

PLANES, TRAINS AND SOCIAL MEDIA

It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.

— Warren Buffet¹

It was late January 2016, and Penelope Tan, a recent MBA graduate, was settling into her new role as the Key Account Manager for Social Bits, an upstart digital-media consulting firm in Singapore. Her first assignment was to develop a sales pitch to SMRT—a local privately owned public transportation service that operated trains, buses and taxis throughout the island city-state.

The economy and day-to-day lives of residents in Singapore were highly dependent on public transportation, and they were accustomed to an efficient and reliable service. Public transportation in Singapore had long been lauded as one of the best in the world. However, from the late 2000s, SMRT's reputation was beginning to fray, in large part due to crowded trains and buses, and difficulties in acquiring taxi services during rush hour. Additionally, SMRT had experienced a series of train breakdowns and disruptions that had seriously tarnished the company's reputation. This was a relatively new phenomenon, with Singapore only beginning to experience capacity constraints as its population was growing faster than new infrastructure was being built and coming online. Tan recalled,

As a rider myself, the growing crowds have been very noticeable. A little over five years ago, I could get on the train on my way to school with no hassle at all. Now I find myself cramped—shoulder-to-shoulder—and sometimes the train is so crowded that I can't even board. I have to wait till the next one.

The recent population growth had also put increasing pressure on SMRT's transportation infrastructure, where at peak times, rail utilisation and train capacity were being pushed to the limits. Such increased usage subjected the aging infrastructure, 30 years old in some places, to even higher levels of wear and tear. And given that even a minor disruption could have cascading, multiplier effects throughout the system, there was little room for error.

For some, the success of SMRT's mission, "To be the people's choice by delivering a world-class transport service and lifestyle experience that is safe, reliable and customer-centric", was being put into question. Tan thought,

The occasional breakdown or disruption is bound to happen from time-to-time, even under the best maintenance regime. And it takes time for new tracks to safely come online. Minor delays should be expected.

Tan wondered if it was possible for SMRT to better leverage social media to manage rider

¹ The Telegraph, "Warren Buffett: his best quotes", February 14, 2013, <http://www.telegraph.co.uk>, accessed September 2016.

This case was written by Professor Kapil Tuli, Christopher Dula and Sheetal Mittal at the Singapore Management University. The case was prepared solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

expectations, engage with customers and perhaps improve the perceptions of SMRT's service quality—even in the event of service failure. She knew that other public transportation firms elsewhere in the world had been successful in this endeavour. Could their experiences be applied in a social media strategy pitch to SMRT?

SMRT

The SMRT Corporation (SMRT) was a privately owned for-profit public transport company founded in March 2000 and later listed on the Singapore Stock Exchange. The company operated bus, rail and taxi services through its wholly owned subsidiaries, which included SMRT Trains.

SMRT Trains originally began operations in 1987 under the name Singapore MRT Ltd as a privately operated rail system. Regulated by the Land Transit Authority of Singapore, SMRT and its predecessors maintained a close relationship with the government since planning and construction of the system began in the early 1980s. This was an essential relationship that bolstered long-term planning and service expansion, such as developing new rail lines.

By 2015, SMRT employed around 6,500 people and operated a fleet of 1,190 buses, and a 17 km rail network covering 142 stations that served two million passengers a day. Guided by the vision of “Moving people, enhancing lives”, SMRT consistently won awards and accolades celebrating service excellence, outstanding human resource practices and community work. Tan believed that SMRT really did operate a world-class metro system.

Public Transportation in Singapore

The goal of making public transport a choice mode of getting from place to place sounded simple: to encourage Singapore's residents to use public transport as a primary means of travel. Success in this endeavour, however, was no easy task because it required a mind-set change of residents, many of whom still believed that having one's own private transport was a hallmark of success. The approach, therefore, had to involve both “push” and “pull” mechanisms: making public transport attractive, while discouraging the use of private transport as much as possible. Tan thought,

If everyone in Singapore drove a car, the country would grind to a halt—the economy stuck in its own gridlock.

Across Singapore there was a move to reduce the number of vehicles on the roads. This was done in part through the Certificate of Entitlement (COE) system, which limited the number of new vehicles each year. This system meant that vehicle registration would last for ten years and then a renewal would take place. Despite strict growth control of motor vehicles there was still a large fleet on a relatively fixed amount of roadway. While the growth had been very closely controlled to 5% annually, eventually being reduced to 3%, there were nonetheless an additional 165,000 more cars on the road, a 38% increase, in the past decade.²

However, growth in public transportation ridership was even higher. MRT³ ridership was at 2,879,000 daily trips in 2015, a 40% increase over 2010's at 2,069,000 daily trips and an almost

² LTA Strategic Planning – Profile, August 2015,

https://www.lta.gov.sg/content/dam/ltaweb/corp/PublicationsResearch/files/FactsandFigures/MVP01-1_MVP_by_type.pdf, accessed September 2016

³ SMRT's MRT (Mass Rapid Transit) was the company's commuter rail system.

200% increase over 2000's at 1,047,000 daily trips. Bus ridership however had seen a relatively modest growth, increasing from 3,199,000 daily trips in 2010 to 3,891,000 daily trips in 2015.⁴

Indeed, public transportation was becoming an increasingly popular, though not universal, mode of travel. In 1997, 49% of trips were made with personal vehicles or cabs. In 2008 that number had increased slightly to 52%. However, by the end of 2015, Singapore's car population had shrunk to a five-year low.⁵ Public transportation had therefore been hugely successful at mitigating congestion given a rising population and more cars on the road. This also meant more and more people were completely dependent on SMRT as their only means to get around.

