

Running Head: USING SOCIAL MEDIA TO ENHANCE CUSTOMER SERVICE

USING SOCIAL MEDIA TO ENHANCE CUSTOMER SERVICE: A STUDY OF  
INDEPENDENT DAY SPAS IN PHOENIX, ARIZONA

by

Krista Fabrick

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Doctoral Study Submitted in Partial Fulfillment  
of the Requirements for the Degree of  
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### **Abstract**

Social media customer service is becoming increasingly crucial for businesses, and many small businesses struggle in this area. This qualitative study explored how independent day spas use Facebook and Instagram for customer service and their effectiveness on these platforms. The participants included ten small, independent days spas in the Phoenix, Arizona, areas with ten or fewer employees, have less than \$1,500,000 in annual revenue, and have a presence on Facebook and Instagram. Four common themes arose from this research. First, day spa owners/managers generally have at least a basic knowledge of Facebook and Instagram. Second, owners/managers are typically the ones managing social media for their spa. Third, the age of the spa owner/manager can be a factor in the success of a spa's social media presence. Finally, excellent customer service across all channels is a high priority for these small day spas. Common reasons for not successfully using Instagram and Facebook for customer service included a lack of knowledge or understanding of the platforms for business purposes, lack of time, or lack of resources. This study also uncovered three practical applications of the findings. First, small, independent day spas can have successful social media customer service regardless of the spa's revenue, number of employees, or budget. Next, the research showed that providing effective customer service on Facebook and Instagram can positively impact revenue for small, independent day spas. Finally, the researcher found that based on the systems and methods in place at the participants who have excellent social media customer service, most small, independent days spas can make small changes in their business to improve their customer service on Facebook and Instagram hence their overall customer service.

*Keywords:* Social media customer service, social media, customer service, day spa, small business

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## **Section 1: Foundation of the Study**

This qualitative study explored how small, independent day spas use Facebook and Instagram for customer service. The goal was to learn why many are not using these platforms effectively and learn how they do it well. Customers are already spending a lot of time on Facebook and Instagram, and many are openly sharing their opinions about day spas. Therefore, day spas need to know how to find this feedback and how to respond to it. Satisfied customers who become repeat customers and who recommend independent day spas are critical to the success of those businesses. Understanding how they can effectively use Facebook and Instagram to provide excellent customer service with their limited resources can help day spas improve their customer satisfaction and retention.

### **Background of the Problem**

Customer service has always been an essential part of doing business, and excellent and effective customer service is a crucial factor in the success of a company (Istanbulluoglu, 2017; Pohludka & Štverková, 2019). Customer service is a broad area that encompasses many functions of a business. However, there is one area of customer service that presents both great opportunities and significant risks to a company's reputation and overall customer satisfaction: responding to and managing customer complaints (Einwiller & Steilen, 2015; Istanbulluoglu, 2017). Many studies show that customers who have a negative experience with a business are much more likely to voice their complaints to more people, in more places, and for an extended period (Cambra-Fierro, Melero, & Sese, 2015; Einwiller & Steilen, 2015; Sugathan, Rossmann, & Ranjan, 2018). However, even a complaint can be an excellent opportunity for a business to respond to the complaint, rectify the situation, turn the unhappy customer into a loyal one, and engender more goodwill than if the complaint had never happened (Knox & Van Oest, 2014).

Further, responding to customer feedback, whether positive or negative, has become more critical than ever because websites, customer review websites, and social media platforms have provided customers the opportunity to voice their praises and complaints to hundreds, thousands, or sometimes millions of people (Kwartler, 2014; Milcetic, 2017; Sugathan et al., 2018).

Medium- to large-sized companies can often have a person or even team dedicated to managing customer service on social networking sites (SNS) (Einwiller & Steilen, 2015). On the other hand, small businesses, including independent day spas, especially those with one to ten employees, are rarely able to have even one person dedicated to handling all of their marketing needs, let alone customer service or social media (Taneja & Toombs, 2014). Ample literature exists on managing customer service, specifically customer complaints, through traditional channels, and the research on using the internet and SNSs for customer service has been growing. However, there is limited literature regarding how small businesses can effectively use SNSs for customer service (Cheng & Shiu, 2019; He, Wang, Chen, & Zha, 2017; Jones, Borgman, & Ulusoy, 2015). Due to the importance of excellent customer service on the success of a business, the increasing use of SNSs for customer feedback, the limited resources of small businesses to manage these functions, and the limited literature available on the topic, additional research should be conducted to understand better how independent day spas can effectively use Instagram and Facebook for customer service. He et al. (2017) suggested that small businesses have a plan and strategy for their use of social media. Anyone who will use social media for a business is appropriately trained and educated in using it. Taneja and Toombs (2014) suggested that small businesses set clear goals and objectives for using social media and putting systems into place for when and how they will use social media. Many researchers and experts agree that

more research must be done to provide small businesses like independent day spas with a guide or framework for using SNSs for customer service.

### **Problem Statement**

The general problem to be addressed is the inadequate use of social media for customer service purposes in businesses resulting in a loss of some customers. Researchers have shown that consumers are spending more time with digital and social media than traditional media, that they are using these channels to voice their complaints and customer service needs, and that organizations often fail to sufficiently and effectively use digital and social media platforms as part of their customer service, causing them to lose customers (Cesaroni & Consoli, 2015; Cole, DeNardin, & Clow, 2017; Einwiller, & Steilen, 2015; Goel, Davis, & Slater, 2019; Hamilton, Kaltcheva, & Rohm, 2016; He et al., 2017). Cesaroni and Consoli (2015) found that the use of social media in small businesses is commonplace. Still, many of them are not able to use it in a way that improves their profitability. Unlike larger businesses with dedicated customer service departments, small businesses generally have limited resources for handling customer complaints and feedback (He et al., 2017). Kim and Choi (2019) found that small businesses and start-ups often have a lack of understanding of using social media. However, when used effectively, it has a positive impact on customer loyalty and customer relationship management. The specific problem addressed by this research was the inadequate use of the SNSs Facebook and Instagram for customer service purposes in small, independent (non-chain and non-franchised) day spas, including med spas, in Phoenix, Arizona, resulting in a loss of some customers (Cesaroni & Consoli, 2015; Cole et al., 2017; Goel et al., 2019; Hamilton et al., 2016; He et al., 2017).

## **Purpose Statement**

The purpose of this qualitative multi-case study was to understand how small, independent day spas are currently using Instagram and Facebook for customer service purposes and how effective the use of such is (Cesaroni & Consoli, 2015; Cole et al., 2017; Einwiller, & Steilen, 2015; Goel et al., 2019; Hamilton et al., 2016; He et al., 2017). This larger problem was explored through an in-depth study of customer service practices on Instagram and Facebook and their effects on customer satisfaction and retention at small, independent (non-chain and non-franchised) day spas, including med spas, in Phoenix, Arizona.

## **Nature of the Study**

This study was a qualitative study using the case study method and descriptive design. Stake (2010) explained some of the chief goals of qualitative research as 1) trying to improve understanding of theories and then help apply the new knowledge practically and 2) to create descriptions and interpretations of occurrences that will help others to increase their understanding of the occurrences. Qualitative research also has a goal of keeping the researcher's role personal and focusing on a small sample size to get more data from each subject or participant (Stake, 2010). Finally, a key goal of qualitative research is for the research process to remain flexible and adaptable (Köhler, Smith, & Bhakoo, 2019). All these goals align with the goals of this study, where the researcher was seeking to understand the inadequate use of Facebook and Instagram for customer service purposes in businesses and how they can do it more effectively as a small business. The currently available literature on the topic showed that a majority of small businesses understand the importance of using SNSs for their business and have a presence on at least one platform. However, many fail to sufficiently and effectively use digital and social media platforms as part of their customer service (Cesaroni & Consoli, 2015;

Cole et al., 2017; Einwiller, & Steilen, 2015, Goel et al., 2019; Hamilton et al., 2016; He et al., 2017). There is a need to understand whether the ineffective or lack of use of Instagram and Facebook for customer service purposes is due to lack of time, lack of financial resources, lack of employees, or lack of knowledge r how to do it (Cheng & Shiu, 2019).

### *Comparison Qualitative and Quantitative Methods*

The qualitative research methodology worked for this study because it permitted the researcher to look into the customer service practices on Instagram and Facebook of small, independent day spas in the Phoenix, Arizona, area and clarify whether spas that use Instagram and Facebook for customer service retain more of their existing customers and have higher average customer value than their competitors who either do not use those platforms for customer service or do not use it effectively. Maecker, Barrot, and Becker (2016) found “that social media interactions may influence customer management variables and, ultimately, profitability” (p. 151). They found a significant difference in profitability between brands who did interact with customers on SNSs for customer service purposes and those who did not and concluded that this makes this area of research an important one to study further (Maecker et al., 2016).

The quantitative method was not selected because the primary goal of quantitative research is that it generally “seeks to discover new knowledge by simplifying complexities in settings that tend to be more contrived” (O’Dwyer & Bernauer, 2014, p. 43). Additional goals of quantitative research include setting up an objective framework to test and validate a theory or a hypothesis and either forecasting and defining behaviors or considering cause and effect relationships (O’Dwyer & Bernauer, 2014). These goals do not align with the purpose of this study.

### *Discussion of Design*

It is well known that the case study method is one of the most widely used business research designs (Mills & Durepos, 2013), and that is mostly because it works so well for many business research projects. Creswell (2014) explained case study research as being detailed and seeking to understand specific cases and gain insight from them. De Massis and Kotlar (2014) described the case study method as “a particular strategy for qualitative empirical research that allows an in-depth investigation of a contemporary phenomenon within its real-life context” (p. 16). Using the case study design was appropriate for this study because the research questions sought to understand how small, independent day spas use Instagram and Facebook for customer service and if it helps their customer satisfaction and retention. The case study design allowed the researcher to study the real-life context of using Instagram and Facebook for customer service in the chosen businesses and then learn from successful and unsuccessful uses. The case study design allowed the researcher to ask descriptive questions directly of the study participants and facilitate a deeper understanding of customer service practices.

The researcher used three of the most common case study methods for data collection – interviews, observations, and documents (Yin, 2014). The researcher used semi-structured interviews and conducted them via video calls and online surveys. The original goal was to conduct all interviews in-person or over the phone, but due to massive changes in business due to COVID-19, many day spa owners were struggling and could not take the time to do this. Therefore, seven of the ten participants contributed to the study via an online survey and answered some additional questions via email. Interviews and surveys were vital to this study as they allowed the researcher to understand more than just what is seen of a spa’s customer service practices on social media. Interviews and surveys helped the researcher to uncover if a strategy

existed behind the customer service practices, what that strategy is, who is responsible for managing customer service on social media, and how using Instagram and Facebook for customer service had affected a spa's customer retention and average customer value. A semi-structured interview was appropriate for this study because it permitted the researcher to ask follow-up questions when more information was needed to understand the phenomenon truly. Documents collected included examples of direct messages from Facebook and Instagram and customer responses to the spas' response (if there was one). Observations included customer feedback on each spa's activity on Facebook and Instagram and the spas' responses to and handling of that feedback.

Ethnography was not chosen for this study because the purpose of the study did not require a prolonged study of a specific cultural group in its natural setting (Creswell, 2014). Instead, this study sought to learn from multiple businesses. The researcher did not choose grounded theory because the researcher already had some data and information to back up the theory that SNSs can improve customer service. One of the central premises of grounded theory is to construct a theory based on the research (Corbin, 2017; Creswell, 2014). Phenomenological research was not selected because its purpose is to understand human experiences concerning a phenomenon (Campbell, 2018; Creswell, 2014). Narrative research was not chosen for this study because this type of research seeks to study people and the stories of their lives (Creswell, 2014; Eriksson & Kovalainen, 2008).

### **Research Questions**

This study sought to discover if small, independent day spas in Phoenix, Arizona, can improve their customer service and retain more customers by using Instagram and Facebook for customer service purposes. The information needed to determine this included how Instagram



and Facebook are currently being used for customer service by small, independent day spas in Phoenix, Arizona. Both successful and unsuccessful examples were studied. The study sought to find out if businesses use Instagram and Facebook for customer service purposes, how often someone engages with the community on each platform, if there are a strategy and plan in place for using Instagram and Facebook for customer service, and how many people are responsible for customer service on Instagram and Facebook. The study then looked for information regarding the impact of using Instagram and Facebook for customer service on customer retention.

- Why do small, independent days spas in Phoenix, Arizona, not use Instagram and Facebook for customer service?
- How are Instagram and Facebook currently being used as part of a customer service strategy in small, independent day spas in Phoenix, Arizona?
- How has using Instagram and Facebook for customer service helped customer satisfaction and customer retention in small, independent day spas in Phoenix, Arizona?
- How can small, independent day spas in Phoenix, Arizona, use Instagram and Facebook more effectively for customer service to enhance their overall customer service?

### **Conceptual Framework**

Customers are using social media like Facebook and Instagram to learn about brands, engage with brands, to provide them with feedback, and more and more, for customer service. Facebook and Instagram are two of the largest social media platforms globally, and approximately 70% of U.S. adults use Facebook, 37% of U.S. adults use Instagram, and 75% of U.S. people aged 18 to 24 use Instagram (Perrin & Anderson, 2019). According to The Nielsen Company (2012), more than half of Facebook users follow brands, 65% use Facebook to find out

more about brands, and 70% use it to learn about others' experiences with brands. Instagram users are even more likely to use Instagram to follow and learn about brands, with 80% of users following at least one brand and 200 million users visiting business profiles every day (West, 2019)! Due to the ever-growing use of Facebook and Instagram by consumers and the importance of online reputation and referrals to small, independent day spas, this study addresses the issue of inadequate use of Facebook and Instagram for customer service at small, independent day spas in Phoenix, Arizona.

### *Social media customer service*

One of the main concepts that underlie this research project is the use of SNSs by small businesses for customer service. SNSs are a crucial platform for providing social media customer service, as billions of users worldwide use SNSs every day (Alvertis, Biliri, Lampathaki, & Askounis, 2018). As seen in Figure 1, social media customer service impacts customer feedback, customer retention, and brand reputation. SNSs are an ideal place for businesses to provide customer service, partially due to the nature of an SNS. One of the critical characteristics of an SNS is that users can share information and views and interact with each other and brands (Shiau, Dwivedi, & Lai, 2018). Also, users are already using SNSs to talk about brands and brand, so those brands need to be active where their customers are and respond to their feedback (Milcetic, 2017). SNSs provide an excellent opportunity for businesses to be more responsive to current and potential customers (Agnihotri, Dingus, Hu, & Krush, 2016). Figure 1 shows that small businesses must leverage their limited resources to manage customer service on Facebook and Instagram. However, they must figure out how to address this to be more successful. Twitter was once the mainstay of social media customer service. However, customers now also use

Facebook and Instagram to leave comments on posts or send direct messages to companies when they have feedback or a need (Milcetic, 2017).

***Social media customer service improvement***

Another concept that underlies this research project is the need for improvement in social media customer service. As seen in Figure 1, existing customers share feedback on Facebook and Instagram, and a small business’s response, or lack thereof, to that feedback, can determine if a customer is lost or retained. As seen in Figure 1, potential customers see the feedback from existing customers and may even interact with a business on Facebook and Instagram, and then decide whether to become a customer of that business. If businesses were providing excellent customer service on SNSs, then this research project would not be needed. However, the

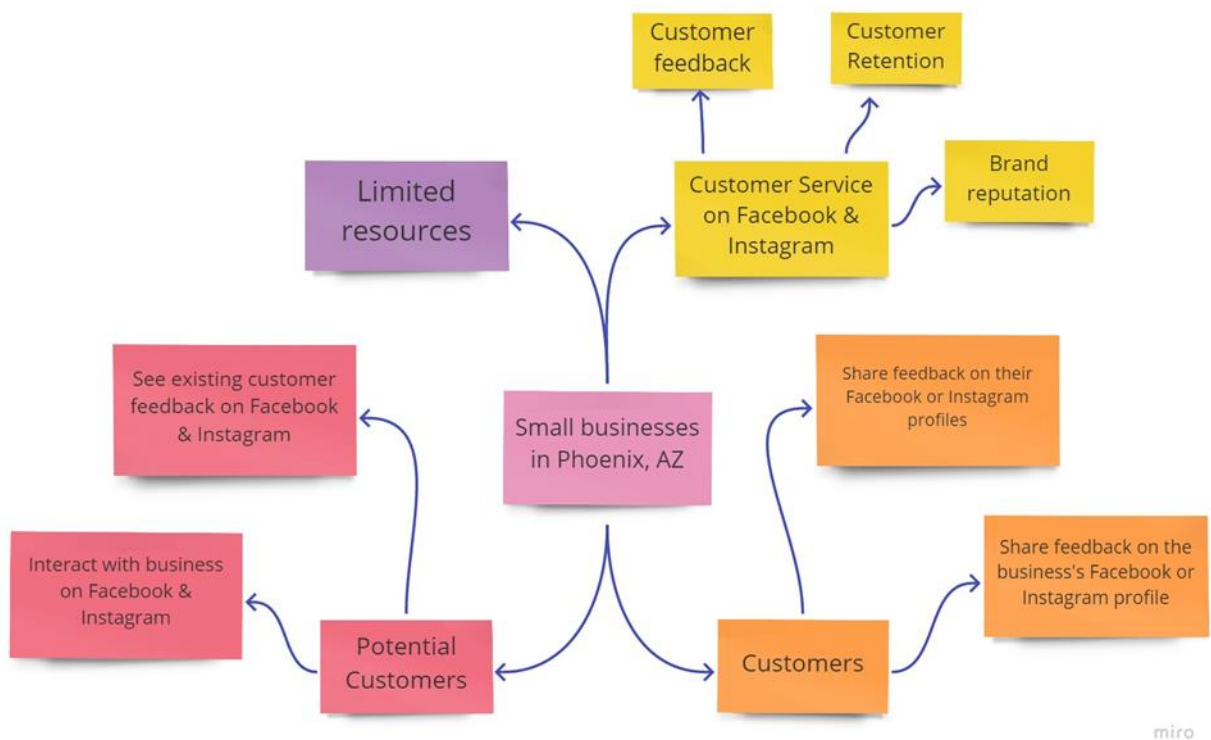


Figure 1. Conceptual Framework.

statistics show that most businesses are not providing excellent customer service on SNSs. For example, one study showed that 58% of consumers who voiced their complaints on social media about a business expected a response, yet only 22% said they got a response (Agnihotri et al., 2016). Other statistics show that at least half of direct messages go unanswered and that close to half of posts or comments by consumers about a brand are ignored (Amaresan, 2019).

Nevertheless, a majority of customers, including 74% of millennials, will have an improved perception of a brand when the brand is responsive to current and potential customers on social media (Microsoft, 2017). The same Microsoft (2017) report found that providing excellent customer service directly impacts sales and customer loyalty. The study also showed that 69% of American adults say that customer service is a significant factor in their choice of or loyalty to a brand (Microsoft, 2017). Social media customer service is vital to the customer service strategies of businesses today, and effective social media customer service can serve as a differentiating factor and competitive advantage (Kwartler, 2014).

### ***Actors***

The key actors in this research project are the small businesses, the small business owners, existing customers, and potential customers. As seen in Figure 1, both existing customers and potential customers can affect the brand reputation, customer acquisition, and customer retention of a small business with their activity on Facebook and Instagram. The small businesses need to maintain a presence on Facebook and Instagram to build brand awareness, promote their products and services, engage with existing and potential customers, and respond to consumer feedback. Small business owners have limited time and resources to manage all of the activities on Instagram and Facebook and need help finding ways to leverage their limited resources to retain existing customers and obtain new customers. Improving their social media

customer service will help small business owners retain more customers, which means they will need to spend less time and resources on obtaining new customers. Existing customers may share good or bad feedback about a small business on their Instagram or Facebook profile, comment on a small business's Facebook or Instagram post, or send the small business a direct message on Facebook or Instagram. They generally expect the small business to respond to any of these situations in some way and will be more satisfied and brand loyal if the brand does respond (Microsoft, 2017). Potential customers may use Facebook or Instagram to seek out information on small business. They may go to the business's profile, or they may simply read the feedback another user has shared. They may even leave a question on a business's post or send them a direct message. If the brand responds to the potential customer's questions or feedback, they are likely to win that person as a new customer (Kwartler, 2014).

