

**INTEGRATING
SOCIAL MEDIA IN
THE CONTACT
CENTER TO
DELIVER ROI**



“...When looking at social media, we have to break it down into the three proverbial legs of the stool - the people, the process and the technology requirements needed for listening, interacting and managing this new and advancing trend in communication...”

A recent survey of our client executives revealed that among their top three concerns and investment considerations for 2011-2012 is the issue of social media and addressing how to integrate this very new and exciting channel into their marketing, sales and service operations. At USA800 we view social media as a major new frontier, not only for our own marketing and sales initiatives, but as a potentially viable outsourcing suite of services we can offer our clients. Consequently, we have been studying the market and doing some experimenting with deploying some of the channels in our own environment. After having observed, first hand, the breadth and complexity of the social media landscape, I thought it would be helpful to share some of our research and insights gained from that analysis with our prospects, clients and industry constituents.



About the Author:

Tom Davis is CEO and Employee-Owner of USA800, the largest employee-owned contact center located in the Midwest. Having been in the contact center industry for over 20 years, he is passionate about measuring and delivering ROI for his clients.

Introduction

The adoption of Social Media is not unlike the era of web integration, when we first accepted the concept of introducing the web channel into our contact centers as more than just an e-mail response medium. Even e-mail, you may recall, represented new challenges for our operations' staffs. We were faced with new technologies, had to build new processes and from a people perspective, we now needed agents that could actually type and type fast. We had to develop and deploy ready response FAQs and knowledge bases and be able to manage to customer expectations of satisfactory timeframes for response turn-around, which often was anywhere from 4 to 24 hours. Those days now seem like antiquity...

So now faced with an integration challenge of the social media channel, we need to leverage our learning from the past and approach it from the same proverbial three legs of the stool – people, process and technology. Just as we did with the web (to which I am going to argue social media is just another spoke), we need to determine the people, the process and the technology requirements for listening, interacting and managing this dynamic new thread of communications.

Therefore, my research has focused on this thinking and in addition to the People, Process and Technology summaries and implications we uncovered, we also found some very interesting commentary regarding the ROI of social media that I think you'll find helpful in your business and social media planning initiatives for this year and next.

Social Media - The People Component

From a people perspective, I think there are really two major populations to consider:

- 1) Understanding overall consumer trends in terms of the frequency, volume and geo-demographic make-up of the people that are frequenting social media sites and channels, and more importantly your site and social portals.
- 2) Understanding the requirements and skills we as contact center service providers need to acquire at all levels of the organization in order to adopt and integrate these new channels into our organizations.

Two Groups of People to Consider with Respect to Social Customer Management

1. *The social media end-user*
2. *The agents required to serve and sell to the social media end-user*

Until I started reading all the research and surfing these sites myself, I had not fully realized how many social media channel tributaries existed – each one with its own purpose and focus, but all potentially linking back to a single customer's point of reference and set of touch-points. What is also interesting relative to the socio and geo-demographic profiles of the people who frequent these sites, is that they are all very different. The user profile is also rapidly changing, become older and more affluent, as these channels become more main-stream – again, similar to the pattern of user adoption we saw happen with the web. Within the social-ecosystem, of the roughly 200 million US internet users, growing to 221 million in 2013, 63.7% (148M) are currently engaged in social networking of some kind and 53% (123M) are engaged in reading and/or contributing to at least one blog.¹

¹ Phillips, Lisa E., "US Internet Users", E-Marketer Digital Intelligence, (Feb, 2009)

