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„Exclusivity in an Inclusive Environment -
Criticism, Complaints and Brand-Consumer Interaction in
Luxury Fashion Brands' Online Brand Communities on
Facebook “

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Vienna, 2016

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TABLE OF CONTENT

Foreword and Acknowledgements.....	1
1. Research Context, Problem and Relevancy	3
1.1. Research Context	3
1.2. Previous Findings and Resulting Gap in Research.....	8
1.3. Research Question.....	10
1.4. Contribution to Research and Professional Practice	11
1.5. Thesis Overview	12
2. Luxury and Luxury Fashion Brands	13
2.1. Defining the Term Luxury	13
2.2. Luxury Fashion Brands	18
2.3. Luxury Fashion Consumption	20
3. Digital Brand Communication	25
3.1. Changes in Brand Communication	25
3.2. Social Media as Part of a Digital Company Strategy	27
3.2.1. Types of Social Media	30
3.2.2. Facebook.....	30
3.2. 3. Facebook Pages	31
3.3.2. Facebook Pages as Brand Communities	36
4. Word of Mouth and Complaints on Social Media	41
4.1. Word of Mouth Communication	41
4.2 Criticism and Complaints as Type of nWoM.....	43
4.3 Organizational Reactions to Negative Word of Mouth	45
4.4 Consumer Reaction to Negative Word of Mouth.....	47
5. Luxury Brands and Digital Communication	49
5.1. Challenges for Luxury Brands	49
5.2. Luxury Complaint Reasons.....	50
5.3. Luxury Fashion Brands and Online Brand Communities	51
6. Hypotheses	52
6.1. Brand Reply Rate to Critical Comments	52
6.2. Brand Reply Type to Critical Comments	53
6.3. Brand Reply to Criticism of Brand Values and Decisions	54
6.4. Consumer Response to Brand Silence.....	54

6.5. Consumer Reaction to Brand Criticism.....	55
6.6. Consumer Reaction to Complaints about Product or Service Failures.....	55
6.7. User Reaction to CSR and Ethical Issues.....	56
6.8. Thematic Placement of Critical Issues	56
7. Method and Research Design	58
7.1. Choice of Method.....	58
7.2. Data Collection.....	59
7.3 Sample.....	61
8. Procedure	65
8. 1 Codebook & Pretest.....	65
8.2. Descriptive Data	66
8.3 Hypotheses	78
9. Results Discussion.....	85
9.1. General Discussion.....	85
9.2. Implications for Practitioners	90
9.3. Implications for Research.....	90
9.4. Limitations	92
9.5. Future Routes of Research.....	94
Literature	96
APPENDIX.....	108
Codebook.....	108
SPSS Data.....	127
English Abstract	136
German Abstract	137

During the empirical part of this thesis, data containing sensitive personal information was collected (Facebook names and profile pictures.) This data will not be included in the appendix/ publicly available copy of the thesis, for privacy protection.

However, should you be interested in viewing the material, you may contact the author at:
luxthes@hotmail.com

List of Abbreviations:

BLI – Brand Luxury Index

BC – Brand Community

CSR – Corporate Social Responsibility

oBC – Online Brand Community

eWom – Electronic Word of Mouth

pWom – positive Word of Mouth

nWom – Negative Word of Mouth

LVMH - Moët Hennessy – Louis Vuitton

NGO – Non-Government Organization

OBC – Online Brand Community

UK – United Kingdom

USA – United States of America

List of Figures

Figure 1 Number of Social Network Users Worldwide from 2010 - 2019 (in billions). Source: eMarketer (n.d.). Image: Authors Illustration.....	3
Figure 2 - Number of people Who Complained to an Organization via Social Media. Source: Aspect, Vanson, Bourne (2013). Image: Authors Illustration	6
Figure 3 - Side by Side Comparison of Luxury Concepts. Image: Authors Illustration	15
Figure 4 - Accessibility of Luxury (Bruce, Kratz: 2007, adapted from Alleres 2003).....	17
Figure 5 - The Scope of the Luxury Goods and Services Industry (Okonkwo: 2009b).....	18
Figure 6 - Complaint Handling Strategies in Comparison - Author's Illustration.....	46
Figure 7 - Units of Analysis. Authors Illustration	59
Figure 8 - Example of Analysis Unit. Screenshot taken on Burberry (n.d.).....	60
Figure 9 - Luis Vuitton Logo. Source: Louis Vuitton: 2016a).....	62
Figure 10 - GUCCI Logo. Source: Gucci: 2016)	62
Figure 11 - Chanel Logo. Source: Chanel: 2016).....	63
Figure 12 - Prada Logo. Source: Prada 2016)	63
Figure 13 - Burberry Logo. Source: Prada 2016).....	64
Figure 14 – Negative Comments/ Gender. Author’s Illustration	66
Figure 15 - Realisticness of Picture. Author’s Illustration	66
Figure 16 - Name of Complainant. Author’s Illustration	66
Figure 17 - Comments per Brand. Author’s Illustration	67
Figure 18 - Original Posting Type. Author's Illustration.....	68
Figure 19- Distribution Complaint/ Criticism. Author's Illustration	69
Figure 20 - Content of Comment. Author's Illustration	70
Figure 21 - Content of Comment by Comment Type. Author's Illustration.....	71
Figure 22 - Frequency User Reply Type. Author's Illustration	75

List of Tables

Table 1 - Original Postings Data	67
Table 2 - Original Posting Content - Data	68
Table 3 - Critical Issue Data	69
Table 4 - Criticism and Complaint Distribution Data.....	70
Table 5 - Crosstable Comment Type and Recipient Data	70
Table 6 - Brand Reply Data	72
Table 7 - Complainant Reply Data	72
Table 8 - User Reply Data	72
Table 9 - User Response Length.....	73
Table 10 - User Reply Recipients Data	73
Table 11 - User Reply by Comment Type	74
Table 12 - Response to Comment by Comment Content Data	74
Table 13 - Response Type Frequency Data	75
Table 14 - User Response Types by Comment Type Data.....	76
Table 15 - User Response Type by Comment Content Data	76
Table 16 - Brand Reply Frequency Data	78
Table 17 - Brand Reply Frequency by Negative Comment Type Data.....	78
Table 18 - Brand Response Content by Comment Type Data	79
Table 19 - Frequency of Silence Strategy Data	80
Table 20 – Further User Replies Data	80
Table 21- Further User Reply by Brand Reaction Data - Author's Illustration	80
Table 22 - User Response Content by Comment Type Data	81
Table 23 - User Response Type by Comment Content Data	82
Table 24 - Complaint Content and Shift of Blame Data	83
Table 25 - Comment Placement by Critical Issue in Comment Data	84

FOREWORD AND ACKNOWLEDGEMENTS

During my years of studying I have had the opportunity to write and research many interesting papers, on media and democracy, social media and humanitarian agencies, online privacy, PR for charitable events and many more. For my master thesis I wanted to take a small step outside my usual “comfort zone”. Before I decided to tackle the challenge of studying I trained and worked as a make-up artist and hairstylist for three years, a passion that has prompted the interest in luxury and luxury fashion brands. Out of these combined interests I found the perfect topic: The interaction of brands and consumers in luxury brand’s Facebook pages. Together with my thesis advisors Prof. Dr. Sabine Einwiller and PhD. Wolfgang Weitzl I chose to focus on a slightly neglected niche in this specific context: the complaint behavior and more interestingly the reaction to complaints in these platforms, a research area I had not worked on before (allowing my “step out of the comfort zone”).

* * *

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INTRODUCTION

1. Research Context, Problem and Relevancy

1.1. RESEARCH CONTEXT

A recent study performed over the span from 2010- 2015 investigated the number of people who use social network services worldwide per year and cast a prognosis toward the year 2019. Not only did it find a continuing increase in numbers over the years, from just below a billion in 2010 (0.97 billion) to over double the amount in 2015 (2.04 billion) but the numbers are expected to grow rapidly in the next years to an estimate of 2.72 billion users in 2019 - meaning approximately one third of the world's population will be using one or more types of social networks (eMarketer: n.d., Figure 1).

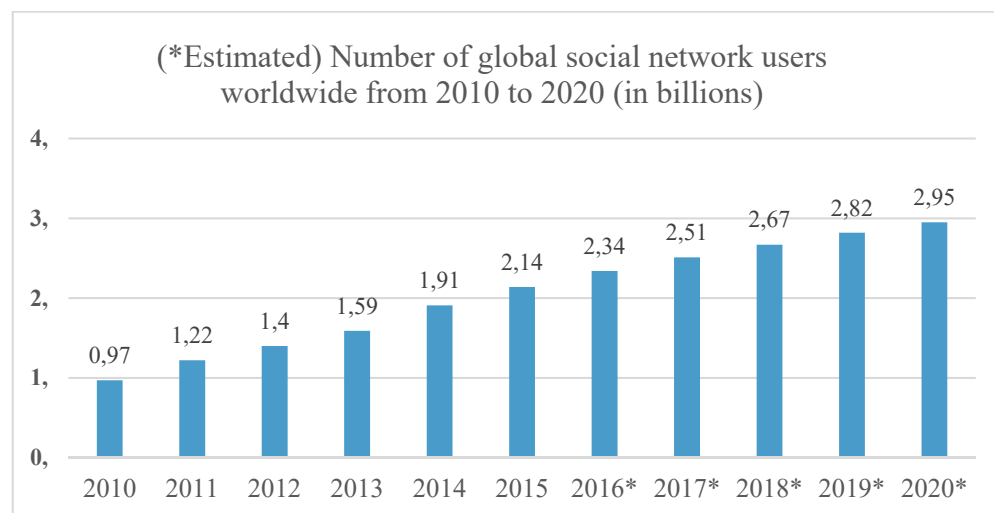


Figure 1 Number of Social Network Users Worldwide from 2010 - 2019 (in billions).
Source: eMarketer (n.d.). Image: Authors Illustration

Excluding persons have no access to either the internet or just social networks for various (e.g. demographic, cultural, regional) reasons the numbers become even more pressing: The pew institute of research looked at the number of adults in the U.S.A. that used at least one social networking site between 2006 (the year Facebook was made public) and 2014. According to this study, in 2014 60% of all American adults and 75% percent of all American adult internet users were active within at least one social network.

These numbers explain the significance to many research fields, including but not limited to human behavior and psychology, health issues and medicine, IT and media-communication science. Previous studies in these fields have reached from research on personality prediction via social media (e.g. Park, Schwartz, Andrew et al.: 2015), over the use of social media for medical research (e.g. Schumacher, Stringer, Donohue et al: 2014) to the use of social media for statistics and prediction models e.g. for crisis prediction via social media (e.g. Everson, Gundlach, Miller: 2013; Miotto, Altmann: 2014) and many more. A large stream of research on social media comes from communication and media science, of which relevant contributions will be reviewed and discussed in the course of this paper.

But not only scientific research display interest in the field of social media: companies and marketing professionals have over the years also become increasingly aware of the enormous audience easily and readily provided with comparably little cost (Bruhn, Schoenmueller, Schäfer: 2012). Interactions between brands and consumers are no longer monologically dictated by the brand but have become increasingly complex and multi-directional (Hennig-Thurau et al: 2010). Adapting to these new forms of communication has great potential for marketing and communication strategies, by allowing companies to engage with and listen to their consumers and strengthening their relationship with them (Bruhn et al: 2012). Research has shown positive effects on brand awareness and image, reduced marketing investment, online traffic as well as consumer interaction (Felix, Rauschnabel, Hinsch: 2016). In their study on brand equity creation through social media compared to traditional communication strategies, Bruhn et al. (2012) found that social media communication can have a great effect on functional and hedonic brand image and facilitate communication from consumer to consumer, thus reinforcing the brand awareness created by traditional media. In addition, this form of new media can provide valuable information on the consumer's view of a company or organization, as well as purchase intentions and other marketing relevant insights through careful monitoring of the social media channels (Schweidel, Moe: 2014; Hennig-Thurau et al.: 2010).

However, these developments have also given consumers more power over the public brand discourse as they are able to voice their positive as well as negative opinions and discuss brand related topics with little effort (Labrecque, Vor dem Esche, Mathwick et al.: 2013; Hennig-Thurau et al.:2010). Advances in mobile technology have furthered this

development, as consumers no longer need a personal home computer to access relevant online communication channels (ibid.). Today's social media landscape not only grants access to mass information, but has also amplified consumer's voices and allowed them to quickly find like-minded people to collaborate with in form of virtual communities, thus enhancing the individuals power (Labrecque et al.: 2013).

To effectively use the opportunities and avoid the risks involved, companies and their marketers need a thorough understanding of consumers motives to use social media and the influence it has over their behavior, their attitude towards brands or organizations and influence on purchase intention (Hennig-Thurau et al.: 2010), to which communication research can provide valuable insights theoretical insights.

Within the vast amount of social networks, Facebook is one of the most well-known and also one of the most used. The number of monthly active users on Facebook has rapidly grown from 100 million in 2008 to 1.7 billion in 2016 (Facebook Newsroom: 2016). Facebook brand pages allow consumers to become co-creators of brand experience and engage with other consumers within their network (Simon, Brexendorf, Fassnacht: 2013). The aforementioned possibility of interaction in social media is a key factor of Facebook brand pages (Morgan-Thomas, Veloutsou: 2013).

This thesis goes a step further and argues that Facebook pages can be viewed as specialized types of brand communities. Brand communities actually have their origins in the offline world. They are groups of persons connected by a common interest in or admiration of a specific brand that are not geographically bound (Muniz, O'Guinn: 2001). The online form of brand communities also allows users to exchange opinions and information about a brand with added ease, making them an important point of brand discourse (Wirtz, Ambtman, Bloemer, Horváth, Joris van de: 2013) and thus a relevant touchpoint for companies. Therefore, understanding the dynamics in such communities is an important factor within the marketing strategy and should not be neglected.

Brand Criticism in Social Media

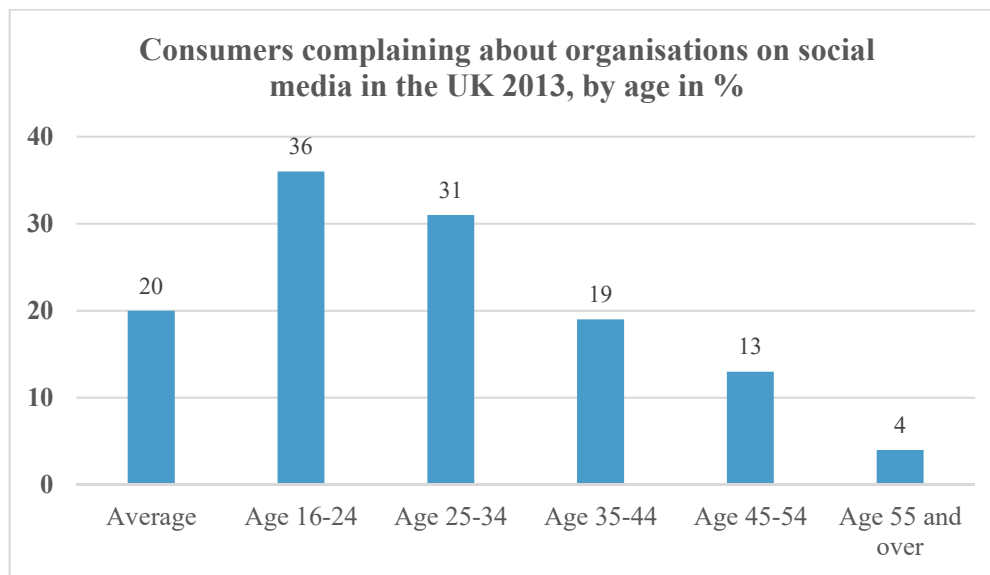


Figure 2 - Number of people Who Complained to an Organization via Social Media. Source: Aspect, Vanson, Bourne (2013). Image: Authors Illustration

The above mentioned vulnerabilities bring attention to another important field of research, linked to the interactivity and ease of access as well as ease of information spread in social media mentioned earlier. This changing communications landscape makes it easier for consumers to discuss brand related topics and has led to an increase in users that complain or criticize a brand online (Labrecque et al.: 2013; Hennig-Thurau et al.:2010, Wien, Colliander: 2013). Differently put, the new technologies of the web have shifted power away from the brand or company toward the consumer – who can easily spread negative word of mouth, which results in a high risk for the brand. In addition, consumers information-seeking-behavior has changed to them actively searching for information online on social media, meaning there is a need for the brand to act toward critical word of mouth communication, if they do not want potential customers to stumble upon the negative consumer-created information (Colliander, Wien: 2013).

In fact, a consumer satisfaction report conducted by Aspect, Vanson, Bourne (2013) in the United Kingdom revealed that as many as 36% of all 16-24 year olds, 31% of all 25-34 year olds, 19% of all 35-44 year olds and 13% of all 45-54 year olds had previously expressed frustration toward an organization on a social networking site at least once (figure 2). Given the steady worldwide rise of social media users (e.g. 1.59 in 2013 to 2.04

in 2015 - see fig.1) it can be assumed that the trend to express criticism or complain about a brand or product online has grown as well.

However, an earlier global study compiled by the Echo Research Group in 2012 revealed, that only 31% of all complainants on social media felt that they got an answer or solution from the company, 45% replied with sometimes, 17% with rarely and 6% felt their complaints were never reacted to. This indicated a need for companies to engage more with their consumers regarding online complaints, as 2/3 of all people were only sometimes, rarely or never reacted to. Previous research indicates, that consumers expect timely and effective solutions and dislike being ignored or treated with silence (e.g. Gensler, Völckner, Liu-Thomkins, Wiertz: 2013, Dekay: 2012) as being ignored evoked the feeling of a lack of concern for current or prospective customers (Dekay: 2012). Proper knowledge of effective complaint management (within the luxury fashion sector) can not only prevent harm to the brand but possibly be beneficiary, as studies have shown that satisfactory handling of consumer complaints could trigger the spread of positive opinions and repurchase behavior (Einwiller, Steilen: 2015).

This highlight why the concept of online complaints and interaction e.g. in brand communities is becoming increasingly more important and should be a topic of focus to communication research also receive attention from companies and marketing professionals.

Luxury (Fashion) Brands

A product category that is vulnerable to online criticism is that of luxury (fashion) (Okonkwo: 2009, 2010), considering that the luxury brand is one that evokes exclusiveness and superiority as well as scarcity, but is subject to the “*mass- and classless*” internet (Okonkwo: 2010, p. 314). This is reinforced by the factor, that luxury brands can be understood as a part of discourse about what luxury actually means, as well as the relations and personal identities it offers the consumer (Roper, Caruana, Medway, Murphy: 2010) meaning that negative discourse about these brands can form them in a negative connotation for the public.

The product category of luxury is an increasingly important market today and a fast growing industry (Hennings, Wiedmann: 2013). While the richer grow even richer, the gap

towards the bottom grows larger and larger, leaving a small middle field struggling to proof status and success by also consuming luxury goods (Hennings, Wiedmann 2013). In developing countries with growing wealth the consumption of luxury goods is also becoming more acceptable (ibid.). Furthermore, consuming luxury products is socially no longer reserved for the rich and upper class society, as it was until the 19th century, but has become accessible for those with enough sources to afford it (Frank: 2000). This results in a fast growing market (ibid.) of status-seekers that cannot be ignored.

A study conducted by Bain & Company (n.d.) over the course of 10 years emphasizes the rapid growth of the worldwide luxury industry, specifically personal luxury goods, from a market value of 77 billion Euros to 253 Billion Euros - a growth of over 300%. This growth is amongst other reasons due to a boom in spending and purchasing of luxury goods amongst the so called generation Y – or millennials (Giovannini, Xi, Thomas: 2015). Considering that studies have found, that the highest usage of e.g. Facebook is found in the age groups from 18-29 (82%) and 30-49 (79%), corresponding with these millennials (Duggan, Maeve: 2015) and this highlights the importance to pay special attention the use of social media in the luxury (fashion) context.

1.2. PREVIOUS FINDINGS AND RESULTING GAP IN RESEARCH

So far there has been a vast amount of research concerning online branding, online marketing, Facebook pages and such, but only few notable researchers (such as U. Okonkwo: 2009, 2010) have done extensive work on sustaining and extending luxury brands in the digital world from a mostly marketers perspective (e.g. topics like brand equity and financial aspects).

In the course of years of analyzing the web2.0 and emerging new communication paradigms, online communities and more specifically brand communities have also been a topic of interest to researchers, although the focus on online brand communities within social networks is less extensive. These social groups allow fans of a brand to interact and share their love for the brand within an organized surrounding (Muniz, O'Guinn: 2001; Ouwersloot, Oderkerken-Schröder: 2008, Wirtz. et al.: 2013). The question of how consumers interact with a brand online has also been explored from different angles, complaints or criticism also playing a role in research interests.

There is however a perceivable gap in the current literature when it comes to combining these topics with the inherent characteristics of luxury (fashion) brands and their communities, as well as the behavior and interaction following criticism and complaints in social media based and brand driven communities in the luxury fashion field.

An early study on (offline) brand communities was conducted by Muniz & O'Guinn (2001) and looked at offline/ face-to-face brand communities as well as early forms of computer-mediated brand communities. The goal was looking for brand communities in both forms, which they succeeded in, further defining them not as mere social collectives, but a grouping that is tied together by the brand (Muniz & O'Guinn: 2001). Following the question of effects of brand community, they found that computer mediation enhances these communities and strengthen the power of the consumer.

Later studies specifically focused on online brand communities were conducted by Jung, Kim and Kook (2009), who looked at effects of the identity of online brand communities on activity and behavior within and found that a strong identity positively influences the bond within as well as reinforcing the acceptance of norms within the community, the bond furthering consumer participation and interaction. The engagement and participation of consumers in virtual brand communities was also explored by Brodie et.al. (2011), separating the concepts of engagement from mere participation and interaction.

The subjects of complaints and criticism have been researched in various forms, however most of the research on luxury brand communication and complaints behavior focusses on the luxury tourism, hotel and hospitality industry (e.g. Zhenga, Younb and Kincaidc: 2009; Memarzadeha, Changa: 2015).

A study focused on more general product categories of how brands handle complaints in social media was conducted by Einwiller and Steilen in 2015 and will be closer viewed in the theoretical body of this thesis. Notable studies were also conducted by Roschk, Müller and Gelbrich (2012) on the influence of age on the post-complaint-satisfaction and research conducted by van Noort and Willemsen (2011) looked at the effects of proactive versus reactive complaint handling in both consumer- and brand-generated brand communities/ platforms.

There has been a variety of research on luxury branding itself and the challenges that luxury brands face in the digital sphere. Forenamed author Uché Okonkwo (2009, 2010) for one has focused much of her research on how luxury and also luxury fashion is can be sustained on the internet.

Relatively recent contributions were published in a special edition of the Journal of Business Research that focused on (luxury) and fashion marketing/ consumption behavior. Kastanikis and Balabanis (2012) looked into the psychological factors of the bandwagon effect (which will be discussed further on). Lertwannawit and Mandhachitara (2012) studied the interpersonal effects on male fashion consumption and came to similar conclusions, namely the internal strive for status and recognition.

In the same issue, Miller and Mills (2012) develop a conceptual model relevant to the luxury fashion brand and its marketing - the so called “brand luxury model”. Further, Kim and Ko (2012) examine customer equity in the light of social media marketing of luxury products). Kim et. al. (2012) also investigated the equity of luxury brands and how attitude towards and involvement with luxury fashion effects the equity and vice versa.

