Analyzing the Strategic Role of Social Networking in Firm Growth and Productivity

Vladlena Benson
Kingston University, UK

Ronald Tuninga
Kingston Business School, UK

George Saridakis
Kingston University, UK

IGI GLOBAL
DISSEMINATOR OF KNOWLEDGE

www.igi-global.com

British Cataloguing in Publication Data
A Cataloguing in Publication record for this book is available from the British Library.

All work contributed to this book is new, previously-unpublished material. The views expressed in this book are those of the authors, but not necessarily of the publisher.

For electronic access to this publication, please contact: eresources@igi-global.com.

Chapter 8
A Tale of Two Banks:
Customer Services on Facebook

Nurdilek Dalziel
Staffordshire University, UK

Janet Hontoir
IFS University College, UK

ABSTRACT

By focusing on Facebook as an emerging Social Media (SM) customer services channel, this research provides an insight into social media service encounters. Data were collected from the Facebook pages of two British banks. Evidence is presented on the discrepancy between what customers expected of SM and what banks were prepared to offer, a discrepancy which resulted in customer frustration. The findings also demonstrate that, apart from banking regulation, a bank's own SM policies and the training and empowerment of its staff are likely to impact on the quality of firm-customer interactions on SM. It is challenging for financial institutions to develop strategies to address customer queries satisfactorily on their SM pages and at the same time to work within the rules of compliance regulations. Moreover, many customers who put up a complaint on SM are observed to have developed rather negative feelings about their banks and to have lost their trust, suggesting a lack of clarity about the limited role of banks' Facebook channel among customers.

1. INTRODUCTION

As "critical moments of truth" (Bitner et al, 2000), service encounters have attracted significant interest in the marketing literature. The conventional approach limits its scope to human interactions and views service encounters as: "the dyadic interaction between a customer and service provider" (Surprenant & Solomon, 1987, p.87). On the other hand, a broader view of the service encounter takes a holistic view of all aspects of this encounter, including human as well as virtual interactions, the service environment and other visible elements of a service, termed "the total customer experience" (Harris et al, 2003).

This chapter adopts the broader view of the service encounter. According to industry sources, 22 percent of US online adults used Twitter as customer service channels in 2014 while the ratio went up to 37 percent in 2015 (Jacobs, 2015). Consequently, we consider a broader view of the service encounter a better reflection of modern business circumstances.

The authors argue that social media service encounter (SMSE) is likely to reshape the provision of services between firms and their customers. However, service encounters research is still primarily focused on traditional channels. Hence this research aims to provide an insight into SMSE by addressing the following research questions:

1. Why do people post a customer services query on Facebook?
2. What is the quality of the interaction between firms and their customers on Facebook?
3. What are customers' expectations of service encounters on Facebook?

With these research objectives, we aim to bridge a gap in the literature by integrating service encounters and social media literature. We also aim to present an insight into how firms manage interactions with their customers on platforms that, unlike traditional delivery channels, are open to observation and the participation of other people. We discuss what opportunities social media customer services offer for firm growth,

This chapter will continue with a critical review of traditional and social media service encounters literature in Section 2, followed by the details of our research methodology in Section 3. In Section 4, empirical research data and findings are presented in relation to each of the research questions presented above. Section 5 discusses the implications of our research for policy and practice. In Section 6, the limitations of the research are outlined. The chapter ends with conclusions in Section 7.

2. LITERATURE REVIEW

2.1 Service Encounters

Due to the inseparability of the production and consumption processes, service encounters are reported to be "the service" from the customer perspective (Surprenant & Solomon, 1987; Bitner et al, 2000), highlighting the importance of service interactions in shaping customers' experiences. With the aim of investigating technology supported interactions, the literature review addresses human as well as virtual interactions in the sections below.

Human Interactions

In marketing literature, human interactions are considered during the service delivery and the service recovery. Human interactions during the service delivery play an important role in the relationship development process. When investigating why human interactions are essential in enhancing customer relationships, the social support which is likely to be delivered in a face-to-face setting is identified as a key aspect (Ford, 2001; (Adelman et al, 1994; Sharma & Patterson, 1999). Ford (2001) suggests that customers expect to engage in conversations of a social nature in their dealings with service provid-

ers. The social nature of human interactions is viewed as enhancing service relationships by reducing customers' perceived risks (Adelman et al, 1994; Sharma & Patterson, 1999) and, from a psychological perspective, by helping to create a sense of social connection (Adelman et al, 1994).

Dalziel (2007) argues that communications characteristics are not equally effective in all service provision situations. She identified a set of communication characteristics which were effective for service delivery and another set of characteristics for service recovery situations. Service recovery is defined as "the actions that a service provider takes to respond to service failures" (Lewis & Spyrakopoulos, 2001, p.37). Strikingly, it is not the initial failure to deliver the core service, but the response that causes dissatisfactory service encounters (Bitner et al, 1990).

A successful service recovery process is found to have three alternative outcomes on customer relationships:

1. No impact on the relationship development,
2. Threatening the relationship development and
3. Facilitating the relationship development.

Firstly, the success of the recovery process can prevent the relationship from deteriorating; i.e. customers experience minimal changes in their relationships when the service recovery has been to their satisfaction (Levesque & McDougall, 1996; Mattila, 2004). Secondly, customer satisfaction can decrease regardless of the success of the recovery process (McCollough et al, 2000). Thirdly, a successful recovery process can enhance the relationship development, in particular by reinforcing the relationship commitment (Hart et al, 1990; Jones & Farquhar, 2003).

According to Mattila (2004), these seemingly contrasting views on the impact of the recovery process on customer relationships can be explained by the type of the relationship. Mattila has demonstrated that a recovery process which is limited to an apology combined with a tangible compensation is adequate for customers with little emotional attachment to their organisations, while for emotionally-attached customers more customised service recovery strategies are needed.

Virtual Interactions

Virtual interactions involve no direct or indirect human communication, but take place electronically. In virtual interactions, customers use technology enabled channels such as the Internet, television or telephone (automated services) to interact with organisations. Although service encounters traditionally rely on human interactions, services are increasingly being delivered virtually with little personal communication between the parties (Long & McMellon, 2004).

Early research on the impact of virtual interactions on customer relationships argues that virtual interactions are likely to threaten the development of relationships due to their adverse impact on relationship building efforts (Warrington et al, 2000; Zineldin, 2000). Virtual interactions are viewed, by this group of researchers, as presenting challenges to organisations by removing human contact and visual cues (Patterson & Ward, 2000). When information technology is used as the only means of communication, it impersonalises relationships (Aladwani, 2001; Leek et al, 2003; Ryssel et al, 2004) and gradually reduces opportunities for social interactions (de Wulf et al, 2001). In situations where social interactions are limited, this may result in customers approaching organisations in a purely transactional manner (O'Loughlin et al, 2004). Moreover, virtual interactions are stated to be likely to threaten service

differentiation efforts, therefore placing further challenges on organisations in terms of maintaining a committed customer base (Rexha et al, 2003). As a solution to these obstacles, Rexha et al (2003) suggest that only after having established a committed customer base should organisations consider shifting to virtual interactions.

