

Running Head: CUSTOMER FEEDBACK AND ORGANIZATIONS

How do social media and blogging affect the way
an organization handles customer feedback?

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This paper contains my own, original work; contributions from other sources are duly cited.

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Abstract

How do social media and blogging affect the way an organization handles customer feedback?

Dave Carroll seemed like an ordinary customer to United Airlines, he purchased a ticket and checked in luggage just like hundreds of thousands have done in the past. However, Dave proved to be the catalyst that shook up United Airlines and drastically changed the way United handled customer feedback.

Dave Carroll was a member of a small band that was traveling home from a concert via United Airlines. Upon arriving Dave realized that his \$3500 guitar had been smashed in luggage by one of the United workers. Dave, being very disappointed, contacted United Airlines on multiple occasions to express his feedback and also requested that United pay for his guitar repairs. United Airlines declined each of Dave's requests because in the past there was really no way that one customer's negative feedback could hurt the entire company.

United Airline's failure to address feedback from Dave ultimately resulted in one of the biggest internet backlashes in history, says Karen Bliss of RollingStone.com. Dave, utilizing the social media giant YouTube released a video bashing United Airlines for the poor handling of the incident. The YouTube video was an instant hit and within 72 hours had 1,500,000 million views (Bliss, 2009)!

As you can imagine United Airlines faced a major backlash for their actions which no doubt hurt year end profits. This entire situation escalated solely because United had not shifted the way they handle customer feedback to adapt to the fast pace world on the internet.

United Airlines and other Fortune 500 corporations must fully understand that drastic changes must be made in order to adapt to customer feedback via social media sites and blogging. Prior to Web 2.0 (social media & blogging) communication between corporations and

customers was typically one-way where the corporation was the sender and the customer was the receiver. There were no dire consequences that came when corporations chose to ignore one customer's feedback and most of the feedback was handled over the phone or face-to-face. Times have changed and customers are now sharing feedback via Computer Mediated Communication (CMC) instead of the traditional face-to-face model.

Learning to deal with the shift toward CMC and understanding the basic technology behind the shift will help managers to deal with public feedback and will also help the manager gain the skills needed to train employees. Since a switch to CMC eliminates the need for face-to-face communication, organizations must learn CMC cues and how to read and express emotion through textual communication. (Asako & Kiyomi, 2007)

Fully understanding Computer Mediated Communication can help corporations and managers deal with customer feedback fast and effectively in a way to avoid a major customer backlash (Barnes & Geller, 1994). To help managers and organizations understand how to adapt to the changing environment we must examine the following research question: How do social media and blogging affect the way an organization handles customer feedback?

To answer this question we will use previous research by scholars to fully develop the variables: social media and blogging and we will define terms that you may encounter throughout this paper. Gaining a better understanding of these variables will help us to accurately address the research question. To analyze and to answer our research question we will fully examine the Organizational Communication theories of: Social Presence and Media Richness. The conclusion will examine the main points of this research paper and will offer direction for future research.

Literature Review

In this Literature review section we will be examining the variables: social media and blogging. We will be looking at how each of these pertain to customer feedback and organizations. This section will define key terms and give scholarly references to lay a foundation for our research question.

Social Media

The term “social media” perhaps was best defined by scholars Boyd & Ellison (2007) who defined it as:

Web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. (p. 211)

As you can see by this definition social media is any web based website that allows users to participate by sharing their ideas, beliefs, and feedback with a large group of individuals. This large connection allows communication to flow in these CMC channels very quickly.

Social media is a very fresh topic since the development of these sites have only started over the past few years. Sites such as Bebo, MySpace, and Facebook were some of the earliest social media sites developed. Even with the recency of the topic some distinguished scholars have recognized the importance of understanding the “social media movement” and have begun investigating this variable. Perhaps some of the most well known scholars who have adopted this variable in their research include: Barnes, N.G., Kaplan, A.M., & Marken, G.A.