1.3. RESEARCH QUESTION

As mentioned, the subjects of social media, brand communities, complaints and luxury have been extensively researched by various authors and research fields. However, to the author’s knowledge, the mentioned fields of interested have not yet been studied together.

The aim of this thesis is to gain insights into brand-consumer-consumer interaction within the online brand communities – in form of the brands’ Facebook pages – in regards to criticism and complaints voiced toward the brands. The choice of brands was narrowed down to luxury fashion brands, as their specific characteristics give reason to assume a specific behavior pattern in both brands and consumers.

Considering the dynamics of social media and more specifically online brand communities and negative word of mouth in these communities, the goal is to predict how luxury fashion brands, due to their special characteristics, will react to complaints or criticism voiced on their Facebook brand pages.

In addition, the reaction of other luxury fashion consumers/ brand followers toward such negative word of mouth within the communities they have joined is of interest, considering the motivations for purchase and use of luxury fashion goods, as well as the dynamics of online brand communities. Lastly, again considering the characteristics of luxury fashion brands and the expectations brought toward such brands, this thesis takes a look at consumer response to the brands' reaction.

In total the research interest of this thesis can be summarized in the following research question:

How do brands and brand followers interact on luxury fashion brands' Facebook online brand communities in regards to criticism and complaints?

1.4. CONTRIBUTION TO RESEARCH AND PROFESSIONAL PRACTICE

The research paper at hand has relevance to scientific research as well as professional practice. Firstly, to the authors best knowledge, there has so far been no research combining the topics of luxury fashion, brand governed brand communities and complaint behavior. Secondly, most research focused on complaint behavior in the luxury sector refers to the hospitality and tourism industry. The luxury industry however included far more product categories, such as foods, jewelry, cosmetics, fragrances and many more (discussed in the respective chapter of this thesis).

In addition, to the authors best knowledge, most research on complaints or criticism, be it offline or in social media, focuses on organizational handling of complaints, complaint behavior and post-complaint satisfaction. However, during the review of literature for this paper, the author could not find a substantial amount of research on other consumers' reactions and behavior towards critical comments and complaints voiced in social media, or more specifically, Facebook brand Pages. Considering how easily word of mouth can be reinforced by other users than the original content creator (in-depth discussion in the respective chapter), the author considers this a significant gap in the current research on complaints and criticism.

Lastly, it is the authors intent that this paper can offer valuable insight to professional practice considering the dynamics of user complaints and criticism, the reactions of other users and brand reactions and the rising prevalence of social media.

1.5. THESIS OVERVIEW

The following theoretical part of this thesis firstly looks at the specifics of luxury and luxury consumption, followed by a discussion of the use of social media for brand communication. The focus of this discussion lies on the interactivity of the platforms, specifically Facebook and the Facebook Pages function, which will be regarded as online brand community.

The subsequent chapter will concentrate on negative word of mouth in social media, more specifically complaints and criticism.

The last theoretical chapter discusses the challenges that luxury fashion brands expose themselves to by moving into the social media environment.

From that point, using the theory discussed before, the hypotheses are derived and predicted from the previous chapters. These hypotheses will be tested by conducting a quantitative content analysis of six luxury fashion brands Facebook Pages walls.

The conclusions from the descriptive data and tested hypotheses will finally serve as basis for discussion and answering the research question, followed by an outlook on possible future research options.

II. THEORETICAL PART

2. LUXURY AND LUXURY FASHION BRANDS

2.1. DEFINING THE TERM LUXURY

Defining luxury and its characteristics needs an understanding of the origins of luxury, because “*it’s intricacies and output are essentially different from other types of goods such as daily consumer goods*” (Okonkwo: 2009, p.303), as well as its original function, which has its roots far back in history, when the higher classes, such as royals and aristocrats used luxury consumption to prove their superiority - something that has in this form disappeared from today’s society, but remains as a way of showing status on an individual level (ibid.), as the need to be recognized and admired and has in recent past years still remained a good reserved for a wealthy minority (Jahn et. al.: 2012).

A very early scholarly view on luxury that nevertheless is - with slight adaptations- quite valid to this time and day was worded by Sidgwick in the year 1894 during an address to university students, which was later printed in the international journal of ethics. Sidgwick (1894) draws a distinction between the terms “luxury” and mere “comfort” (both terms that apply to items that are not necessary for survival, living or health, yet have positive benefits), in describing comfort as something that protects the person against slight annoyances that “*do not materially injure health or interfere with efficiency*” (ibid., p.4), or put differently - are meant to avoid discomfort. Luxury however describes “*sources of positive pleasure that might be absent without discomfort*” (Sidgwick: 1894, p.4) He goes so far as describing luxury as any form of “*private consumption of wealth*” (Sidgwick:1894: p.5) as the type that - if one regarded a human being as a machine with input and output - would not be economical.

Adapting this stance to today’s society without review raises the question to which extent an everyday product that is not vital to “survival” could also be viewed as luxury (such as e.g. a simple decorative blanket compared to one that only serves to protect from cold or a bathtub when personal hygiene can be held up merely by having access to tap water and soap). On the other hand, something that a middle-class European household might view

as normal (e.g. aforementioned tap water) might be considered luxury in a rural area of a developing country and something a middle-class household considers “luxury” (e.g. the bathtub) could be an absolute basic necessity for a person from an upper-class or rich background, luxury being limited to high-profile items that not everyone can afford. This stance is supported by earlier work by Campbell (1987) who points out that the definition or perception of luxury largely depends on the context in which it is viewed and the point of view of the people involved.

Hennings and Wiedmann (2013) approach the definition of luxury from three four points of view: The “commodity approach”, that tries to distinguish products and categories that can be defined as luxury by their mere belonging in said categories, the more subjective “customer perception approach”, taking into account the individuals situation and the fact that luxury is not perceived the same way by everyone (Jahn et.al. 2012) The “functional approach” or “instrumental approach” identifies what creates high end experiences and the marketing-management approach that tries to identify luxury brands based on criteria such as uniqueness, exclusivity and price premium power (ibid.) The latter description is that most relevant to our research, as these criteria can be used to divide between regular and luxury fashion brands in almost all cases.

Dubois, Czellar & Laurent (2001) stated that luxury had to stimulate not only functional needs, but also psychological ones. Luxury goods should not be available for mass consumption (Berry: 1994) and are therefore especially exclusive.

Dubois et. al (2001) also defined six categories that constitute luxury: Excellent quality (or the expectance of high level product reliability) when purchasing products at a superior price, an exceptionally high price making them inaccessible to large parts of consumers and therefore providing a distinction between regular and luxury products, scarcity and uniqueness as a means to create value in the consumers perception through unreachability (e.g. Burberrys Trench coat or the Birkin Bag), aesthetics and polysensuality, meaning the product stimulates not only materialistic, but also other aspects of pleasure; ancestral heritage and personal history, as time and tradition point toward sustained quality over a long period of time and therefore give reason to trust; and lastly superfluousness, which refers to the product not only having direct, but also intangible benefits.

	Sidgwick (1894)	Campbell (1987)	Dubois, Czeller & Laurent (2001)	Hennings, Wiedmann (2013)
Physical and Psychological Benefits	• Distinction between luxury and comfort • Luxury as „source of pleasure that can be absent, without creating discomfort • Private consumption of wealth		• Not only physical needs, but also psychological needs	• instrumental approach: luxury products as creators of high end experience
Perception based Distinctions		• What Is luxury is based largely on perception and context		• customer perception approach, taking in personal factors and view
Product or Service Features			Defining features: • Excellent quality • High price • Uniqueness • Aesthetics and polysensuality • Ancestral heritage • superfluousness	• commodity approach = by product category • marketing management approach: by difference to other brands, based on exclusivity, uniqueness and price premium power

Figure 3 - Side by Side Comparison of Luxury Concepts. Image: Authors Illustration

Another challenge in defining luxury is the distinction between a luxury brand and mere prestige (e.g. Cadillac vs. Rolls-Royce) (Dubois, Czellar: 2002; Kim, Johnson: 2015).

Dubois and Czellar found that prestige can exist independently from luxury - prestige referring to the human accomplishment of the brands image, whereas luxury refers to the benefits that come from aesthetics, refinement and other gratifications the product supplies (Dubois, Czellar: 2002).

The above mentioned distinctions are not exclusive to each other and share similar touchpoints, as can be seen in the following the table in figure 3.

Vigneron and Johnson (1999, 2004) further attempted to clarify the term luxury by developing a measurement scale - the “BLI” - brand luxury index - by defining five categories properties, that are largely agreeable with Dubois et. al. (2001) definition, yet emphasize the **perceived** value, as the preference for luxury brands largely relies on the perception of a brands values (earlier framework: Dubois, Duquesne: 1993).

These measurement categories included personal and non-personal perceptions: perceived conspicuousness, perceived quality, perceived uniqueness, perceived extended self, and perceived hedonism (ibid.).

Their model aimed to make the term “luxury” or, more precisely “perceived luxury” more measurable. The combination of these five categories, according to Vigneron and Johnson (2004) could therefore influence the overall perception of luxury of a brand or product and distinguish it from products with prestige, but no luxurious values. This combination can vary from brand to brand - one might have a very high level of hedonic value and a lower level of perceived uniqueness, or vice versa.

This model was very recently updated by Kim and Johnson (2015): They criticized that the model was originally developed with business students, who were not representative of the overall group of luxury consumers and therefore attempted to widen the scale to make it more applicable for wider research. The model was updated to include more items on parts of the scale and an additional category “additional items” that included levels of fame (from recognized to famous), of brand history (from emerging to high heritage), timelessness (or high-fashion), accessibility, elegance and originality (ranging from cliché to originality) (Kim, Johnson: 2015) which also reflects some of the previously discussed characteristics.

De Barnier et al. (2011) developed a three-level classification based on prior work by Vigneron and Johnson (1999 and 2004), Kapferer (1998) and Dubois et al's (2001) previous work on the matter of luxury definition. They test all three scales (aforementioned authors) of luxury on several luxury brands and clearly identify three types of luxury within the general definition of luxury: accessible luxury, intermedia luxury and inaccessible luxury, however they do not further define these categories, leaving need for further research on this matter.

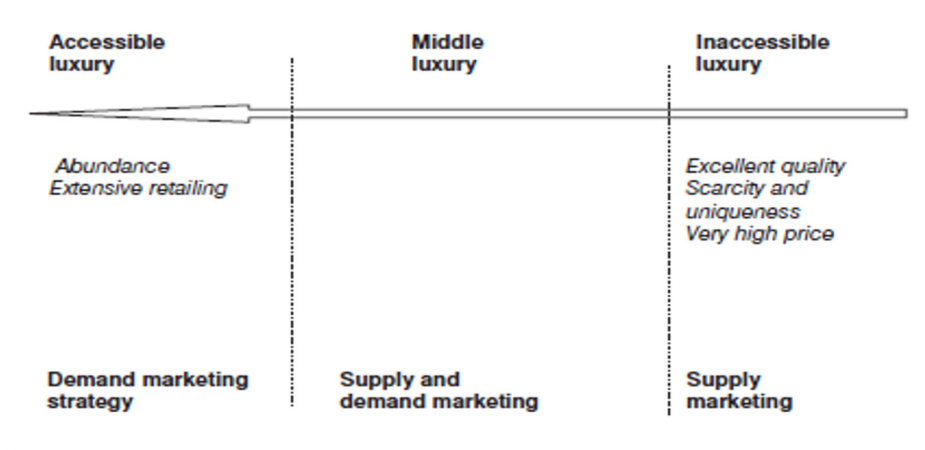


Figure 4 - Accessibility of Luxury (Bruce, Kratz: 2007, adapted from Alleres 2003)

Alleres (2003) later built these categories into a frame that included the strategies of marketing for each type of accessibility, ranging from extensive marketing of the brands extension products with an affordable price, therefore allowing less affluent customers a bit of a connection to the brand (based on demand) to a marketing strategy based on scarcity and uniqueness with a minimum supply (see figure 7).

Using the Company Burberry as an example, accessible luxury could describe their retail extensions such as eyewear and perfumes, often available in regular department stores, the middle field of luxury applies to their ready to wear collections in Burberry stores whereas inaccessible luxury, the most premium and exclusive of all, would apply to special couture collections, such as Burberry Prorsum (Moore, Birtwistle: 2004).

An additional, more technical approach toward what luxury is and at the same time the most frequently cited by other scholars was given by Nueno and Quelch (1998). For them

a luxury product is one whose: “ratio of functionality to price is low, while the ration of intangible and situational utility to price is high” (ibid., p. 62).

This accords with the aforementioned views and insights, by describing that the price of luxury product it’s not justified by its functional properties, but those that provide pleasure or gratification above the necessity level.

In summary, for the purpose of this thesis, luxury is classified as:

- a product that is not necessary to survival or avoidance of harm or discomfort
- is generally accepted as something that boosts status by display
- can serve as means to define the self in a certain way
- separated from non-luxury products in the same product category by exclusivity, - likewise scarceness, uniqueness and premium power
- stimulates several perceived needs and provides tangible as well as intangible benefits
- has a certain history or product heritage

Leaning on the aspects and models described in this chapter as well as further research, the motivations behind luxury consumption will be viewed in the following chapter.

2.2. LUXURY FASHION BRANDS

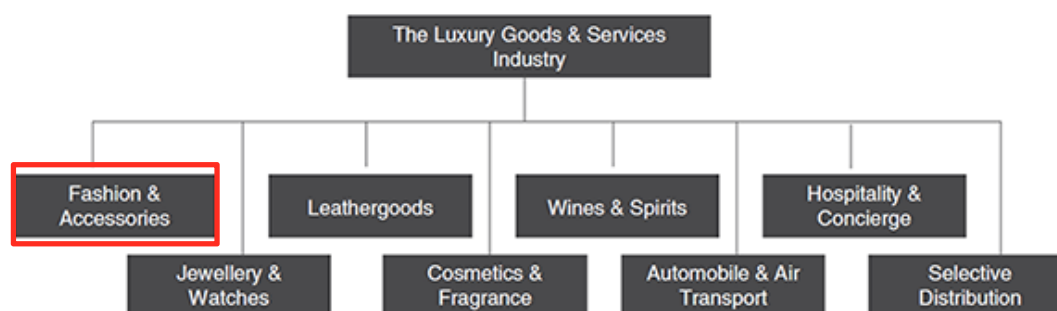


Figure 5 - The Scope of the Luxury Goods and Services Industry (Okonkwo: 2009b)

With a basic concept of what luxury constitutes, it is now possible to look at a more direct approach to what types of luxury there are. Jackson (2004) identifies four main segments in the luxury market: Fashion (such as couture, ready to wear fashion and accessories), cosmetics and perfumes, watches and jewelry as well as wines and spirits (Jackson: 2004). Okonkwo (2009) broadens this approach to include leather goods, automobile and air transport, selective distribution, hospitality and concierge services. (Figure 5)

Within the luxury sector luxury fashion brands constitute the product group with the largest product growth in recent years as well as making up the largest proportion of the luxury goods market (Fionda, Moore: 2009; Miller, Mills: 2012). In addition, the marketing and branding of luxury fashion is especially complex, due to high costs, fast paced changes in products and the vast amount of products grouped under one brand name (Fionda, Moore: 2009.; Moore, Birtwistle: 2004; Kapferer, Bastien: 2009).

As with most products in the luxury industry, they are generally only available to affluent consumers, stimulate material, psychological, tangible (being dressed) as well as intangible benefits. Furthermore, many of the top luxury fashion brands have a strong history/heritage and have a distinct brand identity as well as global reputation (Okonkwo: 2007) and provide excellent service and customer care (Fionda, Moore: 2009).

Luxury fashion brands can be understood as “fashionable and high quality consumer goods made by reputed luxury brands” (Chadha, Husband, 2006). Unlike cosmetic products or luxury food items e.g. luxury fashion products visually assist the display of status, considering they are carried on the body for everyone to see (Nueno, Quelch: 1998, Fionda, Moore: 2009) and are therefore a highly visible product category (Okonkwo: 2008) that is often used to display a certain lifestyle or status towards the consumers’ peers (Giovanni et al.: 2015).

In an extensive study of luxury fashion brands’ anatomy Fionda and Moore (2009) found that luxury fashion brands additionally carry a clear, creative and innovative design signature, including iconic products and a very recognizable style, represented through symbols and logos and adding to image building of the consumer by being easily recognizable as high value (Alleres: 2003; Kapferer, Bastien; 2009).

They also found high emotional appeal, especially through factors like live marketing through fashion shows and events and the presence of a designer as face of the brand (Fionda, Moore: 2009; Moore, Birtwistle: 2004) to be a core feature of luxury fashion brands. Miller and Mills (2012) found that features of innovation, distinctiveness and strong leadership are important for a fashion brand to be perceived as luxurious.

In summary, luxury fashion reflects all characteristics of the luxury product segment, while at the same time consumption of luxury fashion is more visible by merely using the product in the way it is intended – a factor that is important when it comes to the motivations for consuming luxury (fashion) products, which are discussed in the subsequent chapter.

2.3. LUXURY FASHION CONSUMPTION

The reasons and motivations to consume luxury (fashion) can be just as diffuse and complex as the actual definition of luxury. The following chapter attempts to build a framework of reasons for luxury consumption that can provide a basis for a) marketing/communication strategies as well as brand's and consumer's dealings with criticism or complaints towards the brand.

Literature and research review reveals three main streams of motivation for luxury consumption: Symbolic reasons, which refer to self-representation to the (in-) and outside, hedonic reasons, which refer to intangible benefits and instrumental, which refer to tangible benefits.

Symbolic Motivation

Within the area of symbolic motivations to consume luxury we can find several approaches: The Veblenian effect of conspicuous consumption and the bandwagon and snob effects, researched by Dubois and Duquesne (1993).

The need to use goods to display wealth is was argued by Veblen (1899), noting that wealth alone is not enough to show off status, as it is not necessarily visible - to aggravate status, one needs to show of wealth e.g. by acquiring luxury goods - which is possible through wealth.

Veblen (1899) coined this effect as “conspicuous consumption” which describes the need to display self-identity, suggesting that subjects identify with a luxurious lifestyle and therefore show to provide insight to their self. He also pointed out, that for the so called “new riches” in the late 19th century this was an important part of showing they were now upper class - something that can still be viewed as accurate more than a hundred years later.

Originally Veblen’s term referred to only luxury products, a modern adaption to his concept was termed by Chaudhuri et. al (2011) as deliberately consuming visible products that are scarce of nature to communicate self-image and the ability to acquire something that is not available to others. Dubois and Duquesne (1993) proposed the bandwagon effect - buying a product because someone that is admired by the person buys the same product, hence buying it to be more like that person and the effect of snobbism - buying “less of the product if others are buying it as well” (Dubois, Duquesne: 1993), therefore buying more of a rare product that distinguishes one from the mass, as possible reasons for luxury consumption.

The difference between these concepts are in the motivation: conspicuous consumers use luxury to show off, bandwagons to attach themselves to a group they admire and snobs to distinguish themselves from the masses.

The fact that a showing off a luxury brand can be perceived as showing “status” to peers as well as economic status is also highlighted by Wattanasuwan (2005). This is reinforced by the fact that people are judged on basis of outside perception (ibid.) as ones “appearance, gender, accent or outfit send a direct and powerful image to the perceivers” (Wattanasuwan: 2005). The author describes three driving forces for luxury consumption: Creating identity, sustaining identity and proof of social economic status (ibid.).

A related psychological theory to symbolic status-focused consumption that could explain this type of behaviour was postulated by Belk as “extended self” (1988): He theorized that people can see things, namely external objects, or possessions as part of the actual self - intentionally or unintentionally - therefore forgoing the difference between the “me” and “mine”. The idea was that *“knowingly, or unknowingly, intentionally or unintentionally, we regard our possessions as parts of ourselves”* (Belk: 1988, p.139) - the idea was that a person is made of an “inner core self” as well as an “aggregated self” that included things like

family, nationality or surroundings or put differently: *“body, internal processes, ideas and experiences, and those persons, places and things, to which one feels attached”* (Belk:1988, p. 140).

Due to the development of the internet and its various technologies (search engines, social media, virtual worlds, smart phones etc.) and the vast new possibilities to extend the self Belk revisited his model of extended self 25 years after originally publishing his theory and adapted it to include the fundamental change in consumer behaviour that has occurred through these new digital technologies (Belk 2013).

Main focus of his update were dematerialization (meaning that virtual possessions are basically invisible until we wish to retrieve them and don't consist of material but of data streams), re-embodiment (not only possessions have become virtual, our actual inner self has also extended to include a virtual version with no physical body - which must not necessarily reflect the “real” version) as well as sharing (the way possessions are no longer necessarily linked to a single person and can easily be shared or multiplied amongst thousands or even millions of people with one click).

In a next step Belk (2013) discusses the co-construction of the self which refers to the fact that a person is not online constructed by what they choose to reveal (or not) and thus construct themselves virtually but also by others posting and interacting with and about them. Another final adaption that Belk makes to his model is what he calls distributed memory - meaning, what used to make up part of the inner self is now recorded in the digital world as an extension of our own memory (Belk: 2013).

The concept of Belk's self (digital and original) can be vital to understanding or predicting consumer behaviour regarding the interaction with the brand, as it extends past the mere “status seeking” (displaying your luxury to prove social standing or lifestyle etc.) to actually identifying the brand or a product of the brand as part of one's person. This will be an important principle when drawing the hypotheses for the empirical research.

Hedonic Motivation

A further motivation for consuming luxury brands can be of hedonic nature (Berry: 1994), which refers to using a product not only to remedy discomfort, but also to evoke a state of superior comfort, ease or pleasure. An example would be buying a piece of luxury clothing not for its symbolic value (as discussed) but e.g. because the superior material creates a more pleasurable sensory experience (ibid.)

Hedonism refers to inner thoughts and feelings of pleasure, delight and excitement. Hedonic motives for consumption of a product are to conjure such feelings of pleasure that have nothing to do with mere functional use (Berry: 1994) - an example for such consumption would be wearing a shirt of highest quality not only to be dressed but also for the positive sensory sensation that soft or cooling fabric creates on the skin. This can also be described as “*consumers’ multi-sensory images, fantasies and emotional arousal in using products*” (Hirschman, Holbrook: 1982).

Instrumental Motivation

In slight contrast to this, instrumental motivations, when talking about luxury product use, don’t refer to the mere necessity of using a product to fulfil basic needs (as earlier discussed, luxury is distinguished by not being needed for basic need stimulation) but to the use of a luxury product for its elevated functional value - more precisely the higher perceived functionality of a product due to the anticipated quality of a premium-priced brand -e.g. higher precision of a luxury watch or safety features of a premium range car or the better functionality of premium sportswear (Vigneron, Johnson: 1999).

Revisiting Vigneron and Johnson’s BLI scale mentioned in the previous chapter already indicates the importance for luxury brands to spread awareness on their core values. A brand having prestige alone is not enough, consumers must be convinced that they also have luxurious characteristics (Jieun, Kim, Johnson: 2015) as to compensate for the high price. Consumers and their peers must perceive the brand as luxurious, as to reach the mentioned gratifications (recognition of status etc.). Vigneron and Johnson’s BLI scale (2004) allow companies to “manage customers’ perceptions or valuation of a brand” (Jieun

et al.: 2015), for instance by putting emphasis on specific dimensions of their brand (ibid.) and therefore positioning it accordingly - for example by adjusting accessibility.