Late research, on the other hand, presents more positive views on the impact of virtual interactions on customer relationships. For example, Patterson & Ward (2000) note that some customers may establish a type of relationship with their providers based on solely virtual interactions. Similarly, Tomiuk & Pinsonneault (2001) argue that electronic banking environment is not an impediment for the development of a loyal customer base. Despite reducing opportunities for social interaction, virtual interactions are believed to offer a number of alternative benefits to customers (de Wulf et al, 2001; Tomiuk & Pinsonneault, 2001; Yen & Gwinner, 2003). Today's customers have less time and subsequently desire convenience and increased accessibility (Solomon et al, 1985; Moutinho & Smith, 2000; Yen & Gwinner, 2003) as well as gaining control over their dealings with organisations (Yen & Gwinner, 2003). When an electronic delivery channel is being chosen by the customer as the primary interaction channel (as opposed to being forced by the service provider), virtual interactions are found to promote relationship development (Dalziel et al, 2011). Yet, none of these virtual interaction papers included social media platforms in their study design. In the context of bank-customer communications, virtual interactions are mostly researched in the context of telephone banking, Internet banking and recently mobile banking.

2.2 Social Media Service Encounters

There is no clear positioning of SMSE in terms of whether they should be considered a part of human or virtual interactions. If one differentiates the two types of interaction according to whether the interaction is a personal one, SMSE could be classified as part of human interactions. Unlike online banking and automated customer services, customer posts on social media are responded to by a member of customer services team, and hence SMSE have the potential of introducing a social element into firm-customer interactions, despite their virtual nature. The personal and social nature of interactions between the parties (which are attributed to human interactions) impacts on the development of customers' trust, satisfaction and commitment. Alternatively, if one differentiates service encounter according to the delivery channel used, SMSE does not take place face-to-face, but electronically; and hence could be classified as part of virtual interactions. SMSE customers expect a speedy service and convenience (which are attributed to virtual interactions). Consequently, it can be argued that service provision on social media presents a significant challenge to organisations due to its embracing the characteristics of both human and virtual interactions.

Investigating the utilisation of SM by financial institutions, retail banks are reported to be sceptical about the promises of Web 2.0 to revolutionize marketing. Concerns over the lack of control over content on SM, issues with regulatory compliance and information privacy, and the fear of dealing with customer criticism on SM are stated to discourage banks from embracing SM (Stone, 2009; Klimis, 2010; Pry, 2010). Furthermore, it is found that bank management views social media as "not reliable" or not a "serious" communication tool for banking institutions, and hence with possible negative implications on corporate image (Mitic & Kapoulas, 2012). Other issues on financial institutions' reluctance to participate in SM are documented as being more pragmatic such as lack of time, personnel, know-how and funding (Pry, 2010) and lack of evidence in turning SM investments into financial returns (Mitic & Kapoulas, 2012).

It should also be noted that demographics and personality are recognised to be key factors in determining people's behaviour on social media (Amichai-Hamburger, 2002; Ryan & Xenos, 2011). Focusing on Facebook users, Ryan & Xenos (2011) present evidence that Facebook is more likely to be used by people who have higher levels of extraversion, exhibitionism and leadership. Extraversion is also positively related to the use of the interaction features of Facebook, such as the Wall and Chat (Ryan & Xenos, 2011). Hence, it could be argued that e-service encounters are appealing to a particular group of bank customers.

3. RESEARCH METHODOLOGY

The context of this study is the banking industry. It aids understanding of SMSE since banks have started to include social media platforms in their multi-channel strategies. The focus of the study was the UK banking sector. Banks' involvement in social media platforms is monitored by regulatory authorities, but different banks operating under different regulations are likely to face varying restrictions. The study examined banks working under the same regulatory system in order to exclude the impact of such external forces on financial institutions' engagement with social media platforms.

By taking a qualitative approach, the study utilises textual data which is widely used in marketing (Rudolf et al, 2005) and social media research situations (Olkkonen et al, 2000; Jahn & Kunz, 2012; Bronstein, 2013). Since this study aimed to decode the meanings behind communication messages and how consumer experiences are reshaped as a result of those communications, a qualitative research approach has been adopted.

As a social media channel, Facebook was focused on since Facebook and Twitter are the most commonly used channels for customer service (Littleton, 2013). In this research we focused on Facebook customer services. Criteria are set to facilitate the inclusion of banks with an active Facebook page which allows consumers to post comments or queries on their page. In this chapter the analysis of two main banks with an active Facebook page is presented; these are labelled BankA and BankB.

The research data consisted of customers' initial banking queries, banks' replies to the initial inquiry and customer and bank follow-ups which took place on the two banks' Facebook pages. Due to the large number of consumer posts, it was decided to set a limit to the number of posts analysed. The data collection started on 15 May 2013 for BankA and ended when 100 customer posts had been accumulated. The last customer query in the data set was posted on 4 June 2013. It took 21 days for BankA to reach 100 customer posts. On the BankB Facebook page, the data collection took place between 24 June 2013 and 31 July 2013, which meant that it took BankB 38 days to reach 100 posts. The selection criteria for the sample of customer posts were:

- The post should be related to a service failure incident which was defined as "situations in which customers' perceptions of the service they receive fail to meet their expectations".
- The post should have been responded to by the BankA or BankB Facebook team (i.e. in each interaction there should be at least one customer query and one bank response).
- The post should be initiated by a BankA or BankB customer.

Following the identification of customer posts, the responses by the banks' Facebook team to these posts were analysed. Comments were tracked until there were no further posts on the particular issue. Since the focus of the study was on customer-firm dyadic interactions,

1. Posts which were not responded to by the banks, and
2. Comments from other Facebook users were excluded.

This data collection strategy resulted in the examination of a total of 451 posts for BankA, which consisted of 100 initial customer contacts, 100 BankA responses to the initial inquiry, and 251 customer and bank follow-ups. The average number of interaction per post was 4.51 while the mode and median was 2 and 4 respectively, indicating a negative skew in the data set. In comparison, BankB data consisted of a total of 492 posts consisting of 100 initial customer contacts, 100 BankB responses to the initial inquiry, and 292 customer and bank follow-ups. The average number of interactions per post was 4.90, which is slightly higher than BankA. Yet, similar to the BankA data set, BankB data had a negative skew: the mode and median values were 2 and 4 respectively.