### *Discussion of social aspects theory*

One of the theories that guided this study was the social aspects theory. This theory encompasses all social factors like social influence, social identity, social capital, social interaction, and social ties (Ngai, Tao & Moon, 2014). Social aspects theory has been used in the study of how people behave when they use social media (Ngai et al., 2014). These are important in understanding how independent day spas can provide better customer service on Facebook and Instagram. As seen in Figure 1, feedback and activity on Facebook and Instagram from both existing and potential customers can influence whether other existing and potential customers decide to do business with a small business. Consumers have a social identity, social capital, social ties, and social interaction on these SNSs and use those to have social influence over other consumers on those platforms. Schaefers and Schamari (2016) studied service recovery via social media and used the social influence theory. Schaefers and Schamari (2016) found that

social influence theory does apply to service recovery in social media similarly that it applies to service recovery in an offline environment, with some limitations. Finally, Schaefer and Schamari (2016) recommended that businesses should use social media as a real customer service channel and that businesses should implement the same process for managing complaints and recovery as are used in off-line channels. They concluded that not recovering successfully from a complaint on social media will negatively affect the complainant's satisfaction and future purchases. Also, other customers and potential customers can see the situation, may join the discussion, and all involved will have a more negative view of the company (Schaefer & Schamari, 2016).

#### *Discussion of users and gratifications theory*

The users and gratifications theory (UGT) also guided this study. UGT tries to test relationships between mass media and specific audiences and explain why people use different media and how their chosen media meets their needs for gratification (Choi, Fowler, Goh, & Yuan, 2016). UGT is suitable for understanding why people use SNS like Facebook and Instagram (Choi et al., 2016) and how to satisfy customer needs (Ngai et al., 2014). Customers are willingly sharing their needs on Facebook and Instagram, on both their profiles and on businesses' profiles (Schaefer & Schamari, 2016). As seen in Figure 1, both existing customers and potential customers share feedback about small businesses on Facebook and Instagram, and this often might be because they feel gratified by complaining about a bad experience or by being able to share a positive experience. In either case, a small business needs to respond to the feedback to satisfy customer needs so they can obtain or retain them and preserve their reputation. Therefore, independent day spas can increase customer satisfaction and retention and

sales from new customers by responding to customer needs and feedback on Facebook and Instagram and taking action to meet those needs (Schaefers & Schamari, 2016).

### ***Summary of the conceptual framework***

Consumers are spending more and more time on social media like Facebook and Instagram, and they are using those platforms to interact with and learn about businesses. Most small businesses should be active on social media to build brand awareness, promote their products and services, and engage with both existing and potential customers. Many statistics show how essential customer service is to customer satisfaction and retention and that more consumers are using social media platforms like Facebook and Instagram for customer service purposes. Small businesses can retain more customers and gain a competitive edge by providing excellent customer service. Due to their limited time and resources, many small businesses struggle to use Facebook and Instagram adequately and effectively for customer service purposes. Finding a way to improve social media customer service can directly impact a small business's bottom line, and this research project seeks to help small business owners with doing that.

### **Definition of Terms**

*Social media customer service*: “addressing a specific customer need online where the dialogue can be viewed openly” (Kwartler, 2014, p. 42).

*Social media*: a broad term that encompasses everything from an SNS like Facebook to online deal sites like Groupon to social gaming communities, and more (He et al., 2017). Social media are online channels of communication, collaboration, and cultivation that people, brands, and communities use to connect and share content, opinions, experiences, etc. (He et al., 2017).

*Social networking site (SNS):* the most well-known social networking sites include Facebook, Instagram, Twitter, Snapchat, and LinkedIn, but there are hundreds of others (Tikka & Oinas-kukkonen, 2017). SNSs allow networked groups to interact in a many-to-many format and share multimedia content and personal information. SNSs differ from other social media platforms because they have an individual as the center of their community (Varnali & Toker, 2015).

*Social listening:* the process of a person or brand tracking or observing various stimuli through facilitated, electronic, and social channels (Stewart & Arnold, 2018).

*Social mentions:* when a social media user uses the name of a person or business on social media. This can be done in a comment, a post, on a blog, in a video, etc. In some cases, the person or brand being mentioned is tagged with their username on a specific social media platform and will receive a notification. In many cases, however, they are not (Kwartler, 2014).

*Social care:* another term used for social media customer service that is provided via social media (Maecker et al., 2016).

### ***Assumptions***

This study made several assumptions. The first was that the day spas included in the study had active Facebook and Instagram accounts. The presence of each participant's accounts was verified by viewing their social media accounts. Also, the researcher asked the participants about their frequency of use. The second assumption was that the participants already used or planned to use their Facebook and Instagram accounts to engage with current and potential customers. The researcher verified this assumption by viewing activity on their accounts and asking about it in the interview and online survey. The third assumption was that the participants were truthful in their responses. Fourth, it was assumed that the day spa owners, one of their employees, or an outside person they hired, had the knowledge needed to use Facebook and



Instagram for customer service. The interview included a question to help mitigate the risk from this assumption. Finally, it was assumed that there are enough commonalities among independent day spas in various cities throughout the United States. This research will be helpful to day spas outside of the Phoenix, Arizona, area.

### ***Limitations***

Limitations of this study included the scope of small, independent day spas that were interviewed since only ten day spas were interviewed. Also, the participating day spas were located only in the Phoenix, Arizona, area. Different day spas may have access to college interns or children of owners to help with customer service on social media, which would make their experience with it different than those that must do it themselves. Participants were asked about these circumstances during the interview so that differences could be appropriately accounted for and addressed. Time also limited this study – both the time the researcher had available to conduct the research as well as the time limits imposed by Liberty University. Both the number of participants and their location were limited to help the researcher be able to conduct the study in the allotted amount of time.

### ***Delimitations***

This study addresses the inadequate use of Facebook and Instagram for customer service purposes in small, independent day spas, including med spas, in the Phoenix, Arizona, area. The study does not address customer service on other channels because the researcher was very interested in the use and benefits of social media for small businesses. The study does not address any other types of small businesses other than day spas. This delimitation had two purposes. First, a narrow focus on one type of business helped to keep the sample size manageable. Second, in the researcher's experience and research, small, independent day spas do

not have the budget to hire a dedicated customer service person or outsource customer service. The limitations on the annual revenue and number of employees for each day spa were selected to narrow the focus of the study on participants that are tiny businesses and are more likely to struggle in the area of using Facebook and Instagram for customer service.

### **Significance of the Study**

This study thoroughly investigated the use of Facebook and Instagram for customer service purposes by small, independent day spas in the Phoenix, Arizona, area. The currently available literature on this topic is limited, and many independent day spas are not using Facebook and Instagram for customer service at all or are using it in a limited fashion. The study revealed that some small, independent day spas are successfully using these platforms for customer service, so the systems and methods in place for doing so will be shared in the Recommendations for Action section. This information could help other small, independent day spas in Phoenix and beyond, starting to use Facebook and Instagram for customer service or improving it if they are already doing it. Consumers are regularly using Facebook and Instagram to share their thoughts about a specific day spa, to recommend them to friends and family, and to engage with the businesses. Helping those day spas respond to that feedback will improve their customer service. Small, independent day spas that effectively use Facebook and Instagram for customer service purposes could potentially retain more current customers and gain more new customers.

### ***Reduction of Gaps***

The review of existing literature showed significant gaps concerning anything about day spas. The small number of articles that do exist are about spas that are in hotels. Even when researching the beauty industry, beauty or hair salons, and other similar types of businesses,

significant gaps existed regarding social media, marketing, and customer service for those businesses. This qualitative multi-case study helped to fill in the gaps a little by studying independent day spas and how they use Instagram and Facebook for customer service.

### ***Implications for Biblical Integration***

Customer service is critical to the success of a business, especially a service-based business. As Christians, customer service is also essential because it is an opportunity to serve others as Christ served the church (John 13:14-15, English Standard Version). Customers can see Christ through Christians when they provide excellent customer service. Although customer service is critical to all businesses, Christian businesses should make a concerted effort on excellent customer service. Ephesians 6:7-8 (English Standard Version) says, "Rendering service with a goodwill as to the Lord and not to man, knowing that whatever good anyone does, this he will receive back from the Lord, whether he is a slave or free." God tells Christians to serve others as if they were serving Him, which shows how customer service can be an essential part of any Christian business. James 2:8-9 (English Standard Version) says Christians who love their neighbors as themselves are doing well, but those that favor one person over another is sinning. This verse shows how it is imperative to treat each customer well, whether they are a long-time customer, a new customer, a customer that spends a small amount of money, or a customer that spends a large amount of money. The famous Golden Rule from Matthew 7:12 (English Standard Version) tells Christians to treat others as they want to be treated. Once again, Christians are called to treat others well, and customer service is a vital area of a business where Christians can accomplish this. Finally, Christians must also handle customer feedback appropriately. Proverbs 12:1 (English Standard Version) states, "Whoever loves discipline loves knowledge, but whoever hates correction is stupid." Many customers leave negative feedback

and complaints about businesses on social media. However, businesses should take this feedback and these complaints into consideration and decide if there are changes that can be made in their business to serve their customers better.

### ***Relationship to Field of Study***

Providing excellent customer service builds customer loyalty and can often increase customer lifetime value. Retaining current customers is more profitable for companies than acquiring new customers since it generally costs less money to retain existing customers and because they have a higher lifetime value (Hamilton, Rust, & Dev, 2017). Further, excellent customer service can build brand reputation. Also, customer feedback on Instagram and Facebook is visible to hundreds, if not thousands, of other people, so properly handling this feedback is critical to the brand reputation of a business. Customer service is often discussed in terms of customer service experiences (CSE) because there are many direct and indirect interactions between customers and organizations in multiple channels throughout the purchase journey (Mahr, Stead & Odekerken-Schröder, 2019). Mahr et al. (2019) shared that “81 per cent of global marketers’ report that they mainly compete based on customer experience” (p. 88). Due to that fact and growing interest in CSE by both the academic and business worlds, marketing and services researchers are prioritizing CSE as a valuable field of research (Mahr et al., 2019).

### ***Summary of the Significance of the Study***

This study is significant because it helps address the inadequate use of Facebook and Instagram for customer service by small, independent day spas in the Phoenix, Arizona, area. Many of these day spas leave direct messages from customers and potential customers unanswered and do not respond to customer comments and feedback on their posts or tagged posts on Facebook and Instagram. They do not use social listening tools to know what customers

are saying about them. It also addresses a gap in the literature regarding social media and day spas, and the results of the study may help other day spas improve their customer service on Facebook and Instagram. This study is significant from a biblical perspective because Christian business owners should strive to provide excellent customer service. This study illuminates ways in which they can accomplish this on Facebook and Instagram. Finally, this study is significant to the field of marketing because customer service is becoming an increasingly more important part of organizations' marketing in a hypercompetitive business environment. Plus, customers use public platforms to express their opinions of organizations, which can significantly affect a brand's reputation.

### **A Review of the Professional and Academic Literature**

The general problem addressed was the inadequate use of social media for customer service purposes in businesses resulting in a loss of some customers. The specific problem addressed was the inadequate use of the SNSs Facebook and Instagram for customer service purposes in small, independent (non-chain and non-franchised) day spas, including med spas, in Phoenix, Arizona, resulting in a loss of some customers (Cesaroni & Consoli, 2015; Cole et al., 2017; Goel et al., 2019; Hamilton et al., 2016; He et al., 2017). The purpose of this qualitative multi-case study was to add to the body of knowledge by expanding on the understanding of the inadequate use of Facebook and Instagram for customer service purposes in businesses resulting in a loss of some customers (Cesaroni & Consoli, 2015; Cole et al., 2017; Einwiller, & Steilen, 2015; Goel et al., 2019; Hamilton et al., 2016; He et al., 2017). The literature review discusses the available literature on the main topics of social media, customer service, social media customer service, social customer relationship management, customer service strategy, and customer satisfaction. Each of these topics is related to each other and are important to the

understanding of effectively using Facebook and Instagram for customer service purposes in small businesses.

### ***Social Media***

Social media have revolutionized the way people interact with each other and with businesses (Dijkmans, Kerkhof, & Beukeboom, 2015). Social media are websites and applications that allow users to connect with and interact with each other and create and share content (Jones et al., 2015). Social media have become intensely embedded into our lives, reaching 82% of Internet users 15 and older in the world, and accounting for the most significant percentage of Internet usage with an average of 1 of every 5 minutes spent online being on social media (Zhu & Chen, 2015). Social media are thought of as interactive media since businesses and individuals can engage and interact (Jones et al., 2015). Social media has come to be the new standard for how companies communicate with consumers (Zhu & Chen, 2015).

Social media have become prevalent primarily due to consumers' ability to use them for relationship development, networking, and deepening their relationships (Jones et al., 2015). Social media has made information more accessible than ever to individuals, and consumers are using social media to learn about companies, products and services, nonprofits, politics, and news (Agnihotri et al., 2016). Due to the availability of information and the ability to connect with businesses, consumers "are becoming better connected to companies, more knowledgeable about product selections, and more powerful in buyer-seller relationships" (Agnihotri et al., 2016, p. 172). Social media has impacted and transformed how we communicate and how businesses market.

### *Social Networking Sites*

SNSs have billions of users across the globe and have become a part of daily life for many. New platforms are appearing regularly and directly impact consumer behavior, whatever their country of residence or socio-demographic group (Alvertis et al., 2018). SNSs are so pervasive that they are what most people think of when they hear the term social media.

However, SNSs are not the only type of social media. A true SNS:

is a network that enables users to (1) share their personal information and views in the system; (2) show their connections with other users to indicate their friendships; and (3) view the information of other users through the connections. In a network, a user can interact with other users and summarize the development of social networks. (Shiau et al., 2018, p. 52)

One of the most unique and prominent features of an SNS is that people can and do use it to connect with and form relationships with people they only know in the virtual world (Lai & Yang, 2016). The largest and most well-known SNSs are Facebook, Instagram, YouTube, Twitter, LinkedIn, and Snapchat. According to the Pew Research Center (2019), 72% of adults in the United States use an SNS. YouTube is the most widely used SNS, with 73% of Americans using it, while 69% of adults use Facebook, and Instagram is the third most popular, with only 37% of adults using it (Perrin & Anderson, 2019).

SNSs are not just for everyday consumers: businesses, organizations, celebrities, authors, athletes, and politicians use Facebook business pages, and Twitter and Instagram accounts to build their brand, build awareness for their brand, promote their products and services, share information about themselves, and to engage with their audiences (Antoniadis, Paltsoglou, & Patoulidis, 2019). These pages and accounts allow the brands to engage with consumers in a

more informal and easygoing way and have proven to be a good and meaningful way to build rapport and relationships with consumers (Antoniadis et al., 2019). The widespread use of SNSs by brands has revolutionized how they communicate to and with consumers (Antoniadis et al., 2019). In addition to advertising and marketing, SNSs have been used by brands to examine potential or current employees' backgrounds, for tourism advancement, and social commerce implementation (Shiau et al., 2018).

### ***Facebook***

“Founded in 2004, Facebook's mission is to give people the power to build community and bring the world closer together” (Facebook Investor Relations, 2019, para. 1). Facebook is the most popular social networking site globally, and it has been for several years now (Shiau et al., 2018). In the first quarter of 2019, Facebook reported 2.4 billion monthly active users, which is about 500 million more than the next largest SNS – YouTube, and more than double that of the third largest SNS – Instagram (Reyes, 2019). Most Facebook users are active on the platform regularly, with about 75% visiting Facebook at least once a day (Pew Research Center, 2019). Facebook was designed to enrich social connections, create new relationships, and maintain friendships (Shiau et al., 2018) and “provides users with excellent opportunities to establish or maintain friendships with others and share information and communicate with friends” (Shiau et al., 2018, p. 52).

The main features of a Facebook account are the ability for users to have a profile where they share information about themselves (Lai & Yang, 2016). This information includes liking posts from their Facebook friends, pictures or videos, text posts, or links and where users can see all of this information from their Facebook friends and even the comments and likes of their friends (Dodoo, 2018). Users are also encouraged to be active and involved on the platform by



receiving notifications of content updates and by being able to quickly, easily, and frequently share and receive information with and from their Facebook network (Dodoo, 2018).

Furthermore, Facebook makes it easy for people to be fans of brands they like, find groups and communities that are relevant to them, and build relationships with peers with whom they can work and share information about brands (Dodoo, 2018).

### ***Instagram***

Instagram is an SNS that was launched in October 2010 (Russman & Svensson, 2016). Instagram was founded as an image-sharing social media meant to let users instantly share visual moments of their lives, which was a change from the content styles of Facebook and Twitter (Russman & Svensson, 2016). Instagram's mission statement is: "We bring you closer to the people and things you love" (Instagram, 2019, para. 1). Instagram proliferated quickly and has now surpassed 1 billion users, making it the third-largest SNS globally, behind Facebook and YouTube (Perrin & Anderson, 2019). Instagram launched Stories in 2016 (Kuchler, 2017) and helped the platform grow even more rapidly. About 60% of Instagram users visit it at least once a day (Pew Research Center, 2019). A unique thing to note about Instagram is that while the percentage of American adults who use Facebook, Pinterest, LinkedIn, and Twitter has stayed virtually the same since 2016, Instagram has seen growth in the percentage of users (Pew Research Center, 2019). Instagram is also a younger platform, with 67% of Americans aged 18 to 29 using it, which is more than double the overall average of 37% of American adults (Pew Research Center, 2019).

Instagram has become increasingly popular as a place for people and businesses to promote themselves and their businesses (Musonera, 2018). Like Facebook, people can build brand awareness and promote themselves and their products and services for free on Instagram.

Instagram has allowed many brands and people to build massive followings and become celebrities in their own right (Musonera, 2018). Instagram began as a place for people to share images and videos, where people could like and comment on each other's posts (Musonera, 2018). Along the way, Instagram has added many features, including the ability to share several images or videos in one post, the ability to send and receive text, video, image, or voice direct messages, Instagram Stories, and IGTV (Instagram, 2019). Users have many possible ways to interact with each other and the content that is posted on Instagram. For example, they can share other users' posts to their story, share posts or stories to other users via direct message, reply directly to Stories, and like and comment on IGTV videos (Instagram, 2019). It has become far more than that, including being the most popular SNS for influencer marketing and having millions and millions of businesses using it for advertising (Valentini, Romenti, Murtarelli, & Pizzetti, 2018). Additionally, businesses can now sell right from Instagram (Murphy, 2019). Instagram started allowing users to shop directly from Instagram in early 2019, making the user experience even easier when interacting with brands (Murphy, 2019).

### ***Social media and small businesses***

Social media allows small businesses to accomplish many things. These include building and improving brand awareness, boosting sales, improving customer relationships and customer service, and carrying out marketing campaigns that can reach thousands and tens of thousands of consumers that the business could not otherwise reach (Balan & Rege, 2017; He et al., 2017; Lepkowska-White, Parsons, & Berg, 2019). Small businesses can even use social media to reach international audiences without spending too much money, time, or effort, especially when compared to traditional media (Cole et al., 2017; Lepkowska-White et al., 2019). It gives small businesses a less expensive and labor-intensive option for marketing while expanding

geographical options and allowing businesses to present their brands to potential customers (Balan & Rege, 2017; Kim & Choi, 2019). Through social media, marketers can reach their target markets in new and efficient ways (Cole et al., 2017; He et al., 2017; Kim & Choi, 2019; Lepkowska-White et al., 2019).