In the next chapter new forms of brand communication will be discussed, as well as the challenges that arise out of these communication and marketing options, especially criticism or complaints toward the brand. Subsequently, the specific challenges that arise for the product category of luxury fashion out of these new forms of communication will be discussed, in connection with the specific characteristics and motivations described in the previous chapter.

In summary, luxury fashion consumers can be categorized as image dependent, self-conscious and aware of their peers (Giovannini et al.: 2015). They tend to use luxury as a way to portrait their lifestyle and success to others, while simultaneously enjoying the tangible benefits that come with high quality products, therefore having higher expectations toward these products and services. Their motives for purchasing can vary from self driven behavior to bandwagon behavior (Dubois, Duquesne: 1993) but usually circles around the goal of building status (Wattanasuwan: 2005) and building a dreamlike personality, by using luxury fashion products as an extension the self (Belk: 1988, 2013). Therefore, one can assume, that luxury fashion consumers will use virtual representations of the brand to present themselves accordingly, a topic that will be further investigated in the following chapters (based, amongst others, on Belk: 2013).

3. DIGITAL BRAND COMMUNICATION

3.1. CHANGES IN BRAND COMMUNICATION

In the last decade or so we have witnessed a change in the brand-communication paradigm, especially with the advent of massive social networks such as the platform Facebook (Adda: 2012) Customers are no longer viewed as being passive and merely at the receiving end of relationship activities such as brand messages (Hennig-Thurau et al 2010) but have become increasingly participant and can act as co-creators of the brand, whilst also multiplying the brand message. (ibid.).

This is also partially due to how the world wide web and online services have developed over recent years. Originally being mainly a source of information it is now a place where everyone can create and share content as well as search for it - the traditional sender-receiver paradigm that also exists in classic offline communication has dissolved into Web 2.0 (Hettler: 2010). The Web 2.0 refers to the internet's function of creating content, sharing content and collaborating between various users of the internet (Van Looy: 2016).

Before the advent of web 2.0 marketers used one-to-many marketing channels to transport their brand messages toward the potential customer, however consumers lacked the possibility to be part of the brand's story creation, as they were hardly heard, allowing brand managers to ignore the voices of consumers (Felix et al.: 2016). However, with the rise of the internet's popularity and the emergence of web 2.0, they have become more and more empowered, a development that cannot be ignored by brand managers (ibid.) and *"companies are no longer the sole source of brand communication"* (Bruhn et al.: 2012, p.771).

Compared to brand stories directed from the company toward the potential customer and spread through traditional channels, brand content co-created by the consumer can have far more impact (Hennig-Thurau et al. 2010). This is due to the fact that content spread via these new channels makes use of the dynamics of social networks (easy and fast spread), is highly visible, digital, dynamic and available in real-time (ibid.).

This also affected the way brand managers can communicate toward their consumers: Brands can actively build on the networks that consumers have already built for themselves on a personal level, breaking the traditional sender-receiver or untouchable brand – consumer paradigm (Gensler et al.: 2013).

Additionally, the type of content that can now be shared has also largely changed and brought a plethora of options for marketers: Multimedia and highly developed technology allow new forms of information sharing with high on-demand reach (Hein: 2012).

Bruhn et al. (2012) studied the various effects of social media communication activities can have compared to classic marketing strategies: They found that a strategically implemented social media work not only opens new ways of listening to the consumer, as well as engage and listen to them and bring like-minded consumers together. According to their findings, social media marketing can have a positive effect on brand equity and consumer interest. It should be carefully monitored due to the negative effects that can arise from user generated discourse, especially because this type of communication can have a strong impact on brand image (whereas traditional media has a greater effect on brand awareness.)

Overall, the emergence of the current internet and web 2.0 landscape has rapidly changed the way that companies should communicate with their customers. This is mainly due to *“a shift from the firm to consumers as pivotal authors of brand stories in the branding process; a high level of interactivity manifested in social networks of consumers and brands; and a multitude of channels and brand stories that cannot be easily coordinated”* (Gensler et al.: 2013, p.253).

The following chapter will further discuss these changes as a part of a company’s marketing strategy, as well as the chances and dangers that arise from facilitating these new communication possibilities.

3.2. SOCIAL MEDIA AS PART OF A DIGITAL COMPANY STRATEGY

Social media can be described as “*web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others with- in the system*” (Boyd & Ellison, 2007, p.211). Web 2.0 and social media are not the same thing - rather the web 2.0 supplies the technical platform in which social media evolved and lies within, giving users the possibility to engage (Kaplan, Haenlein: 2010) and moreover create user generated content (ibid.)

In this fast-paced environment consumers have become increasingly engaged and interactive - the given infrastructure offering multiple feedback loops and highly immediate to real time communication (Brodie et. al: 2011). These environments can include websites, discussion forum, chat rooms, email, blogs as well as social networks. This provides the chance for enhanced customer experiences (ibid.) which can tighten the bond with the brand but and also make it more attackable.

Social media used for marketing - social media marketing or SMM - uses existing platforms (such as Twitter and Facebook) in social media to create brand awareness and facilitate word of mouth (Drury: 2008) through two main strategies: Traditional marketing and communication towards users (information and brand promotion) and, more importantly, social promotion and user-to-user interaction, which is a unique characteristic of social media (Mangold, Faulds: 2009).

The opportunities and dangers that arise with this type of media are described by various authors and researchers, among them Van Looy (2016) who points out the importance of good content when creating value for a brand, which can greatly be facilitated by this form of communication - this emphasizes the importance of dialogue and interaction to facilitate brand to customer and consumer and consumer to consumer conversation but also necessitates strong relationship management with the consumer. In this context, Van Looy also points out the importance of managing and monitoring consumer complaints in the virtual sphere.

Next to the factors of consumer engagement and quick, efficient and low cost compared to traditional marketing strategies (e.g. Bruhn et al.: 2012), another advantage is that the knowledge about a brand can be promoted as there is the potential of reaching new possible customers who were formerly not aware of the brand or not interested in purchasing or following it (Weinberg: 2011).

For this to work, it is of course essential that the online interaction with the brand is marked by a positive experience and strong enough to be remembered (Weinberg: 2011). If this contact is successful, there additionally is the potential of further multiplication of contacts through positive word of mouth (pwom). This in best case scenario can also lead to more positive traffic on the company's website.

The mentioned word of mouth communication can be easily multiplied within the structure of the internet: first spreading within the own network, then through the extended networks by others that share and comment - this is called the social ripple effect (Van Looy: 2016).

Hanson and Wrangmo (2013) also point out another advantage of communicating via this channel: The possibility for consumers to communicate towards the company about their needs and wishes. For companies this is a very valuable tool: Whilst there is no possibility to get direct feedback to e.g. advertising campaigns on TV, consumers can immediately react to whatever is posted e.g. on a brands Facebook page. This provides for better knowledge of the consumer as well as free market research data (Hanson, Wrangmo: 2013). In a further step, consumers could possibly also be involved in brand decisions (e.g. through polls or product competitions) - or by helping co-create new products through providing their opinion or actively voting on possible new products (Kumar et al. 2010).

Within these new possibilities and opportunities also lies a problem: Previously companies could easily control the flow of information - through targeted and company produced materials or other communication tools such as press releases (Kaplan, Haenlein: 2010) - as well as the relationship between brand and consumer (ibid.). The fact that users can now produce and share information as well does not necessarily have to have a positive value to the company, brand or product - users with dislike towards a product, experience or the entire brand can easily share their negative experiences or dislike which can then be shared

and distributed or confirmed by others who have the same attitude toward the brand (Wiencierz, Röttger, Moll: 2015).

This means that companies that decide to engage online must pay attention to their community as negative information can easily be spread - threatening the good reputation of a brand or product. Users can not only actively communicate with the brand and seek information, they can also influence the way a brand is perceived (ibid.) which can be crucial to a brand's reputation and image.

Therefore, as Thummes and Malik (2015) argue, it is important for companies to keep an active dialogue with consumers - meaning, not to use social media mono-directional in the same way they would use classical advertisement.

The possible consequences of negative comments and moreover - the interaction and reaction patterns of brands and users regarding negative expression will be the focus of the empirical part of this thesis and therefore investigated further in an upcoming chapter.

The act of dialoguing with your followers can be described as online “*reputation management*” (Dijkmans et al: 2015, p.59).

“Online reputation management involves interacting with people online, creating shareable content, monitoring what stakeholders are saying, keeping track of their dialogue, addressing negative content found online, and following up on ideas that are shared through social media.”
(ibid., p. 59)

3.2.1. TYPES OF SOCIAL MEDIA

Safko and Brake (2009) developed a classification of types of social media tools, that will be viewed here briefly that was adapted and brought “up to date” by Van Looy (2016):

Social text publishing tools - can include blogs, wikis or other information resource tools available and formable by many - such as WordPress, Wikipedia, SlideShare and others.

Microblogging tools - available to publish short messages, but publicly available, with limited characters and interaction options. These include Twitter and Tumblr.

Photo, audio or video publishing tools - these are meant to share or stream multimedia content to a broad audience, in some cases in a commendable or resharable fashion. Platforms include Pinterest (interests, ideas and pictures in form of pinned photo-content), podcasts, music sharing services like Spotify and social video services like YouTube.

Social communities or social networks - within which users can create profiles or identities and connect and share content based on e.g. similar interests or goals. Examples are LinkedIn and Facebook, amongst many others.

Additional applications of social media are social gaming tools, news distribution/ collection tools like RSS, social gaming tools, live casting tools, virtual world tools, mobile social media tools, productivity/ collaboration tools and content aggregators (Van Looy: 2016, Safko and Brake: 2009).

For the purpose of this thesis, the research will concentrate on Social Networks - one of the most influential and fastest growing social media platforms of the last decade has been Facebook, which is why it is especially interesting for scientific research as well as practical marketing. The importance, specifics and implications for this thesis will therefore be discussed in the following chapters.

3.2.2. FACEBOOK

The social network platform Facebook was founded in the year 2004 by college students Mark Zuckerberg and his Harvard college roommates Chris Hughes and Eduardo Saverin as “TheFacebook”. Launched in February 2004 it already had 1 million registered users by December of the same year.

Originally intended as a type of online yearbook for Harvard students, the website was soon opened to other colleges, then high-schools (2005) and finally became publicly available to everyone (min. age 13, depending on local laws) in 2006. In its beginnings it slowly added features like the wall and pictures whilst simultaneously expanding its target audience and proceeded to grow rapidly. By December 2005 it had 6 million users, one year later, after opening the site to everyone, the number had doubled.

The platform continued to expand in its functions, finally adding the possibility for everyone to join in November 2007 - one month later Facebook averaged 58 million active users. The year 2008 brought with it a new design, chat and mobile phone option - until finally in 2009 the famous “like” button was launched, which has stayed a central function of the social network to this day (Facebook Newsroom: 2016, Adda: 2013). The introduction of this feature offered a whole new dimension to online interaction - the one-click expression of liking something and sharing this opinion with the entire surrounding community (Adda: 2013).

The network continued to grow rapidly, during adding more and more improvements - with half a million users in July 2010 and 1 Billion in October 2012. In August 2015 Facebook counted 1 Billion unique users in a single day. Today Facebook counts 1,6 billion active users (Facebook Newsroom: 2016), making it an obvious targeting ground for businesses, marketers, researchers and other data collectors.

3.2. 3. FACEBOOK PAGES

Pages is a function of Facebook and a special type of “profile”, that can be created by someone holding a profile and then moderated by them or other administrators. Unlike profiles, one cannot become friends with a page, but rather express interest by “liking” the page. According to Facebook, pages are meant for businesses, as well as brands and organizations and allow them to connect with their followers and share content and stories. Similarly, to regular user profiles, the hosting parties of a Facebook page can publish and share content or stories, create events and add different types of applications. Once a follower has liked a Facebook page, they then receive updates from that page within their newsfeed and the like becomes visible to their friends and network. (Facebook Newsroom: 2016).

To create a page for a brand or business, you need to be an official representative of said organization (Facebook: 2016).

On these pages, fans are able to interact with each other and the company in multiple ways: Depending on the settings by the company they can post comments to the wall, comment on postings made by the brand (or the page's moderator), show interest or positive reaction towards postings, products, comments and more by hitting the "like" button (either on the page itself or for content or comments) and share content of the page on their own wall to make it visible to their immediate network. The content portable reaches from multimedia like videos, photos and gifs to links and status updates, similar to profile pages.

As mentioned before, this type of communication possibility for brands has brought a change in paradigm for marketers as well as consumers (Adda 2012). The consumer has gone to what Adda describes as a "prosumer" (German: Prosument), a mix of producer and distributor of content and consumer.

A Facebook brand page is in essence built of a similar structure to profile pages (or timeline pages). The heading consists of an area that carries a small thumbnail picture (with brands often a logo) and larger timeline picture. Instead of being able to send a friend request the user can click the "like" button on the page - this action immediately marks the page as liked with no need to await confirmation by the page's administrator, unlike a friend request. Formerly, these pages were known as "fan pages", instead of liking a page, one became a fan.

Pages also have an information section (about), the possibility to create picture albums, upload videos and create events. It publicly displays the amount of likes for everyone to see.

Some pages allow users to post feedback or questions, which is displayed in a box on the left side and visible and comment able for everyone, however not every brand or organization offers this option.

The main feature however is the main feed of the page: Brands can post status updates similar to posts on profile pages of an individual that can include any type of content the company wants to share with its users. These postings are also visible to all the users, independent of the fact if they have previously liked the page or not.

Next to the information that is visible for everyone, Pages offers the operators of the page a wide variety of so called “insights” that track the success of the page and its posts. This allows companies to analyze the success of various types of content.

In the following Facebook pages will be discussed both from a consumers and brand manager’s perspective, which will later provide as one of the bases for the hypothesis of this thesis. It is however important to point out here that it is not always possible to strictly separate the specifics between both perspectives, meaning that parts of either chapter may be relevant to the other, respectively and should not be viewed detached from one another.

For brand marketing, Facebook provides a valuable platform as extension to their offline and digital strategy. It is basically free of cost: Unless the commercial and purposely targeted Facebook Ad functions are used, the expensive cost of advertising (e.g. TV or print productions) no longer apply - and users actively seek out the information, without being disturbed by it - it’s also quick and not location bound and has the potential to reach millions of users (Hanson, Wrangmo: 2013). They can easily make contact with consumers, build relationships and spread their message (ibid.)

These interactions between consumers and an organization have become increasingly complex and difficult to manage now that multiple parties are taking part and the communication is no longer (or should no longer be) a mono directional type (Deighton, Cornfeld: 2009). Facebook is no exception to the previously mentioned interaction and relationship management possibilities that social media provides - by fostering these relationships loyal consumers can through their commitment to the page and thus promote it (Seung-A.: 2012).

Aside from (in an ideal case) fostering and nurturing the relationships with consumers in a positive way, brands can also use Facebook Pages to inform consumers about brand news, such as new products or changes to the brand (Palmer and Koenig-Lewis: 2009). They can

utilize the page for direct marketing, to announce launches, promote events or involve followers through fun postings thematically linked to the brand (Dekay: 2012).

Parent et. al (2011) discuss that social-media based brand-consumer engagement should incorporate following factors:

- the brand creates and costs content to the online outlet, this content should have meaning to the customers
- not entirely controlling the content, thus making it sharable and maybe even allowing it to be modified by consumers amongst their network
- and lastly, not only allowing but also facilitating dialogue between consumer and brand rather than delivering mono directional marketing approaches in an environment meant for multidirectional communication (ibid.)

Morgan-Thomas and Veloutsou (2013) confirm this notion of interactivity, calling the continuous interaction between the brand and the consumer a key asset of Facebook brand pages. The matter of multidirectional communication in context of social media or more concretely Facebook pages is also highlighted by Simon et. al. (2013). They describe engagement as the main factor within Facebook pages.

Simon et al. (2013) also point out, that Facebook offers an ideal platform for a brand to create an online brand experience, which also happens through engaging the consumer to part-take in the creation of the brands story through online interaction.

In addition to the above mentioned advantages, the Pages function is also easy to use and quickly installed and monitored. Costs do arise from needing manpower to manage the page and of course resources to produce content - depending on the type of content and the quality.

Brands however should pay attention to the conversations and interactivity, as “fans” might just like the page in order to be able to share critical information (Dekay: 2012). For the consumer, social media (in our case Facebook pages) allows not only to engage with brands

they enjoy but also quickly collect opinions of other users and exchange experiences (Hettler: 2010).

A study conducted by marketing agent (2016) among 2.266 Facebook users aimed to find data about the use of Facebook Pages found not only that 74,6% of all users use Facebook once (21,2%) or several times a day (53,4%) but also looked into the reasons for using Facebook. Unsurprisingly the main motive was to stay in contact with friends (67,5% gave this as a reason, amongst others), look at pictures (63,4%), follow the status of others (57,4%), find lost friends (44,6%) and others social activities.

Interestingly, compared to 3 years ago, the percentage numbers in social interaction seem to have dropped in priority - watching videos however, has become more important (32 to 40,5%) - which may be linked to the better developed technology and possibilities Facebook provides when it comes to sharing videos. However, the study also revealed a great importance of brand related activities: 22,4% said they get information about brands and products on pages, 9,9% admitted to review or recommend products, 8% share commercial content and 7,6% use commercial services/ offers. This data - even if this case limited to Austria - highlights the importance of Facebook pages.

Aksoy et. al. (2011) generated five categories of primary functional motivation that describe possible motivations for a user to contact a brand via social media: Solving a problem, inquiring about a specific issue, to find information, to evaluate a service or product before acquiring it and to have access to special promotions.

Rohm, Kaltcheva and Milne (2013) contributed to this through their research, by investigating motives and desired outcomes of consumers within brand-consumer engagement in social media, which revealed the wish for timely customer service, current content, good product information, entertainment, engagement, and customer service issues being adequately addressed by the brand (ibid.)

Another dimension of customer motivations was detected on the emotional level by Davis et al. (2014), who suggested that alleviating personal problems, the feeling of privilege, recognition and being valued by a brand as well as the satisfaction of curiosity plays a role.

In addition to being able to communicate with the brand and other like-minded consumers, Facebook pages used as social media marketing tool also allow consumers to develop a sense of belonging to a community that shares an interest in the brand in question (Palmer, Koenig-Lewis: 2009) much like in brand communities.

The following chapter will investigate Facebook pages under the aspect of being a brand community, which is part of the argumentation to how users will react to negative comments towards a brand. Together with evidence from research about luxury fashion consumption, the collected knowledge on online brand communities will serve as evidence from which the consumer-related hypothesis for the empirical part will be drawn.

In favor of completeness it should be mentioned, that within a Facebook pages not all fans are automatically active participators (Simon et. al.: 2013) - for instance in 2013 the brand page of Coca-Cola had 60 Million likes, but only 0.02 interactions per fan (ibid.), which means there is also a high amount of inactive fans or fans, that read but do not participate - so called lurkers (Nonnecke et. al: 2004). Valck et al. (2009) classified 3 types of interaction: people who merely retrieved information, people who discussed information provided by the brand or others and people who actively provide information to community members.

3.3.2. FACEBOOK PAGES AS BRAND COMMUNITIES

One of the most widely used definitions describes brand communities as “*a specialized, non- geographically bound community, based on a structured set of social relationships among admirers of a brand*” (Muniz, O’Guinn: 2001, p. 412) and derives from the meaning of community as “*a network of social relations marked by mutuality and emotional bonds*” (Bender: 1978, p.145). They are specialized consumer communities and unlike traditional communities have a commercial character and are driven by the members common “*interest, enthusiasm or even love*” for a brand (Zaglia: 2012, p.217).

Wirtz et. al. (2013: p. 224) combine different perspectives, integrating the consumers motive and describe them as “*community of consumers who perceive added value from the relationship with the brand*” while excluding other types of users, such as activists or brands without consumption purpose, such as NGOs. Muniz and O’Guinn (2001) - similar to other

types of communities - classify brand communities as based on shared rituals, consciousness and traditions, suggesting a brand community as a rather homogenous group of personas.

However, one can argue that these communities still consist of unique people (Ouwersloot, Oderkerken-Schröder: 2008) making it relevant for marketing purposes to study them from a heterogeneous perspective, which allows to understand reasons and motives for joining said communities and gives implications for branding and managerial decisions (ibid.).

Typically, brands with less developed brand identities could build successful communities around shared interests, whereas strong brands focus more on brand centric communities (Wirtz et al.: 2013)

Types of Brand Communities

There are various types of brand communities, that can be differentiated by factors like moderation, accessibility and location. The basic distinction is between two types of brand communities: Company moderated and non- company moderated communities, the first being directly established by the brand itself, the latter being fan-organized, spontaneous (Brogi et. al: 2013) and not necessarily including the brands involvement (Ouwersloot, Oderkerken-Schröder: 2008; Wirtz et al.: 2013).

According to Gruner, Homburg and Lukas (2013) there three main types of accessibility in (brand hosted) BCs: Restrictive BCs, where membership must be earned, often paid and the community is strictly moderated; discerning BCs, that require sign-up, but are usually less vigorous in moderation and application requirements and allow for more interaction, as well as open BCs, that rarely require any sign-up or special prerequisites, can be spontaneously joined and left in real time and are far less strict in moderation.

A further distinction between offline and the newer online brand communities (often referenced to as OBCs). As with traditional brand communities, the most describing features are brand orientation and the distinction between brand-governed and fan-

governed, in addition, OBCs have the added factor of being internet-based or at least a hybrid of online-and offline communities (Wirtz. et. al: 2013).

The most important differences between offline BCs and OBCs lie in methods of interaction (face to face vs. virtual), geographical and time dimensions, cost of participation, which all show the certain advantages of the OBCs over regular BCs. However, BCs seem to have a higher level of involvement - emotional and effort wise - while OBC members can have various levels of involvement, often staying passive and looking only for updates and extrinsic benefits. (Wirtz et. al.: 2013)

Motivations for Joining Brand Communities

Motives to join (O)BCs were discussed by Wirtz et.al. (2013) and include brand identification - fitting the brand-identity with self-identity and living up to an element of the brands symbolic function. Social benefits from interacting with others and strengthening social identity by belonging to a group are mentioned as well as merely functional drivers, such as avoiding uncertainty and trusted information can be further factors - as well as possibly monetary incentives sometimes offered from the brands side.

Regarding the engagement of consumers in virtual brand communities (syn. OBC), Brodie et. al. (2013: p.107) developed a helpful definition: *“Consumer engagement in a virtual brand community involves specific interactive experiences between consumers and the brand, and/or other members of the community. [...]”*. It is dynamic and context bound and occurs on different levels of intensity and includes *“cognitive, emotional, and/or behavioral dimensions”* and plays a central role in the relation to brands (ibid., p.107)

Aside from the classical motivators for joining communities (belonging, shared interest/love etc., identification, expressing belonging and sympathy), Zaglia (2012) found, that in regards to Facebook (see below) further perceived benefits were also advice regarding purchase decisions, improving knowledge about the brand, involvement in brand activities and possible criticism/discussion towards the brand and its management.

