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When Social Media Delivers Customer Service: Differential Customer Treatment in the Airline Industry

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Abstract

Companies increasingly are providing customer service through social media, helping customers on a real-time basis. Although some traditional call centers might prioritize customers based on their expected business values, the grounds for differential customer service on social media are unclear, since there has been little theoretical or empirical investigation of this new phenomenon. Building on the literature of social psychology and complaint management, we hypothesize two main drivers of differential treatment: the social media influence effect, which refers to the impact of the customer's relative standing on social media, and the bystander effect, which refers to the impact of the presence of other social media users. To test these effects, we analyzed more than three million complaints to seven major U.S. airlines on Twitter from September 2014 to May 2015. The evidence is clear that airlines respond to less than half of the tweets directed at them by complaining customers—in contrast with traditional call centers, which are expected to address all callers. Interestingly, we find that the airlines are more likely to respond to complaints from customers with more followers, and customers with more followers are more likely to receive faster responses, thus confirming the existence of a concealed (or at least unpublicized) social media influence effect. We also find that airlines are less likely to respond to complaints with multiple parties mentioned, confirming the existence of the bystander effect. To the best of our knowledge, this is the first paper in the literature to study the existence and drivers of differential treatment when customer service is delivered on social media, and we expect our findings will have important implications for companies, customers, and regulators.

Keywords: Social media, social influence, customer service, complaint management, bystander effect