The Responsive Strategy of Courier Services Companies on Handling Customer Complaints on Social Media: The Effect on Brand Trust and Customer Loyalty

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ABSTRACT:

Information technology development allows consumers to express their complaints on platforms such as social media. Twitter trending topic of K-POP merchandise shipping negligence to Indonesian consumers evokes courier service urgency to handle their customer complaints appropriately. This study aims to investigate how potential customers evaluate courier service brand responses to customer complaints on social media that influence consumer trust and loyalty. By integrating the literature on perceived justice in service recovery and brand feedback in social media communication, this study examines the effect of brand feedback, procedural justice, and interactional justice in the company response to customer complaints on potential customer trust in the brand (brand trust) and customer loyalty toward the courier service brand. A total of 333 respondents participated in this survey and confirmed the research model by the PLS-SEM method as data analysis. The main results include the two-way interaction effect of brand feedback and procedural justice on trust and the mediating effect of brand trust on customer loyalty. However, the interactional justice effect becomes insignificant in influencing trust and customer loyalty. This study provides practical implications for courier service companies on how to effectively respond to customer complaints on social media.

1. INTRODUCTION

Service companies are immensely contingent on electronic word-of-mouth and negative eWOM to be eluded (Jalilvand and Samiei, 2012). Especially in social media platforms, harmful consequences from viral negative word-of-mouth (NeWOM) can seriously impact brand image and reputation (Hennig-Thurau et al., 2004). The discovery of how service companies should respond to online complaints has been researched on any internet-based platform such as digital applications, online review platforms, and google business in the hospitality industry context (Bhandari & Rodgers, 2017; Sparks et al., 2016; Zinko et al., 2021). Whereas, online customer complaints may take place on courier service and communication platforms such as social media. For instance, viral news on Twitter complaining about K-POP merchandise negligence shipping to Indonesian consumers has evoked significant negative perceptions toward the courier service industry (Shalihah, 2021). This viral news reminds Jalilvand and Samiei's (2012) perspective that complaining on social media could be more persuasive and strongly influence potential customer perception. In addition, a large number of consumers and most businesses convey communication with a consumer through social media platforms (Gunawan et al., 2022). If disregarded, online customer complaints can affect consumer attitudes toward brands and potentially reduce their loyalty toward the brand (Jalonen & Jussila, 2016). Related to massive information traffic on social media, negative electronic word-of-mouth that occurs in courier service is a crucial issue in today`s business challenges.

However, there is only little attention to research on consumer complaint behavior within electronic word-of-mouth in courier services (Shin, 2020). On the contrary, various research on complaint behavior within e-commerce affirms the quality of product shipping as the main trigger of complaint motives in the online customer (Goetzinger et al., 2006; Jasper & Waldhart, 2013; Mandel & Noyes, 2016; Rojhe, 2020). Libo-On and Joefel T (2021) investigate courier companies and confirm customer service responsiveness as the biggest contributor to customer satisfaction. Moreover, courier service companies require to navigate today`s logistics environment challenges that demand adaptive customer service strategies (Daugherty et al., 2019). Furthermore, online consumers have several alternatives to express their complaints when service failure occurs. They opt for complaining to the seller in an e-commerce platform or complaining to a third-party eWOM network (Goetzinger et al.,2006). In today`s digital era, consumers easily express their complaints on information technology platforms such as social media. This situation raises the urgency for courier service companies to respond to online customer complaints, especially on their social media.

