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Four Fundamentals for Using Social Networks to Improve the Customer Experience

Executive Overview

With four out of five Americans now using social networks, the era of social networking clearly has arrived, creating significant implications for enterprises. Today, there are compelling rewards for embracing social networks—and potentially severe penalties for putting it off any longer. This white paper outlines four key ground rules for engaging with social networks in order to maximize their potential for improving customer service.

Introduction

The customer is always right. If there had been any doubt about the truth of that adage, social networking has eliminated it completely. While delivering a satisfying experience has always been important, social networks make it more vital than ever. Social networking represents both a stick and a carrot in motivating organizations to improve customer service:

- **The stick.** Social networking can dramatically exacerbate the impact of a customer service failure, giving dissatisfied customers a means to publicly vent their frustrations and, in the process, spread negative impressions that can reduce trust, loyalty, and sales. It provides a bandwagon to join for people who normally remain silent or just leave.
- **The carrot.** By effectively engaging with customers through social networking, organizations can foster unparalleled loyalty and gain invaluable insights that can improve not only customer service but also quality assurance, product roadmaps, and marketing—all while building brand equity.

In short, enterprises have a lot to gain by embracing this paradigm and a lot to lose if they don't. For those organizations plotting their initial foray into the social networking world—or for those early in the execution of their social networking initiatives—what are some of the key ground rules for social network engagement? This white paper reveals some of the critical considerations in leveraging social networking to effectively maximize its potential.

Fundamental #1: If Ignored, Social Networks Won't Go Away, but Customers Might

In a very short time, social networks have fundamentally changed the way many customers expect to interact with businesses. In recent years, if a customer had a support question, the person would typically refer to the support site and, if the answer wasn't easy to find, call the contact center. Now, if a customer goes to the company's support site or customer forum and doesn't quickly get the answer, the person will search elsewhere to see if others have encountered the same issue. See Figure 1 for an illustration of the negative impact of a negative online experience. Given the explosive proliferation and usage of social networks, these venues are increasingly where people searching for answers end up.

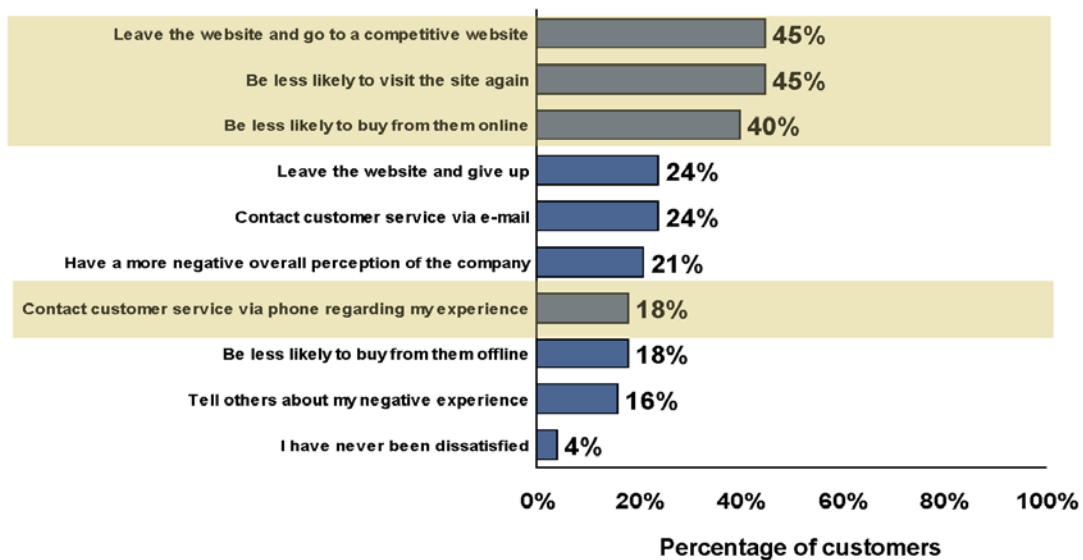


Figure 1. Customers dissatisfied with their experience at your Website are very likely to visit a competitive Website.

