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Is Social Media Transforming Your Business?

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Introduction

The rise in social media has sparked a revolution in the customer experience—putting the ball in customers' hands for the first time as they direct a new and evolving conversation about your brand. To understand how the emergence of social media is affecting your business, ask yourself if social media is

- Raising customer expectations for your product or service

- Changing how customers behave toward your brand

- Shifting the way your business interacts with customers, partners, and employees

- Giving your organization new opportunities to differentiate and grow your revenue

- Changing your business

It's clear that social media is changing consumer behavior around the globe. What has not been as clear for most organizations is how to adapt to this new medium and take advantage of the opportunities it presents. The result has been a hodgepodge of Band-Aid, bolt-on solutions—and the increased overhead and unnatural business processes that typically accompany this kind of scattershot approach.

What's needed instead for an organization to not only survive but also thrive in this new business environment is a social media approach that integrates with its overall customer service strategy. This white paper covers three facets of a customer experience strategy that will operationalize social media in your organization: the social Web, social knowledge management, and the social contact center.

If a butterfly flaps its wings on YouTube, Facebook, or Twitter, it can cause a transformation of your business.

Social Transformation

Throughout history the introduction of new technology and the evolution of existing technology have enabled ever-more-efficient and broader communication. This, in turn, has led to shifts in thinking and behavior—effecting social transformations of cultures, countries, and societies. Social media has sparked this kind of transformation on a massive scale, leading behavior to change at an exponential and disruptive rate.

Transform Your Business by Embracing the Power of Social Media

Due to worldwide economic weakness, today's consumers are rethinking the way they spend "fragile" time and money—weighing the perceived value of the consumer experience against the result (and the cost). The consequence has been nothing short of a consumer revolution.

Rather than simply accepting what brands tell them, consumers today are turning to their "trusted" networks for guidance about the value of each purchase. With shoppers now able to share experiences instantly—not to mention accessing and interacting with that data at will—the importance of each customer experience has increased exponentially. Businesses must adapt to these changes in customer behavior and expectations—or expect to suffer the social exposure of their now-failed brand promise.

Many organizations, however, are reacting to the social onslaught by deploying Band-Aid social solutions—a reactive approach that can lead to increased costs, additional overhead, and unnatural business process. In the end, the disruptions and business inhibitors caused by this kind of bolt-on approach can be greater than the initial social impact (perceived or real).

In contrast, by incorporating social media into your overall customer experience strategy, you can help identify, manage, and (ultimately) influence shifts in customer behavior. There are three principal ways to do this:

- **Social Web.** Promote and protect your brand by blending it into interaction points in social channels and by extending it to where conversations are taking place.

- **Social knowledge management.** Efficiently integrate collective social wisdom into native content-authoring workflows for consistent, multichannel knowledge sharing.

- **Social contact center.** Extend the reach of customer engagements and relevant insights into social media for consistent, engaging, and timely interactions across all channels.

Consumer Behavior at a Glance

• Ninety-five percent of consumers abandon Websites after three clicks—many turning to social channels instead.

• Eighty-six percent of consumers stop doing business with an organization after one bad experience.

• Sixty percent of consumers will pay more for better service (or switch to another vendor to get it).

Harris Interactive, 2009 Customer Experience Impact Report

Social Web

The social Web is more than a collection of individual channels—regardless of how numerous those channels may be. It is instead an intricate network of interconnected sites, tools, and relationships operating globally around the clock every day of the year. The social Web is also a dynamic collection of information and opinion, some of which is inevitably and directly relevant to your brand and your business.

Your corporate social presence spans the following types of spaces across the social Web ecosystem:

• **Spaces you own.** These can include your Website, knowledgebase, and contact center.

• **Spaces you host.** These can include your branded community, Facebook presence, and YouTube channel.