The participation in brand communities can lead to a variety of positive outcomes for the brand. This includes stronger loyalty toward the brand and the intention of purchase (Algesheimer et al: 2010) which leads to the conclusion that brand communities are not only beneficial to consumers who want a surrounding to identify themselves in, but also for the brand and its equity.

Functions and Effects of Brand Communities

One of the key features of (online) brand communities is the facilitation of conversation and exchanging information and knowledge as well as expressing passion toward the brand (Brogi et al.: 2013). In traditional brand communities this creates a sense of togetherness and belonging between the users (ibid.). They not only facilitate the relationship between users but also foster conversation and relationship between brands and consumers, involving the latter into the marketing dialogue about the brand (Hur, Ahn, Kim: 2011).

The conversations held in online brand communities can potentially have a dramatic effect on the brands reputation as users collaborate as “*co-creators of user generated content*” (Brogi et al: 2013, p.1). In social media this intensifies, due to the fact that they are highly accessible by a simple click of a button and are therefore readily available to billions of social media users (ibid.).

If handled well, studies (e.g. Brogi et al: 2013) have showed that online virtual brand communities have the potential of influencing brand equity, as well influencing purchasing behaviour and further WoM conversation (Hur et al.: 2011). However, virtual brand communities being open to everyone allows not only lovers of the brand to enter them and converse with the brand and other members, but also those who have a dislike of the brand (Palmer, Koenig-Lewis: 2009).

Facebook Pages as Online Brand Communities

Sub-groups on social media networks, that evolve around a common interest/ topic and usually have a narrow focus (unlike the network they are embedded in) and allow users to dwell in an OBC surrounding (Zaglia: 2013). Facebook provides two types of community related functions: The Facebook groups and afore described Facebook pages. Where groups are usually open, closed or secret, privately hosted, often between families or related groups and meant to keep in touch and exchange content or information, pages are allowing businesses to connect with their fans on Facebook and are brand or brand-fan generated and usually of much larger participant dimensions (Zaglia: 2013)

Some marketing/ PR practitioners argue¹, that Facebook's "pages" cannot be viewed as a typical brand community, e.g. because of those who only "like" without participating, the absence of motive to actually join a community (unlike simply showing affection for a brand) and sometimes mono directional conversation from the brand towards the customer.

However, no scientific theory or data, that fully supports this has been found so far and if applied to the above mentioned characteristics to the idea of a Facebook Brand Page, one finds that most concepts that describe a OBC can be applied to Pages (such as specialized, not geographically bound, based on mutual admiration, interactive, brand hosted and brand centric), though Zaglia (2013) for instance has argued that the ease of joining might come with low involvement, though this might be beneficial to the growth of said communities.

Over and all, Facebook official Brand Pages can consequently be viewed as open, brand governed online brand communities.

¹ <http://www.convinceandconvert.com/community-management/the-five-reasons-why-most-facebook-brand-pages-arent-true-communities/>

4. WORD OF MOUTH AND COMPLAINTS ON SOCIAL MEDIA

4.1. WORD OF MOUTH COMMUNICATION

As previously mentioned, the interactivity and multi-directionality of social media and in this case especially Facebook pages not only offers various opportunities for marketers and consumers alike, but also poses risks to the brands reputation, which is why there is a strong need for dialogue and active interaction from the brands side.

It was emphasized by a number of researchers, that an aspect of online or social media brand communication that must receive great attention from marketers promoting their brand in social networks like Facebook is the matter of customer to customer (C2C) communication - so called "word of mouth" (WoM), which is communication spread from person to person that can affect the brand and consumer behaviour (Park, Cho: 2012; Hanson, Wrangmo: 2013) and can include (positive or negative) recommendations, reviews and other information about the product or brand (ibid.). Word of mouth can be *„any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet“* (Hennig-Thurau et al., 2004: 39).

Originally an offline marketing tool that occurred face to face, with a clearly identifiable sender and receiver - this has changed with companies expanding to social media, where this type of information can be widely spread (Hannson, Wrangmo: 2013). There are different types of online outlets for online word of mouth communication and user-generated-content, such as blogs, social networks and forums - but also rating and review platforms especially designed for the purpose of rating products and services (Wyrwoll: 2014). In social media, this effect of recommendation or review can be triggered by as little as seeing what others like or share to actual statements (ibid.) or actually joining a page or community (see previous chapters) - the action alone is immediately visible to the persons networks and is displayed in their newsfeed (e.g. "Johnny Johnson just liked the page Louis Vuitton's page" or "Janet Johnson just commented on Prada's post" with a practical direct link to the page or item and often a preview of the content).

This type of action is however not limited to positive information: The promotion of negative comments or information is just as much possible (Negative Word of Mouth - NWOM), as Seung-A (2012) has noted amongst others, e.g. if they complain about a product on the company's brand, which can in worst case threaten the brands reputation (Palmer, Koenig-Lewis: 2009). In some cases, people who are not generally interested in following the brand might like the page only to be able to post or comment negative information (ibid.) as well as complaints toward a product or brand.

The rising importance of word of mouth (WoM) was confirmed through various studies, amongst them a survey conducted by Nielsen (2012) among 28.000 internet users, that revealed that only 49% trusted traditional advertising, whereas 70% trusted online reviews and 92% trusted word-of-mouth that came from friends, family or peers – making this type of information spread the most impactful and a valuable tool for marketers (e.g. Dekay: 2011; Brogi et al. 2013). This is confirmed by a trend detected by a survey that was conducted by CivicScience Inc. (2014) among 60.099 respondents in the US. Over a span of a year from 2013 to 2014 the perceived influence through traditional TV ads declined from 55% to 43%, whereas the perceived influence of social media comments at the same time increased from 32% to the same value of TV ads, with an upward trend. Interestingly, internet advertisement was perceived by only 12-15% to influence purchase decisions, meaning that not the internet as a medium but the word-of-mouth on social media itself is the driving factor (CivicScience: 2014).

Seung-A (2012) examined the trustworthiness of different information sources in the context of luxury brands and came to similar conclusions: Consumers tend to trust other consumers with practical knowledge of the product more than obvious marketing strategies or the opinion of professionals. In addition, earlier Palmer and Koenig-Lewis (2009) had found that 64% of their participants stated they visit an online site if they see a friend has done the same thing.

This inclination to trust sources like friends, family or likeminded consumers more than traditional advertising sources can be due to the fact that information about a product that is supplied by the brand is viewed as obviously biased due to the intention of selling the product and other consumers are seen as persons with no commercial interest and thus more truthful and unbiased by financial interests (Lelis, Howes: 2011), meaning

a positive review is not felt to be an advertisement but a truthful personal experience which makes the review more trustworthy.

On platforms such as Facebook the element of above mentioned trustworthiness is increased (compared to other, less personal social media sites or review portals) due to the existence of mostly accurate profiles with pictures and information, which reinforce the personalization and trustworthiness of the review (Hanson, Wrangmo: 2013).

The effects on the brands performance were researched in a number of studies and found that under many circumstances brands benefit through consumer generated positive advertising (Gensler, Völckner, Liu-Thompkins: 2013) especially when there is a perceived similarity between oneself and the creator of the information or the viewer of the ad has brand loyalty to begin with (Thomson, Malaviya: 2013).

Research on electronic word of mouth (eWoM) has revealed that online reviews or comments can affect firm performance (economical) both in the short and longer run (e.g. Triennially, Tellis: 2012). Negative effects of critical eWoM can influence the effectiveness of overall sales and marketing efforts and the consumer-brand-relationship (e.g. expectations or loyalty) (Van Heerde et al: 2007).

So as previously emphasized paying attention to positively influencing the relationship between the brand and the consumer and the communication between them is of extreme importance for companies that engage in social media activities.

4.2 CRITICISM AND COMPLAINTS AS TYPE OF nWoM

Paying attention to negative (e-)WoM should be of highest priority for a brands management and marketing (Gensler et al: 2013). Consumers complaint behaviour has changed from a phenomenon that mainly occurs in private to one that occurs mostly in public (ibid.) as consumers turn to share their negative brand experiences through social media outlets (Ward, Ostrom: 2006). Not only do they voice their own negative attitude toward the organization or brand, they can also get other dissatisfied consumers to join them in sharing their negative opinion (Einwiller, Steilen: 2015).

Criticism or negative word of mouth generally includes any type of negative statement or comment toward a brand or a product. In slight contrast complaints are more precise and aimed at achieving something specific (Kowalski: 1996). Based on previous research Einwiller and Steilen (2015) define a complaint as expressing dissatisfaction with the intent to draw the attention of the accused organization toward the perceived misconduct in order to achieve a personal or collective goal, whereas criticism doesn't necessarily need to achieve a goal.

Stauss and Seidel (2014) suggested different indications that an item of criticism or nWoM can be categorized as a complaint: By mentioning certain keywords such "complaint" or "reclamation" or by expressing negative emotions, remarking on unfairness or mistreatment through the organization, or by directly pointing out service failures or describing unfulfilled expectations. Complaints can also contain threats, such as mentioning involving third parties (ibid.)

In an extensive study conducted by Einwiller and Steilen (2015) the authors looked at complaints and complaint reactions in social network sites. By analyzing the Twitter and Facebook pages of US companies they researched how these companies handle complaints within their Facebook and Twitter pages. They found that companies only exhibit a moderate rate of replies to complaints voiced on the two social media channels, moreover the rate of response types that actually satisfied the complainant was even lower (Einwiller, Steilen: 2015).

Following is a closer look at types of complaints and criticism as well as the strategies that organizations use to answer complaints, more specifically in social media (brand communities).

A study by Crecelius, Einwiller and Himmelreich in 2012 found that most complaints on Facebook were related to product or services rather than financial performance, environmental or social responsibility.

4.3 ORGANIZATIONAL REACTIONS TO NEGATIVE WORD OF MOUTH

Various authors have approached different type of reaction strategies to negative word of mouth or complaints. Among the most cited is Benoit (1997), who sees two main elements of a complaint towards an organization, that were described in his “theory of image restoration”: Accusation of the organization and expressing offence. He posits 5 main types of reaction possibilities, with several sub dimensions. According to Benoit (1997), the goal of crisis communication is to save ones face and manage the reputation of the organization or individual in light of an attack or accusation. The strategies that Benoit suggests for this type of reputation management are denial, evading responsibility, reducing offensiveness, mortification as well as corrective action (Benoit: 1997).

The denial strategy denies association with the complainants claim, suggesting that the problem is not linked to the organization. This can be done simply (simple denial) or explicitly (shift of blame). The strategy of evading responsibility uses a confession of sorts linked to reasoning for what happened. This reasoning may include the act/ reason for complaint to be a response to provocation, a lack of control over certain events or information, an accident or in case of e.g. service failures the accused actually acting in good intent. Reducing offensiveness is a strategy to try and make the accusation seem less important, through minimization, differentiation, bolstering (highlighting good features), transcendence (steering to more important) or by offering compensation or even by attacking the accuser. Mortification strategies include an act of apologizing or admitting to the fact, or even showing remorse. Lastly, organizations can offer corrective action and promise to prevent further occurrences of the kind (Benoit: 1997).

Further approaches toward complaint strategies were discussed by Xia (2013) based on previous literature about impression management. The five main types of complaint handling described are confession, excuse, justification, denial and silence (Xia: 2013, based on: Bradford, Garrett: 1995 and McLaughun, Cody and O’Hair: 1983), denial and confession being the two extreme strategies of handling criticism. Both approaches have similar touchpoints, however, Benoit’s strategy design show more layers, as can be seen in following table.

Image restoration strategies, based on Benoit: 1997	Complaint handling strategies (impression management: based on Xia: 2013)
1 – Denial • simple denial • shifting of blame	- Silence - Denial
2 – Evading responsibility • Act was response to provocation • Act caused by lack of information or control over events • Act was an accident • Actor was acting in good intent	- Justification
3 – Reducing offensiveness • Bolstering • Minimization • Differentiation • Transcendence • Attacking the accuser • Offering Compensation	- Justification
4 – Mortification • Apology • Remorse	- Confession - Excuse
5 – Corrective action • Promise to take further steps	

Figure 6 - Complaint Handling Strategies in Comparison - Author's Illustration

Social media complaint handling exhibits similar strategies to regular crisis handling (Xia: 2013): Denying fault or the truth of the accusation, shifting the blame to another party, whilst trying to protect the brands image by des-identifying with the accusation and on the other side admitting to the problem and possibly apologizing, but thereby admitting fault and becoming vulnerable and open to more criticism or worse, damaging or losing control of the brand image (Xia: 2013).

More than that, giving in to the accusation could actually contribute to an even higher perceived level of responsibility and have a negative effect on purchase intentions and the attitude toward the brand (Xia: 2013, Jorgensen: 1996).

However, apologetic strategies can also have a positive effect on the perceived sincerity of the brand and the trust toward the brand (ibid.) Wiencierz, Moll and Röttger (2015) found out that apology and acceptance of responsibility for the problem leads to higher satisfaction and trust among consumers that complained within social networks.

Another study conducted by Homburg and Fürst (2007) questioned what stakeholders expect from complaint handling: This included quick reaction (timeliness), comfort (quick and easy solution), interaction with the accused, apologizing and compensation.

4.4 CONSUMER REACTION TO NEGATIVE WORD OF MOUTH

To the authors best knowledge, there has been very little research on the response of social media users toward complaints or criticism of other users in social media and online brand communities (also confirmed by: Colliander, Wien: 2013, p. 1734). This might be explained by the fact, that complaining online is a rather new phenomenon, whilst complaint research has been done extensively for a long period of time.

Another explanation could be found with Hogleve et al. (2013) who defined four types of complaints based on their publicness – privately hidden complaints, such as complaints to friends or family, that do not reach the service provider or organization, privately voiced complaints, that go to the service provider through the channels they offer, public hidden complaints, that are voiced via third parties but in the public and publicly voiced complaints, that are directed straight at the brand publicly, such as via Facebook Pages. This shows that only a small amount of complaints is actually accessible to reactions from other fans or followers of the brand, which could explain the scarce research on the topic.

One study was done by Colliander and Wien in 2013: They concentrated on the notion of consumer defense against electronic negative word of mouth, within online communities. They described six types of defense of the brand, that occurred in different situations: **Advocating** for the brand, using logic or reason mostly when comments seemed irrational

or unreasonable, **justifying**, where the company is defended similarly to advocating, but without the use of logic, **trivializing** the issues that are raised by the complainant, **stalling** by asking the complainant to retain more information before judging, **doubting** which refers to questioning the credibility of the complainant and their negative remark and lastly **vouching** – meaning the advocate in this case uses positive word of mouth to respond to negative word of mouth.

This might be an indicator that fans generally react to criticism of brands they love, but cannot serve as sole indicator for reaction types in specialized settings.

5. LUXURY BRANDS AND DIGITAL COMMUNICATION

5.1. CHALLENGES FOR LUXURY BRANDS

“The world has changed because of the digital revolution and it will keep changing. This change is currently being felt by every society in all their facets and will continue to resound in every business sector whether technology-driven or unreceptive to transformation. It is a reality that can no longer be questioned or resisted, even by an industry that carries as much economic and socio-cultural clout as the luxury sector”. (Okonkwo: 2010, p. 11).

The above mentioned quote gives an introduction to the dilemma the marketers and public relations specialists are facing: Everybody is online. And everyone else is moving online - a trend that has only intensified since 2010. Luxury companies also have recently started to target wider range of customers as they become affordable not only to the most affluent, which has led to a democratization of luxury and a possible need for mass marketing (Jahn et.al.: 2012). In addition, luxury brands are usually coupled with emotional benefits of exclusivity, service and prestige (Wu et. al.: 2013) - but many consumers turn towards the internet for added comfort or after bad service experiences that don't match the personal brand values (ibid.).

One paradox is balancing and sustaining the desire and exclusivity of a luxury brand in the mass and classless internet world (Okonkwo: 2010) and still enhancing brand equity. In addition, going online and presenting to everyone can lead to overexposure, which threatens the exclusiveness given by limited supply (Okonkwo: 2010).

In general, one expects luxury brands to act uniquely and exclusively by being high quality, expensive and controlled in their distribution. Doing so, while using the power of Social Networks can be difficult, since their primary distribution channel was always the offline due to strictly controlled distribution in reference to the uniqueness of luxury products (Seung-A; 2012).

So, considering the democratic nature and accessibility of the internet, luxury brands must find a way to combine their exclusivity with the potential that the internet offers, such as

attracting new customer bases and having a platform to create an “unreachable” dream that consumers can yearn for (Hennings et. al.: 2012).

Wu et. al. (2013) argue, that establishing trust in the virtual sphere being an issue and also the overflow of counterfeit products that can also irritate the potential customer. Consumers expect luxury brands to evoke exclusivity and uniqueness by being of high quality, having premium pricing, as well as controlled distribution (Jin: 2012). With the exponential growth of these networks, luxury brands must balance between their values and the online potential.

5.2. LUXURY COMPLAINT REASONS

Little research has been done into complaint and critic reasons of users of online communities toward luxury fashion brands, as much investigation into the subject of luxury and complaint management refers to the hospitality industry or ethical discussions and social values (as mentioned in the first chapter). However, luxury brands, online and offline, do offer a wide array of potential reasons to be attacked: Considering the high expectations of absolute quality as well as the price premium discussed earlier, misconduct or failure in regards to the superior experience – such as faulty zippers e.g. – are likely to be a subject of criticism, as well as general dislike.

A general, not luxury related, study on the handling of complaints in social media by Einwiller and Steilen (2015) revealed that the largest proportion of complaints in social media were either product related or service related (74%), related to an employee’s misconduct (7%), CSR-related (5%), branding or marketing related (4%) or addressed to management and strategy issues (2%). It can be expected that luxury products in general will be under attack for similar reasons, however, due to their discursive nature, the weighting might be different. In addition, this study concentrated on actual complaint handling and did not include the pre-stage of criticism.

Considering that a growing number of potential customers have been growing more aware of ethical implications connected to the consumption of luxury – such as environmental or social impacts of resource gathering, production and sale (Davis, Lee, Ahonkhai: 2012) it seems a consequence that CSR issues are of higher importance to luxury fashion

consumers. Online communities and social media as viewed in this paper have the potential of bringing these issues even more to light and seriously harming the luxury brand, which is all the more reason that luxury brands should be on top of all issues, when diving into the inclusive sphere of social media.

5.3. LUXURY FASHION BRANDS AND ONLINE BRAND COMMUNITIES

Moving forward from knowing why consumers join OBCs and, separately, why people consume luxury, one can assume that consumers join luxury OBCs to either further strengthen their status by showing that they belong and/ or trying to belong to something, they cannot otherwise reach. This also corresponds with the ideas of Belk's extended self discussed earlier. Assuming both Belk's idea of extending the self to objects and his proposal of the digital self are accurate as well as the prior findings on (online) brand communities, it can be theorized that consumers - customers as well as potential customers - use luxury brand OBCs to identify with and portrait their luxurious lifestyle. In addition, these communities allow non-affluent consumers and fans of the brand to extend themselves into the luxury lifestyle without having to actually purchase the product.

At this point, prior research gets rather scarce. While, as mentioned, the single concepts above have all been discussed and analyzed before - some more intensive, some less - there is close to no research that provides scientific data and insights into these specific types of brand communities on Facebook. One group of authors, that have looked into this topic, are Brogi et.al. (2013) who attempted to create a model that can explain the effects of spontaneous, fan-made online brand communities on brand equity in the luxury fashion industry, mainly focusing on the interdependencies between participation, interaction and brand loyalty, value and awareness. This research project however did not look at brand-made OBCs and also did not focus on the topics of complaint and negative word of mouth which are the focus of this paper.

6. HYPOTHESES

Due to the lack of literature and research on the combined topic of luxury fashion brands, Facebook brand communities and complaints/ criticism hypotheses were derived and predicted from the previous literature on the single subjects.

Based on the findings of previous chapters this chapter will derive the hypotheses relevant for the empirical study. Considering the little amount of research done on user-reactions to criticism of luxury fashion brands on Facebook Pages / Online Brand Communities, the gathered (psychological) theories on luxury consumption and brand communities as well as negative word of mouth and complaint handling will serve as explanatory basis for the consumers' reactions and the respective hypotheses.

6.1. BRAND REPLY RATE TO CRITICAL COMMENTS

The brands side of reaction/ communication can be explained through previous studies on complaints in social media, which is - that is the assumption for this thesis - amplified by the characteristics of and expectations towards a luxury fashion brand.

Several researchers have found that post-complaint satisfaction is based on getting a response by organization (e.g. Wiencierz, Moll and Röttger: 2015). In general, the level of interactivity of the internet and social media asks for brands to no longer communicate one way but actually engage with their customer, especially (but not limited to) in situations of conflict, criticism and complaints that can harm their brand or elicit negative word of mouth. As mentioned before, research has shown that extensive negative word of mouth can harm a brands reputation and revenue.

For luxury brands that engage in social media, thus allowing a far wider consumer base to connect to the brand, this means that their brand that lives of high quality reputation (see chapter on luxury) could possibly take even more harm than a general brand, that is not expected to perform on such a high level.

In the previously mentioned study by Einwiller and Steilen (2015) the authors postulated that, based on previous findings by Maritz Research (2011) that revealed a response rate

of 33%, organizations would present a moderate reply rate toward complains on Twitter and Facebook. The subsequent empirical study confirmed this, revealed a response rate of 53%.

Due to the discussed characteristics of luxury products and service, one being highest standards when it comes service and quality, in this research paper it is assumed that the rate of response will be higher than with regular companies that do not fall into the luxury segment. Therefore, the first hypothesis is:

H1: Luxury Fashion Brands will exhibit a high rate of reply to complaints within their Facebook brand pages.

6.2. BRAND REPLY TYPE TO CRITICAL COMMENTS

Previous research suggests that brands should follow an approach to complaint handling, that accommodates the complainants needs and builds trust as well as high post handling satisfaction (Xia: 2013, Jorgensen: 1996), considering the aforementioned high service orientation of luxury brands, as well as knowledge (Xia: 2013, Jorgensen: 1996, Wiencierz, Moll and Röttger: 2015) about complaint handling. In addition, luxury brands have high service expectations. Users expect an all-round pleasurable experience (Berry: 1994), excellent quality and product reliability (Dubois et. al. 2001) and generally have higher expectations toward a luxury product than toward others (Hirschman, Hellbruck; 1982).

Therefore, this paper argues that the often discussed approaches of corrective action (Benoit: 1997) and confession (Xia: 2013) as well as the findings by Wiencierz, Moll and Röttger (2015) can be applied to how luxury brands will handle complaints in social media

H2: Luxury fashion brands respond with a corrective response more frequently to online complaints than with other response types.

6.3. BRAND REPLY TO CRITICISM OF BRAND VALUES AND DECISIONS

However, Benoit (1997) also argued that saving face or brand image in light of an attack or accusation is a priority. Considering the high importance of luxury brand image to the brands and the argument that an apologetic or admitting strategy can be harmful to image due to the brand allowing the mishap to adhere to its identity (based on Xia: 2014) this research thesis suggests the following:

H3: When brands are criticized for general reasons, such as brand values or product decisions, the brand will reply more frequently with a defensive response than an accommodative / apologetic response.

