

Delivering Successful Complaint Resolutions on Social Media: Some Evidences from Twitter

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January 2017

Agenda

1 Background

2 Hypotheses

3 Data and Variables

4 Analysis

5 Conclusion

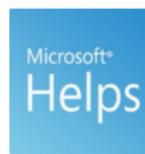
Delivering Customer Service on Social Media



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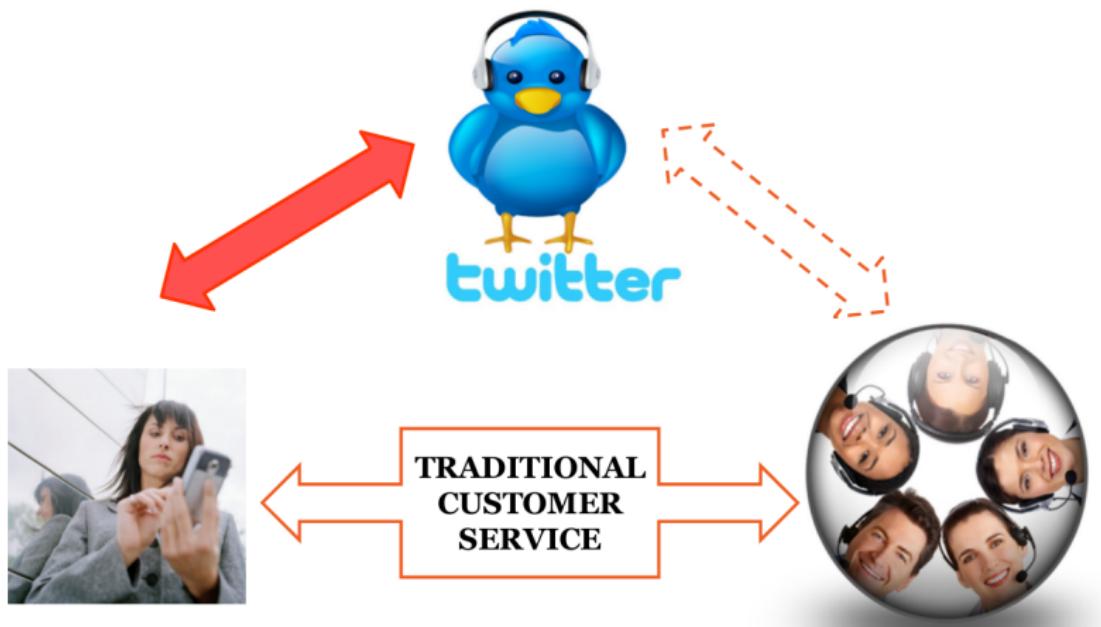
DellCares 
@DellCares



Royal Dutch Airlines 
@KLM



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Information Transparency



A Sample Conversation

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- **@Airline:** @Customer We're happy to be here for you anytime!

Survey Outcome

from @SimonSMR

Did @Airline solve your problem?

Did your conversation with @Airline make you feel better, worse, or the same?

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- Both times the service at the airport was very poor.
- On twitter though I felt better about them because they responded immediately and offered assistance. It impressed me.

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- **@Airline:** @Customer That's great news; Thanks for the shout-out for Javier. We'll pass along your kudos to the ORD management team.

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- Airline didn't solve my problem via twitter but I found a great gate attendant who did solve my issue.

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Did @Airline solve your problem?

Did your conversation with @Airline make you feel better, worse, or the same?

from the customer

- Airline didn't solve my problem via twitter but I found a great gate attendant who did solve my issue.
- My conversation with @Airline made me more frustrated as they just shrugged it off with nothing they could do.

Research Questions

The Puzzle

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On social media, a customer “agent” immediately learns two things whenever a complaint comes in:

Complaint and Complainant

- the content of the complaint
- the social media identity of the complainant, in particular, the complainant's social media influence/popularity

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Why Important?

- Different complaints require different strategies
- “Customerized” customer service

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Why?

- Differential treatment
- Better brand-customer relationship
- Psychological traits

Hypothesis 2

There are two main reasons for customer complaints.

- Failure to deliver the service (outcome)
- How the service was delivered (process)

A customer complaining about *outcome* related issues is more likely to feel better at the end of a conversation with a brand on social media, than a customer complaining *process* related issues.

Hypothesis 2

There are two main reasons for customer complaints.

- Failure to deliver the service (outcome)
- How the service was delivered (process)

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- Bitner et al. (1990) found a large percentage of unsatisfactory service encounters were related to employees inability or unwillingness to respond effectively to service failure situations.
- Parasuraman et al. (1991) suggest that although service outcome in terms of reliability is the most important dimension in meeting customer expectations, the process dimensions such as empathy and assurance from employees are the most important in exceeding expectations.

Hypothesis 3

On social media, if the social media team is not empowered enough to resolve complaints fully, they may ask a customer to contact the brands dedicated customer care service instead of resolving the complaint on social media itself, a practice known as “passing the buck” or “handing off”.

A complaining customer is less likely to feel better at the end of a conversation with a brand on social media, if a handoff occurred during the conversation.

Hypothesis 3

On social media, if the social media team is not empowered enough to resolve complaints fully, they may ask a customer to contact the brands dedicated customer care service instead of resolving the complaint on social media itself, a practice known as “passing the buck” or “handing off”.