• **Spaces in which you participate.** These can include spaces such as the blogosphere, Twitter, and YouTube, where you can participate but must earn trust.
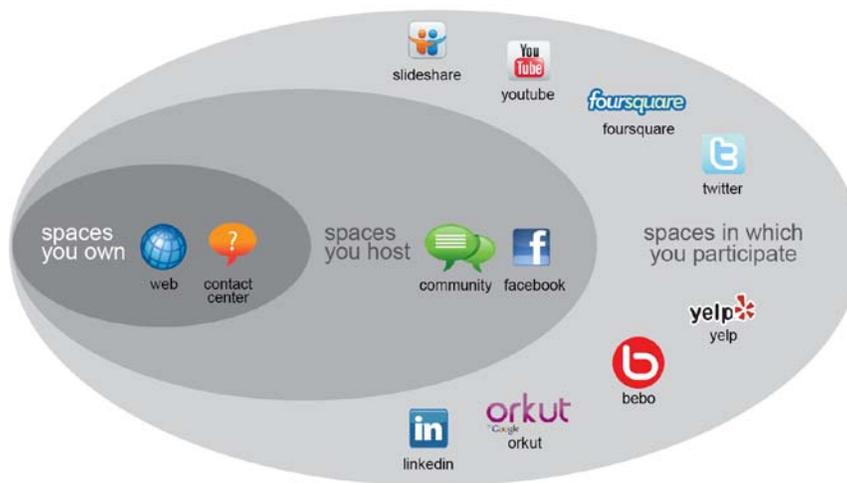

Figure 1. You can promote and protect your brand by blending it into social channels and extending it to wherever conversations are taking place.

As you move away from owned spaces and into the broader social Web, direct organizational control diminishes and scale and potential reach increase—dramatically. (Case in point: 845 million Facebook users as of February 2012.) The social Web supports an unprecedented volume and depth of interactions between brands and consumers—that's the good news.

The challenge is for organizations to participate effectively in ways that benefit their brands and their customers in the spaces they *don't* own and therefore can't control directly. Getting the most out of the social Web—which includes ensuring a positive impact on the bottom line from social marketing and support efforts—means developing and delivering on a social strategy within a customer experience strategy that transforms your business.

Social Awareness

You can't resolve issues or take advantage of opportunities if you don't know of their existence. Likewise, you can't empower consumers if you don't know where they're connecting, what they're interested in, or what motivates them. An organization with good social awareness knows its customers; the social sites and channels they prefer; and how to navigate Facebook, the blogosphere, the Twitter universe, and everywhere in-between.

Social Empowerment

The social Web is too big and broad (and, in some places, private) for your brand to take part in every relevant conversation. Your organization therefore has to empower the customer to act on your behalf. The real power of social media stems from its ability to scale through brand advocates, product enthusiasts, and market influencers who amplify messages, support products, and act as brand ambassadors.

It's important to note that consumers don't assume these roles because it helps your organization. They do so because it helps them meet their own needs. There are many reasons advocates, enthusiasts, and influencers do what they do: enjoyment, personal satisfaction, having an effect on something they care about, gaining access to inside information, and more. Your job is to support their efforts—or at least get out of their way.

Consistent and Unified Social Presence

Consumers loyal to a brand demand consistency. They may not do so actively or even intentionally, but they will keep up their end of the bargain (displaying product and service loyalty and advocacy) if your brand keeps up yours (delivering a consistent brand presence). Brand presence is more than just your corporate logo. It's also the messaging, the experience of using the products and services, the support experience, and the various intangibles that relate to how consumers feel when they interact with your brand.

Customer confusion and disappointment (and worse) arise when companies' brand presence is inconsistent across various channels. Things don't have to just look the same; they also have to feel the same. It's challenging enough to maintain a consistent brand experience across your "owned" channels, such as e-mail marketing programs and telephone and e-mail support. On the social Web, where your brand has indirect control, at best—and where authenticity and transparency are expected aspects of your brand presence—it's all the more important to develop expertise and leverage technology toolsets to ensure a similarly consistent (and positive) experience.

