointment towards a company’s actions/words. Consumers who expressed anger and disappointment in their comments generally chose the same topics to comment on but the differences were in message tone. However in the post announcement period there was a difference in themes. Additional themes appeared in the disappointment category. Consumers started commenting on a company’s marketing efforts and their disappointment with the way the company executed its strategy.

Positive feedback comments were surprisingly at the highest level during the announcement period regardless of whether the announcement was a positive or negative one. In pre, during and post announcement periods positive feedback comments were either compliments regarding products/services or customer service. In the pre and during stages, consumers posted comments provided positive feedback based on cognitive as well as affective reasons. However, in the post announcement period, the majority of comments were based on affective attributes.

Most companies trading in New Zealand do not have an active social media strategy in place. Consumers are surprised to see a company engaging with them on social media. Active social media strategy by the company earns compliments from company consumers as well as other consumers. This is proving that practitioners are not receiving sufficient guidance from the academic world and research is lagging behind industry needs.

While successful social media handling is viewed in academic research as a way to build stronger relationships with existing customers, little is said about business opportunities presented by having
a strong social media presence. Successful social media strategy will present business development opportunities allowing the company to grow its market share. This will take place through potential customers observing the company and its interactions on social media. Consumers will see that complaint resolution and query handling are more efficiently handled by the company, prompting consumer to switch from their existing provider (if that provider does not employ an identical social media strategy).

It has been observed that when consumer posts a comment with a negative sentiment, they will frequently receive a response from another consumer challenging their sentiment. In those situations majority of consumers backtrack and change their sentiment to a neutral or positive one. It is unclear from this research whether consumer is sensitive to peer pressure or whether they changed their sentiment once an alternative point of view has been presented.

Consumers defending the company from negative comments made by other consumers usually concentrate on two things: 1) they express their loyalty to the company or 2) praise the way company handled the announcement and took ownership of the situation.

Consumers have used hashtags extensively in their comments at all stages - pre, during and post announcement. In some cases, only the use of the hash tag provides the comment its sentiment colouring. An interesting phenomenon is consumers creating hashtags specifically for the announcement with one example combing company name and the word terror. Hashtags are more frequently utilised to enhance a negative sentiment comment to add another negativism layer to it.

5.3 Implications & Recommendations

5.3.1 Theoretical Implications

An important theoretical contribution is the customer-centric model used as a foundation for this research, social media and consumer attitude concepts integrated into the model to allow for a 360-view of the consumer on social media. It’s also serves as a response to the important criticism of existing social media research not being grounded in theory.
Categories developed in this research help identify consumer sentiment from a comment and go beyond the existing theoretical framework of positive, negative and neutral. The categorical framework (Figures 2 to 4) developed provides researchers with an opportunity to gain a deeper, richer understanding of consumer comments. This research found confirmation that emotions enhance researchers understanding of consumer attitude and categories derived from the data included cognitive as well as affective reasoning. It provides further proof that emotions play a pivotal role in consumer attitudes and need to receive further attention especially in understanding satisfaction, dissatisfaction, positive and negative disconfirmation.

The four main consumer comment topics derived from this research also contribute towards the body of knowledge around electronic world of mouth (e-WOM). Extensive review of electronic word of mouth messages by researchers has resulted in conclusions being made to how consumers evaluate these messages, how they impact information search and decision making, pre and post purchase evaluations. While these findings provide insight into a variety of areas, past research seems to be disorganized. The four consumer topic categories developed in this study will help further eWOM research by providing distinct areas and will assist in adopting a more structured approach to the research field. Similar to past research identifying broad categories of consumer behavior online (commenting, rating, liking, observing and etc), this consumer sentiments matrix gives researchers an opportunity to study consumer sentiments at a high level. However still providing them with an opportunity to gain more insight into what consumers are saying beyond just the positive, negative or neutral classification. The matrix can also be used by researchers to identify the differences in the comments make up between the two brands. For example, brands with stronger social media following might see that majority of consumer comments fit into the emotional reactions topic. While consumers with a weak following notice that majority of comments are comparisons to a competitor brand.

This research concentrated on studying different themes identified in pre, during or post announcement in different sentiment categories. However the themes established in this research could also be used for studies aimed at studying consumer attitudes towards a brand outside of social media setting but also using a qualitative method. Established themes also create an
opportunity for researchers to recognize a number of unexpected occurrences. For example, researchers need to further examine consumer desire to mock the company or belittle their achievements and comments about corporate social media and PR strategy.