But investment and the choice means of public transportation were also divergent. Between 1997 and 2008, bus ridership had marginally declined and MRT rides had grown by 86%. Since 2008 until 2015, while there was a moderate increase in taxi ridership at 14% and bus ridership at 26%, the annual growth in MRT ridership continued to be the highest.⁶ The MRT option was seemingly quite popular, and for good reason; SMRT was consistently ranked as operating one the best metro systems in the world. Paradoxically, according to IBM's Commuter Pain Survey, Singapore ranked worse than Buenos Aires or Los Angeles in 2011—two cities that were notorious for having terrible commutes. Tan thought,

Almost everyone who needed to travel from one point in Singapore to another was a customer of SMRT. There really aren't any other practical options.

The Expanding Role of Social Media

Social media—a rapidly growing and powerful type of Internet-based communications platform—empowered people to connect and engage in such a profound way, that by 2015, more than a decade after its emergence, it continued to affect societies significantly through its implications (refer to **Exhibit 1** for details on digital penetration). Initially a fairly niche tool used by students and other early adopters to exchange information, ideas and user-generated content through virtual communities, the phenomenon quickly went mainstream—exploding into numerous platforms that could accommodate more than a billion users.

With social media, individuals could potentially reach millions of people. For example, anyone could publish a blog through services like WordPress. And microblogging, through platforms like Twitter, could provide real time commentary about anything from what someone ate for breakfast to government protests, or even responses to other people's comments (called 'tweets'). YouTube and similar sites made it possible for any multimedia, user-generated or otherwise, to be posted and shared. Facebook and LinkedIn allowed users to create communities and networks between friends, colleagues, likeminded people, detractors and strangers alike.

Sites like Digg and Reddit could aggregate news, blog posts and other user-generated content into popular and trending categories sorted by user preference and locality, while other sites, like Yelp and TripAdvisor, specialised in customer reviews about any kind of restaurant, retailer, hotel, or just

⁴ LTA Strategic Planning - Profile , August 2015, <https://public.tableau.com/profile/ltastategic.planning#!/vizhome/2015PublicTransportRidership/PTRidershipDashboard>, accessed September 2016

⁵ Ibid.

⁶ Land Transport Authority, "Public Transport Utilisation - Average Daily Public Transport Ridership", July, 2015, <https://data.gov.sg/dataset/public-transport-utilisation-average-public-transport-ridership>, accessed September 2016

about any other establishment. Even more amazing was that all of this could be linked across platforms and shared, creating the possibility for anything to go ‘viral’ and be seen and heard by hundreds of millions of people. The number of available channels was mind-boggling.

And by around 2007, when smartphones became mainstream, social media had become mobile. At anytime, anywhere, anything could be photographed or audio/video recorded and posted to a social media platform. Access to the Internet and social media had become ubiquitous. “It’s extremely empowering to consumers,” said Tan, and continued,

If I’m out with my friends, and we’re looking for someplace new to eat or get a drink, we’ll pull up a [user-generated] review on places near us, wherever we are. We’ve found some great places using apps like Yelp. But if deciding between a couple of places we haven’t been to, well, I’ve definitely made decisions based on bad reviews from people, strangers I don’t even know. It used to be that if you had a bad experience at, say, a restaurant, you might complain to ten of your friends about it. Now you can complain to millions.

According to Tan, “A third of adults post at least once a week to social media networking sites such as Facebook and Twitter, and about 70 percent read blogs and tweets and watch YouTube.” Not surprisingly, in a survey conducted by Harvard Business Review, more than three quarters of organisations claimed to be either using social media, or preparing to do so. The issue, however, was that most companies struggled to effectively use social media and had no formalised or coherent strategy on how to use it and align it to their corporate mission, vision and values. Tan said,

It’s clear that most organisations and businesses understand the importance of social media. That grating slogan, SoLoMo or Social Local Mobile marketing, has entered the buzzword lexicon just as ‘leveraging partnership synergies’ or any other management babble. It’s just that hardly anyone seems to be doing it well.

There were a number of difficult challenges associated with organisations being able to effectively utilise social media. For example, the way in which businesses engaged with customers had changed. Where companies used to talk at customers through ads and messages, they now had to actively engage with them. Customers had gained control of the channel, and many organisations struggled to adapt.

The channels through which companies could engage with customers were rapidly changing, and the plethora of platforms available made it difficult to align the most appropriate platform with their target audience. Different types of people used different types of social media. Tan added,

You need to know who to listen too, and which relationships to understand. This could generate powerful customer insights.

Another issue was that the more an organisation was exposed to social media, the more its brand identity, perception management and message were out of its control. This presented a lot of reputational risk, especially if a company was not adept enough at communicating effectively with customers. Tan thought,

A lot of people feel that companies are inauthentic when they try to engage using social media. Customers can see right through an organisation’s cognitive dissonance. There’s a lot of culture to the Internet, and it’s different depending on which channel you’re looking at. Organisations can get easily ‘trolled’ or ‘flamed’ when they try too hard, ‘don’t get it’ or are

just fake. No one wants to relate to that. The real question is what drives social media sentiment, behaviour and activity?