The analysis of this textual data comprised technique used to obtain a systematic and objective description and explanation of textual data (Berelson, 1952; Kassarjian, 1977; Miles & Huberman, 1994). In this case, content analysis started with an a priori set of codes that emerged from the literature review and research objectives. Pre-structured coding is reported to facilitate the analysis by forcing the researcher to tie research questions or conceptual interests directly to the data (Miles & Huberman, 1994; de Wet & Erasmus, 2005). However, it is important to note that the initial code list is flexible and evolves along with the analysis. Consequently, in addition to the initial codes, new codes and sub-categories emerged while some codes were redefined, removed or merged with others as more data were analysed. Coding scheme is in Appendix 1.

NVivo10 qualitative data analysis computer software was used primarily to undertake such an analysis of data. First, transcripts were entered into NVivo10 using NCapture and were coded using individual posts as the unit of analysis. Through the concurrent processes of coding and comparative analysis, recurrent themes and patterns were identified, as well as discrepancies in those patterns (Miles & Huberman 1994).

4. RESEARCH FINDINGS

4.1 Why Do People Post a Customer Services Query on Facebook?

Starting with the profile of the sample of bank customers, only certain data can be provided since the data set was limited to the information people posted on their Facebook page. For this chapter, the authors analysed the gender of 200 customer posts. Overall, 40% post holders were female while 60% were male. For BankA data, the figures were 36% (females) and 64% (males). For BankB data, it was 45% (females) and 55% (males).

Contrary to the authors' initial expectations, both banks' Facebook pages were popular repositories for customer queries and comments. Since banking is associated with sensitive information and the need for customer privacy, it was unexpected to see a large number of banking queries openly posted on Facebook. The posts from bank customers provided an explanation to the question on why people wanted to contact their banks through Facebook. First, bank customers wanted a quick response. They

had high expectations with regard to the speed of response on Facebook, which is supported by previous research (Murray et al, 2014). Second, it was due to the perceived inefficiency of other channels. The sample of bank customers did not feel they were being listened to on other channels. When they reached Facebook, they were already stressed, were feeling frustrated and had lost their trust in their bank. Hence, SM was viewed as a last resort when traditional channels have failed:

I am left with 1 Option 'Take it Public via the Media' as [BankA] don't give a toss about me as a customer! (BankA customer)

Hi there, I know this is perhaps not the best place to leave a message but you're not responding to me at all... I have still not heard thing and the line is constantly engaged!! Even at 11 at night it is, very very odd and suspicious… This is the worst ever customer service and if someone can look into this for me, this really needs sorting today now as next week is too late, and I will be even more angry with this situation and I didn't even think that was possible. Yours Hoping. (BankB customer)

4.2 What Is the Quality of the Interaction Between Firms and Their Customers on Facebook?

It is important that a service is delivered by competent staff in a polite, friendly and timely manner. Looking at the replies posted by the banks, the staff were competent in demonstrating such communication skills, in particular when a customer had a basic banking enquiry. A common theme emerging across the banks' Facebook pages was "we'd like to help". Both banks responded to customer posts in a polite and courteous fashion, even when a post was derogatory about the bank or the banking industry:

Hi there, thank you for taking the time to share your thoughts with us. Please let us know if you have any UK banking queries; we're here to help and offer assistance should you need any. (BankA Facebook team)

The tone of response was conversational, informal, jargon-free and even humorous:

Thanks for your comments … [name] I hope you have a fab sunny weekend in the garden with a nice bottle of vino perhaps:o). (BankB Facebook team)

At the same time, the banks were happy to record and/or pass the customer feedback to a relevant department for action. Some BankA staff were even willing to ask the relevant department to get in touch with the customer directly. The banks responded with encouraging language for the customers to get in touch for further support if needed:

No problem … [name], we're glad you've been able to get the issue resolved. If you ever do need any assistance you can contact us here on Facebook. (BankA Facebook team)

On the other hand, it is not sufficient to offer an efficient service. Going beyond basic communication skills, organisations should provide a service that is delivered in a personalised manner taking into account individual cases, i.e. customer-oriented (Sharma & Patterson, 1999, Dalziel et al, 2011). This

Figure 1. Interaction quality by BankA and BankB Facebook teams
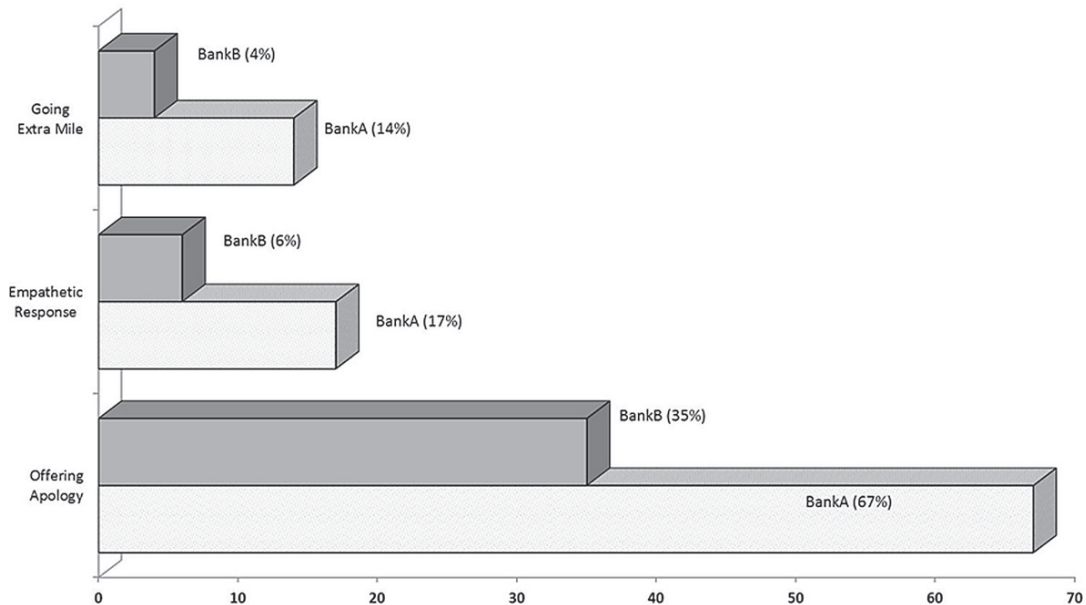
was an area where the banks' Facebook teams appeared to have weaknesses. As Figure 1 shows, the interaction quality by BankB staff was much lower than their BankA counterparts. Both banks were found to have weaknesses, in particular when it came to addressing customer complaints in an empathetic way.

Moreover, neither of the banks appeared to provide a service which promoted feelings of "going-extra-mile" which is defined in this chapter as "providing a type of service by a member of staff which goes beyond his/her duty that could be expected of him/her to please the customer". Examples of staff behaviour that were identified as going-extra-mile in the current research are:

1. Contacting the customer's branch or business manager on behalf of the customer to book an appointment.
2. Checking the image that the customer wanted to upload
3. Offering a local telephone number instead of a usual 084 number.
4. Posting a new card-reader to customer.
5. Offering a call back.