Conceptual framework of attitude formation for the first time presented the link between consumer attitude and the type of relationship they form with the company. Communal vs. exchange relationship concepts and ability to identify whether consumer attitude is predominantly hedonic or utilitarian from that relationship have important theoretical implications. If the link between the two is empirically proven, it will be possible to establish whether brands are able to use affective priming to ensure that consumer forms a hedonic and therefore communal relationship with the brand. It will also provide researchers with a better understanding of the reasons why hedonic attitude leads to consumer forming a communal relationship with the brand.

5.3.2 Managerial Implications

An active social media strategy has significant positive impact on financial indicators for positive as well as negative announcements. For practitioners this finding will help justifying budget resource required to maintain a strong social media presence. While past studies into social media return on investment were measuring the impact on sales and relied on consumers to be redirected from social media to company website, approach presented in this research allows researcher to capture the softer impact of social media. It also allows practitioners to measure the impact if their product/service is distributed through retail rather than online.

Themes derived from consumer comments at each announcement stage by category provide practitioners with a blueprint for their social media strategy. During the announcement period, consumers tend to be more active in expressing their views and therefore it allowed the researcher to capture majority of themes that would come up in consumer comments at any given time. This is a benefit for practitioners, who received a fuller list of possible themes. The next step for practitioners would be to formulate guidelines for their social media team how to handle different themes. In the recommendations section, researcher will make suggestions that are applicable to
most corporates, however each company still need to make adjustments and modify to suit their brand. But the overall approach is provided by this research.

Customer typology would provide assistance in understanding company social media customer. Not only it allowed practitioners to gain an understanding of how different consumers need to be handled, it also allows companies to track changes in their customer base. It needs to be a regular exercise for the company to evaluate how many defenders, attackers, retractors and interactors they have in a given month and ensure that increases in attackers and retractors are managed through targeted campaigns. It also demonstrated that an active social media strategy presents business development opportunities for the company.

Typology developed in this research allows practitioners to start segmenting their social media client base. Companies are not able to correctly identify consumer gender, age, geographical location or their spend with the company based on their social media profile and therefore an alternative segmentation tool (consumer typology) presented in this research should be utilised.

This research also presented a category by category view of consumer sentiments at three stages of the announcement period discussing changes in volumes. Practitioners now have an understanding of what they can expect following a positive or negative announcements and what changes in consumer comments they can expect. Comparisons between active and inactive social media strategies were also provided which will allow practitioners to make an informed choice of social media strategy.

The conceptual framework presented in Figure 1 provides important implications to practitioners. It provides them with an understanding of the link between consumer attitude and their relationship with the company brand. While further empirical studies will need to be conducted to test the model, it allows practitioners to pick up on attributes which are important to the consumer (affective or cognitive message dominates the consumer comment) and identify whether consumer formed a communal or exchange relationship with the brand. Based on this knowledge, a more appropriate response to the consumer can be formulated. The key is to ensure that communal relationship
consumers are handled the way they expect as they tend to be loyal to the brand and act as brand advocates.

5.3.3 Recommendations

Number of comments increased substantially during the announcement period across all categories. Both positive and negative announcements increased the number of negative sentiment comments by the consumers. Therefore, strong social media presence is necessary during positive announcements as well as negative. Practitioners need to respond to each consumer comment and actively seek out comments that mention the company and not just the ones posted on the company page or directed at the company.

It has been demonstrated by this study that differences in social media strategy during the announcement period have an impact on both share prices and revenue. Therefore, it is recommended that practitioners adopt an active social media strategy as it will provide benefits during the announcement period. However, if resource does not allow to have an active social media presence, company needs to implement it during the announcement.

Engaging consumers on social media, practitioners need to keep in mind a number of considerations: 1. Is it possible to identify whether the consumer is a defender, retractor, attacker or interactor? Retractors and attackers present a challenge to the company while interactors present a business development opportunity. 2. Is the consumer concentrating on affective or cognitive attributes in their comment? Practitioners need to match their response to also concentrate on those attributes. 3. Does the consumer seem to hold an exchange or communal view of their relationship with the brand? When dealing with negative feedback, practitioners need to tailor their apology/incentive/compensation to the type of the relationship consumer has with the brand.

For most categories, the themes in consumer comments remained the same pre, during and post announcement. However, changes were observed in the following categories: negative feedback/anger, negative comparison to competitor, positive comparison to competitor and disappointment. During and post announcement, companies need to be aware of the additional
themes that will come up in consumer comments and provide additional training to their employees handling these comments.

Consumers notice inconsistencies in company messages. During the announcement period, this area is magnified and even slight disparities between messages in advertising and on the website, for example, would be brought to light. Company needs to treat all its communication tools, including social media, as part of the same ecosystem. Especially during the announcement period companies need to ensure that their message is aligned across traditional communication tools, their call centre and social media.