For most companies in a competitive environment, the crux of the matter was about translating social media use into sales. It was often unclear what to measure in terms of the impact an organisations' social media activities had. Tan began to ask herself: "Did a social media strategy even matter for a company like SMRT?" It was then that her trip to Europe and personal experience with two transportation firms came to mind.

Public Transport goes Social

South West Trains

South West Trains, a UK based public transport operator, serviced the greater London area for longer-distance commuters coming into the city from outside London's metro coverage. The company employed some 4,500 employees and operated 1,600 trains serving around 200 stations on one of Europe's most complex rail networks.⁷

In September 2011, South West Trains experienced a severe service disruption that affected 80,000 passengers. In response, the network rail's route managing director, Richard O'Brian, publically said,

*Although it was the theft of a cable which controls the signalling that stopped us running trains at one of the busiest times of the day, we recognise that our response to the incident wasn't good enough or quick enough. We apologise again to passengers affected.*⁸

After the disruption, South West Trains invested more into capabilities to swiftly recover from disruption, as well as to develop a sophisticated customer communications system. One of the first steps was to launch a Twitter account that was used in a similar way as another rail provider, London Midway's, approach to customer service.

The move to social media made some employees at South West Trains nervous and a bit sceptical. The feeling was that it might be quite difficult to handle some of the more hostile and inflammatory messages. Adam Piddington, the customer information officer at the time, said,

*Whilst we were setting it up, we were watching what people were saying about us—which was quite shocking, in some cases.*⁹

The transition to social media presented a somewhat awkward learning curve to overcome. But as Piddington noted,

*We found very quickly that there was nothing sinister or hidden about all this—that really helped us in the early days. When we started we were quite stilted—you need to be conversational but professional.*¹⁰

⁷ South West Trains, "About Us", <https://www.southwesttrains.co.uk/about-us/>, accessed September 2016.

⁸ Steven Stewart, "New Measures to Improve Rail Industry Response to Disruption", Stagecoach Group Communications, September 2011, <http://www.stagecoach.com/media/news-releases/2011/2011-09-13.aspx>, accessed August 2016.

⁹ Dave Lee, "Handling the London Waterloo Rush Hour on Twitter", BBC News, 26 June 2012, <http://www.bbc.com/news/technology-18547819>, accessed July 2016.

¹⁰ Ibid.

South West Trains trained its employees to ignore the language and instead focus on addressing the issue raised. Piddington explained,

...just because someone has sworn in a tweet, it doesn't mean that they do not have a valid question that requires a response.¹¹

Within six months of the launch on Twitter, a member of the Twitter team at South West Trains helped a lady commuter waiting late in the night at a station. He noticed her discomfort through her tweets and guided her to visit the nearest help point. By accessing CCTV cameras there, he was able to see her and calm her down. The incident brought home the potential of social media.

By 2012, South West Trains had fully integrated social media into their network control centre where rail operations and emergency services were monitored and coordinated. Sitting right next to an array of monitors that displayed CCTV feeds and comprehensive data on rail status, train movements and conditions, was a monitor devoted to social media. The 'TweetDeck', as it was called, enabled South West Trains employees to keep a watch on sentiment analysis and run keyword searches on social media platforms pertaining to matters related to South West Trains operations, for example, station names and other relevant phrases.

Through the TweetDeck, South West Trains could identify customer complaints to discover problems before any of their other mechanisms could alert them. Allison Dunn, who ran the social media presence from the control centre said,

We had a door problem at Winchester... a passenger tweeted me... and we found out about the problem before the guard [or any other station personnel] could pick up the phone and let us know it happened.¹²

The company maintained a core team for managing its social media and through a shift system ensured that the TweetDeck was manned by at least one staff member at all times. It decided against using names of its staff to avoid forming a relationship with their followers. Piddington remarked,

We toyed with using names, which is a very familiar style that companies use, but we don't think people want a relationship with us.¹³

Going social allowed South West Trains to provide both faster responses and engage in real time two-way communication with its customers. Once, a passenger tweeted about a broken information screen. South West Trains responded by first fixing up the screen and then tweeting back to the passenger to 'look up'. The train operator found social media to be a valuable tool for keeping passengers informed, managing expectations by being responsive and attentive to passenger questions and coordinating a workaround for delays and disruptions. At the end of 2015, South West Trains counted nearly 200,000 Twitter followers.

Yet, the evolving nature of social media meant that there was likely to be hits and some embarrassing misses (see **Exhibit 2** for examples).

¹¹ Emily Smart, "South West Trains Customer Experience Team", CorpComms, October 1, 2013, <http://www.corpcommsmagazine.co.uk/news/3196-south-west-trains-customer-experience-team>, accessed September 2016

¹² Dave Lee, "Handling the London Waterloo Rush Hour on Twitter", BBC News, 26 June 2012, <http://www.bbc.com/news/technology-18547819>, accessed July 2016

¹³ Emily Smart, "South West Trains Customer Experience Team", CorpComms, 1 October 2013, <http://www.corpcommsmagazine.co.uk/news/3196-south-west-trains-customer-experience-team>, accessed September 2016

KLM: Best in Class

KLM Royal Dutch Airlines, founded in 1919, was one of the oldest airlines in the world. Headquartered in Amstelveen, Netherland, the airline reported US\$10.6 billion in revenue and US \$414 million in operating income in 2015. It employed 35,000 people and operated a fleet of 199 aircraft serving 145 destinations.¹⁴

The airline provided ample training opportunities for employees to stay abreast of rapidly changing technology. In addition, employees were encouraged to keep a healthy lifestyle through company provided fitness centres and healthy eating establishments. KLM maintained a ‘proactive focus on sustainability’ through several socio-environmental initiatives, while aiming to provide innovative products and services to customers through a safe, efficient and service-oriented operation. A large part of the organisation’s operational success and reputable branding was attributed to a solid and well executed social media strategy that complemented more traditional forms of good customer service practice.

