Social Media Customer Engagement

Strategic Planning Considerations For Contact Centre Organisations

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FROST & SULLIVAN

Executive Brief Commissioned By

SiTEL

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Introduction

Social Media is rapidly emerging as the next big frontier for customer engagement and interactions. There are millions of customer interactions taking place everyday on Social Media sites such as Facebook, Twitter, YouTube, etc. as well as a vast number of customer support forums and online communities. This is projected to grow exponentially over the next 5-6 years as the usage and number of active users of Social Media sites and forums continues to grow.

This trend also reflects a fundamental shift from predominantly company-customer interactions to customer-customer interactions that influence company-customer relationships. It therefore becomes imperative for companies to have a sound Social Media customer engagement strategy.

This Frost & Sullivan Executive Brief commissioned by Sitel discusses some of the main challenges contact centre organisations are going to face as they implement Social Media customer support across various online channels. It also presents our recommendations to effectively overcome these challenges, while building a strong foundation for continuous improvements.

Social Media Trends and Relevance for Contact Centre Organisations

Customer service and support in Social Media

The transformation of the contact centre model from call centres to multi-media customer service and support has largely been driven by the evolution and proliferation of the internet, and changing consumer habits therefrom. This cultural aspect will continue to transform the strategic and operational role of the contact centre over the next several years.

"Increasingly, consumers are relying on each other instead of the companies they buy products and services from, for sales and support related questions"
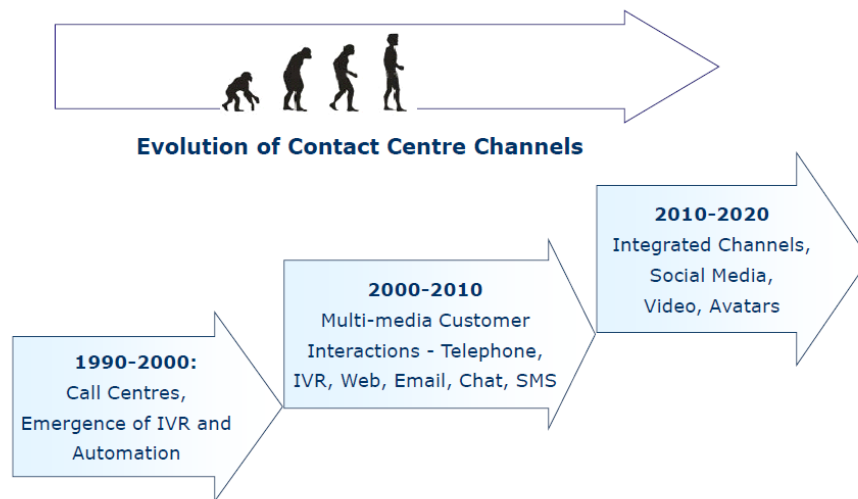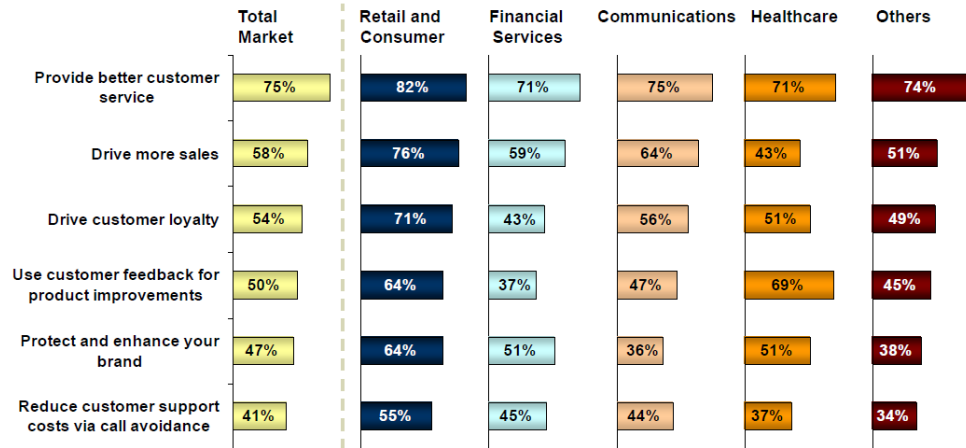
Evolution of Contact Centre Channels