Although responding to consumer complaint on social media raise company urgency, several studies strengthen the perspective that social media can foster consumer intention toward loyalty intention if companies appropriately manage interaction with digital audiences. The literature on handling customer complaints recommends that brands should properly respond to the complaints, as their responses can influence consumer decisions to

be loyal or spread negative word of mouth (Gelbrich & Roschk, 2011). Laroche et al (2013) regard that digital environments are potentially associated with increasing consumer confidence through communications that might maintain brand loyalty. Besides that, social media might be an effective tool to reinforce brand loyalty if a company can build consumer trust (Rialti et al., 2017). However, limited studies investigate brand trust and loyalty as an effect of company responsive strategy on handling consumer complaints in a digital environment. Drawing on service recovery literature, several studies in the hospitality context have validated company-responsive strategy on an online consumer complaint that influences brand trust and future purchase intention (Bhandari et al., 2021; Bhandari & Rodgers, 2017; Olson & Ro, 2020; Sparks et al., 2016; Zinko et al., 2021). Resolving the question of brand loyalty intention in the negative word-of-mouth setting, Bhandari & Rodgers (2017a) experimented with brand feedback's effect on increasing brand trust in a product-related brand context and found the result of consumer trust and loyalty orientation. Related to the service context, limited research investigates loyalty intention as a behavioral outcome.

This study contends that potential customers perceive the responsiveness of the company to online complaints as a manifestation of its service quality commitment that focuses on building brand trust and loyalty. Thus, this study focuses on how potential customers evaluate a responsive strategy in handling negative online complaints on social media owned by courier service companies. More specifically, this study aims to extend consumer perceptions by integrating justice theory in service recovery literature and brand responsiveness toward brand trust and customer loyalty formation. This combination is expected to be the novelty of theoretical understanding within the context of handling customer complaints in the courier service industry context. There are two expected contributions of this study. First, this study broadens the understanding of managing customer complaints in social media. Second, this study also contributes to the literature on customer loyalty strategies.

2. LITERATURE REVIEW
2.1 Customer complaints on social media

According to S. Lee and Cude's (2012) study, online shoppers could express easier and more active complaints compared to offline shoppers. Another salient difference between online and offline shoppers lies in how the information spread. Complaints from online shoppers would be spread faster, invite more people to interact, and would endure permanently for longer periods (Jasper & Waldhart, 2013). Unfortunately, negative eWOM has the propensity to be more persuasive than positive eWOM (Lee et al., 2012; Park & Lee, 2009). Before the massive usage of information technology platforms, service companies tend to closely handle consumer complaints and mainly interact with two-way interaction. Hence, the digital environment demands service companies to be more cautious and strategic in handling customer complaints.

The presence of customer complaints in a digital environment, academically known as negative eWOM, will attract more consumer attention than positive reviews. Critically, coping strategy mechanisms will exert consumer reaction to negative experiences from service failure. Gyung Kim et al (2010) argue coping strategies for offline and online complainers tend

to differ in their reactions. Seeking remedy or compensation tends to be found in offline complainers while frustration expression tends to be found in online complainers. Hence, every business must manage cyberspace of consumer opinion, especially negative opinions (King et al., 2014). Moreover, cyberspace communication may predispose other potential consumer purchase behavior in product-related contexts (Jalilvand & Samiei, 2012). For example, negative complaints on social media can reduce consumer loyalty and even consumers can switch to other brands (Jalonen & Jussila, 2016). A study conducted by Berger et al (2010) has discovered that online customer complaints can directly decline company sales. Apart from that, social media become public spaces for potential customers to see service reviews or complaints (Ortiz et al., 2014). Thus, managing and resolving consumer complaints in social media is vital for companies nowadays.

2.2 Building brand trust and consumer loyalty by handling consumer complaints

Past studies put the failure in handling negative eWOM communication as a threat to brand trust and company integrity (van Laer and de Ruyter (2010) but largely pay inattention to how the company can actively mitigate their reaction to brand trust and future consumer buying intention (Munzel et al 2016). In terms of responding to negative eWOM, recent scholars assess consumer evaluation of service company strategy to resolve complaints as the contribution to purchase intention by trust formation as an intercession. First, Sparks et al (2016) emphasize that the presence and source of response significantly affect different trust concerns in online hotel reviews which the trust will affect future buying intention. Second, Olson and Ro (2020) examine signaling trust from perceived justice of service recovery and social presence in online communication will improve future buying intention in the hotel company. Third, Bhandari and Rodgers (2017) examine brand feedback on content attributes and the causality of a problem identified as trust signaling that affects future buying intention in a product-related context. Due to potential loyalty formation from trust forming, recent scholars still neglect how responding to negative reviews can also improve customer loyalty.

