



With Connie Bensen

Whitepaper

LET'S TALK:
Social Media ROI

Customers in Control
**The ROI of Listening to
your Customers' Needs**

3rd in the the Social Media ROI Series

The ROI of Listening to your Customers' Needs

Executive Summary:

Consumers are expressing their opinions online. They are talking about their experiences with products and services. Your company may have a number of online properties such as a website, blog, and product forums, but are you aware of the conversations taking place on the web at large? Are people talking positively or negatively about your product or service online? Is your organization providing the highest level of customer care possible? How does it compare to the competitors? Excellent customer service can differentiate your brand from others. The biggest underlying question is how to efficiently and effectively sift through the billions of online conversations.

How do you effectively utilize social media to improve your customer service?

Social media monitoring provides insight into all of those questions. It also identifies communities where your brand advocates (as well as your detractors) are interacting. It is now possible to have an understanding of the conversations happening all over the social web in both a qualitative and quantitative manner. Chances are very high that the conversations offering the most insight are NOT happening on your online properties. Many brands such as Walmart, Dell, Comcast, Toyota, Domino's, Taco John's, and Teleflora are all proactively interacting with their customers on Facebook, addressing consumer concerns and directing them to the appropriate channel for assistance. Dell, Comcast and Zappo's are also using Twitter to provide for their customers' needs.

There are many free tools to gather the online comments about your brand, but these tools are not scalable. A social media monitoring tool provides the opportunity to gather all the conversations happening online, evaluate them and efficiently respond via social networks.

This ROI paper will describe how you can effectively utilize the new channel of social media to improve your customer service by finding conversations about your brand in online social networks such as Facebook, Twitter, and LinkedIn, as well as on blogs.

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Introduction:

Let's Talk! about how a social media monitoring tool can greatly improve your customer service and personalize how you connect with your customers in a scalable manner.

The principles of online customer service are similar yet much improved to those of offline customer service in existing channels such as telephone and email. However, with social media, organizations have the opportunity to lose the anonymity associated with call centers and instead engage in meaningful two-way conversations with customers and prospects – whether they are satisfied or dissatisfied. Reaching out to a customer in a social channel where they are comfortable expressing themselves, listening to their compliments, complaints or suggestions, and responding appropriately helps garner loyalty with the customer and therefore increases customer retention and satisfaction.

It is important to realize that social media by itself will not improve your customer service. Social media is simply a conduit through which you can converse with your customers. You still need to have a customer service strategy in place which covers how far you are prepared to go to meet the needs of those customers. For example, if you are not prepared to offer product repairs or replacement outside of warranty but a recurring product fault becomes apparent through posts on a social network, what will you do? If you have opened up the channels of communication from organization to customer through social media, your responses will be even more closely scrutinized.

You also need to have a listening tool in place which can help you listen in the first place. Social media is not about broadcasting your opinion about your organization to the world at large. However, what social media does do is give you an opportunity to ask your customers what they think – whether in the product planning stage or after launch – and to include them in the process, which will not only reduce the demand on your call centers in terms of complaints or queries but will also build brand loyalty and awareness at crucial stages in the customer lifecycle. It can also differentiate your company and enhance your customer service perspective.

Social CRM

Markets have always been driven by demand. The challenge has been how to reach customers and prospects and what messaging is best. The advent of social media and online social networks has created a new paradigm of a consumer driven economy. Consumers are ignoring marketing messages and choosing products based on peer recommendation. They are demanding the highest quality customer service and they are expressing their delight, dismay and every experience in between.

This new phenomenon has been dubbed Social CRM. Paul Greenberg outlines a definition for [Social CRM](#):

- Customers control the business ecosystem and conversation online but not the company's business itself
- it does not replace CRM but rather is an extension of it
- Social CRM is a social revolution in how we communicate not how we do business
- Customers' expectations have shifted so companies need to incorporate real time collaboration and customer engagement
- Social CRM changes how you measure customer value in that rather than Customer Lifetime Value it is important to consider Customer Referral Value which measures the value of a customer's influence to tell others about your company

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Social CRM has created new challenges for organizations. Jeremiah Owyang and Ray Wang of the Altimeter Group recently published research which includes 18 use cases: Social CRM: The New Rules of Relationship Management. They outline the problem:

"The relationship between organizations and customers has traditionally been optimized around the organization, not the customer. However, the rapid adoption of social networks has shifted the balance of power to the customer. Companies and organizations have fallen behind in connecting with customers, and realize that they must find a way to at least participate in the conversation."