The negative impact of dissatisfaction with the online experience can't be overstated. If customers aren't satisfied with the information they find when first arriving at your business's Website, they are more than twice as likely to visit a competitor's site as they are to make a call to your contact center. Further, these customers are less likely to visit your site again or to buy online from your organization.¹

¹ Jupiter Research, "NPD Retail Consumer Survey," June 2008.

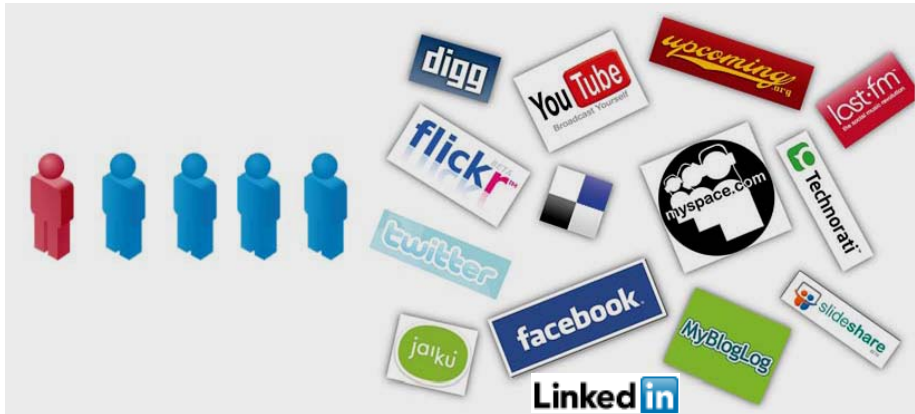


Figure 2. According to studies, four out of five Americans are using some form of social media.²

It is important to underscore that, when the user makes this move away from company-sponsored sites, the company can be completely removed from the discussion and can irrevocably lose control over and visibility of that interaction. In some cases, a company may get lucky, and the customer may find a useful link to an external site that helps address the issue. Even then, however, the company loses an opportunity to foster a relationship, and the customer gets “trained” to go elsewhere when answers are needed. In a more troubling scenario, the customer may stumble upon an external forum filled with accounts of product and support issues (or both) that are yet to be resolved. Worse yet, the appropriate individuals at the company may not even be aware of the forum and the prevalence of these issues. In this case, the potentially harmful effect of social networks can be fully evident—that of creating a very public, very long-term, and very damaging impression of the company for a great number of people.

When ignored, just one customer with an ax to grind can make a service hiccup a very public failure. There are many vivid illustrations of this dynamic; one well-documented example is the “Dell Hell” episode from 2005. Frustrated by issues with his laptop and the service he’d received, and with no effective way to interact with the company, a blogger posted a series of articles documenting the frustrating experience he’d had. This one blogger spurred thousands of comments, his site received links from a host of other sites, and his story ended up receiving mainstream media coverage—ultimately spreading the word far and wide. As the firestorm grew, Dell was largely silent, which only served to provide the company’s outspoken critics with more evidence to support their claims of Dell’s indifference and slow response.

To Dell’s credit, this experience ended up being one from which the company’s management team learned a valuable lesson. By many accounts, Dell not only began embracing social networks but, more importantly, they also began taking the feedback they received through these channels and made

² Forrester Research, “The Growth of Social Technology Adoption,” 2009.

significant changes. These changes included the creation of Websites to encourage user feedback and ideas, changing how customer service representatives' performance was measured, and more.

Ultimately, by leveraging social channels, Dell has been able to significantly strengthen their service levels. In this way, Dell's experience represents a vivid illustration of both the negative and positive potential of social media engagement.

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Your customers will be participating in social networks to engage in conversations about your company. Ignoring those conversations can be downright dangerous. Joining the conversations can provide a world of benefits. For many organizations, the opportunity is there and, by capitalizing on it sooner rather than later, they can enjoy the benefits without incurring the negative repercussions.

Fundamental #2: Create a Vibrant Customer Forum— If Not Today, Yesterday

No one likes to reinvent the wheel. That's why, when we as consumers run into questions or issues, it's our natural inclination to try to find out if others have run into the same issue and what they did to resolve it. Given this, a company-sponsored customer forum can be a great focal point for customers as they seek to get questions answered.