4.3 What Are Customers' Expectations of Service Encounters on Facebook?

There was little evidence that banks' Facebook team met the expectations of the sample of banking customers. Customer frustration was a common theme emerging from the data that was collected. It appeared that the frustrations of customers were often related to their misunderstanding of the role of their bank's Facebook page. Due to the perceived inefficiencies of other banking channels, customers wanted to post their queries and comment on their frustrations using Facebook; while banks wanted to deal only with more generalised banking queries on their Facebook pages:

If you ever have any general queries, we'll do our best to assist you over social media. However, any issues relating directly to your account will need to be discussed over the phone (or in a branch when a customer is in the UK). (BankA Facebook team)

Moreover, bank customers seemed to expect a more personalised service such as addressing them in person and solving their problems in a timely and empathetic manner. BankA Facebook staff signed each post with their name while BankB used just their initials, which was criticised by some customers:

Why is it [that] all [BankB] staff hide behind [their] initials and refuse to give names when asked on this site? (BankB customer)

Sincerity of interaction was another communication characteristic emerging from the research data. A script-read conversation and the sincerity of apology were aspects that bank customers commented upon. Customers appreciated that their problems were resolved; however they were not pleased that their problems were addressed because of the role of Facebook (and not because the bank had the customer's interests at heart):

I tried the usual route of phoning the fraud line, going into my bank branch. I finally got it sorted once I posted it on a social network site, not ideal. (BankA customer)

The sample of bank customers were also critical of the lack of service personalisation which resulted in banks' Facebook teams functioning like a reception desk – with a role restricted to directing customers to other communication channels including a call centre, website, bank branch, email or post. Most queries had complicated backgrounds such as a dispute about an online transaction, a declined mortgage application and the transfer of deeds from a bank to a house owner. The majority of customer posts were related to service failure incidents which were not resolved satisfactorily by other communication channels and there were also complaints about not being able to talk to the right person. Nonetheless, the Facebook team continued to direct customers back to other channels, and this caused frustration. Although there were a few occasions when Facebook staff tried themselves to help customers first, almost half of BankB customer queries were directed to other channels (46 percent); this was 14 percent for BankA customer queries.

4.4 Is Banking Regulation to Blame?

The social media literature emphasises the role of banking regulation as a restrictive force on banks' participation on social media platforms. However, the research data reveals considerable differences between the banks (Figure 1). BankA and BankB seemed to have different policies on whether to answer openly on Facebook or via a private message and whether to direct the customer to other channels. This was unexpected since both banks work under the same regulation. This implies that the way the Facebook team can respond to queries is not merely restricted by regulation. A bank's own social media policies, and the training and empowerment of its Facebook team are also likely to impact on its interactions with customers with the potential to influence the quality of interaction between the parties.

At the same time, the authors have identified inconsistencies across the Facebook teams within each bank. There were instances where the Facebook team responded satisfactorily but at other times did not respond in the same way to a similar type of query from another customer. There were also instances when the Facebook team openly answered a query on Facebook whereas a similar type of query was directed to another banking channel by another member of team.

5. IMPLICATIONS FOR POLICY AND PRACTICE

For basic banking queries such as queries about whether online / mobile banking was 'down', bank opening hours and how to open a bank account, social media teams were able to offer a satisfactory service. Nevertheless, for service failure related queries, Facebook teams appeared to have weaknesses which were related to their skills set as well as the level of training and empowerment that they had. It is documented in the literature that a service delivery team requires a different skills set from a service recovery team (Dalziel, 2007). The following service delivery characteristics are identified as having the potential to influence customer relationships:

1. Polite,
2. Helpful,
3. Competent,
4. Friendly,
5. Personalising the interaction,
6. Being fast
7. Efficient, and
8. Giving error-free service.

With relation to service recovery, different characteristics are identified: showing

1. Empathetic behaviour
2. Trust in the customer,
3. Apologising for mistakes,
4. Being proactive in dealing with mistakes,
5. Continuously communicating,
6. Adequate recovery speed, and
7. Whether the customer was refunded at the end of the recovery process (if relevant).

From the research data, it appeared that the two banks' Facebook teams mostly presented the skill set for an effective service delivery yet with a limited skill set for an effective service recovery. Hence, we argue that it is not sufficient simply to shift staff from traditional call centres to a social media team. In fact, it may be a better solution to have separate social media teams for service delivery and service recovery, and to train and empower each team accordingly.

The importance of customer orientation for a service organisation is well documented in marketing literature. According to Williams & Attaway (1996), customer orientation is "a philosophy and behaviour directed toward determining and understanding the needs of the target customer and adapting the selling

organisation's response in order to satisfy those needs" (p.39). Customer care is a particularly important aspect of customer orientation, which is defined as "the customer's perception of the employee having genuine concern for the customer's well being" (Gremler et al, 2001, p.49). Another indicator of customer orientation is empathy which is about caring and paying individualised attention to the customer (Parasuraman et al, 1988). As part of effective communication skills, empathy allows the service provider to read customers' needs accurately. Empathy is reported as a critical aspect of service encounters, which eases the communication and facilitates the establishment of rapport and comfort between the relationship parties (Goodwin & Gremler, 1996). Despite its critical role, the service provided by the two banks' Facebook teams failed to provide a customer oriented service showing customer care and empathy. As highlighted in the literature "a successful service encounter is more than simply presenting the core product" (Dalziel, 2007, p.292). Questioning how a more customer oriented service can be provided by social media customer services, the following can be suggested for service providers:

- Using names to sign posts (not just initials).
- Showing empathy for the failure that customer is experiencing.
- Not script-read but sincere replies to customer queries.
- Offering a sincere apology.

For a customer oriented service, the staff should be supported by appropriate training programmes. Given that interpersonal skills along with technical capabilities result in service differentiation and customer retention, it is imperative that company staff who interact directly with customers are provided with intensive training. Likewise, giving the staff some degree of empowerment promotes trust in the service provider and relationship commitment. Empowerment means having the authority, responsibility and incentives to recognise, care about and respond to customer needs (Hart et al, 1990). Empowering staff by giving them authority, responsibility and incentives, which is fundamentally about giving the staff the ability to develop relationships, will enable the service provider to tailor their responses and actions. It is suggested that the ability of staff to make a proper response is largely a function of the staff's knowledge level and authority (Bitner et al, 1990; Lewis & Spyrakopoulos, 2001). Although standardised responses or actions can be desirable in some types of routine human interactions, interactions in most service failure incidents should be customised to the specific needs of the customer. Restrictive bank policies which are common in much of retailing are reported to hamper the development of customer relationships (O'Loughlin et al, 2004). All social media teams should have training and authority to enable them to answer customer queries satisfactorily. This is also important for a consistent provision of banking services across the banking channels and social media teams. If social media teams continue to act like a 'reception desk' (as outlined in previous sections), this is likely to have a negative impact on customer-bank relationships as the relationship marketing literature suggests. In this case, it may be a better option for a service provider not to offer a social media channel.

