Aberdeen Group
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Social Customer Care

Secrets to Build a Winning Strategy

August 2013

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Social Customer Care: Secrets to Build a Winning Strategy

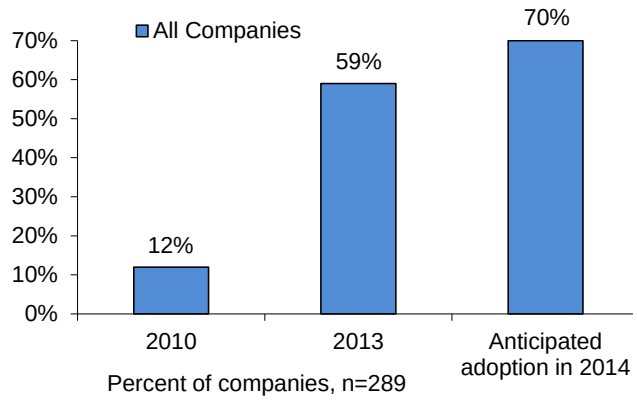
Delivering exceptional customer experiences today is no easy endeavor. Gone are the days when businesses would delight their buyers by solely focusing on accomplishing internal efficiencies in customer care programs. Success in today's multi-channel and multi-touch customer engagement landscape requires businesses to identify the channel preferences of each client, and streamline internal activities to ensure delivering consistent *and* personalized messages through multiple touch-points.

Social media is a key ingredient of these multi-channel customer care programs. Between March and June 2013, Aberdeen surveyed 289 firms on the key trends and activities impacting their contact center programs. Our findings reveal that the adoption of social customer care programs increased by approximately five-fold between 2010 and 2013 (12% in 2010 vs. 59% in 2013). This Aberdeen report will outline the top reasons driving such rapid adoption of social customer care programs as well as detail several best practices that help companies accomplish results.

Social Media: An Emerging or Established Channel?

As noted above, adoption of social customer care programs have drastically increased over the past three years. With 11% more companies planning to follow suit over the next 12 months, 70% of businesses are anticipated to use social media as part of their customer service programs by mid-2014 — Figure 1.

Figure 1: Annual Trends in Social Customer Care Adoption



Source: Aberdeen Group, June 2013

Analyst Insight

Aberdeen's Insights provide the analyst's perspective on the research as drawn from an aggregated view of research surveys, interviews, and data analysis.

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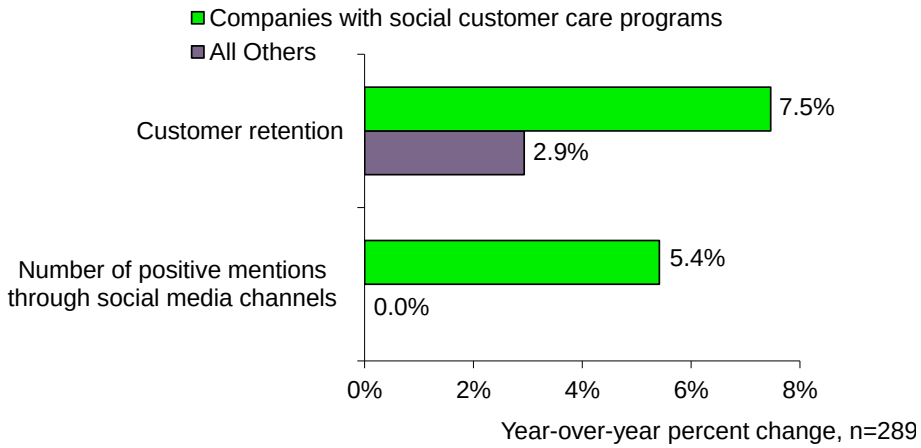
The adoption levels depicted above shows that social media is not an emerging channel that companies can afford to skip. As companies are in constant search for ways to differentiate their customer experience management (CEM) efforts, social customer care programs are increasingly becoming a way to better connect with their clients — the empowered customers. What gave rise to such a drastic increase in the adoption of social media in customer care?