The widespread of social media platforms usages, such as Instagram, Facebook, and Twitter, have substantially contributed to the effectiveness of social interaction because consumers become central figure (Alhulail et al., 2019; Noori et al., 2016). Consequently, social media possess a powerful ability to create interactions among customers as well as brands and customers (Shaari & Ahmad, 2017). Social interaction within social media yields customer relationship quality improvement (Hajli, 2014) and stimulates buying intention (Palmatier et al., 2018). Research in the context of negative word-of-mouth interaction in social media, Munzel et al (2017) confirms adequate responsive strategies will restore consumer trust because the service provider looks competent to satisfy the consumer. Moreover, recent research validates loyalty formation from company attempts in building the interaction that stimulates consumer interest to be engaged and transact with another consumer (Nadeem et al., 2020). From this viewpoint, this research aims to validate how the company responsiveness strategy can improve brand trust and loyalty formation.

To validate brand trust and loyalty formation from negative online word-of-mouth, this study drew on the well-established perceived justice theory in service recovery literature (Blodgett et al., 1997) and brand participation in the e-WOM process (Bhandari & Rodgers, 2017). The reason to incorporate those theories lies in two aspects. First, Lu et al (2020) argue customer perception toward service brand interplay the relationship between business service performance and customer-perceived justice. Second, service recovery in an online

setting leads to a positive effect on customer-perceived justice. According to Michel et al (2009), the service recovery procedure demands integrative actions from the company to re-establish customer satisfaction and loyalty when service failure occurs, and the action also encourages process recovery that enables the company to learn and act to gain process improvement. To facilitate an investigation of how to better understand the responsive strategy and customer service quality within owned social media of the brand, a model of company response in building trust and loyalty is presented in Figure 1.
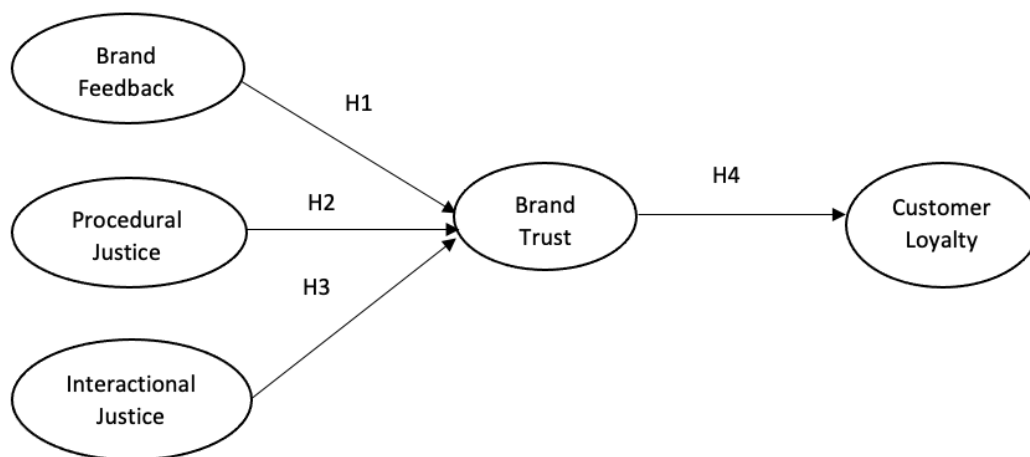

Figure 1. Research Framework

2.3 Brand feedback

In simple terms, a brand is defined as a characteristic of a product or service in the form of a name, logo, or slogan that directs differentiation from competitors. Through delivering the service, brands could also emphasize their promises and trustworthiness to their customers (Krugman & Hayes, 2019). Previous studies have particularly observed responsive strategy on online customer complaints (negative eWOM) and found that brand feedback positively impacted sales and increased consumer attitudes toward purchasing decisions (Chen et al., 2019; Litvin & Hoffman, 2012). This study conceptualizes brand feedback as the written response from a company to an online complaint that aims to reaffirm companies promise to re-satisfy consumers in loss of consumer desire for company services.