Training programmes are also likely to facilitate the provision of a consistent service across multi-channels, which was one of the weaknesses emerging in our data set. When a customer with an existing service failure approaches their bank's Facebook page, they are likely to have raised their problem on other channels, such as their branch, call centre and the Internet team, with no satisfactory resolution. When the bank's social media team tries to direct the customer back to other channels, this causes more frustration for the customer. This highlights the important role of the social media team, who should work closely with service recovery teams.

However, solving an outstanding service failure on social media can be a double-edged sword. If an outstanding service failure is solved after being posted on a bank's social media channel, this may send the wrong message. Some customers may interpret this as the bank trying to save their reputation rather than keeping their customers' interest at heart; this is likely to have an impact on the level of trust toward the organisation and the quality of relationship between the parties.

Another important implication of our research is about whether highly regulated industries should offer services on social media. Clearly, banking regulation is a restrictive force for the effectiveness of banks' social media channels. However, as we have identified different levels of interaction quality from the two banks, we argue that it is possible to offer a customer oriented and effective service and at the same time stay within the requirements of banking regulation. Organisations should not use regulation as an excuse for a less effective or satisfactory customer service.

This research highlighted the role of Facebook customer service as a service delivery and recovery channel. We identified two groups of customers who preferred to contact their banks through Facebook instead of other traditional banking channels. This suggests, in combination with industry statistics about consumers' use of social media as a customer service channel (as presented in Section 1), that there is customer demand for the expansion of virtual customer services channels to include social media. Therefore, we recommend that firms should start considering social media platforms as a customer service channel in an effective way. Social media customer services are likely to become in the near future what an effective call centre means for customer services today.

Likewise, social media are increasing its popularity as a service failure & recovery channel. Yet, the evidence suggests that, in the case of service failure, traditional customer service channels are still the first point of contact by customers. Social media customer services teams are contacted when the service recovery is not managed to the customer's satisfaction. In this case, customers wanted to utilise the 'public space' nature of social media platforms to put pressure on firms to resolve their problem. This suggests, similar to our discussion on the role of social media as a service delivery channel, that SMSE play a crucial role as a service failure & recovery channel. When social media are designed to manage service failure situations, this requires a close co-ordination with other service failure & recovery teams. Firms should aim to resolve service failure situations by their traditional channels before customers post them on social media. When an outstanding service failure is posted on a platform it should be managed in a timely way and efficiently. The training and empowerment of social media customer services teams is likely to offer a competitive edge to those firms which can manage their customer interactions well. In contrast, if companies decide not to expand their customer services to social media or do not manage customer interactions and failure situations well, they are likely to fall behind the competition. This is because the demand for social media customer services will increase in parallel with the millennials' increasing use of social media in all aspects of their life.

6. STUDY LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The purpose of this research was to gain insight into service encounters on social media. This chapter looks at interactions on Facebook only, which is only one social media platform. Further research is needed to understand whether bank-customer interactions on other social media platforms are similar to Facebook customer services.

While the findings offer a good basis for an understanding of Facebook customer services, they cannot be generalised to a wider population. Banks' involvement on Facebook is monitored by regulatory authorities. Different banks operating under different regulations are likely to face different restrictions. The findings from this research can, therefore, not be generalised to financial services in other countries other than the UK. The extension of this study to other sectors or financial institutions operating in different regulatory and technological environments needs to be tested.

In this research the focus was on textual data available on banks' Facebook pages. It was not possible to identify whether the identified inconsistencies between the banks' Facebook teams were related to banks' own strategies or the issues in communicating those strategies to the Facebook team. Further qualitative research could be undertaken with members of staff to enhance the understanding of customer services on Facebook.

Many service providers offer live chats with their customers. It would be interesting to compare Facebook customer services with service provided through live chat in terms of customer expectations and the service performance.

Finally, posts on social media offer a good potential to provide insights into customer – firm discourse. There is extensive research on understanding the concepts such as the nature of apology, speed and the level of empathy, and their impact on relationship quality and customer satisfaction. However, those research heavily relies on either scenario-based research designs or collecting data from customers and / or firms after the interaction. In the case of scenario-based research design, it does not necessarily reflect customers' views, feelings and behaviour in the real situation. In the case of collecting data after the interaction, some important details may have been forgotten due to memory lapse. In comparison, when customer posts on social media are analysed, such limitations would not have been an issue since social media enables researchers to observe both parties interacting simultaneously.

7. CONCLUSION

In the service encounters literature, there is consensus that interpersonal communications characteristics are vital in customers' evaluations of service interactions. This research presents a valuable insight into service encounters on Facebook which is empirically an under-researched area. It examines why bank customers post a query on a public platform on issues which are considered sensitive and private, such as financial affairs. It is documented that banks fail to take a customer-oriented approach when they design their Facebook channel, which appeared to be a significant reason behind the sample of customers' frustration with their banks.

Service recovery is a particularly challenging area of service provision for any firm. The authors observed that in the majority of instances when a person posted on a bank's Facebook page they were already stressed and their relationships with their bank were under strain. This implies issues with the effectiveness of traditional customer services channels. If a service failure was successfully recovered when the customer initiated the contact with other channels, the banks' Facebook team would be able to offer a more efficient service. Banks' Facebook customer services were designed for generalised queries only; yet the bank staff were exposed to a large number of queries about personal accounts. This not only caused further frustration on bank customers, but also resulted in the Facebook team coming across with limited levels of competency and willingness to help their customers. The disconnection between customer expectations and staff responses could be related to the lack of clarity about the role of banks'

Facebook customer services. Checking the banks Facebook pages, the limited role of Facebook banking was not communicated clearly on the Facebook page, which may cause the identified gap between the customer expectations and service performance.

Moreover, some customers can still post a personal account query despite being knowledgeable about the limited role of their bank's Facebook team. The authors identified a temptation for customers to use Facebook. When they post a query on a social media platform or Facebook in particular, they expected their service provider to reply more quickly and in their favour in order not to attract negative publicity. Hence, Facebook customer services bring additional challenges to traditional service encounters because of being a public platform and because of its likely impact on customer expectations.

