

“Exits, Tweets and Loyalty”

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Empirical exploration of voice

- Tweets and airlines: excellent choices!
- Twitter data allows construction of a new measure for voice that is seen by researchers
- Airlines also a well-chosen setting
 - Small number of identifiable firms (with Twitter handles) but many markets with varying market structure based on geography.
 - Repeat customers so loyalty can matter.
 - Daily variation in quality measure across airlines-markets.

Other Fun Results

- Content of tweets:
 - Same patterns hold for tweets specifically mentioning on-time performance and (to a lesser extent) for tweets not mentioning it
 - Consistent with some “time filling” tweets and

A Little about Airline Responses

- Look at airline public Twitter responses (missing direct messages)
- Find response probability is greater for customers who mention FF status (more valuable to airlines) and on-time performance but no effect of larger Twitter follower base

Technical questions



Question about dominated cities

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Question about variable normalization

- Tweets and on-time performance are “z-scores”
- Common reason for normalization in education is test scores not meaningful/consistent across tests
 - Usually done for an entire sample or test
- Tweets and delays don't have that same problem
- Issue seems more about different mean/stdev. across airline/city combos; functional form?
 - Perhaps instead rescale to passengers at the airport/airline level?
- Paper already uses $\log(x+1)$ and finds robust

Questions about voice

- First large-scale empirical analysis that shows relationship between voice and market power
- Couple of questions:
 - How should we think about the voice measured by Twitter for airlines about performance?
 - What can we learn about the impact of voice?

Voice as customer service?

- Theory presents voice as “after the fact” complaint that generates a possible concession
- When flights are delayed or canceled, customers contact airlines to rebook; service is not done
 - Airlines encouraged customers to use Twitter for that function as an alternative to in-person, phone, online
- Is this part of what the authors are measuring?
 - Consistent with results for airline responses
- If so, it is a2(/TT0 1 Tf0.001 Tc -pi(le)1(d,)h7c)-2()- -0

Does voice matter?

- Voice is outcome: causality *from* performance, *from* market power (interacted with performance) to voice
- But does voice help discipline firms? Is it a substitute for exit?
- What can authors say about *the impact of voice*?

The End