The main difference between H2 and H3 lies mostly in the type of negative comment: While it is expected that online complaints will trigger a highly service oriented response in order to correct mishaps created by the a service or product, which are part of the brands overall high quality image, it can also be assumed that accusations that do not refer to something “fixable” and isolated, but to an overall feature of the brand, will result in a defensive reaction, basically negating the fact stated in order to preserve the overall image. For this purpose, online complaints refer to actual complaints with the goal to find a solution, whereas the term “general criticism” used in H3 refers to criticism as an antecedent to a complaint.

6.4. CONSUMER RESPONSE TO BRAND SILENCE

Considering the priorly discussed high expectancies towards luxury brands and findings regarding expectations to problem solving (redemption, quick response times, convenience and interaction, see Homburg and Fürst: 2007) it is also assumed that

H4: In cases where brands do not reply users will react will react with criticism toward the silence strategy.

The assumption that H4 is applicable comes once from the fact that consumers expect a high level of quality service from a luxury brand. Therefore, even though H.6 postulates that service/product criticism will be met by fans with blame towards the customer, it is expected that in case of a service fail visible to the entire community (as in: openly not replying to dissatisfaction) will elicit disappointment in the brand and lead to defense of the community member instead.

6.5. CONSUMER REACTION TO BRAND CRITICISM

Hypothesis 5 assumes, that other consumers will react with disappointment toward the brand, in case a comment is treated with silence. To explain this, one can revisit the motivations and reasons for consumers to use luxury brands, specifically the notions of Belk's extended self (in the digital sphere) and symbolic/ status related consumption as well as the dynamics of online brand communities. Because the following the brand is a way of showing the extended self online and incorporating luxury fashion consumers will disapprove of criticism toward the brand and defend it, thus defending "themselves" as well. In addition, assuming that the Facebook Pages are in fact an online brand community of people with love for the brand, persons with a negative attitude toward the brand would be called out by the community. This is also based on the previously discussed factor, that consumers not only expect the brand reaction to be timely, but also dislike being ignored by the company when they have an issue they feel is important (Gensler, et al.: 2013, Dekay: 2012; Dekay: 2012). In addition, the togetherness (Brogi et al: 2013) evoked through the mutual participation in brand communities should have an additional influence when users feel one of their community members is not being treated correctly.

H5: When a consumer criticizes the brand, other advocates of the brand will often defend it.

6.6. CONSUMER REACTION TO COMPLAINTS ABOUT PRODUCT OR SERVICE FAILURES

Because of the perceived high and infallible quality towards luxury brand by fans (Dubois et al: 2001), there is a good case to believe that if a follower criticizes the brand for service or product fails, users will point the finger towards the consumer and try to blame to the complainant. (E.g.: It's not the brands fault, you must have mistreated this product). In

addition, Colliander (2013) found that in most cases fans tend to defend their brand when it comes under attack, for example by advocating in favor of the brand (or rather, in this case, not in favor of the complainant), when a critical comment seems unjustified (why should a high quality purse just break like that? It must be the consumer).

H6: Complaints toward service or products will be met by blame towards the complainant by other followers.

6.7. USER REACTION TO CSR AND ETHICAL ISSUES

However, should the brand be criticized for overall decisions with an ethically questionable background (such as using fur or critically thin models) users will not defend the brand, as to not harm their own image of high standards they are trying to build. The research by Colliander and Wien (2013) suggests, that defenders might try to trivialize the accusations, however, assuming that consumers of luxury, as discussed earlier, use luxury fashion brands to show status and as a symbol for whom they are (Wattanasuwan: 2005) that consumers do not want to identify with delicate issues therefore turning their back on the brand:

H7: Compared to product failure complaints, brand advocates tend to reframe from defending the brand in cases the complainant raises a corporate social irresponsibility issue.

6.8. THEMATIC PLACEMENT OF CRITICAL ISSUES

A last hypothesis is drawn on the assumption, that users would place issues morally important to them under thematically fitting content, considering that the Facebook pages do not allow for original postings to their wall. However, no theoretical evidence could be found for this claim. Therefore, an explorative investigation of this assumption will be considered and used as basis for possible further research.

III. EMPIRICAL PART

The empirical part of this thesis will seek to answer the research question and above generated hypotheses by using a quantitative content analysis, as well as trying to gain additional insights to consumer-brand-consumer interaction in regards to criticism and complaints within these pages through the data collected.

In order to do so, six luxury fashion brands were chosen to be analyzed by certain criteria (see 7.3). On these pages negative comments below brand generated postings were collected and coded. The codebook developed for this purpose (to be found in the appendix) was developed based on previous research (Einwiller, Steilen: 2015, amongst others) and with regards to the hypotheses.

Following the coding of a total of 606 negative comments (complaints and criticism) by categories like original posting content, secondary users and brands replies, the type of replies and their content, demographic data and description of the data collected, the hypotheses were systematically tested for their validity.

7. METHOD AND RESEARCH DESIGN

7.1. CHOICE OF METHOD

The following empirical investigation follow a method of deductive reasoning, considering it works from broad analysis of prior research of the relevant topics to narrowing down to the actual topic of research and hypotheses.

For the purpose of this empirical investigation, a quantitative method was chosen. While qualitative research follows an inductive logic of reasoning, first collecting data, interpreting it and then drawing conclusions that lead to hypotheses, quantitative approaches follow a deductive approach, that starts with a theory, from which conclusions are drawn to form hypotheses. These are then empirically tested to be verified or falsified (Früh: 2011). The goal of this is theory testing (ibid.).

This thesis is working forward from a prior theory construct, meaning a quantitative approach is necessary. Bryman and Bell (2011) also note, that any research that requires measuring and counting specific phenomena requires a quantitative method.

For the purpose of the thesis, a content analysis was chosen. The goal is to analyze text based elements. According to Atteslander (2008) the goal is to find peculiarities by describing and analyzing the content of text items in order to do so.

The method was chosen for two reasons: Firstly, it served best to answer the research question and subsequent hypotheses, secondly, it was chosen for the ease of collection and truthful nature, considering that the textual items cannot be changed in the aftermath of data collection. Also, secondly, users were not aware their content is being investigated, therefore avoiding deliberate behavior or false reporting. Since no personal inquiries were required from the users of Facebook Pages, a content analysis was deemed more appropriate for this research than interviews or a questionnaire (based on Früh: 2011).

7.2. DATA COLLECTION

In a first step, a data crawler was used to collect original postings and comments under the postings, as well as secondary data such as likes.

In a second step, the comments were searched for negative comments and criticism. These critical comments are regarded as the basic unit of analysis, meaning that a reversed coding approach is followed:

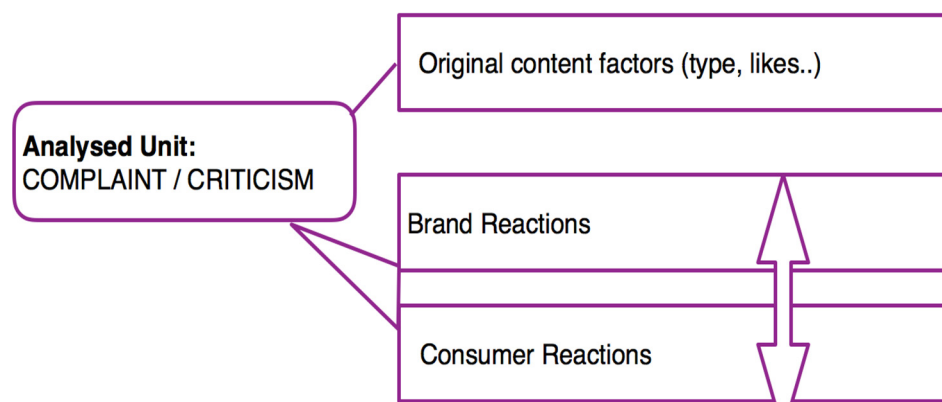


Figure 7 - Units of Analysis. Authors Illustration

Considering that all of the tested brand's Facebook pages do not allow original fan postings to their wall the comment section of brand posted content is the only area where negative comments can be posted.

Out of all the negative comments as well as the "comment replies" were collected and coded according to the code book which can be found in the appendix of this paper. It is recommended to view the codebook for better understanding of the research results discussed later on.

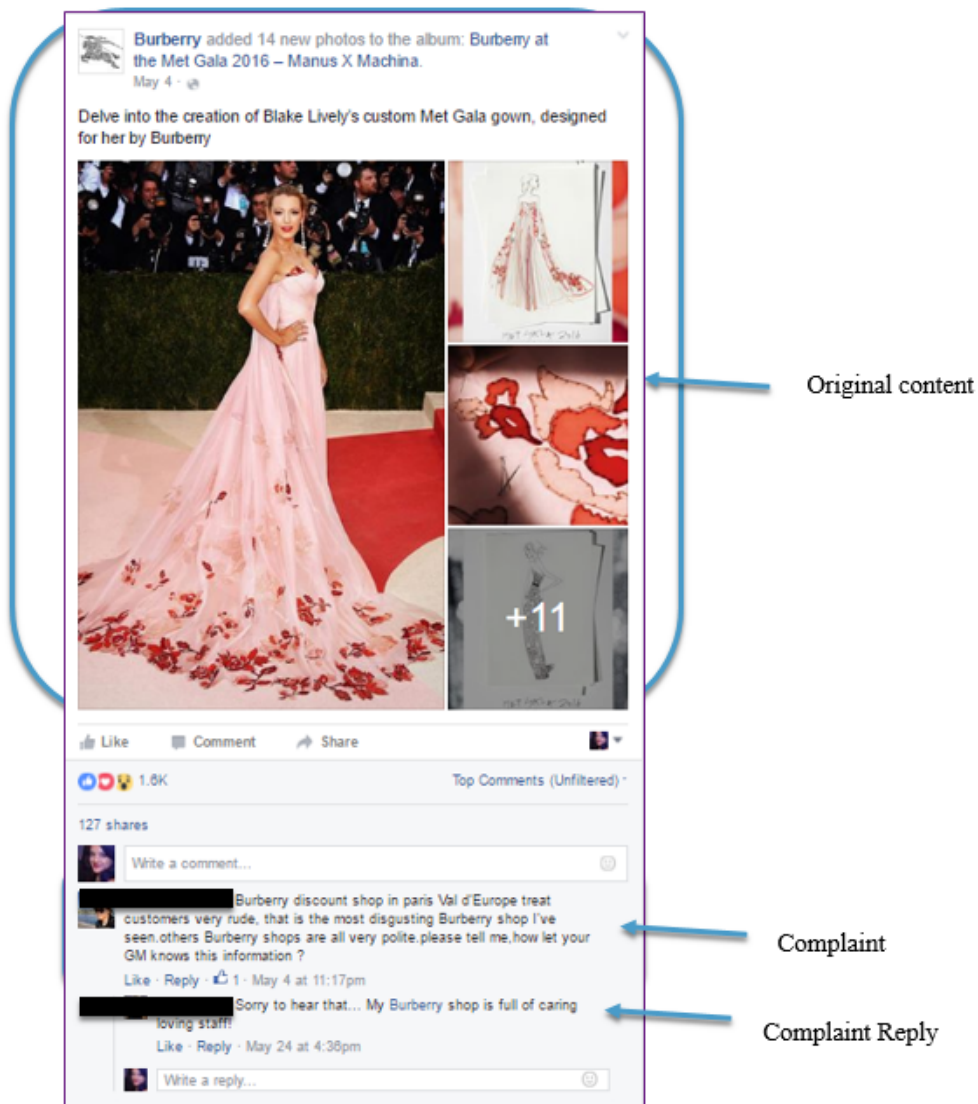


Figure 8 - Example of Analysis Unit.
Screenshot taken on Burberry (n.d.)

The above image shows how comments were collected: The original content refers to the brands post on their page’s timeline. The complaint or critical comment was in all cases collected below the brand’s original posting. Any replies were collected from underneath the comment (posted via Facebook’s “reply to comment” function).

7.3 SAMPLE

The brand pages in question were chosen:

1.) By common acceptance of the brand as luxury fashion brand according to literature and economic factors (e.g. brand value, Forbes list); including the specifications described in chapter 2.

The brands chosen had to be present on the Forbes list of most valuable brands in the world among the top 100 brands. This additionally resulted in an overall brand value of minimum \$3 billion.

2.) By presence on Facebook pages and number of likes. The brand's official and international Facebook page had to have a minimum of five million likes.

Brands that were either among the top 100 most valuable brands, but did not have more than five million likes (e.g. Hermès at #32 on Forbes list, had only 2,5 million likes on Facebook) or a sufficient amount of likes but no presence on the Forbes list (Michael Kors with #1,283, with 16,7 million likes) were not considered for the sample.

3.) The page had to be a verified by Facebook, recognizable by the blue badge next to the page's name making it the official brand Page and international (not country restricted, e.g. Prada Italy or similar) representation of the company and brand generated. User generated communities were not regarded within the sample.

4.) The page settings had to allow users to comment and interact with the brands postings on the page (seeing as none of the luxury fashion brand's pages allowed original postings to the pages wall or comment section, this was not a requirement.)

Following brands were chosen for their brand value, Forbes rating, luxury characteristics and Facebook Page Likes:



Figure 9 - Luis Vuitton Logo.
Source: Louis Vuitton: 2016a)

Louis Vuitton

Louis Vuitton is currently number 19 on the Forbes list of most valuable brands in the world and with a brand value of \$27.3 billion the most valuable luxury fashion brand (Forbes: 2016a). Founded in 1854 in France it's a part of the LVMH group.

The Louis Vuitton Facebook Page

The Facebook Brand Page of Louis Vuitton currently has **18,618,591** total likes (Louis Vuitton: n.d.). It allows fans to comment on the postings made, but does not have a section that allows original user postings to the wall.



Figure 10 - GUCCI Logo.
Source: Gucci: 2016)

Gucci

Gucci was established in 1921 in Italy and is part of the Kering group. It currently has a brand value of \$12 billion, making it one of the most valuable luxury fashion brands and 44th most valuable brand in the world overall (Forbes: 2016b).

The Gucci Facebook Page

The Facebook Brand Page of Gucci currently has a total of **15,387,689** likes (Gucci: n.d.). Users can comment on the brand's postings but cannot post directly to the wall or comment section.



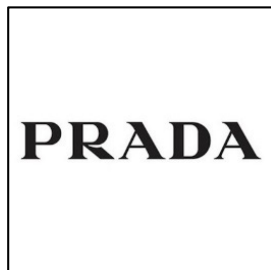
*Figure 11 - Chanel Logo.
Source: Chanel: 2016)*

Chanel

Chanel was established in 1909 in France and has a current brand value of \$7,2 billion, placing it as the 80th most valuable brand in the world (Forbes: 2016c).

Chanel Facebook Page

The Chanel Facebook Fan Page currently has 16,979,185 total likes (Chanel: n.d.). Users can comment on brand posts but have no possibility of posting directly to the wall or a comment section.



*Figure 12 - Prada Logo.
Source: Prada 2016)*

PRADA

Prada was established in 1913 in Italy. It has a current brand value of \$6.8 billion, making it the 97th most valuable brand in the world. (Forbes: 2016d)

Prada Facebook Page

The Prada Facebook Page currently has a total of 5,705,974 likes (Prada: n.d.). Users can comment on brand posts but have no option of posting directly to the wall or a separate comment section.



Figure 13 - Burberry Logo.
Source: Burberry 2016)

Burberry

With an estimated brand value of \$4.34 billion Burberry is also one of the most valuable brands in the world. It was established in 1909 in France (Forbes: 2016e).

Burberry Facebook Page

Burberry's Facebook Page currently has a total of 17,104,539 total Page likes (Burberry: n.d.). Users can comment on brand's postings but have no option of posting directly to the wall or in a separate comment section.



Figure 14 - Armani Logo. Source: Armani 2016

Armani

Armani was founded in 1975 in Italy. The brand had a brand value of \$3,1 billion, making it the 97th most valuable brand worldwide in 2012 (Forbes: 2012).

Armani Facebook Page

The Armani Brand Page currently has 7,669,758 likes (Giorgio Armani: n.d.). Users can comment posts by the brand, but have no option of posting directly to the page or in a separate comment section.

8. PROCEDURE

8.1 CODEBOOK & PRETEST

Developing the codebook, the most important requirement is the intersubjective comprehensibility of the described categories. Every coder should individually have the same understanding of each category and be able to replicate the same results with the same data set (Früh: 2011).

The codebook at hand can be used as manual for interpreting the data and is applicable to possible collected data from other luxury fashion brand Facebook Pages or different research timeframes.

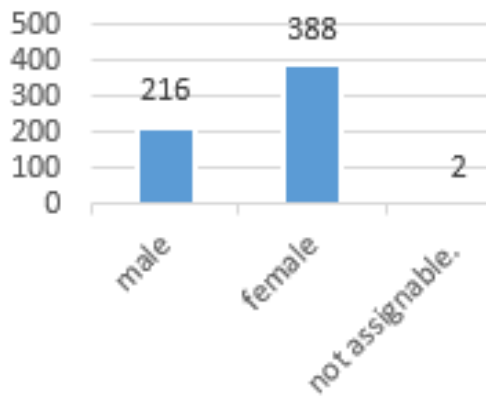
The codebook was developed based on prior research done by Einwiller and Steilen (2015), as well as the theoretical foundation of this paper.

After developing the first version of the codebook, a pretest was conducted with a small sample and two coders, to ensure inter-coder-reliability as well as being able to code all given categories and ensure that all items in the codebook were described sufficiently and understandably. This ensures necessary adaptations can be made prior to actual research to allow consistency and operability (Mertens:2013).

In general, all categories proved reliable during the pretest, however it was found necessary to describe some of the categories more clearly to avoid ambiguous information. In addition, the option “other” or “not attributable” was added to 2 variables (including gender and original content), as it was not always possible to code to one of the existing categories.

8.2. DESCRIPTIVE DATA

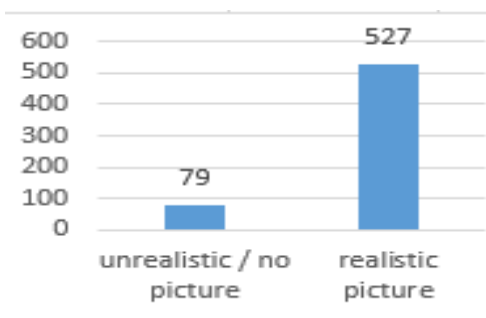
Complainants – Gender and Facebook Identity



Out of N=606 critical comments, 216 complainants appeared to be male (35,6%), 388 appeared to be female (64%).

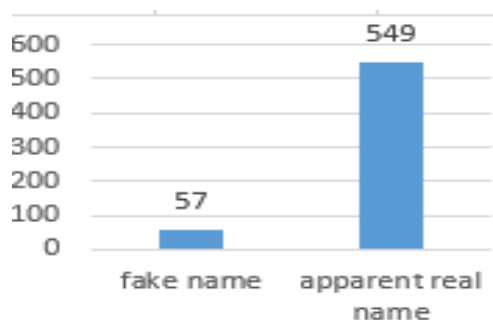
In two cases a gender was not clearly assignable (0,3%).

Figure 15 – Negative Comments/ Gender.
Author's Illustration



Out of N=606 critical comments 79 of the complainants had unrealistic or no profile pictures (13,0%) and 527 appeared to have realistic profile pictures).

Figure 16 - Realisticness of Picture.
Author's Illustration



Out of N=606 negative comments, 57 of the complainants appeared to have a fake name (9,4%) and 549 (90,6%) appeared to have a realistic name

Figure 17 - Name of Complainant.
Author's Illustration

Comment Distribution per Brand

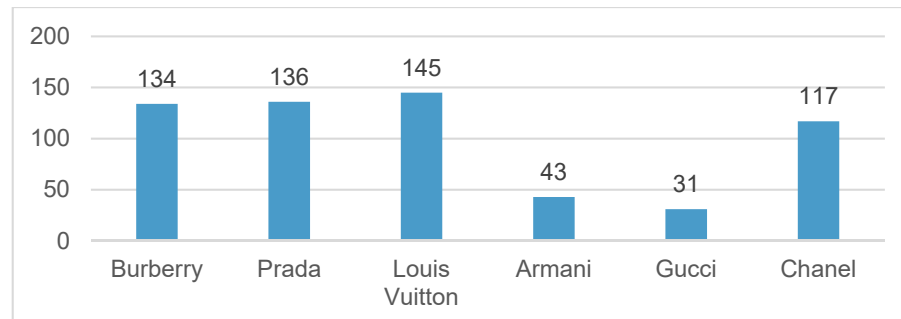


Figure 18 - Comments per Brand. Author's Illustration

A total of 606 complaints were collected over the timespan of six months dating backwards from 21.07.2016 to 20.01.2016. Out of the chosen six companies, 134 complaints or critical comments came from the Burberry Facebook Page (22,1% of total items), 136 came from the Prada Facebook Page (22,4%), 145 (23,9%) came from the Louis Vuitton Facebook Page, 43 were collected from the Armani Facebook Page (7,1%), another 31 (5,1%) were collected on the Gucci Facebook Page and 117 were collected from the Chanel Facebook Page.

Original Brand Posting

Original Post Type	Frequency	Percent
Single Photo	264	43,6
Text Post	2	0,3
Photo Gallery	245	40,4
Video	95	15,7
Total	606	100

Table 1 - Original Postings Data

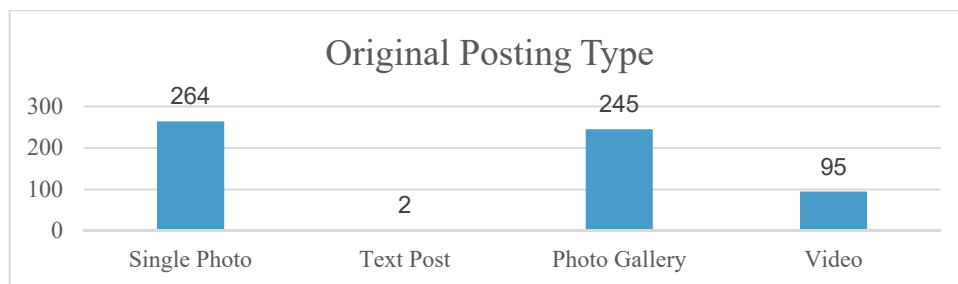


Figure 19 - Original Posting Type. Author's Illustration

Out of N=606 critical comments, 264 (43,6%) were posted under single photo brand wall postings, 2 were placed under text postings (0,3%), 245 were posted under photo album wall postings (40,4%) and 95 were posted under videos posted to the brand's wall.

Thematically, out of the 606 critical comments 318 (52,5%) were posted below product or collection presentations, 78 were event or show presentations (12,9%) 245 were posted below image videos or new commercials, 36 were posted below behind the scene postings (5,9%) 28 under presentations of new faces or models (4,6%), 73 (12%) under posts referring to brand ambassadors or designers and 20 (3,3%) were posted below other topics.

Original Post Content	Frequency	Percent
Product Announcement	318	52,5
Event Presentation	78	12,9
new commercial / image trailer	53	8,7
behind the scenes	36	5,9
Presenting Model/ new Face	28	4,6
Brand Ambassador/ Designer	73	12,0
other	20	3,3
Total	606	100

Table 2 - Original Posting Content - Data

Out of N=606 negative comments 318 (52,5%) were posted below product announcements, 78 (12,9%) under event presentations, 53 (8,7%) under new commercials or image trailers, 36 (5,9%) under behind the scenes postings, 28 (4,6%) were placed below postings showing new models or new faces, 73 (12%) of the comments were below postings that promoted brand ambassadors or designers and 20 (3,3%) were posted under other/ not assignable content.