Organizational Alignment

Because conversations and activities that take place on the social Web cut across organizational lines, companies often run into problems with the internal ownership of social initiatives. Social-minded organizations, however, put customers first and organizational boundaries second—which means combining efforts across departments (particularly marketing, support, and IT).

Noting the importance of organizational alignment and coordination, Gartner recommends that companies "make sure forays into social media are not disconnected from other business functions."[1] And to ensure that social initiatives are operationalized properly, Gartner adds that it's essential to "involve IT in purchase decisions early on to avoid the most frequently cited downstream issue of data integration, and to address potential concerns about inadequate security, scalability and privacy."[2]

Bottom Line

The sites, tools, and networks that make up the social Web are what consumers are using to connect with each other and with the information, activities, and brands they care about. However, many organizations aren't used to—or comfortable with—engaging with their customers in spaces where they don't have a high degree of control. This represents a transformative shift in the relationships between businesses and customers—one that requires not only a transformed organizational mindset but also transformed business operations. Through awareness of what's happening in social spaces, empowerment of brand advocates and other influencers, development of a consistent and unified social presence, and alignment and coordination across business units, your brand can successfully transform the organization and provide great experiences for your consumers across the social Web.

Efficiently integrate collective social wisdom into native content authoring workflows for consistent multichannel knowledge sharing.

Social Knowledge Management

The disruptive force of social technologies is forcing organizations to rethink their traditional knowledge management paradigms. Rather than residing only in a structured database that's searched, knowledge is created through every customer interaction. With social technologies exponentially increasing these interactions, a new paradigm must be created to manage the explosive growth of knowledge associated with social interactions.

Knowledge management has always been about two simple ideas: (1) creating mediums of interaction that make it possible to capture explicit knowledge from people and (2) empowering people to

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[1] Gartner Webinar: "Develop a Social Media Strategy That Will Improve Your Business," October 28, 2010.
[2] Gartner Press Release: gartner.com/it/page.jsp?id=1541415, February 8, 2011.

consistently find the right knowledge at the right time. Traditional knowledge management paradigms, however, focus primarily on creating structured mechanisms to provide a repeatable process for effective knowledge management. With the advent of social interaction, these knowledge paradigms are being stretched beyond their ability to deliver useful results. This social transformation serves as both an opportunity and a risk for your organization. When you make the leap to a new path of knowledge management, you stand to enhance your understanding of consumer behavior and broaden the acceptance of organizational objectives in the marketplace. This new social knowledge management paradigm represents a fundamental shift, recognizing the impact of the entire ecosystem of constituents on an organization's knowledge.

Effective knowledge management used to rely on the ability to collect artifacts and return results based on robust search engine technologies. Social knowledge management builds on these technologies by recognizing an even broader ecosystem—one that integrates algorithmic filtering with personalized relevance and recognizes that knowledge is a highly contextualized concept. One man's signal is another man's noise. In the new world of social knowledge management for customer experience, the "knowledge" must expand to include all artifacts that drive highly contextualized, actionable information into the hands of consumers. The best way to understand how this shift will occur is to understand how it affects the key elements of knowledge management.

People

At the heart of any knowledge management system are individuals—people who carry a wealth of knowledge about a broad array of subjects. The moment of truth for any knowledge management system comes when people share tacit knowledge through explicit interactions. Social knowledge management recognizes that knowledge is more than formalized content. Indeed, knowledge can often represent simply a phrase or a series of data points that form a level of understanding for the user of that content. As such, short-messaging platforms such as Twitter are creating vast quantities of knowledge. The challenge for social knowledge management is to separate the signals from the noise. In this new paradigm, the focus shifts to concepts such as the following:

- **Curation.** More-flexible authoring workflows will help new initiatives scale the management of knowledge. As knowledge is captured in greater volume, the pathways that create a symbiotic curation relationship between author and consumer will thrive. In this new marketplace of ideas, we're all authors, curators, and consumers of knowledge.