ACKNOWLEDGMENT

REFERENCES

Adelman, M. B., Ahuvia, A., & Goodwin, C. (1994). Beyond Smiling: Social Support and Service Quality. In R. T. Rust & R. L. Oliver (Eds.), *Service Quality: New Directions in Theory and Practice* (pp. 139–171). London: Sage. doi:10.4135/9781452229102.n7

Amichai-Hamburger, Y. (2002). Internet and Personality. *Computers in Human Behavior*, *18*(1), 1–10. doi:10.1016/S0747-5632(01)00034-6

Beatson, A., Lee, N., & Coote, L. V. (2007). Self-Service Technology and the Service Encounter. *Service Industries Journal*, *27*(1), 75–89. doi:10.1080/02642060601038700

Beatty, S. E., Coleman, J. E., Ellis Reynolds, K., & Lee, J. (1996). Customer-sales associate retail relationships. *Journal of Retailing*, *72*(3), 223–247. doi:10.1016/S0022-4359(96)90028-7

Berelson, B. (1952). *Content analysis in communication research*. Glencoe, IL: The Free Press Publishers.

Bitner, M. J., Booms, B. H., & Tetreault, M. S. (1990). The service encounter: Diagnosing favourable and unfavourable incidents. *Journal of Marketing*, *54*(1), 71–84. doi:10.2307/1252174

Bitner, M. J., Brown, S. W., & Meuter, M. L. (2000). Technology infusion in service encounters. *Journal of the Academy of Marketing Science*, *28*(1), 138–149. doi:10.1177/0092070300281013

Bove, L. L., & Johnson, L. W. (2000). A customer-service worker relationship model. *International Journal of Service Industry Management*, *11*(5), 491–511. doi:10.1108/09564230010360191

Bronstein, J. (2013). Like me! Analyzing the 2012 presidential candidates' Facebook pages. *Online Information Review*, *37*(2), 173–192. doi:10.1108/OIR-01-2013-0002

Czepiel, J. A., Solomon, M. R., Surprenant, C. F., & Gutman, E. G. (1985). Service encounters: An overview. In J. A. Czepiel, M. R. Solomon, & C. F. Surprenant (Eds.), *The service encounter: Managing employee/customer interaction in service businesses* (pp. 3–15). Toronto: Lexington Books.

Dalziel, N. (2007). *The impact of marketing communications on customer relationships: an investigation into the UK banking sector*. (Unpublished doctoral dissertation). The Open University Business School.

Dalziel, N. (2014). Customer Complaints and Service Recovery on Social Media: An Investigation into Barclays Bank Facebook Page. In *Proceedings of European Conference on Social Media (ECSM2014)*, (pp. 111-119). University of Brighton.

Dalziel, N., Harris, F., & Laing, A. (2011). A multidimensional typology of customer relationships: From faltering to affective. *International Journal of Bank Marketing*, *29*(4-5), 398–432. doi:10.1108/02652321111152918

de Wet, J., & Erasmus, Z. (2005). Towards rigour in qualitative analysis. *Qualitative Research Journal*, *5*(1), 27–40.

de Wulf, K., Odekerken-Schröder, G., & Iacobucci, D. (2001). Investments in consumer relationships: A cross-country and cross-industry exploration. *Journal of Marketing*, *65*(4), 33–50. doi:10.1509/jmkg.65.4.33.18386

Doney, P. M., & Cannon, J. P. (1997). An examination of the nature of trust in buyer-seller relationships. *Journal of Marketing*, *61*(2), 35–51. doi:10.2307/1251829

Durkin, M., Howcroft, B., O'Donnell, A., & McCartan-Quinn, D. (2003). Retail bank customer preferences: Personal and remote interactions. *International Journal of Retail & Distribution Management*, *31*(4), 177–189. doi:10.1108/09590550310469176

Ford, W. S. Z. (2001). Customer expectations for interactions with service providers: Relationships versus encounter orientation and personalised service communication. *Journal of Applied Communication Research*, *29*(1), 1–29. doi:10.1080/00909880128098

Harris, R., Harris, K., & Baron, S. (2003). Theatrical service experiences: Dramatic script development with employees. *International Journal of Service Industry Management*, *14*(2), 184–199. doi:10.1108/09564230310474156

Hart, C. W. L., Heskett, J. L., & Sasser, W. E. Jr. (1990). The profitable art of service recovery. *Harvard Business Review*, (July-August), 148–156. PMID:10106796

Howcroft, B., Hewer, P., & Durkin, M. (2003). Banker-Customer Interactions in Financial Services. *Journal of Marketing Management*, *19*(9/10), 1001–1020. doi:10.1080/0267257X.2003.9728248

Jacobs, I. (2015). Take social customer service beyond your own walled garden. *Forrester Research Brief.* Retrieved 19 February 2015 from: https://www.forrester.com/Brief+Take+Social+Customer+Service+Beyond+Your+Own+Walled+Garden/fulltext/-/E-res119674

Jahn, B., & Kunz, W. (2012). How to transform consumers into fans of your brand. *Journal of Service Management*, *23*(3), 344–361. doi:10.1108/09564231211248444

Jones, H., & Farquhar, J. D. (2003). Contact management and customer loyalty. *Journal of Financial Services Marketing*, *8*(1), 71–78. doi:10.1057/palgrave.fsm.4770108

Kassarjian, H. H. (1977). Content analysis in consumer research. *The Journal of Consumer Research*, *4*(June), 8–18. doi:10.1086/208674

Klimis, C. (2010). Digital marketing: the gradual integration in retail banking. *EFMA Journal,* (226), 16-19.

Leek, S., Turnbull, P., & Naudé, P. (2003). How is information technology affecting business relationships? Results from a UK survey. *Industrial Marketing Management*, *32*(2), 119–126. doi:10.1016/S0019-8501(02)00226-2

Levesque, T., & McDougall, G. H. G. (1996). Determinants of customer satisfaction in retail banking. *International Journal of Bank Marketing*, *14*(7), 12–20. doi:10.1108/02652329610151340

Lewis, B. R., & Spyrakopoulos, S. (2001). Service failures and recovery in retail banking: The customers' perspective. *International Journal of Bank Marketing*, *19*(1), 37–47. doi:10.1108/02652320110366481

Littleton, T. (2013). Social media and customer service. *eModeration Report*. Retrieved May 2013 from: http://www.emoderation.com/social-media-publications/download-a-guide-to-social-media-and-customer-service

Long, M., & McMellon, C. (2004). Exploring the determinants of retail service quality on the Internet. *Journal of Services Marketing*, *18*(1), 78–90. doi:10.1108/08876040410520726

Maclaran, P., & Catterall, M. (2002). Analysing qualitative data: Computer software and the market research practitioner. *Qualitative Market Research: An International Journal*, *5*(1), 28–39. doi:10.1108/13522750210414490

Mattila, A. S. (2004). The impact of service failures on customer loyalty. *International Journal of Service Industry Management*, *15*(2), 134–149. doi:10.1108/09564230410532475

McCollough, M. A., Berry, L. L., & Yadav, M. S. (2000). An empirical investigation of customer satisfaction after service failure and recovery. *Journal of Service Research*, *32*(2), 121–137. doi:10.1177/109467050032002

Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. London: Sage.

