Customer Complaints and Service Recovery on Social Media

Dr. Nurdilek Dalziel
ndalziel@edu.ifslearning.ac.uk

Customer Services on Social Media

- 80% of companies plan to use social media for customer services by the end of 2012 (eModeration Report, 2013)
- User-generated content
- Customer engagement
- Transparency of interactions

Social Media and Financial Services

- Regulatory Compliance
- Information Privacy
- Lack of Control
- Customer Criticism
- Corporate Image
- Resources
- ROI

Early stages of establishing presence on SM
Service Recovery

It is not the initial failure to deliver the core service, but staff response to the failure that causes dissatisfactory service encounters. (Bitner et al., 1990)

Research Methodology

- Service failure related customer posts
- Responses by Facebook teams
- Eight UK high street banks
- Data collection: From 15th Aug 2013
- 400 customer posts + bank responses
- Sample size: Over 1,000 posts

Facebook Customer Services -1-

Why Complaining on Facebook

Facebook as a last resort when traditional channels have failed:

- Being stressed
- Feeling frustrated
- Lost trust in bank

Outcome-Related Service Complaints

1. Unavailable service / system down
2. Issues with money transfer / payment
3. Blocked / deactivated bank account
4. Account used fraudulently
5. Service charges / fees
Process-Related Service Complaints

1. Communication related issues
2. Waiting time on Help Line
3. Staff behaviour
4. Inconsistencies of information given by different Help Line representatives
5. Line disconnected / not answered

“How Did We Do Today?”

1. Addressing customers in person
2. Apology for service failure
3. Polite, helpful and friendly service
4. Informal, jargon-free, prompt response

“Good luck with the footie”

Areas for Improvement

1. Excessive use of Facebook PM
2. Facebook like a “reception desk”
3. Limited empowerment of Facebook teams
4. “One big complaints forum” with “lots of back patting”, “dismissive and unhelpful”
5. “Stop saying sorry and just do something about it.”

“Customer frustration”

Effectiveness of SM Customer Services

Customers appreciated that their problems were resolved; however were not pleased their problems were addressed because of the impact of social media.

Customer Expectations v. Service Design

- Banks: general queries
- Customers: everything

Is It Banking Regulation to Blame?

- Considerable difference among banks
- Inconsistencies across Facebook teams
- Not all customers were equal
“Social Media Lottery”

Depending on who was working on a particular shift, some customers received a faster and more empathetic response than others, and some even received privileged treatment.

Conclusion

Please rate your experience:
- Outstanding
- Excellent
- Very good
- Good
- Average
- Poor

11/06/2015

Bibliography