Monitoring the Conversation

The online world is so vast that it would be impossible to use search engines to find every thread of conversation about your brand, and there is no way to use them to measure the impact of an individual's review or comment about your products or services. There are some free tools available such as Google alerts and applications for monitoring Twitter, which are a great place to start, but there are three reasons why they will not be adequate for your company:

1. Limited searches. Free tools are usually limited in the types of sources that they are searching; typically it is only one or two channels. This may give a distorted insight into how your brand is being received. For example, the demographics attached to a specific source tracked may skew the results.
2. Lack of meaningful data. Free tools do not offer a way to quantify, analyze and report on the conversations. You may gain insight such as the number of mentions of your brand, for example, but what can you do with that information? Wouldn't it be more valuable to know where those mentions were happening online, the overall sentiment of those comments, the demographics of the contributors and the impact of their influence (e.g. how many followers they have)?
3. Difficult to scale. Free tools are difficult to scale across the organization. Social media and social media tools are not just new toys for the marketing department they need to be integrated into existing or revised processes and departments. Being able to listen in near real-time to what your customers have to say may impact your ability to differentiate your product and customer service from your competitor, but it will also mean that various departments will need to be prepared to accommodate this new type of dialogue with customers.

The advantage of investing in a social media monitoring tool is that its depth and reach includes conversations from the broadest range of sources, including blogs, wikis, message boards, forums, video/photo sharing websites, mainstream media blogs, microblogs (such as Twitter), social networks (Facebook, MySpace etc) and other independent sources. It also offers the opportunity to analyze them in a variety of ways and, in turn, create reports ranging from high level information for management, to daily reports that are fully actionable for your customer service team.

There are two reasons why you cannot afford to ignore what consumers are saying on the social web.

1. Consumers are expressing themselves online.
2. Consumers are demanding the highest quality customer service.

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1. Consumers are expressing themselves online: The Good, the Bad, and...

While you may have certain strategies in place, such as call centers to service the usual channels of mail, email and telephone, what about the new social media channel? Are you aware of what consumers are saying about your brand and your standards of customer service? Many companies are using Twitter, Facebook and LinkedIn to provide customer support and in turn are realizing increased sales and customer satisfaction.

A review of the online conversations is generally quite an eye opener. There may be conversations where people are expressing delight or dismay about your products. Consumers also frequently express their service experience. Or, you may not find any conversations about your products and brand.

The good, the bad or the non-existent conversations are all opportunities.

Respond to concerns in a timely, transparent and positive manner.

The Good - Positive conversations about your products and brand are an excellent opportunity to support your advocates. Providing them with positive feedback will encourage them to tell others. Empower them with the knowledge that your organization supports them. If your organization has a community manager, it would be advantageous to create an evangelism program that supports and encourages positive word of mouth. Many companies such as Adobe, Microsoft and Dell have user groups led by volunteers that support communities focused on a specific product. The ROI of peer support is the reduction in cost savings for the call center. (ie: the demand is reduced by X%).

The Bad – The reality is that there is no perfect product or service. The most important aspect to remember in regard to negative conversations online is that they are opportunities to make amends and apologize, if appropriate. Depending on the extent of the problem it is also invaluable in gaining insight into product issues and gaps in customer service.

One of the larger cancer hospitals in North America monitors social media in order to identify customer service issues and resolve them. Simple concerns such as waiting time can be addressed through social channels. The University of Texas M.D. Anderson Cancer Center is improving patient relations by identifying and reaching out to them. You can read more about how M.D. Anderson is using social media monitoring [here](#).