Critical Issue	Frequency	Percent
No	445	73,4
Yes	161	26,6
Total	606	100,0

Table 3 - Critical Issue Data

Out of N=606 critical comments 161 (26,6%) were placed under brand posts that appeared to contain a critical issue, 445 (73,4%) were placed under a brand posting that appeared to be free of a critical issue.

Comment Language, Length, Type, Content and Recipient

Out of N= 606 critical comments, 577 (95,2%) were posted in English, whereas 29 (4,8%) were posted in German. Comments in other languages were disregarded in the data collection process.

Out of the N= 606 valid comments, 278 comments (45,9%) contained 5-10 words, 206 contained 11-25 words (34,0%) and 122 contained more than 25 words (20,1%).

Out of N= 606 total valid comments, 577 were posted in English (95,2%) and 29 were posted in German (4,8%). Comments that were in other languages were not collected/ coded during the data retrieval process.

Out of the N= 606 valid comments, 393 (64,9 %) were coded as containing criticism, whereas 213 comments were coded as containing complaints (35,1%).



Figure 20- Distribution Complaint/ Criticism. Author's Illustration

Type of Comment	Frequency	Percent
Criticism	393	64,9
Complaint	213	35,1
Total	606	100,0

Table 4 - Criticism and Complaint Distribution Data

Directionality of Complaints and Criticism

Type of Comment	Directed at Brand	Directed at Community	Undirected	Total
Criticism	116	76	201	393
Complaint	161	13	39	213
Total	277	89	240	606

Table 5 - Crosstable Comment Type and Recipient Data

A total of 277 of N=606 comments were directed at the brand/ organization (45,7%), 89 were directed at the community (14,7%) and 240 were undirected (39,6%). Taking a closer look at the difference between comments containing criticism and comments containing actual complaints, 161 of 277 (58,1%) complaints were directed at the brand, 13 of 89 (14%) were directed at the community and 39 of 240 (16,25%) were coded as undirected. Comments containing only criticism were directed at the brand in 116 of 277 (41,8%) of cases, at the community in 76 of 89 (85,4%) cases and 201 of 240 (83,8%) were undirected. A quick look at the data suggests a connection between the type of negative comment and the directionality. The χ^2 test reveals that there is a strong association between the type of negative comment and the addressee of the comment ($\chi^2(2) = 118,2 / p = ,000$).



Figure 21 - Content of Comment. Author's Illustration

Out of the N= 606 valid comments, 89 (14,7%) referred to product failures, 134 (22,1%) referred to bad customer service experiences, 65 (10,7%) referred to management decisions, 178 (29,4%) referred to social responsibility or ethical issues, 9 (1,5%) contained the category “emotional appeal” and 131 (21,6%) contained an expression of personal dislike toward the brand, products, services or posting content.



Figure 22 - Content of Comment by Comment Type. Author's Illustration

Broken down to comments containing actual complaints (N=213, 35,1%) and critical comments (N= 213, 35,1%) the distribution is as follows:

Out of N= 213 complaints 56 (26,3%) were product related, 134 (63%) were related to bad customer service experiences, 2 (1%) were related to management decisions, 13 (6,1%) were related to CSR or ethical issues, none were related to emotional appeal category and 8 (3,8%) were complaints related to personal dislike.

Out of N= 393 comments containing criticism 33 (8,4%) critical comments referred to products, 0 comments referred to customer service experiences, 63 (9,2%) referred to management decisions, 165 (42%) referred to CSR or ethical issues, 9 (2,3%) referred to emotional appeal category and 123 (31,3%) contained expressions of personal dislike. A chi2 test conducted revealed that there is a highly significant correlation between the type of negative comment and the content of the comment ($\chi^2(5) = 420,58 / p=,000$)

Constructiveness, Insults and Threats

Out of N=606 critical comments 179 comments had constructive information (29,5%), 44 comments contained attacks or an insult (7,3%) and 47 contained threats ((7,8%).

Out of the 47 threats, 6 threatened legal consequences (1% of N=47), 2 threatened to contact media (0,3%), 36 threatened discontinuance of purchase (5,9%) and 3 (0,5%) contained other threats.

Replies to the Comment

Brand Reply Frequency	Frequency	Percent
No Reply / Silence	606	100
Reply	0	0
Total	606	100,0

Table 6 - Brand Reply Data

Out of N=606 valid critical comments or complaints the brand/ organization replied to 0 (0%). No brand replies could be viewed within the entire sample, regardless of the type, size, language and content of the comment.

Complainant Reply Frequency	Frequency	Percent
No Reply / Silence	606	100
Reply	0	0
Total	606	100,0

Table 7 - Complainant Reply Data

Replies by the complainant were counted when they were directed toward the brand/ company answer (or silence). Out of N= 606 negative comments, the original complainant reacted to the brand's answer/ silence in 0 cases.

Other User Reply Frequency	Frequency	Percent
No Reply / Silence	435	71,1
Reply	171	28,2
Total	606	100,0

Table 8 - User Reply Data

Out of a total of N=606 valid critical comments, other users replied to 171 (28,2%) of the comments. A total of 435 (71,8%) of critical comments collected were not replied to by any party.

USER RESPONES

Other User Reply Frequency	Frequency	Percent
no response	435	71,8
5 to 10 words	68	11,2
11-25 words	74	12,2
above 25 words	29	4,8
Total	606	100,0

Table 9 - User Response Length

The length of the N=171 replies were 5-10 words in 68 cases (11,2 % of total comments N=606), 11-25 words in 74 cases (12,2% of N=606) and above 25 words in 29 cases (4,8% of N=606).

The comments were replied to in English in 169 of 171 cases (27,9% of N=606, 98,8% of N=171 replies) and German in 2 of 171 cases (0,3% of N=606 cases and 1,1% of N=171 replies).

Other User Reply Frequency	Frequency	Percent
No Reply	435	71,8
Original Complainant	158	26,1
General or all Users	9	1,5
Brand	3	0,5
Several Parties	1	0,2
Total	606	100,0

Table 10 - User Reply Recipients Data

158 (26,1% of N=606 and 92,4% of 171 replies) were directed at the original complainant, 9 (1,5% of N=606 and 5,3% of 171 replies) were directed at the general community, 3 replies were directed at the brand (0,5% of N=606 and 1,7% of 171 replies) and 1 reply was directed at more than one party (0,2% of N=606 and 0,6% of 171 replies).

User Replies by Comment Type and Content

Comment Type	No User Reply	User Reply	Total
Criticism	282	111	393
Complaint	153	60	213
Total	435	171	606

Table 11 - User Reply by Comment Type

Users replied to critical comments a total of 111 times and to complaints a total of 60 times. With the total amount of critical comments being N= 393 and the total amount of complaints being N=213 that means that users replied to 28,2% of all critical comments and 28,1% of all complaints.

This means, when it comes to user reply rates there is no significant difference between the original critical comment being criticism or a complaint. ($p= 0,984$).

Response to Comment Content

Negative Comment Content	No Reply	Reply	Total
product failure	68	21	89
bad customer service/ experience	91	43	134
management decisions	28	37	65
social responsibility/ethical issues	151	27	178
emotional appeal	4	5	9
expression of personal dislike	93	38	131
Total	435	171	606

Table 12 - Response to Comment by Comment Content Data

Out of 171 (N=171) user responses, 21 (12,3%) were made to product failure comments or complaints, 43 (25,1%) were made regarding bad customer service comments, 37 (21,6%) were made in regards to comments about management decisions, 27 (15,8%) were made towards CSR related comments, 5 (2,9%) replies were made to comments referring to emotional appeal and 38 (22,2%) below comments containing personal dislike.

Other User Reply Frequency	Frequency	Percent
no reaction	435	71,8
agreement/ affirmation	81	13,4
disagreement	22	3,6
defense of brand	31	5,1
shift of blame to complainant	6	1,0
own experience	12	2,0
suggestion or advice	5	,8
insult	13	2,1
other	1	,2
Total	606	100,0

Table 13 - Response Type Frequency Data

The content of the user replies were affirmation or agreement with the complainant in 81 cases (13,4% of N=606, 47,4% of 171 replies), disagreement in 22 cases (3,6% of N=606 and 12,9% of 171 replies) and defense of brand in 31 cases (5,1% of N=606 and 18,1% of 171 replies). In 6 cases the reply shifted the blame toward the complainant (1% of N=606 and 3,5% of 171 replies). The user recounted own experiences in 12 cases (2% of N=606 and 7% of 171 replies), offered advice in 5 cases (0,8% of N=606 and 3% of 171 replies). An insult toward the original complainant occurred in 13 cases (2,1% of N=606 and 7,6% of 171 replies). One case contained other reply content (0,2% of N=606 and 0,1% of 171 replies.) The complainant was defended in 0 cases.

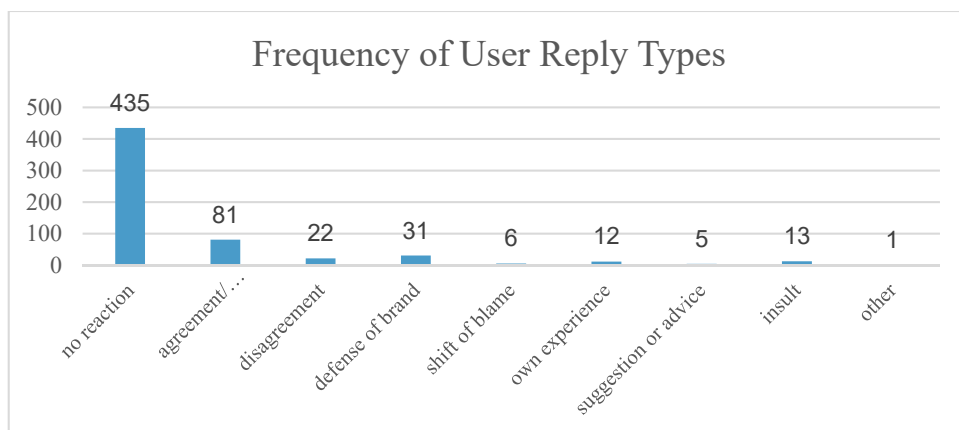


Figure 23 - Frequency User Reply Type. Author's Illustration

User reply types by complaint type and content

Comment Type	no Reply	agreement/ affirmation	disagreement	defense of brand
criticism	282	62	22	19
complaint	153	19	0	12
Total	435	81	22	31

shift of blame	own experience	suggestion or advice	insult	other	Total
0	0	0	8	0	393
6	12	5	5	1	213
6	12	5	13	1	606

Table 14 - User Response Types by Comment Type Data

	product failure	bad customer service	Manage- ment decisions	CSR & ethical issues	emotional appeal	personal dislike	Total
agreement/ affirmation	8	16	16	16	2	23	81
disagreement	2	0	12	2	2	4	22
defense of brand	2	9	2	7	1	10	31
shift of blame	3	3	0	0	0	0	6
own experience	3	9	0	0	0	0	12
suggestion or advice	2	3	0	0	0	0	5
insult	0	3	7	2	0	1	13
other	1	0	0	0	0	0	1
Total	21	43	37	27	5	38	171

Table 15 - User Response Type by Comment Content Data

Cross-referencing the content of critical comments with the type of reaction revealed the following:

Out of the 21 responses to product issues 8 (38%) were met with agreement, 2 (9%) with disagreement, 2 (9%) with defense of the brand, 3 (14%) with shift of blame toward the complainant, 3(14%) with the recount of an own experience, 2 (9%) with a suggestion or advice and 1 (4,8%) with other responses.

Out of the 43 responses to customer service comments 16 (37,2%) were met with agreement, 0 with disagreement, 9 (20,9%) with defense of the brand, 3 (7%) with a shift of blame toward the complainant, 9 (20,9%) with an own experience, 3 (7%) with suggestion or advice, 3 (7%) with an insult and non with other answers.

Out of 37 management related comment issues 16 (43,2%) were met with agreement, 12 (32,4%) with disagreement, 2 (5,4%) by defense of the brand, 0 shifted blame to the complainant, shared own experiences or gave advice, 7 (18,9%) contained an insult.

Out of 27 CSR or ethical problem related comments 16 (59%) were replied to with agreement, 2 (5,4%) with disagreement, 7 (18,9%) defended the brand. No replies shifted the blame toward the complainant, shared their own experience, or gave suggestions or advice. A total of 2 (5,4%) contained insults toward the complainant.

Out of 5 replies toward emotional appeal comments, 2 contained agreements (40%), 2 contained disagreements (40%) and one defended the brand.

Out of 38 replies toward expressions of personal dislike, 23 agreed with the complainant (60,5%), 4 disagreed with the complainant (10,5%), 10 defended the brand (26,3%) and one contained an insult (2,6%).

No replies to critical comments shifted blame toward the brand.

8.3 HYPOTHESES

Rate of Brand Response to Criticism and Complaints

Out of N=606 total valid cases of complaints or comments containing criticism made on the brand's Facebook Page brands answered in 0 cases. Because there were no brand answers to either the comments coded as criticism or the complaints, brands exhibited a 0% response rate to complainant's comments on their Facebook Pages.

Brand Reply Frequency	Frequency	Percent
No Reply / Silence	606	100
Reply	0	0
Total	606	100,0

Table 16 - Brand Reply Frequency Data

Negative Comment Type	No Reply	Reply
Criticism	393	0
Complaint	213	0
Total	606	0

Table 17 - Brand Reply Frequency by Negative Comment Type Data

Therefore

H1: Luxury fashion brands will exhibit a high rate of response toward complaints on their Facebook Page.

can be falsified, as there was no rate of response at all.

Other users however, displayed a response rate of 171 out of N=606 complaints and critical comments, which gives a response rate of 28,2%.

Brand Reply Types to Criticism and Complaints

Negative Comment Type	No Reply (Silence)	Con-fession	Excuse	Accommodative Response	Justification	Denial	Reply
Criticism	393	0	0	0	0	0	0
Complaint	213	0	0	0	0	0	0
Total	606	0	0	0	0	0	0

Table 18 - Brand Response Content by Comment Type Data

As brands displayed a 0% rate of response towards critical comments and complaints, there was no response type that could be coded.

Because brands used the silence strategy in 100% of all cases (coded as “no response”) both

H2: Luxury fashion brands respond with an accommodative response more frequently to online complaints than with other response types.

and

H3: When brands are criticized for general reasons, such as brand values or product decisions, the brand will reply more frequently with a defensive response than an accommodative response.

can be falsified.

No statistics (X^2) could be computed because the response type (silence) was constant for all N=606 cases.

User Reaction to the Silence Strategy

Brands reacted to complaints and critical comments with the silence strategy (no brand answer) in 100% of all the N=606 cases.

Users replied to complaints or critical comments in 171 of N=606 cases, out of these 171 cases 3 (1,7%) replies were directed at the brand. However, 0% of these cases referred to the brands silence. There were also 0 further answers by other users (following the first answer) directed at the brand that expressed criticism toward the silence of the brand. User

replies to brand silence were coded separately from general user replies to the negative comment.

Brand Reply Frequency	Frequency	Percent
No Reply / Silence	606	100
Reply	0	0
Total	606	100,0

Table 19 - Frequency of Silence Strategy Data

Further User Reply Type	Frequency	Percent
No Reply / Reaction	606	100
Negative/ Criticism	0	0
Positive/ Satisfaction	0	0
Not Identifiable	0	0
Total	606	100,0

Table 20 – Further User Replies Data

	No Reply/ Reaction	Negative/ Criticism	Positive/ Satisfaction	Not Identifiable	Total
No Reply / Silence	606	0	0	0	606
Other Strategies	0	0	0	0	0
Total	606	0	0	0	606

Table 21- Further User Reply by Brand Reaction Data - Author's Illustration

Therefore

H4: In cases when the brand does not reply to a complaint or criticism, brand advocates will often react with criticism toward the silence strategy.

can be falsified.

No statistics (X^2) could be computed because the response type (silence) was constant for all N=606 cases.

User Reaction to Criticism

	no Reply	agreement/ affirmation	disagreement		defense of brand
criticism	282	62	22		19
complaint	153	19	0		12
Total	435	81	22		31
shift of blame	own experience	suggestion or advice	insult	other	Total
0	0	0	8	0	393
6	12	5	5	1	213
6	12	5	13	1	606

Table 22 - User Response Content by Comment Type Data

Out of N=606 negative comments by complainants, a total of 393 (64,9%) were coded as criticism and 213 were coded as complaint (35,1%).

Out of N=171 user reactions, 111 (64,9%) were in reply to a comment containing criticism, whereas 60 (35,1%) followed a comment containing a complaint.

Out of the N=111 replies following criticism, 19 replies were in defense of the brand. This results in a defense of brand rate of 17,1% out of all replies and 3,14% out of all comments containing criticism. Other reply types were agreement with the complainant (62 cases, 55%), disagreement (22 cases, 19,8%) and insult (8 cases, 7,2%).

This means, that the most frequent response type to criticism toward the brand was not defense of the brand, but agreement with the complainant in more than half the cases, followed by disagreement and defense of brand as the third most frequent response type.

H5: When a consumer criticizes the brand, other advocates of the brand will defend it in most cases.

can be falsified.

However, the X^2 test shows, that there is a significant correlation between the type of negative comment and the reply type a third party user will exhibit ($X^2(8) = 61,3 / p=0,000$). This could be a point of interest for further research.

User Response Type by Content of Comment

	No Reaction	Agreement	Disagreement	Defense of Brand	Shift Blame	Suggestion or Advice	Insult	Other	Own Experience	Total
Product / Service Failure	68	8	2	2	3	2	0	1	3	89
Bad Customer Experience	91	16	0	9	3	3	3	0	9	134
Managm. Decisions	28	16	12	2	0	0	7	0	0	65
CSR or Ethical Issues	151	16	2	7	0	0	2	0	0	178
Emotional Appeal	4	2	2	1	0	0	0	0	0	9
Personal Dislike	93	23	4	10	0	0	1	0	0	131
Total	435	81	22	31	6	5	13	1	12	606

Table 23 - User Response Type by Comment Content Data

The cross table between complaint or criticism content and the reaction given by the user reveals that in case of product or service failures revealed a total of 21 reactions to product or service related negative comments. (89 total product or service related original comments, minus the 68 cases with no reaction.). Out of these 21 reactions, only 3 users shifted the blame to the customer (14,2% of reactions toward this comment type). The most frequent reply to product or service failures was agreement with the complainant (8 or 38% of all replies to this category).

The same is revealed in regard to bad customer service experiences. Out of 43 replies to this type of negative comment, 3 (7%) shifted blame to the complainant, whereas 16 (37,2%) agreed with the complainant. However, 9 users (20,9% of all replies to this type of comment) defended the brand.

The X^2 test reveals that there is a significant connection between the type of complaint or critical comment given ($X^2(40) = 163,175 / p = 0,000$) and the way that a user will react, however, the cross table shows that shift of blame is not the most prevalent response type to category in question.

The hypothesis 6 suggests that in cases of product or service failures the consumer will blame the complainant, rather than react in a different way. Therefore, the categories were combined to an answer containing blame towards to the complainant and all answers with

no blame toward the complainant. When reexamining the data under this aspect, we find that 3 of 6 cases referred to product or service failures, whereas the other 3 referred to bad customer experiences. This makes for only 6 out of 223 relevant cases where users shifted the blame toward the complainant (2,6%).

However, the data also revealed that all cases of blame were found to be connected to either a service or product failure.

Complaint Content	Blame of Complainant	No Blame	Total
Product / Service Failure	3	86	89
Bad Customer Experience	3	131	134
Total	6	217	223

Table 24 - Complaint Content and Shift of Blame Data

Therefore,

H6: When a consumer criticizes or complains about a specific product or service, other brand advocates tend to blame the consumer.

Can be falsified.

User Reaction to Negative Comments about CSR and Ethical Issues

The cross table (table 23) also shows, that in the 27 cases when users replied to corporate social responsibility issues, a total of 7 (25,9%) users defended the brand, whereas 16 (59,3%) of users agreed with the complainant. A total of 74,1% of users replied with other answers than defense of the brand, the X² test showed us that there is a significant connection between both categories.

Therefore

- **H7: In cases of corporate social irresponsibility issues or ethical issues, brand advocates tend to refrain from defending the brand.**

can be verified.

Thematic Placement Under Critical Issue Content

A last hypothesis was drawn on the assumption, that users would place issues morally important to them under thematically fitting content, considering that the Facebook pages do not allow for original postings to their wall. However, no theoretical evidence could be found for this claim.

Another difficulty was, that identifying critical issues in the original postings, though well described in the codebook, proved very subjective to the individual coder, as well as being hard to identify materials that might be of questionable origin.

An explorative analysis of the data collected during the empirical research part did reveal that 119 out of 178 (66,9%) CSR or ethical issue comments were voiced under postings that the coders perceived not to have a critical issue, whereas 59 (33,1%) were commented under postings that had were perceived to contain a critical issue, meaning only about a third of all CSR related comments were placed under related original content. This means, that the idea of CSR complaints being placed thematically could preliminarily be falsified.

However, for future research interest, an overall investigation and thorough theoretical research into thematic placement of complaints and criticism in social media could be of interest. The X^2 test revealed a significant connection between the two categories of type of negative comment and critical issues in the original posting ($X^2(5) = 74,28, p = 0,00$).

	No Critical Issue	Critical Issue	Total
product or service failure	72	17	89
bad customer service/ experience	130	4	134
management decisions	32	33	65
social responsibility and ethical issues	119	59	178
emotional appeal	9	0	9
expression of personal dislike	83	48	131
Total	445	161	606

Table 25 - Comment Placement by Critical Issue in Comment Data

9. RESULTS DISCUSSION

9.1. GENERAL DISCUSSION

Descriptive Summary and Findings

In addition to answering the developed hypotheses, the descriptive data collected revealed some insights that could be interesting for further research in addition to answering the hypotheses:

Women were more likely to voice negative comments than men (64% of all comments), which could be due to the circumstance, that women are more likely to perceive a higher social, status and symbolic value in luxury (fashion) brands as well as having higher purchase intentions towards luxury than men (Stockburger-Sauer, Teichmann: 2013) therefore creating a larger target group that is likely to complain if these perceived values fail them. In addition, the majority of all complainants had both realistic profile pictures (87%) and realistic names (90,6%), suggesting that they do not have a problem using their real identity.

The distribution of negative comments among the brands within the time frame was mostly even, aside from the brands Armani and Gucci, who received less than half of the comments (43 and 31) than the next highest commented brand (Chanel with 117). Only a quarter of all comments were placed under postings that contained critical issues (161 out of 606).

The language of most critical comments was English (95,2% as opposed to 4,8% German comments) and nearly half of the negative comments (45,9%) were held under 10 words. This could possibly be due to the fact, that a majority of the comments were coded as criticism (64,9%) which would probably contain less (constructive) information than complaints (that made up only 35,1% of all negative comments).

A first look at the directionality of the negative comment types posted seemed to reveal a connection between the type of comment (criticism vs complaint) and the implied receiver of the comment – complaints were slightly more likely to be directed at the brand (in 161 of 213 complaint cases), whereas criticism was more often directed at the community or undirected than at the brand (76 and 201 of 393 cases of criticism). A χ^2 -test was conducted

to verify this preliminary finding and revealed a strong association between type of negative comment and directionality ($X^2(2) = 118,2 / p = ,000$).

