

# MAKING THE BUSINESS CASE FOR **SOCIAL CUSTOMER SERVICE.**

## HELPING YOU MAKE THE BUSINESS CASE

*This guide is for those caught in the nexus of where social media meets customer service.*

You see the opportunity to use social media to create a better experience for your customers. To provide a new and for some, a more convenient channel to talk to you.

But you also see the practical challenges ahead. You are probably reading this because you are unsure of how to 'operationalise' social customer service.

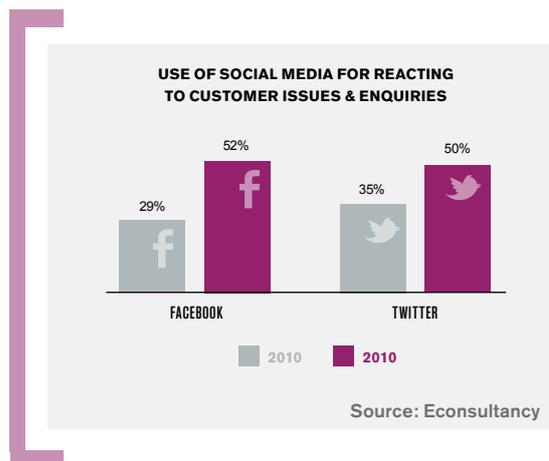
And because you know social media isn't free, it requires investment you need to make the business case to support it.

This is a practical guide – use it as a template to do your own cost benefit analysis. **Pull out the benefits** that will resonate within your organisation. **Copy the costs** that apply to your teams.

This will allow you to build your social customer service offer based on best practice and help you avoid any surprises.

I hope it is helpful.

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# THE BENEFITS OF SOCIAL CUSTOMER SERVICE

## Four reasons to invest

You need ROI. You need arguments that your finance director, COO or CEO will find compelling. Here are four you can try:

### 1. IT CAN MAKE MONEY

#### Direct revenue generation

You have to be in it to win. You need to be part of the customer conversation to spot the opportunities to up-sell or cross-sell. Most of what you find will be questions, queries and complaints. But sometimes you will find the little nuggets. This is when the customer is in the Zero Moment of Truth (ZMOT),<sup>1</sup> where they are actively researching with a clear intent to buy. That's the moment when you can step in to provide help and advice and try and convert to a sale.



#### Indirect revenue generation

Providing excellent customer service through social media also provides indirect revenue opportunities. Socially engaged customers spend 30%<sup>2</sup> more with brands than those customers who are not connected. Companies that engage with their customers through social media score 33 NPS points higher than those who don't. Being helpful to your customers means happy customers. Happy customers means loyal customers. Loyal customers spend more.

### 2. IT CAN SAVE YOU MONEY



**It's customer service provided by your customers.**

This isn't always clear cut. Cost savings through call deflection are often quoted as a reason to invest. The argument goes; let's deal with our customers through social media and discourage them from calling us. This isn't always going to be cheaper for two reasons. Firstly, you still need resources to manage your social media channels and secondly, a proportion of questions and queries may be sensitive or complex and need to be referred into the call centre anyway. This isn't to say that savings can't be made – rather they are harder to calculate. The examples of clear cut savings tend to involve customer forums. These work because customers can easily access help for basic queries and in the best examples, customers actually help each other out. It's customer service provided by your customers – reducing the load on your staff.

An infographic with a light grey background and a purple border. It features three main sections. The top section shows the Autodesk logo with "Autodesk £11.9M ROI" and the Logitech logo with "Logitech. £250K SAVED". The middle section shows the FICO logo with "SAW A 10% IMPROVEMENT IN THE CALL DEFLECTION RATE DUE TO CUSTOMER FORUMS". The bottom right corner of the infographic says "Source: Lithium".

