Exit, Tweets, and Loyalty
Joshua S. Gans, Avi Goldfarb, and Mara Lederman*

December 2015
PRELIMINARY AND INCOMPLETE
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At the heart of industrial organization is the belief that markets act to discipline firms for poor performance. As such, the role of markets – and market structure – in influencing firm behavior has been extensively studied. However, while consumers may withdraw demand from a firm when quality falls, in his famous book *Exit, Voice, and Loyalty*, Hirschman highlights an alternative mechanism that has received considerably less attention: voice. Hirschman argues that, rather than withdrawing demand from a firm, consumers may choose to communicate their dissatisfaction to the firm. In this paper, we develop a formal model of the ideas in *Exit, Voice and Loyalty* and undertake the first large-scale empirical analysis of the relationship between quality, voice, and market structure. Combining data on tweets about major U.S. airlines with data on on-time performance and market structure, we document that the quantity of tweets is correlated with flight delays. Furthermore, we find that this relationship is stronger when an airline has a greater degree of market power in a city.

*Keywords*: exit voice and loyalty, complaints, airlines, Twitter, social media

*JEL Classification*: L1, D4, L86

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* Rotman School of Management, University of Toronto and NBER (Gans and Goldfarb). Xinlong Li, Dan Haid, and Trevor Snider provided excellent research assistance. We gratefully acknowledge financial support from SSHRC (grant # 493140). The paper benefited from helpful discussions with seminar participants at the University of Toronto, Harvard University, and Stanford University.