Mitic, M., & Kapoulas, A. (2012). Understanding the role of social media in bank marketing. *Marketing Intelligence & Planning*, *30*(7), 668–686. doi:10.1108/02634501211273797

Moutinho, L., & Smith, A. (2000). Modelling bank customer satisfaction through mediation of attitudes towards human and automated banking. *International Journal of Bank Marketing*, *18*(3), 124–134. doi:10.1108/02652320010339699

Murray, L., Durkin, M., Worthington, S., & Clark, V. (2014). On the potential for Twitter to add value in retail bank relationships. *Journal of Financial Services Marketing*, *19*(4), 277–290. doi:10.1057/fsm.2014.27

O'Loughlin, D., Szmigin, I., & Turnbull, P. (2004). From relationships to experiences in retail financial services. *International Journal of Bank Marketing*, *22*(7), 522–539. doi:10.1108/02652320410567935

Olkkonen, R., Tikkanen, H., & Alajoutsijärvi, K. (2000). The role of communication in business relationships and networks. *Management Decision*, *38*(6), 403–409. doi:10.1108/EUM0000000005365

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. *Journal of Retailing*, *64*(1), 12–40.

Patterson, P. G., & Ward, T. (2000). Relationship marketing and management. In T. A. Swartz & D. Iacobucci (Eds.), *Handbook of Services Marketing and Management* (pp. 317–342). Sage. doi:10.4135/9781452231327.n22

Patton, M. Q. (2002). *Qualitative research & evaluation methods*. Thousand Oaks, CA: Sage.

Pry, C. G. (2010). Social Media: The Less-Noticed Risks. *ABA Bank Marketing*, *42*(7), 22–27.

Rexha, N., Kingshott, R. P. J., & Aw, A. S. S. (2003). The impact of the relational plan on adoption of electronic banking. *Journal of Services Marketing*, *17*(1), 53–67. doi:10.1108/08876040310461273

Rollason, H. (2012). *Why Social Media Makes Customer Service Better*. Retrieved 30 Sept 2013 from: http://mashable.com/2012/09/29/social-media-better-customer-service/

Rudolf, R. S., Elfriede, P., & Pervez, N. G. (2005). Analysing textual data in international marketing research. *Qualitative Market Research: An International Journal*, *8*(1), 9–38. doi:10.1108/13522750510575426

Ryan, T., & Xenos, S. (2011). Who uses Facebook? An investigation into the relationship between the Big Five, shyness, narcissism, loneliness, and Facebook usage. *Computers in Human Behavior*, *27*(5), 658–1664. doi:10.1016/j.chb.2011.02.004

Ryssel, R., Ritter, T., & Gemunden, H. G. (2004). The impact of information technology deployment on trust, commitment and value creation in business relationships. *Journal of Business and Industrial Marketing*, *19*(3), 197–207. doi:10.1108/08858620410531333

Sharma, N., & Patterson, P. G. (1999). The impact of communication effectiveness and service quality on relationship commitment in consumer, professional services. *Journal of Services Marketing*, *13*(2/3), 151–170. doi:10.1108/08876049910266059

Shostack, G. L. (1985). Planning the service encounter. In J. A. Czepiel, M. R. Solomon, & C. F. Surprenant (Eds.), *The service encounter: Managing employee/customer interaction in service businesses* (pp. 243–253). Toronto: Lexington Books.

Solomon, M. R., Surprenant, C. F., Czepiel, J. A., & Gutman, E. G. (1985). A role theory perspective on Dyadic interactions: The service encounter. *Journal of Marketing*, *49*(1), 99–111. doi:10.2307/1251180

Stone, M. (2009). Staying customer-focused and trusted: Web 2.0 and Customer 2.0 in financial services. *Journal of Database Marketing & Customer Strategy Management*, *16*(2), 101–131. doi:10.1057/dbm.2009.13

Surprenant, C. F., & Solomon, M. R. (1987). Predictability and Personalization in the Service Encounter. *Journal of Marketing*, *51*(2), 86–96. doi:10.2307/1251131

Szmigin, I. (1997). *Cognitive style and the use of payment methods: An interpretative study of consumer initiator behaviour.* (Unpublished doctoral dissertation). University of Birmingham.

Tomiuk, D., & Pinsonneault, A. (2001). Customer Loyalty and Electronic-Banking: A Conceptual Framework. *Journal of Global Information Management*, *9*(3), 4–14. doi:10.4018/jgim.2001070101

Warrington, T. B., Abgrab, N. J., & Caldwell, H. M. (2000). Building trust to develop competitive advantage in e-business relationships. *Competitiveness Review*, *10*(2), 160–168. doi:10.1108/eb046409

Williams, M. R., & Attaway, J. S. (1996). Exploring salespersons' customer orientation as a mediator of organisational culture's influence on buyer-seller relationships. *Journal of Personal Selling & Sales Management*, *XVI*(4), 33–52.

Yen, H. J. R., & Gwinner, K. P. (2003). Internet retail customer loyalty: The mediating role of relational benefits. *International Journal of Service Industry Management*, *14*(5), 483–500. doi:10.1108/09564230310500183

Zineldin, M. (2000). Beyond relationship marketing: Technologicalship marketing. *Marketing Intelligence & Planning*, *18*(1), 9–23. doi:10.1108/02634500010308549

ADDITIONAL READING

Ballantyne, D., Christopher, M., & Payne, A. (1995). Improving the quality of services marketing: Service (re)design is the critical link. *Journal of Marketing Management.*, *11*(1-3), 7–24. doi:10.1080/0267257X.1995.9964326

Beuker, I. (2009). How digital brands can succeed and thrive in the engaged era. *Journal of Digital Asset Management*, *5*(6), 375–382. doi:10.1057/dam.2009.28

Bitner, M. J. (1990). Evaluating service encounters: The effects of physical surroundings and employee responses. *Journal of Marketing*, *54*(2), 69–82. doi:10.2307/1251871

Boshoff, C. (2007). Understanding service recovery satisfaction from a service encounter perspective: A pilot study. *South African Journal of Business Management*, *38*(2), 41–51.

Chuang, S. C., Cheng, Y. H., Chang, C. J., & Yang, S. W. (2012). The effect of service failure types and service recovery on customer satisfaction: A mental accounting perspective. *Service Industries Journal*, *32*(2), 257–271. doi:10.1080/02642069.2010.529435

Cocheo, S. (2009). Banks wade into new media stream. *ABA Banking Journal*, *101*(5), 14–29.