<sup>1</sup> The Zero Moment of Truth – a Modern Marketing Strategy, Google, 2011

<sup>2</sup> Putting social media to work, Bain & Company, December 2011

### 3. DIFFERENTIATE FROM YOUR COMPETITORS

Like you, many brands are considering investing in social customer service. In a highly competitive market, especially if you are a service business – this will help you stand out from the crowd. Do a quick audit to see what your competitors are doing:

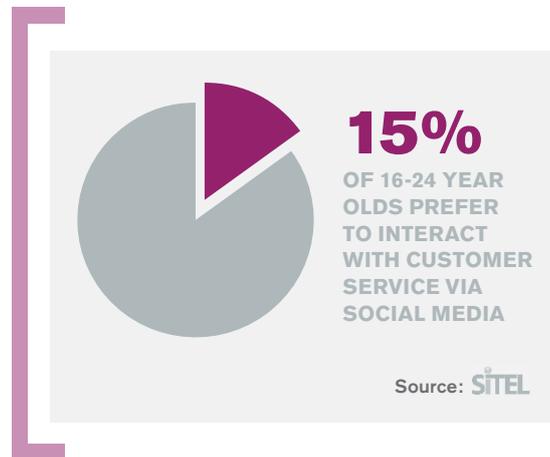
- Are your competitors doing social customer service?
- What channels are they using?
- How active are they?
- Is social customer service a differentiator?
- Or something you have to do so you don't get left behind?



**OVUM** Ovum - The global analytics company's recent study found that few customers, across both emerging and developed countries, can resolve issues and queries using social media channels because brands have not yet done enough to support them.

### 4. YOU DON'T HAVE MUCH CHOICE

The most compelling reason, however, is this: your customer won't give you the choice. In this multichannel world they will expect support through channels that are convenient to them, not you. Social media is one of the most convenient – a whopping 79% of European online adults engage with social media.<sup>3</sup> And it's not just young people – the fastest growing age group of social media users between now and 2015 will be 65-75 year olds.<sup>4</sup>



**Your customers will want support through channels that are convenient to *them*, not you.**

<sup>3</sup> Forrester Jan 2012  
<sup>4</sup> Mintel: Social networking April 2010

# THE COSTS OF SOCIAL CUSTOMER SERVICE

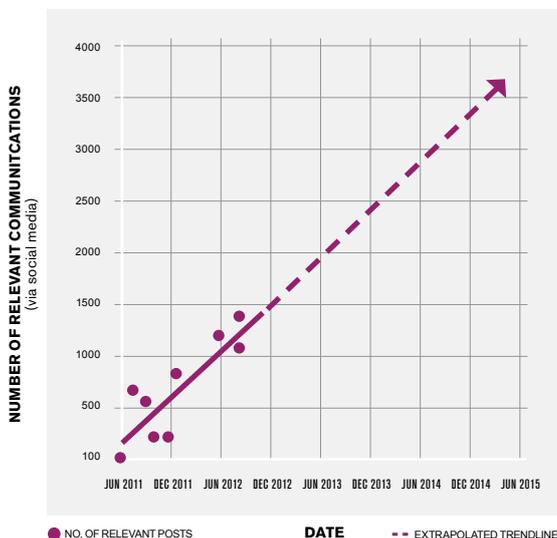
## Four factors to consider

### 1. PREDICTING VOLUME: AM I OPENING PANDORA'S BOX?

If you run a call centre you probably have a mass of metrics at your fingers tips. No doubt you can predict call volumes with some degree of certainty. But what are the equivalent metrics for social media? If you start offering your customers this new social channel, will you create extra demand? Will it be Pandora's Box where you need to respond to customers who are complaining but who can't be bothered to call you?

Here are three steps to follow to assess the volumes you might be dealing with:

- A) **Analyse** the historical volume of customer service conversation on social media about your brand. You probably want to go back two years. You can use sophisticated listening tools to do this.
- B) **Identify** the trends over time of the type and volume of conversation. Does it match the calls and emails you currently get?
- C) **Extrapolate** the findings forward over the next two to three years. Although most social network adoption is exponential, we would recommend applying a linear growth curve here.



### BEST PRACTICE:

Get an accurate view of handling times. Do a pilot study and analyse against KPIs



### 2. RESOURCE IMPLICATIONS: ESTIMATING HANDLING TIMES

You know your average handling times for calls, letters and emails. But what is the equivalent handling time for social media? Having made an estimate of volumes, you need to know how much resource you need to handle individual customer interactions on social media. This will help you build up a picture of the head-count you might need to manage it.