If you create a vibrant customer forum, your organization will gain a lot of near-term and long-term benefits. A forum is where a lot of customers start when they need answers. The better the experience they have there, the more likely they are to repeatedly engage with your organization in that venue.

What are some of the keys to setting up an effective customer forum? The following are a few recommended strategies:

- **Moderate by exception.** A forum needs to be a place where customers can quickly post inquiries and search for answers. Rather than acting as a gatekeeper to the conversation, forum moderators need to facilitate this open dialogue. Rather than being in a position to approve each post, moderators simply need to monitor the activity and enable users to report abuse. Trying to hide dirty laundry, through moderating, will not fly. Gather in the dirty laundry customers post, thank them for it, and get it washed.
- **Let the community self-moderate.** Customers will post things that are simply not true. Your credibility in responding to these will be far less than waiting for other customers in the community to respond. Customers know what is true and what is not, and typically they do not let a false statement go unchallenged. As a customer, they have much higher credibility when defending the product or company.
- **Establish reputations.** It is essential to find high-value contributors, recognize their efforts, and encourage continued participation in building valuable forums. To do so, you should leverage reputation models and rating systems that allow community participants, including company

moderators, to rate or otherwise identify high-value content and translate those ratings into a points program that builds a reputation for each contributor.

- **Promote community conversations.** Give moderators and those users who establish expertise an easy way to promote conversations that will be useful to others. Allow users to easily post the conversation they are having, in the form of a link, to other sites such as LinkedIn, Facebook, or Twitter. This will quickly bring other interested customers, and potential customers, into the conversation and provide you with site traffic and more opportunity to engage with a larger crowd.
- **Give users control.** Make it easy for users to stay up to date on topics that matter most to them. Offer subscription capabilities so that users can get Resource Description Framework (RDF) Site Summary (RSS) feeds or e-mail alerts when new posts on a topic of interest appear. Suggest topics to users based on past interactions and highlight content that has been posted or updated since their last visits.
- **Monitor forum quality.** Moderators should actively monitor the quality of forums by monitoring sample discussion threads, tracking system analytics, and doing periodic surveys.
- **Close the loop often.** Whenever possible, tell customers what you have done as a result of what they said. Give them the evidence that posting to your forum results in action taken. This will also help grow their sense of ownership and loyalty to the product and company as they see their suggestions and concerns being addressed.

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Fundamental #3: Don't Treat Social Networking as a Silo

One of the tremendous opportunities presented by social network engagement is that, by participating in community conversations, organizations can gain a wealth of insights—insights that can be leveraged to foster improvements in product development, quality control, marketing, and other areas of the business as well. The following are critical strategies that will allow your organization to make the most of these insights.

Leverage Conversations Across Contact Channels and Organizational Boundaries

Engaging with customers in forums and other social sites is a critical first step in starting a dialogue. Organizations that treat these social interactions separately from the rest of their organization's support and communication channels will be significantly limiting the potential benefits to be derived from social networks. By broadly leveraging these conversations, organizations ultimately improve the customer experience in all their interactions with and about the organization.

The answers that arise from community conversations can be incubators of knowledge that can be fed not only into future forum conversations but also into other support channels, such as Web self-service and contact centers. As a result, a search on a Web self-service portal can yield relevant discussion topics as well as other content sources. Likewise, new relevant solutions and articles from support can be linked from or referenced in applicable community conversations. This content, coupled with sophisticated natural language search capabilities, can ultimately yield improvements in customer experiences across all support channels.

Customers use social media to present their biggest concerns and issues. This will help you prioritize your limited resources on the areas that will bring the largest customer satisfaction and loyalty ROI.

Integrate with Knowledge Management

Social engagement can't be a standalone, piecemeal effort. To fully maximize the potential benefits, organizations need to leverage the knowledge drawn from social media across all contact channels. Further, social network engagement needs to be integrated with sound knowledge management.

If you already have strong knowledge management in place with processes and systems that effectively support the identification, development, and location of answers that drive customer interactions, then social media can be viewed as the next logical extension of that knowledge management platform, or as simply another channel for both gathering and sharing knowledge.