Social media also allows organizations and businesses to network with their partners and to have two-way communication with their customers and suppliers (Cesaroni & Consoli, 2015). Social media helps build a virtual community where businesses, customers, and suppliers “can communicate, collaborate, co-produce and improve products/services” (Cesaroni & Consoli, 2015, p. 258). This virtual community has become a source of word-of-mouth marketing that allows small businesses the chance they would not otherwise have to quickly and easily reach millions of customers (Balan & Rege, 2017; Basri & Siam, 2017). Basri and Siam (2017) suggested that social media has transformed businesses by becoming a preferred marketing strategy for many companies, including small businesses.

More and more small businesses are beginning to realize how important social media is to enhance their capabilities and performance and are starting to use it (Cesaroni & Consoli, 2015; Taneja & Toombs, 2014). Small businesses can achieve their business goals by using social media for more than just marketing (Kim & Choi, 2019). They can also use it for market research, customer relationship management, and knowledge management, which in turn can help increase operational efficiency, distribute resources efficiently, improve communication, and sell customized offerings (Kim & Choi, 2019). Cole et al. (2017) suggested that using digital and social media as part of a business’ strategy “can help small businesses become visible, viable, and sustainable” (Cole et al., 2017, p. 205). Also, small businesses can benefit from the metrics and analytics available on all the major social media platforms. These metrics let the

small business know what is and is not working for their social strategy and how much traffic, interest, and sales are because of social media (Cole et al., 2017).

Most experts, researchers, and small business owners agree that the more the world of social media grows, the better the opportunity for small businesses to market their companies and connect with customers while using fewer resources (He et al., 2017; Taneja & Toombs, 2015). Social media is also a significant, easy, and cost-effective way in which small businesses can promote and sell their products and services online and compete with large businesses (He, Wang, Chen, & Zha, 2014). Further, He et al. (2014) declared that social media has become a powerful way for small and large businesses to both connect with current customers and to find and gain new customers. He et al. (2017) found that many small non-manufacturing businesses have seen specific benefits due to using social media for both customer relationship management and marketing.

Despite the many opportunities of and positive results from small businesses using social media, many either are not yet using it or have a passive presence (Cole et al., 2017, p. 205; Lepkowska-White et al., 2019). Small businesses have been slower than large businesses in adopting social media for marketing and customer engagement purposes, with the most significant reason being insufficient resources (Cole et al., 2017, p. 205; Lepkowska-White et al., 2019). There are other challenges for small businesses and social media as well. First, social media is free and easy to set up; yet it still requires time and effort from a person or people to maintain an active presence, precious resources that many small businesses do not have (Taneja & Toombs, 2015). Due to limited resources and budgets for marketing and customer relationship management, small businesses struggle with competing against large businesses (He et al., 2014; Kim & Choi, 2019). However, they can use free social media tools to build relationships with

their current customers and grow their community and network of potential customers, thereby gaining a competitive edge (He et al., 2014).

Second, many small businesses simply do not have a good knowledge of and understanding of how to use social media for their business (Kim & Choi, 2019). He et al. (2017) agree that small businesses do not sufficiently comprehend how to adopt social media effectively. This lack of understanding and knowledge has made it difficult for small businesses to exploit the full potential of social media (Kim & Choi, 2019). Third, numerous small businesses use social media because everyone else is doing it or because it is what they are supposed to do (Cesaroni & Consoli, 2015). However, another challenge is that when small business owners decide to use social media for their business, they often start using it in the same way they have been using for their personal accounts (Cesaroni & Consoli, 2015; He et al., 2014). Treating a business account as a personal one does not generally work well, nor does it help the company's business goals because there is no strategy or planning behind the use of social media (Cesaroni & Consoli, 2015).

A few of the available articles on social media and small businesses provide guidelines for what a small business can and should do to implement social media in a way that benefits their business. First, they should create a plan for adopting and using social media (He et al., 2017; Kim & Choi, 2019). Research shows that many small business owners begin using social media on the spur of the moment, without a plan, and use it for their businesses according to their experience using it for personal purposes (He et al., 2017; Kim & Choi, 2019). Second, small businesses need to understand the resources they will need to be active on social media (Balan & Rege, 2017). Many small businesses underestimate or do not understand the amount of time and work involved in social media management and content creation and content

management (Taneja & Toombs, 2015). They then try to manage it all themselves or by adding to the workload of their employees, which takes the owners away from important business activities or overloads their employees (He et al., 2017).

When small businesses cannot create a social media position, then, if possible, their social media should be outsourced to social media professionals (He et al., 2017). Third, if the social media will be handled within the business, then owners and employees should be appropriately trained on social media planning and management as well as the chosen platforms (He et al., 2017). Fourth, small businesses need to set up metrics and standards to measure and evaluate the effectiveness of their social media efforts (Basri & Siam, 2017; He et al., 2017). Fifth, most small businesses use social media for marketing or customer relationship management purposes (Cesaroni & Consoli, 2015; Kwartler, 2014; Milcetic, 2017). Therefore, they need to ensure their strategies for social media are customer-focused and take the time to understand how to place their efforts on the platform where they can find customers (He et al., 2017; Kim & Choi, 2019). Finally, due to limited resources, small businesses should start their social media activity by focusing on only one or two platforms (He et al., 2017).

The field of social media is still relatively new, and the field of social media and business is even newer. Therefore, research is still relatively limited in these areas, and many researchers agree on the need for more research. Cesaroni and Consoli (2015) found that most of the existing research on the topic of social media concentrates on the behavior of social media users instead of its uses for businesses and that there is very little research on the subject of small businesses and social media. He et al. (2017) observed that “the existing literature has not paid sufficient attention to the questions of why and how small business owners adopt social media for business purposes” (p. 150). He et al. (2014) also found that the research on small businesses’ use of

social media is limited. In addition to the limited research that is available on the general topic of small businesses and social media, much of the research that does exist is centered on tactical things like whether or not small businesses have adopted a specific SNS (Cesaroni & Consoli, 2015). Although these studies are valuable, there is a need for further research into social media strategies for small businesses and how social media can provide value to the relationships between customers and small businesses (Cesaroni & Consoli, 2015). Finally, Kim and Choi (2019) also believed a gap exists in the literature regarding social media and small businesses, but specifically on the topic of how small businesses can use social media better and get higher user participation.

### *Customer service*

Customer service is a critical function of any business (Demmers, van Dolen, & Weltevreden, 2018). Customer service includes all the activities in which a company participates to meet customer needs by delivering quality and professional service before, during, and after an interaction with a customer (Demmers et al., 2018). Quality customer service is a vital part of customer satisfaction. Customer satisfaction is critical to a company's marketing strategy because it has a significant impact on repeat sales, customer loyalty, and positive word of mouth (Hsiao, Chen, Choy, & Su, 2016). A 2017 study from Microsoft confirmed this idea when they discovered that delivering excellent customer service directly affects sales and customer loyalty, with 69% of American adults saying that customer service is very important to their selection of or loyalty to a company (Microsoft, 2017). The literature has proven that delivering excellent customer service and customer experiences is a sustainable, competitive advantage for companies that undoubtedly impacts the bottom line (Halvorsrud, Kvale, & Følstad, 2016).

Customer dissatisfaction, on the other hand, has the potential to cause adverse decisions by customers in the future (Hsiao et al., 2016). These decisions are more than simply refusing to buy again but can mean possible damage to the business or reputation (Hsiao et al., 2016). Companies need to know that dissatisfied customers may inflict damage to a business in the process of expressing their dissatisfaction (Hsiao et al., 2016). However, this is only one possible response a dissatisfied customer can have. There are generally four responses a dissatisfied customer can have: discontinuing a relationship with the company, expressing their dissatisfaction with the company, remaining loyal in hopes that products and services will improve, and being silent and apathetic (Hsiao et al., 2016). Three of these four responses are almost always unfavorable for a company, but any potential damage caused by these responses can be mitigated with excellent customer service (Hsiao et al., 2016).

### ***Customer Complaint Management***

It is common knowledge that customers complain when they have a poor experience with a company and its products or services (Cambra-Fierro et al., 2015; Hsiao et al., 2016; Microsoft, 2017; Umashankar et al., 2017). Furthermore, customers now have a plethora of options for where to complain, in large part due to the availability of customer service online and on social media (Hsiao et al., 2016; Istanbuluoglu, 2015; Microsoft, 2017; Sugathan et al., 2018). Essentially, a customer complaint is any action by a customer that communicates unhappiness after a failure by an organization (Gregoire, Ghadami, Laporte, Sénécal, & Larocque, 2018). The literature agrees that how businesses manage customer complaints is critical and can play an essential role in the success of a business. Customer complaints can cause severe problems for a business, primarily if they do not handle the complaints well.



On the other hand, customer complaints that are managed and responded to appropriately can engender loyalty from the customer and become a positive thing (Gregoire et al., 2018; Sugathan et al., 2018). The ideal scenario is for the business to operate so that the customer does not complain in the first place. This is not realistic, however. Therefore, businesses need to understand why customer complaints happen and how to manage them once they do (Yilmaz, Varnali, Kasnakoglu, 2016). Sugathan et al. (2018) studied customer perceptions of complaint management. They found that customers' perceptions of how businesses handle their complaints are an important part of whether they are satisfied with the resolution. Complaint management also has a significant effect, both positive and negative, on customer loyalty and word-of-mouth communication about a company (Yilmaz et al., 2016).

“Complaint handling aims to provide customers with gains to counterbalance the losses they suffered in the failure episode” (Cambra-Fierro et al., 2015, p. 112). There are three critical factors in successful complaint management: timeliness, compensation, and communications (Cambra-Fierro et al., 2015). Timeliness refers to how quickly a business responds to a customer complaint; compensation has to do with what the customer receives to try and counteract the service failure and includes things like refunds, discounts, replacement of products, and so on. Communications mean the explanations and apologies the business provides regarding the service failure (Cambra-Fierro et al., 2015). Each of these activities can provide economic or social benefits to the customer. How businesses handle them often depends on if the service failure was economic or social (Cambra-Fierro et al., 2015). Gregoire et al. (2018) considered complaining behaviors in three categories: voice response (i.e., where consumers complain to the organization), private response (i.e., where consumers tell friends or family about the

experience), and third-party response (i.e., where consumers complain to a third party, like a media outlet).

It is common for businesses to consider two roles for customer complaints: to fix the problem that caused the complaint and to learn about products and services to offer in the future (Hsiao et al., 2016; Umashankar, Ward, & Dahl, 2017). Bill Gates has a well-known quote that suggests that unhappy customers are an excellent opportunity for businesses to learn (Umashankar et al., 2017). Because of this, many companies are focusing more on customer complaints than they did previously. However, they might not be taking full advantage of the value to be found in customer feedback, which can mean missed opportunities to turn bad experiences into customer loyalty (Umashankar et al., 2017). Umashankar et al. (2017) found that managers did not look at customer complaints to retain customers and instead concentrated mostly on what the customers were complaining about so they could find issues with their current products or services. However, when businesses handle customer complaints correctly, they can be a tool for improving customer relationships (Umashankar et al., 2017). Sugathan et al. (2018) agreed that complaint handling is vital, with this activity having the ability to make a negative customer experience worse if handled poorly or to turn unhappy customers into loyal fans when handled well. One of how a company can handle customer complaints well is to offer multiple service channels, including retail locations, phone service, email, chat, and social media (Sugathan et al., 2018). Customers today expect to have multiple channel options for customer service, and by offering multiple service channels, customers can choose to communicate wherever they prefer.

The research on customer complaint management shows that many businesses still approach it in the wrong way – as a cost center that is simply part of the customer service

department (Hsiao et al., 2016; Umashankar et al., 2017; Yilmaz et al., 2016). Customer complaints as a result of service failures continue to be the norm, rather than the exception, in most businesses, despite recognizing the benefits of limiting the number of unsatisfactory situations (Hsiao et al., 2016; Yilmaz et al., 2016). These businesses often used automated and impersonal systems to request customer feedback and often focus on reducing the costs associated with customer complaint management (Gunarathne, Rui, & Seidmann, 2018). However, when businesses see those customer complaints are a way in which customers engage with them and can be an opportunity to increase customer loyalty and profits, they will be more likely to allocate the resources needed to manage complaints well (Umashankar et al., 2017).

The literature agrees that there are several gaps in the customer complaint literature, and each article discussed above suggests several possibilities for future research. Some of the critical gaps in the literature include the implications of complaints from loyal customers (Umashankar et al., 2017), the success of businesses' recoveries once customers have complained (Gregoire et al., 2018), and most important for this study, the knowledge of how companies are using digital and social media channels for customer service and the effects of doing so (Sugathan et al., 2018). The strategies for and use of social media for customer complaint management is an essential area of research because more and more companies are using social media for complaint handling. However, there is little understanding of its effectiveness and how to best approach it.

**Customer complaint management on social media.** Social media has provided customers the opportunity to share their thoughts and opinions across their social networks and beyond effortlessly (Demmers et al., 2018). These thoughts and opinions can play a critical role in influencing the image of an organization, the purchase decisions of other customers, and

overall customer satisfaction (Ye & Tripathi, 2016). The ability of customers to impact and influence a company with their opinions on social media goes beyond their social circle or the social circles of their friends because of the viral nature of social media (Ye & Tripathi, 2016). A negative comment that goes viral can reach a significantly broad audience, increasing negative publicity and considerably harming both the image and the profitability of a business (Einwiller & Steilen, 2015; Ye & Tripathi, 2016). Postings on social media can also be contagious as people are encouraged to respond to one post with their comments or even personal experiences with the company in the complaint, and people may even be inspired to post their complaint(s) (Einwiller & Steilen, 2015; Ye & Tripathi, 2016). All these activities can intensify the impact of negative comments or customer complaints, especially if the company did not handle the complaints properly (Einwiller & Steilen, 2015; Ye & Tripathi, 2016).

While social media provides consumers an enormous opportunity to voice their complaints and resolve and is an important marketing and customer service channel for companies, it also presents a new challenge for companies to respond to consumers on social media (Istanbulluoglu, 2015; Ye & Tripathi, 2016). The nature of social media has shaped what consumers expect from companies' communication. Both the customer service departments and social media managers of companies need to be aware of these expectations, especially when designing strategies for handling customer complaints (Istanbulluoglu, 2015). Research shows that the level of customer satisfaction regarding complaint handling is directly related to how quickly the company responds, regardless of the channel (Istanbulluoglu, 2015). However, consumers expect a much faster response time on social media than other channels (Istanbulluoglu, 2015).

In addition to the issue of response time, companies also face the challenge of handling customer complaints in a public forum, which makes the company's response even more critical (Hogreve, Bilstein, & Hoerner, 2019; Schaefer & Schamari, 2016). Therefore, companies often shift customer service conversations off the public platform and into a private environment like direct messaging, email, or phone (Einwiller & Steilen, 2015; Hogreve et al., 2019). Doing this can cause problems for the company because the other consumers on social media that have seen the complaint expect to see the resolution to the complaint (Hogreve et al., 2019; Schaefer & Schamari, 2016). These consumers matter too because they can also be significant sources of word of mouth recommendations (Hogreve et al., 2019; Schaefer & Schamari, 2016). A survey from 2017 showed that an average of 825 consumers online read every complaint posted by a disgruntled customer (Hogreve et al., 2019).

Companies can address the challenges of handling customer complaints on social media by responding quickly, conversing with customers to allow them to explain their concerns, be open about the process, and admit the problems (Ye & Tripathi, 2016). Companies should also consider the nature of the complaints and what is involved in them to determine the best way to handle them (Ye & Tripathi, 2016). Due to the public nature of social media, companies must also consider the other people observing the customer complaints and responses, and they need to be as transparent as possible about handling complaints (Hogreve et al., 2019; Schaefer & Schamari, 2016). When companies are transparent about complaint handling on social media and handle complaints appropriately, perceptions of the company and trust in the company are improved among the complaining customers and the observing consumers, and often lead to increased customer loyalty and sales (Einwiller & Steilen, 2015; Hogreve et al., 2019). However, depending on the situation, there may sensitive customer data involved, or different customers

may receive different resolutions, so companies may need to handle the customer complaint in a more private environment. In this case, companies should still openly share the process but not share specific results (Hogreve et al., 2019).

Social media is still relatively new, and the phenomenon of managing customer complaints on social media is even newer. Because of this, the literature on the topic is limited at best, and only a few studies have explored how companies use social media to handle customer complaints (Einwiller & Steilen, 2015; Schaefers & Schamari, 2016; Ye & Tripathi, 2016). Due to both the growing use of social media for customer complaints as well as the distinctive features of social media, more research is needed to understand better how businesses should handle customer comments and complaints on social media (Einwiller & Steilen, 2015; Ye & Tripathi, 2016). Hogreve et al. (2019) and Istanbuluoglu (2017) acknowledged that research is needed in several specific areas, including exploring the influence of transparency of customer complaint handling and responses to complaints and studying other industries.

### ***Customer Service and Small Business***

The topic of customer service in small businesses seems to be lacking in the literature. As with many topics related to businesses, much of the literature available on the subject of customer service focuses on large businesses. The lack of literature on customer service and small businesses matters because there are differences in the customer service function between large and small businesses. For example, large businesses' customer service operations and processes tend to be focused on technology, while small businesses' customer service tends to be mostly human interactions (Gilboa, Seger-Guttmann, & Mimran, 2019). Both social relationships and personal care are known to be critical parts of the customer service experience for small businesses (Gilboa et al., 2019). Customer service is especially important to small businesses

because they often work extremely hard to survive and stay competitive with large businesses. One small business survey from 2019 learned that one of the biggest challenges for small businesses is obtaining new customers (Gilboa et al., 2019). Small businesses can succeed despite this challenge by providing unique customer experience and using it as a competitive advantage (He et al., 2017; Taneja & Toombs, 2015).

Another crucial difference between customer service in large and small businesses is the difference in the number of resources they have (Gilboa et al., 2019; Taneja & Toombs, 2015). Small businesses have limited human and financial resources for the customer service function and are generally unable to offer a customer experience that large businesses can (Gilboa et al., 2019). On the other hand, some literature contends that small businesses have an essential asset that large businesses do not – the capability to provide more human customer experiences (Gilboa et al., 2019). Two parts of customer relationships are critical to these more human experiences that can give small businesses a competitive advantage. The first part is establishing long-term customer relationships that are social and personal (Gilboa et al., 2019). The second part is that most small businesses can deliver personalized care that is customized, flexible, convenient, and accessible (Gilboa et al., 2019).

Gilboa et al. (2019) shared suggestions for how small businesses can create customized service experiences for their customers. First, they recommend having a system that includes a simple database, social media, and interactive apps (Gilboa et al., 2019). The simple database can be as straightforward as a Word document or Excel spreadsheet that contains customer information and product or service preferences (Gilboa et al., 2019). Businesses can use social media to improve customer accessibility and personal service because customers use them more and more. Social media also work well for small businesses because they are free to set up and

are an easy way to connect with customers (Gilboa et al., 2019). Small businesses can differentiate themselves from large ones on social media by small business owners using accounts in their name instead of the company name to make the relationship with their customers more personal (Balan & Rege, 2017). Finally, small businesses can use an app like Facebook Messenger or WhatsApp to further personalize customer service and let customers ask questions, share feedback, place orders, or get technical support (Gilboa et al., 2019).

Galvão, de Carvalho, Oliveira, and Medeiros (2018) also offered similar recommendations for small businesses' customer service. First, small businesses should not use expensive, impersonal, and generic customer service solutions. Instead, small businesses should learn about customers' views and behavior to develop strategies that are well suited to satisfy their needs (Galvão et al., 2018). Next, Galvão et al. (2018) recommended that small businesses should develop strategic communication programs with customers or their groups that are incorporated into CRM. Finally, they also recommended that small businesses invest in a system for managing customer information and experiences.