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- Allred and Money (2010) found that a handoff can result in a loss of credibility and compounding dissatisfaction.

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Data

Complaining Conversations

- We define a conversation as a dialogue between a customer and an airline on Twitter, containing all the tweets the customer sent to the airline on a particular complaint, and all the replies received from the airline.
- A conversation is a complaining conversation if the initial tweet is sent by a customer to the airline to complain.
- We randomly picked 1,500 complaining conversations with at least two iterations between customers and a major U.S. airline during a one-month period.

Data

We contacted these customers on Twitter to get their feedbacks on their interactions with the airline's social media team.

Survey Questions

- Did @airline solve your problem?
- Did your conversation with @airline make you feel better, worse, or the same?

Variables

Variable	Description
Emotional Outcome	Customer's emotional status at the end of the conversation (-1=worse, 0=same, 1=better)
Followers	Number of followers for the customer at the start of the conversation
Complaint Type	Binary variable indicating the complaint type (1= outcome/operations related, 0 = process/employees/dedicated customer service related)
Hand-off	Binary variable indicating whether the social media team handed off the customer to some other department to be taken care of
Problem Solved	Binary variable indicating whether the airline resolved the complaint on social media
Apology	Binary variable indicating whether the airline apologized
Explanation	Binary variable indicating whether the airline provided an explanation

Variables

Customer at the end	Binary variable indicating whether it was the customer who ended the conversation
Brand Switch Warning	Binary variable indicating whether the customer warned the airline about possible brand switching in future
DM	Binary variable indicating whether the customer or the airline mentioned about direct messaging
Total Tweets Exchanged	Total number of tweets exchanged during the conversation
Average Airline Response Time	Average of response times between airline tweets and their respective parent user tweets, in seconds
Consecutive User Tweets	Binary variable indicating whether consecutive user tweets exist in the conversation
Consecutive Airline Tweets	Binary variable indicating whether consecutive airline tweets exist in the conversation
Customer Account Age	Number of days since the creation of the customer's Twitter account
Public Web Site/Location/Profile Bio	Binary variable indicating whether the user's location, website or profile description is publicly available

Personality



Category-based Analyses

- LIWC: Linguistic Inquiry and Word Count
- Yarkoni (2010), Chen et al. (2015)

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Ordered Logit Model

Customer's latent satisfaction level Y_i^* is modeled as

$$Y_i^* = X_i\beta + \epsilon_i$$

where ϵ_i follows a logistic distribution.

The survey response Y_i is determined by Y_i^* and two thresholds, τ_1, τ_2 .

$$Y_i = \begin{cases} -1 & \text{if } Y_i^* \leq \tau_1 \\ 0 & \text{if } \tau_1 < Y_i^* \leq \tau_2 \\ 1 & \text{if } Y_i^* > \tau_2 \end{cases}$$

Robustness Check

Variable	Benchmark Model		Robustness Test	
	(1) Ordered Logit Coefficient	(2) Ordered Logit Odds Ratio	(3) Ordered Logit Coefficient with LIWC 2001	(4) Ordered Logit Coefficient with LIWC 2015
Log of Followers	0.2433*** (0.0629)	1.2754*** (0.0802)	0.2525*** (0.0679)	0.2562*** (0.0682)
	0.6383*** (0.2122)	1.8933*** (0.4018)	0.5947*** (0.2256)	0.5902*** (0.2235)
Complaint Type	-0.4740** (0.1954)	0.6225** (0.1217)	-0.4970** (0.2076)	-0.5042** (0.2075)
	1.5130*** (0.3046)	4.5402*** (1.3829)	1.2909*** (0.3233)	1.2752*** (-0.3217)
Hand-off	0.2688 (0.2154)	1.3084 (0.2818)	0.2335 (0.2298)	0.2020 (0.2300)
	-0.0985 (0.2048)	0.9062 (0.1856)	-0.0973 (0.2159)	-0.1297 (0.2155)
Problem Solved	-0.4517** (0.2213)	0.6365** (0.1409)	-0.4330* (0.2392)	-0.4321* (0.2391)
	-0.5741** (0.2273)	0.5632** (0.1280)	-0.7449*** (0.2538)	-0.7380*** (0.2527)
Apology	0.3019 (0.2579)	1.3524 (0.3488)	0.2566 (0.2717)	0.2695 (0.2717)
	-0.1031** (0.0432)	0.9021** (0.0390)	-0.1212*** (0.0462)	-0.1196*** (0.0461)
Total Tweets Exchanged				

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Discussions

Major Findings in Plain English

- (1) Customers with higher social media influence are more likely to be satisfied with social media customer service.
- (2) It's harder to satisfy process related complaint than to satisfy outcome related complaints.
- (3) A complaining customer is more likely to feel worse if the social media team takes a handoff approach.

Future Research

The psychological mechanism of (1) remains unclear.

Managerial Implications

Customerized Customer Service

- “One size fits all” customer service will become obsolete
- A customer’s social media identity could be the key to learn about the customer and to develop *customerized* customer service.

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Different Complaints Requires Different Strategies

- Empower the social media team
- Responding to a complaint might not always be the best solution. Customers might feel even worse.