The answer lies in the rise of empowered customers. Buyers today have the ability to self-educate on numerous products and services through myriad technology tools, such as mobile devices (e.g., smartphones and tablets), to access information across various social networks (e.g., Twitter, Facebook, and Google+). This intelligence includes feedback their peers share regarding their own experiences interacting with firms — intelligence that impacts purchase and repeat buying patterns of customers. As a result, businesses are laser-focused on addressing the requirements of this new normal by incorporating social media as a key ingredient of their customer care efforts. Figure 2 below shows that companies adapting to this new normal achieve superior year-over-year performance gains, compared to those that fail to adapt.

Figure 2: Year-over-Year Performance Impact of Social Customer Care



Source: Aberdeen Group, June 2013

Customer retention is a key indicator of organizational performance in addressing client needs. As depicted above, companies delivering customer support through social media achieve far superior annual gains (7.5% vs. 2.9%) in this key measure, compared to their peers. Furthermore, while they enjoy a 5.4% annual increase in social buzz (number of positive mentions of their products or services through social media channels), those that lack a social customer care strategy experienced no improvements. Our research shows that 56% of these latter firms don't even track social media conversations regarding their products or services — a strategic mistake that creates competitive disadvantage when engaging the empowered customer.

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So far we've observed how and why social media adoption has evolved as part of customer service programs. We've noted that companies with a social customer care program are far more likely to outperform those that don't. Does this mean that solely incorporating social media within the existing customer engagement efforts helps companies drive Best-in-Class results? No. The following sections will identify the performance benefits the Best-in-Class enjoy as well as reveal their secrets in building a winning social customer care strategy.

Best-in-Class Results

Aberdeen used four performance criteria to determine contact centers with Best-in-Class social customer care programs and the characteristics that differentiate them from Industry Average and Laggards (Table 1).

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	▪ 89% customer retention rate ▪ 19.0% average year-over-year improvement in the number of positive mentions through social media channels ▪ 17.6% average year-over-year improvement in customer satisfaction ▪ 10.0% average year-over-year improvement in first contact resolution rates
Industry Average: Middle 50% of aggregate performance scorers	▪ 41% customer retention rate ▪ 1.0% average year-over-year improvement in the number of positive mentions through social media channels ▪ 2.8% average year-over-year improvement in customer satisfaction ▪ 0.5% average year-over-year improvement in first contact resolution rates
Laggard: Bottom 30% of aggregate performance scorers	▪ 20% customer retention rate ▪ 0.5% average year-over-year worsening (*decrease*) in the number of positive mentions through social media channels ▪ 4.8% average year-over-year worsening (*decrease*) in customer satisfaction ▪ 4.0% average year-over-year worsening (*decrease*) in first contact resolution rates

Source: Aberdeen Group, June 2013

As outlined in the above table, top performers achieve drastically better results across each key performance indicator (KPI). They achieve increases in customer satisfaction scores that help them retain their client-base year-over-year, thus reducing the cost of customer churn. They also enjoy

Aberdeen Methodology

The Aberdeen maturity class is comprised of three groups of survey respondents. Classified by their self-reported performance across several key metrics, each respondent falls into one of three categories:

√ **Best-in-Class**: Top 20% of respondents based on performance

√ **Industry Average:** Middle 50% of respondents based on performance

√ **Laggard:** Bottom 30% of respondents based on performance

Sometimes we refer to a fourth category, **All Others,** which is Industry Average and Laggard combined.