In a customer complaint handling study, it is suggested that brands must give well-respond to customer complaints since careless responses provoke the consumer to spread negative issues (Gelbrich & Roschk, 2011). When potential customers read previous negative experiences posted on social media, their trust in the brand will potentially worsen (Moon et al., 2017). Providing convincing arguments to a re-satisfy consumer may improve company credibility which in turn amplifies brand trust (Sichtmann, 2007). Thus, this study proposes the following argument:

H1: A company response that provides a promising brand feedback strategy will significantly impact brand trust toward a company

2.4 Perceived Justice

Resolving consumer complaints requires companies to carry out service recovery properly that pay attention to aspects of justice perceived by complainants. A couple of

consumers who experience service failures tend to judge the service recovery procedure in the form of perceived justice (Siu et al., 2013). Perceived justice can predispose individual mentality and action when a company does service recovery (DeWitt et al., 2008). When interacting with customers, speed and structural considerations are the most important in resolving service failure (Blodgett et al., 1997; Wirtz & Mattila, 2004). Perceived justice is commonly used in analyzing the function of service recovery (La & Choi, 2019). Research shows that perceived justice is a critical factor in the evaluation of recovery performance and significantly impacts consumer recovery attitude (Sabharwal et al., 2010). There are two dimensions of perceived justice namely procedural justice and interactional justice. Procedural justice is a sense of justice received by consumers when making complaints in accordance with rules and policies emphasizing timing and monitoring. Meanwhile, interactional justice focuses on personal interactions provided by the employee when interacting and communicating during the recovery process (Nikbin et al., 2010). Certain ways are suggested for interactional justice in service recovery, namely respect, interest, courtesy, listening, empathy, carefulness, effort, explanation, trust, apology, and proper communication. Previous studies in hospitality and airline delays confirm procedural and interactional justice affect higher trust in the brand (DeWitt et al., 2008; Olson & Ro, 2020). Hence, this study proposes the following argument:

H2: A company response that delivers procedural justice will significantly impact brand trust toward a company

H3: A company response that delivers interactional justice will significantly impact brand trust toward a company

2.5 Brand Trust and Customer Loyalty

Brand trust could be a vital element in the online environment as the high unpredictability of consumer behavior. Brand trust includes cognitive and emotional elements. According to Gefen and Straub (2004), brand trust shows consumer confidence regarding serviceability in reaching customer expectations. More important, brand trust could serve as an indicator of success in handling service failure (DeWitt et al., 2008; Gelbrich & Roschk, 2011). Studies held by Nyffenegger et al (2014) prove brand trust could mitigate buying risk perception by consumers until they do not hesitate to use more services. Building brand trust could improve consumer loyalty toward the brand (Lau & Lee, 1999; Villagra et al., 2021). Brand trust can attract greater value from consumers such as fulfilled satisfaction, improved image, brand loyalty, and customer loyalty. Thus, this study proposes the following argument:

H_4: Brand Trust has a positive and significant impact on Customer Loyalty

Customer loyalty refers to personal loyalty or adherence to a product or service, usually reflected in consistent repeat purchases. Customer loyalty could be a form of behavior actions taken by customers, not an attitude. According to research conducted by DeWitt et al (2008), loyal customers have several characteristics, such as a commitment to repurchase the same product regularly. Two, consumers communicate by word of mouth referring to the products they use. Third, consumers defend the products they like from their competitors.

