Social Media and Negative Consumer Feedback

Sociala Medier och Negativa Konsumenters Återkopplingar

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Abstract:
Social media have established themselves as a core part of our daily lives and the phenomenon keeps growing every day. They have become a platform for both businesses and people all over the world use to communicate thoughts and show off ideas. Using platforms such as Instagram, Facebook and Twitter marketing for businesses has become a must for capturing the public eye and making your brand attractive to consumers. This is an important subject and deserves focus so I have investigated how negative feedback on social media services such as Facebook and Twitter affect the company and its customers. The end goal is to understand how these businesses should use these services as mediums to effectively approach the problem. Using social mediums is complicated process and the formulation of your response is very important. Bringing the discussion offline is the best strategy for tackling the negative feedback.

Keywords:
Social Media, Twitter, Facebook, Marketing, ROI

Abstract:

Nyckelord:
Sociala Medier, Twitter, Facebook, Marknadsföring, ROI
# Table of Contents

1. Introduction .................................................................................................................. 7
2. Background .................................................................................................................... 8
   2.1 Purpose ...................................................................................................................... 8
   2.2 Delimitation ............................................................................................................. 8
   2.3 Social Media .......................................................................................................... 9
   2.4 Facebook ................................................................................................................ 9
   2.5 Twitter .................................................................................................................... 10
   2.6 ROI ......................................................................................................................... 10
   2.7 # Hashtags ............................................................................................................ 11
   2.8 ReTweets ............................................................................................................... 12
   2.9 Renegade/Rogue Consumers ............................................................................. 12
3. Examples of Social Media Impacting Companies Negatively ................................ 12
   3.1 “United Guitar Guy” ............................................................................................... 12
   3.2 Ryanair Boarding Pass Fiasco ........................................................................... 13
4. Previous Studies ............................................................................................................ 13
   4.1 Earlier Research .................................................................................................... 13
5. Rationale ......................................................................................................................... 17
   5.1 Problem Formulation ............................................................................................ 17
6. Method ............................................................................................................................ 17
   6.1 Choice of Data Collection Method ...................................................................... 18
      6.1.1 Interview ......................................................................................................... 18
      6.1.2 Data Collection .............................................................................................. 18
      6.1.3 Analysis of Data ............................................................................................ 18
   6.2 Selection ................................................................................................................ 18
   6.3 Analysis of Data ..................................................................................................... 19
7. Results ............................................................................................................................ 20
   7.1 Survey .................................................................................................................... 20
   7.2 Interview ................................................................................................................. 23
   7.3 Data Collection ..................................................................................................... 25
8. Analysis and Discussion ............................................................................................... 27
   8.1 Survey .................................................................................................................... 27
   8.2 Hertz vs. Johan W. ............................................................................................... 28
   8.3 Tele2 on Facebook ............................................................................................... 29
   8.4 Interview with Chris Horak ................................................................................ 29
9. Critique of the Method .................................................................................................. 30
10. Conclusion ....................................................................................................................... 30
**Concept Definitions**

**Social Media** - Refers to the interaction of people in which they create, share, exchange and comment content among themselves in virtual communities and networks.

**Tweet** - A message sent via the social media service Twitter and consists of a maximum of 140 characters.

**ReTweet** - This is a word to describe the action of sharing somebody else's Tweets to your own Twitter followers.

**Hashtag** - are words that have a prefix #. The # is used to tag messages to a certain group so one can search for the tag and get a group of messages attached to it.

**Facebook page** - A Facebook page is like an internal website on the social media site Facebook that companies and organizations use to promote themselves.

**ROI** - A way to measure and evaluate the efficiency of an investment. Can also be used to compare the efficiency of a wide variety of different investments. When ROI is calculated to get the result you use the return from the investment divided by the cost of the investment and the result of that is shown in percent or a ratio.

**Renegade/Rogue Consumer** - This is a consumer that is very vocal about his or her experience with your product or service. Specific traits for the rogue consumer is to voice opinions to everyone and not accept a simple Yes/No or logical explanation.

**Application Programming Interface (API)** - This is a type of protocol that is intended to be used as an interface between different software components to further communicate with each other. API can take many specific forms and is source code based.
Preface:

I would like to start by thanking everyone that was part of my survey and the answers that I recieved gave me a glimpse into what I was researching. I would also like to thank my mentor Mauri Kaipainen who has contributed with a lot of help and ideas. I would also like to thank Bjorn Andersson for insight into the business side of the thesis and thought regarding businesses. Finally, Chris Horak deserves thanks for insights into the social media part and taking the time to be interviewed.
1. Introduction

The expansion of the internet and technologies to use it on the go has led to an expansion of new software and applications to connect with each other. The expansion of these technologies has led all of us to have a device that is connected to the internet and furthermore the world we live in. With this device, be it a smartphone or computer, we can easily communicate our thoughts and ideas with the world we live in. Just like with normal communication the thoughts that we share can be both of a positive distinction or a negative one.

When we are happy we want to share that with everyone so they know that. When we are upset or angry we want to direct this towards the people that we feel have done us wrong. Now with the help of public social platforms like Twitter and Facebook we can share this with not only our friends and family but also the public. Thanks to these platforms our voices have gotten stronger and it shows in the many public ways people now complain about our experiences.

The dilemma with social media and companies is that it’s now an important part of how a company markets itself to consumers and most consumers expect a company to be present on the major social mediums. For a company to be active on social media gives it a legitimacy that shows it knows trends, positive reactions with consumers and the company in question can market its way directly to consumers that like the product or service. This is a huge break for small companies without a large marketing budget. They can now reach out to potential customers at a fraction of the price that was needed a couple years ago to reach the exact same demographic.