Jochem van Drimmelen, who was responsible for KLM’s rules of engagement for social media recalled,

Back in the summer of 2009, a small group of department representatives gathered each week to discuss the rise of social networks and how they related to KLM. Rather than blindly setting up accounts, thinking, “We have to do something with social media”, we took the time to observe, listen and learn. We noticed how travellers were exchanging experiences with each other, how the media were listening in, and how online sentiment was having an increasing impact on consumer choices and brand reputations. We concluded that, by becoming an active part of the online dialogue, we could increase brand engagement, strengthen our reputation, and ultimately sell more tickets. It was in these early days that we created the solid base that is now one of the keys to our success: cooperation.¹⁵

KLM began its venture into social media with a basic Facebook and blog. Engagement was pretty simple, largely consisting of interactions through a Twitter account to share information and address customer queries—but for the most part, social media activity was kept to a low profile. That all changed in April 2010, when Mount Eyjafjallajökull erupted in Iceland.

The volcanic cloud from Eyjafjallajökull covered most of Europe, rendering it impossible for aircraft to fly safely. As a result, 107,000 flights were cancelled over an eight-day period, disrupting some 10 million passengers—the largest air travel disruption since World War II. Call centres, ticket offices and transfer desks were overwhelmed by the barrage of enquiries coming from tens of thousands of stranded passengers desperate for information. Twitter quickly proved indispensable to communicating to customers and managing relations, both personally and en-masse.

Drimmelen said,

From the ash cloud incident we learned that, as a company, we could tackle a crisis situation effectively using social media. We also learned that the public really appreciated this form of communication. Very simply, there was no way back – and that didn’t go unnoticed among our

¹⁴ KLM Royal Dutch Airlines, 2015 Annual Report, https://www.klm.com/corporate/en/images/Printversion-Annual%20Report%202015_tcm729-653699.pdf, accessed August 2016

¹⁵ Jochem van Drimmelen, “Meanwhile at KLM” (Blog), July 2012, <https://blog.klm.com/klms-social-media-strategy-part-1/>, accessed August 2016.

senior management. Not long thereafter, our CEO, Peter Hartman, gave us the green light to set up a Social Media Hub and formalise our efforts.¹⁶

The downside, of course to social media, was that it invited criticism—but according to Drimmelen, “This can be alleviated with swift and transparent response. Customers also want to be recognised for their loyalty and be heard.” Tan believed this to be so, and commented, “With this kind of engagement, customers become part of the conversation. They take ownership.”

In October 2011, recognising the importance of social media following the ash cloud incident, KLM established the Social Media Hub that was staffed by a team with expertise in communications, e-commerce, customer care, ticketing, marketing, operations and cabin crew. The hub also brought in press managers, social media and campaign managers, online reputation managers, and an editorial board along with tech and metrics specialists.

By 2011, the hub was staffed 24/7 with over 50 people dedicated solely to social media. Together they handled over 2,000 conversations a week. By 2014, the staff size grew three times to 150 with over 75,000 messages a week. Drimmelen explained,

Our social media strategy is based on three pillars: Reputation, Service and Commerce. Reputation includes brand awareness, issue management, tone of voice and sharing content. Service is all about providing a personal and accessible one-stop-shop in social media. Commerce is the more challenging component of our strategy. Few companies have successfully derived revenue from social media, but we aim to be among those that do. We can do that by working more efficiently. For instance, if we answer one question publicly, we can answer it for everyone who has the same question. As a result we have fewer calls to answer. Another return on investment is improved online sentiment and an increase in brand ambassadors.¹⁷

Offering 14 languages, KLM customised social media interactions by using different languages for different customers. It proactively used social media for identifying the problems faced by customers, as well as providing solutions to them. In the process, it developed campaign-able customer service products and generated positive buzz such as ‘Meet and Seat’ or ‘Happy to Help’ initiatives, and live displays of its customer response times on its website, Twitter and Facebook (refer to **Exhibit 3** for details about the promotions). Tailoring its marketing campaigns to leverage upon the ‘social’ in social media not only added to its viral-ability by involving the customers directly in the sales process, but also boosted incremental sales by as high as 700% compared to traditional channels.¹⁸

By 2015, KLM had 2 million followers on Twitter and 8.8 million likes on its Facebook page. Aside from Facebook and Twitter, its global channels, KLM also used a variety of other regional social platforms that were relevant and popular in different countries such as Vkontakte in Russia, and Sina Weibo, Tencent Weibo, Renren and WeChat in China. The airline figured that business traveller needs were more complex and different from the needs of casual travellers, and hence engaged with them on LinkedIn, the first company to use it as a customer channel.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Derek du Preez, “Dreamforce 2013: KLM Using Social to Boost Sales by 700%”, COMPUTERWORLDUK, November 2013, <http://www.computerworlduk.com/cloud-computing/dreamforce-2013-klm-using-social-boost-sales-by-700-3489830/>, accessed August 2016