### ***Social Media Customer Service***

Social media customer service is when customer service happens on social media, and the public can view the conversation (Kwartler, 2014). Social media has allowed customers to have more of a voice than ever before and to share their opinions, both good and bad, about companies so that many other people can see them (Kwartler, 2014; Milcetic, 2017). SNSs have made it incredibly easy to complain, and customers expect companies to participate on these platforms, which is why more and more customers are using SNSs to voice their complaints (Ma, Sun, & Kekre, 2015). Consumers share their experiences with companies every day on SNSs (Demmers et al., 2018). It should be noted that customers do not only post negative feedback on



social media. It is just as effortless to compliment a company, and happy customers do that as readily as unhappy customers complain (Ma et al., 2015). Social media also allows customers to share their opinions and information with other customers, which is a significant change from other online customer service channels like email or chat. The interaction is only between the company and the customer (Palomino-Manjon, 2018). However, social media also gives companies a powerful way to directly connect with their current and potential customers and provide outstanding customer service (Kwartler, 2014). For all the reasons mentioned above, social customer service is an essential part of customer service strategy for companies today. They cannot ignore because they need to efficiently deliver a consistent customer experience (Kwartler, 2014; Ma et al., 2015).

In large organizations with a sizeable presence online, social media customer service must be a joint effort between marketing, customer service, and analytics departments (Kwartler, 2014). Marketing should provide the branding, strategy, and guidelines for resolving issues; customer service needs to contribute the people and operating knowledge to provide good customer service consistently; and analytics should help with strategies to help with efficiency and workload reduction (Kwartler, 2014). Even with the best preparation and planning, however, customers have customer service-related conversations online without the company being aware of them or without the appropriate marketing or customer service employees being authorized to act (Kwartler, 2014). These unknown online customer conversations about companies present yet another challenge to companies and managing customer service on social media.

One of the ways companies are addressing this challenge is by using social listening and then actively interceding with consumer conversations that involve them, or even their competitors (Demmers et al., 2018). Recent studies show that more than 60% of companies use

SNSs as customer service channels and have employees dedicated to engaging with consumers on them (Demmers et al., 2018). Many companies are allowing their social media customer service representatives to do more than respond to questions and complaints. They are encouraging them to use social listening to intervene in conversations that are not directed at the company but use the company name or a competitor's name (Demmers et al., 2018). For example, Verizon Wireless, a phone service provider, intervened on a customer complaint about their competitor, T-Mobile, and convinced the unhappy customer to switch to Verizon (Demmers et al., 2018). This practice is called proactive customer service, which experts consider to be a top trend in customer service today (Demmers et al., 2018).

Companies have traditionally thought of customer service as a cost center, but social media customer service is changing to some extent (Guidry, Messner, Jin, & Medina-Messner, 2015; Kwartler, 2014). Companies today face more competition than ever before, and providing excellent customer service can be a differentiating factor (Kwartler, 2014). Social media is a noisy place where many consumer comments, questions, and complaints go unanswered, so companies can use social media customer service as a way to stand out (Guidry et al., 2015; Kwartler, 2014; Milcetic, 2017). When a company directly answers customer questions or complaints on SNSs, their audience engagement generally increases. Consumers tend to be more satisfied with that company, which makes having at least a basic social media customer service program a worthy effort (Milcetic, 2017). Demmers et al. (2018) found three potential benefits of engaging in social media customer service. Perhaps most importantly, it helps companies communicate important customer issues and then improve customer satisfaction by managing them (Demmers et al., 2018). Next, because SNSs are a public platform where a potentially broad audience can observe customer service interactions, social media customer service can be

a public relations tool (Demmers et al., 2018). Finally, companies can learn from customer feedback on SNSs and use it to improve their products and services (Demmers et al., 2018).

As previously been mentioned, social media customer service is different from traditional customer service in various ways. Another one of these ways is that customer feedback on social media is generally very active conversations that go in many directions, involve both direct and indirect participants, and can be highly emotional (Kwartler, 2014). Due to the complex and public nature of these conversations, companies' responses need to be treated more carefully and thoughtfully than in traditional customer service channels (Kwartler, 2014). Still another way social media customer service differs from traditional is how many companies approach the expectations of responding to customers. In a traditional call center, organizations expect that customer service representatives will address every caller. However, organizations do not seem to have the same expectations for social media. One study found that airlines reply to fewer than half of the tweets they receive from unhappy customers (Gunarathne et al., 2018). Other statistics show that almost 90% of direct messages sent to brands go unanswered (Sprout Social, 2016). As more and more customers use SNSs as customer service channels, companies need to implement systems to address customer posts, comments, and messages (Gunarathne et al., 2018). Research suggests that companies who plan to launch a social media customer service program should keep it small to start so that the team is not overwhelmed and can set up the systems the right way (Milcetic, 2017).

Social media customer service is another area with gaps in the literature. Social media customer service is still relatively new, so there has been little research on this area (Gunarathne et al., 2018; Palomino-Manjon, 2018). Besides, social media is complex and has many layers, allowing for many areas that could be studied (Ma et al., 2015; Palomino-Manjon, 2018). Ma et

al. (2015) also noted that many anecdotes on social media customer service exist. However, there is still a lack of understanding of how customers behave on social media when providing feedback and what effect the company's participation has on the process.

### ***Facebook and Customer Service***

Facebook continues to be the most popular SNS for both consumers and businesses. With more than 60 million active business pages on Facebook as of September 2016, Facebook has also become more than just a marketing channel where the businesses control the content. It has also become a popular platform for customer service (Palomino-Manjon, 2018). One study showed that customers complaining on Facebook is standard, with 26% of customers in the United Kingdom having complained about a company on Facebook and many shoppers in the United States saying they see Facebook as a natural channel for complaining (Rosenmayer, McQuilken, Robertson, & Ogden, 2018). Due to the nature of social media, companies do not have much control over what consumers post on their Facebook pages or how they behave (Yang, Ren, & Adomavicius, 2019). This lack of control can be a good thing when customers are merely asking questions or providing positive feedback. However, the lack of control becomes a genuine concern when customers use it for complaining and negative feedback, as we already know is happening (Yang et al., 2019). As more customers use Facebook pages for customer service purposes, companies need to realize that their business page is more than a marketing channel and have a strategy in place for how to handle customer service posts (Rosenmayer et al., 2018). They especially need to have a strategy ready for managing negative posts since they generally attract more attention than other posts and can damage the company if not responded to appropriately, or at all (Yang et al., 2019).

Furthermore, companies should consider negative feedback and complaints from customers as an opportunity to learn what consumers want and fix any issues they may be experiencing with their products or services (Umashankar et al., 2017; Yang et al., 2019). Rosenmayer et al. (2018) studied the use of Facebook pages for customer service among retailers and recommended that they use Facebook pages as a customer service channel. Also, they suggest that retailers encourage customers to provide feedback on Facebook (Rosentmayer et al., 2018). Finally, companies cannot ignore a majority of customer service posts on their Facebook pages, as many do now (Peeroo, Samy, & Jones, 2017). Instead, they need to treat these posts in the same way as any customer feedback received via traditional channels (Rosenmayer et al., 2018).

Facebook, and social media, in general, present a unique customer service challenge to companies because the interactions are no longer private and no longer directly between the company and the customer (Palomino-Manjon, 2018; Yang et al., 2018). As was previously discussed, social media is a public platform where anyone can see what customers have posted on a business' page or profile. Some studies have analyzed how customers can work together to help or hurt a company on Facebook. One study examined interactions on Facebook to see how polite they were and found that customers of the same company who interacted on Facebook built positive relationships with each other and cooperated to share positive feedback about a company (Palomino-Manjon, 2018). It has also been found that customers are empowered by Facebook to create value together by replying to other customers' posts or offering solutions to other customers' problems (Peeroo et al., 2017). However, another study analyzed dissatisfied customers on Facebook and found that customers would also band together and cooperate to express their complaints against a company (Palomino-Manjon, 2018). The positive feedback

generally included praise for the company's good work and efficiency, while the negative feedback was usually about employee or product quality problems (Palomino-Manjon, 2018). Whether they are providing positive or negative feedback on business Facebook pages, it seems that customers do it hoping that both company representatives and fellow customers will see it (Palomino-Manjon, 2018).

As is the case for many areas related to social media, there is a significant opportunity for additional research in using Facebook for customer service. Palomino-Manjon (2018) stated that “This new digital space of communication is in need of research” (p. 77). Rosenmayer et al. (2018) noted that even though Facebook dominates the social media world and is commonly used for customer service by customers, little research has been done on customer complaints via Facebook. Yang et al. (2018) suggested the current research is limited and that the use of Facebook for customer service by small- and medium-sized businesses, nonprofit organizations, and companies who sell business-to-business are all areas that should be studied. They also suggest that although their findings should generally apply to other SNSs, further study of customer service on other SNSs like Twitter, YouTube, and Instagram are warranted and would be useful (Yang et al., 2018).

### ***Small Businesses and Facebook for Customer Service***

This researcher could not find a single journal article that focused on the use of Facebook for customer service by small businesses, showing how necessary more research is in this area. However, one article about the use of social media by small- to medium-sized businesses does discuss it briefly. The main findings from that article were that Facebook could be used by small businesses for successful customer service, to improve customer relations, and to reduce

customer service costs (Ainin, Parveen, Moghavvemi, Jaafar, & Mohd Shuib, 2015). Ainin et al. (2015) summarized the benefits to businesses of using Facebook for customer service by saying:

Customer relations are improved by allowing customers direct access to information for which they would previously have had to telephone, or e-mail. Moreover, organizations can get information about their potential customers, their tastes, their wants easily from the conversations in the Facebook pages. (p. 581)

Ainin et al. (2015) stated that their study was limited and that there is a need for more research on the use of Facebook by small businesses, especially in the context of customer service, customer relations, and customer retention.

### ***Instagram and Customer Service***

This researcher also struggled to find relevant literature on Instagram and customer service, showing once again that there is a significant gap in the literature, and further research is needed. Only one article could be found which even closely related to the topic of customer service on Instagram, and it had a focus on businesses using Instagram for monitoring and responding to crisis information instead of customer service as a whole (Guidry et al., 2015). Their study of negative Instagram posts and comments directed at the ten largest fast-food companies showed that customers are regularly complaining about companies on Instagram. However, the companies are mostly ignoring them (Guidry et al., 2015). The companies that have an Instagram account are unlikely to engage on it daily, and not one of the ten companies that were studied responded to even one negative post or comment (Guidry et al., 2015). Even worse, the companies did not respond to comments on posts on their company profiles, confirming a low level of engagement with consumers on Instagram (Guidry et al., 2015). Guidry et al. (2015) found that people are regularly talking about companies on Instagram, and

due to the ease of posting and the public nature of the platform, they have the ability to cause a crisis for any brand at any moment (Guidry et al., 2015). As has been concluded by many others on companies engaging on other social media platforms, this study demonstrated the need for companies to become much more engaged on Instagram (Guidry et al., 2015). Guidry et al. (2015) concluded their article by stating that more research needs to be done on Instagram by public relations and social media scholars.

### ***Social Customer Relationship Management***

The concept of customer relationship management (CRM) has been around for decades now, but the concept of it has been changing because of social media (Dewnarain, Ramkissoon, & Mavondo, 2019; Kantorová & Bachmann, 2018). Traditional CRM focuses on building financial connections with customers based on what happens at the point of sale. On the other hand, social customer relationship management (SCRM) encourages transactional and interactional relationships with customers where all customer data is considered (Dewnarain et al., 2019; Kantorová & Bachmann, 2018). Social media has disrupted the relationship between companies and customers. One of the most significant effects of this has been the participation of customers in co-creating value by giving reviews or sharing user-generated content (Dewnarain et al., 2019). Sigala (2018) states that SCRM adds many things to traditional CRM that enhance customer, community, and partner interaction, including social features, functions, processes, and characteristics. SCRM is a proactive marketing approach that goes beyond customer service and controlling customer relationships to involving customers more and being more collaborative (Sigala, 2018).

SCRM is relatively new, so there is not yet a consensus on an official definition. One definition of SCRM is a “business strategy of engaging customers through social media with the



goal of building trust and brand loyalty” (Dewnarain et al., 2019, p. 173). Another definition describes SCRM as a:

multidisciplinary social media approach as it involves all departments in the organization.

Instead of only contacting people with sales offers, the aim of social CRM is to build strong relationships with Internet users by giving them a positive experience of the organization’s brand, products, and services. (Kantorová & Bachmann, 2018, p. 1).

Still another definition of SCRM describes it as “the integration of customer-facing activities, including processes, systems, and technologies, with emergent social media applications to engage customers in collaborative conversations and enhance customer relationships” (Cheng & Shiu, 2019, p. 23). These definitions show how implementing and using SCRM can help keep customers satisfied and turn customers into loyal customers (Kantorová & Bachmann, 2018; Paliouras & Siakas, 2017).

The process of SCRM is when a company creates a business page or profile with a social media platform, such as Facebook or Twitter, which is then used for communication with customers (Paliouras & Siakas, 2017). These social media platforms allow companies to obtain data on consumers interested in their products or services, respond to customer questions, comments, and feedback, and learn more about how they can improve or change their product and service offerings to satisfy consumers (Paliouras & Siakas, 2017). SCRM can benefit companies by improving their reputation through excellent customer service and quality products and services (Paliouras & Siakas, 2017). SCRM facilitates conversations with customers as well as the collection of ample information, which helps companies to co-create value with and engage with customers and their communities (Sigala, 2018). In turn, all these activities and processes result in increased customer loyalty and profitability for businesses (Sigala, 2018).

### *Customer Service Strategy*

Customer service has become increasingly complex and is now far more than answering a phone call or replying to an email, with customers having the ability and expectation of communicating with businesses in multiple channels (Grossberg, 2015). Because of this and the fact that customer service has become a critical part of a business's success, businesses need to have a strategy for their customer service. Grossberg (2015) wrote that customer service is so critical to the success of a business that businesses should not just have a customer service strategy. Instead, customer service should be at the core of a business' strategy. However, there is a considerable strategic opportunity for customer service to increase engagement with customers and other stakeholders by using technology (Grossberg, 2015). The world and technology today offer a plethora of channels where companies can connect and communicate with consumers – websites, mobile devices, social media, call centers, retail outlets, online communities, and after-sale service. Companies need to be as available as possible to consumers in multiple channels and have a strategy to utilize these channels effectively (Fan & Niu, 2016; Grossberg, 2015).

Guchait, Han, Wang, Abbott, and Liu (2019) studied service recovery strategies and how they impact customer loyalty. They discuss service recovery as one of the critical areas of customer service strategy, defining it as “the strategic action a service provider takes to cope with the service failure and convert a previously dissatisfied customer into a loyal customer” (Guchait et al., 2019, p. 932). Effective service recovery strategies provide many benefits to a business. One of the most important benefits is the substantial impact they have on company performance (Guchait et al., 2019). When service or product failures happen, how well the business handles the recovery is the primary determinant in keeping the customer (Guchait et al.,

2019; Rosenmayer et al., 2018). Customers are often more unhappy with how a business handles the product or service failure than the failure itself (Guchait et al., 2019). Getting customers to become repeat customers has a significant impact on revenue and profitability (Guchait et al., 2019). Retaining existing customers is only about 20% of the cost of obtaining a new one, and an increase as small as five percent in customer retention can increase profitability by 25 to 125% (Guchait et al., 2019). Therefore, having an effective customer service strategy in place is an integral part of any business's overall strategy.

### ***Social Media Customer Service Strategy***

Social media has made it incredibly easy for consumers to share both their good and bad opinions about a company on a public platform where many people can see them (Abney, Pelletier, Ford, & Horky, 2017; Kwartler, 2014; Milcetic, 2017; Ye & Tripathi, 2016). The ability of customers to ask questions, share feedback, or voice complaints on social media is a significant challenge to businesses. However, it is one they must face if they want to remain competitive (Abney et al., 2017). Not only do customers expect responses from businesses on social media, but they expect them quickly (Abney et al., 2017). When businesses fail to respond quickly, or at all, customers' feelings toward them become more negative, and they may inflict further damage to the company (Abney et al., 2017; Ye & Tripathi, 2016). Therefore, businesses need to be aware of this, adapt to the changing needs of consumers, and create and implement strategies for managing customer service on social media (Abney et al., 2017). One specific social media customer service strategy which Abney et al. (2017) found to be successful on Twitter was to adapt and personalize responses to customer complaints instead of responding with more general and templated tweets or messages. This strategy also had a positive effect on a business's bottom line.

Fan and Niu (2016) also studied service recovery strategies on Twitter and looked specifically at how company employee responses affected changes in customer emotion and customer satisfaction. Interestingly, they discovered that company responses effectively ease customer emotions, except when they ask customers to take additional action (Fan & Niu, 2016). If a company requires a customer to take additional action to resolve their issue, then they tend to feel worse. Therefore, companies must enable their social media customer service agents to have the appropriate knowledge, skills, and technology tools they need to resolve customer issues in real-time (Fan & Niu, 2016). The finding implies that businesses must establish a recovery process using a customer-centric approach instead of a system-centric approach. Given the critical role of failure severity, a company's social media customer service team can optimize customer service and operational efficiency by prioritizing their replies based on the severity of the product or service failure (Fan & Niu, 2016). For less severe failures, businesses can give a quick and standardized reply. For severe failures, then a customized resolution needs to be given in real-time (Fan & Niu, 2016).

Abney et al. (2017) noted a significant gap in the literature on this topic and that many areas need further research. Among other topics, they recommend additional research on the topic of social media customer service strategy in additional industries and on other SNSs like Instagram and Snapchat (Abney et al., 2017). Fan and Niu (2016) agreed a gap exists in the literature on the topic of social media customer service strategy and suggested several areas for additional research. These areas include testing the models from their study on other social media platforms, how a company's leadership, culture, and overall social media strategy affect customer service agent responses on social media, and the impact of those responses on customer emotions and customer satisfaction and studying the overall topic in other industries (Fan & Niu,

2016). This researcher agrees that more research is needed as it was challenging to find literature on the subject of social media customer service strategy, and the literature that was found only regarding Twitter.

### ***Customer Satisfaction.***

Customer satisfaction is “the degree to which customer expectations of a product or service are met or exceeded...and the ultimate goal of any firm is to ensure that the customer that purchases its product or service is satisfied” (Murali, Pugazhendhi, & Muralidharan, 2016, p. 68). Eresia-Eke, Jammie, and Locke (2019) described customer satisfaction as relating to a customer’s emotions, expectations, and mindset regarding a particular service experience. Research has found that two factors determine customer satisfaction: perceived value and perceived quality (Eresia-Eke et al., 2019). Analysis of the available research indicates that when customers perceive the value of the service to be high or the service quality to be high, then there is high customer satisfaction (Eresia-Eke et al., 2019). Customer satisfaction is an essential part of modern marketing and focuses on businesses providing satisfaction to customers and getting profits back (Yi & Natarajan, 2018). Eresia-Eke et al. (2019) agreed, noting that businesses that focus on customer satisfaction are on the right path to maximizing their profits. Customer satisfaction benefits businesses by improving customer retention and helping to attract new customers because of referrals from satisfied customers or positive word of mouth (Yi & Natarajan, 2018). As the importance of customer satisfaction has been realized over the last 50 years or so, pursuing customer satisfaction has become a crucial part of businesses’ strategy to be competitive in a crowded marketplace (Eresia-Eke et al., 2019; Yi & Natarajan, 2018).

**Customer Satisfaction and Retention.** Customer retention is turning existing customers into repeat or loyal customers (Guchait et al., 2019; Murali et al., 2016; Thaichon & Nguyen Quach, 2015; Yi & Natarajan, 2018). Customer retention is an important topic for businesses because research has proven that retaining customers is more profitable than attracting new customers ((Manika, Papagiannidis, & Bourlakis, 2017; Murali et al., 2016). Many factors affect customer retention, including customer satisfaction. Thaichon and Nguyen Quach (2015) explained how marketing influences customer perceptions and consumer expectations, reinforcing brand trust when met and causes customers to be satisfied. Customer satisfaction generally improves brand value, also, and combined with brand trust, ultimately improves brand loyalty (Thaichon & Nguyen Quach, 2015). Finally, brand loyalty increases customer retention, showing that customer satisfaction is an important determinant of customer retention (Thaichon & Nguyen Quach, 2015; Yi & Natarajan, 2018). Murali et al. (2016) also noted a correlation between improving customer service and improving customer retention.

