



Customer Complaints and Service Recovery on Social Media

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Customer Services



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Banking



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Social Media



Unfollowed!

PERINDEX

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Customer Services on Social Media

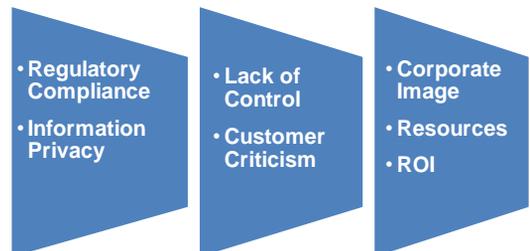
- 80% of companies plan to use social media for customer services by the end of 2012 (eModeration Report, 2013)
- User-generated content
- Customer engagement
- Transparency of interactions

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Social Media and Financial Services

Early stages of establishing presence on SM



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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)

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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

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Facebook Customer Services -1-



6 to 162 days

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Facebook Customer Services -2-



“Sent private message. I demand a response today!”

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Why Complaining on Facebook

Facebook as a last resort when traditional channels have failed:

Being stressed

Feeling frustrated

Lost trust in bank

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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

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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

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“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”



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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”

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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.



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Customer Expectations v. Service Design

- Banks: **general queries**
- Customers: **everything**

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Is It Banking Regulation to Blame?

- Considerable difference among banks
- Inconsistencies across Facebook teams
- Not all customers were equal

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“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.

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Conclusion



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