This should mean that small companies can quickly grow if they have a product or service that people will like because the public awareness of these products is heightened. There is of course two sides to the coin and being in the public spotlight brings with it some negative side effects. For a company to be so public and transparent means that negative feedback also will be public and transparent. Consumers that are unhappy with your product or service can now express that to the same large demographic that you, the company, use to push your products. This has led to a negative backlash in both sales and public opinion for these companies. The problem of negative public feedback is something I feel has not been discussed. Most of the
research around this problem is how it affects the company in a positive light and therefore I decided to immerse myself in the negative side. It is a very important part of the discussion and it needs to be analyzed and the results shown for companies so they know that the grass isn’t only greener on the social media side of marketing. I also want to analyze how the companies should combat this problem, especially if the negative feedback is fake and how companies should use social media as tools to address this.

The subject is ever growing and a big part of our daily lives which means there is always something important to be found in this research.

2. Background

In this chapter of the thesis I will be presenting the purpose of this essay, question for the case and the delimitation of the thesis. Also included in this part is overall information of different areas of information that the thesis touches on.

2.1 Purpose

The purpose of this thesis is to research how companies use social media as tools to address negative feedback from rogue/consumers on Facebook and Twitter. In what way are the tools used and is feedback met in a different way compared to other communication forms i.e. email and face to face discussions. Are there any interesting similarities or differences between the different forms of communication and the end result a customer receives.

2.2 Delimitation

The results in this thesis are based on feedback from a survey sent to marketing professionals at companies (Both big and small) that I expect to be active on Facebook and Twitter. Results are also based on qualitative interview with a social media strategist. It is important to note that his response do not give a definite answer for all companies that use social media as a marketing tool but the results of these data collection methods are based on the answers that were given.

I have decided to focus on Facebook and Twitter because Google+ and Instagram are still quite new and not widely used by companies as of yet. I do believe Google+ has potential to grow into one of the bigger Social mediums but that is something we will find out in time. I
have come to this conclusion with help of Lindgren & Bandhold (2009) and their definition of trends. Trends is defined as “a product or service that creates a deeper change in the way we act and not a temporary whim of fashion. Lindgren & Bandhold, (2009)” They separate trends into two different types, of which we have safe trends and unsafe trends. Safe trends are trends that have a clear path, for example Facebook and Twitter. Unsafe trends are sporadic and have an uncertain future, for example Instagram and Google+. I feel the focus should be on mediums we know are going to be around for a while.

2.3 Social Media
Social media is a phrase used to describe a phenomenon of platforms created to ease the interaction of people in which they create, share and exchange information and messages in a wide range of different communities and networks. To break it down even further “Media” is a form of communication. To make social media even more effective, these communities and networks use both mobile and web-based platforms for these social media services. Social media is a revolution to older techniques of communicating between each other, such as Twitter and Facebook. Social media can take many different forms including, online forums, blogs, social networks, videos, pictures and podcasts. In this thesis we will be focusing on social media network websites Facebook and Twitter, which are the largest social mediums at this moment in time.

Businesses usually refer to social media as a form of (CGM) Consumers-Generated Media. This a common distinction of the trend and means that all definitions of social media is a blending of social interaction and technology for the creation of value by the user. Social media is different from the usual print and electronic media in the fact that it is very inexpensive for all types of users and makes it accessible to enable anyone to publish or read information.¹ (WebTrends, 2012)

2.4 Facebook
Facebook is a social networking service that was launched in early 2004. It is currently owned and run by Facebook, Inc but was founded by Mark Zuckerberg. As of writing this, Facebook has over one billion active users and now more than half of its users are accessing the network.

via mobile devices. The website’s membership was initially limited to students attending the university where it was founded, Harvard. It later expanded to other schools and in the end opened up for everyone to use. To use the site users must register an account with Facebook after which they then are allowed to attach personal data to their profile, add friends and start sending messages. There is also a service called Groups which lets users join organized groups over a common interest or subject. Examples of groups are, workplace groups or groups of certain interest.

For companies Facebook poses a huge potential to attract customers. Companies have two different ways to use Facebook as a marketing platform. The first is an advertising platform offered by Facebook where companies can pay to showcase commercials that are directed at users that might need that product. Through complicated algorithms Facebook analyzes what a user does and the person’s interests, products that would suit the user are shown to that person. These personalized commercials have revolutionized targeting specific demographics.

Facebook has a second platform to offer company’s exposure called “Pages” which was introduced in 2007. A company starts a Facebook Page which works as an internal website for the company on Facebook. Like pages look and behave much like a user’s profile would except it is a company or a brand behind the profile. Owners of these pages can send updates to followers of the page which will appear on the users own Facebook news feed. Users can also discuss with the company publicly on the company's Facebook Page.²

2.5 Twitter

Twitter is a social media networking service and micro-blogging platform which gives users the opportunity to read and send text based messages of up to a maximum of 140 characters. These messages are also known as “Tweets”. It was created in early 2006 by internet entrepreneur Jack Dorsey and quickly gained traction with users online. As of writing this thesis Twitter estimates to have around 500 million active users generating 340 million tweets a day. Twitter has quickly become one of the ten most visited sites on the internet and can be compared to an internet version of SMS. To use the service you can both be a member or just a reader. To read tweets you are not forced to become a member but being a member makes it

possible to follow people and the experience becomes a lot more comfortable. To send messages a user profile must be created and is filled in with personal information to complete the profile. Tweets are publicly visible by default but senders can restrict message delivery to just their followers. Users can tweet via the official Twitter website or a whole list of external applications which make use of the Twitter API.