Another likely connection that was perceived during evaluation of the general data was between the type of negative comment (criticism or complaint) and the content of the negative comment (type of criticism / complaint made). A preliminary view of the data seemed to show that complaints were more likely to be customer service or product failure related (a total of 190 out of 213 complaints), whereas criticism was more likely to be related to management decisions (63 out of 393 criticism comments), CSR or ethical issues (165 out of 393), or personal dislike (123 out of 393). Only 33 criticism comments were due to product failure, none were attributed towards bad customer service. To confirm this assumption, a chi2 test was conducted and revealed a high correlation between the two categories ($X^2(5) = 420,58 / p = ,000$). This could be explained by the theoretical distinction made between complaints and criticism earlier, as complaints are usually voiced with the goal to receive a solution and express dissatisfaction with a specific experience (Einwiller, Steilen: 2015), whereas criticism can express negativity toward a fact without seeking a solution.

Hypotheses

The first three hypotheses suggested that luxury fashion brands will exhibit a high rate of response toward complaints or criticism on their Facebook brand pages. These responses were predicted to be accommodative in most cases, but defensive when negative comments refer to brand values or general decisions, which could harm the brands image.

However, the content analysis of 606 critical comments revealed, that luxury fashion brands did not reply to the critical comments in all of the cases provided in the examined timeframe. Seeing that previous research suggests the need for action from the brands side in regards to negative word of mouth and also interactivity when using social media as part of the company strategy, this came as a surprising finding. The assumption, that luxury fashion brands would especially display a heightened form of answering behavior due to their image of high service and product quality, could not be verified. Considering that moving into social media already poses some threats to luxury fashion brands, making them generally accessible, more attackable and less exclusive, it was assumed that these brands would be especially aware of the need of customer relationship management.

However, as the empirical data reveals, this is not the case. The reason for this could be the attempt of brands to stay inaccessible, whilst still presenting themselves to the masses in order to “create the dream”. It is possible that luxury fashion brands reserve themselves the right to remain “untouchable” thus not reacting to the masses to reinforce the image, that they cannot be attained by everyone simply by commenting on social media.

One could also question, whether the affluent target group of buyers that are likely to buy a product of that brand more than once would complain about a flaw on Facebook and tainting their own image with the flaw, or use a direct approach to the brand to voice their concerns and accusations.

Another possible explanation was voiced by Colliander and Wien (2013) in regards to brand communication in general: Companies, that choose to reply to online criticism once have thereby committed themselves to a discussion about the brand, a commitment that is hard to redraw, making the social media page e.g. seem as a legitimate channel for complaint (ibid.). In the case of luxury, this seems like an even bigger threat to the brand’s overall appearance, which might be a reason that luxury fashion brand management decides to opt out of replying to complaints in social media.

The fourth assumption was, that other users would react with criticism toward the brand when the brand displays a strategy of silence. Considering that critical comments were never answered by the brand, the assumption to be drawn regarding the hypothesis would be that in most cases a critical comment would be followed with a statement of disappointment or critique at some point within the comment reply thread. However, this too was proved wrong: Users expressed dissatisfaction with the brands reaction in none of the 606 cases. This was unexpected, considering previous research on complaint management revealed that consumers expect brands to display fast and helpful solutions to their complaints (e.g. Homburg, Fürst: 2007, Lan: 2013). An explanation for this disinterest could be the difficulty to follow the often overloaded threads on the brands Facebook pages and the different levels of involvement in online brand communities (see Wirtz et al. :2015) as well as the various possible motives of other users for using these Facebook pages, that do not necessarily have to be complaint orientated, unlike forums or platforms designed especially for voicing critical remarks.

The data collected in regards to hypothesis five, on consumer reactions to complainants' comments was also not as expected: Unlike the assumption, that in most cases consumers would defend the brand when criticized, in most cases users either didn't reply to criticism (282 cases), agreed with the complainant (62 cases), fewer disagreed (22) and only 19 defended the brand – this makes up for a total of only 3,14% of cases, where critical comments contained criticism. This assumption was built on two factors: The Facebook Page being an online brand community evolving around lovers of the brand, who would defend their community against intruders and the psychological theories on luxury consumption and Belk's extended self, that could suggest consumers not wanting the brand's image to be tarnished. The fact that users rarely defend the brand could be an indicator once more that the low cost of involvement within such brand communities results in the members not sharing the same level of love for the brand (and thus not being insulted themselves when the brand receives criticism) as well as the factor, that a like of the Facebook page does not necessarily mean the user actually consumes the brand and therefore does not feel a connection between the brands image and the own image.

To answer hypothesis six, that stated that other users / brand advocates display the tendency to shift the blame from the brand to the consumer, if service or product issues are criticized by the complainant. This assumption was made on basis of the perceived high product and quality expectations inherent to a luxury (fashion) brand. The first cross table showed that there is a significant correlation between the content of a critical comment and the reaction displayed by other users ($X^2(40) = 163,175, p = 0,000$). However, taking a closer look at the table revealed the category of blaming the complainant to be less prevalent than other categories. To get a more exact idea of the rate of replies, the categories in question (Product/ service failure, bad customer experience) were isolated and coded into only reactions that contained blame and those that didn't. This revealed an occurrence of blame in only 3 of 89 product complaints (3,3%) and only 3 of 134 customer service complaints (2,2%). This makes 6 of 223 cases in question (2,6%) where the expected behavior was displayed. Again, the expectation derived from literature could not be confirmed. Once more, this might be attributable to the involvement levels of these types of community. In addition, the empirical data does not give direct insights to the legitimacy of the complaints made regarding customer service or product failures. These possibly contained constructive and believable information, that led the other users that refrained from

blaming the complainant to believe the information and not feel the need to accuse the complainant.

Hypothesis 7 referred to the assumption, that users would refrain from defending the brand in cases where ethical issues or CSR issues were criticized or complained about. This was confirmed, not only did users only defend the brand in 25% of the cases, most users (59%) actually sided with the complainant in this case, a behavior pattern that was surprisingly viewed in a large portion nearly all the types of critical comments (81 out of 171 all critical comments) and was the most prevalent user response type in all critical comment manifestations.

The last hypotheses stated the assumption, that users would thematically place moral concerns (as in: CSR or ethical criticism/ complaints) below content that contained visible critical issues, such as the use of real fur, unhealthily skinny models, children or other images/ themes that can generally be regarded as unethical. However, as stated before, confirming this hypothesis proved difficult in coding and examination, in addition to missing theoretical evidence. A majority (approximately 2/3) of CSR related postings was positioned under original content that did not seem to contain ethical violations. Considering though, that a χ^2 test revealed a connection between the type of critical comment and ($\chi^2 (5) = 74,28, p=0,00$) this might be a subject of research worth looking into, taking into account the currently missing theoretical basis.

In light of the conclusions drawn from the empirical study, it seems necessary to revisit the question if Facebook Pages can actually be viewed as OBCs or if the level of low involvement and ease of intrusion does in fact speak against this premise. Psychological studies into the applicability of Belk's extended self and consumer motivations for using luxury fashion brands social media presences could deliver valuable insights, as for the purpose of this study, the users of the brand pages were regarded as luxury consumers.

9.2. IMPLICATIONS FOR PRACTITIONERS

The meaning and importance of social media as well as strategies of handling complaints were discussed earlier on in this thesis. Theory largely agrees on the importance of “being on top of” negative word of mouth and complaints, especially regarding online social networks that carry the potential of spreading information widely within the blink of an eye. Considering that negative word of mouth can be harmful to image and the factor, that image is an important factor in luxury fashion brands the fact that they do not tend to their consumer’s concerns comes as a surprise.

All luxury fashion brands in this study failed to communicate with their followers and showed no signs of interactivity. This indicates the need for luxury fashion brands’ brand management to reconsider their social media strategies, especially in light of the very large follower base that most of the pages have and the factor that more and more regular consumers are becoming more affluent. Luxury fashion brand management might consider if replying to at least the complaints and not the subjective criticism could aggregate return customers, who are disappointed in their purchase and might not return if they don’t perceive that they are valued as a customer.

One can however assume, that the brands in question – being some of the most valuable brands in the world – have a strategy behind their silence toward complaining consumers. Firstly, Facebook might not be the right place to discuss such issues as the highest level of service quality would probably occur face to face or via channels that were especially made for such purposes. In addition, these brands might also purposely not reply in the very inclusive environment of a Facebook page in order to continue to appear exclusive and unreachable for the normal internet user, thus creating even more desire.

9.3. IMPLICATIONS FOR RESEARCH

All in all, there is definitively a necessity to investigate this topic further. The theoretical investigation at the beginning of this thesis revealed a gap in research, which this thesis aimed to make a contribution to. The unexpected findings may indicate a need for further research into this combined topic:

For one, there is a definitive need to closer look at the reactions and response of fans and haters of brands to criticism and complaints within virtual communities, as available research proves difficult for predicting outcomes of secondary user reactions. During the extensive research conducted for this thesis, little to no literature was found on this topic – especially when it came not to the effects on purchase behavior or similar, but actual reactions of other users. This comes as quite a surprise, considering that the interactivity and dynamics of social media and online communities as well as the general effects of nWoM have been extensively researched. The only substantial research done on the topic was by Colliander and Wien (2013) and concentrated solely on defense of the brand. No research could be found that examined psychological factors or took into account the nature of the brand-product, industry or type of virtual community.

There is on the other hand a good amount of literature on sustaining luxury in the internet, as recounted earlier in this thesis. However, there should be a broader focus on how luxury fashion brands deal with complaints and criticism within their communities. This seems especially important in light of the paradox of lifting an exclusive brand into an inclusive environment like social media.

The fact that users do use Facebook pages to make negative comments toward luxury fashion brands reinforces the need for research on this topic, especially considering that not only service or product oriented remarks were made, but also a vast amount of CSR and ethical related comments came up, which could potentially harm the company's image of high quality and standards. Research into handling these crises should investigate if and how such attacks could influence the brands reputation, as well as the structure of the brands' community.

Additionally, a better look at the dynamics in Facebook's brand generated brand communities, especially with a focus on luxury, would help not only gaining insights into explaining the findings of this thesis, but also be a valuable contribution to the current field of media and communication research in general. A focus here could lie on the thresholds and involvement level of these special types of brand communities and the effect this involvement has on interactivity and brand love (or hate), as well as the effects of intrusive content (by haters of the brand). The reasons for fans to actually use these networks might also shed further light on these dynamics. For a better understanding of this, a comparison

with the dynamics of fan generated social media brand communities might contribute valuable insight.

Considering the specific characteristics of luxury (fashion) and in interests of interdisciplinary research, further research into these topics should always take into account the motives for consumption of the product group in question.

9.4. LIMITATIONS

In conclusion to the unexpected turnout of the empirical part of research, it seems necessary to reflect on the research process:

Firstly, during gathering the material for the content analysis, it was evident that the commenting and complaining behavior varied very strongly from brand to brand, in respect to complaint reasons, complaint frequency and reactivity of other users, while one brand seemed to have an over proportional amount of service and product related complaints, compared to the other brands.

In addition, the sample could have been distorted by the fact two of six brands were subject of attack from animal rights activists, who repeatedly posted similar content (e.g. Burberry being attacked for using real fur). If this study should be replicated, it might be advisable to exclude activists' comments entirely, as these were counted into the category of ethical issues and social responsibility and in return expanding the timeframe and number of brands to aggregate enough data. Another approach could be to create an extra category of "activist criticism" in addition to that of social responsibility and ethical values, which would allow for isolating both the activist comments from the rest of the sample, as well as comparing regular ethical violation complaints with the postings of activists.

Further, only 6 brands pages taken from Forbes list were inspected, and complaints were gathered over a timeframe of 6 months. The comments generated were not evenly distributed to the brands. There could be different approaches to this part of the procedure if it were to be replicated: One possibility would be to change the thresholds of brands that count for the study and include more luxury fashion brands and create a less restricted

sample. As for the amount of comments collected, either the timeframe could be expanded in general (e.g. to 1 year backward or continuously collecting) or, instead of using a timeframe as reference point and collecting different amounts of data/ brand, it would also be possible to collect a fixed number of comments backward per brand. This would however result in different time frames for each brand in the sample. With either option, the collected data should be discussed in light of the resulting circumstances. Expanding the timeframe or number of comments in a future test might not actually give new insights to brand answering strategies, as it is not expected that the same brands answered in the past, however it could give less biased insights into the consumer reaction behavior.

Another problem that occurred was discussed earlier on in regards to hypothesis six: In some instances, it was very difficult to identify and code some of the data. This was mostly the case with deciding if an original comment included a critical issue, however, the distinction between the content of the comments was not always very clear, a factor that also applies for the factor of directionality of answers and original critical comments.

An issue that was identified as possibly influencing were two factors of comment collection in general: Firstly, the method of collecting comments via screenshots was proven to be effective yet also somewhat chaotic for coding and archiving. The comments were coded with high regards to accuracy. The first approach was to collect the comments via crawler, however, this failed due to the fact that available crawlers do currently not collect all the data needed for this study (including the most important factor: comment replies) and were thus not suitable for the data collection process.

Lastly, a factor that was neglected in the coding and interpretation, was the placement of the comment within the original brand posting thread, as well as the amount of other negative comments within the same thread. This was the result of a reverse collection of data – comments were collected and then coded by original content, as the comments were the main unit of analysis. Therefore, it is not possible to say if other comments in the thread had influence on further replies or reactions. In addition, the total amount of negative comments/ thread is not available, as well as the total amount of threads that aggregated the n=606 comments in question.

9.5. FUTURE ROUTES OF RESEARCH

The internet and social media world is continuing to develop and flourish and is becoming a more and more integral part of our everyday life. Not only Facebook with its close to 2 billion members is of importance, other social media sites and apps are also on the rise, such as Instagram (500 million users as of September 2016), snapchat (200 million), and twitter (313 million) (Statista: 2016). All of these platforms and many more should be regarded as topic of interest in all things communication and media related. Considering the abundance of available brands and products, companies and organizations will have to keep up to speed with these developments, to sustain their brand against competition.

The thesis at hand also directs toward a wide realm of possibilities for future research projects connected to luxury fashion brand communication, online brand communities and complaint management.

Future research could focus on similarities and differences across luxury brand industries (e.g. apparel vs. jewelry vs. cars vs. perfumes etc.) in regards to their own characteristics, especially when taking into account the notions of image and self. As a result, these closely related yet different industries could learn from each other's strategies when it comes to online communication.

Another possible approach could be drawing a comparison between industry-internal luxury vs. regular brands (e.g. luxury fashion brand vs. common apparel), to find out the differences in user-dynamics between the two. Furthermore, the research could be expanded to other distinct social network platforms (e.g. twitter) and could include questioning community members. Another possible angle would be to compare simple products with ease of use (apparel) with those that require high involvement when using (complicated technical appliances).

The emergence of ever new digital trends requires constant updates in research and will likely be of interest for communication, media and interdisciplinary research for many years to come.

Authors Edit:

During the time in which this thesis was developed, Facebook introduced a new feature: Reactions, an expanded version of Facebook's Like function. This allows users to not only mark a post with "like" but choose between various forms of like (or other feelings) including "love", "wow", "sad" and "angry". Wherever in the empirical part likes were relevant, this thesis works within the old liking system of Facebook. Moreover, the "reaction" function only applies to the respective original/top level post (on a page or timeline e.g.) and not on comments or comment-replies.

However, the new function adds a whole new dimension and a set of challenges and opportunities for marketers and researchers. At this time, the reactions are each still counted as one "like" by Facebook's algorithm, meaning that sourcing differentiated data is still a challenge. One can assume though that there will soon be methods of gathering this data correctly, which will allow for an even more precise assessment of users' reactions to certain content - without even having to read the comments e.g. A high percentage of "angry" or "sad" reactions towards a fashion page's posting of a real-fur-coat for example is a clear one-look message coming from the users - they are not happy about this type of post, regardless the comments that follow (though these would most likely reveal more information about why these reactions occurred.)

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APPENDIX

1. Codebook
2. Descriptive Data Tables
3. Crosstabulations

CODEBOOK

I. Details of the Procedure

1. Research Goal
2. Research Time Frame
3. Units of Investigation, Analysis and Coding
 - 3.1 Unit of Investigation
 - 3.2 Unit of Analysis
 - 3.3 Coding Units
4. Access Criteria
5. Sample
6. General Coding Instructions

I. Introduction and Details of Research

1. Research Goal

The goal of this research project is to analyze the reactions of brands and their followers to types of criticism and complaints within luxury brands online brand communities, namely their Facebook Pages. The basic predictions toward possible behaviour are derived from knowledge on the single topics. The overall goal is to build basis for a framework that can be utilized by luxury fashion brands and research to successfully use online brand communities without harming their exclusive image.

2. Research Time Frame

Data was collected retroactively from the 20.07.2016 to the 20.01.2016

3. Units of Investigation, Analysis and Coding Units

3.1 Units of Investigation

The units of investigation are the Facebook Brand Pages of a number of chosen luxury fashion brands. The brands were chosen from the list of Forbes most valuable brands and had to have a minimum of 5 million fans.

3.2 Units of Analysis

The Units of analysis are the subsequent threads that develop under a critical comment, which is positioned below a brand posting. For this, the “replies to comment” are analyzed. Replies that could be directed toward the original comment but are not placed below this comment were ignored in order to avoid false assignment or ambiguous interpretation.

3.3 Coding Units

Coding units are critical/ complaint comments placed underneath a brands posting to its wall. Each upper level comment (not a comment in the reply to comment part of the thread) containing a complaint or criticism is treated as a single unit and coded individually, regardless of its position and the total amount of such comments in the brands original thread.

5. Sample

The sample is collected retroactively by crawling the Facebook Brand Pages wall and archived accordingly.

6. Coding Instructions

- I. Coding is done according to the codebook at hand. Every unit that has been coded should be marked as “coded”, to avoid double coding.
- II. The brands original postings are searched for comments containing a complaint or criticism, this comment serves as basic unit for further collected data. (comment level)
- III. From there, per comment, the replies directed at this comment are collected and coded accordingly. (thread level)
- IV. One thread refers to one comment and the reply-comments below that comment.
- V. In addition, the type of original content (brand posting) is coded, per comment.
- VI. Every comment is treated as a new unit and is coded individually.
- VII. Relevant for coding are only comments made in German or English.

II. Category System

cod_id	1	Anjuli Patel
Coder ID	2	Julian Stiepka
brand_id Brand ID	1	Burberry
	2	Prada
	3	Louis Vuitton
	4	Armani
	5	Gucci
	6	Chanel
com_size Comment Size	1	5 to 10 words
	2	11-25 words
	3	above 25 words
comR_b Reaction to Comment by Brand	0	no reply
	1	brand reply
comR_c Reaction to Comment by Complainant	0	no
	1	yes
comR_u Reaction to Comment by User	0	no
	1	yes
post_typ Type of Original Posting	1	Single Photo
	2	Text Post
	3	Photo Gallery
	4	Video
post_con Content of Original Posting	1	Product Announcement
	2	Event Presentation
	3	new commercial / image trailer
	4	text
	5	Presenting Model/ new Face
	6	Brand Ambassador/ Designer
	99	other
Post_iss Critical Issue in Post	0	no
	1	yes
	2	ambiguous
com_lan Language of Negative Comment	1	English
	2	German

nam_c Name of Complainant	1	fake name
	2	apparent real name
	3	unclear
pic_c Picture of Complainant	1	unrealistic / no picture
	2	realistic picture
	99	not attributable
gen_c Gender of Complainant	1	male
	2	female
	99	not attributable
Cmp_typ Type of Negative Comment	1	criticism
	2	complaint
	99	not attributable
cmp_con Content of Negative Comment	1	product or service failure
	2	bad customer service/ experience
	3	management decisions
	4	social responsibility and ethical issues
	5	emotional appeal
	6	expression of personal dislike
	99	other
cmp_rec Recipient of Negative Comment	1	directed at the brand/ organization
	2	directed at the community
	3	undirected
cmp_constr Constructiveness of Negative Comment	0	no constructive content
	1	comment has constructive content
cmp_ins Insult in Negative Comment	0	no attack or insult
	1	attack or insult
cmp_thr Threat in Negative Comment	0	no
	1	legal consequences
	2	contacting media
	3	discontinue use or purchase
	4	active negative word of mouth
	5	other
	99	not attributable

cr_size Brand Reply Comment Size	0	no brand reply
	1	5 to 10 words
	2	11-25 words
	3	above 25 words
cr_rec Brand Reply Recipient	0	no response
	1	complainant
	2	general
	3	other
cr_lan Brand Reply Language	0	no response
	1	English
	2	German
	3	Other
cr_type Brand Reply Type	0	silence
	1	confession
	2	apology
	3	accommodative response
	4	justification
	5	denial
	6	defensive response
	7	shift of blame
ur_len User Reply Length	0	no response
	1	5 to 10 words
	2	11-25 words
	3	above 25 words
ur_lan User Reply Language	0	no reply
	1	English
	2	German
	3	Other
ur_ad User Reply Recipient	0	no reply
	1	original complainant
	2	general or all users
	3	brand
	4	several parties
	99	not attributable

ur_con User Reply Content	0	no reaction
	1	agreement/ affirmation
	2	disagreement
	3	defense of brand
	4	defense of complainant
	5	shift of blame to complainant
	6	own experience
	7	suggestion or advice
	8	insult
	9	other
com_fur Complainant Reply to Reaction	0	no
	1	negative / unsatisfied with reaction
	2	positive
	99	not attributable
ur_fur User Reply to Reaction	0	no
	1	negative / unsatisfied with reaction
	2	positive
	99	not attributable

A. General Information

A.1 Coder (cod_id)

- 1 - Anjuli Patel
- 2- Julian Stiepka

A.2 Company Profile (brand_id)

Here the coder should code the Brand Page / posting to which the comment was placed

- 1 - Burberry
- 2 - Prada
- 3 - Louis Vuitton
- 4 – Armani
- 5 – Gucci
- 6 - Chanel

B. Comment Level

B.1. Comment Count (com_nr)

This contains the count running number of the comment being coded. Every coder uses their own comment count. Comments are numbered 1, 2, 3...

B.2. Comment Size (com_s)

This counts the total words of the comment. A minimum 5 words will be used to make a comment relevant. Comment length is coded as follows:

- 1 - 5 - 10 words
- 2 - 11 - 25 words
- 3 - above 25 words

B.3. Reply Brand (comR_b) Did the brand reply?

Here it is coded if there is a brand reply below the comment of the complainant. Coding “0” means there was no reply or reaction from the brands side.

0 – no, there was no reply from the brands side

1 – yes, there was a reply from the brands side

B.4. Reply Complainant (comR_c)

Did the complainant post an additional reply/ comment below their original statement, in regards to the brands reply or silence? The reply should be directed at the brands reply or silence.

0 – no, there was no additional comment

1 – yes, there was an additional comment

Examples: “Hey, why did you not answer my question”

“Thank you for your reply, I will follow your suggestion”

“Ok, I still think you should not use fur for your coats”

B.5. Reply of other Users (comR_u)

Here it is coded if there was a reply to the comment made by another fan/ user of the Facebook Page. The comment can be directed at the brand, the complainant or at the Page community. Comment replies that clearly have nothing to do with the original comment will not be counted.