KLM also used social media to generate commercial transactions. Typically social platforms lacking adequate security for financial transactions directed customers to other channels for payment. To overcome this shortcoming, KLM along with one of its payment service providers, established a fully secured payment platform that allowed its social media representative to offer a quick payment link and stay with the customer throughout the process. This enabled KLM to generate transactions of US \$106,295 every week and contribute a total of US \$26.5 million in revenues in 2014 through social media.¹⁹

Gert Wimper Haar, KLM's social media hub manager emphasised,

*Social media is also a channel that makes money. We are definitely putting a lot of focus on that because in our company we need to make sure that the cost we create with the social media service—and it's quite a cost—also pays back.*²⁰

KLM understood that if rightly used and invested in, social media had a huge potential for enhancing customer experiences, providing quality service and building strong brand equity. To that purpose, it worked towards integrating the social media with other departments at the organisation to equip the social media team with the right answers to address customer issues effectively. It also invested in technology infrastructure that allowed coordination with its salesforce in real time to enable fast resolution to the problems faced. It knew that the key to success was to continue to stay personal despite increasing traffic and rising expectations of its passengers while ensuring a one-stop-shop experience. Its social media team appreciated that online platforms attracted different types of consumer feedback; for example, while Twitter generated more general volume, Facebook was used for more serious complaints and hence pursued a differentiated approach in each case.

Disruption and Delays on SMRT

In 2008, public perception of SMRT was already fraying. In response to service delays due to a train breakdown, the CEO of SMRT, Saw Phaik Hwa, said,

*People don't appreciate what you do. When a train breaks down, you're bad, you're evil. That's not right. Even if you own a Rolls Royce, I guarantee you it will breakdown one day.*²¹

Later in 2010, in response to crowding complaints, she told the press, "People can board the trains – it's whether they choose too."²²

This was in stark contrast to her public statement following her CEO appointment almost a decade ago,

*My own experience is that consumer is king. The value to the consumer has to be the upmost because, without that, you have nothing and shareholders will get nothing.*²³

¹⁹ Maryann Simson, "KLM Aims to Double Social Media ROI after €25 Million Haul in 2014", RUNWAY GIRL NETWORK, 17 February 2015, <https://www.runwaygirlnetwork.com/2015/02/17/klm-aims-double-social-media-roi-e25-million-haul-2014/>, accessed August 2016

²⁰ Ibid.

²¹ Mak Mun San, "Right on Track", The Straits Times, April 21, 2008

²² Irene Tham, "SMRT: Tighter Security Will Not Mean Higher Fare", Sunday Times, 27 June, 2010 <http://www.theonlinecitizen.com/2010/06/27/crowded-trains-do-you-agree-with-smrts-ceo/>, accessed August 2016

²³ Karamjit Kaur, "SMRT's Plain-Speaking Boss" The Straits Times, 5 December, 2002

SMRT was finally dealt its worst public relations blow when it experienced its worst service disruption in its 24-year history on the evening of 15 December 2011. The disruption affected more than 127,000 commuters. Some passengers were stranded in pitch-dark cars for over an hour, where they reacted by breaking windows out of fear of poor air ventilation. Less than two days later, on 17 December, another breakdown caused a second, seven-hour disruption that affected 94,000 passengers.

During the 15 December disruption, SMRT remained silent on social media, and instead relied on more traditional press statements. During the second disruption, beginning on the morning of the 17th, SMRT continued to apologise and inform passengers by making announcements through radio stations, news channel ticker tapes, their corporate website and through statements on their Twitter account, which had around 100,000 followers. However, Tan recalled, “SMRT didn’t really begin responding directly on Twitter to commuter complaints until much later in the crisis. The situation on Facebook was much worse.”

On the Facebook front, SMRT did not respond publicly until after a Facebook troll had created a fake SMRT account, SMRT Ltd (Feedback), which lampooned SMRT by posting antagonistic responses at the company’s public relations expense. These faux-responses were believed by many. SMRT eventually started responding to the public on Facebook about the crisis at 11 pm, 15 hours after the crisis began.

Fallout from the 2011 train disruptions resulted in a flood of social media and blog complaints calling for the resignation of Saw. On 6 January 2012 the CEO resigned, and on 16 July 2012, the regulator Land Transport Authority (LTA) fined SMRT US\$1.4 million (the maximum allowable) over matters related to the December disruptions.

From 2011 through 2014, SMRT’s rail network experienced 39 service delays of longer than 30 minutes, in some cases lasting more than an hour. The LTA again fined SMRT for service disruptions, this time for US\$1.1 million in July 2014. Many of these disruptions were due to minor glitches and malfunctions. Saw’s successor, SMRT CEO Desmond Kuek, responded to these incidents,

*It will take time to fully implement the various system reliability enhancements as we continue to support daily operations... despite our best efforts, there will be some delays even as we continue to make improvements to the system. We ask for the patience and understanding of our commuters.*²⁴

In order to further improve public transportation service in Singapore, SMRT, the LTA, IBM and StarHub (a Singapore based telecom company) in 2014 announced in a press release that they would work together on an initiative called FASTER (Fusion AnalyticS for public Transport Emergency Response).²⁵ FASTER would ‘provide a blueprint for better crowd management and proactive information services by using data-driven analytic models that provide situational analysis, impact prediction, and actionable insights for mitigating the anticipated impact’. It would work by harnessing together video data and anonymised-aggregated mobile telecommunications data to provide better information to the regulator and SMRT so that passengers could be better

²⁴ Nurul Azliah Aripin, “SMRT Under Fire for Trying to Downplay Monday’s Peak Hour Train Delay”, Yahoo News, 25 February 2014, <https://sg.news.yahoo.com/smart-slammed-for-trying-to-downplay-monday-s-peak-hour-train-delay-084557197.html>, accessed August 2016

²⁵ Land Transport Authority, “LTA, SMRT, Star Hub and IBM Collaborate to Improve Transport with Data for Singapore Commuters”, Jun 2014, <https://www.lta.gov.sg/apps/news/page.aspx?c=2&id=407a5053-0345-40f5-8d64-51fb31bfb2a0>, accessed August 2016

served.

