

TO TWIT OR NOT TO TWIT? A STUDY ON REAL TIME CUSTOMER SERVICE RECOVERY THROUGH SOCIAL NETWORKS

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ABSTRACT

With the popularity of social networks such as Facebook and Twitter, companies have been increasingly using them as another customer service channel. Companies are using this channel not only to communicate with their customers but also to improve their service recovery operations promptly and proactively. Service recovery refers to the efforts to improve customer loyalty, retention and satisfaction after the delivery of a service does not meet or exceed the customer's expectations. Because service failure destroys customer loyalty, retention and satisfaction, companies have been seeking effective recovery strategies that may enable service managers to maintain or even increase customer satisfaction. Using social network agents is one of the innovative recovery strategies that have shown potentials due to the increasing popularity of Twitter, Facebook, and MySpace, etc.

The decline of customer satisfaction has been an issue for the airline industry for many years. In 2011, Airlines score lowest among 47 industries evaluated by the American Customer Satisfaction Index. Seeing social networks as an opportunity, airlines along with companies in other industries have been trying to use popular social media as an innovative channel to improve their services. Delta airline has been a pioneer of this innovative strategy. Using social network sites like Tweeter, Delta communicates and deals with customer complaints in real time. Customer-service agents at Delta also hunt traveler complaints on internet and then initiate conversations with customers to solve their problems on social network sites. Agents at social networks sometimes bend the rules that couldn't be done by customer service representatives in traditional channels such as via phone calls or emails.

On one hand, the social network approach seems very positive with the objective of helping customers in real time. Attempts of airlines proactively trying to improve customer service have been rare in recent years. The use of social network shows airlines are experimenting new approaches to make improvement. On the other hand, there are mixed opinions from customers on this approach. Some customers applaud the option because it is easy to use their smart phones or other portable advices to connect to agents on a social network anytime at any place and have their problems solved immediately. Others view this as another public relation buzz trying to improve the images of the companies, which has nothing to do with problem solving for customers.

There is a lack of research on how the social network sites have been used by customers and what the factors are critical to better customer satisfaction in service recovery. In this project, we use Delta as an example and collect customers' conversations with Delta assistants in Delta's twitter account to answer these two questions. First, we analyze the data to understand what questions and complaints are raised at social network sites. We categorize the questions and complaints according to the stage or category that they fall within during the service process. Our results provide managerial insights on training and scheduling customer service agents. In addition, we analyze what are the critical/significant

factors/antecedents that influence customer satisfaction in service recovery using social network sites. We analyze the following possible factors that influence the results of a service recovery: causes for the service failure, recovery speed, agent empowerment, empathy from the service providers, and tangible compensation, etc. The findings offer insights on improving the effectiveness of service recovery using social networks.