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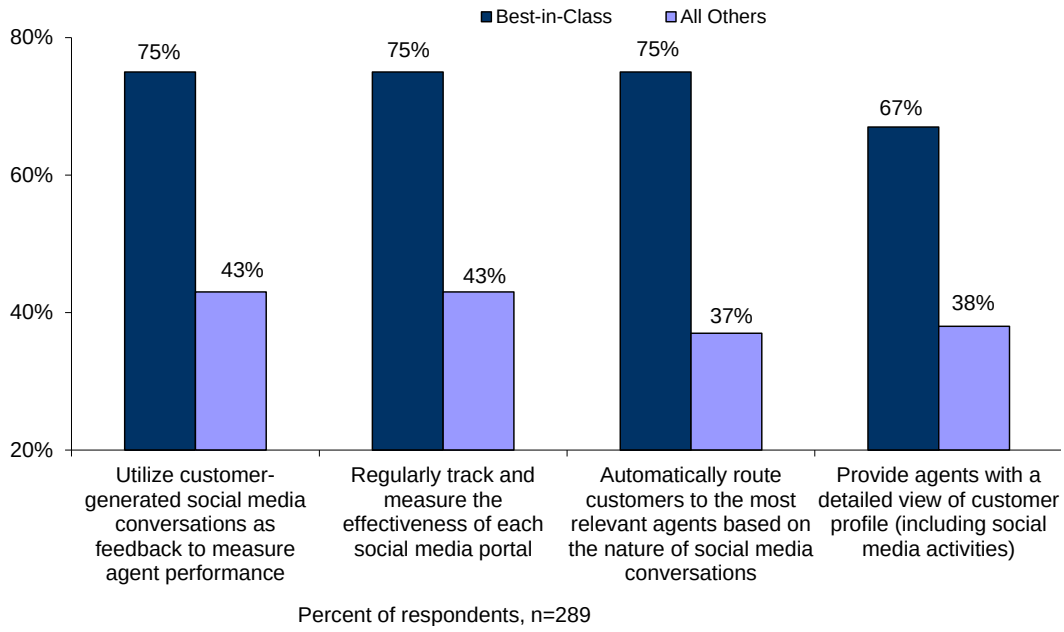
greater social buzz. Let's now identify the secret recipe that allows the Best-in-Class to achieve these results.

Building Blocks of Effective Social Customer Care

As illustrated in Figure 3 below, the Best-in-Class have rather consistent adoption levels of several key activities. First, they focus on identifying the most relevant social media portals they need to use to monitor and engage customers. Top performers are 74% more likely (75% vs. 43%) than All Others to deploy this activity in order to reduce the likelihood of monitoring social media portals that are not utilized by their clients. As a result, they are less likely to spend their scarce time and resources monitoring conversations that are unrelated to their products and services and more time capturing relevant intelligence to improve the customer experience. It's important to note that this activity should be conducted on a regular basis (at least weekly). Data shows that 61% of companies with this capability use social media monitoring tools to support executing this activity, compared to 49% of those without it. As many social media portals are increasingly interconnected and buyer behavior changes rapidly (think about the rather sudden rise of Instagram and Pinterest), repeating this activity regularly pays off handsome dividends in ensuring the effectiveness of social customer care programs.

Figure 3: Best-in-Class Capabilities



Percent of respondents, n=289

Source: Aberdeen Group, June 2013

The benefits of social media monitoring tools go beyond solely identifying the relevant social networks and monitoring relevant customer conversations. They also help businesses capture crucial customer feedback data (such as complaints) regarding company products or services. Three

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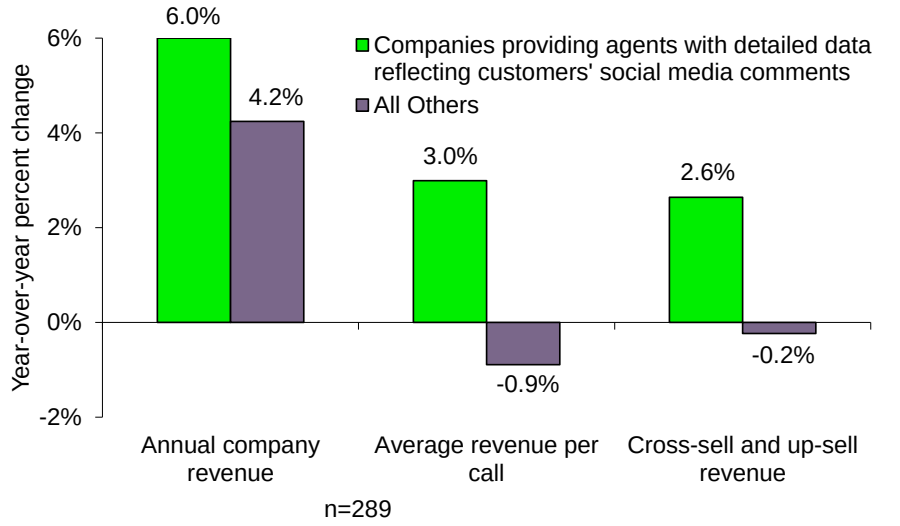
out of four (75%) of Best-in-Class organizations have an automated process where they utilize these insights to open a support ticket with the most relevant agents who have the right skills to handle customer issues. Only 37% of other firms currently have this capability. When leveraging this capability, companies should avoid solely reacting to customer-generated requests (e.g., a tweet requesting support) and rather adopt a proactive approach where they utilize a customer's social profile as well as any existing data in company systems such as customer relationship management (CRM) to automatically assign their issue to the most relevant agent.