In the meantime, SMRT made additional investments in customer service programmes, preventative maintenance programmes, safety and capacity improvements. Kuek explained,

*SMRT has strengthened its ability to be alert and ready for any eventuality on our train and bus networks. We now have faster responses by our train station staff during disruptions, near real-time updates on social media, and increased urgency in the effort to upgrade our train network. FASTER is a potential game changer to help in all of these efforts. We expect to enhance our ability to sense-make and act in the dynamic environment that typifies emergency situations.*²⁶

In 2015, despite these claims, SMRT again failed to provide commuters real time updates on 7th July when it had the worst breakdown in history. For the first time, both the North-South and East-West Lines were simultaneously brought down to a complete halt during the evening peak period, leaving 250,000 commuters stranded for 3.5 hours.²⁷ Heavy reliance on traditional communication systems such as loudspeakers and leaflets at affected MRT stations, and failure to engage in real time on social media, resulted in a massive build-up of stranded commuters at all 54 stations of the two lines. Not being aware of the problem, many more kept heading there, including those travelling on unaffected lines. Lack of live updates regarding alternative transport modes further added to the chaos and trauma of commuters. SMRT staff could not be physically present at all affected stations in time to provide much needed directions, leaving commuters confused about where to go. Long lines for buses and taxis didn't help the matter either.

People vented on social media their sheer frustration with SMRT's inept handling of such a crisis. The painstaking technical and operational improvements done by SMRT over time to provide a more reliable service got overshadowed by the harrowing experience consumers went through made worse by the lack of real-time communication. Negating the good work done by SMRT, the incident widened the chasm between consumers' expectations and perceived performance of the transport system and invited a financial penalty of US\$3.8 million from LTA, the highest so far.

The Pitch

Tan believed that SMRT clearly saw the value of creating partnerships and using technology to better respond to disruptions and improve service delivery. However, when she investigated SMRT's presence on social media, it appeared to her that the company still relied on a top-down press release style approach to communication. Tan wondered,

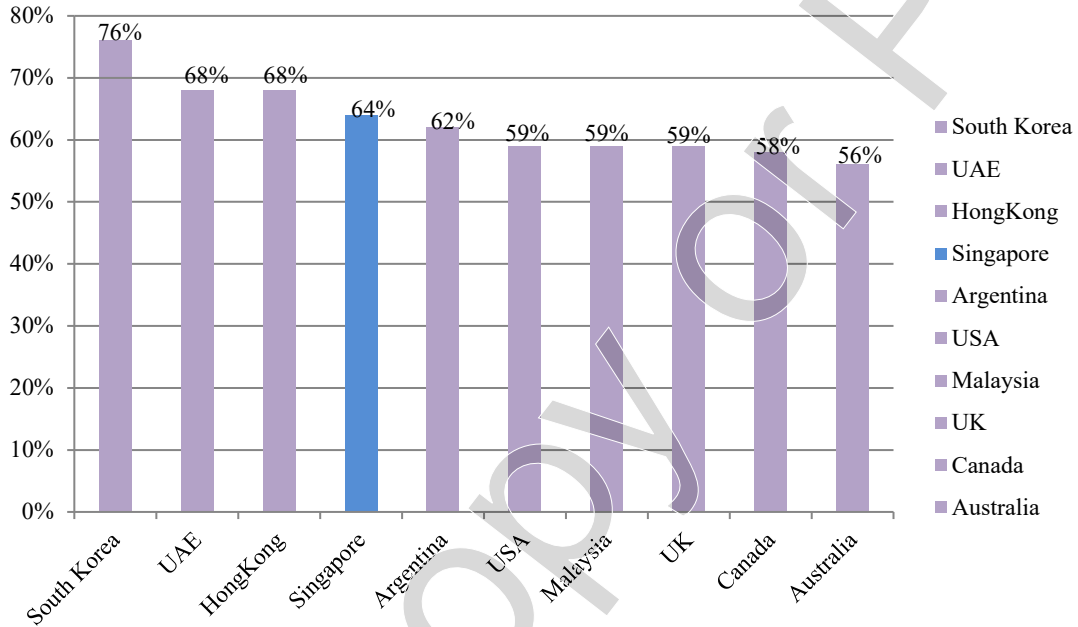
How can SMRT leverage the world of social media to enhance its customer engagement? Can social media play a role in its service failure response strategy – and what kind of impact could it have on managing public perception of SMRT?

²⁶ Ibid.

²⁷ Christopher Tan, "SMRT's Contingency Plans Need Fixing", The Strait Times, 30 July, 2015, <http://www.straitstimes.com/opinion/smrts-contingency-plans-need-fixing>, accessed August 2016.