For companies and brands Twitter imposes a powerful tool to quickly send out news to people interested in the products or services you are offering. Thanks to Twitter a company can see how many people they are targeting by looking at the follower count. When a message is sent to these followers all of the messages arrive into the target users feed and hard to miss. This makes Twitter optimal if you want to channel users to a product or service. To make sure nobody writes in your name Twitter uses an authorized user logo for companies and other public figure so that other users know they are following the real person or company.³

2.6 ROI (Return on investment)
Return on investment is a term relating to capital invested in marketing and the profits created thanks to the initial investment. Different forms of marketing can increase a company's profit, this profit is then analyzed with how much is invested. The result of these to shows the the return of the investment after all transactional costs have been withdrawn from the sum. This term can also be used to explain the return of investment on other projects than only marketing.⁴

2.7 # Hashtags
Hashtags are ways for users to categorize or tag their Tweet/Instagram post into a group of similar Tweets or pictures. This is a very powerful tool for both private users and companies in the way that it can funnel information from person to person that is interested in the thing that is tagged. If a company hashtags its own products the spread of that tweet will be seen by people searching for that phrase.⁵

2.8 ReTweets

ReTweets are messages that are written by someone else but resent to followers on your twitter profile will see and read. ReTweets usually occur when people agree with something or that a Tweet is written in a certain way that people like, example something written in a humorous way. ReTweets are powerful for companies in regard that if you write something with the thought that people will spread what has been written you will in the end reach demographics that do not follow or know about your company. You automatically get social proof through the fact that someone you follow and agree with thinks its worth Retweeting making the follower reading the ReTweet more interested.\(^6\)

2.9 Renegade/Rogue Consumer

The renegade consumer is a kind of consumer that has a very strong desire to show his or her thoughts about a product or service. They are renegade or rogue due to the fact that they don’t always respond or act on logic. They like creating a scene so that everyone around them notices what they are thinking about the product in question. Thanks to the “Big Megaphone” that is social media, renegade consumers have now got a platform to be more vocal than ever. This is a term that is growing and it is used more as a term to explain this type of behavior but no credible sources reference this term. Agresta & Bough (2011)

3. Examples of Social Media Impacting Companies Negatively

In this part of the thesis I will bring up some extreme examples of how social media can impact a company.

3.1 “United Guitar Guy”

One of the most recognized social media PR-disasters is the “United Guitar Guy”. It is about a United Airlines passenger by the name of Dave Carroll who had his Taylor guitar destroyed by the airline’s baggage handlers during a flight. Carroll reached out to United for reimbursement for his destroyed property but the airline denied any compensation for his broken guitar. Carroll decided to take it into his own hands and created a music video called “United Break Guitars” and spread it through social mediums. The video caught on and has

now been viewed by at least 4 million people on Youtube. The damage on the airlines reputation was large and undeniable. It’s expected that damage to the company is around $180 million dollars though it’s not known if that is due to only the viral video created by Carroll or the fact that the airline is struggling overall. One thing for sure is that the video did not do United any favors.7

3.2 Ryanair Boarding Pass Fiasco
A Ryanair customer by the name of Suzy McLeod ventilated her negative experience with the airline stating that she was forced to pay 300 euros for forgetting to print out her families boarding passes when she got to check in. Within a couple of days her post had 350,000 “likes” and nearly 18,000 comments in her support. What makes this so special is the way that Ryanair responded to the social media backlash. Instead, Ryanair’s owner Michael O’leary was very unapologetic, “We think Mrs. McLeod should pay 60 euros for being so stupid”.8

4. Previous Studies
In this chapter I present earlier studies researching social media and its effect on the business related to my thesis.

4.1 Earlier Research
According to a recent study by DiMastaso (2011) that examined the use of transparency in social media found that public relations professionals have realised the potential and value of using social media. An analysis made by DiMastaso (2011) showed that social media was found to be used as a tool to help organizations or companies be accountable for their actions and to communicate about how organizational decisions affect others. Public relations professionals felt that social media created a platform for open dialogue with publics that encouraged interaction and raised unexpected topics that helped strengthen the relationship according to Dimastaso (2011).

Like many may understand, Companies and organizations both large and small have jumped

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on the social media bandwagon realizing its usefulness according to Weinberg (2011). Important points brought up in his research regarding the use of social media and how to format your communications. Whether you are using social media to communicate directly with consumers, or to influence other to carry a message related to your brand, effective use of social media can benefit greatly with a personal touch that is relationship oriented according to Weinberg (2011). With social media defining a wide arrange of services it is important to define the impact of these as one unity. Though it must be said that the way these different services are used are important to the response from the consumers later on says Weinberg (2011). It is important to define the different ways to use these services to get the optimal results.

While Weinberg (2011) says that these services are so very different there are two factors used to explain the decision making. These two factors are called “The half-life of information and the depth of information”. The half-life of information works in a way that both the medium and content are in focus. It refers to the longevity of the information in term of availability/appearance on the screen and interest in the topic. Example of this is how quickly twitter and its twitter feeds can move off the screen. Depth of information refers to the richness of the content and the number of diversity prospects. Examples of this is an online community like Facebook can bring in a lot of rich interesting information.

According to Weinberg (2011) the strength of voice and control of the media has changed from the corporations and companies to consumers. At present, it appears that the consumer voice is dominant in the social space, relying on a social currency. However, organizations can leverage the social currency of others by devoting resources to relationship building with them. A key element for facilitating this is being able to know when individuals are speaking in the social space. When focused on social objectives, an important first step is monitoring for content of interest.