3. METHODS

According to figure 1, this study explores two aspects. The first aspect is the direct positive influence of four responsive strategies namely brand feedback, interactional justice,

procedural justice, and social presence to create brand trust. The second aspect is the indirect positive influence of four responsive strategies on customer loyalty when mediated by brand trust. Both aspects have been researched in handling consumer complaints in an online review context (Olson & Ro, 2020) and the importance of brand feedback that eventually affects brand trust (Bhandari & Rodgers, 2017). Aiming to investigate the model of responsive strategy effect on brand trust and customer loyalty in the context of consumer complaint behavior on social media owned by courier service brands, this study employs an online questionnaire survey to verify the research framework. The subject respondents are Indonesian consumers who frequently use service delivery providers that maximize social media platforms in handling customer complaints. This study distributes an online survey from February to May 2022.

The research framework employs five variables. The definitions of variables were defined as follows. First, this study adapts Bhandari and Rodgers (2017) for brand feedback as a responsive strategy. They studied the effect of brand feedback on brand trust and purchase intention in the context of electronic word-of-mouth (eWOM). Second, this study adapts Olson and Ro (2020), who study the effect of both strategies to build customer trust, for the other responsive strategies namely perceived justice. Third, this study combines brand trust indicators from Bhandari and Rodgers's (2017) and Olson and Ro's (2020) studies. The brand trust focuses on three elements namely reliability, reputation, and superiority. Fourth, regarding the customer loyalty variable, this study adapts Chou and Lu (2009) who assess customer loyalty in home-delivery services.

After completing the survey, this study performs data analysis to process the respondent answers on 5-Likert scale data. This study uses a quantitative approach using the PLS-SEM to evaluate the research framework and test the hypotheses. The first stage of the PLS-SEM method measures the reliability and validity of the research framework that describes the quality of research instruments. F Hair et al (2012) suggest indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. This study arranges indicator tests of indicator reliability such as factor loading and internal consistency reliability such as Cronbach alpha, and composite reliability (CR). Meanwhile, the validity test includes convergent and discriminant validity. After the data reach reliability and validity, the next step is the analysis of the structural model using SmartPLS 3.0. The structural model will analyze Goodness-of-Fit (GoF), Coefficient Determination (R^2), Predictive Relevance (Q^2), Path Coefficient, and t-testing with bootstrapping analysis. According to F. Hair et al (2013), analyzing the structural model aims to measure the strength of the research framework and pre-determined hypotheses relationship.

4. RESULTS AND DISCUSSION
4.1 Respondent Profile

This study collects a total of 333 questionnaires from February 2022 to May 2022. According to the research framework, this study has 16 formative indicator constructs and four path relationships. As suggested by Hair et al (2012), the "ten times rule" system calculates the minimum sample size by ten times of the maximum number of formative indicators and several path relationships directed, or in this context, the minimum sample size is measured by 10 x 20 – 200 samples. To be concluded, 333 questionnaires were appropriate for further analysis. Table 1 shows the respondent profiles of this study. In gender respect, 58,6% of respondents are females and the rest are male. In terms of age and occupation, most of the respondents are under 25 years old and college students.

Furthermore, research respondents consider moderate users of social media and delivery services. Most of the respondents spent 3-5 hours per day on social media. Regarding delivery service usage frequency, almost half of the respondents use it 1-2 times (49,2%) and 3-4 times (45,9%). The questionnaires are also filled out by entrepreneurs (15%) who use delivery services on a daily basis.