EXHIBIT 1: DASHBOARD – DIGITAL PRESENCE IN SINGAPORE

Social Media Usage: Top 10 countries



Comparison of Internet and Social Media Penetration: Singapore vs. Global and APAC

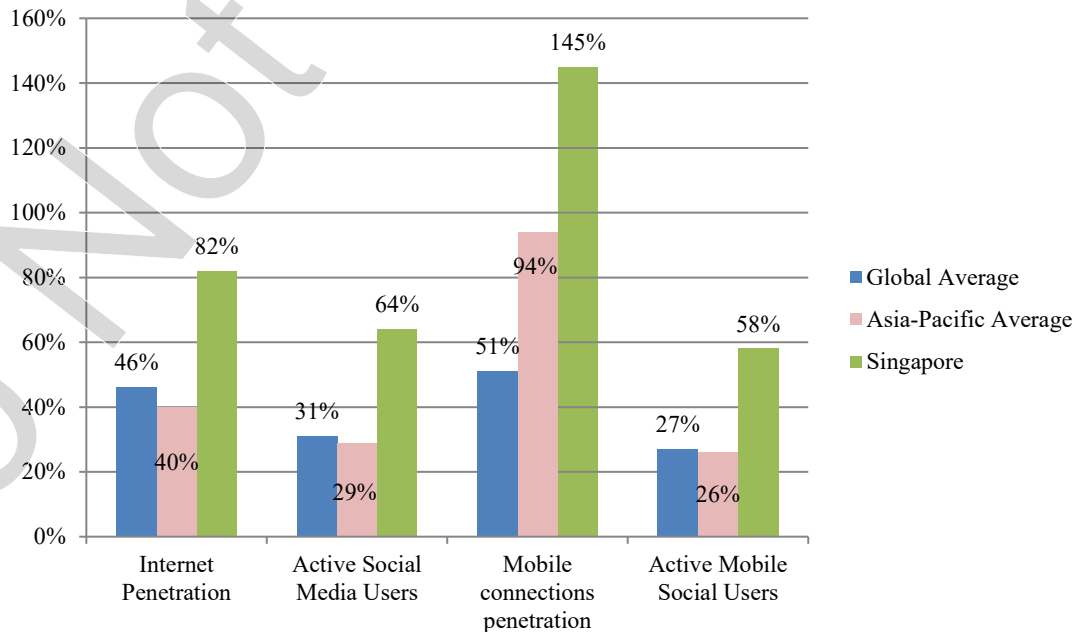
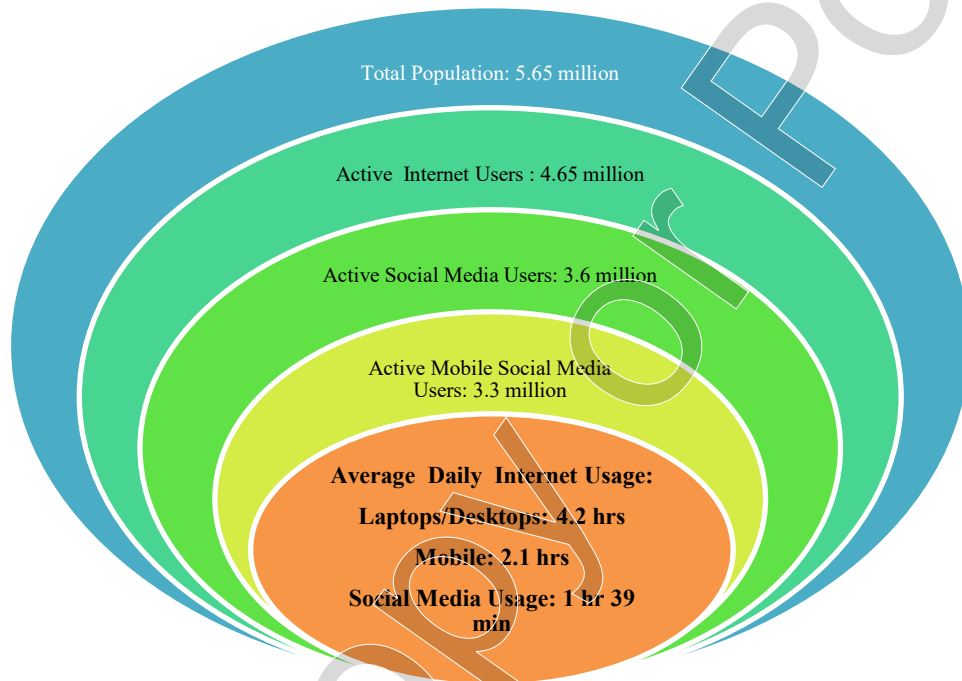