Let's break down social media handling times to three stages:

- A) **Review time.** This is the time it takes to read the social media conversations. Times will vary by platform i.e. Twitter, blogs or forums.
- B) **Social media handling time.** This is the time needed to actually respond to a customer through social media. Again it will vary by platform.
- C) **Call centre handling time.** The time needed to handle the query if it needs to be referred into the call centre for resolution.

### 3. SKILLS LEVELS: TRAINING COSTS

Who is best placed in your team to handle social media? The call centre agents or the specialist teams that manage email and other correspondence? Should it be the younger team members who are au fait with social media or your more seasoned staff with the experience to handle more challenging customers?

Irrespective of who is involved – some degree of training and coaching will be needed. This isn't just the technical side of using social media but the rules and etiquette to protect the online reputation of the brand.



**Let technology chew through the mountains of customer conversations – allowing you to pinpoint the ones you need to action.**

#### Must have elements of a training programme:

- how to identify the online influence of a social customer
- using the right tone of voice
- dealing with aggressive customers in social media
- the legal rules to be aware of
- response times and SLAs
- knowing how to spot a potential crisis

### 4. TECHNOLOGY COSTS

You can't manually monitor what your customers are saying about you. It would be too time consuming and frankly, very boring.

You need technology to chew through the mountains of data and separate the noise from relevant customer issues and questions that need to be resolved. You need to pin point the detractors as well as the advocates. You need a system that will filter down the chatter and deliver the actionable conversation to your desktop or mobile.

Technology is moving fast and the range of tools and providers is continually growing. Broadly, the tools fall into three categories:

- A) Workflow** - allowing customer interactions to be assigned and managed quickly and efficiently by your agents
- B) Listening** - these tools crawl the social web and the wider internet for relevant customer conversations
- C) Analytics** - these tools allow you to measure the impact of your social media engagement

You will find many of these tools are now converging. But beware of tools that are jacks of all trades and masters of none. There are plenty of low cost options.

## ABOUT IMMEDIATE FUTURE



immediate future is one of the UK's most respected social media agencies. As a specialist agency we are immersed in the latest thinking, tools, techniques that allow us to provide best-practice social media engagement for clients.

We offer strategic and planning consultancy alongside managed services, (including monitoring, influencer relations and performance evaluation), based on eight years of social media experience working with some of the biggest brands around the world. We are committed to finding the most appropriate solution for each of our clients, and developing a long term plan to support their business objectives.



ADAM LEWIS

### About the author

Adam Lewis is a highly experienced and award-winning digital consultant. Adam's expertise lies in digital communications and includes training and mentoring, creating measurement frameworks, building online communities and producing websites and digital content. He is also a trainer for the Institute of Direct Marketing.

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**We're impartial.** We are channel and technology neutral; we look at your business and recommend the best channels, tools and strategies to meet your needs.

**We're leaders.** We sit at the forefront of the social media industry and we educate tomorrow's practitioners; we're the official social media trainers for the IDM, we set best practice guidelines with IAB and CIPR and we run CPD courses with the CIM.

**We have a social media heritage.** Since 2004 we've been using social media to raise profiles and manage reputations of worldwide clients and blue chip organisations.

## HOW WE CAN HELP YOU

*Whether you need help to get your social customer service programme off the ground, or advice to improve and optimise an existing programme, we can help.*

Some examples of where we support clients:

- **Feasibility study and pilot programme**

Using the very latest tools and techniques we can help you run a pilot to assess the feasibility and cost/benefit of a full social customer service programme. This includes a detailed analysis of what your customers are saying about you online – trends, volumes, sentiment and topics.

- **Strategic planning**

Working with customer service teams and other departments, we facilitate a planning day where you devise a social customer service strategy that is integrated across your business.

- **Strategic review**

We can provide an independent review to improve your existing programme – looking at people, process and technology.

- **Team training**

We take your customer service agents and turn them into black-belt social media operators!

- **Technology**

We help you navigate the market for technology – to ensure you maximise your investment with the right tools for you. We help manage the procurement process from scoping through to installation and training.

Find more content on customer service at our blog

 <http://blog.immediatefuture.co.uk/category/social-customer-service/>