It is recommended that an engagement toolbox is created by the company to further engage with consumers that post positive sentiment comments, actively engage with the company on social media and defend the business when necessary. Practitioners need to have a strategy in place to engage these consumers further by giving them a sense of belonging.

It is recommended that marketers use non-offensive humour, stories and articles that evoke positive emotions. This content does not need to relate to company product or service, but act as a priming agent to help condition consumer’s reactions and what sort of attitude they will form towards the brand. On the other hand, this content needs to be consistent with the brand image and be relevant to consumers. For example, a telecommunication company posted a video that showed a humorous video about how telephony has transformed over the years, which has attracted a lot of attention from consumers.

Majority of consumers making negative sentiment comments and praising a competitor will be in an exchange relationship with the brand therefore one of the successful ways for the company to mitigate these comments would be to offer consumer monetary compensation, discounts, free product/service and other comparable rewards. For example, telecommunications company could offer free minutes or data. Dairy manufacturer could offer the consumer to try company’s alternative product line for free.

Based on the earlier discussion of consumer typology, practitioners need to pay particular attention to retractors and interactors. Consumers that currently use the brand and are not satisfied with their
experience need to be addressed first. These are the consumers that look at switching sooner rather than later. Interactors present a sales opportunity for the company as these consumers have already formed a positive attitude towards the brand and are engaging with it. Attackers only need to warrant an apology or fact-based explanation from the company, however, it is recommended that marketers do not engage in long exchanges with these consumers.

During the announcement period it should be marketers’ priority to address sarcastic comments and take the discussion out of the public domain by suggesting consumers send the company a direct message if appropriate or apologize promising to address the issue.

If companies choose to have a strong social media presence, they need to be prepared for an increase in negative comments. However, it should not be viewed as a negative impact on brand, but the opposite. By adopting this strategy, companies are able to address consumer dissatisfaction faster and turn brand retractors into defenders. By having the opportunity to communicate with consumers, companies are also able to collect consumer ideas regarding product/service.

Marketers need to be aware that during the announcement period and for some time after, brand attackers will be actively promoting for a competitor brand. The positive here is that majority of brand attackers will wait for another consumer to post a negative sentiment comment, complaining about the company before they will advocate for a competitor. The best strategy for the company is to address these complaints or negative sentiments as soon as possible.

When consumers are expressing dissatisfaction with the product, practitioners need to address the issue and communicate with the consumer directly to achieve resolution. If comment concerns company actions/words the solution is likely to be in company reviewing its practices and identifying whether consumers focus on any specific area of company communication- advertising, website, call centre or some other actions taken by the organization. The fix will need to be a review of company processes/business model.

Based on the points discussed above, the process map below (Figure 11) was designed to help practitioners to quickly identify appropriate strategy in handling different comments. It is recommended that a more in-depth strategy is formulated. However in situations where practitioner
encountered an influx of consumer comments following an announcement and does not have a social media strategy in place, this process map can be used to quickly identify the correct path of action in each case. This process map is a guide only and will need to be adjusted to individual company’s line of business and announcement made.

First of all, practitioner needs to identify whether comment sentiment is a positive or negative one. If comment is a positive one, company should thank the consumer or if positive humour is being used, humorous response from the company is advisable. Practitioner then needs to identify whether the individual is using the brand or not. If not, this presents a sales opportunity. If consumer already using the brand, it’s been recommended for companies to have engagement tools available. In this case practitioner needs to identify whether consumer has a communal or exchange relationship with the company and identify a reward which will be well accepted by the consumer and in line with their relationship expectations.
Second, if consumer sentiment is negative, practitioners need to identify whether consumer is expressing disappointment, anger, sarcastic humour or comparing the company negatively to a competitor. In each of the cases, the company would need to adjust their message. If consumer is disappointed, it is recommended to ask consumer to email and explain the issue. The company then needs to take action to resolve the issue. In case of anger, an apology should be followed by the update on the issue consumer mentioned in their comment or an explanation why the situation occurred. If consumer is quoting incorrect information in their comment, practitioner needs to ensure that any misunderstandings are cleared and consumer is provided with accurate information. In this situation consumer needs to receive an award as an apology for the inconvenience especially if the issue is reoccurring. Sarcastic humour comments need to be addressed as soon as possible. Depending on what the comment is saying, an apology might be appropriate, however practitioner needs to formulate a strategy for these comments based on the situation. However it is advised that practitioners do not engage in long online discussions with consumers that provide negative feedback if there is no indication that consumer wants the situation resolved. After a few messages if it is clear that consumer is unreasonable the company should leave the discussion. Frequently others will see that consumer is being unreasonable and will try and defend the company.

