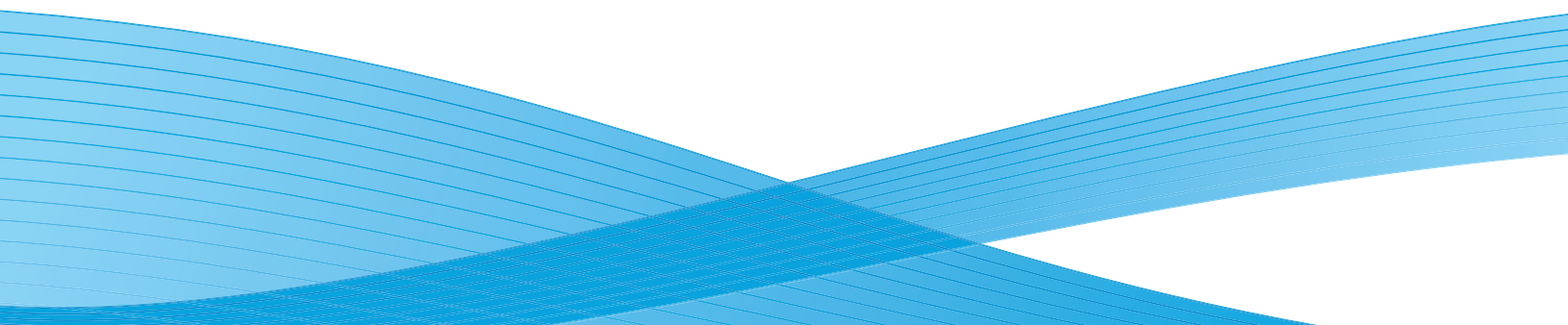


Social Media:

Reaping the Rewards of the Next Revolution in Customer Experience

Business Brief: In today's digital world, businesses must find new ways to engage current and potential customers, extending the dialogue and using the information gleaned to better serve them. Today's savvy businesses are taking advantage of the advent of Web 2.0 and social media to do just that.



Social Media

With customers using social networking to form and share opinions, gather information and generate content around products and services, the dynamic between businesses and customers has shifted, putting the customer squarely in the driver's seat. Recognizing this new relationship, companies that stand to succeed, then, are those that are acquiring core social media competencies and are integrating social media technologies with their CRM solutions in response. This business brief provides insight into the social media trend, revealing both the benefits and challenges of implementing a social media strategy as part of a comprehensive CRM platform.

The Customer Takes the Reins

Prior to the 21st century, the dialogue between business and customer was really more of a monologue, with the business doing most of the talking via advertising and marketing. Sure, customers could provide feedback about products or services – but it was rarely immediate. And while their viewpoints may have reached the ears of company representatives, they almost certainly weren't reaching those of other customers (or prospective customers).

All of that changed, however, with the advent of Web 2.0 and the explosion of social media applications that followed. With wikis, blogs, online communities and social media sites such as Facebook, YouTube and Twitter proliferating, consumers have found their voice and are sharing their opinions any way they can – rating and reviewing products, services and companies; talking about brands and companies in communities of interest; and more.

Suddenly, that monologue has become a dialogue, and with 78 percent of consumers reporting that they trust the opinions of their peers more than all other information sources and advertising (according to a 2008 study by the Nielson Co.), companies that do not find ways to listen to, join in, steer and learn from these customer-controlled conversations through well-implemented social media strategies risk losing their customers and prospects to those that do.

Although the prospect of entering the social media waters can be daunting – after all, businesses can't control what people say about their brands in cyber-space – companies that turn their backs on the phenomenon are likely to be left in the dust by their more-savvy competitors. For proof, consider the following:

Move over, email. The use of social media now surpasses email as the most popular Internet activity, according to a March 2009 Nielsen Co. study.

Social media is not just for the young. According to April 2009 statistics from Facebook, the fastest growing demographic on that site today is users 35 and older.

Customers expect to interact with brands on social media sites. According to a September 2008 study by Cone Research, 93 percent of American consumers surveyed believe companies should have a social media presence; 85 percent believe companies should interact with customers via social media; and 56 percent feel they have a stronger connection with and are better served by companies that they can interact with via social media.

Embracing Social Media to Provide Next-Generation Customer Service

In the September 2008 Gartner report "The Business Impact of Social Computing on CRM Processes," Michael Maoz writes, "To a greater extent than ever, customers are forming opinions, seeking information, sharing experiences and creating content on social networking sites that are outside the enterprise's control. The customer experience is entwined tightly with the organization and its employees, but the sharing of these experiences is largely, and for some enterprises entirely, outside of their control."

So how can enterprises wrest back some of that control? They can do so by participating. By joining those customer-led conversations and integrating social media into their customer service programs, companies can extend the reach of their brands, enhance customer experience and reap organization-wide benefits from the information gleaned through these social interactions.

Not only can companies use social media management and monitoring tools to "listen in" to what users are saying about their brands on blogs, consumer sites and social networks, they can also participate in these discussions by responding to user postings and placing strategic messages. Companies can even host their own online communities. As a result, issues are identified and resolved more quickly, brands are bolstered, rumors are quashed and customers feel a greater connection to the company and brand.

