CUSTOMER CORRESPONDENCE: CORPORATE RESPONSES AND CUSTOMER REACTIONS

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Utilizing over one thousand legitimate compliment and complaint letters and emails a study was conducted to obtain current information concerning corporate responses to these queries as well as customer reactions to the corporate actions. Comparisons were made between product and service marketers and between traditional mail and email queries to up-date the literature in this area. Findings indicated that compliment inquires were as likely to elicit a response from firms as complaint inquires, however service marketers were much less likely to respond to either type of inquiry than product marketers. Email complaints were more likely to elicit a response, although less generous than traditional mail complaints, resulting in a less enthusiastic customer reaction. The findings indicate that service marketers should devote more efforts to responding to customer correspondence as the positive outcomes of these efforts are overwhelming. Repurchase intentions and positive word-of-mouth are both improved with strategic responses to customer correspondence. The results of this study have implications for the development of strategic marketing communication tactics.

INTRODUCTION

A marketing firm's reaction to customer correspondence has the potential to be a powerful corporate communication tactic. A defining strategy for business success includes appropriate and effective communication with customers. When a customer has corresponded with a firm, in either a positive or negative tone, that customer is providing the firm a unique opportunity to communicate on a personal level with that customer. Marketing literature has documented attention to customer complaints, noting that while inevitable, complaints should be viewed as an opportunity to correct a flawed process, educate a customer and strengthen loyalty to the firm (Goodman 2006). There has been little documentation, however, concerning the phenomenon of customers corresponding with a firm in order to praise that firm's product or service and/or the firm's reaction. Praise to a firm is an obvious opportunity to reinforce that customer's loyalty and to maintain a positive relationship. Regardless of the nature of the customer's correspondence, a response is expected by the customer. To maintain long term relationships with customers they should never intentionally be disappointed. However, customer correspondence, in general, is an overlooked relationship management tool.

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Customers communicate with managers of products and services for many reasons. Furthermore, technology now makes it easier for customers to communicate, for whatever reason, with both marketing firms and a multitude of other consumers concerning product/service experiences. In light of changes in the marketplace, and to better meet the needs of customers, a reassessment of customer communications and corporate responses was undertaken. The study reported here was undertaken to specifically address customer correspondence in the current marketplace, as previous research is somewhat dated, and the subsequent reactions of both the management and the customer. The strategic implications of these findings for marketing managers were addressed.

BACKGROUND

It has been noted that organizational attention to customer communications is generally not a priority for mangers and has proven to be lackluster (Fulmer and Goodwin 1994). Given the recent emphasis on customer equity (Rust, Lemon and Zeithaml 2004), and the need to retain loyal customers, this omission by managers is discouraging. Successful firms recognize that while attracting new customers is vital, retaining current customers and building loyalty is also essential for profitability and, thus, they encourage dissatisfied customers to complain (Tax, Brown and Chandrashekaran 1998). Complaint handling can be a significant investment by the firm and can, in turn, generate 30-150 percent return on investment (Brown 2000). Basically, complaint response can be used to recover from a product or service failure and/or to reward customer loyalty.

Compliments and Complaints

Customers may choose to communicate with a firm when pleased with a product or service they have experienced, or when they are dissatisfied. Both types of customer-inspired communications are potent opportunities for firms.

Complaint correspondence from customers affords organizations an opportunity to recover from mistakes, retain dissatisfied customers and to influence customer attitudes and behavior (Powers and Bendall-Lyon 2002). Research has shown that while complainers and non-complainers may have different traits, it is still important for service marketers, in particular, to address all complaints seriously (Bodey and Grace 2006). Complaints should be viewed as quality improvement resources and should be encouraged. If complaint handling is successfully mastered, the probability that a satisfied complainant will repurchase/ repatronize a marketer's offering and engage in positive word-of-mouth is quite high (Blodgett and Anderson 2000). In fact, effective complaint management produces multiple positive outcomes, specifically: 1) dramatically impacts customer retention rates, 2) decreases the spread of negative word-of-mouth, 3) encourages positive word-of-mouth, 4) enhances perceptions of quality, 5) promotes opportunities for cross-selling, 6) improves overall profitability, 7) provides marketing intelligence data, 8) promotes a desirable company image, and 9) helps reduce legal repercussions (Harrison-Walker 2001).

While profiles of consumers most likely to complain exist, there has been little documentation of research concerning customers who write letters of praise to companies (Payne, Parry, Huff, Otto and Hunt 2002). Nevertheless, a customer's satisfaction with a company's response to their complimentary communication is a critical issue. Social practice almost demands that a compliment produce some kind of response. By not responding to a compliment, a message of rejection is sent (Payne, et al. 2002) a negative connotation most firms do not intend.