A Snapshot of the Social Universe Heavy User

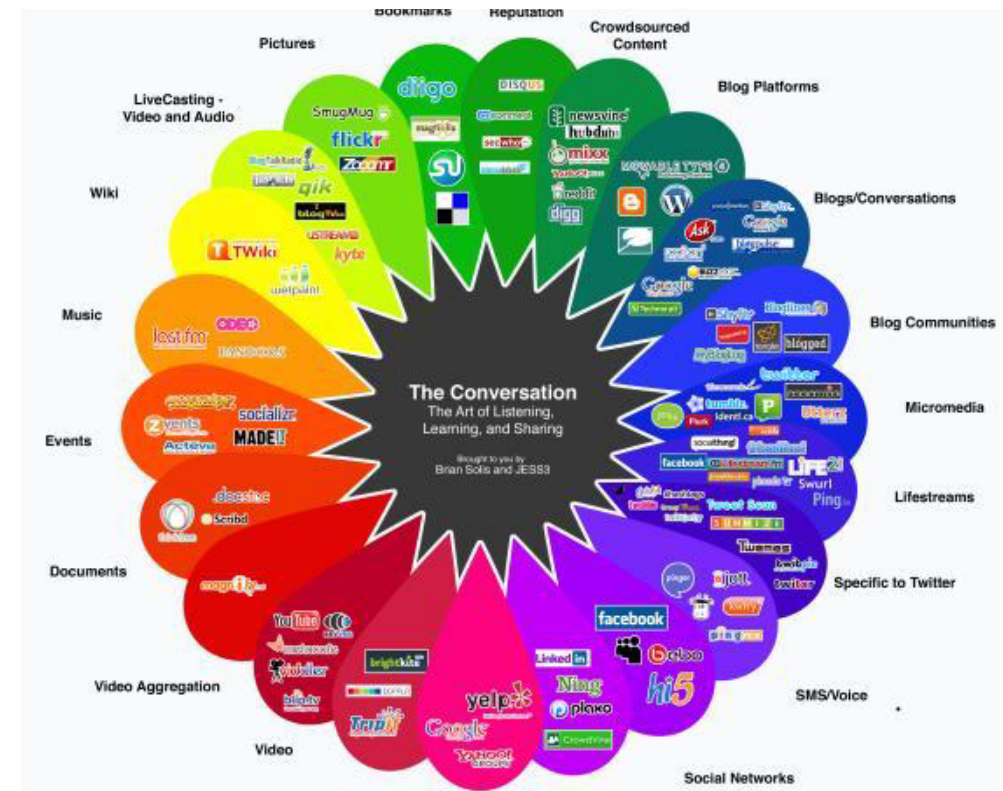


Figure 1

the highest percentage of website connects, than any other social media network or social site of any kind, in the industry. The implication of this is huge to marketers who want to promote and drive more traffic to their site, but also highly relevant from the standpoint of knowing where to position their own customer facing community portals and care access points.

Twitter Population – Twitter users tend to be older with 32% of their user population falling into the 35-49 age range versus only 16% that are in the same age group on Facebook™. They are also less affluent than Facebook™ users and are more likely to be single or have younger children living at home (less than 2 years of age). At the same time, they have a slightly higher percentage of college educated users than Facebook™ users.

While Twitter boasts a total of 20.6M users, 5% of those users account for 75% of the overall activity. In fact, 21% have never posted a tweet and most Twitter users quit tweeting after 90 days.² Many of the top tweeters are 'influencers' such as celebrities who others like to follow (i.e. #1 - Ashton Kutcher, #2 Britney Spears, #3 Ellen Degeneres, #4 Barak Obama).³ As a customer sales/service channel, it is important to monitor and influence, especially watching for new twitter account members that are also your customers, but is not likely to be a channel highly leveraged for building long-term brand equity and customer loyalty.

Approximately 80-90% of the social network activity in the United States is currently being generated by one of two sites. Facebook™ being #1 with 132.5 million people and an expected 150+ million by 2013, followed by Twitter as #2 with 20.6 million people and expected to grow at a double digit rate to 27.7 million by 2013.

Facebook™ Population - Facebook's core user group started out relatively young, but has become more diverse in the last few years, with the largest percentage of growth coming from boomers and seniors launching their own Facebook pages. Users also tend to be more affluent than those on Twitter or YouTube.

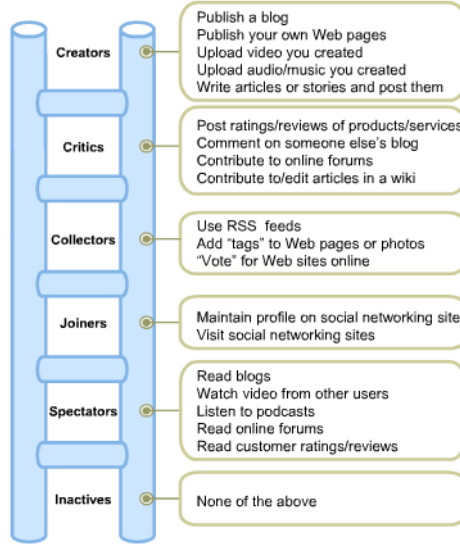
From a customer management perspective, Facebook™ generates

² Alex Cheng and Mark Evans *An In-Depth Look Inside the Twitter World*, www.sysomos.com/insidetwitter (June 2009).

³ *Digital Trends, Twitter Statistics on Its 5th Anniversary*, <http://www.onlinemarketing-trends.com/2011/03/twitter-statistics-on-its-5th.html>, (March 15, 2011)

Reason #3: Business people love social tech

The Social Technographics® ladder



Groups include people participating in at least one of the activities monthly.

Figure 2: Forrester - The Social Technographics® ladder



Within each of these social networks, as is the case within any social community, there is a hierarchy of user adoption and participation. Forrester is probably the leading industry analyst, right now, from a customer management perspective, so I will use their hierarchy as the primary example and what they refer to as "The Social Technographics® ladder". What I find highly interesting is the trend data that shows how the level of social participation is increasing, year over year. See Figure 3 below.

