CRM OUTSIDERS

Social Media for Customer Service: The Force Multiplier for Your Business

Dr. Natalie Petouhoff

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Imagine the following scenario. There is a large assembly of your customers. Some of them have questions about your products. Other customers want to buy your product, but need more information. Some of your customers have questions about how your product compares to your competitors' products. And other customers are experiencing a problem and are upset. Yet other customers have feedback about your product; without incorporating it into your product they will defect to the competitors. Some want to something return; other customers just want you to listen like you really mean it.

If a meeting like this were taking place at your company, how would you handle it? Whom would you ask to address the group? The vice president of sales, product marketing, someone from the C-level, CEO, COO, CFO? What special message would you create to address their questions, concerns and issues?

In actuality you don't have to imagine the meeting. That meeting happens every day, via the interactions with your customers. It's in these interactions that your customer experience is delivered. In fact it is being delivered right now, this very minute- in your contact center, but also online in social media.

Along comes social media, and as if your customer service team isn't busy enough—now you have to contend with Social media (Twitter, Facebook, YouTube, etc) Is social media just another channel of communication for your team to handle? Or is there is a much larger picture unfolding around social media and customer service? Business leaders need to understand how social media affects what you've always done- phone calls, chats, email responses and managing other work tasks in the universal queue. This white paper provides a forward looking view on how Customer Service and Social Media provide one of the most important and strategic business decisions companies need to consider to reduce costs and stay competitive.

Introduction

In the past, Customer Service departments were viewed solely as a place where customer problems were handled and, hopefully, resolved positively. In fact, Customer Service departments started off as almost islands to themselves within the business, left to deal with the customer after the sale was made. Many sales-people would be hard-pressed to locate the Customer Service department. (No disrespect—they were out selling!) Marketing only dealt with customer service, if they needed to, on rare occasions. We know today that the idea of integrating sales, marketing and Customer Service business processes has come a long way with education and the advent of automated CRM systems. Even with the technology to integrate them, most companies still operate functional departments as silos.

Just as the advent of CRM has helped to facilitate the integration of sales, marketing and Customer Service business processes, social media for Customer Service is now taking that business integration to the next level. But to convey the importance of Social Customer Service, we need a new way to look at the value it provides.

The Boyd Affect

John Boyd was a military strategist, a Colonel and fighter pilot. As a fighter pilot, he found that he had to make decisions in real-time. For him and the pilots he trained, those decisions often were a matter of life and death. What he noticed over time was that there was a repeatable process that pilots went through to make good decisions. Years later his theories became highly influential and used by the military, by sports professionals and by business strategists. In fact some consider his ideas as influential as Carl von Clausewitz, who wrote On War and The Fog of War, as well as Sun Tzu, who wrote the Art of War.

Boyd created a process called the OODA Loop. It's based on a way to generate the new actions and ideas we need to thrive and grow in an uncertain and competitive world—which, for many companies, is the challenge they are facing. The OODA Loop consists of four steps: Observe, Orient, Decide and Act (Figure 1).

Here's what the steps mean:

- **Observe:** It's the collection of data
  – Make use of the best sensors and other intelligence available
- **Orient:** It's the analysis and synthesis of data
  – Put the new observations into a context with the old
- **Decide:** It's determining a course of action
  – Select the next action based on the combined observation and local knowledge
- **Act:** It's how you take action on those decisions
  – Carry out the selected action, ideally while the competitor is still observing your last action.
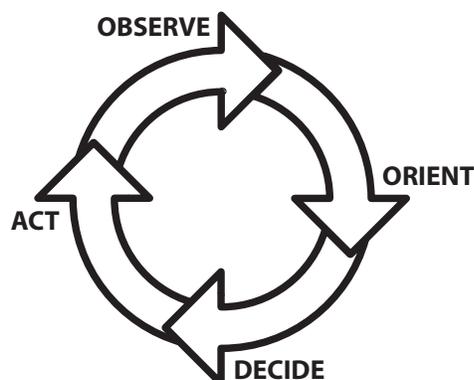

Figure 1. The 4 Steps in the John Boyd OODA Loop Process.

Question 1: Do you have systems to monitor/measure what employees and customers know, think and feel about how customer service is provided and how the rest of the business operates? And do you take that information and integrate it into your company and make improvements that deliver better products, services and, in particular, better customer service?