When referring to social media there are a few terms that are closely related; therefore it

is very important to define these terms for future reference. The term “Web 2.0.” was defined by Bulik (2006) as:

These companies are interactive. They invite consumer-generated comments and content, unlike Web 1.0 companies, which publish mostly read-only content. The term was coined by O'Reilly Media's Tim O'Reilly and Dale Dougherty when they were trying to come up with a name for a conference that would accurately describe the new generation of consumer-generated media. (p. 6)

The term Web 2.0 is essential to the study of this research topic because it represents a time in history that customer feedback with organizations shifted from a face-to-face, one-way communication model to Computer Mediated Communication (CMC). This shift opened the door for customers to share feedback quickly with organizations as well as billions of others across the world wide web.

There have been many literature reviews published on the topic of social media in the past few years. After looking at numerous research studies we found a few articles that we felt clearly demonstrated a need for organizations to adapt to the changing environment of customer feedback. This research shows that there has been a drastic shift toward Web 2.0 Computer Mediated Communication.

The first research article we looked at had 2271 participants who responded to a survey that allowed a test of a media use model based on information processing theory. Ten specific media were nested within four factors. The research was aimed at seeing if individuals of different ages, origins, and sex were comfortable expressing themselves via social media. The results of the research showed that the large majority of participants were more comfortable with

giving feedback via the internet than they would be in a face-to-face communication environment. Older age groups were the only exception to this research (Phillips, 2008) .

Managers in organizations must fully understand social media and who is using it in order to fully adapt to each customer's needs. The aforementioned article can show an organization that the largest portion of the population feels more comfortable with a CMC communication style; therefore the organization must adapt to the needs of their customers.

The problem with this first study is that it did not specifically state which demographic was most comfortable with sharing feedback via social media sites. It did suggest that older age groups were not as familiar with the changing environment but no specific age groups were noted.

Research reported by Riegner (2007) studied over 4000 participants who completed an online survey using a broadband internet connection. The research was aimed at determining which age group most used social media to express feedback with an organization. The research found that participants in the age group of 24-44 were more likely to express feedback to an organization than those outside of this age bracket. Individuals in the age group of 13-23 were the most comfortable with social media; however, the survey showed that these individuals were mostly using social media for interpersonal (friendship) communication.

Reigner's study can give an organization and its managers a much better idea of who exactly is using these social media sites to express feedback. Understanding the age group involved can help managers to adapt their communication responses on these sites. The study dated 2007 suggests that this age group is expanding with each generation as more users grow comfortable with social media. So today, in 2010, the age group may have already expanded

three years to 24-47. Organizations must recognize the fast shift and train employees and managers how to respond to customer feedback over these social media sites.

Now that we know which demographics are most using social media sites it is important to look at how some of the largest Fortune 500 organizations have adapted to the changes thus far.

The next research study we examined focuses on how major corporations like Dell, HP, and Amazon adapt to a trend towards social media and how they listen to customer feedback in a new way. After interviewing management from some of the world's largest organizations Marken could draw some obvious conclusions. The research found that the "fast pace" of social media has a direct relationship with the amount of sales made by an organization. The results also show that these large corporations admit to having to "bite-the-bullet" when dealing with the feedback from these social media site users. Some times making the necessary changes to a product or service can be quite costly; however, those interviewed noted that a backlash of ignored social media feedback would be much greater in cost than simply adjusting to consumer needs (Marken, 2007).

The research literature we studied had some very important trends that we feel should be noted. (1) There is an obvious shift towards using social media sites to express feedback with organizations. (2) This shift is happening very quickly and with each generation the number of participants using social media sites is growing rapidly. (3) Organizations who recognize this shift and become experts in Computer Media Communication have proven more successful in maintaining a profitable business and a positive image.

While studying published research literature we did note one major gap in all of the

research. Most of the research expressed that a change is happening and noted that organizations must adapt to these changes; however, there was very limited information about how exactly organizations should adapt. Later on in the analysis section of this paper we will use two Organizational Communication theories to give some direction on these issues.