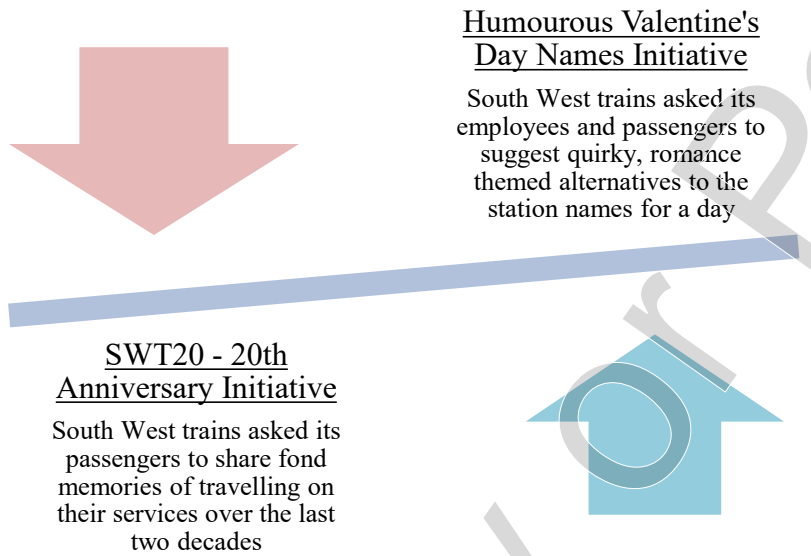
EXHIBIT 1 CONTINUED

Internet and Social Media Metrics: Singapore

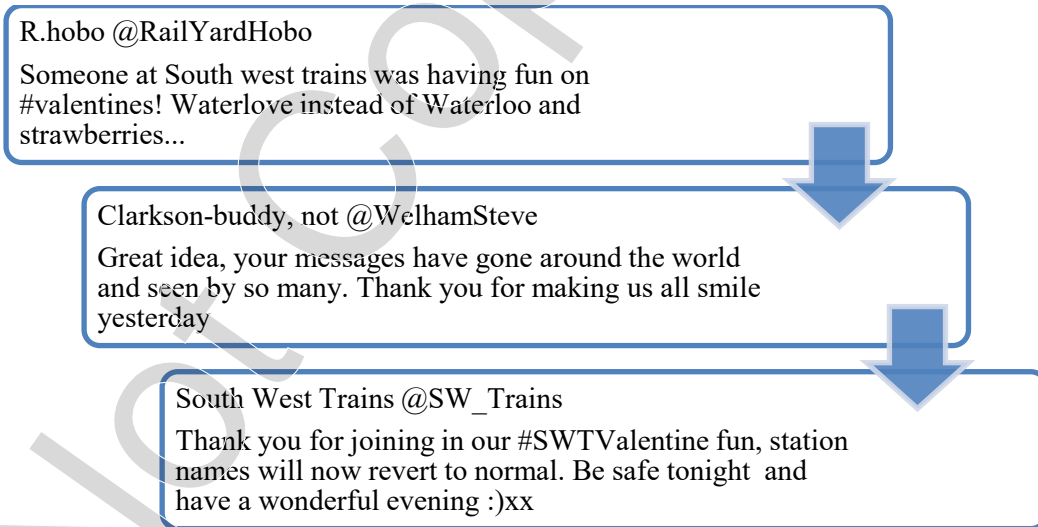


Source: 'We are Social' Digital Yearbook 2016, <http://www.slideshare.net/wearesocialsg/digital-in-2016/6-wearesocialsg-6GLOBAL-REGIONAL-OVERVIEWS> , accessed August 2016

EXHIBIT 2: HITS AND MISSES



HIT: Consumer Responses to Valentines Initiative – Excerpt of a Twitter Exchange



Source: Gregory Walton, “Train Company gives its Stations New Romantic Valentine's Day Names”, The Telegraph, February 14, 2015, <http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/11413310/Train-company-gives-its-stations-new-romantic-Valentines-Day-names.html>, accessed May 2016.

EXHIBIT 2 CONTINUED**MISS: Consumers Responses to 20th Anniversary Initiative - Excerpt of a Twitter Exchange**

Stuartheron @stuartheron

That time I didn't get the job of a lifetime after being stuck on a train for 2 hours and missed the interview. Fond memories..#SWT20



James @Jamescarragher

@SW_trains delay after delay after delay
#SWT20

Source: <http://www.standard.co.uk/news/uk/commuters-give-hilarious-responses-to-swt20-set-up-for-south-west-trains-20th-anniversary-a3151181.html>, accessed May 2016.

EXHIBIT 3: SOCIAL MEDIA INITIATIVES BY KLM

Live response time display

To better manage customer expectations, KLM introduced a customer service initiative, where it displayed live response times to customer enquiries on its website and social media. The time taken by its team to respond was refreshed every five minutes on its Twitter account. Also, the expected response time to new queries was posted on its Facebook and Twitter channels, though the airline also guaranteed a response time of within 60 minutes.

Source: “KLM dares to Display Real-time Response Schedule to Social Media Queries”, 2013, <http://news.klm.com/>, accessed May 2016.

‘Meet & Seat’ campaign

A marketing initiative introduced by KLM in 2012 offered its passengers an opportunity to choose who they sit next to during their flight, rather than leave it to chance. Those who opted in for the service were simply asked to share their Facebook or LinkedIn profiles. The airline integrated their social media profiles with their flight information and shared them with other participants. Based on the profiles, passengers could decide whom to fly with.

Source: KLM website, https://www.klm.com/travel/eu_en/prepare_for_travel/on_board/your_seat_on_board/meet_and_seat.htm, accessed May 2016.

‘Happy to Help’ campaign

From a special glass pavilion at Schiphol Plaza in Amsterdam airport, KLM’s customer service team assisted travellers via social media as well as at various airports worldwide over a period of five days from 13th October to 17th October 2014. The customer service was available 24 hours a day, for all air travellers of any airline. With this campaign, KLM aimed to emphasise its commitment towards top quality service and create positive brand equity even with non-customers.

Source: Shashank Nigam, “Is KLM the most Helpful Airline in the World? Re-thinking Airline Customer Service #happytohelp”, 19 October, 2014, <http://simpliflying.com/2014/klm-happytohelp-customer-service/>, accessed May 2016.