If you think about it, this is very similar to what W. Edward Deming was suggesting when he provided business advice to companies. The fact is some companies collect feedback, but that information rarely gets to the right department or person who could make use of it. And then if it does get to the right person, there are not systems or a process to use that insight to make improvements. And even fewer companies tell customers and employees when they have taken the feedback into consideration and made the right changes. One of the most powerful things companies can do is to let customers know that they care by not only making changes, but to let customers know their voice was heard and taken seriously.

Question 2: If you do listen and act on customer/employee feedback, do you do it faster than your competitors?

If you do, you'll have a decided time advantage over their competitor.

Question 3: Are we on track?

In military operations, OODA takes place in seconds. In corporations, it's much slower. In fact, the current year's strategy is rigidly followed till next year's planning cycle. What companies need to consider is that with the real-time web, waiting a year to make a change is too slow. In fact, waiting a month or a week may take a customer service issue, spread by social channels, into a PR nightmare. Consider stories like *United Breaks Guitars* as one way that customers are fighting back against what they perceive is poor customer interactions. It's critical to validate we're on track or correct it. Especially in the Age of Social Business.

Question 4: Do you take feedback, fix what is not working and then repeat that process over and over?

In OODA theory, its It not just about going through the OODA loop once. It's about seeing the OODA Loop as a continuously, on-going process. And then the result of your actions provides the observations to reorient what you decide to do next.

Most companies think of Customer Service as a cost center. But what if Customer Service was a way to preserve and generate revenue? Customers are at the boiling point. They no longer want to take what's handed to them, especially when it comes to Customer Service. And with social media they have a way to make their voice heard.

If we go back in time, people were predicting there would be a technology that would allow customers to talk to each other. And to talk back to companies online when they are dissatisfied and that everyone would be able to see that negative interaction. That prediction was written about in the book The Cluetrain Manifesto, in 1999. We are here now and this is your opportunity to drive innovation and change in your business.

Why Is Social Customer Service So Important to OODAing?

While many departments touch the customer experience, studies show that the place where customers end up the most angry with a company are the experiences they have with Customer Service. And because Customer Service interactions are where the company learns about its products and services, meaning it's the one place where customers call the company to give it feedback, it is the department most suited to following an OODA process. This is true whether the feedback comes from phone calls, chats, emails or social channels.

Setting an OODA Loop strategy puts Customer Service as the key to innovation, change, competitive advantage… Customer Service becomes the reality check for

PR brand promises, the ability to deliver key marketing messages and sale promises as well as to provide feedback to back-office functions like billing, engineering, manufacturing, shipping, etc.

The OODA Loop in Practice

An example of a company that went through a difficult social media experience which resulted in a drop in share price, profit losses and more disgruntled customers was Dell. Back in 2005, Jeff Jarvis purchased a computer and an in-home service package. When the product ran into trouble, Jeff called Customer Service to arrange for the technician to come fix the computer. The company did not make good on the service promise and refused to come to Jeff's house as promised in the service contract he paid for. Jeff has been a reporter and he wrote a blog post that the press picked up and hundreds of customers saw and chimed in on. Before Dell knew it, it had a PR disaster on its hands.

The reason for telling this story is two fold. One is that companies who don't understand how important it is to provide good service and the power of social media, blogs, tweets, forums, etc. could very easily end up like Dell. And as important as is that message, what's more important to note is that Dell did finally make changes.

Today Dell has a Social Media Command Center where it listens and monitors social networks, over 25,000 daily topics and posts. And this does not include Twitter. They look for trends, issues, customer sentiment toward the brand, etc… And they take those social insights back to the whole organization: product development, marketing, sales, communications, and back-office functions. In essence, Dell applies the OODA Loop to its business. It also holds Customer Advisory Panel meetings where it brings in people who love and hate the brand together to learn, "What would be better if…?"

And it has improved its customer relationships created in social media to sell product. Reports show that by using Twitter, Dell sold $6.5 million worth of products and its sales increased threefold because of the more positive comments customers leave in the ratings and review sections online.

Social Customer Service As a Force Multiplier

In keeping with the military theme, integrating Customer Service with social media can become the force multiplier for your business. First, let's define the term "force multiplier." Its pretty much what it sounds like. In military terms, a force multiplier multiplies the effect of the existing forces. It ascribes a greater value to the same number of assets. This brings new math principles into play, where 1+1 provides a higher value than 2.

A force multiplier is also a factor that dramatically increases or "multiplies" the effectiveness of an item or group—in this case, Customer Service. It is the way social media is used in Customer Service that extends its benefits to all parts of the business. Imagine having the know-how and tools in your service organization that can propel your whole business forward exponentially. So, how does this work?