1990-2000:
Call Centres, Emergence of IVR and Automation

2000-2010
Multi-media Customer Interactions - Telephone, IVR, Web, Email, Chat, SMS

2010-2020
Integrated Channels, Social Media, Video, Avatars

Figure 1: Evolution of contact centre channels

Social Media emerged as and continues to be a cultural phenomenon. It is also quickly becoming a business phenomenon. Increasingly, current and prospective customers are using Social Media to communicate about the products and services they buy or intend to buy. These peer-to-peer or customer-to-customer communications are sometimes happening instead of contacting the companies who offer the products and services. Leading enterprises have recognised the importance of tapping into these customer-to-customer communications. They are following a number of paths to learn from, participate, support their customers and ultimately find ways to leverage these social conversations for their business benefits.

A recent Frost & Sullivan survey of contact centre organisations identifies the top benefits companies are looking to derive by supporting and tracking social media customer interactions. It is interesting to see that contrary to popular opinion that Social Media is largely relevant only in select industries, business interest in Social Media customer support is high across a number of industry verticals, as shown Figure 2 below.

Q: Which of the following benefits are you looking to derive by supporting and tracking social media customer interactions?

Benefits from supporting and tracking social media customer interactions

	Total Market	Retail and Consumer	Financial Services	Communications	Healthcare	Others
Provide better customer service	75%	82%	71%	75%	71%	74%
Drive more sales	58%	76%	59%	64%	43%	51%
Drive customer loyalty	54%	71%	43%	56%	51%	49%
Use customer feedback for product improvements	50%	64%	37%	47%	69%	45%
Protect and enhance your brand	47%	64%	51%	36%	51%	38%
Reduce customer support costs via call avoidance	41%	55%	45%	44%	37%	34%

Note: Others includes Travel & Hospitality, Hi-Tech, Govt. & Education, Outsourcing, Utilities, Industrial, etc.

Source: Frost & Sullivan 2010 Contact Centre Survey

Figure 2: Business benefits from Social Media customer support

Another noteworthy mention is the opportunity at hand for contact centre organisations to drive greater business value for sales, marketing, and product development functions within the enterprise.

Social Media Channels

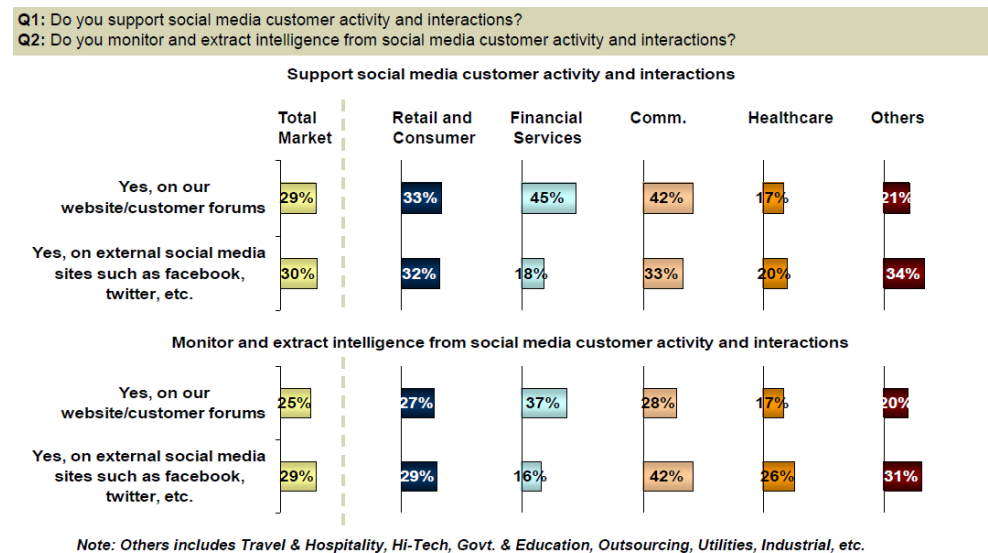Social Media channels relevant to customer interactions broadly fall under two categories –

1. Customer community/forum on your own website

2. External Social Media sites such as Facebook, Twitter, YouTube, customer community/forum on external Social Media websites, etc.