Researchers in the early 1990s discovered that firms responded to compliment letters at the same rate as complaint letters. In addition, the responses to compliments tended to produce a higher level of satisfaction than responses to complaints (Smart and Martin 1993). The relationship enhancement opportunity created by a compliment letter from the customer is significant for managers attempting to build and maintain a lucrative relationship with customers.

Kraft and Martin (2001) have identified the following eight motives for complimenting behavior by customers: 1) to give delight or great satisfaction, 2) dissonance reduction, 3) reciprocity/social norms, 4) to improve the relationship with a service person, 5) to bring about high involvement with product or service, 6) voting behavior to continue special services or product, 7) to buffer complaints and increase effectiveness, and 8) flattery (to get a tangible reward). To produce a product or service which inspires one or more of these eight behaviors is a significant achievement by any firm and these relationships should be nurtured by that firm. Customers' communication with firms in the form of compliments should be acknowledged and this opportunity exploited by those concerned with customer relations.

Product vs. Service Firms

Businesses of all types must distinguish themselves in today's increasingly competitive business environment. Responding to customer communications is a means for a firm to differentiate itself and to demonstrate to all constituencies its commitment to quality. More than decade ago it was reported that consumers wrote more often to manufacturers of products (approximately 61 percent) than to service businesses (Smart and Martin 1993). However, in today's evolving marketplace, and expanding service sector, it is hard to imagine that service businesses are not receiving an equally expanding amount of consumer correspondence. Service organizations, given the heterogeneous nature of service offerings, should particularly value and analyze consumer communications (Dolinsky 1994).

The perspectives of the customer submitting a compliment correspondence concerning a service experience versus a customer submitting a complaint correspondence are notably different. When it comes to complaint behavior, service providers receiving the complaint correspondence are likely facing customers who had previously lodged a complaint, at the time of the service failure, with frontline employees, probably while in a state of frustration and anger (Harrison-Walker 2001). A customer's reaction to a service failure is often strong, thus necessitating that a firm's recovery efforts be equally strong and effective (Smith, Bolton and Wagner 1999). The mood, and service experience, inspiring a compliment letter are likely as intense as a complaint communication, yet positive.

Email and Snailmail

Information technology (IT) has undoubtedly impacted the business environment in a variety of ways. Because of technological advancements, both consumers and businesses have altered their behaviors. Using IT, customers find it easier to communicate with firms, and, in turn, businesses find it easier to respond to and collect valuable customer feedback.

In terms of complaint behavior, businesses should anticipate an increase in the number of consumer complaints because of IT advancements (Brown 1997). A common management axiom is that a dissatisfied customer will tell, on average, 10-20 people about their experience. However, the Internet allows this type of communication to soar (Brown 2000), particularly with the creation of websites specifically designed as complaint forums (Harrison-Walker 2001).

Corporate websites allow customers the opportunity to contact a favorite product or service provider and bond with that firm. A positive inquiry from a customer is an easy, timely and efficient means of communication for both the customer and the firm. Fortunately, IT also allows management to respond quickly to a customer communication. Unfortunately, most firms do not respond promptly to email correspondence and many do not respond at all (Morganowsky and Buckley 2000).

THE FIRM'S PERSPECTIVE

Applying strategic marketing concepts to the implementation of correspondence handling policies will result in greater profitability; thus attention should be given to the correspondence-handling function. In general, there has been a significant amount of research concerning corporate complaint responses, and remarkably little on corporate responses to positive communications from customers. However, much has been written on the responsive handling of consumer complaints as not only an opportunity to resolve a customer's problem but also an opportunity for product improvement, to protect market share and to maintain customer loyalty (Halstead and Page 1992; Mitchell 1993; Reichheld and Sasser 1990).

Firms experiencing higher levels of competition are more likely to positively respond to customer complaints (Estelami 2000). In terms of how firms should respond to customer complaints, it was determined over a decade ago that branded products manufacturers generally did respond, and when they did, the manufacturers sent the consumers letters, replacement products and/or coupons (Clark, Kaminski and Rink 1992). Any response the customer received was found to improve the firm's image in the customer's eyes.

When responding to a customer's correspondence, the firm is advised that taking the customers' perspective and expectations into consideration is the most effective strategic option. Customers who have voiced a complaint expect: 1) to receive an apology for their inconvenience, 2) to be offered a fair solution for the problem, 3) to be treated in a manner that suggests the firm appreciates the customer's problem, and addresses fixing the problem, and the inconvenience experienced by the customer, and 4) to be offered some value-added atonement for the inconvenience (Zemke and Bell 1990).