Once the customer is connected with the right agent who can help them address their issues, it's also critical to empower the agents with detailed customer intelligence. Indeed, the Best-in-Class are 76% more likely (67% vs. 38%) than All Others to provide their agents with a detailed view of a customer profile during each interaction. This profile includes data on customer social media activities such as recent publicly available social conversations, friends, tags, likes, and more. The insights gleaned through this capability helps agents better personalize interactions to the precise needs of each client. Figure 4 below shows the year-over-year performance gains companies with this capability enjoy as a result of such enhanced personalization in comparison to their peers.

Figure 4: Personalizing Social Customer Care Delivers Results



Source: Aberdeen Group, June 2013

Besides opening support tickets and capturing intelligence on customer needs, there are numerous other ways to succeed through effective usage of customer-generated social media conversations — one of which includes measuring agent performance. As customers use social networks to access and share a wealth of information with one another, companies gain an invaluable opportunity to capture direct and unbiased insights on their overall experience and sentiment regarding company products and services. By incorporating this feedback data within existing client profiles, they can

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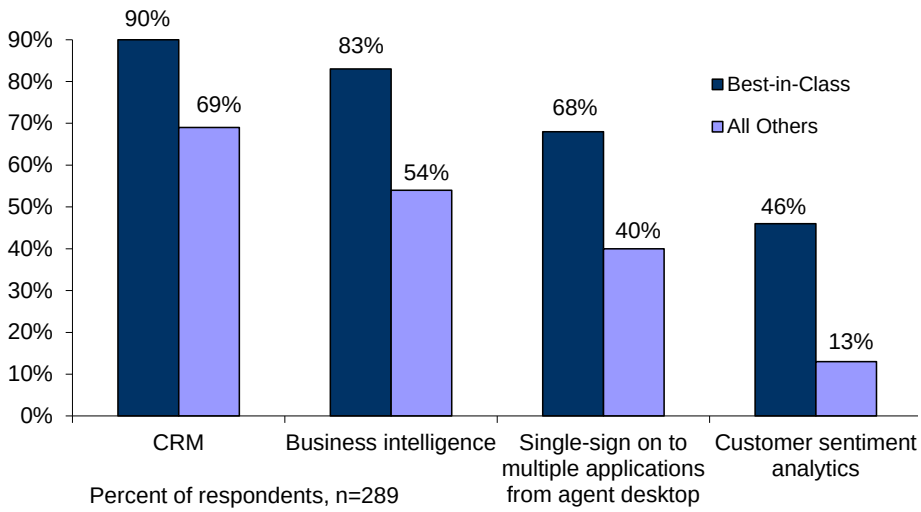
identify the specific agent an unhappy customer might have interacted with and use this data to measure agent performance from the perspective of customer satisfaction — an activity deployed 74% more widely (75% vs. 43%) by the Best-in-Class, compared to All Others. The resulting insights can help companies determine if the agent needs more training or better technology tools to manage customer interactions. The next section will illustrate the technology the Best-in-Class use to automate these activities.