- **Reputation.** A fast-moving knowledge environment will require a fresh look at the concept of reputation.

Pathways

People interact with each other across various media. With the rise of social networking technologies, these pathways are transforming where and how these interactions occur. Social technologies have given rise to seemingly infinite pathways, each with its own rules, norms, and behaviors. These new pathways have also significantly reduced the friction of creating vast pools of knowledge—after all, people are infinitely less resistance to creating tweets, posts, or check-ins than they are to creating fully

formed articles. These pathways, or flows of knowledge, now contain more actionable information relevant to the customer experience than do knowledgebases or stocks of knowledge. The challenge comes in building technologies and processes that enable people to both find the appropriate pathway and extract the most-relevant actionable information for their context. With an increasing number of pathways, social knowledge management initiatives need to consider

- **Containers.** As knowledge is created across an increasing number of pathways, management and maintenance of that knowledge will shift away from the traditional knowledgebase or container. Social knowledge management approaches will need to consider knowledge management technologies that capture and interpret knowledge in the pathways where active knowledge creation occurs.

- **Metrics.** As the types and forms of knowledge shift across pathways, so do the requirements for effectively measuring the knowledge created. Some metrics, such as frequency and relevance, will need to be adapted to reflect this shift.

Artifacts

Social knowledge management is also forcing a paradigm shift in understanding what an artifact is and how it's used in the customer experience ecosystem. Traditional knowledge management theory referred to the formal content created in a knowledge management system as the *relevant artifact*. Social knowledge management advances that approach, by recognizing that the metadata attached to the artifact is often as important and interesting as the artifact itself. A general stream of tweets, for example, may not hold much value until the attached metadata is analyzed. Recognizing the value of metadata corrects one of the perceived flaws of traditional knowledge management—that content is never in the right context for the consumer. To accomplish this, social knowledge management efforts will need to incorporate an expanded understanding of metadata, including

- **Folksonomies.** Stepping beyond search technology, social knowledge management initiatives recognize the value of having customers create their own ways of classifying and identifying relevant knowledge. Folksonomies can drive this people-driven search approach.

- **Geolocation.** Along with the rise of short messaging platforms, social knowledge initiatives can harness contextual, location-based services to capture and present relevant knowledge.

Figure 2. An increasingly mobile, dynamic, and diverse consumer base is forcing organizations to deliver highly contextualized, actionable information.

Bottom Line

No area of organizational thought is undergoing as radical a transformation today as knowledge management. With social media now having a significant impact on customer experience, knowledge management initiatives need to adapt to a shifting paradigm of creation, curation, and delivery of knowledge. In addition, an increasingly mobile, dynamic, and diverse consumer base is forcing organizations to deliver highly contextualized, actionable information. Only by doing so will companies see measurable success in the modern marketplace.

Extend the reach of customer engagements and relevant insights into social media for consistent, engaging, and timely interactions across all channels.

The Social Contact Center

Nowhere is the impact of social customer experience transformation felt more keenly than in the contact center. As the primary hub of customer interactions, the contact center is critical to any customer experience strategy. The *social* contact center will let you get closer to customers, spot trends, pre-empt problems, identify influencers, and create customer advocates.

Yet contact centers are struggling to harness the power of the social phenomenon. As consumers increasingly turn to social media to seek help, make purchasing decisions, and voice their opinions, organizations are finding that they can get shut out of the conversation. The contact center can provide the key to getting back in—with social interactions serving as the catalyst.

Facilitating social interactions within the contact center requires a systematic, proactive, and intelligent approach to listening to and engaging in conversations with customers. From a best practices perspective, this can be distilled into five key processes:

- **Listen.** Get access to conversations across social media channels—preferably in a way that enables you to search and aggregate across social media channels.

- **Funnel.** Find the conversations that matter to your brand, and implement a straightforward process for turning relevant conversations into incidents or cases.