### **Summary of the Literature Review**

This literature review discusses the available literature on social media, customer service, social media customer service, social customer relationship management, customer service strategy, and customer satisfaction, along with several sub-topics within each main one. Each of these topics is related to each other and are valuable to the understanding of effectively using Facebook and Instagram for customer service purposes in small businesses. One of the key findings from conducting the literature review is the substantial deficiency in the existing literature on any of the topics related to social media. Most notable for this study was the lack of literature concerning social media and customer service and the use of SNSs other than Twitter for customer service purposes. These gaps in the literature show the need for further research in

these areas. Most of the cited authors agreed on this need and recommended several areas for future research in their articles. Several authors noted the importance of the various topics and that there is a lack of literature available about them. One more noteworthy finding is that many of the articles included in this literature review cited many of the other articles that were cited in this review, affirming once again the need for additional research in this area.

### **Transition and Summary of Section 1**

Learning how to improve customer service is a vital part of a business being successful. Literature indicates that both customer service in general and specifically on social media, is becoming increasingly important for both research and practice, partially due to the public nature of customer feedback in today's world (Cambra-Fierro et al., 2015; Einwiller & Steilen, 2015; Istanbuluoglu, 2017; Pohludka & Štverková, 2019; Sugathan, Rossmann, & Ranjan, 2018). This study sought to understand the systems, processes, people, and strategies, or lack thereof, that independent day spas are employing to use Facebook and Instagram for customer service. This qualitative study included one-on-one interviews and online surveys filled out by small, independent day spa managers or owners in Phoenix, Arizona, who have active accounts for their business on Facebook and Instagram. The findings from the interviews gave the researcher understanding of how these day spas use Facebook and Instagram for customer service and how other day spas can do it effectively to improve customer satisfaction and retention. This information may help other independent day spas understand how to enhance their customer service on Facebook and Instagram, thereby improving customer satisfaction and retention.

## **Section 2: The Project**

The following section will describe this research project and how the research on the use of Facebook and Instagram for customer service purposes was conducted. The section will outline the purpose of the project, the role of the researcher, the participants, the research method and design, the population from where the data came, the sampling procedures, how the data was collected, how the data was analyzed, and finally a description of reliability and validity. This section will also explain how the purpose statement was researched and discuss the interview process.

### **Purpose Statement**

The purpose of this qualitative multi-case study was to understand how small, independent day spas are currently using Instagram and Facebook for customer service purposes and how effective the use of such is (Cesaroni & Consoli, 2015; Cole et al., 2017; Einwiller, & Steilen, 2015; Goel et al., 2019; Hamilton et al., 2016; He et al., 2017). This larger problem was explored through an in-depth study of customer service practices on Instagram and Facebook and their effects on customer retention at small, independent (non-chain and non-franchised) day spas, including med spas, in Phoenix, Arizona.

### **Role of the Researcher**

This was a qualitative study. Therefore, the researcher was the primary collector of data (Stake, 2010). The researcher initially identified 20 potential independent day spas in the Phoenix, Arizona, area as participants for this study and contacted them to ask if they were willing to participate in the study. The researcher ended up contacting more than 50 day spas multiple times via multiple methods to find ten willing participants. Once the participants for the study were confirmed, the researcher took an active role in data collection. As part of the data



collection, the researcher conducted semi-structured interviews with the owners or managers of three independent day spas and used an online survey for seven independent day spas on the topic of using Instagram and Facebook for customer service purposes. The interviews were recorded, transcribed, and then analyzed by the researcher. The survey data was downloaded, then added to the analysis tool, then analyzed with the interview data. The researcher collected documents such as information on customer service and social media strategy and goals, records with information on how customers found out about the day spas, copies of direct messages between current or potential customers and the day spas, and various other documents regarding the use of Facebook and Instagram for customer service that the day spas had available. Knowing the strategy and goals helped the researcher understand why different day spas are successful or unsuccessful with their customer service on Facebook and Instagram. Knowing where customers first heard of the day spa helped the researcher understand if customers found the spa because of interactions with the business on Facebook or Instagram or by observing interactions of other customers and the day spa on Facebook or Instagram. The researcher also observed the day spas' Instagram and Facebook accounts for activity from both consumers and the day spas. The researcher was looking to see if the day spas were responding to each customer comment. Many day spas provided the researcher with copies of direct message conversations with current and potential customers. This information was vital because it is a significant factor in whether the day spas are effectively using Instagram and Facebook for customer service. The researcher was also responsible for ensuring the reliability and validity of the data that was collected.

## **Participants**

Selecting the participants for case study research is important, and each participant must meet the criteria determined by the researcher to build a valid study (Campbell, 2015). Potential participants were identified by searching on Google Maps for day spas, then confirming that the day spa was not part of a chain, and then confirming that the day spa had a presence on Instagram and Facebook. The day spas were in the Phoenix, Arizona, metropolitan area and were small and independent from any parent companies or chains. The researcher interviewed the owners or managers of the spas. None of the participants had a person or company that managed their social media, marketing, or customer service. The owner or manager was the best person to interview at each day spa because, in most small businesses, they are the people who manage the Facebook and Instagram accounts, and this study requires information about the strategy and practices of each day spa on Facebook and Instagram (Taneja & Toombs, 2014). To solicit participants for the study, the researcher contacted potential participants via Facebook Messenger, Instagram direct message, email, or phone and requested participation in the study. The researcher built a rapport with the day spa owners and managers, frequently by receiving a referral to the day spa owner or manager. The researcher also let them know how vital customer service on Facebook and Instagram is to their business and offered to share the results of the study once they are available. This research study did not ask personal or proprietary questions that could have affected the participants' lives or business or the study's validity or reliability. This study is about the businesses' actions on Facebook and Instagram. There were no ethical issues during this study.

### **Research Method and Design**

Researchers have three options for the method of a study – quantitative, qualitative, and mixed method (Creswell, 2014). Many factors affect which method is chosen, including the purpose of the research, and the knowledge, abilities, and preferences of the researcher (Creswell, 2014). The qualitative method was chosen for this study because it suits both the researcher and the purpose of the study. This study intended to understand specific practices of independent day spas on social media, which fits the qualitative method well. A case study design was chosen for this research project because the framework for conducting a case study matches the needs of this study well.

### ***Discussion of Method***

This was a qualitative study. Qualitative research aims to understand theories better and then apply that new knowledge practically and create descriptions and interpretations of circumstances that can help others increase their understanding of them (Stake, 2010). Qualitative research keeps the researcher's role personal and focuses on a small sample size to obtain more information from each participant (Stake, 2010). Finally, qualitative research seeks to keep the research process flexible and adaptable (Köhler, Smith, & Bhakoo, 2019). All these characteristics of qualitative research aligned with the researcher's goal of understanding the inadequate use of Facebook and Instagram for customer service purposes in businesses and how they can do it more effectively as a small business. Further, using the qualitative research methodology for this study allowed the researcher to study the customer service practices of small, independent day spas in the Phoenix, Arizona, area on Instagram and Facebook. This investigation helped the researcher understand if spas that use Instagram and Facebook effectively for customer service have higher customer retention rates and higher average

customer value than their competitors who either do not use those platforms for customer service or do not use it effectively.

### ***Discussion of Design***

Qualitative studies can be conducted in many ways, including ethnography, grounded theory, phenomenological research, narrative research, and case study (Creswell, 2014). This study used the case study design, one of the most used business research designs (Mills & Durepos, 2013). Case study research is detailed and seeks to understand specific cases and gain insight from them (Creswell, 2014). The case study design is suitable for this study because the purpose is to understand how small, independent day spas use Instagram and Facebook for customer service and how they can do it more effectively. The case study design permitted the researcher to study the real-time environment of using Instagram and Facebook for customer service in each business. It also allowed the researcher to learn from both successful and unsuccessful uses of these SNSs. The case study design involves asking descriptive questions directly of the study participants that will facilitate a greater understanding of customer service practices. It also allowed the researcher to collect documents and observe the participants' actions, which the researcher used to review the social media activity of the businesses.

### ***Summary of Research Method and Design***

This study used the qualitative method with multi-case study design. Both this method and the design are ideal when studying specific occurrences of a small population, as will be done in this study (Campbell, 2015). The qualitative method allowed the researcher to take a personal role in the research and focus on a small sample size so that more information could be obtained from each participant. The case study design calls for the researcher to use interviews, document collection, and observations to conduct the research (Stake, 2010), and this allowed

the researcher to gain an in-depth understanding of independent day spas' customer service practices on Instagram and Facebook.

### **Population and Sampling**

The population for this study included independent day spas in the greater Phoenix, Arizona, metropolitan area. The sample for the study was chosen using purposive and quota sampling with the goal of finding ten independent day spas in the greater Phoenix area who currently have a presence on Instagram and Facebook. The day spa must have posted at least once a month for the most recent three months. The sample size was limited to ten. This sample size was chosen because this is a multi-case study, which requires an in-depth investigation of each selected case.

### ***Discussion of Population***

There are dozens and dozens of small, independent day spas in the greater Phoenix, Arizona, metropolitan area, and that was the population for this study. Independent day spas for this population are defined as day spas that are independently owned and operated, have a single location, and are not part of a chain, franchise, or hotel. Independent day spas offer a variety of services, such as massages, body treatments, or facials (Miller, 2020). Some may also provide medical spa services such as Botox, laser hair removal, and photo facials (Boeckh, 2017). Based on the industry averages for the United States and on preliminary research done by this researcher, many of the independent day spas in the Phoenix area are likely to be small because the industry-wide average revenue per employee was \$50,300, and the average number of employees was 17 in 2019 (Miller, 2020). One important characteristic to keep in mind for this study is that small, independent day spas often have the owner heavily involved in providing the services and managing the business. This characteristic can be verified by seeing that the contact

person listed on the website, and social media usually is the owner. The area where this population exists is in the greater Phoenix area, which includes several cities, such as Phoenix, Scottsdale, Glendale, Peoria, Tempe, Gilbert, Chandler, and Mesa, and independent day spas located in any of these cities were included.

### *Discussion of Sampling*

This qualitative research project was a multi-case study of the selected small, independent day spas in the Phoenix area. This study used purposive sampling, a strategy to safeguard that specific types of cases from the broader population are characterized in the final sample (Robinson, 2014). This sampling method worked well for this study because this researcher believes that, based on the knowledge of the topic being studied, specific day spas are likely to have a unique perspective on and experience with the use of Facebook and Instagram for customer service (Creswell, 2014; Robinson, 2014). Therefore, each day spa that meets the differing criteria should be included in the sample should be ensured (Creswell, 2014; Robinson, 2014). Further, this study used quota sampling, which requires multiple categories that each have a minimum number of cases (Robinson, 2014). Quota sampling helps guarantee that relevant groups are included in the sample, but also allows for flexibility in deciding on the final sample (Robinson, 2014). This sampling method is appropriate because the researcher needed to study both effective and ineffective users of Facebook and Instagram for customer service, so it helped ensure that both types of participants were included in the study.

This researcher selected ten independent day spas for the sample for this study that are in the Phoenix area, have ten or fewer employees, and have less than \$1,500,000 in annual revenue. This researcher chose ten as the sample size for a few reasons. First, although there is some debate on using a single case versus multiple cases, many qualitative research experts agree that

when resources allow, multiple case studies are preferred (Eisenhardt, 1989; Leonard-Barton, 1990; & Yin, 2014). Another reason ten is the chosen sample size is that this researcher aligns with the concept of data saturation. Data saturation is the point when completing additional interviews or adding more cases to the study would not provide new themes or information, and it implies that multiple case studies or interviews are always required (Boddy, 2016). Eisenhardt (1989) agrees with the need for multiple cases and with the concept of data saturation. He recommends not adding additional cases to the study when the incremental contribution of them is only marginal. Leonard-Barton (1990) recommends using multiple cases because they enhance external validity and can protect against observer biases. Finally, this researcher used extensive case study research. Extensive case study research has the goal of expanding on, testing or generating transferrable theoretical concepts by evaluating multiple cases, so it follows that this case study should evaluate multiple cases (Eriksson & Kovalainen, 2008). Further, the extensive design seeks to map common patterns and characteristics amongst cases (Eriksson & Kovalainen, 2008). The cases are tools that help the researcher explore certain business-related occurrences and then develop theories that can be tested and transferred to theory or other business contexts (Eriksson & Kovalainen, 2008).

This researcher selected the cases based on theoretical aspects and chose some similar cases and some that were different to find theoretically interesting comparisons (Eriksson & Kovalainen, 2008). This method was appropriate because the researcher was trying to understand how to help independent day spas that are not effectively using Facebook and Instagram for customer service by studying those day spas that are using them effectively. There are several types of case sampling, including extreme, typical, maximum variation, critical, and sensitive (Eriksson & Kovalainen, 2008). This study used typical case sampling because it delivered a

cross-section of a broader population. This study aimed to have its results be transferrable to independent day spas beyond the study, and perhaps even other small businesses (Eriksson & Kovalainen, 2008). Per the quota sampling method, there was a minimum of three day spas that are effectively using Instagram and Facebook for customer service and a minimum of five who are not using them effectively. The researcher anticipated that more day spas would not be using them effectively than those that are, so kept the minimum requirement for the effective user participants category lower than the ineffective user participants category. The field study showed that this seems to be true since four participants were effective with their social media customer service, and six were not.

The study participants were required to meet specific criteria to be eligible to be included in the study. The first two criteria were that the participants must be located in the Phoenix, Arizona, metropolitan area. They must be day spas that are independently owned and operated, have a single location, and are not part of a chain, franchise, or hotel. Each participant must also have ten or fewer employees, have less than \$1,500,000 in annual revenue, and have an active presence on Instagram and Facebook. An active presence on these two platforms means that they post to each platform at least once a week, and they have previously responded to at least some comments on their posts. These criteria were appropriate for this study because the researcher aimed to find effective and ineffective uses of Facebook and Instagram for customer service by independent day spas. To make sure the study is valid, the participants needed to be independent day spas using Instagram and Facebook for their business.

### ***Summary of Population and Sampling***

The population for this study included independent day spas in the greater Phoenix, Arizona, metropolitan area who have an active presence on Instagram and Facebook. The sample



included ten participants who are independently owned and operated, have a single location, are not part of a chain, franchise, or hotel, have ten or fewer employees, have less than \$1,500,000 in annual revenue, and have an active presence on both Instagram and Facebook. The researcher used purposive and quota sampling to find both effective and ineffective users of Facebook and Instagram for customer service. It was essential to study both types of users in day spas so that the researcher could understand how independent day spas that are not effective users can become capable users.

### **Data Collection**

This study collected qualitative data via multiple methods. These methods include semi-structured interviews, unobtrusive observation, materials analysis, and documents. The researcher was the primary instrument for the study and worked to be aware of and to mitigate any biases or preconceptions. The following section will describe the instruments, data collection techniques, and data organization techniques.

### ***Instruments***

This was a qualitative study. Therefore, the primary instrument was the researcher (Collins & Cooper, 2014). Due to the vital role of the researcher in a qualitative study, the researcher needs to recognize their role in the research process and predetermined beliefs or ideas they may have about the group of people being studied, and how these may influence the information the researcher sees, hears, and reports (Draper & Swift, 2011). This researcher practiced reflexivity to minimize the effects of these predetermined beliefs or ideas (Draper & Swift, 2011). The primary data collection instruments other than the researcher that was used in this qualitative study were the semi-structured interview and an online survey. Interviews are a standard data collection instrument for qualitative studies, and the semi-structured format is a

common type of interview (Lalanda Nico, 2016). The semi-structured interview is where “the interviewer has a clear list of issues to be addressed and questions to be answered, but question structure, phrasing, and placement are flexible, and the interviewer is also free to probe responses” (Draper & Swift, 2011, p. 4). A semi-structured interview guides the interviewer through the interview process but provides flexibility to add follow-up questions or go deeper into a question (Draper & Swift, 2011). The online survey was added as an option for busy spa owners who were unable to take the time for an interview.

The researcher used an interview guide to provide structure to the interview process and to help ensure that the researcher collected the information needed to adequately conduct the research (Collins & Cooper, 2014). The interview guide includes three sets of questions, with a total of 17 main interview questions. The first set of questions intends to learn about the level of knowledge and experience with Facebook and Instagram and how they are using them generally for their business. The second set of questions seeks to gain a deeper understanding of how the day spa uses Facebook and Instagram to interact with customers and how they approach customer service in general and on Facebook and Instagram. Finally, there are four questions at the end of the interview guide that is specifically for day spas that are using Facebook and Instagram for customer service. These questions aim to help the researcher understand how these platforms can be used effectively for customer service so that guidelines can be developed to help other day spas do the same. The complete interview guide can be found in Appendix A.

### ***Data Collection Techniques***

The first way in which data was collected was via a semi-structured in-person interview with each participant or an online survey using the same questions. The interviews used an interview guide, and the online survey included the same questions as the interview guide

(Appendix A). The interviews and survey allowed each participant to give personal and detailed responses (Magnusson & Marecek, 2015). One interview was conducted at the day spa, two interviews were conducted via a video call, and seven participants filled out an online survey and answered additional questions via email. The data was audio-recorded for the in-person interview and video-recorded for the interviews conducted by video call, and then all three were transcribed for additional analysis. Each response was coded (e.g., Day Spa 1 = Day Spa A) so that the data can be analyzed while keeping each day spa's details confidential. The online survey was conducted through Google Forms, and the data was then exported as an Excel spreadsheet, which was then uploaded to dedoose.

The researcher also used unobtrusive observation and materials analysis to collect data for this study. These types of data collection are where the researcher observes the behavior of the participant without them being aware of being observed and analyzes materials that are collected from the participants or about the topic being studied (Salmon, 2016). For this study, the researcher analyzed emergent materials found on the Facebook and Instagram pages of the participants, including comments from users on the participants' Facebook and Instagram pages and the participants' responses to those comments. Emergent materials are materials that are "being created now in current discussions, blogs, and/or social networking sites" (Salmons, 2016, p. 117). The researcher took screenshots of all relevant comments and then transcribed them for analysis (Flick, 2018). The researcher also used unobtrusive observation to review direct messages sent to the participants on Facebook and Instagram, as well as the responses from the participants. Because these interactions had already occurred, the observation was unobtrusive and did not affect the activity of the participants (Salmons, 2016). The text from the direct messages was collected as screenshots provided by the spa owners and then transcribed

(Flick, 2018). Finally, the researcher collected relevant documents from each participant when available. The documents requested from the participants and collected when available were any documents that had information about customer satisfaction or customer retention rates. These mainly included screenshots of happy customers replying to participant responses on Facebook or Instagram. To maintain the confidentiality of the participants, the researcher used the same pseudonym assigned at the interview throughout the data collection process.

### ***Data Organization Techniques***

The researcher collected the data during the interviews and saved the data on the researcher's phone. The researcher then transferred to the researcher's laptop and then to a transcription service or software. All the audio files with data from the interviews were stored as individual files in one folder. Each file was assigned a code that matches the code assigned to each participant to help with traceability. A password protects both the phone and the laptop that store the audio files. The main folder is password-protected as well to provide another layer of security (Lin, 2009). All other data collected – screenshots from Facebook and Instagram, direct messages, and documents from the day spas – was organized into labeled folders according to participant, platform, and type of data. It was also saved on either the researcher's password-protected phone or laptop. All files will be kept on a password-protected flash drive for as long as IRB requirements mandate, and the files will then be removed from the researcher's phone and laptop.

### ***Summary of Data Collection***

Most of the data for this study was collected during semi-structured interview sessions with and via online surveys filled out by ten independent day spas. The interviews used an interview guide and were recorded on the researcher's phone. The accuracy of the data collected

was verified by providing participants transcripts for review and approval. Confidentiality has been ensured by using pseudonyms for each participant. The researcher also collected data from the participants' Facebook and Instagram pages and the participants themselves. All data that was collected is saved on a password-protected phone or computer during collection and will be kept on a password-protected flash drive after the study is complete.