Social media has found a welcomed home with PR and media relations professionals. Technology has become a time saver for all parties involved according to Bajkiewicz (2011). In his research he looks at how journalists now use social media and to be able to contact these journalists is easier than ever and being able to voice a personal opinion about their reporting is a growing prospect.
Kaplan (2009) goes deeper into the psychology of how companies should behave on social media services. He has five points for how social media services should be run by companies. The first point is to be active on all the services you choose to be seen on. Being inactive loses customers interests and leaves your company looking very unprofessional. He goes on to add that you’re Social Media efforts must extend beyond responding to negative comments and defending product offerings. His second point is to be interesting, if you want your consumers to engaging you must give them a reason to do so. The third point addressed in his research is to be humble about using social media. Social media existed way before you decided to use it as a marketing tool, so take your time and learn how to use each service to its fullest extent. The fourth point is to be unprofessional when writing to your followers. This may seem silly but it actually carries some important weight to the discussion. It all boils down to not trying to exceed what is being done, don’t spend too much money on flashy designs and when writing, write like you would personally to friends. Lastly, point five addresses the fact that this day in age you can’t easily get away with lying so make sure you stay honest. He has a strategy on how to be seen as a company on social mediums and in what way they should communicate to their followers. Which is a strategy that companies may use and my problem formulation will answer that.

In the book by Agresta & Bough (2011) two social media strategists write their thoughts on how social media should be used. The book is split into two, with each author giving their opinion to each chapter. The fact that the book is laid out in this way I will reference the current strategist when referencing to their thoughts. Bough (2011) goes deeper into what the cost of entry for a social media marketing effort would be. His analysis shows that the cost could be as little as a few minutes of a person’s time to creating a well strategized team to create elaborate social media experiences. The focus should be on the shifting mindset of marketing professionals to understand and be able to utilize social mediums to its fullest. With social media, one must shift from a campaign mentality to one where you build long lasting relationships with your customers on a personal level. Agresta (2011) has the same thoughts as Bough (2011) and points out that it is pretty much free for everybody and virtually anyone can participate in it. From a tactical level redirecting resources to social media is still a lot less of the costs. Bough (2011) brings up a couple key elements that must be used in order to execute a successful social media marketing effort:
• **Listening and monitoring:** This is the most important element of all, its key that one listens and monitors activity about your brand or business to understand what the consumer is thinking and talking about.

• **Community Management:** It takes resources to actively monitor and communicate on these social mediums. The cost is time and human resources to make sure that your company is managed in the right way on these mediums. This is in its own right, a cost that is worth it to create a long lasting active community engaged in your brand and business.

• **Community Participation:** It requires resources to keep your social media platforms vibrant and active but is a cost that one would be happy to stand for.

• **Value exchange:** At the core of many marketing campaigns and especially on social media platforms the value that you provide keeps people coming back. This can be accomplished by having exclusive content spread through these mediums or for example featuring user content to your other followers.

• **Advocate identification:** Advocates are users that are passionate about what you do and the brand itself. It is important to take care of these users as it is not as much about the message you want to spread as much as it is the message you want people to share with others about your brand. You should quickly identify these users and make sure to support and take care of them the best you can. All in all, people listen more to friends then they do companies and brands.

Agresta (2011) goes deeper into the research behind the “Renegade” consumer and the impact of this consumer being vocal with his or her opinions. Being a “Renegade” consumer often refers to the fact that you may take a lot of what is actually happening and apply it to a different context which results in the facts that you are providing no longer state the truth. Agresta (2011) points out that “this type of behavior is the norm today, not the exception.” Consumers in today’s connected world have a bigger megaphone then they used too. Sometimes complaints against a brand are legitimate other times they might not be but the fact remains focus should be on the brand dealing with these vocal consumers who openly accuse the brands of wrong doings. She thinks that the ideal situation is to try to take any
negative public conversation offline and deal with it in a way which is more private for both parties. Point out that you are listening to the unhappy consumer to show the public you are taking measures to assure that the consumer’s rights are respected and then point the conversation offline so the final decisions are made in private. This shows the public that you are listening and at the same time directs the focus for the unhappy consumer to expressing himself offline outside of the public eye where they could possibly affect other consumers.

Szabo (2009) says “overreacting to negative online feedback can create unnecessary confrontation and isn’t always worth the effort.” Something as easy as a polite comment can settle a dispute almost every time. Szabo (2009) has written some rules and guidelines to avoid a public relations crisis. He starts by explaining what kind of people you can expect to interact with on these social mediums “We put antagonists into four categories: trolls, misinformed bloggers, unhappy customers, and scrutinizers.” As quickly as bad news can spread across the internet to create a crisis for your brand, just as quickly can your company now answer these problems. “Never before has telling your side of the story been so easy. By publishing you who, what, when, where, why and how before the media does gives you a lot more time to squash rumors.” This literature shows the importance of rules and guidelines to avoid a public relations crisis. A connection to the problem formulation in this reasoning is to be able to spot and categorize what type of critique is being shared and the importance of it.

5. Rationale

With earlier research showing that there is research detailing strategies that can be used by companies and enterprises, are these strategies used? If there is an optimal way of addressing negative feedback is the reason for its use widely spread? How many companies know about this research and do implement any strategy at all? Therefore I have decided to research what these companies know, how they are affected and if they have a strategy.

5.1 Problem Formulation

“How do companies address negative feedback from consumers on social media?”

6. Method

In this chapter I present the process of collecting data for this thesis to support my research.
This section also include what methods were used to support my analysis.

6.1 Choice of data collection method
The goal is to create both a qualitative and quantitative results for the background of the thesis. I have used three different methods to collect information from what I feel is a good base for my results.

6.1.1 Interview
To collect data I have used an oral interview to gather qualitative data straight from a respondent that is educated in the subject. To find out how strategy is created and also how it is used in regard to negative feedback.