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By incorporating the social media capabilities of Web 2.0 into their customer service offerings, enterprises can:

- Create one-to-many relationships with customers and prospects
- Respond quickly to positive or negative customer feedback
- Shape and enhance the customer experience
- Create customer advocates
- Capture important business knowledge that can be used throughout the organization (for example, generating ideas for product development).

The results are reduced costs (via reduced call and email volumes and increased agent productivity and first-call resolution) and improved revenues (via higher customer lifetime value and increased lead conversion rates).

“The rules of customer service are being rewritten. Web 2.0 customers who have become accustomed to the instant access and gratification of the Internet now expect the same level of speed and ease in their customer service interactions. They trust their social networks, and they look to their peers online for information and advice. An unhappy customer has the power to destroy a company’s brand with a single click.”

Chuck Ganapathi
VP of Marketing, Salesforce.com¹

The Challenges of Implementing a Social Media Strategy (for CRM?)

While it’s essential for today’s businesses to establish a social media presence, it’s equally essential that they adopt a sound implementation strategy to do so. Anything less will result in a scattershot approach that leads to unmeasurable results and missed opportunities. Among the many issues companies must consider when adopting a social media strategy are the following:

How will company culture be affected?

Just as social media provide innumerable opportunities for transforming customers into brand advocates, they also enable all of a company’s employees to become brand ambassadors. Unfortunately, not everyone has been trained for that role. For this reason, companies must establish guidelines so that employees know how to engage in a new type of dialogue – one in which customers lead and enterprises respond, affirming the value of the brand in the process. In this new dynamic, enterprises must demonstrate a genuine interest in the consumer’s needs, and be willing to put constant care into the relationship.

Which technology will be used to capture and distill data from social media sites?

It’s not enough for businesses to just eavesdrop on or even participate in the conversations taking place on social media sites. Organizations must also be able to capture and distill those “conversations” (which take the form of unstructured data) into knowledge that can be used to improve self-service, customer support and product development. To accomplish these goals, enterprises will need to select one of the many social media monitoring and management tools available today. Such tools not only report on what people are saying about a given brand on blogs, online forums, wikis, YouTube videos and more, but they also make it easy for enterprises to participate in the discussions, and to store and distill the knowledge gained from them.

¹ “Embracing the Impact of Social Media on Customer Care,” Greg Levin, <http://www.icmi.com/knowledgecenter/details.aspx?id=1533>

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Which governance issues will arise?

Any business that plans to establish a social media presence must develop policies and codes of conduct to deal with the many governance issues that can arise from engaging customers and prospects on the Internet. These range from issues of privacy to data sharing, security, brand protection and more.

How can social media tools be integrated into existing CRM platforms?

Since a company's social media presence represents just one piece of its customer engagement effort, it's key that the tools it employs for social media can be integrated with its existing CRM platform. This way, an enterprise can manage the entire range of customer contact points – from marketing and pre-sales to order management and customer support – from a single platform.

How will success be measured?

As is the case with any other marketing initiative, businesses must evaluate the effectiveness of their social media efforts. This means establishing goals (including expected ROI), measuring results and adjusting strategy to drive performance.

Case Study: Orange UK

The Orange Group is the number-three mobile operator in Europe and number-one provider of broadband Internet services. To better serve its more than 175 million customers across five continents, Orange decided to integrate social media into its CRM strategy. The company wanted to be able to tap into conversations about its services in real time, extract knowledge and make it available to customers, employees and business partners such as Plantronics. Using Salesforce.com CRM software, plug-ins and customized interfaces, Orange can proactively get involved in the conversation, ensure the right answer is given and protect its brand.

Now knowledgebase articles are exposed publicly and indexed for Google searches, ensuring customers who have questions can get answers on Google. Social media integration has reduced the volume of calls to the call center and the number of agents needed for technical customer service. At the same time, customer satisfaction is improved as customers gain faster access to accurate information about Orange services.

A Trusted CRM Partner

With almost 74 percent of consumers choosing brands based on the customer experiences their peers share online,² it's clear that there are huge benefits to be gained from using social media to enhance customer experience and extend brand reach and value. It's also clear, however, that there are considerable challenges involved in doing so.

Xerox can help. As a leader in business process outsourcing and business technology innovation, Xerox has the experience and expertise required to guide organizations' social media efforts. To this end, Xerox is partnering with best-of-breed solution providers such as social media management company Vitruve and Consona, a leader in CRM and knowledge management, to aggregate the conversations that take place across the social media landscape and bring them back into the contact center to deliver an improved experience to the customer.

Social Media

By engaging Xerox to help implement a social media strategy and integrate social networking technology into a CRM solution, companies can:

- Become more attuned to customer needs and desires
- Maximize the value of customer interactions
- Provide a seamless customer service experience
- Reduce churn and maintain profit margins while providing a high level of responsiveness to customers
- Reduce costs by deflecting agent calls
- Increase first “contact” resolution.

Summary

With the advent of Web 2.0, social media have emerged as a powerful – and essential – channel for engaging customers about brands, products and services. Xerox enables enterprises to tap into that power by helping them plan, deploy and maintain an effective social media strategy that integrates seamlessly with their CRM solution. The result is a unified customer experience that benefits from the knowledge gained in social communities.

To learn more about making social media work for your business, visit www.xerox.com/businessservices.