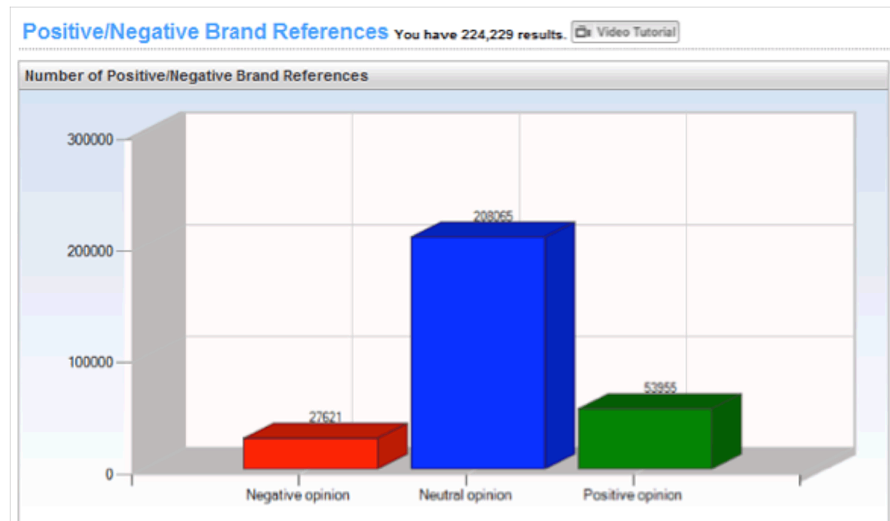
When listening to negative criticism of your brand online, a note of caution needs to be applied. It could be the individual just wants to let off steam. If their reach or influence is negligible it is not always advisable to rush in and defend your product or service. But it is wise to monitor the conversations so that you have a pulse on the situation. Similarly, you should constantly measure the appropriateness of the channel you are using to deal with negative criticism. A complaint may start on Twitter but is 140 characters really the best way to respond in a comprehensive and satisfying manner? It is generally advisable to invite the individual to take the issue offline and discussing it further on email, by telephone or even in person at a store. Choosing the best channel through which to offer your customer service may be fairly complex, and it may take some time to establish these processes in your organization. Your organization needs to decide on a policy of when to engage.

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Many organizations are fearful of getting involved with social media because they are concerned about dealing with the reality of negativity. However, consumers will appreciate their concerns being dealt with in a timely, transparent and positive manner. This will build positive brand awareness and create new talking points that will generate the all important word of mouth.

No Conversations – The lack of conversations about your products and brand online is not necessarily a bad thing. Research what is being said about your competitors. You will be amazed at the depth of the competitive insight. This will help you to realize the online market potential for your products.

A social media monitoring tool allows you to provide a new level of customer service that covers all of these areas. It allows you to see the conversations grouped by positive and negative conversations.



The tool then allows you to drill into the negative conversations and likewise the positive ones. These individual conversations can then be reviewed and forwarded to appropriate team members using the workflow functionality.

No positive mentions Negative mentions	ID 16744618 - Published date: 4/10/2010 http://flyingcolors.onewavemedia.com/blog/?p=698 FlyingColors » Secretary Ray LaHood Speaks Out I read THIS about Transportation Secretary Ray LaHood being outraged at Spirit Airlines' newly announced carry-on bag fees. It would appear that he thinks this should be stopped or mitigated by the government and says the FAA is looking ...
No positive mentions Negative mentions	ID 16737708 - Published date: 4/10/2010 http://twitter.com/TravelMaverick/statuses/11919773808 \$45 for Carry-ons? Boycott Spirit Airlines Now http://bit.ly/bZ2CQf \$45 for Carry-ons? Boycott Spirit Airlines Now http://bit.ly/bZ2CQf
No positive mentions Negative mentions	ID 16737699 - Published date: 4/9/2010 http://twitter.com/DevinGalaudet/statuses/11917244047 \$45 for Carry-ons? Boycott Spirit Airlines Now: Starting August 1st, Spirit Airlines will charge travelers \$45 per... http://bit.ly/c9kAyH \$45 for Carry-ons? Boycott Spirit Airlines Now: Starting August 1st, Spirit Airlines will charge travelers \$45 per... http://bit.ly/c9kAyH