0 - no, there was no reply by another user

1 - yes, there was a reply by another user

Examples for counted comments:

“It’s probably your own fault if the bag strap broke”

“I agree; the company should not use fur”

“Yes! I also think this is soooo ugly”

Example - not to be coded:

Complainant: “I think this collection is really ugly”

User reply to comment: “Hey, Prada, yesterday I went to your store in Paris and the salesperson was very rude to me”.

C. Original Content (brand post)

This category codes the original brand posting under which the comment was made.

C.1. Posting Type (post_typ)

This refers to type of posting that was made by the brand, under which the complainant posted their comment.

- 1 – Photos
- 2 – Text
- 3 – Gallery / Album
- 4 - Video
- 99 - not assignable

C.2. Posting Content (post_con)

This refers to the content of the original posting.

- 1 – Product Announcement

Examples: “Our new spring/ summer collection”, “Catch a glimpse at our new handbags”

- 2 – Event Presentation

Example: “watch last week’s fashion show in the wonderful central park”

- 3 – New commercial/ Image trailer

Any type of commercial films, image films or trailers

- 4 – Backstage or behind the scene insights

“Unseen portraits of actor Eddie Redmayne from the Prada Fall/Winter 2016 Menswear Advertising Campaign behind the scenes.”

- 5 – Presenting a new face/ model

“Our newest model XY is the new face of our hot new fragrance...”

- 6 – Brand ambassador or designer

Postings involving testimonials, brand ambassadors or designers

- 99 – not assignable to the above categories.

C.3. – contains critical issue? (post_iss)

This category codes whether the original brand posting contains controversial or critical issues. A critical issue is coded as present, when the original brand posting clearly contains socially or ethically questionable elements, such as the use of real fur, unhealthy models or environmental abuse. In case the coder is not sure, the post is coded as 99 ambiguous, as it can be assumed that the issue is not clearly identifiable for users as well.

0 – no

1 – yes

99 - ambiguous. Cannot clearly be defined

D. Complaint/ Criticism Comment – Formal

D.1. Language (com_lan)

This refers to the comment language. Only comments posted in either English or German were counted.

1 - English

2 – German

D.3. Name Complainant (name_c)

This codes the complainants name. Should it be unknown to the coder, if the name is fake or real (for instance, if the name could be of foreign decent), the code used is 99 - unclear.

1 - fake name - e.g. “Cind Erella”

2 - apparent real name

99 - unclear

D.4. Number of Likes (com_lik)

This category counts the number of likes the comment received, in numbers.

D.5. Profile Picture (pic_c)

This category describes the profile picture of the original comment creator.

1 - unrealistic or no picture

A picture is coded as unrealistic, if it clearly contains a fake picture or a picture of an animal, landscape or object, but not an actual person.

2 - realistic picture

D.6. Gender (gender_c)

This codes the gender of the complainant. If it is unclear to the coder, due to name, picture or similar, whether the complainant is male or female, 99 - unclear is used.

1 - male

2 – female

99 – unclear

E. Complaint / Criticism Comment (Content)

E.1. type comment (Cmp_typ)

This category codes if the original comment was a complaint or criticism, which type of complaint or criticism. A complaint, unlike pure criticism, a complaint being the case when the comment aims for a single or collective goal, e.g. receiving compensation or another type of solution. Criticism as a pre-stage to a complaint (based on Day: 1984)

1 – criticism

2 - complaint

99 – not directly attributable to either

E.2. comment subject (cmp_con)

This category codes the original comments subject of complaint. Based on Einwiller/Steilens work (2013) as well as Crecelius (2011) and Wiedmann/Fombrun/van Riel (2011) following relevant reasons for complaint or criticism were defined, additionally personal dislike was added:

1 – Product failure (e.g. a defect in a product, broken zipper, long delivery, price to quality ratio). This should refer directly to a product, not to a general distaste for a collection or design.

2 – Bad customer service experience (e.g. bad experience in store, treated unfriendly, incompetent service with problems)

3 – management decisions (e.g. bad strategy choices)

examples: “the new designer really ruined the image of Prada. You should have kept XYZ” “I would never have chosen Willow Smith to run for this brand” “I am disappointed that Burberry decided to start producing this new product line”)

4 – Social Responsibility and Ethical Issues (Bad working conditions, use of questionable resources for collections, use of critically thin models etc.)

examples: “Stop using fur in your collections” “Someone give this model a sandwich” “Those models are children, why are they even allowed to do a fashion show”

5 – “Emotional Appeal” (e.g. criticism toward the brand, an event, advertisement)

“I don’t like the message you are sending with this new video”

6 – expression of personal dislike

example: “this collection is ugly, who would wear these shoes” “wow, I usually really like Prada, but this design is horrible”

99 - none of the above/ not clearly attributable

E.3. comment recipient (Cmp_rec)

This refers to the recipient of the negative comment. The comment can be directed directly at the brand / organization, searching for statement or solution. In some cases, the comment might be directed at the community, in order to reach public awareness or publicity for an issue. (based on Einwiller, Steilen: 2013) In cases when the comment is not directed at either party but a general statement (“I really hate this look”) the comment is coded as undirected.

Directed at the community: “Everyone should be aware of the fact, that they use to thin models”

1 – directed at the brand/ organization

2 – directed at the community

3 - undirected

E.4. constructiveness of complaint (Cmp_constr)

This refers to the constructiveness of the complaint. A complaint is coded as constructive, when the comment/ complaint is clearly worded, with detail and possibly with a suggestion for resolving the problem. A comment is coded as unconstructive, when they have no concrete information, that could lead to a possible solution or helpful statement. (based on: Einwiller, Steilen: 2013)

Example for a unconstructive comment: “When will you finally make a nicer collection”

Example for a constructive comment “I wanted to buy a bag in the Prada store on Champs-Élysées last week. The salesperson, named Claire, was very rude and refused to show me the different models. When I asked for someone else, she turned her back to me and left.”

0 – no constructive content

1 – comment has constructive content

E.5 attack/ insult (cmp_ins)

This refers to attacks or insults in the original comment. Comments that contain attacks, insults (e.g. idiots, assholes...) or slurs or statements that are hurtful or harmful to ego or pride are considered attacks or insults.

Example: “Wow, the person who thought of this commercial must be a brainless idiot. This is so stupid, who would even want to watch this.”

0 – no insult or attack

1 – yes, there is an insult or attack

E.6. Threat (cmp_thr)

This refers to the presence of a threat within the comment and which type of threat there is. Threats have to be stated clearly and identifiably to be coded as such. (based on Einwiller, Steilen: 2013)

0 – no threat contained in the comment

1 – complainant threatens with legal consequences

2 – complainant threatens contacting media

3 – complainant threatens to no longer use/ buy products of this brand

4 – complainant threatens with active negative word of mouth

5 – other threats

99 - not attributable

F. Company Reaction - Formal

F.1. Response word count (cr_size)

This counts the total words of the comment. A minimum 5 words will be used to make a comment relevant. Length is calculated by copying into a text program using the word count function.

0 - no brand reply

1 - 5 - 10 words

2 - 11 - 25 words

3 - above 25 words

F.2. Response addressee (cr_rec)

This refers to the addressee of the brands reply. A brands reply can be directed at the original complainant or the community/ general.

0 – no brand reply

1 – complainant

2 – general / community

examples:

complainant: “We are very sorry Claire treated you this way. We have sent an e-mail to the regional manager, who will speak to the store manager.”

general “Prada does extensive training for employees. However, we can not always guarantee all employees will act to our guidelines.”

F.3. Response likes (CR_lik)

The amount of likes that the brand/ company response got, in numbers.

G. Company Reaction - Content

This category analyses the content type of the companies' response

G.1. Response Type

This category codes the response strategy that the company/ brand follows. Response type strategies are based on previous findings toward response strategies of replies to criticism and complaint (based on Xia: 2013; McLaughun, Cody, O'Hair: 1983 as well as Einwiller, Steilen: 2013)

0 – Silence

coded when there is no company reaction.

1 - confession – admittance of wrongdoing

coded when the company answers with an admittance of the mistake

“we are aware of this issue” “this should not have happened”

2 - excuse - apology

“we are very sorry for your bad experience”

3 - accommodative response – offering a solution or compensation

4 - justification and explanation– giving a reason and / or justification for the issue

5 - denial

“This is not something that usually happens with Prada brand handbags. The zippers on our bags do not just brake.”

6 - defensive response

“We do our very best to insure quality, but sometimes this can happen to us as well”

7 - shift of blame

“Are you sure you did not verbally attack the employee before she was rude”

“Yes, our handbags can break if they are used to carry objects they are not designed for. Unfortunately, this is your fault”

“This was probably not a problem caused by Prada. This defect was caused by the transportation company”.

H. User Reaction/ Response – Formal

H.1 Reaction comment length (ur_len)

Number of words in the reaction comment. Comment must be made by a third party user, not the company/ brand and not the original complainant. The comment must be clearly attributed to the complainants' comment.

0 - no user response

1 - 5-10 words

2 - 11- 25 words

3 - above 25 words

H.2. Response likes (ur_lik)

Number of likes the user reply to the original comment received

H.3. Response addressee (ur_ad)

Who does the responder focus their comment on?

1 - original commenter

The comment is directed at the original complainant.

“Hey Jack, I can believe you are disappointed. This happened to me to last year.”

2 - general / all users

“can you guys believe this?”

3 – brand

“Hey Armani, this is inexcusable”

4 – several parties

“Wow Jack, what a horrible experience. We should all learn from that, guys. Hey, Armani - are you planning to do something about this?”

99 - not identifiable

I. User Reaction/ Response Content

This refers to the content of the response to the original complaint. A response can either refer to the original complainants' comment, to all users or to a brand/ company reply, as coded in **H.3**.

1 - agreement / affirmation

This is coded when the user agrees with the complainant in the comment.

"Hey, July, you're right, those are really horrible"

"Oh, they really should have given you a refund"

2 - disagreement

This is coded, when the user replies with disagreement to the original complainant

"Hey, I don't know what your problem is, I love these new colors"

"No, I really don't think you should get a refund in this situation"

3 - defense of the brand

"well, Prada is a luxury brand. They have to use leather for their bags, who would buy a plastic handbag for that kind of money".

4 - defense of the complainant

When the user defends the complainant.

"I am pretty sure this is not Julies fault."

5 - shift of blame toward the complainant

This is coded when the user blames the complainant for the problem.

"Well, if you don't like this, you definitely have a bad taste in fashion"

"It's your fault it broke. Who takes a Prada bag to the beach?"

6 - recount of a similar experience

This is coded when the user responds with a similar experience.

"Oh something like this happened to me, too. When I went to the store in Madrid, I was treated really badly by the staff there. One even ignored me - probably didn't look rich enough for him."

7 - suggestion or advice

This is coded, when the responder offers advice.

“Hey, if you’re in the US, try calling the following number.”

“If you want to get an ink stain out of leather, try the following...”

8 - insult

coded when the user insults the complainant in their reaction.

“Oyy, idiot, why are you even comment here if you don’t have taste”

“You must have no brains at all if you don’t know how to take care of a simple handbag”

99 - other

J. Original Complainant Further Reply

J.1 Further negative / positive reaction (com_fur)

Did the original commenter follow up with another positive or negative comment, regarding the reaction of the brand?

0 - no

1 - negative

2 - positive

9 - not identifiable

SPSS DATA

Frequencies

name complainant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fake name	57	9,4	9,4	9,4
	apparent real name	549	90,6	90,6	100,0
	Total	606	100,0	100,0	

profile picture

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	unrealistic / no picture	79	13,0	13,0	13,0
	realistic picture	527	87,0	87,0	100,0
	Total	606	100,0	100,0	

gender complainant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	216	35,6	35,6	35,6
	female	388	64,0	64,0	99,7
	not assignable.	2	,3	,3	100,0
	Total	606	100,0	100,0	

Complaints per brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Burberry	134	22,1	22,1	22,1
	Prada	136	22,4	22,4	44,6
	Louis Vuitton	145	23,9	23,9	68,5
	Armani	43	7,1	7,1	75,6
	Gucci	31	5,1	5,1	80,7
	Chanel	117	19,3	19,3	100,0
	Total	606	100,0	100,0	

original post type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single Photo	264	43,6	43,6	43,6
	Text Post	2	,3	,3	43,9
	Photo Gallerie	245	40,4	40,4	84,3
	Video	95	15,7	15,7	100,0
	Total	606	100,0	100,0	

original post content

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Product Announcement	318	52,5	52,5	52,5
	Event Presentation	78	12,9	12,9	65,3
	new commercial / image trailer	53	8,7	8,7	74,1
	behind the scenes	36	5,9	5,9	80,0
	Presenting Model/ new Face	28	4,6	4,6	84,7
	Brand Ambassador/ Designer	73	12,0	12,0	96,7
	other	20	3,3	3,3	100,0
	Total	606	100,0	100,0	

critical issue

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	445	73,4	73,4	73,4
	yes	161	26,6	26,6	100,0
	Total	606	100,0	100,0	

Language of negative comment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	english	577	95,2	95,2	95,2
	german	29	4,8	4,8	100,0
	Total	606	100,0	100,0	

comment size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 to 10 words	278	45,9	45,9	45,9
	11-25 words	206	34,0	34,0	79,9
	above 25 words	122	20,1	20,1	100,0
	Total	606	100,0	100,0	

comment recipient

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	directed at the brand/ organisation	277	45,7	45,7	45,7
	directed at the community	89	14,7	14,7	60,4
	undirected	240	39,6	39,6	100,0
	Total	606	100,0	100,0	

complaint type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	criticism	393	64,9	64,9	64,9
	complaint	213	35,1	35,1	100,0
	Total	606	100,0	100,0	

comment subject

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	product failure	89	14,7	14,7	14,7
	bad customer service experience	134	22,1	22,1	36,8
	management decisions	65	10,7	10,7	47,5
	social responsibility and ethical issues	178	29,4	29,4	76,9
	emotional appeal	9	1,5	1,5	78,4
	expression of personal dislike	131	21,6	21,6	100,0
	Total	606	100,0	100,0	

constructiveness					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no constructive content	427	70,5	70,5	70,5
	comment has constructive content	179	29,5	29,5	100,0
	Total	606	100,0	100,0	

attack/insult					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no attack or insult	562	92,7	92,7	92,7
	attack or insult	44	7,3	7,3	100,0
	Total	606	100,0	100,0	

threat					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	559	92,2	92,2	92,2
	legal consequences	6	1,0	1,0	93,2
	contacting media	2	,3	,3	93,6
	discontinue use or purchase	36	5,9	5,9	99,5
	other	3	,5	,5	100,0
	Total	606	100,0	100,0	

comment: brand reply

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no reply	606	100,0	100,0	100,0

comment reply complainant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	606	100,0	100,0	100,0

comment response other user

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	435	71,8	71,8	71,8
	yes	171	28,2	28,2	100,0
	Total	606	100,0	100,0	

user response length

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no response	435	71,8	71,8	71,8
	5 to 10 words	68	11,2	11,2	83,0
	11-25 words	74	12,2	12,2	95,2
	above 25 words	29	4,8	4,8	100,0
	Total	606	100,0	100,0	

User response language

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	435	71,8	71,8	71,8
	1	169	27,9	27,9	99,7
	2	2	,3	,3	100,0
	Total	606	100,0	100,0	

response addressee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no reply	435	71,8	71,8	71,8
	original complainant	158	26,1	26,1	97,9
	general or all users	9	1,5	1,5	99,3
	brand	3	,5	,5	99,8
	several parties	1	,2	,2	100,0
	Total	606	100,0	100,0	

response content

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no reaction	435	71,8	71,8	71,8
	agreement/ affirmation	81	13,4	13,4	85,1
	disagreement	22	3,6	3,6	88,8
	defense of brand	31	5,1	5,1	93,9
	shift of blame to complainant	6	1,0	1,0	94,9
	own experience	12	2,0	2,0	96,9
	suggestion or advice	5	,8	,8	97,7
	insult	13	2,1	2,1	99,8
	other	1	,2	,2	100,0
	Total	606	100,0	100,0	

CROSSTABULATIONS

complaint type * complaint subject

		complaint subject						Total
		product	Customer Service	management decisions	CSR and ethical issues	emotional appeal	Personal dislike	
complaint type	criticism	33	0	63	165	9	123	393
	complaint	56	134	2	13	0	8	213
Total		89	134	65	178	9	131	606

complaint type * complaint recipient Crosstabulation

Count

		complaint recipient			Total
		directed at the brand/ organisation	directed at the community	undirected	
complaint type	criticism	116	76	201	393
	complaint	161	13	39	213
Total		277	89	240	606

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	118,221 ^a	2	,000
Likelihood Ratio	122,116	2	,000
N of Valid Cases	606		

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 31,28.

reply other user * complaint type Crosstabulation

Count

		complaint type		
		criticism	complaint	Total
reply other user	no	282	153	435
	yes	111	60	171
Total		393	213	606

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	,000 ^a	1	,984		
Continuity Correction ^b	,000	1	1,000		
Likelihood Ratio	,000	1	,984		
Fisher's Exact Test				1,000	,531
N of Valid Cases	606				

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 60,10.

b. Computed only for a 2x2 table

complaint type * brand reply Crosstabulation

Count

		brand reply	
		no reply	Total
complaint type	criticism	393	393
	complaint	213	213
Total		606	606

Chi-Square Tests

	Value
Pearson Chi-Square	. ^a
N of Valid Cases	606

a. No statistics are computed because
brand reply is a constant.

complaint type * response content Crosstabulation

Count

		response content									Total
		no reacti on	agree ment/ affirm ation	disagree ment	defen se of brand	shift of blame to complainant	own experience	suggestion or advice	insult	other	1
compl aint type	criticis m	282	62	22	19	0	0	0	8	0	393
	compla int	153	19	0	12	6	12	5	5	1	213
Total		435	81	22	31	6	12	5	13	1	606

complaint content * reply other user Crosstabulation

	complaint content						
	product failure	bad customer service	management decisions	CSR & ethical issues	emotional appeal	expression of personal dislike	
agreement/ affirmation	8	16	16	16	2	23	
disagreement	2	0	12	2	2	4	
defense of brand	2	9	2	7	1	10	
shift of blame to complainant	3	3	0	0	0	0	
own experience	3	9	0	0	0	0	
suggestion or advice	2	3	0	0	0	0	
insult	0	3	7	2	0	1	
other	1	0	0	0	0	0	
	21	43	37	27	5	38	171

complaint type * response content Crosstabulation

		no	agreement/	disagree	defense of
		reaction	affirmation	ment	brand
complaint	criticism	282	62	22	19
type	complaint	153	19	0	12
Total		435	81	22	31

		shift of blame to	own experience	suggestion or	insult	other
		complainant		advice		
complaint	criticism	0	0	0	8	0
type	complaint	6	12	5	5	1
Total		6	12	5	13	1

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	61,298 ^a	8	,000
Likelihood Ratio	74,661	8	,000
N of Valid Cases	606		

a. 8 cells (44,4%) have expected count less than 5. The minimum expected count is ,35.

ENGLISH ABSTRACT

Social media and social networks have become increasingly important to marketing and communication strategies in the past years. Consumers have moved from passive recipients of brand messages to being able to actively co-create the brand in discourse, including sharing their like or dislike for a brand. The fast growing segment of luxury products, including luxury fashion brands is especially attackable, as they were originally working from an angle of absolute exclusiveness and are now exposed to an inclusive environment within social media.

This thesis paper looks into luxury brands reaction to criticism and complaints on their Facebook pages, which are viewed as online brand communities and also investigates the reaction of other brand community members to such comments, arguing from the perspectives of brand community, image and extended self. Taking into consideration previous research on brand-consumer interaction and luxury the guiding assumption is that luxury fashion brands will act by reinforcing their exclusive service values, whereas other users will defend the brand and their community due to the strong identification with the brand, even shifting blame of wrongdoing to complainants, unless the criticism might be harmful to their own image, as in cases of CSR or ethical allegations. It was also assumed, that users would react negatively when brands ignore the critical comments made to their page.

An extensive content analysis of 606 negative comments below brand postings on six luxury fashion brand's Facebook pages revealed that, not only do luxury fashion brands generally not reply to criticism and complaints, but community members did not act in defense of the brand in most cases, they did however, as expected, turn on the brand when it came to image harming accusation. Users also did not show a negative reaction when brands treated criticism or complaints with silence.

These findings implying that the assumption that luxury brands Facebook Pages can be viewed as online brand communities, used to portray a digital extended self-image, cannot be fully confirmed.

GERMAN ABSTRACT

Soziale Medien und Soziale Netzwerke haben in den letzten Jahren für Marketing- und Kommunikationsstrategien zunehmend an Bedeutung gewonnen. Konsumenten sind nicht länger passive Empfänger von Markenbotschaften, sondern sind aktiv an der Gestaltung des Markendialoges beteiligt und können ihr Gefallen oder Missfallen über eine Marke oder ein Produkt öffentlich und sichtbar kundtun.

Das rasch wachsende Segment der Luxus (Mode) Marken ist hier besonders angreifbar, da diese Marken ursprünglich einen völlig exklusiven Zugang hatten und sich nun der inklusiven, allzugänglichen Umgebung der Sozialen Medien stellen müssen.

Die vorliegende Masterarbeit sieht sich die Reaktion von Luxusmodemarken auf Kritik und Beschwerden auf deren Facebook Seiten, welche als Online Brand Community betrachtet wurden, an und untersucht die Reaktionen anderer User auf solche Kommentare. Basierend auf Forschung zu Luxus und Online-Beschwerdeverhalten und Interaktion wird angenommen, dass die Marken in einer Weise reagieren, die das Image der hohen Servicequalität erhält, während andere User "ihre" Marke aufgrund der hohen Identifikation verteidigen, in Fällen von Fehlverhalten oder Produktversagen sogar die Schuld auf den Beschwerdeführer schieben. In Fällen, in Kritik vorliegt, die dem eigenen Image schaden, wie etwa in ethisch fragwürdigen oder CSR bezogenen Beschwerden oder Kritiken, wurde Zustimmung angenommen. Eine weitere Annahme war, dass User in Fällen in denen keine Unternehmensantwort folgt, ihren Missmut darüber aussprechen.

Für die Untersuchung der Hypothesen wurden auf den Facebook Seiten von sechs Luxusmodemarken insgesamt 606 negative Kommentare gesammelt. Die Analyse dieser Kommentare zeigte, dass Luxusmodemarken in keinem der Fälle auf Kritik oder Beschwerden reagierten, womit die Annahme der serviceorientierten Handlungsweise falsifiziert wurde. User reagierten darauf allerdings auf diese Strategie des Ignorierens in keinem der Fälle, weder positiv noch negativ. In den CSR-relevanten Fällen stimmten die anderen User mehrheitlich dem Beschwerdeführer zu, womit die Annahme bestätigt wurde, reagierten in den meisten anderen Annahmen nicht wie angenommen zugunsten der Marke, weshalb die Annahme, dass die Facebook Seiten von Luxusmodemarken als Online Brand Communities betrachtet werden können, in denen Anhänger sich selber mit Luxus identifizieren, nicht in Gänze bestätigt werden kann.