6.1.2 Data Collection
I have also done some personal data collection of how companies respond to negative feedback by following the discussions publicly on their social media pages. These data collection have been carried out during 7 days. During those days I have followed the companies’ actions on their social media pages. Looking for posts containing both praise and critique towards the company and then how the company answered.

6.1.3 Survey
I have made use of an email survey to gather as much background and quantitative data as possible. The interview was completed after the surveys answers had been received to give me more background to be able to create more precise questions. The questions were predetermined before the interviews took place and they were not strictly limited towards a certain answer but instead built upon the interests of area of research.

6.2 Selection
I have decided to interview a social media strategist. The reason for this is that his profession is to analyze how companies, like his own behave on social media. This gives me a view of how strategies are created and used. The survey went out to businesses in the same from all different types of areas and professions to give me a wide data collection.
To lay the ground for where focus in this thesis should be, I conducted a simple survey sent to companies based in Sweden that I know make use of social mediums to market their brands/products. No special branch or demographic was targeted and a wide range of companies answered. I have sent this survey to companies in all branches of business, for example clothing, electronics retailers and travel companies. It is also important to point out that these companies also vary in size, both large and small. The reason for the wide range of companies is to get an answer applicable with every branch. The survey consists of 11 questions with “Yes or No” answers regarding the use of social media in the company which were sent via email. The reason for simple questions and answers is to make it as easy as possible for the person answering the survey and to quickly get distinct answers.

For the data collection I chose two companies that I have noticed recently have been getting attention on social media with customers who are unhappy with their service or feel that they have been not been given what the contract between the consumer and customer have agreed upon. The first company I observed was the Swedish branch of Hertz Rental Car and their activity on Facebook. They are active on twitter also but not enough to base any research on. The second company which has been often getting hit with negative feedback online is the Swedish cell phone provider Tele2. They are very active on both Facebook but less so on Twitter. I decided to observe their actions on Facebook also. Being a customer of both companies gives me basic insight into their services and their actions before the analysis. I have decided to publicly post names of companies and customers because I feel that when a consumer openly posts to a company’s public Facebook page or Twitter feed the right to the consumers privacy has been revoked with that action.

6.3 Analysis of data

The interview that has been executed via Skype/Email and has with the respondents agreement been recorded for easier recollection of what was said. The interview questions were structured and analyzed with help and tips from Judith Bell (2005).

The most important part taken from bell is what rules are to be used and needed for the interview. An example of this is asking for permission to record the interview or wanting to use the name of the respondent in the paper. It is important that the respondent knows this well before the interview takes place and Bell (2005) points out that it does not help to say
this five minutes before the interview is to be conducted. Bell (2005) also brings up the importance of bias in the interview and when analyzing the answers it is important to take this into account when coming to a conclusion based on the information.

The survey has been collected and analyzed from the emails received by the respondents. Many of the responses were longer and more thorough than required so I kept the main point of the answer and shortened the answers down. They were then inserted into an Excel document where it was easier to get a more overhead view of the results.

The observation was based on following two random high profile companies and their response to feedback on Facebook. I used the information that was on the page to structure the observation for analysis. I have decided to keep the names of the company’s and respondents to strengthen the results. The names are posted online on a public forum so I feel that it is not an invasion of privacy to use these names.

7. Results

In this part of the thesis I present information about who has been involved in the data collection and a summary of interesting and relevant results for the problem formulation.

7.1 Survey

Out of the ten companies when asked for how long they have been using social media, one company had used social media for as long as 6 years while on the latter side a couple had been using these services for 2 years. The rest had different answers shown in Figure 1.
When these companies were asked how much time they spend each week on their social media engagements I was given a very broad answer. It clearly shows that there is not a norm for which these companies use these services and it is all reflected in the results. The company that puts the most time into its social media was 20 hours a week which works out to 4 hours a day and the one with the least engagement was 8 hours. This is shown in figure 2.

When asked if the companies have anyone specific employed for monitoring and marketing via social media the answer was that eight out of the ten companies asked had no specific employee responsible for the social media engagement. The remaining two did have an
employee specified to social media, though that was only part of their responsibilities. They also had other parts of the company’s marketing as their responsibilities.

The company’s asked were all active on Facebook and 4 out of the ten company’s had activity on Twitter. It is important to observe that 2 of these companies added that they post to Twitter via Facebook but actively monitor Twitter for responses. Another note is that many of the companies that do not use Twitter actively, still have a Twitter account.

**Figure 3:**

When asked if these companies feel that these social mediums have in turn helped them respond to their customers’ needs better only one of the companies said that it hasn’t. 9 out of 10 companies feel that social media has helped them respond better to customer’s needs.

When a customer is unhappy with your product or service, is the customer’s response being shown more in the public domain via these communication tools? Eight out of the ten companies asked answered that they feel customers responses are more often being shared via social mediums. Two out of the ten companies asked responded that they did not see an increase in unhappy feedback via social mediums.

When the companies were asked about how they respond to negative feedback via social mediums a choice was given: Publicly, Don’t Respond, Email/PM or Other. The two answers that were received were either publicly or via Email/PM as shown in Figure 3.
The next question was if the response is different to negative feedback online or if it is the same as when responding via Email/Phone. Out of the ten companies asked half of them admitted to giving a different response when in public view online. The 5 other companies answered that they respond the same way on all mediums.

When asked if this negative feedback is affecting the company in question with it sales or reputation the answer was 100% that no impact was noticed from negative feedback online.

The companies were then asked if any education or courses are given to teach employees how to use social media in the most effective way. This question was focused on the employees with the main responsibility for the social media capital in the company. All but one of the ten companies asked had no education in social media use of any form for their employees.