We can make the conclusion that the enactment of Web 2.0 has changed the way that Organizations deal with customer feedback. In order to be successful and to grow organizations must train employees how to communicate with customers using social media sites.

Blogging

Blogging is another way that individuals can express themselves via the World Wide Web. Blogging, along with social media, has proved to be a dynamic way for individuals to express their feedback to or about an organization.

Before diving into the topic of blogging it is important to have a clear definition to what exactly blogging is. Rebecca Blood (as cited in Beeson, 2005) defined a basic blog as “a Web site with a continuous, chronological series of posts – some inviting comments from readers – on any topic imaginable, often containing links to sites throughout the internet” (p. 16).

Unlike social media sites where multiple individuals can write and create topics and pages, blogs are typically owned by one individual who can express his or her view points via posts. These posts can then be read and commented on by anyone on the world wide web. Organizations should recognize the fact that angry or upset customers can now easily share their negative feedback with others around the world and this post could stay around on the web and search engines indefinitely. It is for these reasons that corporations should learn to utilize Computer Mediated Communication in order to diffuse negative feedback before it escalates.

Blogging has been around for a bit longer than social media; however, the topic is still relatively new. There are a few scholars who have spent a great bit of time researching how blogging affects organizations. Some of these well know communication scholars include: Beeson, P., Marken, G.A., & Teich, A..

When studying blogging you may encounter the word, “Weblog”. According to Marken this term is used to describe a blog that is used by corporations to speak directly to customers, employees, and stock holders (2005).

Traditional communication methods for organizations to communicate with consumers was a one-way push of information. Blogging has switched the way an organization communicates to a two-way method where there is a message received by a consumer and then a message is sent from the consumer back to the organization through a blog (Riegner, 2008). In our research we found a study by Teich that focuses on the drastic switch in communication and how organizations are being forced to adapt. This study examined and conducted case studies, open threads, interviews, and polls to see what organizations think about the shift towards social media and blogging. The research shows that there is a market expectation for organizations to react and make decisions based on consumers input via blogs and social media. Organizations who state that they regularly monitor bloggers and adapt their business towards customer feedback show a larger increase in sales (for the most part) than organizations who do not actively engage in monitoring blogs. (Teich, 2008)

By examining Teich's research we can conclude that organizations who listen and respond quickly to customer feedback on these blogs will prove successful if profit is a means of success. In order to fully understand where bloggers are coming from and in order to effectively respond

to these bloggers it is important to understand the personality traits of those who are blogging. Are most bloggers introverts or extroverts? To answer this question we turn to a research article published in 2007.

622 invitations were sent to random Blogger.com clients that were ran by one owner and at least 18 years old. A response to the survey was received by 154 bloggers. The goal of this study was to explore the role of “personality characteristics” in relation to who is most actively blogging on the web. The results showed that the majority of bloggers who participated considered themselves to be extroverts who were highly connected to social networks both on and off the web (Stefanone, Chyng, 2007).

Understanding the personality traits of the “typical” blogger will help organizations and managers effectively relate to their feedback. The characteristics of an extrovert is typically to have a desire for attention, the love crowds, and are mostly outspoken. Although this is the “standard stereotype” the information can help managers to affectively communicate with customers over the Computer Mediated Communication (blogs) (Pawlik-Klenien, 2007, para. 2).

Organizations cannot ignore these blogs by simply writing them off as an outspoken customer. In fact, Cammaerts (2008) used previous research and surveys to determine rather blogging and/or social media used by consumers actually influenced other's spending habits. The research found that there is a very strong correlation; in fact, the article calls it “an undeniable relationship” between consumer blogging and its affects on consumer spending. If consumer's blogs can directly affect sales then organizations must recognize the trend and do anything possible to positively adapt to the feedback left by bloggers across the web. The study does find that certain bloggers with higher levels of reputation do have a higher influence on

consumer spending; therefore, the bloggers should be a main focus of organizations.

