

Georgia Southern University

Georgia Southern Commons

Association of Marketing Theory and Practice Proceedings

1-1-2019

Firms Beware! Your Response Matters

Nicole Dilg Beachum

University of South Alabama, nbeachum@uab.edu

Follow this and additional works at: https://digitalcommons.georgiasouthern.edu/amtp-proceedings_2019



Part of the [Marketing Commons](#)

Recommended Citation

Beachum, Nicole Dilg, "Firms Beware! Your Response Matters" (2019). *Association of Marketing Theory and Practice Proceedings 2019*. 37.

https://digitalcommons.georgiasouthern.edu/amtp-proceedings_2019/37

This conference proceeding is brought to you for free and open access by the Association of Marketing Theory and Practice Proceedings at Georgia Southern Commons. It has been accepted for inclusion in Association of Marketing Theory and Practice Proceedings 2019 by an authorized administrator of Georgia Southern Commons. For more information, please contact digitalcommons@georgiasouthern.edu.

Firms Beware! Your Response Matters

Nicole Dilg Beachum

University of South Alabama

ABSTRACT

On April 9, 2017, security personnel dragged a doctor off United Airlines Flight #3411 when he refused to give up his seat on an overbooked flight. Another passenger videotaped the entire incident, sharing it on social media. The video went viral on Twitter with over 87,000 shares and more than 6.8 million views in less than 24 hours. The following day, the CEO of the company responded to the public's criticism in a statement and internal email to the company (that later went public). His remarks included an apology, but he also attempted to justify how the encounter was handled, casting blame on the "disruptive and belligerent" actions of the doctor. However, video proof and other passengers disputed these accusations.

This failed service experience and poor firm response damaged United Airlines' reputation, in addition to causing a 4% drop in the company's stock price. United Airlines also reached a confidential settlement of an unknown amount with the doctor. Finally, the company instituted policy changes offering passengers up to \$10,000 as an incentive for changing flights. At the end of this saga, were people ultimately satisfied with the firm's response? Did the service failure and initial poor firm response affect future purchase intent from those who learned of this incident via social media?

The ability for consumers to quickly share service failures electronically to the masses is an ongoing concern for brands and firms alike. What affects whether people decide to share service failure via electronic word-of-mouth? What affects satisfaction with the firm's response to the service failure, after it has been shared electronically? This paper proposes a conceptual model comprised of three major constructs: service failure, negative eWOM, and firm response. Research propositions are offered that examine the relationships between and among these three constructs.

ABOUT THE AUTHOR

Nicole Dilg Beachum is a DBA Candidate at the University of South Alabama. She is the Managing Partner of Uptick Marketing and Adjunct Professor at the University of Alabama at Birmingham and Samford University. She received her Master of Science in College Student Personnel Services and Administration from University of Central Arkansas. Her research interests include service failure, service recovery, eWOM, social media, digital marketing, and marketing strategy.