Table 1. Respondent Profiles

Profile	Frequency	%
Gender		
-Female	195	58,6
-Male	138	41,4
Age of respondent		
≤ 25	246	73,9
25-35	73	21,9
≥ 35	14	4,2
Occupation		
-High-school Student	69	20,7
-College Student	197	59,2
-Employee	52	15,6
-Entrepreneur	15	15
Frequency of using social media		
≤ 2 hours per day	64	19,2
3-5 hours per day	217	65,2
6-8 hours per day	41	12,3
≥ 8 hours per day	11	3,3
Repetitive service usage in the last three months		
1-2 times	164	49,2
3-4 times	153	45,9
≥ 5 times	16	4,8

4.2 Empirical Result: Reliability and Validity

Reference of the research framework regards previous studies in designing the questionnaire items. Hence, the measurement of indicators within the research model has reached content validity. In reaching the statistical power of the research model, this study has to confirm the reliability and validity of all the representative content. The factor analysis of the five research variables was shown in Table 2. Firstly, the factor loading value which indicates indicator reliability must be greater than 0.50 (Hulland, 1999) for an acceptable minimum value or 0.70 to reach the statistical power (Hair et al., 2012). All factor loading of the research indicator has exceeded 0.70, hence, all indicator strongly indicates all research variables. Secondly, the minimum requirement of internal consistency reliability in terms of Cronbach alpha and composite reliability should be greater than 0.7 to confirm variables are equally reliable (Hair et al., 2011). All research variable has exceeded the minimum requirement hence research variables are quite reliable.

Regarding the validity of the research model, there are two aspects to be confirmed. First, the value of average variance extracted (AVE) has exceeded 0.5 (table 2). Regarding AVE, the research model has indicated convergent validity (Fornell, C., & Larcker, 1981), regarding the discriminant validity assumption, this study applied Fornell and Larcker's measurement which measure the square root of AVE of each variable (see table 3).

Table 2. Factor analysis results: factor loading, cronbach alpha, composite reliability, AVE

Construction	Factor Loading	Cronbach alpha	CR	AVE
Brand Feedback		0,784	0.861	0,607
Ignoring customer complaints on social media will dishonor the brand's reputation	0,793			
The availability of customer care interaction in social media increases my trust in the brand	0,797			
The availability of brand-sharing activity on social media makes it easier for customers to share their complaints	0,769			
The availability of active brand communication increases the company's credibility	0.756			
Interactional Justice		0,881	0,918	0,737
Customer care within the brand must provide clarification regarding customer complaints on social media	0,820			
Customer care within the brand must administer customer complaints on social media	0,871			
Customer care within the brand must provide a sincere apology for customer complaints on social media	0,878			
Procedural justice		0,810	0,874	0,635
The brand must quickly handle customer complaints on social media	0,825			
Customer care responses should have a fair policy in responding to customer complaints on social media	0,785			
The brand should have a responsive procedure that targeted to resolve customer problem	0.788			
Brand Trust		0,816	0,879	0,645
Brand looks more reliable if better at handling customer complaints on social media	0,808			
Brand looks more reputable if better at handling customer complaints on social media	0,866			
Brand looks better than other companies if they can handle customer complaints on social media	0.721			
Customer Loyalty		0,758	0,861	0,675
I will not switch to another delivery service even though there are negative issues with the brand	0,857			
I will give a positive review after using the service	0,761			
I will recommend others to use brand delivery service.	0,844			

The assumption of discriminant validity stipulates in the value of each variable is greater than the shared variance between other variables. In simple words, the diagonal bold values (remarked in table 3) must be greater than the value of other variables in the same rows as well as columns.

Table 3. Discriminant validity (fornell-larcker result)

Research Variables	Brand feedback	Brand Trust	Customer Loyalty	Interaction al Justice	Procedural Justice
Brand Feedback	**0.779**				
Brand Trust	0.407	**0.859**			
Customer Loyalty	0.501	0.435	**0.821**		
Interactional Justice	0.626	0.295	0.479	**0.859**	
Procedural Justice	0.606	0.459	0.632	0.632	**0.797**

Note: Diagonal bold values shows the square root of AVE for each variable

4.3 Empirical Result: Structural model

According to Sarstedt et al (2019), the coefficient of determination (R^2) indicates a primary criterion for inner model assessment which represents the amount of variables variance explained by linked variables. According to Chin et al (2008), the value of the Determinant Coefficient would be assumed as a weak model if reaches under the value of 0.19; a moderate model if reach the value between 0.20 and 0,40; a strong model if reaches over 0,40. Table 4 shows that Brand Feedback, Interactional Justice, and Procedural Justice variables have a moderate category in explaining the variability of brand trust (R^2 = 0.270). Brand Trust also shows the same assumption which shows a moderate category to explain Consumer Loyalty (R^2 = 0.315), also closer to the moderate value (0.33).