According to equity theory a firm that considers customers as expendable will adopt an underbenefiting strategy which either ignores customer complaints, or merely acknowledges them with a return correspondence. Whereas, a firm that emphasizes a long-term commitment with its customers will develop an overbenefiting strategy. The rationale behind overbenefiting is the hope of increasing profits through future purchases and favorable word of mouth (Gilly and Hansen 1985). Indeed, complaint handling can be seen as delighting or disappointing the customer based on whether the customer's expectations were met or exceeded (Estelami 2000).

Extremely pertinent, because complaint handling strategies are particularly important for maintaining customer relationships in service businesses, past research has stressed that three dimensions consistently dominate customers' perceptions of the complaint handling process of a service firm. Based on justice theory, research determined that a majority of complaining service customers evaluate complaint incidents in terms of the outcomes they receive, the procedures used to arrive at the outcomes and the nature of the interpersonal treatment during the process (Tax, Brown and Chandrashekaran 1998). Beyond level of compensation, the customer will also react to perceived promptness of the firm's response as well as the perceived appropriateness of the service employee's behavior (Estelami 2000). Customers prefer complaint responses that match the type of failure they experienced in the amount commensurate with the failure they experienced (Smith, Bolton and Wagner 1999). Indeed, it has been documented that hotel customers expressed higher satisfaction with the service when a 50 percent refund was provided, and the provider was seen to be adhering to defined policy versus extending special favors for the customer (Sparks and McColl-Kennedy 2001). Firms do not benefit from service recovery efforts over a moderate level, according to research findings (Maxham 2001).

Whether a customer's complaint, or compliment, is acknowledged or not, and at what level the customer is compensated, is an important strategic consideration. Unfortunately, research on this issue is not current. In addition, research conducted post-response receipt/non-receipt is needed to determine the most efficient and effective responses to be incorporated into a strategic plan emphasizing relationship marketing and customer retention.

THE CONSUMER'S PERSPECTIVE

Relatively little is known about how customers evaluate a firm's response, or lack of response, to customers' communications and how this influences subsequent relationships with the firm (Goodwin and Ross 1992). Regardless of what initiated the correspondence, whether dissatisfaction or satisfaction, at this point the customer decided to take the public action of contacting the firm, a significant decision by the customer (Bearden and Oliver 1985). Indeed, it has been speculated that complaint letters are a sign of the customer's commitment to their relationship with the product and the firm and represents an attempt by the customer to change an unsatisfying situation (Crie and Ladwein 2002). For either a complaint or a compliment letter, whether the consumer is satisfied with the firm's response to that correspondence is a significant strategic issue.

Consumers tend to experience higher levels of dissatisfaction with frequently purchased goods (Andreasen and Best 1977). Some consumers will not engage in complaint behavior, perhaps as an attempt to minimize psychological stress (Stephens and Gwinner 1998). Others will aggressively complain in order to relieve frustration and gain the beneficial consequences of catharsis (Bennett 1997). Studies have reported that personality traits such as private- and public self-consciousness impact whether a consumer will complain and how that complaint will be manifested (Marquis and Filiatrault 2002); and individual characteristics have been shown to explain the complaint behavior exhibited by auto repair and medical services customers (Kolodinsky 1995).

Customers are also likely to engage in interpersonal communications pertaining to their product and service experiences. This interpersonal communication could involve the actual experience with the product/service and/or the correspondence experience after the fact and this interpersonal communications could result in positive word-of-mouth, and greatly contribute to the firm's reputation, or it could result in negative word-of-mouth and greatly harm the firm's reputation. Negative word-of-mouth is not minimized when the customer has voiced complaints to the seller, and can occur congruently with the complaint (Halstead 2002). On the other hand, positive word-of-mouth is a valuable business communication commodity and is a significant determinant of customer lifetime valuation and customer equity (Helm 2003).

STUDY OBJECTIVES

The current state of customer correspondence management warrants investigation. The previous discussion demonstrated that relevant information concerning customer correspondence needs to be produced, as the marketing environment is extremely dynamic and the prominence of service marketers and the enculturation of technology have produced changes in the marketing landscape. Thus, the current nature of corporate responses and the customer's reactions to these responses will be studied along with the implications for the development of relevant marketing strategies. The goal is to identify response strategies that most efficiently maintain a long-term customer relationship.