5.4 Limitations

The main limitation of this research is in the industries selected for the study. Consumers feel strongly about their mobile phone providers and staying in touch, connected is of importance to both regular consumers as well as provider’s corporate clients. In dairy manufacturing, baby formula is important to consumers who are concerned with their health and safety. Banking is something consumers care about as well. A consumer’s relationship with a bank will spiral over decades and is considered a conservative relationship; therefore, any announcements or changes also generate a resonance among consumers. The limitation is also an advantage because it allowed the researcher to study announcements that created a lot of response from consumers, demonstrating how a situation will unfold under the worst circumstances. Other studies will need to be carried out for other industries to identify if findings hold for other products/services.
5.5 Further Research

Growing academic interest towards neutral attitudes and strategies to assist the consumer in forming a positive attitude is likely to continue. This study found that the volume of neutral sentiment comments has a high baseline level pre, during and post announcement but reaches its peak during the announcement period. Even though neutral comments were left largely out of scope in this research study, it is suggested that a netnography research study could be conducted. A researcher could engage with consumers directly to identify whether their attitude towards a brand is neutral or whether consumers refrain from expressing a sentiment while holding a positive or negative attitude towards the brand. The reasons why consumers prefer to post a neutral comment rather than expressing their underlying attitude would be of interest.

This study found that sarcastic humour has serious implications for a company’s reputation. The dissemination speed of these messages and their ability to attract a lot of attention from other consumers makes this an important research area for future studies. In this study, sarcastic humour was widely utilized by consumers during the announcement, increasing nine times, compared to the pre-announcement period. A company’s response to a sarcastic comment is able to prevent other consumers from continuing with the sarcastic conversation. This should be researched further to identify circumstances where it’s an effective strategy and creates the empirical foundation required.

It has been identified that when consumers are looking to switch brands, they may post a comment providing negative feedback about their current provider while praising the competitor brand - or alternatively, they may only post a comment providing positive feedback about the company they are going to switch to. More research is needed to understand why some consumers concentrate on negative sentiments towards their existing provider while others prefer to provide only positive sentiments towards their future/new provider. What are the circumstances that influence this and how can marketers ensure that consumers only provide positive feedback about their new/future provider?
A curious phenomenon identified in this research was around the use of hashtags by consumers. Hashtags were used to give a comment its sentiment colouring. New hashtags were created so that the announcement could be used in conversations about the company and to add another layer of negativity to the comment. It could be an interesting area for further investigation to explore the use of hashtags by consumers, when do consumers feel it is necessary to use a hashtag and, why do consumers use a hashtag rather than expressing their idea plainly.

Consumer comments expressing both positive and negative sentiments have been identified during the study. Usually, these comments are a combination of positive affective and negative utilitarian evaluation of the product/service. This type of comment would suggest that consumer has a positive attitude towards the company however would like improvements made to a utilitarian feature that is important to him/her, raising it in their comment. However, consumer also feels compelled to mention the positives to express their positive attitude. Further research is needed to test this theory.

Consumers posting negative sentiment comments directed at a company quite often will change their sentiment if they come across criticism from another consumer. There are examples where consumer will amend their negative sentiment to either neutral or positive following a comment from another consumer stating their disagreement. Future research could concentrate on identifying the reasons behind consumer changing their sentiment. Did their sentiment really change after an alternative view has been presented to them or is it peer pressure?

It has been suggested that strong positive pre-consumption emotions are a good predictor of purchase intentions and consumers that experience these emotions will have a higher base satisfaction level post-consumption. This research found evidence of this for telecommunication companies however further research is needed to check whether the same relationship exists for other products/services.

Lastly, a conceptual model of attitude impact on relationship consumer forms with the brand (figure 1) can be empirically tested to confirm the links proposed. While this research found evidence of the
relationship between attitude type and brand relationship formed, further research needs to test this model

5.6 Conclusions

The growing popularity of social media has captured the attention of both academic researchers and practitioners. The social media phenomenon has introduced a new consumer, a consumer who shared his/her views and actively engages with the company online. The changing role of consumers and their ability to express their views has reached an unprecedented level has resulted in increased communication between consumers and consumer with the company. This presents opportunities for academic research and highlighted the need for practitioners to reach out to consumers through social media.

A review of the existing literature provided an overview of the social media phenomenon, the transition from traditional media and the implications for practitioners. Consumer sentiments and attitude formation concepts were examined. As a result, a conceptual attitude formation framework was developed. This framework proposed that consumers who develop a predominately hedonic attitude, they are likely to form a communal relationship with a brand. A utilitarian attitude results in an exchange relationship with the brand. Links between attitude, emotions, satisfaction and relationship with the brand were established. The importance of monitoring and managing consumer sentiments during an announcement period was examined.