Eriksson, K., & Soderberg, I. L. (2010). Customers' ways of making sense of a financial service relationship through intersubjective mirroring of others. *Journal of Financial Services Marketing*, *15*(2), 99–111. doi:10.1057/fsm.2010.8

Fitzgibbon, C., & White, L. (2005). The role of attitudinal loyalty in the development of customer relationship management strategy within service firms. *Journal of Financial Services Marketing*, *9*(3), 214–230. doi:10.1057/palgrave.fsm.4770155

Froehle, C. M. (2006). Service Personnel, Technology, and Their Interaction in Influencing Customer Satisfaction. *Decision Sciences*, *37*(1), 5–38. doi:10.1111/j.1540-5414.2006.00108.x

Gallaugher, J., & Ransbotham, S. (2010). Social Media and Customer Dialog Management at Starbucks. *MIS Quarterly Executive*, *9*(4), 197–212.

Goodwin, C., & Gremler, D. D. (1996). Friendship over the counter: How social aspects of service encounters influence consumer service loyalty? *Advances in Services Marketing and Management*, *5*, 247–282. doi:10.1016/S1067-5671(96)05059-7

Gremler, D. D., Gwinner, K. P., & Brown, S. W. (2001). Generating positive word-of-mouth communication through customer-employee relationships. *International Journal of Service Industry Management*, *12*(1), 44–59. doi:10.1108/09564230110382763

Hardey, M. (2009). The social context of online market research: An introduction to the sociability of social media. *International Journal of Market Research*, *51*(4), 562–564. doi:10.2501/S1470785309200785

Hoffman, K. D., Kelley, S. W., & Rotalsky, H. M. (1995). Tracking service failures and employee recovery efforts. *Journal of Services Marketing*, *9*(2), 49–61. doi:10.1108/08876049510086017

Johns, R., & Perrott, B. (2008). The impact of internet banking on business-customer relationships (are you being served?). *International Journal of Bank Marketing*, *26*(7), 465–482. doi:10.1108/02652320810913846

Keaveney, S. M. (1995). Customer switching behavior in service industries: An exploratory study. *Journal of Marketing*, *59*(2), 71–82. doi:10.2307/1252074

Mager, B. (2009). Service design as an emerging field. In S. Miettinen & M. Kivisto (Eds.), *Designing services with innovative methods*. Helsinki: Helsinki University of Art and Design.

Miller, J. L., Craighead, C. W., & Karwan, K. R. (2000). Service recovery: A framework and empirical investigation. *Journal of Operations Management*, *18*(4), 287–400. doi:10.1016/S0272-6963(00)00032-2

Moritz, S. (2005). *Service design: Practical access to an evolving field*. Cologne: Koln International School of Design.

Pannunzio, C. O. (2008). Leverage the Power of Social Media. *Journal of Financial Planning*, (September): 6–10.

Patricio, L., Fisk, R. P., Cunha, J. F., & Constantine, L. (2011). Multilevel service design: From customer value constellation to service experience blueprinting. *Journal of Service Research*, *14*(2), 180–200. doi:10.1177/1094670511401901

Roschk, H., & Kaiser, S. (2013). The nature of an apology: An experimental study on how to apologize after a service failure. *Marketing Letters*, *24*(3), 293–309. doi:10.1007/s11002-012-9218-x

Sashi, C. M. (2012). Customer engagement, buyer-seller relationships, and social media. *Management Decision*, *50*(2), 253–272. doi:10.1108/00251741211203551

Smith, A. K., & Bolton, R. N. (2002). The Effect of Customers' Emotional Responses to Service Failures on Their Recovery Effort Evaluations and Satisfaction Judgments. *Journal of the Academy of Marketing Science*, *30*(1), 5–23. doi:10.1177/03079450094298

Smith, A. K., Bolton, R. N., & Wagner, J. (1999). A Model of Customer Satisfaction with Service Encounters Involving Failure and Recovery. *JMR, Journal of Marketing Research*, *XXXVI*(August), 356–372. doi:10.2307/3152082

Vemuri, A. (2010). Getting Social: Bridging The Gap Between Banking And Social Media. *Global Finance*, *24*(5), 20–21.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1990). *Delivering quality service: Balancing customer perceptions and expectations*. New York: Free Press.

KEY TERMS AND DEFINITIONS

Banking Channel: Related to delivery channel that banking services are provided which can be in the form of a branch (branch banking), a telephone (telephone banking), television (home banking), PC (internet banking), mobile telephone (mobile banking) and more recently social media (social media banking).

Facebook Customer Service: The provision of a service by a company to its customers with the purpose of addressing their queries and responding to their needs and wants through its Facebook page.

Human Interactions: Related to interactions between a service provider and its customers that may be in a direct form where the customer interacts with the staff in a face-to-face setting. The service also can be delivered indirectly, which involves verbal interactions between the parties in a non face-to-face setting using alternative delivery channels such as the telephone.

Relationship Marketing: The process of creating collaborative exchanges between organisations and their individual customers on a long-term basis, which are characterised with a level of customer confidence in their organisations, interdependence through some kind of bonds, and being beneficial to both parties involved.

Service Encounter: Related to interactions between a service provider and its customers through a range of channels from human interactions to virtual interactions. This broader aspect of service encounters is defined as "total customer experience".

Social Media Platform: A web-based technology tool that allows its users to create and exchange user-generated content that also promotes engagement and conversation among its users.

Social Media Service Encounter: Related to interactions between a service provider and its customers, which takes place through a social media platform.

Virtual Interactions: Involve no direct or indirect human communication between firms and their customers, but take place electronically. In virtual interactions, customers use delivery channels such as the Internet, television or telephone (automated services) to interact with their firms.

APPENDIX: CODING SCHEME

Customer posts:

1. Account opening related queries,
2. Badmouthing the bank,
3. Account management related queries,
4. Not able to contact bank,
5. Positive feedback,
6. Complaints about fraudulent use of account,
7. Mobile banking app related queries,
8. Complaints about waiting times in branches,
9. Not account management related queries,
10. Queries from overseas based customers,
11. Complaints about unavailable service,
12. Complaints about the service quality,
13. Threatening to close the account with bank,
14. Chasing social media team,
15. Queries already raised on other channels,
16. Posts with a potential for engagement,
17. Basic banking queries,
18. Commenting on bank products/product features,
19. Complaining about interest rates, fees and charges,
20. Threatening to contact baking ombudsman,
21. Leaving customer query unanswered.

Banks' responses:

1. Tone of response,
2. Proactive customer services,
3. Failed call back promises,
4. Censorship,
5. Engagement promoting responses,
6. Response time,
7. Who responded the query?,
8. Level of empathy,
9. Whether an apology is offered,
10. Directing the customer to other channels,
11. Asking to send the query by private messaging,
12. Promising to pass the feedback to relevant team,
13. SM team going extra mile to please the customer,
14. Offering an informative response,
15. Bank response to negative criticism from customers,
16. Service recovery related posts,
17. Not being able to help due to restrictive bank policies.