Supporting Technologies

As illustrated in Figure 5 below, Best-in-Class social customer care users are 30% more likely (90% vs. 69%) than their peers to deploy a CRM system. The use of this technology is closely aligned with one of the differentiating factors noted above: using customer-generated social media content to enrich existing account information within the CRM. By incorporating CRM as a key ingredient of social customer care programs, Best-in-Class firms are able to provide their agents with a single source of information they can use to personalize each interaction based on customer profiles.

Figure 5: Key Technology Enablers



Source: Aberdeen Group, June 2013

It's also important to note that agents should be able to seamlessly access this information through their desktop. Aberdeen's October 2012 *Agent Desktop Optimization: Agents can Finally Focus on the Customer* study found that an average contact center agent uses five different screens during a typical interaction — a challenge that causes them to spend 26% of their time looking for information across numerous technology systems. The Best-in-Class reduce the impact of this challenge by deploying single sign-on tools that allow agents to access multiple systems within a single screen without the need to log into each system separately through the course of each interaction or prior to each session.

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Use of analytical tools is another technology support mechanism top performers deploy to ensure continuous success in social customer care. While 83% of the Best-in-Class use business intelligence (BI) tools as part of their customer service efforts, only 54% of their peers do so. Using BI tools helps companies drill down into the data collected through numerous social networks and analyze it in combination with existing data gleaned through various technology systems such as automated call distribution (ACD) and CRM to identify any trends and / or correlations. For example, by using BI tools companies can identify if there was a sudden increase in the number of customer-generated social media content regarding a particular product. This information can then be leveraged to identify the root causes of any potential issues related to a certain product and address them promptly.

The Best-in-Class are also far more likely (46% vs. 14%) to utilize customer sentiment analytics tools compared to All Others. This technology helps them utilize customer-generated social media content and understand customer sentiment (e.g., positive or negative) regarding their experience interacting with the business or using its products or services. These are crucial insights that help organizations continuously improve their business activities.

Key Takeaways

Empowered customers have changed the very fabric of customer / company relationships. As customers empower themselves with the ability to use numerous technology tools (e.g., smartphones and tablets) to access a wealth of information through myriad social networks, businesses need to respond appropriately and adopt a winning social customer care strategy. Our research shows that while incorporating social media as part of the multi-channel customer interaction efforts helps companies outperform those that don't utilize social media, businesses that adopt Best-in-Class steps truly differentiate themselves in delivering superior customer experiences. Aberdeen recommends companies adopt the following actions in order to infuse and maintain Best-in-Class characteristics within existing or planned social customer care programs:

- Utilize social media monitoring tools to regularly capture insights on customers' opinion and experiences regarding company products and services. Also, go beyond solely collecting data and put it into action by using the resulting insights to develop products and services that meet the precise needs of buyers.
- Deploy analytical tools and processes to seek trends and correlations in social customer conversations and determine common issues that create client complaints or activities that receive positive customer feedback. This will help you identify and drill down into the root causes of any inefficiencies as well as maintain the activities that satisfy customers.
- Enrich existing customer profiles with data captured through social media networks to get a broader view of the specific needs and

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wants of each client. Ensure that such enhanced customer profile can easily be accessed through the agent desktop to help agents personalize individual interactions based on customer data.

- Align social relationship management activities managed by different stakeholders within the business (e.g., sales and marketing) to ensure delivering a consistent message to each customer through numerous touch-points.

For more information on this or other research topics, please visit www.aberdeen.com

Related Research	
Customer Analytics: Converting Data into Insight for Superior Customer Experiences; June 2013	*Multi-Channel Contact Center: Delight Customers where they Live*; November 2012
Workforce Optimization in the Contact Center: Secrets to Improve Agent Performance; June 2013	*Agent Desktop Optimization: Agents can Finally Focus on the Customer*; October 2012
Transitioning your Contact Center from On-Premise to the Cloud; April 2013	*Virtual Contact Center Agents: Break the Boundaries*; August 2012
Next-Generation Customer Experience Management; March 2013	*Speech Analytics: Listen to your Customers*; September 2012
The Hidden ROI of a Cloud-based Contact Center; January 2013	*Contact Center Analytics: How the Best-in-Class Reduce Operational Costs through Contact Center Data*; July 2012

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