(Cammaerts, 2008)

In our research of the the variable of “blogging” we are able to notice some very distinctive trends in the research. (1) The use of personal blogs to express feedback is happening more frequently each day. (2) Blogs do influence consumer spending; in fact, some major bloggers can drastically affect the options of a large group of consumers. (3) Corporations who pay attention and respond to bloggers have shown a higher success rate in protecting their company image.

Similar to the research of social media we did not find much research that discussed specific ways for an organization or manager to communicate with bloggers to diffuse a negative post or problem. In the analysis section we will look at how two well known Organizational Communication theories give us some direction to how to deal with bloggers.

A conclusion can be made that blogging is one of the newest mediums for customers to express feedback with an organization. To be successful organizations must train employees to actively scan the web and respond effectively to blog post by consumers.

Analysis

Now that we have a strong foundation and understanding of variables it is important to look at a couple Organizational Communication theories and use those theories to answer our research question.

Social Presence Theory

The Social Presence Theory can be used to address the issues presented in our research question. This theory was defined by the University of Twente as:

The idea is that a medium's social effects are principally caused by the degree of social presence which it affords to its users. By social presence is meant a communicator's sense of awareness of the presence of an interaction partner. This is important for the process by which man comes to know and think about other persons, their characteristics, qualities and inner states (Short et al., 1976). Thus increased presence leads to a better person perception (University of Twente, 2004, Para. 1).

The Social Presence theory was developed and identified by John Short, Ederyn Williams, and Bruce Christie in 1976. The basic ideas behind this theory is: (1) The Social Presence theory classifies different communication media along a one-dimensional continuum of social presence, where the degree of social presence is equated to the degree of awareness of the other person in a communication interaction. (Sallnas, Rasmus-Grohn, & Sjostrom, 2000). (2) According to Social Presence theory, communication is effective if the communication medium has the appropriate social presence required for the level of interpersonal involvement required for a task (Short, Williams, & Christie, 1976).

The basic principle behind this theory that can be used by organizations is that a customer will have a much more favorable view of an organization if the organization shows an acceptable level of awareness towards their feedback. At times there may not be a million-dollar answer to every customer's problems; however, simply showing them that you care by responding will help to keep a positive relationship with this customer, according to the Social Presence theory.

In the literature review section we were able to determine that there is an obvious quick shift towards social media and blogging. This quick shift is allowing customers to express feedback with corporations and other consumers much easier and faster than they could prior to

the development of CMC sites like Facebook and Twitter. This change results in Fortune 500 companies receiving huge volumes of complaints and customer feedback. It is important according to the Social Presence theory that organizations stay on top of the feedback in order to show that the organization is aware of the consumer needs.

By using the Social Presence theory we can answer our research question. In order to adapt to the fast-pace CMC that came about with the development of social media and blogging, organizations are being forced to hire workers to respond to internet feedback. Organizations must respond to each customer's feedback quickly and effectively in order to show that they are social aware of what is going on. Organizations may be forced to bite the bullet and spend money to solve problems that are being addressed in feedback; however, staying on-top of customer feedback will allow the organization to remain profitable and maintain a positive public image. Simply put, organizations are now being forced to put an added emphasis on online communication.

The Social Presence theory tells us that an organization should always show a level of awareness to consumer needs regardless of the medium. Since research in our literature review section proves that there is a obvious and quick shift towards Computer Mediated Communication organizations and big businesses must step up their online staff in order to provide an adequate level of awareness to customer feedback.

Media Richness Theory

The Media Richness Theory is based off of the contingency theory and the information processing theory and was first developed by Daft & Lengel in 1984 (University of Twente, 2004).