If you don't have effective knowledge management in place, that's the first place to start. Without the core knowledge management infrastructure in place, attempting to engage in new social media can be a recipe for disaster. For example, if a support organization is contending with multiple, disjointed knowledge bases, agents have difficulty getting the answers they need to resolve customer issues. In addition, if Web self-service channels aren't delivering satisfactory interactions, adding social networks into the mix may only exacerbate these issues.

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In the past, many organizations sought to build knowledge management capabilities through the integration of Web search, content management, and analytics—and saw very little improvement in the customer experience. This is true for two fundamental reasons—first, these products weren't intended for knowledge management; second, these products lack the essential capabilities necessary to truly understand and optimize the customer experience. Now there are sophisticated, mature knowledge platforms that integrate all the vital capabilities required for knowledge management—including sophisticated natural language search, easy-to-use workflow-based authoring capabilities, and robust analytics. By leveraging these solutions, organizations are equipped to develop the best answers and to ensure that all users can quickly and easily get the answers they need.

Once effective knowledge management is in place, organizations can take the following steps for integrating with social networks:

- **Leverage various community forums.** These can include developer networks, idea exchanges, and peer-to-peer support discussions. Make the content of these forums available as knowledge sources in the self-service process.

- **Foster unstructured content creation.** Make it simple to recommend social knowledge content for cultivation, and allow the community to rate the quality of all forum posts.
- **Elevate reusable knowledge quickly.** Make the transition from idea to reusable knowledge seamless. Integrate the content suggested by these social networks with existing knowledge workflows for content development, reviews, approvals, and publication.
- **Integrate and streamline.** Ensure that your strategy for social networks is tightly integrated with a centralized knowledge management platform. By harnessing a single platform and streamlined process, organizations can maximize the utility of social networks while minimizing associated costs.

Fundamental #4: Social Involvement Yields a Bigger Haystack—Findability Is Key

Even without social networks in the picture, the challenge of navigating server directories, intranets, Websites, e-mail folders, and other resources to find useful information can be daunting. Customer forums and other social networks added into the mix can threaten to overwhelm internal and external users with noise, rather than come across as meaningful information.

To meet this challenge, organizations need sophisticated search capabilities that derive the *true intent* from each search. This requires search capabilities very different from those employed by Web search platforms such as Google or Yahoo!. To derive a search's true intent, organizations need enterprise knowledge management that features an integrated combination of natural language processing, information lifecycle management, and analytical insight into user behaviors.

No doubt, Web searching can be useful for more-casual surveying when customers want to browse around for products and options. Enterprise knowledge management, however, is far more effective at providing rapid advice and pinpointing the right answer. When customers want information to answer a specific question, resolve a problem, or complete a business transaction, enterprise knowledge management is the most appropriate solution because it is best suited to the primary objective: determining the customer's true intent and then immediately delivering the most relevant answer based upon this understanding.

Enterprise knowledge management increases the *findability* of information by using a search methodology based on intent, delivering directed answers, and closely integrating inquiries with content. In other words, it helps the user discover a relevant answer in the shortest amount of time. These capabilities, while always vital, are even more so in a social networking paradigm. With this functionality, you can create a richer, more meaningful experience for users and significantly reduce the time it takes to find the best answer.

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By integrating social networking with a robust enterprise knowledge management platform, organizations can ensure that internal and external user searches return approved content from social networks as well as the most-relevant content from other established support channels. To further boost efficiency and to enable users to pinpoint results, federated search results should use icons to display the content source and should offer filtering mechanisms to search by content source.

Conclusion

Organizations can view the proliferation of social networks as a threat or an opportunity. It can be seen as a threat because of the seemingly endless new data streams social networks generate—data that needs to be sifted and processed for the information that is useful. However, enterprises need to approach social networking as a huge opportunity—a new way to communicate with and learn from customers in a mode that customers have embraced and to which they have become accustomed. By interacting with customers in their familiar mode, organizations can realize significant improvements in not only customer service but also product development, quality assurance, marketing, and virtually every other area of the business. By taking a strategic, knowledge-based approach, organizations can most fully leverage the potential of social networks to truly enhance the customer experience and improve business performance.



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Hardware and Software, Engineered to Work Together