Social Customer Service Force Multiplier Examples

Here are examples of the force multiplier effect of Social Media for Customer Service. This will help you to see the exponential affect of when social media is applied to Customer Service that a business can look forward to.

1. Customer Service is in an "always on" state and is available to your customers.

In social media there is a ratio people who interact. That ratio is about 1% post, 10% interact and 90% who read. That ratio can vary depending on your type of company, the industry you are in and the type of products you sell. The main thing to know is that the 1% or brand evangelist are already talking about your company online. They love your products and their hobby is often to know as much or more about your products than even some of your best thought leaders or engineers. They get street cred with their followers (the 10 and 90%) by being the "expert" and "go-to" resource in their field.

When the 1% engage them, they are more than happy to provide answers—and great answers—sometimes better answers than your own staff. Some companies are worried about interacting with evangelists because they might not give the right answers. In communities that are strategically set-up, the customers can vote on whether an answer actually helped them. When you have hundreds of people voting on an answer, you don't have to worry about accuracy of the answers. The crowd tends to allow the right things to float to the top! Using brand advocates can help to reduce the calls to the contact center, provide better information for your knowledge bases and thereby make your agents smarter and able to handle questions faster.

Use social customer service to reduce customer service costs—force multiplier #1

2. Adding Social Media is A Natural Extension of What Customer Service Agents Already Do.

Your Customer Service organization is highly trained to interact with customers via all channels of communication and from a common knowledge base. Therefore, using Customer Service to oversee social media activity is not a stretch. In fact, in some companies, staff is already out there doing it. You'll want to consider creating social media governance policies and social media Customer Service training required. Using a search engine, search on "social media policies" and you'll see that hundreds of companies have put their social media policies online. This is a great resource for you and provide you with a benchmark of what companies are actually doing.

The idea here is to leverage some of the highly skilled individuals from your existing Customer Service team to use social media to identify brewing service problems. Studies show that companies who use social customer service can head off an disaster that would have resulted in hundreds if not thousands of calls to the call center. It can be as easy as putting out a post in Twitter and/or on Facebook to say you know there's an issue and you are working to resolve it. And companies also place links to solutions, where customers can go and get self-service or updates. What customers want to know is that you are paying attention and you have their back.

Reduce the impact of customer service call volume explosions by utilizing social customer service—force multiplier #2

3. Combing Social Media and Customer Service affects Sales

Everyone knows that a customer most likely will not buy from you if they are angry with you. So if customers are complaining about your product or service within social media and no one is available to address those complaints quickly, others will read the complaints. These complaints might be in the form of an online review, often on a third party site where you can't take the content down. (Note: its generally not a good idea to take negative content down, even if its on your site and you could. Doing so makes the company look like they are trying to hide something and thus not being transparent or honest. If that happens, a firestorm of comments can result and be worse than the initial set of comments.

Just know that if you are a company in business, there is probably someone who has said something negative about you online. That's going to happen. What matters is what you do with the comments. Best practices are to go and address customer's issues. Say you are sorry they had an issue and ask them how you can help. Some customer may have moved on and there is nothing you can do. Other's will respond and at that point, take the interaction offline- to a phone call. Resolve the issue and you'll see that customers are so completely caught off guard by a company being nice and doing the "right" thing, they will often go back and repost a comment about how they were wrong about the company and how great they really are.

Now imagine your online posts. If you haven't addressed them, sales will suffer. Customers will see the comments and not want to deal with you and look for products/solutions elsewhere—and even buy from another company. And what's worse is your brand name could be damaged. In today's real-time social media response environment, excellent Customer Service and rapid response to complaints is a huge differentiator over the competition.

Lessen customer churn, lessen lost sales, lessen brand damage—force multiplier #3

4. Social Media for Customer Service affects Marketing

In today's land grab for social media ownership, there can be competition even between departments as to who owns the company's social media presence. Studies show that Public Relations, Communications, Marketing, Customer Service and even Product Development will make claims to own this territory. It only makes sense to have alignment in the organization as to who will manage the various functions of social media, and create a common voice and governance rules over the communication policies.

Also, cross-functional training is required to have all departments understand each other's role. For most companies this would be a first! From social Customer Service perspective, they are fundamentally looking for potential problems and solving them. But because Customer Service is the place that a company can learn about the real-time use of their products and offerings, it's the best pace to suffer information that can be used in other departments like PR, Marketing, Product Development and even Billing. Sometimes customer's contact customer service because their bill is confusing. If that information is conveyed to Billing, they can work on making the bill more understandable.