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2. Consumers are demanding the highest quality customer service: Improve and Innovate

Consumers have found that social networks are a great place to express themselves about brands and the level of customer service they receive. This applies in both B2C and B2B markets and is not limited to individual consumers. A swell of discontent can cause a major headache for a brand. Motrin experienced exactly that when thousands of 'mommy bloggers' expressed their dismay with an advertising campaign. It is an excellent [case study](#) which underlines the value of listening. Monitoring social media allows brands to not only safeguard against public relations crises, but also to proactively gather feedback from their constituents to improve and innovate in their products.

Examples of customer insight online

A social media monitoring tool efficiently brings the conversations to you from all over the social web. Here are some examples of customers expressing themselves. They are all opportunities for the brand in question to contribute to the conversation.

LinkedIn - someone starts a [discussion](#) about the level of customer service that airlines offer:

http://www.linkedin.com/answers/business-operations/quality-management-standards/OPS_QMA/6...

Does a "no-frills" service policy promote an unhealthy attitude to customer service

There is a difference between what services you offer (which is a corporate decision) and how well...

The question references Ryanair specifically. Someone commented: "I flew Jet blue and I was very pleasantly surprised by the high level of service for being a low cost, not thrills carrier, with funny and attentive cabin crew and complimentary headsets, live TV, drinks and snacks."

Facebook - Kevin Smith not being able to fly on a Southwest flight was a topic of conversation not only on Twitter, but in [384 places on Facebook](#):

<http://www.facebook.com/topic.php?uid=178452130596&topic=13476>

Overweight airline passengers..... | Facebook

Heather Hogan Recently director **Kevin Smith** was booted off a Southwest flight for as he says, "being too fat." The flight attendant told him he was a danger to others. He later twittered, to his 2 m...

Twitter - This channel is frequently used to express complaints:

<http://twitter.com/MattAdler/status/3389250031>

just had a terrible #mccafe and had to throw it out. this was after i had them remake it. mad i wasted my time/money & crave a good mccafe

<http://twitter.com/iceboy1183/statuses/4536191931>

Screw the barista at mccafe for screwing up my frappe..asked for milk based and got coffee based instead..and now i still feel so awake. ...

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It is nice to see someone offering to rectify the problem:

<http://twitter.com/CraigP1977/statuses/4558885011>

@youromegagirl You're not the only one who hates McD's McCafe. You place a custom order, they think you're speakin' 2nd language!

And many times there is positive feedback:

<http://twitter.com/MasterJedii/statuses/4762830029>

100 RT @JaynLBC "Mcdonalds hot chocolate is tha best!!! McCafe.... Hell yes!!"

Feedback gathered from real customers (and even prospect customers), whether it is positive or negative is far better than market research can provide because it is unfiltered and not based on a focus group. Market research is expensive and its reliability sometimes questionable. The conversations gathered from social networks are unfiltered and unbiased. They provide ideas for companies on:

- What customers want from your products (and in general)
 - Remember to monitor for more than just your brand name
 - Searching for industry terms will result in a lot of insightful information
- Product improvements
 - Identify the most frequent pain points
 - This information is invaluable to Quality Assurance
- Innovative ideas
 - Create products that your consumers want
 - Your research and development team can put this information to use. And they can join the conversation and find out specifics
 - Provide influencers with access to beta versions
- Marketing Programs
 - The 'good' said about your products and company can lead to new targeted programs your marketing team had not yet exploited

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Where to Start with Social Media Monitoring Getting started is as easy as five steps:

1. Choose a tool

- a. Remember free tools have limitations
- b. Professional tools offer workflow: a systematic way to route and tag conversations to your team

2. Do a brand audit

- a. Search for brand, company, competitors and industry terms
- b. Identify pockets of conversations and communities around your brand or type of product

3. Review conversations and sentiment

- a. What are people saying?
- b. Is it positive or negative?