Therefore, in order to develop an up-dated profile of marketing management responses to consumer correspondence, and subsequent customer reactions, the following study objectives were pursued: 1) to assess corporate responses to different types of customer inquiries, specifically compliment and complaint letters; 2) to evaluate separately corporate responses from product manufacturers and service marketers; 3) to evaluate separately customer correspondence and corporate responses to traditional mail (snailmail) and email correspondence; 4) to assess consumer post-correspondence behavior and attitudes, specifically satisfaction/dissatisfaction, repurchase intentions, likelihood of recommendation, perception of company's commitment to customer satisfaction, and perceptions of procedural and distributive justice, for all types of correspondence to a variety of firms; and, 5) to assess if gender differences exists in terms of reaction to marketing responses to customer correspondence.

METHODOLOGY

To satisfy the objectives of the study, a two-year data collection process was pursued. Students in four semesters of classes were required to send legitimate complaint and compliment letters as part of their course requirement. To verify authenticity and for future analysis, students were required to submit copies of their correspondence. Mail correspondence was submitted in stamped envelopes and the instructor mailed them. Copies of email letters were used as documentation of completion of the assignment. This methodology resulted in 509 complaint and 509 compliment correspondences sent and documented.

To minimize the impact of extraneous variables, students were instructed to write product letters to manufacturers of inexpensive consumables, those which could typically be found in a grocery store, such as food products, cosmetics or cleaning products. The topic of service correspondence could be of any type, so long as the correspondence entailed a legitimate service experience.

The respondents were told to record any response they received from the firm. After a sufficient period of time had elapsed in which to receive a response (approximately six weeks), the respondents completed a survey. The survey instrument collected data concerning what response, if any, the respondents received, along with their reaction to this response/nonresponse. Specifically, respondents were asked to rate (on a scale of 1 to 10, with 10 being high) firms, from both their compliment and complaint correspondences, on how satisfied/dissatisfied they were with the product/service. Additional post-correspondence measures included likelihood of repurchase, likelihood of recommending the product/service to others and the perceived commitment to customer satisfaction.

Attitude, post correspondence, toward the brand was measured utilizing an eight-item seven-point semantic differential scale. Modified versions of procedural and distributive justice scales (Blodgett, Hill and Tax 1997) were also included, as research cited previously addressed the importance of these perceptions on customers' attitudes.

Forty-seven percent of the respondents were male (n = 241) and 53 percent were female (n = 268). Students were measured due to the methodology employed. A population containing college students matched many of the demographics of customers likely to complain. Students, as a convenience sample, are considered an appropriate sample group when the topic is pertinent to the respondents and when the study is exploratory in nature (Cardy 1991; Ferber 1977).

FINDINGS AND IMPLICATIONS

The methodology employed resulted in 509, each, compliment and complaint correspondences. The findings indicated that customers are sensitive to not just whether they received a response from a firm, but also the nature of that response Sixty-seven percent or 340 of the correspondences dealt with products and 169 (33%) dealt with service experiences. The majority of the correspondences were sent by traditional mail (84%/n = 429), although a significant number were emailed (16%/n = 84).

Compliments versus Complaints

The overall response rate, for all correspondence sent, varied between compliment and complaint inquiries. Complaint correspondence elicited a higher corporate response rate. Sixty percent, or 299, of the complaint correspondences elicited some type of response from the product or service firm. Only 54 percent, or 273, of the compliment correspondences elicited a response. These figures are comparable to the results reported in previous studies referenced earlier. An opportunity is missed for every correspondence that is not acknowledged. An unacknowledged complaint correspondence is a missed opportunity to fix a service failure or to accommodate a dissatisfied consumer of a consumer good and an unacknowledged compliment letter is a missed opportunity to reinforce consumer loyalty and to socially accommodate a compliment. Ideally, the response rate for both types of correspondences, regardless of the circumstances, would be near 100 percent, assuming it was cost effective.

Should they choose to respond, firms can respond using any combination of verbal, written or electronic communications. Most firms responded with the same medium as the inquiry. The firms responded by utilizing a variety of responses (see Table I). The majority of correspondences elicited a response of only a letter, or email, in return, violating the tenets of equity theory. Thirty-one percent of the complaint correspondences sent in during this study that received a reply got only a letter. Compliment letters, which received a reply, were even more likely to receive only a letter as a reply as 44 percent of the replies received during this study were letters only. This meager response from the firm may offend the communicating customer.

Firms were also likely to respond by sending coupons for the value of the product or service which generated the correspondence (27 percent of the complaint replies and 22 percent of the compliment replies). This format, or acknowledgement reinforced by equal compensation by way of coupon is a reasonable and cost- effective response. Likewise, for a firm to respond to a customer by sending tangible merchandise, such as replacement products or specialty goods with product logos affixed (i.e., golf balls, t-shirts, hats, refrigerator magnets), is a means for the firm to reward or compensate the customer and to perpetuate loyalty with the customer. It is noteworthy that this method of response was the third most prominent response for compliment letters. A loyal customer is often delighted by a tangible token of appreciation.

