

Fast and fair: delivering customer service on social media



Last April, a bloodied passenger, Dr. David Dao, was dragged from his seat and off the plane of United Express Flight 3411 after refusing to relinquish his seat for United Airlines employees. The next day, United Airlines CEO Oscar Munoz tried to justify the removal of Dr. Dao in a public statement. He also sent an email to the United employees commending the crew for following the procedures. Some legal experts claim that the airline does have the legal right to remove Dr. Dao from the plane while other experts disagree because Dr. Dao had completed the boarding process at the time. Although the legality of the airline's decision seems debatable, the judgment by people on social media is crystal clear. One user tweeted "Forcibly removing (& bloodying up!) a man that fairly paid for his ticket in order to seat employees? Yeah, I won't be flying @united again." Another tweeted "@united unfair behavior in forcibly removing a paying customer from the plane. Will re-think being a mileage plus member."

Rules might change to give one party more legal rights over the other. Our inner sense of fairness is much more ancient and does not easily change. The deeper lesson companies should take from the United Express Flight 3411 incident is that in the age of social media, incorporating fairness into their thinking and planning is not a corporate virtue, but a strategic necessity. Had any United Airlines managers or crew members anticipated how people would react while being treated unfairly or watching others being treated unfairly, the incident would not have occurred, and we probably would be reading a PR success story now about how a company upholds its value despite the cost.

We believe research in social media analytics can guide companies to avoid potential pitfalls in this new media age. A recent study conducted by us and our Ph.D student, Priyanga Gunarathne, issues an early warning of a lurking danger in delivering customer service on social media.

Traditionally, customers complain by calling an 800 number and talking privately with customer service agents. Today, through social media, customer complaint can start in the public arena and has the potential to escalate quickly. In response, many companies in the past few years created robust online customer service teams whose job is to respond to such requests on Twitter. Unlike traditional call centers where calling a customer service line would almost surely guarantee a response if the customer is patient enough, customer complaints through social media are not necessarily responded by companies. Based on data we compiled during a nine-month period from 2014 to 2015 of customer complaints on social media directed towards seven large airlines, less than half of the complaints received any response. The natural question is whose and what complaints are more likely to be responded.

Using social media analytics, we carefully examined factors that may affect the chance and speed of a complaint receiving a response from an airline. We find that after controlling for the time and content of a complaint as well as the overall volume of complaints at the time of the complaint, customers with more social media followers are more likely to receive a response, and are more likely to be responded faster conditional on receiving a response.

This finding is in contrast with often-heard claims that social media customer services are delivered without consideration of a customer's social media influence. In general, companies deny or avoid making any statement suggesting preferential customer service on social media based on one's influence. The fundamental reason, we argue, is that prioritizing customers based on their influence is an unfair practice. This is because social psychology theories have long suggested that a fair allocation of resource has to be consistent with at least of one of the three principles of distributive justice: equality (i.e., equal allocation), equity (i.e., allocation based on contribution), or need (i.e., allocation based on need). Preferential treatment based on one's influence violates all three.

Concerned by the possibility of a backfire but attracted by the potential economic benefits of giving priority to customers with high influence, companies or employees, consciously or subconsciously, may end up doing without realizing, or even doing while denying. However, the age of social media is characterized by data transparency. Just as Twitter warned in its guide for companies that use its platform to deliver customer service, the prioritization criteria need to pass the "sniff test" so that they would not embarrass the company if these criteria become public. As our study shows, such criteria can be inferred with social media analytics.

So what should companies do to survive and thrive in the social media age?

First, leaving fairness out of economic considerations is becoming an increasingly risky way of thinking. Empowered by social media, customers are far more capable and willing to punish an offending firm not just by withholding their own business but also by broadcasting the unfairness so that others withhold their business, too.

Second, companies need to embrace transparency. With the incredible amount of data and computing power out there, analytics will reveal more and more insights and mechanisms not known or publicised yet. So, in the new competitive landscape, instead of fighting transparency, fight with it.

Third, despite its early stage, being able to constantly monitor and benchmark the KPI of the social media customer service, whether on Twitter, Facebook, or other social media platforms, is clearly an indispensable component of a company's social media strategy. By doing so, the corporate leadership can get a much better sense of the effectiveness and competitive edge of their social media effort, in real time.

To help, Huaxia Rui is launching a public service called TwitterSensor.com, to monitor how fast and how responsive companies act on Twitter. Why public? Because we believe more disclosure can lead to better service, and eventually will benefit everyone. So get ready to be fast, and be fair.



Notes:

- This blog post is based on the authors' paper [When Social Media Delivers Customer Service: Differential Customer Treatment in the Airline Industry](#), co-authored with Priyanga Gunarathne, MIS Quarterly, forthcoming
- The post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.
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