### **Data Analysis**

This qualitative study used interview data, observation data, materials analysis, and data from documents collected from the participants, and this data was used to answer the research questions for this study. The interviews were transcribed for analysis (Parameswaran, Ozawa-Kirk, & Latendresse, 2019). After the interviews were transcribed, the researcher used dedoose, a qualitative data analysis software tool, to analyze and code the data. During the analysis of the transcripts, the researcher looked for and found common themes and patterns from the two types of participants – day spas using Facebook and Instagram successfully for customer service and days spas that are not using them successfully. The common themes and patterns were compared between all participants, so the findings could be transferred. This analysis was done to determine if there are similarities in business structure and processes among the day spas using Facebook and Instagram successfully for customer service and those that are not, and to determine if the successful strategies and processes can be replicated in other businesses.

### ***Coding Process***

The researcher conducted the coding for this study. The coding process began after the researcher transcribed the interviews and survey data. The interviews were transcribed initially using Otter Voice Meeting Notes and then corrected by the researcher listening to the interviews and editing the transcription in real-time. Then the researcher used dedoose, a qualitative data

analysis software tool, to group the themes and patterns, or codes, found in the transcripts into major categories (Parameswaran et al., 2019). The researcher used these categories and codes to develop a codebook (Belotto, 2018). The codebook included the codes used for each participant in their transcript, which documented how the text was evaluated (Belotto, 2018).

### ***Summary of Data Analysis***

The data for this study was collected from ten independent day spas in the Phoenix, Arizona, area. The interview data were then transcribed, and all relevant data collected was entered into dedoose's data analysis tool to help with finding themes and with coding. A codebook was also used to help with the data analysis and to make it easier for future replication of the study.

### **Reliability and Validity**

Reliability and validity are important in both quantitative and qualitative research. However, it can be more challenging to establish and assess reliability and validity in qualitative research due to the nature of qualitative research, and many experts disagree on how to establish them (Cypress, 2017). Despite this difficulty, researchers must still ensure reliability and validity in their study, and there are ways to accomplish this (Campbell, 2015).

### ***Reliability***

Reliability in qualitative research is founded on consistency (Cypress, 2017; Leung, 2015). Cypress (2017) added that being careful with how research practices are implemented is another key to ensuring reliability. Cypress (2017) stated that keeping research practices and analysis transparent while keeping in mind the researcher's partiality and limits of the study's findings is a way to accomplish this. Leung (2015) suggested five approaches to ensure reliability in qualitative research: doing analysis using refutation, comparing data continuously,

using comprehensive data, including deviant case(s), and using tables of data. This study included cases of both successful and unsuccessful use of social media for customer service, which allowed for refutation analysis. This study also collected data from multiple sources so that the data used for the study was comprehensive. Designing and using an interview guide and a codebook are two ways this researcher assured the reliability of this study. An interview guide aids with both internal and external reliability by helping ensure that all interviews are conducted the same, and that future researchers can gain access to the list of questions that were used (Thyer, 2001). Reliability can be affected by dissimilarities in coding. That was not an issue in this study because the researcher was the only coder. Data saturation is another meaningful way in which reliability can be assured (Boddy, 2016; Eisenhardt, 1989). Data saturation is the moment at which conducting additional interviews or adding cases to the study would not deliver new themes or information (Boddy, 2016). Boddy (2016), Eisenhardt (1989), and Leonard-Barton (1990) agree that multiple cases and interviews are required for case study research. Therefore, this study included ten cases in an attempt to achieve data saturation and help ensure reliability.

### ***Validity***

Validity in qualitative research is related to how appropriate the instruments, processes, and data are (Leung, 2015). For a qualitative study to be valid, the research question needs to be valid for the wanted result, and the chosen methodology needs to be suitable for answering the research question. Also, the research design needs to be helpful for the methodology, the sampling and data analysis needs to be conducted appropriately, and the results and conclusions should be valid for both the context and sample (Leung, 2015). The research question, methodology, research design, and sampling and data analysis plans were reviewed and

approved by multiple people in the Liberty University Doctor of Business Administration program, so the study was set up correctly to be valid. Additional strategies for validity in qualitative research include using triangulation, clarifying researcher bias, evaluating negative information or discrepancies, and obtaining an external audit (Campbell, 2015). Triangulation is using various methods and different data sources for a study and using them to cross-check observations (Thyer, 2011). This study used triangulation by collecting data via interviews, an online survey, documents, and unobtrusive observation of social media activity. In case study research, multiple cases are recommended to enhance external validity, and this study used ten cases (Leonard-Barton, 1990). Transcripts were provided to the participants to review and make edits if needed to help ensure the validity of the interview data.

### ***Summary of Reliability and Validity***

Reliability in this study was achieved in multiple ways. First, the field study was set up to ensure consistency across data collection. One of the critical elements of that setup is the interview guide, which ensured consistency across the interviews and the online survey. The use of codes facilitated consistency in data analysis. The research practices and researcher bias will be transparent and explained clearly in the Reflections section of this dissertation. Finally, the study included ten cases to achieve data saturation. This study should be valid because the research question, methodology, research design, and sampling and data analysis plans are all laid out in this dissertation and have been reviewed and approved by various experienced people. Further, triangulation was used by including data from multiple sources, and the interview transcripts were provided to the participants for review and editing to ensure accuracy.



## **Transition and Summary of Section 2**

Section Two explained this research project and how the research was conducted. The section began with the purpose statement and then went on to describe how the researcher both collected and analyzed the data for this study, including conducting interviews, doing unobtrusive observation of participants' social media activity, transcribing and coding interviews, and reviewing collected documents. The participants of the study were small, independent day spas in the Phoenix, Arizona, area. This study was a qualitative study using the case study design. Purposive sampling was used to select ten independent day spas for the sample for this study that was in the Phoenix area, have ten or fewer employees, and have less than \$1,500,000 in annual revenue. Most of the data for this study was collected during semi-structured interview sessions with and via online surveys completed by ten independent day spas. The researcher also collected data from the participants' Facebook and Instagram pages and the participants themselves. The interview data were then transcribed, and all relevant data collected was entered into dedoose's data analysis tool to help with finding themes and with coding. A codebook was also used to help with the data analysis and to make it easier for future replication of the study. Finally, reliability for the study was ensured through consistency in data collection and analysis, and validity was ensured through the externally audited set up of the research, triangulation, and review of the interview transcripts by the participants. The next section will describe details of the data analysis for this study and the application of the data analysis results to the research questions. The section will conclude with the findings of the study, how they apply to independent day spas and areas for further research.

### **Section 3: Application to Professional Practice and Implications for Change**

The third section will review the research conducted on ten small, independent day spas and their use of Facebook and Instagram for customer service. This section includes an overview of the study, followed by the presentation of the findings. Then, applications to professional practice are discussed along with recommendations for action and further study. Section three concludes with reflections from the researcher and a summary and study conclusions.

#### **Overview of the Study**

This qualitative study explored how small, independent day spas use Facebook and Instagram for customer service. The goal was to learn why many spas are not using these platforms effectively and learn how it can be done well. Customers are already spending a considerable amount of time on Facebook and Instagram, and many are openly sharing their opinions about day spas. Therefore, day spas need to know how to find this feedback and how to respond to it. Satisfied customers who become repeat customers and who recommend independent day spas are critical to the success of those businesses. Understanding how they can effectively use Facebook and Instagram to provide excellent customer service with their limited resources can help day spas improve their customer satisfaction and retention. This research study endeavored to address four research questions:

- Why do small, independent days spas in Phoenix, Arizona, not use Instagram and Facebook for customer service?
- How are Instagram and Facebook currently being used as part of a customer service strategy in small, independent day spas in Phoenix, Arizona?

- How has using Instagram and Facebook for customer service helped customer satisfaction and customer retention in small, independent day spas in Phoenix, Arizona?
- How can small, independent day spas in Phoenix, Arizona, use Instagram and Facebook more effectively for customer service to enhance their overall customer service?

Answers to these research questions were sought through semi-structured interviews with day spa owners/managers and by using online surveys.

The participants of the study were small, independent day spas in the Phoenix, Arizona, area. This study was a qualitative study using the case study design. Purposive sampling was used to select ten independent day spas for the sample for this study. The criteria for the day spas included being located in the Phoenix area, being an independent day spa that was not a chain or part of a hotel, including med spas, having ten or fewer employees, and having less than \$1,500,000 in annual revenue. Most of the data for this study was collected during semi-structured interview sessions with and via online surveys completed by ten independent day spas. The researcher also collected data from the participants' Facebook and Instagram pages and the participants themselves. The interview data were transcribed, and all relevant data collected was entered into dedoose's data analysis tool to help with finding themes and with coding.

Several common themes appeared from this research. First, day spa owners/managers generally have at least a basic knowledge of Facebook and Instagram. Second, owners/managers are typically the ones managing social media for their spas. Third, the age of the spa owner/manager can be a factor in the success of a spa's social media presence. Finally, excellent customer service across all channels is a high priority for these small day spas. Participants

shared similar reasons for not successfully using Instagram and Facebook for customer service. They included a lack of knowledge or understanding of the platforms for business purposes, lack of time, or lack of resources. This study also uncovered three practical applications of the findings. First, small, independent day spas can have effective social media customer service regardless of the spa's revenue, number of employees, or budget. Next, the research showed that providing effective customer service on Facebook and Instagram can positively impact revenue for small, independent day spas. Finally, the researcher found that based on the systems and methods in place at the small spas who have effective social media customer service, most small, independent day spas can make small changes in their business to improve their customer service on Facebook and Instagram, and hence their overall customer service.

### **Presentation of the Findings**

The conceptual framework for this study asserts that customers are using social media like Facebook and Instagram to learn about brands, engage with brands, to provide them with feedback, and more and more, for customer service. Due to the ever-growing use of Facebook and Instagram by consumers and the importance of online reputation and referrals to small, independent day spas, this study sought to address the inadequate use of Facebook and Instagram for customer service at small, independent day spas in Phoenix, Arizona. To begin the field study, the researcher reviewed the Facebook and Instagram profiles and activity of more than 50 small, independent day spas and sent messages to at least 40 day spas in the Phoenix, Arizona area. From these observations, it is clear that small, independent day spas in the Phoenix area are not adequately using Facebook and Instagram for customer service since most comments and questions do not receive responses. Furthermore, in line with the social media industry information stating that 89% of direct messages to businesses go unanswered (Sprout Social,

2016), a vast majority of the direct messages the researcher sent to dozens of day spas on both Facebook and Instagram went unanswered. Plus, they were also left unread for more than a month! These observations enforce the idea that as more and more customers use SNSs as customer service channels, businesses need to implement systems to address customer posts and messages on those platforms (Gunarathne et al., 2018).

This study included ten independent day spas that are located in the Phoenix area have ten or fewer employees and have less than \$1,500,000 in annual revenue. Four participants would be considered a medspa (Participants 2, 3, 4, and 10), although all four medspas also offer at least a few services that are considered traditional day spa services. Participants 2, 5, 6, 8, and 9 are solo practitioners who offer a variety of med spa and day spa services. Participant 1 has two employees. Participant 10 has five employees. Participant 7 has six employees. Participant 3 has eight employees, and Participant 4 has nine employees. One participant has been in business for less than one year, one has been in business for almost 20 years, and the remaining participants fall somewhere in between.

This researcher selected the participants based on theoretical aspects, choosing both similar and different participants to find theoretically interesting comparisons (Eriksson & Kovalainen, 2008). Further, this study used quota sampling to help guarantee that relevant groups are included in the sample, but also allows for flexibility in deciding on the final sample (Robinson, 2014). Per the quota sampling method, a minimum of three day spas that are effectively using Instagram and Facebook for customer service and a minimum of five who are not using them effectively were included in the study. The researcher anticipated that more day spas would not be using them effectively than those, so the minimum goal for the effective user participants category was lower than the ineffective user participants category. The field study

showed that this seems to be true since four of the participants were effective with their social media customer service, and six were not. However, it is interesting to note that all ten participants acknowledged the importance of effectively using Facebook and Instagram for customer service and a desire to use both platforms more effectively.

The researcher had two goals for the participants of this study. The first goal was to find at least three participants using Instagram and Facebook effectively for customer service to gain knowledge of how other small, independent day spas can be more successful. The second goal was to find at least five participants who were not using these platforms effectively, so the reasons behind their inadequate use could be understood. Based on this researcher's observations of the participants' activity on Facebook and Instagram and from the responses in the interviews and surveys, it appears that four of the participants are using Instagram and Facebook effectively for customer service, and six of the participants are not doing so. Due to many common themes, similar responses from participants, and similar activity patterns on their Facebook and Instagram accounts, for both the effective and ineffective users of Facebook and Instagram for customer service purposes, this researcher believes that adding more participants would likely have provided more of the same information.

Triangulation was achieved in this study by collecting data in multiple ways. The primary source of data was the interviews with the spa owners and online surveys completed by the spa owners or managers. Additionally, the researcher used unobtrusive observation of social media activity on the participants' Facebook and Instagram accounts and copies of direct messages provided by the participants. The researcher believes that data saturation was achieved for this study. Data saturation is reached when conducting additional interviews, or adding cases to the study would not deliver new themes or information (Boddy, 2016). Due to many common

themes, similar responses from participants, and similar activity patterns on their Facebook and Instagram accounts, this researcher feels that adding more data would likely provide more of the same information.

### ***Knowledge and Use of Facebook and Instagram***

Each of the ten participants had to have an active presence on both Facebook and Instagram to be included. Furthermore, the owner or manager was actively involved, if not the only one involved, in managing the Facebook and Instagram accounts for all ten participants. Therefore, it is not surprising that all the participants had a basic understanding of Facebook and Instagram. Half of the participants used both platforms regularly for personal use, while the other half mostly used only one of the two platforms. One anomaly was Participant 6. She rarely used Instagram and did not use Facebook at all for personal purposes. However, she did use them both regularly for business and was one of the participants who used them both well for customer service.

Five participants said they lacked sufficient knowledge of and needed to learn more about using Facebook and Instagram for business purposes. As stated in the conceptual framework, small business owners have limited time and resources to manage all of the activities on Instagram and Facebook and need help finding ways to leverage their limited resources to retain existing customers and obtain new customers. The literature shows that many small businesses do not have a good knowledge of and understanding of how to use social media for their business (Kim & Choi, 2019). He et al. (2017) agreed that small businesses do not adequately grasp how to adopt social media effectively. This lack of understanding and knowledge has made it difficult for small businesses to exploit the full potential of social media (Kim & Choi, 2019). The five participants who said they lacked sufficient knowledge of how to use Instagram and

Facebook for business plus one who did not say she lacked knowledge had sought out help in learning more about Facebook or Instagram. For example, Participant 10 had attended several workshops about using social media for business. Participant 3 had sought help from her networking community. Also, Participant 2 had hired a coach to help her learn to determine better her target market and the basics of how to use Instagram for business. Participants 2, 5, and 8 had read articles and watched YouTube videos or webinars to learn more about using social media for business. Finally, Participant 9, who felt she had sufficient knowledge, shared that she knew there was always more to learn, so gets training from the person who does her videos and pictures. Participants 8 and 9 sought help to improve their social media knowledge and were two of the four participants using social media effectively for customer service. This fact, combined with the fact that the other two participants doing social media customer service well had ample experience with using Facebook and Instagram, shows that knowledge of the platforms is vital to use them successfully for business. Therefore, this researcher believes that if small, independent day spa owners and managers increase their knowledge of how to use Facebook and Instagram for business purposes, they will increase the effectiveness of their use of Instagram and Facebook for customer service.

### ***Who Manages Participants' Facebook and Instagram Accounts***

According to existing research, and as discussed in the conceptual framework, this study assumed that the owner or manager of each day spa would be the person who manages the Facebook and Instagram accounts (Taneja & Toombs, 2014). This assumption was correct since all ten participants, even those with several employees and higher revenue, had an owner or manager managing their social media. However, three participants have some outside help with one or two aspects of their social media. Participant 3 pays a company for paid ads on Facebook



and Instagram. Participant 8 pays someone to help with blogs and newsletters, which get shared on social media. That person also does some Facebook posts for Participant 8. Participant 9 trades her services for videos and pictures for social media. All ten participants currently have the owner or a manager of the spa, managing direct messages and responding to comments or questions on social media. The four larger participants with five or more employees, had more comments and messages to manage than the other six participants. Three of those four said it could be overwhelming at times to handle responding to all the comments, questions, and messages promptly. Two of them specifically said they would like to be able to hire someone to take care of all of their social media but could not afford to do so. The experiences of these participants support the idea that small, independent day spas have limited time and resources for handling customer service on Facebook and Instagram.

#### ***Age of Participants and Its Relation to Effectiveness on Facebook and Instagram***

The following theme was one that had not been discussed as a part of the conceptual framework or literature review. The researcher was previously aware of many business owners who were older than 40 years old who said their age was a factor in not understanding or not being successful in using social media for their business. However, this researcher did not find literature or existing research that examined this as a factor, nor did this researcher consider this factor during the interview and data collection process. This theme appeared during data analysis. Three of the day spa owners – Participants 4, 6, and 9 – were under 35 years old and were the ones who also managed both Facebook and Instagram for their spa. These younger participants were also three of the four participants who used Facebook and Instagram effectively for customer service purposes. This finding would make it seem that when the person who manages the social media accounts is under 35, they are more likely to be effective in using

SNSs for business purposes. However, additional research would need to be conducted in this area to confirm this. Interestingly, two of these participants under 35 said they had not sought help for Facebook and Instagram. One had only received help on the more advanced functionality of Instagram. These findings suggest they understand the platforms from using them and not from being taught about them. This assumption makes sense since younger people are more likely to be active on Facebook and Instagram, but especially Instagram.

Approximately 70% of U.S. adults use Facebook, with 79% of 18-to-29-year-olds using it regularly, and 37% of U.S. adults use Instagram with 75% of 18-to-24-year-olds using regularly (Perrin & Anderson, 2019). The outlier in this theme was Participant 8, older than 35, and at least ten years older than Participants 4, 6, and 9. Participant 8 did state, however, that she spent much time researching how to use Facebook and Instagram for business. Also, Participant 8 pays someone younger than 35 to write content for her and admits that this person has taught her about social media. The example of Participant 8 is encouraging. This example shows that it is possible for business owners who are over 35 years old or do not have much experience using SNSs to learn how to use them effectively for business and customer service purposes, no matter their age.

### ***Customer Service as a High Priority***

All ten participants talked about the great importance of excellent customer service in the spa industry, especially for small, independent day spas like these participants, and the literature agrees that customer service is a critical function of any business (Demmers, van Dolen, & Weltevreden, 2018). The researcher looked at reviews of all ten participants, and they consistently have good reviews, showing that these spas provide excellent customer service. This theme is relevant to the study because it shows that the participants care about and prioritize

customer service. Research shows that quality customer service is a vital part of customer satisfaction, and customer satisfaction is critical to a company's marketing strategy because it has a significant impact on repeat sales, customer loyalty, and positive word of mouth (Hsiao, Chen, Choy, & Su, 2016).

Since six of the participants are not using social media effectively for customer service, it shows there is room for improvement. One of the key concepts that underlie this research project is the need for improvement in social media customer service. However, if the six participants who are not using Facebook and Instagram effectively for customer service believe customer service is essential, then there are likely reasons other than not valuing social media customer service that explains their ineffective use of the platforms. As an example, Participant 10 said: "So for me, customer service is, is the number one priority over everything." Participant 8 agreed and said: "I feel that customer service is the most important part of my business, and aside from, you know, of course, skincare..." Participant 1 had been in business the longest and had a great perspective on customer service: "It [customer service] has been the key to my being in business 16 years. Managing all areas of running a business does get a little stressful but customer service should be a priority." These three participants echoed the feelings of all ten participants concerning customer service.

Another interesting observation of how the participants delivered excellent customer service was through a personal touch. Research shows that both social relationships and personal care are known to be critical parts of the customer service experience for small businesses (Gilboa et al., 2019). Many participants noted that personal touch was beneficial in the spa industry because of the personalized and sensitive nature of many of the services they provide.