In terms of the firm's response, or nonresponse, to the consumer's correspondence and its impact on consumer attitudes, some interesting insights were divulged in the analysis of the study's data (see Table II). The correspondent's level of satisfaction or dissatisfaction with the subject of the inquiry was not impacted by receipt or non-receipt of a response from the firm. No significant difference in satisfaction/dissatisfaction with the subject of the correspondence was observed between response and nonresponse recipients.

Overall, the satisfaction level with the subject (product or service) of the compliment letter (mean = 9.4/n = 509) was much higher than the overall dissatisfaction level (mean = 5.9/n = 509) with the subject of the complaint letter. The correspondents were likely to apprise the subject of their compliment letter positively regardless of the firm's response. However, for both types of correspondence the correspondent's attitude towards the firm's commitment to customer satisfaction was enriched, significantly, by the receipt of a reply.

Post-response/nonresponse attitudes for compliment and complaint correspondences differed in terms of attitude toward the product/ service. Attitudes were significantly improved for subjects of complaint letters when correspondences were acknowledged by the firm, although this was not the case for compliment correspondences where receipt of a response did not significantly improve attitude scores. Overall, the reputation of the firm is most likely to be impacted by the correspondence experience while the reputation of the product/service is less likely to be impacted.

The study results indicate that a firm can improve both repurchase rates and positive word-of-mouth by responding to all types of consumer correspondence. For compliment and complaint correspondence, the respondents' mean likelihood scores for both repurchasing and recommending to others were significantly higher amongst those who received a response from the firm to which they wrote. These findings are significant as negative word-of-mouth had been found to supplement

TABLE I
Corporate Responses

Type of Response	Complaints		Compliments	
	Number	%	Number	%
Letter/e-mail only	94	31%	123	44%
Letter and coupon (value of product)	82	27%	61	22%
Coupons (over compensating)	63	21%	31	11%
Merchandise	23	8%	43	16%
Check	16	5%	1	0.40%
Phone/personal contact	13	4%	13	5%
Gift certificate	8	3%	2	0.80%
Total	299	100%	273	100%

TABLE II
Overall Post Response/Non-response Attitudes

	NEG.				POS.		
	nonreply	reply	sig.		nonreply	reply	sig.
On a scale of 1 to 10, with 1 being low and 10 being high, how satisfied/dissatisfied were you with the product/service you wrote a compliment/complaint letter about?	6.13	5.78	0.13		9.14	9.62	0.26
….how likely are you to repurchase the product/ service you wrote the compliment/complaint about?	4.61	6.29	*.00		9.19	9.64	*.00
….how likely are you to recommend the product/ service you wrote a compliment/complaint about to others?	3.07	4.93	*.00		9.03	9.39	*.00
….how would you rate the company to which you wrote to compliment/complain in terms of commitment to customer satisfaction?	2.87	7.23	*.00		7.02	8.85	*.00
Overall feelings towards the product/service (higher scores denote more negative feelings)	38.38	30.72	*.00		14.45	13.73	0.14
Procedural justice	1.51	5.57	*.00		2.01	5.67	*.00
Distributive justice	11.02	17.1	*.00		12.39	17.56	*.00

*T-test sig. (two tail) at .05 level, or less complaints and not act as a substitute (Halstead 2002). Positive customer relationships are based on repeat purchasing and positive word-of-mouth and referrals. For corporate responses to customers communications to incite these significant reactions is noteworthy for managers.

Perceptions of procedural and distributive justice were both improved significantly by the acknowledgement of a customer inquiry. This was the case for both compliment and complaint correspondence. A simple acknowledgement of the consumer's inquiry will pay dividends to the firm in a variety of aspects including creating perceptions of being fair and conscientious towards customers.

Product Manufacturers versus Service Providers

In order to satisfy the research objectives, correspondences and replies from products and services were analyzed separately. Reply rates for both complaint and compliment correspondence to both were tabulated. The results clearly indicate that the service firms' overall lack of response to either type of inquiry was holding down the overall response rates previously reported. Service providers responded to both types of correspondences at a disappointingly low rate. Compliment correspondences garnered a 29 percent (48 of 168) response rate from service firms and complaint correspondences garnered a 30 percent (51 of 169) response rate from service firms, reflecting that less than one out of three customer correspondences, of any type, elicited a response from the service firm. In contrast, product firms responded to 73 percent (248 of 339) of the complaint inquires and 67 percent (225 of 338) of the compliment inquires they received from customers. Granted, service providers are often small businesses; yet the opportunity to communicate with a customer who has taken the initiative to communicate with you should not be by-passed.