- **Route.** Direct important conversations to qualified company representatives—ideally filtered by the intent of the conversation.

- **Engage.** Provide representatives with a simple means of engaging, with relevant knowledge and guidance at their fingertips—plus the ability to seamlessly "change the channel."

- **Record.** Monitor and measure social key performance indicators (KPIs) to improve quality and performance.
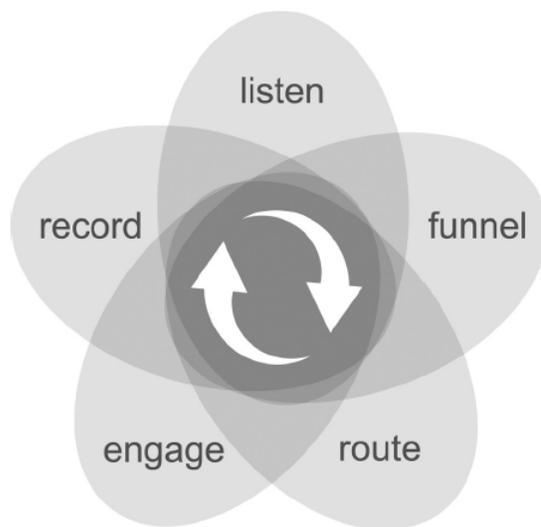
Figure 3. Successful contact center customer engagement involves five key processes: listening, funneling, routing, engaging, and recording.

Social Contact Center Maturity Models

Although many organizations have begun to deploy elements of the social channel across individual departments, they're lagging in their ability to operationalize social media into existing infrastructures and business processes. This is due to a plethora of Band-Aid approaches and misalignments with overall customer experience strategy.

Research shows a clear spectrum of maturity models applied to social enablement and adoption within contact centers. This reflects a combination of

- The culture and behavior of people and organizations with respect to social media

- The organizational processes through which social media is applied and managed

- The technologies being used to social-media-enable the contact center

The maturity model of social media within contact centers can be mapped into two main categories: early adoption and mature enablement.

"Social CRM for customer service is still in the early stages of adoption, and as a result the business processes and policies for handling these interactions are still being determined."

Drew Kraus, "Emerging Technology Analysis: Social CRM for Customer Service," Jan. 28, 2011; Gartner

Early Adoption Model (Common State)

Most organizations today are in the early adoption stage, which is defined by several key characteristics.

People and Culture

The following states are typical for organizations in the early stages of social media adoption:

- Customer experience may be perceived as important, but not much more than lip service is applied to the concept—especially in regard to social media integration.

- The contact center is still viewed primarily as a cost center and a customer triage tool.

- The organizational culture embodies a rigid "command and control" environment (in which empowerment is hierarchical), rather than a transparent environment (in which *all* employees are empowered).

- Social media management remains siloed in departments—and under the control of marketing.

- The contact center does not actively monitor the social channel—which means that when it does get involved in a social interaction, its response is purely reactive.

Process

Most organizations in the early stages of social media adoption have yet to integrate social interactions and social management with the rest of their customer support and business process. For example:

- Social interactions are not integrated across the organization, and business processes cannot be shared across departments.

- Social interactions are ancillary to existing contact center customer processes.

- Social management is either completely separate from contact center management or poorly "bolted on."

Technology

The following states are typical for contact centers in the early stages of social media adoption:

- The organization may be using simple (and free) tools such as TweetDeck to monitor social interactions.

- The organization may be using a single-purpose standalone social tool that is not well integrated with the existing customer management solution.

- Knowledge captured from social interactions is separate from existing knowledge repositories.

Bottom Line

Organizations in the early adoption stage have yet to fully leverage the value of social media within the contact center. This is because they have not yet connected the interactions derived from social media with any customer experience objectives or strategic planning. As a result, they're facing higher costs (due to redundant processes, staffing, and knowledge), poor and inconsistent customer experiences (which lower CSAT [customer satisfaction] scores and loyalty rates), and a lack of accountability (from an inability to plan or measure outcomes). For this reason, few organizations in this stage of social adoption have been able to realize tangible returns on their social investments.