4. Create a strategy

- a. Decide on the business objectives
- b. What departments will participate and how?
- c. Identify someone to lead the project
- d. Establish a social media policy

5. Engage

- a. Train staff to listen
- b. Implement communication in social media networks as appropriate

6. Measure

- a. Built in monitoring tools track metrics and trends allowing you to prioritize and focus

Conclusion

Companies are realizing huge returns on their participation in social networks such as Twitter, Facebook, LinkedIn and blogs in general. The challenge is efficiently finding the appropriate conversations in order to respond to them. The use of a social media monitoring tool enables organizations to efficiently and effectively identify opportunities to provide better customer service and encourage advocacy of their brand. It is an excellent opportunity to build customer loyalty by connecting with their influencers. In providing excellent customer service they are building their customer base as well as brand visibility. You can leverage these same benefits by utilizing social media monitoring to identify the conversations, analyze them and get involved. It does not need to be an overwhelming process. The tool makes the process efficient and scalable. In doing so, you will add the fastest growing channel to your present customer service efforts. The value and return on investment are reduced demands on your call center, increased

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brand loyalty, and increased customer retention. The resulting word of mouth will also lower marketing and advertising costs. Your customers are your future. Is it time to start listening to them in their online environment and realizing the benefits of doing so?

Next steps

1. Try the Freemium version of Alterian SM2 (a professional social media monitoring tool)
2. Explore resources on social media monitoring
3. Request a Little Book on some BIG marketing topics
4. Email info@alterian.com or call

North America:

+1 312 884 5321

UK & Continental Europe:

+44 (0) 1202 250003

Asia Pacific:

+61 2 9968 2449

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About the "Let's Talk" Series with Connie Bensen

Social Media marketing is providing a whole new dimension for brands to connect with consumers. The social web is a vast entity and every marketer needs a tool to harness the information in the most cost effective and efficient manner. A social media monitoring tool offers the ability to maximize the digital portion of your marketing budget in order to create, execute, measure and report on a social media strategy.

The Let's Talk Series, by Connie Bensen, is a series of 10 whitepapers describing the variety of ways that marketers can increase the ROI of their marketing efforts. Topics will include how to use a social media monitoring tool for SEO, Lead Generation, Social Media campaigns, Customer Service, Competitive Insight, Corporate marketing, PR and reputation management, etc.

Connie is the Director of Social Media and Community Strategy at Alterian, which provides leading marketing products for the enterprise. She is a key voice amongst online Community Managers. Her blog, www.conniebensen.com is recognized as a leading resource for cultivating online communities, providing best practices for this emerging role and it is listed in Forbes.com as one of the 20 Best Marketing and Social Media Blogs by Women.

SM2 Social Media Monitoring (SMM)



Alterian's SM2 is a social media monitoring and analysis solution designed for PR and Marketing professionals. SM2 helps you track conversations, review positive/negative sentiment for your brand, clients, competitors and partners across social media channels such as blogs, wikis, micro-blogs, social networks, video/photo sharing sites and real-time alerts.

About Alterian

Alterian (LSE: ALN) empowers organizations to create relevant, effective and engaging experiences with their audience that help build value and reinforce commitment to their brand, through the use of the Alterian Integrated Marketing Platform. Alterian drives the transformation of marketing and communications, making it practical and cost-effective for companies to orchestrate multichannel engagement with the individual.

Alterian's unprecedented integration of analytics, content and execution through industry leading tools, such as the Dynamic Messenger email platform, SM2 Social Media Monitoring platform and the award winning Content Management solutions, enables companies to build integrated communication strategies which create a true picture of the individual.

Alterian works with marketing services partners, system integrators and agencies who recognize the need to plan and deliver coordinated customer engagement services in partnership with their clients. For more information about Alterian, products within the Alterian Integrated Marketing Platform or Alterian's Partner Network, visit www.alterian.com or the Alterian blog at www.engagingtimes.com.

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