While Social Media customer engagement for most companies began on external Social Media sites such as Facebook, Twitter, etc, very quickly companies discovered the various benefits of supporting customer communities on their own website.

Today, most companies that engage with customers in Social Media do so in both of these avenues, and more importantly monitor and extract market intelligence from Social Media customer activity and interactions using various monitoring and listening tools.

Figure 3 shows the industry uptake for Social Media customer support and monitoring – both for customer communities/forums on a company's own website, as well as on external social media sites such as Facebook, Twitter, YouTube, etc.

Q1: Do you support social media customer activity and interactions?
Q2: Do you monitor and extract intelligence from social media customer activity and interactions?

Support social media customer activity and interactions

	Total Market	Retail and Consumer	Financial Services	Comm.	Healthcare	Others
Yes, on our website/customer forums	29%	33%	45%	42%	17%	21%
Yes, on external social media sites such as facebook, twitter, etc.	30%	32%	18%	33%	20%	34%

Monitor and extract intelligence from social media customer activity and interactions

	Total Market	Retail and Consumer	Financial Services	Comm.	Healthcare	Others
Yes, on our website/customer forums	25%	27%	37%	28%	17%	20%
Yes, on external social media sites such as facebook, twitter, etc.	29%	29%	16%	42%	26%	31%

Note: Others includes Travel & Hospitality, Hi-Tech, Govt. & Education, Outsourcing, Utilities, Industrial, etc.

Source: Frost & Sullivan 2010 Contact Centre Survey

Figure 3: Industry uptake for Social Media customer support and monitoring

It is interesting to see some slight differences in vertical strategies. For instance, in Communications and Healthcare, more companies are monitoring customer conversations on Facebook and Twitter than directly supporting these channels. In Retail and Consumer, and Financial Services verticals, more companies are supporting multiple social channels, but fewer are actually monitoring and extracting market intelligence from these interactions today.

Social Media in the Enterprise

Social Media is not just a contact centre imperative, but also an important enterprise-wide phenomenon that impacts several business functions. This includes sales, marketing, customer service, product development, corporate communications and PR, and employee communication and collaboration.

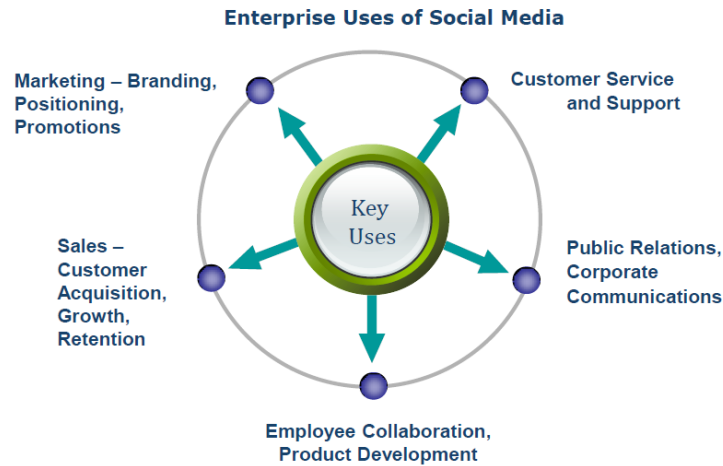**Enterprise Uses of Social Media**

Figure 4: Enterprise uses of Social Media

These business functions have different goals and objectives, and as a result, what you oftentimes find in an enterprise are various siloed, departmental initiatives in the Social Media space. Such asynchronous initiatives present both challenges and opportunities for customer-facing organisations, particularly contact centres.

We will first discuss some of the most common challenges and pitfalls with Social Media customer support initiatives, and then discuss strategies to overcome these challenges.

