

Phones and social media turn consumers into whistleblowers

April 13 2017, by Mae Anderson



In this July 10, 2012 file photo, Uber CEO and co-founder Travis Kalanick arrives at a conference in Sun Valley, Idaho. In February 2017 Uber came under fire after a driver posted video of Kalanick berating him. Like a recent video of a ticketed passenger dragged forcefully off a United Express flight, the Uber incident is another example of bad behavior by a company or its employees called out by witnesses with a smartphone. (AP Photo/Paul Sakluma, File)

Look out, Corporate America. Customers armed with smartphones and video cameras are watching when you screw up.

The viral [video](#) of a ticketed passenger dragged forcefully off a United flight is only the latest example of bad behavior exposed in the age of social media.

In February, Uber came under fire after a driver posted video of CEO Travis Kalanick berating him. Earlier, a Comcast technician was shown in a video sleeping on a customer's couch, and an audio recording chronicled one man's herculean efforts to drop Comcast service; they are among the embarrassing customer complaints that ultimately forced improvements. FedEx had to respond after video showed a driver carelessly throwing a package with a computer monitor over the front gate. Beyond the corporate sphere, smartphone videos of police brutality have prompted protests and investigations.

Not long ago, such incidents might have gotten a mention on the local news at most, and quickly disappeared. But smartphone cameras and social media have democratized information and shifted power to consumers. Companies can no longer sweep complaints under the rug.

"That's something a lot of companies just don't get," said Paul Argenti, a professor of corporate communications at Dartmouth's Tuck School of Business. "Companies still operate as if they can hide things and make believe something didn't happen."

REWRITING THE PLAYBOOK



In this July 9, 2009, file photo, musician Dave Carroll, of the pop-folk band Sons Of Maxwell, holds his repaired Taylor guitar in Halifax, Nova Scotia. Carroll become an internet sensation after posting a revenge song about airline customer service on YouTube with his song "United Breaks Guitars." Carroll's guitar sustained serious damage while traveling on United to a performance in the United States. The United fiasco where a passenger was dragged off a United Express flight on Sunday, April 9, 2017, is just the latest example of bad behavior by a company or its employees called out by witnesses with a smartphone. As smartphone cameras and social media have shifted power to consumers, they are forcing companies to be more nimble in handling matters they might have tried to sweep under the rug before. (Andrew Vaughan/The Canadian Press via AP, File)

Companies can't eliminate embarrassing gaffes entirely, but can learn

from past blunders to minimize the damage.

It starts with training. Employees need to be ready to react when a situation gets dramatic—and companies should emphasize that anything employees do could be recorded. That's especially true for transportation, fast-food and other companies with a lot of employees who interact directly with large numbers of customers.

Running through hypothetical scenarios helps.

"Have a couple things planned, what we should do if 'x' happens and what we should do if 'y' happens," said Lakshman Krishnamurthi, a Kellogg School of Management marketing professor.

On-site employees need to be given more power to respond to avoid escalating an incident, especially one that might be recorded. In United's case, for instance, even if employees were following the rules for seeking volunteers to give up seats, they should have been able to read the situation and increase the financial incentives for volunteers rather than drag a passenger off a flight.

"You need rules, but you need to be flexible and adapt," Argenti said.



In this Thursday, June 2, 2016, file photo, United Airlines CEO Oscar Munoz speaks in New York, during a presentation of the carrier's new Polaris service. The United fiasco where a passenger was dragged off a United Express flight on Sunday, April 9, 2017, is just the latest example of bad behavior by a company or its employees called out by witnesses with a smartphone. Munoz eventually apologized, but not for two days and after first blaming the customer and airport security. Three days after the incident United offered full refunds to all passengers on the flight. As smartphone cameras and social media have shifted power to consumers, they are forcing companies to be more nimble in handling matters they might have tried to sweep under the rug before. (AP Photo/Richard Drew, File)

BLOCK AND TACKLE

Once a video is out there, the standard PR-crisis response remains the same as it always has: Work swiftly to correct the situation in the eyes of the public.

"Apologize, talk about why it happened, and say it will never happen again," Argenti said.

United CEO Oscar Munoz eventually apologized, but not for two days and after first blaming the customer and airport security. And once a video goes viral, companies have to cede control of the narrative. "When the video is out there, don't try to countermand what the video says," said Herman Leonard, a professor of business administration at Harvard.

In the past, companies had hours or days to respond to a crisis. Now, companies must respond immediately, before a scandal spins out of control on social media.

For example, when Domino's Pizza employees posted a YouTube video of workers defacing sandwiches in 2009, the employees were quickly fired, the store was inspected and the CEO apologized. That helped mitigate some, if not all of the damage.



In this Feb. 23, 2007, file photo made from video, rats move around inside a KFC-Taco Bell restaurant in the Greenwich Village neighborhood of New York. Yum Brands Inc., the parent company of KFC, Taco Bell and Pizza Hut, said Wednesday, Feb. 28, 2007, that it had temporarily closed several other New York City restaurants owned by the franchisee that operated the KFC and hired a leading rat expert to review the company's standards. As smartphone cameras and social media have shifted power to consumers, they are forcing companies to be more nimble in handling matters they might have tried to sweep under the rug before. (Rafael Garcia Jr. via AP Video, File)

Similarly, after TV cameras shot video of rats scurrying through a KFC/Taco Bell in Manhattan, parent [company](#) Yum closed 10 of its New York City restaurants and hired a leading rat expert to review the company's standards.

LESSONS (NOT) LEARNED

In 2009, musician Dave Carroll had a guitar he checked destroyed during a flight. At first United said Carroll wasn't eligible for compensation, which caused a frustrated Carroll to write a song and book about it, both called "United Breaks Guitars." Carroll's online video of his song was so popular that "Time" named it one of the top viral videos of 2009. It became a business case study of how social media can harm a company's image.

If the lesson from that episode was to be more responsive to customers, United didn't learn it.

"It was 'United Breaks Guitars ,' now it's 'United Breaks People,'" said Richard Levick, a crisis management consultant.

Despite the newfound empowerment from [social media](#), however, consumers have one thing against them: a short memory. They may remember the incident, but brand names fade and consumers will soon move on to the next PR flap, branding consultant Laura Ries said. This limits the changes companies must really make before moving on.

"Soon people won't remember which company was the offender. They'll think, 'Was it Delta, or American? I'm not sure. It was one of the airlines," she said. "People do tend to have short memories. There's going to be another company that has some disaster like this."

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