Participant 8 shared: “my goal is, of course, to expand as I grow and things like that, but I don't ever want to lose my personal touch with my clients...” Participant 4 said:

We take the time to really get to know our clients, make sure they are heard, go the extra mile, and above all else- always show them kindness and love to ensure they leave better than when they walked in our doors.

Several of the spa owners said they build personal relationships with their clients.

Participant 10 shared how this works in her spa:

...we want them to leave feeling like, you know, like they're valued. And that they matter to somebody because a lot of times people are just frustrated and feeling hurt. So, if they can leave here feeling like they matter somewhere.

A few of the participants who struggled with social media customer service did not fully understand the ability to have a personal touch in their responses to comments and messages on social media. In comparison, the participants who were competent with social media customer service did see how they could have a personal touch in their customer service on social media.

It appeared that all the participants valued customer service and understood the importance of it across all channels, including Facebook and Instagram. It is interesting to note that not one of the ten participants said they had received complaints on social media. The researcher hypothesizes that the lack of complaints may have been due to the participants who chose to participate in a research study on customer service. The participants may have been more willing to participate in such a study partially because they were confident that they provided excellent customer service. The data shows that the participants want to provide excellent customer service on Facebook and Instagram. However, the data also indicates that they need to learn how to do it better and find the time or resources to do it better.

*Why Do Small, Independent Day Spas in Phoenix, Arizona, Not Use Instagram and Facebook for Customer Service?*

Now that the various themes from the data have been discussed, the findings related to the research questions will be reviewed. The first research question sought to understand why small, independent day spas not using Instagram and Facebook for customer service. Having an active presence on Instagram and Facebook was a requirement for study participants, so all ten day spas in this study did have an active presence on them and did engage with consumers on the platforms somehow. However, three of the spas expressly said they did not use them for customer service, one had only recently begun to figure out how to use them for customer service, and two others said they were overwhelmed by it and were not doing a good job. These issues with social media customer service are similar to what existing research shows: many small businesses simply do not have adequate knowledge and understanding of how to use social media for their business (He et al., 2017; Kim & Choi, 2019). It is interesting to note that all ten participants said they try to respond to direct messages and answer questions in their comments, which is social media customer service. This observation leads the researcher to suppose that some of the spas may not completely understand the concept of social media customer service.

Participant 10 was one of the participants who struggled with social media customer service, stated that they do not have a strategy for customer service on Facebook and Instagram, and explained that:

... what I'm discovering now is that I need to respond to those people. And so we're just learning that we need to respond to everybody, regardless of what their response is. That we need to respond to each person to keep engaged. It's something new. And we have really, really dropped the ball in that area.

Participant 10 was one of the larger spas interviewed and had an office manager who helped manage social media and customer service. However, Participant 10 was one of many of the participants who, based on this researcher's observations and the participant's admission, did not respond to all comments or questions on their Facebook and Instagram posts or all messages received. This researcher reviewed the last 15 posts for each participant on Facebook and Instagram and found that every participant had neglected to respond to at least a few comments. This observation is in line with statistics that show that approximately half of posts or comments by consumers about a brand are ignored (Amaresan, 2019). However, the four participants that are doing well with social media customer service did respond to a majority of comments, while the other six participants responded to half or less.

Four of the participants, including Participant 10, stated that a lack of knowledge of using Facebook and Instagram for business purposes was a key reason behind the spa not using those platforms for customer service purposes. Even though three of those four participants had looked for some help with Facebook and Instagram at some point. Five of the participants mentioned a lack of time or resources being an issue in managing customer service on social media. All ten day spas had owners who also worked in the business as aestheticians. These owners are with clients much of the day in addition to managing and running the business. Participant 10 specifically noted that she would like to hire someone full time to manage all of her spa's social media marketing and customer service but simply cannot afford it. These responses from the participants align with the existing research. Small businesses have been slower than large businesses in adopting social media for marketing and customer engagement purposes, with the most significant reason being insufficient resources to do everything it takes to be successful with using social media for business (Cole et al., 2017; Lepkowska-White et al., 2019). Taneja

and Toombs (2014) noted that small businesses are rarely able to have even one person dedicated to handling all their marketing needs, let alone customer service or social media. Not one of the ten participants in this study had a dedicated marketing employee or company to manage all of their marketing or social media.

***How are Instagram and Facebook Currently Being Used as Part of a Customer Service Strategy in Small, Independent Day Spas in Phoenix, Arizona?***

The second research question sought to learn more about the successful use of or lack of use of Facebook and Instagram as part of a customer service strategy. Six of the ten participants disclosed that they have at least a basic strategy for customer service. Four of those six participants were also the four that are successfully using Instagram and Facebook for customer service purposes. Three of the ten participants said they had a strategy for social media customer service. Those same three participants were in the group that had a customer service strategy and were also three of the four participants who are effectively using Facebook and Instagram for customer service. As mentioned earlier, all ten day spas see the importance and value of responding to customer questions and comments on both Facebook and Instagram. They also claimed to attempt to respond to all comments, questions, and messages, even though they do not consider it an intentional strategy. This mindset is a positive thing for these businesses since research shows that when a company directly answers customer questions or complaints on SNSs, their audience engagement generally increases, and consumers tend to be more satisfied with that company (Milcetic, 2017). However, not one of the participants always responds to all comments, questions, and messages, which shows that all ten participants can improve their social media customer service in some way, which would then enhance their overall customer service.

Social media can play a significant role in customer service by giving companies a powerful way to directly connect with their current and potential customers and provide them with outstanding customer service (Kwartler, 2014). Participant 4 shared an example of how this can work: “By gaining feedback from our clients, we have been able to adjust our content to what they want to see more of - step by step of treatments, how to for products, and q&a's.” Participant 4 also saw Facebook and Instagram as a quicker way to respond to customers, which is important to customer service. Customer satisfaction is an important goal of excellent customer service. Customer satisfaction can improve customer retention and help attract new customers because of referrals from satisfied customers and from positive word of mouth (Yi & Natarajan, 2018). Participant 3 shared an example of how this can work on social media:

We had a comment that Laser Hair Treatments don't work for her. I wrote back that we offer free consultations and would love to offer a second opinion. A current client who has had laser Hair treatments chimed in and said she had the best experience with us, it was painless and we were amazing. Her testimonial was really helpful.

This example from Participant 3 is also an example of how social media customer service can serve as a public relations tool. SNSs are a public platform where a potentially broad audience can observe customer service interactions and form opinions on the business based on their responses to comments and questions (Demmers et al., 2018). Participant 6 seemed to grasp the importance of and concept of customer service for her business exceptionally well, both offline and on social media. Her philosophy on the topic is below:

As the face of my business, I feel it is so important to interact and respond to every individual who contacts me. I ensure I respond in a professional, timely, courteous, and helpful manner to any individual who contacts me, as that is good customer service! Not



responding or providing information to inquiries is poor customer service and would ultimately be a negative reflection on my business.

Participant 6 views her activity of engaging with current and potential customers on Facebook and Instagram as a critical part of her customer service strategy. She understands that people are regularly talking about and asking questions about her business on those platforms. Hence, she attempts to be active and engaged and pays attention to all mentions of both her name and her company name on them. The examples from these participants show that small, independent day spas can use Facebook and Instagram effectively for customer service purposes, as well as give a little insight into how other spa owners and managers can use them for customer service purposes.

#### ***How Has Using Instagram and Facebook for Customer Service Helped Customer***

#### ***Satisfaction and Customer Retention in Small, Independent Day Spas in Phoenix, Arizona?***

The third research question aimed to understand how using Instagram and Facebook for customer service helps customer satisfaction and customer retention in small, independent day spas. Customer satisfaction is critical to a company's success because it significantly impacts repeat sales, customer loyalty, and positive word of mouth (Hsiao, Chen, Choy, & Su, 2016). This study showed that that social media customer service had helped the participants with customer satisfaction and retention. Eight of the ten participants said that interacting with current or potential clients on Facebook and Instagram had helped customer satisfaction and customer retention. The literature reinforces the experiences of these participants, saying that businesses can increase customer satisfaction and retention, as well as sales from new customers by responding to customer needs and feedback on Facebook and Instagram and then taking action to meet those needs (Schaefer & Schamari, 2016). The fact that 80% of the participants saw the

relationship between responding to current and potential customers on social media and increased customer satisfaction and retention is notable since only three of them had a specific strategy for providing customer service on social media. This lack of strategy may be explained by the fact that many participants seem to consider any activity on Facebook and Instagram as part of marketing or sales. This assumption by the participants could mean they assume that their responses on social media are not customer service, so they think they do not have a social media customer service strategy.

Six of the participants shared numerous specific examples of how using Instagram and Facebook for customer service has helped their customer satisfaction and customer retention. Participant 6, for example, made multiple statements that clearly explain how having successful customer service on these platforms has improved both customer satisfaction and customer retention for her spa. Here is one of those statements:

Engaging with current and potential customers [on social media] plays a role in customer satisfaction by showing the individual you care about their questions and want them to have all the information they need to for instance, pursue an appointment at your business. Engaging helps with retention and new clientele because individuals feel seen and heard. You are valuing their choice to be present in YOUR online space.

Participant 6's statement embodies the spirit of this study very well and explains the core of it from the day spa owner's perspective.

Six of the ten participants spoke of how responding to questions or comments on Facebook and Instagram had improved customer retention by directly causing a previous client to book an appointment again, both for a service they had previously used and for new services. Here is an example from Participant 4: "We have been able to not only gain more clients, but by

educating our current clients- they have received additional treatments/products they typically would have not been interested in.” The same six participants mentioned above believe that customer satisfaction for some customers was improved because they were able to book the right service for their needs at a spa that suited them based on interactions on Facebook and Instagram before booking an appointment. Participant 9 said that she is extra vigilant in responding to questions received via direct messages because about 50% of the time, those people book an appointment after she responds. Participant 1 believes that responding to current and potential clients’ questions and comments on Facebook and Instagram “creates trust and loyalty with clients.” Again, the same six participants mentioned previously noted that answering questions from potential customers in comments and direct messages had resulted in those people booking an appointment. These interactions with customers led to them ultimately being satisfied because they booked the right service at a spa that fit their needs and budget. These examples show how small, independent day spas can retain and gain more customers, gain a competitive edge, and directly improve their bottom line by providing excellent social media customer service and improving overall customer satisfaction.

***How Can Small, Independent Day Spas in Phoenix, Arizona, Use Instagram and Facebook More Effectively for Customer Service to Enhance Their Overall Customer Service?***

The fourth research question’s goal was to gain insight into how small, independent day spas can use Instagram and Facebook more effectively for customer service to enhance their overall customer service. Social media customer service improvement was a critical concept underlying this research, and the finding provided important insight into this concept. Social media customer service is defined as customer service that happens on social media, and the public can view the conversation (Kwartler, 2014). The participants were asked to define social

media customer service. The responses varied, but two participants' answers are helpful in understanding what it means to these small, independent day spas. Participant 6 said: "I would define customer service on social media for my business as being present and responding in a timely and professional manner to any questions, concerns, or even opinions expressed by any current or potential client." Participant 2 also had a good definition of social media customer service: "Interactive care for customers making them feel special, valuable and important." All participants valued taking good care of their customers, and most understand why social media customer service is essential.

The study revealed that there are small, independent day spas that are successfully using these platforms for customer service and that their systems and methods in place for doing so should be simple and manageable for most small spas to implement. One thing that was particularly encouraging for small, independent day spas was that three of the four participants doing well with social media customer service were one-person spas. This finding shows that even small, independent day spas, where the owner provides the services and manages the business, can effectively use Facebook and Instagram for customer service. The fourth spa was a larger spa with nine employees but still had the manager handling their social media, not a marketing employee or an outside company. Research suggests that companies who plan to launch a social media customer service program should keep it small to start so that the team is not overwhelmed and can set up the systems the right way, and this seems to be what the four successful participants have done (Milcetic, 2017). The findings from the four participants who were effectively using Instagram and Facebook for customer service shows how other small, independent day spas can improve their social media customer service by implementing small changes to their use of social media.

The first finding for the fourth and final research question is the importance of having a strategy for social media customer service! The literature suggests that companies need to implement systems to address customer posts, comments, and messages (Gunarathne et al., 2018). All participants acknowledged that having a plan or strategy for social media customer service would be both helpful and a good idea. Three of the four spas doing well with social media customer service have both a customer service strategy and a social media customer service strategy affirms this idea. The strategies shared by the participants were basic and straightforward but served as a guiding principle for them. For example, Participant 6 said:

I plan to continue using both platforms to communicate with current and potential clients regarding questions, concerns, or even opinions through post comments, stories, or DM's. My goal is that every individual who contacts me in any method (be it post comments, stories, or DM's) leaves the interaction feeling informed, satisfied, and valued.

Participant 6 has an overall plan on how to manage interactions on Facebook and Instagram, as well as a specific goal for those interactions. These factors are important to overall customer service since a majority of customers, including 74% of millennials, will have an improved perception of a brand when the brand is responsive on social media (Microsoft, 2017).

Participant 4 was the largest participant, with nine employees and almost \$1,500,000 in annual revenue, and has a social media customer service strategy. Participant 4 mentioned that the most important part of their social media customer service plan has been to start training other staff members on their social media customer service protocols. This training will allow the spa to ensure consistency and quality of customer service as they grow.

Another finding from the participants using social media successfully for customer service is that small, independent day spas can be more effective with their customer service on

Facebook and Instagram by simply being present and engaged on those platforms. Eight of the 10 participants said at least once that they know they need to be active on the platforms and engage with their current and potential customers on them to be most effective with their social media customer service. Participant 8 summarizes it well: “You have to have that engagement with people, even if it's online, of showing that you are present and that you acknowledge that they've acknowledged you.” Participant 2 noted that it is essential to interact with relevant accounts. Others mentioned that by being active on the platforms, it is easier also to be engaged in them. A third finding that can help small, independent day spas to be more effective with their social media customer service is to take time throughout the day to check for direct messages on both Facebook and Instagram. Several participants said they take time to check for messages throughout the day because the messages are usually something they can respond to quickly and easily. Also, that prevents the number of messages from becoming overwhelming to respond to, and current and potential customers are more satisfied because they received a quick response. A few participants said they occasionally respond to messages with a quick reply, let the person know they are with a client but will reply with an answer as soon as they can. All participants said they use the autoresponder option for messages on Facebook so that customers at least get an acknowledgment of their message in case the spa cannot respond to it immediately.

The fourth finding to help small, independent day spas improve social media customer service is to follow up and follow through with messages and responses to customers. Research shows the importance of businesses treating comments and messages on social media in the same way as any customer feedback received via traditional channels (Rosenmayer et al., 2018). All ten participants agreed that follow up and follow through with customers is critical to excellent

customer service. The participants seemed to understand that this principle applied to social media customer service as well. This finding is supported by the participants saying they attempt to respond to all messages and comments on Facebook and Instagram. It is interesting to note, however, that many of them do not respond to a majority of comments. The final finding that can help small, independent day spas improve their social media customer service is to schedule time daily to manage Facebook and Instagram, including reading and responding to direct messages and comments. This can be a brief amount of time, even 15 minutes. All four participants who are using Facebook and Instagram effectively for customer service said they make time every day to respond to comments, questions, and messages on Facebook and Instagram. One of those four participants confessed that she wishes she did not spend as much time on the platforms as she did, but that included all of her time spent on them for all purposes, not just social media customer service. The other three participants indicated that they did not spend more than one to two hours per week, responding to messages and comments.

### ***Summary of the Findings.***

This study included ten small, independent day spas with ten or fewer employees, and under \$1,500,000 in annual revenue in the Phoenix, Arizona area. Through the researcher's observations of their Facebook and Instagram activity and the interview and survey data, this researcher determined that four participants were using social media effectively for customer service, and six participants were not. This study demonstrated common themes among all ten small, independent day spas concerning the use of Facebook and Instagram for customer service purposes. The common themes include that the day spa owners and managers generally have at least a basic knowledge of Facebook and Instagram. Second, owners/managers are typically the ones managing social media for their spa. Third, the age of the spa owner/manager can be a

crucial factor in the success of a spa's social media presence and activity. Finally, excellent customer service across all channels is a high priority for these small, independent day spas. Besides, all ten participants acknowledged that using Facebook and Instagram effectively for customer service was vital to them and their business and that they would like to improve and be able to use them effectively.

The findings confirmed the researcher's suspicions. The common reasons among the small, independent day spas for not successfully using Instagram and Facebook for customer service included lack of knowledge or understanding of the platforms for business purposes, lack of time, or lack of resources. Due to the lack of knowledge, many participants said they needed to learn more about using Facebook and Instagram for business purposes. This researcher believes that this desire to learn more can help increase the effectiveness of their use of Instagram and Facebook for customer service. Another common theme was the inconsistency with which the participants responded to comments on Facebook and Instagram. An initial review of 15 posts per participant on Facebook and Instagram found that every participant had neglected to respond to at least a few comments. The difference between the four participants doing social media customer service well was that they responded to a majority of comments posted on their Instagram and Facebook accounts. In comparison, the other six participants responded to half or less of the comments posted on their Instagram and Facebook accounts.

This study also showed encouraging findings for other small, independent day spas. The first encouraging finding is that small, independent day spas can have effective social media customer service regardless of the spa's revenue, number of employees, or budget. This finding is supported by the fact that the participants fit specific criteria of a small day spa. Nevertheless, four of the ten participants have effective social media customer service. Three of those four are



solo practitioners with limited time, a limited budget, and manage the social media customer service themselves. The fourth participant with effective social media customer service was the largest spa, with nine employees, but they still did not have a marketing employee or outside help. The second promising finding from this study is that providing effective customer service on Facebook and Instagram can positively impact revenue for small, independent day spas by increasing customer satisfaction and retention, both from current and potential customers. Eight of the ten participants believed that interacting with current or potential clients on Facebook and Instagram had helped customer satisfaction and customer retention. Also, six of the participants shared multiple examples of how using Instagram and Facebook for customer service has helped their customer satisfaction and customer retention. They also explained and shared examples of how responding to questions or comments on Facebook and Instagram had improved customer retention by directly causing a previous client to book an appointment again, both for a service they had previously used and for new services. Plus, interacting with a potential customer on these platforms had turned into a booked appointment on many occasions. Those same six participants noted that answering questions from potential customers in comments and direct messages had resulted in them booking an appointment and ultimately becoming a satisfied customer because they booked the right service at a spa that fit their needs and budget.

The third encouraging finding is that based on the systems and methods in place at the small spas who have effective social media customer service, this researcher believes that most small, independent days spas can make small changes in their business to improve their customer service on Facebook and Instagram, and hence their overall customer service. The first change small, independent day spas can implement to improve their social media customer service is simply to have a basic strategy for it. Six of the ten participants revealed that they have at least a

basic strategy for customer service. Four of those six participants were also the four that are effectively using Instagram and Facebook for customer service purposes. Furthermore, three of the ten participants said they had a strategy specifically for social media customer service. Those same three participants were a part of the group that had a customer service strategy and were three of the four participants who are effectively using Facebook and Instagram for customer service.

Another way in which small, independent day spas can be more effective with their customer service on Facebook and Instagram is to be present regularly and engaged on those platforms. By spending time on each platform and intentionally engaging with current and potential customers, spa owners and managers are more likely to respond to comments and questions and do it more quickly. The third practice that these spas can implement goes along with the previous one – check for messages throughout the day. The participants that did this noted that the questions were usually quick and easy to answer, so it helped to respond to them throughout the day rather than let them pile up. The final practice that can help small, independent day spas improve their social media customer service is to make time every day, even if it is only 15 minutes, to manage and respond to comments and messages on Facebook and Instagram. All four participants who are using Facebook and Instagram effectively for customer service said that they do this consistently. Based on both the literature and the participants who are using these platforms effectively for their business, using Facebook and Instagram regularly will improve their knowledge and understanding of them and help them become more effective at using them.