The final question was regarding the satisfaction that the company feels social media gives them as a communication device to analyze feedback and the way that they use it to combat rogue consumers and negative feedback expressed online. All of the ten asked companies say that they are satisfied with what social media has given them, as a form of feedback tool.

### 7.2 Interview

The following are the results of my interview with Chris Horak, The Global Head of Marketing for Cloud Suite and Financials at SAP. He has answered a total of 16 questions
relating to his role and his strategic view of social media as a tool to respond to consumer’s needs. The answers were longer than shown but I have decided to eliminate the excess and report the important highlights that can be connected to my problem formulation:

Do you believe that social mediums have changed the communication between consumers and companies? If yes, what way?

“With social media the customer’s voice is getting stronger and more powerful. It is important to note that while this is happening, it is also getting easier to get the market listening.”

What does social media help you achieve and what are the benefits?

“We have better interaction with customers, influencers and partners. It’s easier, faster, cheaper, and more “human” meaning taking the complexity out of the discussion.”

How do you control/analyze your reach and ROI via social media?

“We don’t do that very well yet, nobody does what I have seen. It’s still early days and the tools to effectively analyze your ROI are evolving.”

What tools are used in this process?

“Lots of social media analytics tools, PR Agencies, surveys, qualitative and quantitative studies.”

If you use specific tools, are they used only for social media or in other parts of the company?

“There are specific Social Media analytics tools in play (we keep changing, trying new things)”

What services does your company use actively and which of these gives your business the best response?

“Other than PR companies, we don’t use services much, we do a lot of our own work, host our own community with 2 million members scn.sap.com.”

Do you feel that one social media service is enough or do you have to be present on all of the larger services?

“Social media is only a small portion of the big services picture, but growing in importance.”

Do you feel that the style of writing on social media should be more personal or should it be clear that it is not one sole person responding but instead the company as a whole?
“Social media has to be personal!”

How often do you respond to feedback on Facebook/Twitter?

“Personally, every day, as fast as possible, we have 100s of active contributors.”

When the feedback is negative, in what style and tone do you respond?

“You have to respond personally, and in a conversational tone to make sense in the medium.”

Do you respond in a different way when the negative feedback is out in the public domain for anyone to see?

“No, one has to learn how to deal with negative feedback in an open way.”

Do you feel the importance of addressing these issues publicly?

“I do, but there are different opinions, some prefer to stay quiet on negative issues. It also depends on the issue, who is raising the point, etc.”

If a consumer wrongfully accuses you of something negative and gets backing from other consumers that think the original consumer is right, how do you tackle that problem?

“If the accusation is wrong, you simply state that you think the accusation is without merit. If the accusation is right, you state that you are looking into the issue and that feedback is always welcome.”

Who is employed at your company to operate the daily social media operations?

“There is literally 100s of people involved in this, it has become a core responsibility of marketing and communications to engage with social media.”

Any specific strategies used by this employee operating the daily social media communications?

“We have detailed guidelines and training classes available, there is a steering committee, a number of communities etc. and our whole work style is evolving away from email into community based collaboration.”

Are there any courses that are given from the company to give guidance on how these social media accounts should operate?

“Yes, many, and growing!”

7.3 Data Collection

The first company I observed was the Swedish branch of Hertz Rental Car. I observed specifically their activity and responses on Facebook. After reading through many pages of discussions on their Facebook page it was apparent in the way they would respond to a customer’s likes and dislikes. They are very quick at answering and would always answer at the latest the same day. Their overall strategy is to bring the discussion out of the public eye
and into a more discreet personal communication via phone or email. All of the posts on their Facebook pages have responses which seem to be resolved.

One of the most commented and most discussed on their page is from July 16, 2012 which is by a customer called Johan W. who has had a bad experience with Hertz and has decided to ventilate this on Facebook. The post has 63 “Likes” and around the same amount of comments referring to the post. It is referring to a rental during the summer to where he has been accused of damaging a car and according to Johan W. been accused of fraud for not paying the fine that was issued by Hertz. This will be a recollection of the most important parts of the discussion. The first person to answer this post was Hertz with the answer;

“Hi Johan, It saddens me to hear that your experience has been like the way you have described it. I hope you understand that it is hard for us to answer to specific cases but instead to contact the rental center you used for further information” Hertz

“No, I don’t understand why you are too afraid to approach an unhappy customer online. It’s a perfect way to show your company’s customer service by addressing the issue in the public for everyone to see.” Johan W.

At this point, from the second post and onward many posts are posted displaying disgust at the actions by Hertz. Many of the posts include threatening to cut all ties with the company and never using their services in the future. Not long after all of these posts started appearing Hertz issued another reply explaining that they have rules and regulations that must be followed as a procedure to come to conclusion. They admit that even they can make mistakes but the fact remains that process will be the same for Johan W. just like other customers that voice complaints via email or phone.

After the last post by Hertz the customers keep complaining about the lack of empathy and threatening with legal action. Some posts even contain apparent teaching on how social media in this day in age can hurt a company badly if not approached correctly.