Product manufacturers proved to be much more adept at customer service and responded at a much higher rate than service firms. Complaint inquiries elicited a slightly higher response rate than compliment letters. Nevertheless, product managers seem to appreciate the opportunities to address product complaints and expressions of loyalty.

EXHIBIT ONE
Product and Service Categories

	Complaint	Compliment
Products:		
Packaged goods	109	84
Beverages	61	120
Cosmetics/OTC	100	71
Cleaning products	20	17
Frozen/refrigerator	42	43
Misc.	81	65
Services:		
Fast food	14	12
Communications	29	12
Lodgings	7	9
Airlines	2	5
Fitness/tanning/ beauty	6	16
Banking/finance	7	6
Automobile	4	5
Retailer	9	12
Restaurant	3	2
Misc.	11	20

A variety of different types of product manufacturers and service providers were contacted (see Exhibit One). The respondents in this study were college students and were instructed to contact product manufacturers for relatively low-priced items that could commonly be found in a grocery store; the intent was to confine the study to a somewhat homogeneous product grouping of low-involvement consumable goods. No restrictions were placed on service contacts. A significant number of complaint letters were sent to package good manufacturers (e.g., cereal, crackers, canned vegetables, macaroni and cheese) and cosmetics/personal grooming products or over-the-counter medications, whereas, a significant number of compliment letters were sent to manufacturers of beverages (i.e., soft drinks, sports drinks and beer). The 'misc.' category for products included a variety of items, such as auto air fresheners and pens and notebooks.

A large number of service complaint letters were sent to providers of communication services, such as cell phone and cable service. Given the competitive nature of the communications industry, the large number of complaint letters is not encouraging. The largest category for service compliments was to fitness and/or tanning services. The 'misc.' category for services included services such as health care and home repair services. Correspondents took the opportunity to compliment or complain about the customer service they received at several retailers and restaurants. These results indicate that all firms, whether product or service providers, can anticipate receiving customer correspondence, both positive and negative in nature and in either traditional or electronic format.

When the issue of whether products and services differed in terms of recipients' reactions was addressed, some interesting findings were noted (see Table III). As with the aggregate results, when broken down into product-related and service-related correspondence, whether a response was received, or not, did not impact the level of satisfaction/dissatisfaction the correspondent felt with the subject of their correspondence. The same phenomenon was noted for attitude toward the subject of the compliment letters. For both products and services, if the consumers felt positively enough about the subject to initiate a correspondence they did not change their feelings significantly if they did not receive a response to their correspondence, proving the power of previously instilled brand loyalty and identification. Also, for both products and services, the receipt of a response could not sway dissatisfaction with the core product or service.

Responses to both product and service customers' complaints did enhance repurchase rates, positive word-of-mouth and attitudes towards the subject. Perceptions of both types of justice were also improved by receipt of a response from product manufacturers and service providers. Given the lackluster response rate noted for service marketers, these results should have particular implications for future customer service endeavors of service providers. The positive affects on customers' behaviors and attitudes from a corporate response to a complaint correspondence almost mandates that this tactic be initiated by management.

In order to ascertain whether the type of response received by the correspondents impacted their attitudes, additional analysis was pursued including the composite results, as well as product and service correspondences separately. While dissatisfaction with the subject of the correspondence was not mediated when viewing products and services separately, overall dissatisfaction was significantly lower for those who received merchandise and coupons from the firm. Tangible responses pay off for the firm. Satisfaction with services was improved when the recipient received anything above just a letter in response. Loyal customers of services were thrilled to receive anything from the service provider with whom they felt they had a positive relationship. Any token from a service provider was appreciated by the loyal service customer. Service providers need to communicate often and reward customer loyalty with their communications endeavors.

Likelihood of repurchasing could not be improved by any type of response for pleased customers; however when it came to complaint letters, likelihood of repurchasing would not be improved by sending a check by way of response, especially for product manufacturers. Perhaps, a check is perceived as a disingenuous attempt by the firm to remedy the problem. Similarly, no particular type of response to a compliment letter will increase the likelihood of positive word-of-mouth from the recipient. However, product and service firms can significantly improve the possibility of positive word-of-mouth from the authors of complaint letters by responding with more than just a letter, while avoiding sending a check. Coupons represent a desirable response from both the customer's and the firm's perspective.

To significantly improve a firm's image in terms of commitment to customer service, both product manufacturers and service marketers need to respond to both compliment and complaint correspondence with something more than just a letter. Again, any token sent by the firm is well received and reflects well on the firm. While no type of response can impact attitudes towards services that were the subject of a complaint letter, attitudes towards products that were the subject of a complaint can be improved by sending the complainant either a check or merchandise. Ironically, a check was seen as a deterrent for repurchasing.