Common Challenges and Pitfalls with Social Media Customer Support Initiatives

Inaction due to unclear ownership and accountability

Some companies have strong C-level involvement and oversight in setting the direction for Social Media customer initiatives, assigning roles, responsibilities, and champions for various initiatives, and tasking them with planning, project management, performance and accountability. Unfortunately, that is not the case for most organisations.

It is still extremely hard to define and measure the return on investment (ROI) from Social Media customer initiatives. As a result, in spite of strong interest in these initiatives, when the time comes for departmental leaders to take ownership and accountability and sign off on the investment required, oftentimes these executives are

not willing to do so. One department waits for the other to take action, and in the process no action is taken.

Focus on capability building instead of business value creation

On the opposite side of the spectrum from lack of any initiative or action is the trap of focusing on "capability building" versus business value creation. More often than not this happens when IT gets ahead of the business and implements a Social Media application such as say a customer community/forum. There are several scenarios where this kind of initiative could fail to create business value –

• Several customers start posting negative reviews and comments on the company's products and services, and the contact centre is not adequately equipped or trained to reach out to these customers and handle their complaints

• Marketing has not created enough content to keep customers engaged on the website; soon the novelty fades away and along with it customer activity on the community/forum website

• Accustomed to handling calls for technical support, the company has not created sufficient and the right kind of tech support content such as instructional video clips, etc. for the forum website

• The company's customers are largely using other Social Media sites/forums for the same purposes and see no particular reason to switch or use the company's customer community/forum website

Misalignment / disconnect between various departmental Social Media initiatives

As noted earlier, what you oftentimes find in an enterprise are various siloed, departmental initiatives in the Social Media space – sales, marketing, customer service, corporate communications, etc. implementing their own applications. The result –

• You have applications that don't talk to each other

- Redundant or conflicting customer data is gathered

- A fragmented customer experience across channels

Lack of an integrated project plan for implementation, support and continuous improvements

Many companies are implementing several departmental Social Media customer initiatives at the same time. These projects are competing for the same limited pool of IT resources and lack an integrated project plan to ensure capabilities are built in a sequence and timeframe that makes sense to the organisation at large.

Without such an integrated plan, IT often becomes overloaded and unable to keep up with the demands of the various projects. Furthermore, such a disjointed approach can result in the implementation of a specific capability before there is a solid understanding of the key dependencies that must be in place for the company to generate value from the capability. An example would be – building a customer community/forum before the contact centre systems are upgraded and agents are trained to handle inbound and outbound Social Media customer interactions.

Frost & Sullivan Recommendations for Contact Centre Organisations

Plan well and act soon. Social Media strategies require sufficient planning, but time-to-market is equally important. Accept that there will be several unknowns. If you try to mitigate every conceivable risk factor, you will likely miss out on several customer opportunities.

Social Media listening. Engage a Social Media listening vendor/service to better understand where your customers are online; what are they talking about your company and your products and services; this will help you develop social media strategies based on data-driven insights.

Obtain and maintain executive support. Reach out to C-level executives early in the planning process. Ask for their involvement and support; communicate the need to put together a cross-functional team of Social Media "champions" from relevant departments – sales, marketing, customer service, corporate communications, IT – that will closely collaborate on Social Media initiatives.

"Explore Social Media customer support capabilities offered by your –
- Contact centre systems vendor
- CRM vendor
- Contact centre outsourcer"

Collaborate with other departments. Find out about their current and planned Social Media customer initiatives to better understand how it can impact your organisation. Feedback is a two-way street. Share your implementation plan roadmaps to understand key dependencies. Where possible, take a joint, collaborative effort to project planning, implementation, support, and continuous improvement methodology.

Explore vendor solutions. Ask your contact centre/CRM vendors about their Social Media customer support capabilities. Key capabilities to explore would be –

• Monitoring Social Media conversations about your company's products or services

• Building online customer communities/forums

• Handling inbound Social Media contacts

• Handling outbound/proactive Social Media customer contact

• Campaign management, knowledge management, reporting and analytics

• Continuous improvement methodology

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