“In Social Media this will quickly become a “talking point” and very expensive for Hertz in the form of negative critique towards the company and in turn loose customers. My guess is that they are going to “fix” this, apologize and offer some form of loose compensation.” Niclas N.
The thread continues with complaints from more and more people that feel this is the right time to address their issues with the company. Hertz continues to respond to these complaints with what can be seen as routine answers. They even offer Johan W. to call the head office directly which he declines. Towards the end of the thread it dies out with no public resolution which means that it was probably resolved outside of the Facebook thread. After some research into the other complaining I found that a couple of them were friends with Johan W.9

The next company I decided to observe on a smaller scale was the cell phone company Tele2 which has been getting a lot of bad press lately due to its lack of following through with its promises to customers for example with speed or cost of broadband. When you have a look at Tele2’s Facebook page you are greeted by a well-designed page with clear buttons and definitions of what the page contains. The top post on the Facebook page is a Christmas greeting to all the visitors of the page and under that are 241 “likes” and a lot of comments. Every other comment left under the picture is a complaint for something about the service not working or something related to problems with the service. Tele2 answers about 1 out of every 10 comments posted under their updates on Facebook. On every update they have posted, there are a whole lot of comments not related to the update at all and are mostly comments to express negative feedback to the service and/or company as a whole.10

8. Analysis and Discussion

In this part of the thesis I will analyze and discuss the results I have received from my data collection methods.

8.1 Survey

The results of my survey were very polarizing but give a clear definition on how companies apply themselves to social mediums and how feedback affects them. It is important to note that social media is a wide term and that I was clear with the respondents that this was focused on Twitter and Facebook. I often received longer than simple yes or no answers though i decided to cut them down to clearly show the distinction. When asked how much these companies frequent on social mediums I was given a very broad answer but which also

shows clearly that social media is still a new phenomenon. Many of the companies asked seem to be in the same position in connection to social media. Not much stood out but it clearly shows the effects with social media on these companies and from the information that was attained it shows that no impact was noticed from negative feedback online.

8.2 Hertz vs. Johan W.

This is the part which I feel really shows the “Catch 22” that companies are faced with when dealing with complaints online. In this case we have Johan W. and his complaint with Hertz which he feels is warranted to be posted online for the world to see. So far I personally do not see a problem with any actions taken by either side. Hertz responds to the complaint formally with a response that shows they would like to address the issue but that the lack of information for them makes that difficult and instead recommends Johan W. to contact the local rental office.

At this point is where I find it interesting that the whole thing took a turn and expanded into such a large discussion of people feeling let down even though they don’t know the whole story. Let’s break the whole scenario into what we know so far:

- Johan W. had a bad experience with his rental and falsely accused of damaging the vehicle.
- Hertz answers with a generic response pointing out the difficulty for them to resolve this on Facebook.
- These are the only two parties that know anything about what has actually taken place
- 60+ comments are posted accusing Hertz for not being true to their ideals and not giving any good will.

This is absolutely fascinating to me that so many people that have no facts other than what is written decide to warrant joining the discussion, especially when they have absolutely no similar experience. So if we decide for one second that Johan W. is telling the truth then all of this negative feedback may be warranted. At the same time Hertz has answered to all his demands of communication and have explained exactly what is occurring at the time of writing. Technically Johan W. telling the truth does mean that in the end all of his “supporters” are supporting justification.
If we instead look at it from a different perspective and say that he is lying to get out not taking responsibility for what has occurred. That would mean that all of his “supporters” are supporting someone who is indeed possibly trying to commit fraud and without further evidence how do they have the right to proclaim that Hertz is in the wrong. Hertz clearly explains it has norms and rules from which it follows in all of these cases. Is it now a point that if you get enough moment behind a post on Facebook that a company like Hertz should change its policies for that one person because so many people “believe” him to be in the right? I believe that Hertz acted correctly the whole way through, approaching the issue from a stand point that they must abide by. Like earlier research shows, they approached the matter by explaining the routines and that they would gladly continue this discussion via phone bringing the whole discussion “offline” and voiding larger spread of the public relations disaster. The strategy they used to approach this renegade consumer was appropriate and shows that it’s hard to tone an event like this down.

8.3 Tele2 on Facebook

After following Tele2 for a couple of days it was clear that they have a social media public relations problem with every move they make online. Every update they post they get negative comments and unhappy customers. Like I pointed out in the Hertz case, many are surely warranted but just as many are probably not. I feel that there might be a misconception between the users of Tele2 and Tele2’s Facebook page. A comment that got me thinking was one customer who posted “Why won’t you answer my post, it’s been two days.” My thought was, they are a cell phone company so why not call them? I think Tele2 needs to be more forward with its customer service issues and divert it to another part of their Facebook page or divert it another service. Most of what you will find posted on their page is complaints and negative feedback and hardly any of it has been met with a legitimate response.

8.4 Interview with Chris Horak

Chris Horak gave me good insight into what I already believed to be going on with the strategy of social media relations. What surprised me the most was the lack of proper ROI tools to measure reach and engagement with the different social media platforms. I understand that social media is still a very new phenomenon but I thought that tools to measure ROI were something that the business would develop quickly. He also backed up the theory of trying to
be personal with your audience to build a sort of rapport with your followers with that personal touch. In a whole, what Chris said was pretty much what earlier studies have told us. To not keep quiet but at the same time not let the issue at hand escalate.

9. Critique of the Method

Critique of the survey is the fact that I noticed that companies didn’t really have any concrete answers to every question that was asked. When I asked the question “If they answered differently to feedback online then via any other type of communications device”, I noticed that as a company that is something you would not like to admit too. You don’t want to admit to giving different responses to consumers just because the public can see it. So I feel that getting that information would only be possible via direct internal data collection or experiencing it as a consumer yourself. Many of the companies involved did not want to be named during the survey so I decided to make it all anonymous. It would have been better to know which companies had which strategies to get a more definite answer of what is being implemented in form of strategy and in which branches of business. My goal was to analyze Twitter in this thesis but what I have noticed after sending out my survey is that many companies in Sweden do not regularly use Twitter as their main communications tool. This gave me very little information from the Twitter side of the thesis that I would like to know more about and go deeper into the differences that occur on that platform compared to Facebook for example.