This research looked at what consumers are saying on social media following an announcement. To draw comparisons, the research looked at consumer sentiments in the pre, during and post announcement periods. A categorical framework was developed for this study and included 15 categories. These categories were then further summarized and it was concluded that consumer comments usually fit into one of the four topics: feedback, comparisons, humour and emotional reactions. A discussion of how each of the categories fits into the identified topics took place and then an analysis of each of the categories followed. Common themes within each category were then identified in the pre, during and post announcement stages.
The volumes of comments across all categories was the highest during the announcement period, regardless of whether the announcement was a positive or negative. Themes across most categories remained consistent at all three announcement stages. However, the following categories demonstrated changes at different announcement periods: negative feedback/anger, negative comparison to competitor, positive comparison to competitor and disappointment. The majority of consumers who made a negative comparison and praised a competitor, tended to be in an exchange relationship with the brand. Overall, negative consumer sentiments were related to the product or service itself, the company actions or claims, and were aimed at mocking or belittling the company, with consumers threatening to switch to a competitor or having already switched and advocating for other consumers to do the same. Consumers also tended to criticize the company for their social media or PR strategy as well as their behavior in the society, their reputation and inability to take ownership for their failure. Positive consumer sentiments were normally dedicated to praising the company’s actions, product, social media strategy or stating that the company’s product was superior to competitors. These comments also include consumers expressing their ongoing loyalty to the company or praised the company in its handling of the announcement or crisis situation. Sarcastic humour comments presented a very real danger to a company’s reputation and needed to be handled as soon as possible with the objective of taking these conversations with the consumer outside the public domain.

Developed consumer typology has two dimensions: a consumer’s purchasing relationship with the company and overall attitude towards it. Typology identified four types of consumers: defenders (who like the brand and use it), attackers (who do not like the brand and do not use it), interactors (who like the brand but do not use it) and retractors (who do not like the brand but use it). Attackers and retractors tend to support each other in brand conversations while interactors and defenders usually defend the company and agree with each other. Typology provides a way for practitioners to segment their consumer following on social media and also provides insight into how different consumers need to be handled. It was previously suggested that this typology also provides greater insight into consumer motivations for commenting. Retractors want to provide the company with an opportunity to improve their offering, defenders are loyal to the brand and act as advocates, attackers are likely to have a communal relationship with a competitor brand and therefore feel very
hostile. Alternatively they could be representing a firm engaged in black PR or a genuine consumer who has had a negative experience with the brand in the past. Interactors like the brand but use a competitor. These consumers present a business development opportunity and could be persuaded to switch brands.

It has also been identified that a company's social media strategy plays a very important role in the volume and type of comments consumers post. A company's response to a negative consumer sentiment has the ability to turn a consumer’s sentiment into a positive one. However, it was noticed that companies with an active social media strategy tend to receive more negative sentiment comments from consumers. Companies employing this strategy need to be prepared for that and not view it as a negative. Consumers have a strong desire to be heard and receive company attention. It is an opportunity for the company to turn a dissatisfied consumer into a satisfied one. Also, the experience of having their issue resolved by the company will help turn a consumer into a brand defender.

This research also looked at the theoretical contributions this study has made and the managerial implications. The main theoretical contributions of this research are the frameworks and the typology developed. However, a very important criticism of social media research has also been addressed by integrating different attitude and social media concepts into the customer-centric model that served as a foundation for this research. One of the managerial implications is the presentation of social media decision making process map. This process map serves as a quick guide for practitioners who are starting to develop a social media strategy or as point of reference if a company has started receiving an influx of consumer comments following an announcement or for some other reason. Another important managerial finding is that an active social media strategy actually provides financial benefits to companies following a positive or negative announcement. It helps amplify the positive news and mute the negative compared to those organizations that have a passive social media strategy.

The limitation of this research is in the industries selected for the study and the announcements made. Future research directions have been discussed and could address the limitations of this study. One of the possible research directions could be to use netnography methodology to study
consumer comments that express both positive and negative sentiment in order to understand what their overall attitude towards the brand is.

This study looked at a research area that has received very limited attention to date. It also introduced an innovative way of evaluating marketing efforts by measuring consumer attitudes on social media at different points in time by also utilizing financial indicators to measure the impact of social media strategy. A number of frameworks, typology and a process map are the output of this research along with major themes identified in the consumer comments. The research findings should assist scholars in studying consumer attitudes on social media in a more structured way going forward.
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