The other indicators of the structural model are predictive relevance (Q^2) and goodness-of-Fit (GoF). The value of predictive relevance (Q^2) shows above zero which perceived predictive relevance as of model compatibility (Hair et al., 2011). GoF aims to determine the overall quality of the research model (Tenenhaus et al., 2005). GoF and Q^2 values are reported in Table 4. F. Hair et al (2011) classify GoF degree into three categories: low (GoF>0.10), moderate (GoF>0.25), and high (GoF>0.36). The value of GoF considers as high to represent research quality (GoF=0.439). All predictive relevance (Q^2) of brand trust and customer loyalty variables are considered satisfactory predictive relevance since all values are above zero.

Table 4. Structural model : R2, Q2, GoF

Research Variables	AVE	R^2	Q^2
Brand Feedback	0.607		
Social Presence	0.749		
Interactional Justice	0.737		
Procedural Justice	0.635		
Brand Trust	0.645	0.270	0.168
Customer Loyalty	0.675	0.315	0.205
Average score	0.660	0.293	
AVE × R^2		0.193	
GoF = √(AVE × R^2)		0.439	

4.3 Empirical Result: Hypothesis Testing Result

The path analysis procedure aims to determine the relationship between variables that confirm the hypothesis. The bootstrapping method measures the level of significance of path coefficients presenting the research model. As mentioned by F. Hair et al (2011), a 95% bootstrap confidence interval using 5000 samples is the procedure to evaluate the path coefficients in a direct effect relationship. Same with mediation analysis, Zhao et al (2010) recommend a 95% or 99% confidence interval with 5000 samples to gain better statistical power. The study presents the direct effect of hypothesis testing in Table 5 and mediating effect for particular variables in table 6. In table 5, this study shows four hypotheses are accepted while only one hypothesis is rejected. The relationship between interactional justice toward brand trust is not significant, hence H_2 is rejected. Meanwhile, the other responsive strategies reveal a significant positive effect on brand trust. Hence, this study emphasizes brand feedback and procedural justice are responsive strategies to influence brand trust in the delivery service context. This study also confirms a significant positive influence between brand trust and customer loyalty. Therefore, brand trust in a delivery service company is important to influence customer loyalty.

Table 5. Hypothesis Testing Result

Path	Hypothesis	ß	t-value	p-values*	Remark
Brand Feedback -> Brand Trust	H1	0,286	3.389	0.001	Accepted
Interactional Justice -> Brand Trust	H2	0,074	1.523	0.128	Rejected
Procedural Justice -> Brand Trust	H3	0,674	7.017	0.000	Accepted
Brand Trust -> Customer Loyalty	H4	0,261	4.238	0.000	Accepted

* Note : * $p < 0.05$

Further, Table 6 shows the indirect effects of brand trust in mediating responsive strategies to influence customer loyalty. This study emphasizes that brand trust can mediate the elements of brand feedback and procedural justice to influence customer loyalty. It reveals that brand feedback and procedural justice can create customer loyalty if both aspects create brand trust.

