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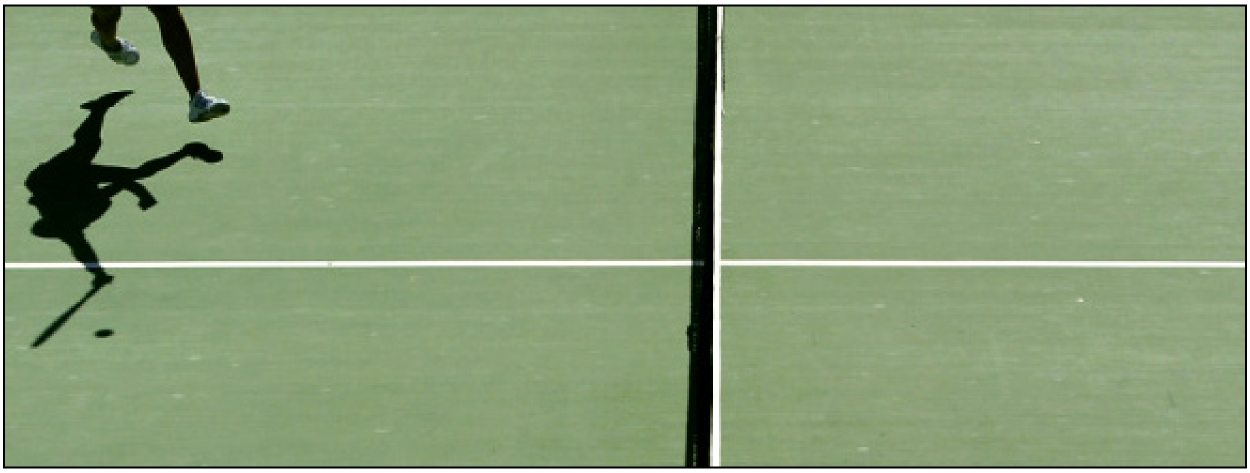

Turn Customer Care into "Social Care" to Break Away from the Competition

by Gadi Benmark and Dan Singer | 7:00 AM December 19, 2012

When you're responding to customers, it's better to be fast than effective.

According to a survey (http://nmincite.com/wp-content/uploads/2012/10/NM-Incite-Report-The-State-of-Social-Customer-Service-2012.pdf) of social media users by the joint Nielsen-McKinsey venture NM Incite, 33% of respondents say they'd recommend a brand that offered a quick but ineffective response, nearly double the number (17%) who'd recommend a brand providing a slow but effective solution. Even "no company response," at 19%, scored higher than slow/effective.

The risk of failing to meet these expectations goes beyond losing customers. People who are annoyed by your customer care can and do blast negative comments about your brand to their networks — and their network's networks. McKinsey research shows that a single negative post on social media has, on average, as much impact on customer decisions as five positive posts.

Social media has conditioned consumers to getting immediate feedback. In fact, a lot of customer service these days is happening via social media, and customers expect you to respond as though you were one of their Twitter followers. More than 50% of Twitter users expect a response in less than two hours, a lot shorter than most companies' response windows.

Enter social care (http://www.slideshare.net/McK_CMSOForum/social-care-social-media-meets-customer-care) , a system for companies to regularly provide customer service through social-media platforms. Social care can save money. It costs less than $1 per interaction, whereas telephone care is typically at least $6 per call. Even e-mail care costs $2.50 to $5 per interaction. But the real benefit is to the customer experience. Almost 30% of social-media users prefer social care to phoning customer service (and it's not just the young set; even over-65s use social care, with 17% preferring it to the telephone). Consumers with positive social-care experiences are also three times more likely to recommend the brand to others.

Still, a lot of companies haven't reorganized their businesses to execute, manage, and measure social care strategically with well-trained staffs. Here are four steps we've seen work:

> The map. Establish a baseline for gauging the extent to which expanding social care would improve customer service and lower costs. Map service requests to each of your social-media channels and those received through traditional centers. Include whatever data you can glean on your competitors. If anyone is talking about

your company or asking you questions, that's a good sign that you should get involved in social care (as more than 60% of U.S. companies do). These days it takes just one angry customer on Twitter to hurt your brand. How you implement social care depends, however, on your tolerance for risk, position in the marketplace, and regulatory environment. Pharma companies, for example, have strict regulatory parameters that limit how and when to intervene with social care.

The team. Social-care handlers need the authority to deal directly with customers' concerns quickly. That means providing them with detailed training programs and customer-response guidelines that are based on an array of scenarios. Customer care is often an operations function, but given its impact on customer experience, brand advocacy, and sales, companies should consider developing new reporting structures and governance processes that bridge operations, marketing, and the business units. That requires frank discussions within your company about budget and ownership.

The playbook. Classify issues, which can be as basic as directions or as complex as hardware performance or account complaints, according to their complexity. Decide which can be dealt with publicly and which should be handled privately. Consider going public if responses could have wider benefits beyond the individual (changing store hours, for example). Consider private when you're dealing with personal information (such as account info) or an issue that's sensitive. Identify areas where you can snap up new customers. Then create and test search terms on social media that alert you to these opportunities. For example, Walmart's social "carers" pick up on questions and complaints, including stockouts at other chains, that Walmart can address. Make it easy for customers to migrate to social care by providing Twitter handles and hashtags, demonstrating how you actively resolve issues, and encouraging customers to communicate their positive interactions (providing them with online badges, for example).

The metrics. Determine the KPIs that matter most to your business goals. Then feed the appropriate metrics into a Balanced Scorecard that includes customer-centric measures such as customer satisfaction and productivity measures, including the time it takes to resolve customer issues. Review social-care records daily, but make sure you step back occasionally to look at underlying reasons for customer issues. For example, complaints about multiple transfers to service reps during a call means that you need to fix your process for managing customer service reps, rather than simply become more responsive on social-care channels. Tie your metrics to their impact on behaviors such as customer loyalty and increased sales that drive value.

Companies that nail social care can widen the gap with their competitors. In an analysis of banks' social-care practices, we found that Discover scored best with 79% positive comments, while the worst bank in our sample had just 24%. That's a massive spread at a time when companies are fighting hard for customers.

As the CMO of a global financial-services company said, "Unless you get social care right, it can drown out anything you're trying to do in social media marketing."

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