Perceptions of distributive justice were improved if the recipient of a response to a complaint letter, from either a product manufacturer or service marketer, was overbenefited in their response. Those who received coupons and merchandise were significantly more likely to rate the firms higher on distributive justice. However, a phone call or personal contact by the firm produced significantly lower distributive justice scores. The respondents reacted more positively when they received something tangible and when they perceived the response to have some value.

Traditional Mail versus Email

Technology is changing the business environment. Firms must respond to these changes, and communications strategies must evolve. Consumers are becoming increasingly comfortable with electronic correspondence and often prefer the convenience of using the Internet to communicate rather than corresponding through the traditional mail system, or snail mail. Therefore, it has become necessary to investigate the impact of the Internet as a form of consumer correspondence and firm response to this type of communication. To this end, correspondents in this study were encouraged to employ email, if they desired. Seventy-two compliment correspondences were sent by email and 77 complaints were emailed to various firms. A comparison of the firm's response rates proved to be revealing. Fifty email complaints (of 75) received some type of response, representing a 66 percent response rate. The response rate for snail mail complaints was 58 percent (245 of 422), or proportionately much lower than the email complaint response. The response rate for compliment correspondence was very close with a 54 percent (231 of 421) response rate for snail mail and 56 percent (40 of 72) response rate for email compliments. Regardless of the means of customer contact, firms were somewhat lackadaisical about responding to compliments.

Given the nature of the medium, the nature of the responses to email messages from customers was worthy of investigation. Of the 40 responses to compliment emails, 30 received just an email in return, seven received coupons and three were mailed some type of merchandise. The responses to email compliments were significantly less generous than responses to snail mail compliments. Twenty-three of the 50 complaint emails produced just a return email, while 14 received coupons, four received merchandise, one got a check in the mail, two received phone calls and two were mailed gift certificates. In general, the complaint replies were more generous than the compliment replies and utilized other media to respond to the customer. Perhaps the responding firms were acknowledging the minimal efforts the consumer exudes when emailing a compliment yet acknowledged complaint emails with more effort and generosity.

In terms of post-correspondence attitudes, email correspondents had different perceptions than snail mail correspondents (see Table IV). For either medium, for both compliment and complaint issues, levels of satisfaction or dissatisfaction were not impacted by receipt or non-receipt of a response. Email

TABLE III
Product Versus Services

	Product						*Service*					
	NEG.			**POS.**			**NEG.**			**POS.**		
	reply	non	sig.	reply	non	sig.	reply	non	sig.	reply	non	sig.
Satisfaction/dissat.	5.62	5.83	0.48	9.20	9.62	0.96	6.51	6.35	0.73	9.48	9.08	0.06
Repurchase	6.27	4.77	*.00	9.64	9.64	*.00	6.37	4.49	*.00	9.17	9.64	*.03
Recommend	5.08	3.52	*.00	9.36	9.39	0.08	4.20	2.73	*.00	9.52	8.94	*.01
Company's Commitment	7.52	3.19	*.00	8.81	8.85	*.00	5.84	2.64	*.00	8.14	9.00	*.01
Overall feelings	29.93	35.07	*.00	13.92	13.73	0.24	34.53	40.82	*.00	12.83	14.22	0.12
Procedural justice	5.63	1.58	*.00	5.64	5.67	*.00	5.22	1.62	*.00	5.88	2.42	*.00
Distributive justice	17.2	11.28	*.00	17.38	17.56	*.00	15.72	11.10	*.00	19.25	13.46	*.00
	n=248	n=88		n=225	N=111		n=51	n=118		n=48	n=118	

*T-test sig. (two tail) at .05 level, or less

TABLE IV
Snailmail Versus Email

	Snail						*Email*					
	NEG.			**POS.**			**NEG.**			**POS.**		
	reply	non	sig.	reply	non	sig.	reply	non	sig.	reply	non	sig.
Satisfaction/Dissat.	5.86	6.17	0.23	9.69	9.13	0.26	5.46	5.48	0.97	9.18	9.22	0.84
Repurchase	6.38	4.57	*.00	9.64	9.15	*.00	6.01	4.81	0.14	9.41	9.61	0.44
Recommend	5.07	2.93	*.00	9.38	8.99	*.00	4.22	3.76	0.54	9.22	9.42	0.41
Company's commitment	2.81	7.27	*.00	8.83	7.11	*.00	7.08	3.48	*.00	6.44	8.91	*.00
Overall feelings	30.49	38.76	*.00	13.61	14.38	0.16	31.89	35.01	0.24	14.38	15.01	0.61
Procedural justice	5.44	1.53	*.00	5.64	2.10	*.00	6.14	1.44	*.00	5.95	1.51	*.00
Distributive justice	17.18	11.01	*.00	17.62	12.53	*.00	16.68	10.92	*.00	17.35	11.44	*.00
	n=245	n=178		n=231	N=194		n=50	n=25		n=40	n=32	