Before answering our research question it is important to understand the basic components of this theory. The main assumptions of the Media Richness theory were outlined clearly in 1990:

Two main assumptions of this theory are: people want to overcome equivocality and uncertainty in organizations and a variety of media commonly used in organizations work better for certain tasks than others. Using four criteria, Daft and Lengel present a media richness hierarchy, arranged from high to low degrees of richness, to illustrate the capacity of media types to process ambiguous communication in organizations. The criteria are (a) the availability of instant feedback; (b) the capacity of the medium to transmit multiple cues such as body language, voice tone, and inflection; (c) the use of natural language; and (d) the personal focus of the medium. Face-to-face communication is the richest communication medium in the hierarchy followed by telephone, electronic mail, letter, note, memo, special report, and finally, flier and bulletin. From a strategic management perspective, the media richness theory suggests that effective managers make rational choices matching a particular communication medium to a specific task or objective and to the degree of richness required by that task (Trevino, Daft, & Lengel, 1990, in Soy, 2001).

The idea behind this theory is that each media type has its own advantages and disadvantages depending on the situation. Richer mediums such as Face-To-Face communication are the most affective because it offers less ambiguity due to the ability to read non-verbals. Leaner mediums such as CMC have the advantage of being much faster than other types of communication. (Daft & Lengel, 1986).

In the literature review section we learned that there is an obvious shift to social media and blogging. This use of CMC has changed the way that customers share feedback with an organization; therefore, an organization must also adapt to these changes. Prior to Web 2.0, feedback was shared via face-to-face which according to this theory is a very rich but a slower medium. Now with the implementation of Web 2.0 sites communication lacks the richness that was previously there; however, the communication is now much faster.

Using the Media Richness theory we can answer our research question. The development of social media sites and the growing number of bloggers have drastically increased the ambiguity in communication between managers and customers. The Media Richness theory considers CMC to be very low on the communication effectiveness scale. However, according to this theory CMC drastically speeds up the communication between organizations and customers.

To summarize, the Media Richness theory tells us that an added emphasis on social media and blogging sites will ultimately cause more ambiguity between organizations and customers. Computer Mediated Communication will ultimately increase the speed of communication between the two parties.

Conclusion

With each generation there is an added emphasis being placed upon the use of social media and blogging (CMC) to express feedback with an organization. Organizational managers of large corporations must recognize this shift and adapt. Research that we examined during the literature review section suggests that failure to adapt to customer feedback can have many negative affects on a corporation's image as well as their profit.

So how do social media and blogging affect the way an organization handles customer

feedback? We were able to answer this question with two Organizational Communication theories: Social Presence theory and the Media Richness theory.

The Social Presence theory told us that customer's want managers to show a sense of awareness to their problems/feedback. Simply responding to an individual's feedback can help that individual to feel validated.

The Media Richness theory gives managers a better idea of how communication is being changed with Computer Mediated Communication. With CMC communication happens at a much faster rate; however, ambiguity does increase because of the lack of non-verbals.

In the words of Vince Lombardi, "The only place success comes before work is in the dictionary." If organizational managers are going to respond to customer feedback quickly and successfully they are going to have to work hard to adapt to the changing communication environment.

This research paper gives organizational managers a clear understanding as to how social media and blogging affect the way organizations handle customer feedback. Using the information found throughout this paper will help managers and corporations to know exactly what aspects of communication have changed. The scope of this paper was to point out how the communication climate is changing with social media and blogs; however, there is room for additional research. The majority of the research found in our article focuses on how large corporations, as a whole, respond to customer feedback over CMC. Future researchers may wish to narrow this scope and compare the way organization managers deal with customer feedback in comparison to how an organization employee react to customer feedback.

To date Dave Carroll's Youtube video has roughly 7.7 million views! This video that

simply expresses one customer's feedback continues to haunt United Airlines and continues to destroy their public image. If United Airlines would have clearly understood the Organizational Communication theories of Social Presence and Media Richness, they would have been able to effectively deal with Dave Carroll before the release of this devastating video.

In the words of an unknown author, "It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

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