I also feel that my focus was towards businesses mostly without looking at the other side, the consumers. The fact is that the consumers are what create the scenario in the first place and studying the psychological aspect of their thoughts and actions would be a good addition to my research.

Critique of the interview I feel is that I only focused on one person’s opinion. It was extremely hard to find other people in that position which had time for a phone interview or even interested in it at all. I do feel the answers that were given were not partial and had I interviewed someone directly from a company that has had social media problems in the past I felt that their answers would be partisan to the company’s best interest.

10. Conclusion
Social media marketing and relations is still a relatively new part of marketing. This means that using these different platforms is recommended for any company wanting to further their business and keep a positive relationship to their customers. At the same time, being extremely vulnerable to renegade and unhappy consumers that voice their opinions out in the open is for the public to see. The chance for a company to respond in a positive light is also a lot easier than it has ever been. It is vital to not avoid confrontation and make sure to address needs of the consumer but what is clear is that there are good and bad ways to do this. The most vital one being, not ignoring feedback because in the case of the “United Guitar Guy” there is a risk that a company can take an enormous negative effect and its reputation can be tarnished.

My conclusion after my research is that there are optimal ways to go about your response and keeping your image intact. People are going to voice their opinions online and that is just going to keep growing. The best way is to show the rest of your follower base that you care and by doing so answering the feedback online for the world to see. That answer should be formulated in a way that shows you are interested in the consumer’s needs but that you would like to continue the discussion offline and resolve the problem via email or other “behind the scenes” contact. This is to show other consumers following the problem the feeling that you are taking this seriously and have the will to help. I feel this leaves all parties involved with the best possible outcome. Obviously not all consumers are going to be happy with every response you have but that is how it’s been for a long time before social media existed.

To round off my conclusion, regarding if companies should be worried about a possible backlash from responding poorly or having the odd consumer blaming you for your faults, be it warranted or not. No, they should not be worried. Results from my survey clearly show that bad customer feedback doesn’t have to affect the company at all. The type of feedback to go on and affect a company are the stories that are outrageous. These are the stories that go viral and turn into a subject many would bring up at the dinner table for example. When it goes this far it is an issue to be worried about. Concerning smaller companies that do not have feedback that has gone viral should not worry but at the same time take care in responding all of the customer’s complaints.

11. Future Research
I feel that it would be interesting if there is a lot more future research in the subject because this is still a very new field and there are a lot of different social mediums left to analyze. Examples of these are Instagram and Google+ which have been growing a lot as of late.

Another important part which I feel should be analyzed deeper is forums like Flyertalk.com and Businessclass.se. Forums like these are meeting points for people of the same interest, in this case frequent flying forums, are mediums where people talk about companies in great detail and are usually big customers. I would imagine that a bad reputation here is something that would spread like wildfire to other social mediums. Websites like a Reddit, a forum/news aggregate could also be grouped into the forum category. We know that companies get both positive and negative publicity from websites like this and the impact would be interesting to analyze.

Finally, there are now websites dedicated to giving feedback to companies. One of those sites is Gripevine.com. Gripevine.com is a site where a customer can complain and compliment many different companies from one site. I am unsure at how big the user base for websites like this are but it is absolutely a new trend in feedback and should be analyzed.
12. References

12.1 Academic references


Bough, B. Agresta, S. Jason I. (2011) “*Perspectives on Social Media Marketing*” Boston MA, USA


12.2 Social Media References

*Facebook:* <www.facebook.com>
*Twitter:* <www.twitter.com>
*Google+:* <www.google.com/plus>
13. Supplement documents

13.1 Survey Questions

1. How long have you actively used social media for marketing purposes?

2. How many hours a week are dedicated to the use of this Social media Service (For example, Twitter, Facebook) to market your company and respond to consumers?

3. Has anyone at the company been delegated/employed monitor and respond via social media?

4. Which Social media services do you actively monitor? Twitter, Facebook, Both?

5. Have any of these Social mediums helped you respond to consumers needs better?

6. When a customer is unhappy with your product or service, is the customers response being shown more in the public domain via these communication tools?

7. How do you respond to negative feedback on these services?

8. Is the response different to negative feedback when funneled through the older communication channels like email and phone?

9. Is negative feedback affecting your company’s sales or reputation?

10. Is there any education or courses given to your employees to better make use of social media?

11. Are you overall satisfied with social media as a communication device to express negative feedback and the way you combat the negative feedback giving your business a bad reputation?

12.2 Interview Questions
Introduction: Tell me about your role and your company's relationship to social media.

1. Do you believe that social mediums have changed the communication between consumers and companies? If yes, what way?

2. What does social media help you achieve and what are the benefits?

3. How do you control/analyze your reach and ROI via social media?

4. What tools are used in this process?

5. If you use specific tools, are they used only for social media or in other parts of the company?

6. What services does your company use actively and which of these gives your business the best response?

7. Do you feel that one social media service is enough or do you have to be present on all of the larger services?

8. Do you feel that the style of writing on social media should be more personal or should it be clear that it is not one sole person responding but instead the company as a whole?

9. How often do you respond to feedback on Facebook/Twitter?

10. When the feedback is negative, in what style and tone do you respond?

11. Do you respond in a different way when the negative feedback is out in the public domain for anyone to see?

12. Do you feel the importance of addressing these issues publicly?

13. If a consumer wrongfully accuses you of something negative and gets backing from other consumers that think the original consumer is right, how do you tackle that problem?
14. Who is employed at your company to operate the daily social media operations?

15. Any specific strategies used by this employee operating the daily social media communications?

16. Are there any courses that are given from the company to give guidance on how these social media accounts should operate?

13.3 Interviewed Person of Interest

Chris Horak: Social media strategist and Cloud Suite Financials for SAP