Perhaps an inordinate amount of customers are dissatisfied with the pricing of a product. That information can be shared with Marketing and Sales, especially if trends are developing. Because of the fast pace and ever-changing landscape of social media you can never have too many eyes watching for trends that may go unnoticed by busier internal groups. If Customer Service aggregates data from all communication channels to gives it to the various functional departments, they can provide the company with mission critical, competitive business insight.

Less missed trends, more cross-department input, more business insight and foresight—force multiplier #4

5. Social Media for Customer Service affects Public Relations

Public relations departments might be considered at a slight disadvantage with the advent of social media. They have been able to craft and control the branding and key messages, which is very important to the brand equity. With social media, while they can release information to broader audiences quickly, negative information can spread just as fast.

What if an overzealous blogger gets wind of your new product and blogs about it before the launch? On one hand this could be called a "sneak peek." On the other hand, if leaked too soon, it might end up tipping your hand to the competition and even the stock market. In today's social media environment, there is no way to protect the company 100 percent of the time from info leaks.

But having crisis mitigation strategies in place for when it might occur is necessary. On many occasions, it is the Customer Service personnel who have alerted Public Relations about "sneak peek" news first. It is also known that some PR strategists give first news of new products or offerings to the most loyal customers as a reward or to get feedback pre-release. The customer database and its metrics are used for selection of those customers.

Proactive monitoring of PR events and leaks, leverage customer feedback and customer data to facilitate customer loyalty—force multiplier #5

6. Social Media for Customer Service affects Product Development

There is also a behind-the-scenes benefit to product development from using social media for customer service. Because of the "always-on" state of customer service, the Customer Service staff are often the first ones to hear questions from customers like, "I wish the product only did this" or, "Why doesn't the product do this?"

If product development team leveraged Customer Service staff and social media data to track these comments—the product development team could create new functionality and even develop a new product that customers really want and are ready to buy. Talk about being proactive to your customer's request—now, this is customer responsiveness! Imagine a customer tweeting that your company fixed a problem or created a product based on their request! Imagine how many more products you'd sell if you created products your customer's actually asked for.

Create extraordinary customer responsiveness, build products based upon customer request tracking through customer service, create positive brand image via product development - force multiplier #6

Conclusion

In summary, we can see several force multipliers that are currently present within Customer Service organizations using social media. Socially-enabled Customer Service can affect every aspect of your business when leveraged as a force multiplier.

There are multiple benefits from social throughout the buyer-seller relationship. It can be used to generate leads and build customer interest. It can be used in the sales and marketing process. It can be used to monitor customer satisfaction. It can be used to ensure that customers have their support issues addressed and new product functionality requested. It can help PR by helping to protect the brand. And it can be used to understand when an existing customer is influencing potential new customers.

However, if you pull the socially-enabled service aspect out, the force multiplier effect does not exist. A break in the process leaves an opportunity for social media (or the failure to use it) to broadcast your shortcomings in the relationship with your customer. It is important you understand the force multiplier advantages—starting with the Customer Service aspects of your business. Take a note from a famous pilot, John Boyd and his OODA process and make sure to use social media to observe, orient yourself to the new information you observed, make decisions on that real-time social media data and take the actions that will forward your business, exponentially!

About the Author

Dr. Natalie L. Petouhoff, Social Business Strategist And ROI

Dr. Natalie is the Director and Instructor of the UCLA Social Media Business Course at UCLA. She works with clients and providing a unique perspective on business and social media via her social media assessments and ROI calculators to help clients to develop social business strategies, tactical plans and real-world execution capabilities so that social media can be integrated into the business to increase the bottom line.

Dr. Natalie also analyzes software / social media applications and helps companies choose the right tools to scale and reach social media ROI. She develops custom training programs for social business/media, leadership, employee motivation and organizational change..

Dr. Natalie's four business books and many white papers are the subject of hundreds of articles in publications like USAToday, Adage, BusinessWeek, Fast Company, The New York Times, The Wall Street Journal, Peppers and Rogers 1-to-1 Magazine and CRM Magazine as well as national television and radio.

Former president of the Los Angeles Social Media Club, Dr. Natalie has held positions as a Forrester Analyst, Chief Strategist for a Weber Shandwick PR/Marketing Agency, management consultant at PWC and Hitachi and in management at Hughes Electronics, GM and GE.

Dr. Natalie also teaches Social Media, PR, Marketing and Leadership courses at USC and Pepperdine University.

You can learn more about her work here:

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