"There is strong corporate awareness, including at corporate executive levels, of social networks and their potential impact on corporate brand management and customer service perception. The high-profile nature of social networks and social CRM for customer service, along with awareness of its potential impacts, is expected to rapidly advance adoption from early adopter to mainstream deployments despite the volatile and rapid evolution of social networks in general."

Drew Kraus, "Emerging Technology Analysis: Social CRM for Customer Service," Jan. 28, 2011; Gartner

Mature Enablement Model (Transformational State)

A mature enablement model for integrating social media into the contact center is something few organizations today can boast. Those that do have such a model in place will go far in differentiating themselves from the competition. Although what constitutes a mature enablement model continues to evolve, the following subsections describe the key characteristics of organizations with mature social enablement models today.

People and Culture

In organizations with mature enablement models for integrating social media into contact centers, the following statements generally hold true:

- Customer experience is an executive imperative designed to create competitive advantage and business value.

- The contact center is recognized as a strategic element of delivering customer experience excellence.

- Organizational culture is transparent, and staff at all levels is empowered.

- Social media is an organization-wide imperative.

- The contact center proactively monitors and manages social interactions.

Process

In a mature enablement model

- Social media is fully operationalized within existing organization-wide customer management processes.

- Social media is viewed and managed as an engagement channel not unlike other traditional channels.

Technology

In a mature enablement model

- A unified customer experience solution seamlessly manages customer interaction across all channels, including social channels.

- Technology intelligently routes social interactions based on intent and sentiment to the appropriate resources in the organization.

- Social media is infused into existing knowledge management processes and is a unified part of the organization's knowledge foundation.

Bottom Line

In a mature enablement model, the integration of social interactions into the contact center serves as the linchpin for fulfilling corporatewide customer experience objectives. Organizations are able to enjoy tangible, measurable benefits and ROI by fully incorporating social interactions within their existing customer processes. The benefits that organizations stand to reap include increased savings from operational efficiencies, improved customer satisfaction and retention rates, and increased revenue through greater cross-sell and up-sell opportunities.

Figure 4. When it comes to using social media to promote and build your brand, you need to ensure that your social media interactions are r*elevant, reliable,* and available—whenever and wherever customers are *ready* for them.

The 3 Bs of using social interactions to deliver a superior customer experience are

• **Be ready** *where* your customers are, know *who* they are, and engage with them *in their way.*

• **Be relevant**, authentic, and part of the conversations about your brand.

• **Be reliable**, secure, consistent, and exceptional as an experience and as a service.

Conclusion

To deliver on your brand promise, you must

- Consistently listen, monitor, capture, and manage relevant conversations inside and outside your branded domains.

- Implement tools that integrate and extend the reach of the contact center and the knowledgebase to ensure that consistent, relevant information is captured and distributed across all interaction channels—rather than creating silos of duplicated, out-of-date content.

- Engage across all channels with consumers who are looking to solve problems, voice opinions, discuss ideas, and seek assistance.

- Integrate social and established communication channels into existing business processes to provide reliable knowledge resources that ensure seamless, efficient cross-channel delivery—rather than adding bolt-on, extraneous processes and workflows that create inefficiencies and compound costs.

- Combine efforts across the organization (marketing, support, and IT) to uniformly manage social demands and consumer experiences.

- Invest in platforms that centralize experience, expertise, and methodologies to ensure adaptive, innovative, and mission-critical delivery—rather than managing disconnected, spliced, or rigid systems of varied accessibility and availability.

In essence, you need to embrace a customer experience strategy that enables you to operationalize social technology and methodologies within your existing resources. You also need business processes that can scale organically with your business and enable you to not only adapt to consumer change but also actually predict and influence it—creating a unique and sustainable differentiator for your brand.

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