*T-test sig. (two tail) at .05 level, or less

TABLE V
Gender Differences

	Complaint				**Compliment**		
	Males	**Females**	**Sig.**		**Males**	**Females**	**Sig.**
On a scale of 1 to 10, with 1 being low and 10 being high, how satisfied/dissatisfied were you with the product/service you wrote a compliment/complaint letter about?	5.81	5.99	0.42		9.02	9.28	*.03
….how likely are you to repurchase the product/service you wrote the compliment/complaint about?	5.85	5.35	0.10		9.37	9.49	0.27
….how likely are you to recommend the product/service you wrote a compliment/complaint about to others?	4.49	3.90	*.03		9.11	9.33	*.03
….how would you rate the company to which you wrote to compliment/complain in terms of commitment to customer satisfaction?	5.54	5.38	0.59		7.97	8.06	0.68
Overall feelings towards the product/service (higher scores denote more negative feelings)	32.07	35.49	*.00		14.81	13.41	*.00
	n=241	n=268					

*T-test sig. (two tail) at .05 level, or less correspondents, however, were not more, or less likely to repurchase or recommend the subjects of either type of correspondence based on whether they received a reply to their correspondence, whereas, snail mail response receipt did impact these actions. In addition, unlike traditional mail where feelings towards the subject of the complaint correspondence were improved when the correspondence was acknowledged, email response receipt did not impact feelings toward the subject in either type of correspondence. Evidently, email response efforts did not sufficiently impress recipients and thus serve to improve perceptions and behaviors. Managers should recognize the effort to communicate via traditional mail appears to impact the customer's expectations and commitment to the firm, thereby influencing perceptions of corporate responses.

Gender Differences

Half of the five post-correspondence belief and attitude measures produced significantly different results between the genders (see Table V). Females were more likely not to recommend a product/service they wrote a complaint correspondence about, and they were likely to feel more negatively about that product/service. Females also showed a stronger loyalty to the product/service subject as females' satisfaction scores and feelings about the product/service were significantly higher than males'. Females' commitment to the complimented product/services was also represented by their likelihood to recommend that product/service to others. Females are more likely to utilize word-of-mouth, in general, about products/services they have experienced, either positively or negatively. It would behoove firms to nurture a positive relationship with all customers, but particularly female customers as they appear to develop strong feelings about products/services they consume.

IMPLICATIONS

The findings of this study clearly indicate that the opportunity exists for firms to strengthen their relationships with customers by effective correspondence management, in fact international marketers have begun to recognize the implications of complaint behavior on customer relationships in other cultures (i.e. Ndubisi and Ling 2006; Phau and Sari 2004). When customers contact a product or service firm to complain or to compliment that firm, an opportunity is provided to acknowledge that effort and to move that relationship to a deeper level of commitment for both parties.

This study demonstrated that service firms fall behind product firms in terms of correspondence management. It is disappointing that only one out of three customers who correspond with a service firm can expect some type of response. These findings represent a serious shortfall by service firms and should inspire radical changes by these firms. The potential to alleviate negative word-of-mouth from not only service failure, but from lack of response to any customer communications should never be overlooked.

Electronic customer correspondence represents a new challenge for firms and the findings of this study indicate that consumers are far less impressed by any type of response they receive to an electronic correspondence. Electronic communications has made it difficult to delight customers who correspond in this manner. Future research should investigate potentially efficient strategies to overcome this shortfall. In general, a significant amount of research should be undertaken to address the implication of this medium and its impact on both consumer behavior and marketing management.

Regardless of the communication medium chosen by the customer, firms should not only acknowledge customer communications, but should actively encourage communications from their customers. Procedures should be incorporated to minimize the stress and effort necessary for the customer to communicate both complaints and compliments to the firm. Every firm should recognize the value in the fact that when customers communicate with a product/service provider they are actually attempting to strengthen their relationship with that firm. Firms must make every attempt to benefit from this behavior and not insult that customer. The nature of the response should also be generous enough to communicate to the customer that the maintenance of a positive relationship with them is important to the firm. The reward for the product/service firm of effective customer communications is increased repurchase rates, positive word-of-mouth, and improved reputations for both the product/ service and the firm from the customers they most want to retain.

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