Table 6. Mediating effect of brand trust

Path	β	t-value	p-values*	Remark
Brand Feedback-> Brand Trust-> Customer Loyalty	0.056	2.633	0.009	Accepted
Interactional Justice -> Brand Trust-> Customer Loyalty	-0.036	1.699	0.090	Rejected
Procedural -> Brand Trust-> Customer Loyalty	0.120	3.325	0.001	Accepted

* Note : * $p < 0.05$

5. DISCUSSION

Overall, the main study result presents strong evidence to support the research framework for understanding loyalty formation through potential customers` evaluation of the responsive strategy to negative comments on social media. Although most of the hypotheses reveal accepted, except H_3, the most important findings would be the role of brand feedback, and interactional effect of procedural justice on trust, and the mediating effect of trust. Thus, this study confirms only two responsive strategies: brand feedback and procedural justice, demonstrating the underlying mechanism that implies trust and loyalty formation.

Although many studies struggle to determine the impact of responsive strategy on online customer complaints, most of the research focuses only on the hospitality industry and its effect on customer satisfaction or purchase intention (Olson & Ro, 2020; Sparks et al., 2016; Zinko et al., 2021). Compared to the previous studies, this study provides new perspectives on trust and loyalty formation which may express different expectations from purchase intention. Firstly, the finding reveals brand feedback as a responsive strategy on customer complaints that give an indirect positive effect on customer loyalty through brand trust mediation. The finding supports previous research conducted by Breitsohl et al (2010) that argues for a positive effect when customers evaluate brand feedback on customer complaints. The positive effects lie in brand feedback provided by the company can increase brand credibility which is also associated with consumer trust (Breitsohl et al., 2010). Another finding conducted by Bhandari & Rodgers (2017) agrees the presence of brand feedback can be a sign of the company amplifies its commitment to providing the best services and reducing negative effects from customer complaints. Therefore, delivering brand feedback can be an effort made by companies to increase brand trust in services and consumer loyalty afterward.

This study shows that consumer evaluations of brand feedback on online consumer complaints in the delivery service industry are only seen in procedural aspects. Variable procedural justice refers to the company's policy in providing feedback such as aspects of speed, information, and problem-solving. Consumers emphasize whether the procedures owned by the delivery service company can solve customer problems. On the contrary, interactional justice showed insignificant results on brand trust. This is contrary to research conducted by Olson and Ro (2020) which shows that there are positive aspects of interactional justice variables on brand trust and purchase intention. This finding also contradicts the research conducted by Wen and Geng-qing Chi (2013) which found a positive relationship between procedural and interactional justice with customer trust in service companies. Corroborating these assertions with the current study, it appears that apology and explanation within the interactional justice perspective for failed service deliveries could not adequately influence brand trust.

Furthermore, this study also shows that brand trust can play mediating roles between brand feedback and procedural justice in responding to consumer complaints to influence customer loyalty. This finding is supported by DeWitt et al (2008) who state that brand trust may mediate other variables in service recovery studies. Particularly in banking service recovery strategy, brand trust plays an important mediating role in bridging service recovery and customer loyalty (Chang & Hung, 2018).

6. CONCLUSION

In particular, this study contributes to the emerging literature on company responses to online reviews in three theoretical aspects. First, this study relates to the justice theory in online review management and service recovery literature and extends it to the brand trust and customer loyalty context. Second, the results of the study show that the brand feedback given by the company to online customer complaints has a positive influence on influencing brand trust and customer loyalty. This study suggests the availability of brand communication in responding to consumer complaints on social media may influence consumer trust in the courier service brand. Certainly, responding to consumer complaints on social media must comply with procedural justice indicated by quick response, fair communication, and resolving consumer problems. This indicates that customers will pay more attention to company policies when responding to consumer complaints on social media and to whether the response can solve the problems targeted. Third, brand trust plays a signal in mediating responding strategy and customer loyalty. Although interactional justice in company attitudes such as apology and explanation reveal insignificant to influence brand trust, potential avenues for future research are still available. This study does not combine justice perception with the satisfaction factor. Apology and explanation are still necessary when service failure occurs. In service recovery literature, giving an apology and explaining might be a sign of company morality. Service recovery that emphasizes company morality will result from recovery outcomes that include satisfaction, lessening negative word-of-mouth, and repurchase intention (Ma, Zhong, & Hou, 2020).

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