### **Applications to Professional Practice**

This study explored how small, independent day spas use Facebook and Instagram for customer service purposes. It sought to discover why many day spas are not using these platforms effectively, learn how it can be done well, and if social media customer service affected customer satisfaction and retention. Customers are already spending a lot of time on Facebook and Instagram, and more and more are using them as a customer service channel (Milcetic, 2017). Therefore, day spas need to know how to manage current and potential customers and questions via direct message and comments on both Facebook and Instagram, even with their limited resources. Understanding how to do this would mean a day spa could effectively use Facebook and Instagram to provide excellent customer service, helping day spas improve their customer satisfaction and retention. Satisfied customers become repeat customers and generally recommend the business, which is critical to the success of those businesses (Demmers et al., 2018; Hsiao et al., 2016). Therefore, it seems obvious that businesses would want to do well with social media customer service, but many do not. There is a need to understand whether the ineffective or lack of use of Instagram and Facebook for customer service purposes is due to lack of time, lack of financial resources, lack of employees, or lack of knowledge for how to do it (Cheng & Shiu, 2019).

Customer service has always been an important part of doing business, and excellent and effective customer service is a critical factor in the success of a business (Istanbulluoglu, 2017; Pohludka & Štverková, 2019). On the other hand, small businesses, including small, independent day spas, are rarely able to have even one person dedicated to handling all of their marketing needs, let alone customer service or social media (Taneja & Toombs, 2014). Because of the significance of excellent customer service on the success of a business, the increasing use of SNS

for customer feedback, the limited resources of small businesses to manage these functions, and the limited literature available on the topic, additional research was needed to understand better how independent day spas can effectively use Instagram and Facebook for customer service. He et al. (2017) suggested that small businesses should have a plan and strategy for their use of social media. Anyone who will use social media for a business is appropriately trained and educated in using it. Taneja and Toombs (2014) suggested that small businesses set goals for using social media and that systems should be put into place for when and how social media will be used. Many researchers and experts agree that more research must be done to provide small businesses like independent day spas with a guide or framework for using SNSs for customer service. The results of this study can help other day spas learn how to improve their customer service on Facebook and Instagram.

The findings from this study confirmed several items that this researcher assumed to be true. These items include that the day spa owners and managers generally have at least a basic knowledge of Facebook and Instagram, and owners/managers are typically the ones managing social media for their spa. The age of the spa owner/manager can be a crucial factor in the success of a spa's social media presence and activity. That excellent customer service across all channels is a high priority for these small, independent day spas. Also, all ten participants said that they would like to improve on and be able to use Facebook and Instagram effectively. As suspected, though, the common reasons among the small, independent day spas for not successfully using Instagram and Facebook for customer service included lack of knowledge or understanding of the platforms for business purposes, lack of time, or lack of resources as reasons behind not using Facebook and Instagram effectively for customer service. Another common theme was the inconsistency with which the participants responded to comments on

Facebook and Instagram. This knowledge allows for the understanding of why small, independent day spas are not effectively using Facebook and Instagram for customer service.

The findings from the four participants that were effectively using Instagram and Facebook for customer service show that other small, independent day spas can do the same, regardless of the spa's revenue, the number of employees, or the budget. These findings also show that delivering effective customer service on Facebook and Instagram can increase revenue for small, independent day spas by increasing customer satisfaction and retention, both from current and potential customers. The third finding from the four participants doing well with social media customer service with practical application is how small, independent day spas can improve their social media customer service. All four participants doing well with social media customer service said they had a basic strategy for customer service and social media customer service. These four participants also shared that they tried to be active and engaged on Instagram and Facebook regularly. They interacted with other people's and businesses' accounts instead of only posting their content and leaving the platforms. A key benefit of being active on these SNSs is that the participants became more knowledgeable about and comfortable on the platforms. Another key finding that shows why four participants had better social media customer service is that they checked for direct messages throughout the day. They were usually able to provide quick responses to current and potential customers. Last, the four successful participants made time every day to manage and respond to comments and messages on Facebook and Instagram. All four participants who were effectively using Facebook and Instagram for customer service had these four things in common, so it seems that they would be good practices for other day spas to follow.

This study is relevant to marketing because customer service is part of marketing, and customer service is increasingly happening on SNSs like Facebook and Instagram. Excellent customer service is an integral part of marketing because it can build customer loyalty and often increase customer lifetime value. Retaining current customers is more profitable for companies than acquiring new customers since it generally costs less money to retain current customers and have a higher lifetime value (Hamilton, Rust, & Dev, 2017). Further, excellent customer service can build brand reputation, especially on social media. Customer feedback on Instagram and Facebook is visible to hundreds, if not thousands, of other people, so properly handling this feedback is critical to the brand reputation of a business (Mahr, Stead & Odekerken-Schröder, 2019).

This research has Biblical implications for any Christian spa owners or managers. Customer service is important to Christians because it is an opportunity to serve others as Christ served the church (John 13:14-15, English Standard Version). Customers can see Christ through Christians when they provide excellent customer service. Although customer service is critical to all businesses, Christian businesses should make a concerted effort to deliver excellent customer service. This study showed that all of the participants who provided excellent customer service positively impacted their customers' lives. Many participants shared examples of direct messages where current or potential customers were distraught, occasionally about a non-spa related topic, and they were able to show kindness and caring to help that person feel better. Philippians 2:3-4 (English Standard Version) tells Christians to look to the interests of others, which is what is done with customer service. Many verses in the Bible command Christians to love one another (John 13:34, 1 John 4:19-21, 1 Peter 4:8, English Standard Version). Therefore, caring for

current or potential customers is an essential way in which Christian spa owners or managers can follow this important command from God.

### **Recommendations for Action**

Based on the findings, it seems it is possible for other small, independent day spas of varying sizes with ten or fewer employees, and with small budgets and limited time to effectively use Facebook and Instagram for customer service purposes. There are four key things that small spa owners and managers should do to be successful with their social media customer service: have a basic strategy, be active and engaged on social media, check for and respond to direct messages throughout the day whenever possible, and schedule time daily for managing social media customer service. Owners or managers of small, independent day spas should begin improving their social media customer service by creating a basic strategy for customer service and social media customer service. This strategy can be a simple strategy that sets up the expectations for how the spa will interact with people on Instagram and Facebook. The strategy should include the following: a goal time for replying to comments and direct messages, direction on whether every comment or question on each platform should get a response or would liking the comment suffice in some instances, direction on who is responsible for managing comment responses and direct message responses on each platform, and a plan for how often each platform should be checked for new comments and messages.

The next step spa owners and managers need to take are to make time regularly to be present and engaged on Instagram and Facebook. This means more than posting on those platforms, which is what many businesses do. Instead, the owners or managers should interact with other accounts by liking their posts, commenting on their posts, and replying to their Instagram or Facebook Stories by sending them personalized direct messages. This step helps the

owners or managers to become more knowledgeable and comfortable in using the platforms and to build a community. Also, owners or managers are more likely to respond to comments and questions they receive and do it more promptly when they are regularly present on these platforms.

As for the spa's own Facebook and Instagram accounts, managers or owners should check for direct messages throughout the day or turn on notifications for the Instagram and Facebook Messenger or Facebook Business Manager apps on their phone. Either of these actions helps the spas to provide timely responses to current or potential customers, which can improve customer satisfaction and result in a booked appointment and/or a purchase. Finally, one more practice that can help small, independent day spas improve their social media customer service is to make time for and schedule time every day to manage and respond to comments and messages on Facebook and Instagram. This can be as little as 15 minutes a day. Owners and managers of small spas often provide services to customers and operate the business, so they are likely to be busy and managing many different activities. Scheduling time in their calendar to manage social media customer service can increase the chances of them viewing Facebook and Instagram activity and responding to customer comments and messages promptly.

Owners or managers of small, independent day spas, and perhaps, owners/managers of small businesses of similar size, are likely to be impacted by the results of this study. Many of these owners and managers can use the simple and manageable steps provided to enhance the effectiveness of their overall customer service by improving their customer service on Facebook and Instagram. As has been discussed and shown in this study, improving social media customer service can improve customer satisfaction and retention, which ultimately increases revenue. The results could be disseminated to these small business owners/managers in a few different ways.



The researcher plans to share the results with the participants of the study and inform them that they can share the results with others. The researcher also plans to offer the results to a few small business and beauty industry Facebook groups. Finally, the researcher is considering creating a journal or magazine appropriate version of the results and submitting it for publication.

### **Recommendations for Further Study**

Social media is continuously changing, so there will always be opportunities for further study concerning social media and the use of social media for business use. However, regarding social media customer service and small businesses specifically, there are three recommendations for further study. First, additional small, independent day spas in other areas of the United States and their use of Facebook and Instagram for customer service could be studied to see if the findings are consistent with those of this project. This additional study could show if more can be learned about how these small spas use social media for customer service. As noted in the literature review for this study, existing literature had significant gaps in respect to anything about day spas, with the minimal amount of literature that does exist being focused on spas that are in hotels. This study has helped to begin to fill in these gaps in the literature, but more research is needed. Second, additional research should be conducted on the use of Facebook and Instagram for customer service in other small businesses with similar revenue and employee criteria. This researcher believes that there will be many similarities in other small businesses and how they effectively or ineffectively use social media for customer service. Further study could help understand if this is true and provide additional guidance to help small businesses across many industries enhance their overall customer service by improving their social media customer service.

Finally, the third area recommended for further research is the impact of the age of the business owner or manager on their effectiveness in using social media for customer service. The researcher was previously aware of this factor, potentially impacting a business's use of social media. However, no literature was found during this research project that analyzed this as a factor. Therefore, additional research is recommended to understand better the effect, impact, and influence of a small business owner's or manager's age on their social media use and effectiveness. The research can also consider whether or not people over a certain age could learn how to use Facebook and Instagram effectively for business and customer service purposes.

### **Reflections**

This researcher was the most excited about the field study portion of the research project. Unfortunately, the field study did not go quite as hoped or planned. The researcher had a challenging time finding ten participants for the study and spent dozens of hours researching, contacting, and following up with potential participants. Also, the researcher had planned to conduct one-on-one interviews in the day spas for all ten participants. Unfortunately, due to economic, regulatory, social, and emotional conditions in place due to COVID-19, the researcher was forced to settle for obtaining day spas' participation in any way possible. This included one one-on-one in-person interview, two one-on-one interviews conducted over a video call, and seven online surveys filled out by participants with follow-up emails used to get additional information. Despite these challenges, the researcher was pleased with the depth and quality of the data that was collected.

Over the last 13 years, the researcher has worked with small businesses across many industries on their marketing and social media. Therefore, the researcher had a general idea of how social media is used in small businesses. Because of this prior experience, and the

researcher's experience as a social media professor, the researcher made a concerted effort not to influence the participants with her thoughts during interviews or follow-up emails. However, the researcher had never previously worked with a day spa and had also never worked with businesses, specifically on using social media for customer service. Therefore, the researcher believes she was able to conduct the research and review the data without her prior experience being a significant influence.

The researcher has long believed that small businesses of all sizes with limited resources can effectively use social media for their business. However, this study showed the researcher more clearly than had previously been understood that social media customer service for small businesses could be done well without spending a significant amount of time or effort. The researcher had expected that the practical applications found would be more extensive and robust. However, the researcher was pleasantly surprised to learn that implementing four simple practices could make a significant impact on a small business's social media customer service. Finally, the researcher's thoughts on the effect of excellent customer service on customers and how important it is for a Christian to provide excellent customer service were confirmed. Many of the participants shared stories of how they had positively affected many of their customers by doing more than providing a spa service and listening when a customer was upset or needed advice and by following up with customers to make sure they were okay. Taking care of customers in these ways is following Jesus's command to serve others (John 13:14-15, English Standard Version) and to love your neighbor as yourself (Mark 12:31, English Standard Version).

### **Summary and Study Conclusions**

Customer service is a critical function in any business, and providing excellent customer service is a critical factor in the success of a business (Istanbulluoglu, 2017; Pohludka & Štverková, 2019). Social media customer service is becoming increasingly important for businesses, and many small businesses struggle in this area. Satisfied customers who become repeat customers and who recommend independent day spas are critical to the success of those businesses. Understanding how they can effectively use Facebook and Instagram to provide excellent customer service with their limited resources can help day spas improve their customer satisfaction and retention. This study explored how small, independent day spas used Facebook and Instagram for customer service and sought to understand how they can improve their social media customer service.

The general problem that was addressed by this study is the inadequate use of social media for customer service purposes in businesses resulting in a loss of some customers. The specific problem addressed by this research was the inadequate use of the SNSs Facebook and Instagram for customer service purposes in small, independent (non-chain and non-franchised) day spas, including med spas, in Phoenix, Arizona, resulting in a loss of some customers. The purpose of this qualitative multi-case study was to understand how small, independent day spas are currently using Instagram and Facebook for customer service purposes and how effective the use of such is. This larger problem was explored through an in-depth study of customer service practices on Instagram and Facebook and their effects on customer satisfaction and retention at small, independent (non-chain and non-franchised) day spas, including med spas, in Phoenix, Arizona.

This was a qualitative study using the case study method and descriptive design. The participants of the study included ten small, independent day spas in the Phoenix, Arizona, area. The spas included also have ten or fewer employees and have less than \$1,500,000 in annual revenue. Most of the data for this study was collected during semi-structured interview sessions using an interview guide and online surveys. The researcher also collected data from the participants' Facebook and Instagram pages and the participants themselves.

This research project revealed that four participants were using social media effectively for customer service, and six participants were not. It also showed common themes exist among all ten small, independent day spas concerning Facebook and Instagram for customer service purposes. Four common themes emerged. First, day spa owners and managers generally have at least a basic knowledge of Facebook and Instagram. Second, owners/managers are typically the ones managing social media for their spa. Third, the age of the spa owner/manager can be the main factor in the success of a spa's social media presence and activity. Finally, excellent customer service across all channels is a high priority for these small, independent day spas. The common reasons among the participants for not successfully using Instagram and Facebook for customer service included a lack of knowledge or understanding of the platforms for business purposes, lack of time, or lack of resources. Another common theme was the inconsistency with which the participants responded to comments on Facebook and Instagram.

This study also demonstrated encouraging findings for other small, independent day spas. The first encouraging finding is that small, independent day spas can have effective social media customer service regardless of the spa's revenue, number of employees, or budget. The second promising finding from this study is that providing effective customer service on Facebook and Instagram can positively impact revenue for small, independent day spas by increasing customer

satisfaction and retention, both from current and potential customers. The third encouraging finding is that based on the systems and methods in place at the small spas who have effective social media customer service, this researcher believes that most small, independent day spas can make small changes in their business to improve their customer service on Facebook and Instagram, and hence their overall customer service.

The first change small, independent day spas can implement to improve their social media customer service is simply to have a basic strategy for it. Another way in which small, independent day spas can be more effective with their customer service on Facebook and Instagram is to be present regularly and engaged on those platforms. The third practice that these spas can implement is to check for messages throughout the day. The final practice that can help small, independent day spas improve their social media customer service is to make time every day, even if it is only 15 minutes, to manage and respond to comments and messages on Facebook and Instagram.

The literature review for this project uncovered that existing literature had gaps regarding small businesses' use of Facebook and Instagram for customer service. More specifically, it had significant gaps in respect to anything about day spas and their use of social media for customer service. This study has begun to fill in these gaps in the literature by studying small, independent day spas and how they use Instagram and Facebook for customer service. The research found that some small day spas are successful in using these platforms for customer service, and some are not. It also found practices that other day spas could implement in their business to improve their social media customer service.

Small, independent day spas and other very small businesses, often struggle with social media customer service. However, they must learn how to be more effective in using social

media for customer service to enhance their overall customer service and increase their customer satisfaction and retention. This will likely lead to increased revenue and will help small businesses succeed in a world where customers are increasingly turning to social media for their customer service needs and interactions. The most reassuring finding from this research was that it seems eminently possible for other small, independent day spas, and perhaps small businesses, of varying sizes with ten or fewer employees to with small budgets and limited time to effectively use Facebook and Instagram for customer service purposes. Any small business can significantly improve their social media customer service by implementing four simple practices: have a basic social media customer service strategy, be active and engaged on social media, check for and respond to direct messages throughout the day whenever possible, and schedule time daily for managing social media customer service.

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### **Appendix A: Interview Guide**

Introductory statement: Thank you for your willingness to participate in this research study. All responses will be hidden with a pseudonym so that your confidentiality is kept. After each interview you will be provided with a transcript to review in order to ensure the accuracy of your responses. There are four research questions guiding this study. The first two research questions speak to the problem statement concerning the issue of small, independent day spas in Phoenix, Arizona, not using Instagram and Facebook for customer service – either at all or not using it effectively. The other two research questions are aimed at learning how independent day spas who are using Instagram and Facebook effectively for customer service are doing it and how other day spas can do the same. The following interview questions will seek to uncover the information needed to answer the research questions.

#### Opening Questions

These questions are intended to understand the interviewees' experience with and knowledge of using Instagram and Facebook in general and for business purposes and to learn how the businesses are currently using Facebook and Instagram for their business. Future questions will be adapted as needed to fit the interviewees' level of knowledge of the two platforms.

1. Describe your general understanding of what Instagram and Facebook are.
2. Explain your experience with using Instagram and/or Facebook for personal use.
3. Explain your experience with using Instagram and Facebook for business use.
4. Have you looked for help in learning how to use Instagram and Facebook for your business?
  - a. If you answered yes, from what source(s) have you sought help?

- b. If you answered no, we will skip to question 5.
- 5. Talk about your strategy and plan for using Instagram and Facebook for your business.
- 6. Explain how your business interacts with people who leave comments or questions on your Facebook and Instagram posts or send direct messages on Facebook and Instagram.

This next set of questions is going to directly address the business's approach to customer service both generally and on Facebook and Instagram. Also, if they are not already doing so, these questions attempt to uncover why a business is not using Facebook and/or Instagram for customer service. If a business is already using Facebook and Instagram for customer service, then a set of questions designed to learn more about them will follow.

- 7. Where and how do your current and potential customers engage on social media?
- 8. How does engaging with your current and potential customers on Facebook and Instagram play a role in customer satisfaction and retention? Can you share an example specific to your business?
- 9. As a day spa owner or manager, what value do you see in using Facebook and Instagram to communicate with your current or potential customers?
- 10. How would you define or explain customer service for your business?
- 11. Do you have a customer service plan or strategy.
- 12. How would you define or explain customer service on social media for your business?
- 13. Tell me about how you use Instagram and Facebook for customer service purposes.
  - a. If you do not currently use these platforms for customer service, we will skip to question 14.
  - b. If you do currently use these platforms for customer service, skip to question 15, where additional questions will begin.



14. If you are not currently using Instagram and Facebook for customer service purposes, please explain why not.

- a. Potential follow-up probes would attempt to dig deeper if the answer to this question is short or general.
- b. Follow-up questions could include asking about staff resources, financial resources, and/or time resources as reasons for not using Facebook and Instagram for customer service.

The next set of questions will address the third and fourth research questions which seek to understand how using Instagram and Facebook for customer service helped customer satisfaction and customer retention in small, independent day spas and how day spas can use these platforms more effectively for customer service. These questions will not apply to day spas that are not currently using Instagram and Facebook for customer service.

15. In question 13, you explained how you use Instagram and Facebook for customer service.

Describe your plan and strategy, if you have one, for using these platforms for customer service.

- a. Follow-up questions may include probing for details on who is responsible for managing customer service on Instagram and Facebook, how much time is spent on average each day or week doing these activities, and any other questions that may provide helpful information for better understanding the strategy.
- b. If you do not have a plan and/or strategy, explain why not.
- c. If you do not have a plan and/or strategy, explain if you would like to change this or would be open to changing this.

16. Can you share any success stories from using Facebook or Instagram for customer

service? Do you have screenshots or documentation of these success stories that you can share?

17. Can you share what correlation you have seen between using Instagram and Facebook for customer service and improved customer satisfaction and retention? If yes, do you have any documentation you can share?

Closing Statement: Thank you again for taking the time to meet and discuss these details about your business. All identifying information will be kept confidential. You will be provided with a transcript of the conversation for your review so you can make corrections if needed. It would be helpful if you could review that document as soon as possible so the data analysis portion of the study can begin. Once again, thank you for your participation.