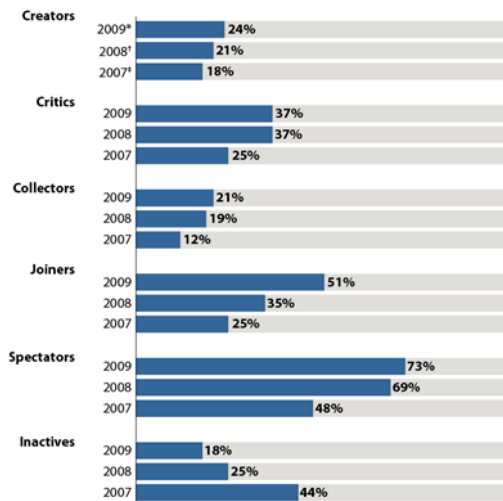
These stats are relevant from the standpoint of benchmarking the profile of typical social channel users against your customers' social communities, which should be the first step in

establishing your contact center strategy. As the profile of the "socially active" base changes, and it is changing, so likely will your base of customers who participate in these communities. Profiling, listening and understanding the social usage patterns of this group of customers as compared to your overall market segmentation and other contact channel profiles is critical to creating an effective social customer service strategy.

People Implications as They Relate to the Contact Center

From the perspective of managing a contact center we generally look at aligning the skill sets required for the work that we do with our agents, or what we call at USA800, our employee-owner customer advocates. The network of social media sites and channel applications, however, are expanding so rapidly that companies really need to hire experts at a management and supervisory level that can help us navigate these new waters. Matching the recruitment profile against the socially active "heavy user" profile, might be a good place to start. I pulled some excerpts from a post off the Altimeter's Group blog, while researching this paper, that was left by a social media marketing expert/trainer, Carri Bugbee. She succinctly captured the point of needing to hire those who have hands-on experience: "..... It's all so new, if you haven't been eating, sleeping, and breathing it every day for a few years, you just haven't seen

Figure 3: January 2010 "Topic Overview: Social CRM Goes Mainstream" More Than Four In Five US Online Adults Now Participate Socially



Base: US online adults

*Source: North American Technographics® Interactive Marketing Online Survey, Q2 2009 (US)
 †Source: North American Technographics Media And Marketing Online Survey, Q2 2008
 ‡Source: North American Social Technographics Online Survey, Q2 2007

enough of it to know what's possible. It's my personal belief that nobody should be "running" social media within a company unless he/she has already created thousands of posts and built up thousands of friends, fans or followers."⁴

Carri's remark was logged in reaction to a study that was published in February of this year by two leading Forrester social media analysts on, *How Corporations Should Prioritize Social Business Budgets*, which found that the companies who were considered the most "advanced" (e.g. Dell, Wal-mart, Comcast, Wells Fargo, Adobe, HP, Microsoft) in terms of developing and managing their social business, tend to spend 68% more on staffing than those that were classified as "novice" or "intermediate". Although, the same study found that these organizations also tend to under-spend on ongoing digital media training and development. This, they believe will change once their social business function matures and becomes integrated into the overall business model.

Advanced social media players are more likely to have integrated their social monitoring and management functions into their mainstream customer service organizations, but generally only after incubating them first in a centrally controlled environment. Social interaction management specialists are likely to have been hired with a distinctly different set of skills and experience; even though they may be co-located with other customer service agents, their role and method of interaction with customers is uniquely different from that of their counterparts. This is much akin to how we first introduced Chat, if you recall. We discovered pretty early on that agents who were good on the phone, were not necessarily good at handling chat interactions and were even worse at trying to do both at the same time. In fact, Chat was nearly abandoned as a mainstream channel until we correctly staffed and were able to substantially reduce our cost per contact by simultaneously handling multiple sessions.



In my experience, when it comes to human resources, the same recruitment, hiring, training and management considerations apply to introducing a social media business strategy as they did to introducing our overall web and digital strategy, that being:

- 1) **Plan and establish business processes** – make sure that you have done your research planning and have a roadmap for implementing your social business strategy, including the procedures and governance policies surrounding how you manage these channels.
- 2) **Profile, recruit and hire the best** – determine the skill-sets and profile of the individual based on the unique requirements of the job function and hire professionals with real "hands-on" experience. As an outsourcer, I have no choice but to hire the best, but I can also spread these resources over a broader base of work.
- 3) **Tool and train appropriately** – make sure you have the appropriate technology tools in place across the board to not only monitor and manage social interactions, but to track and report performance, as well. Institute a "hands-on" training approach requiring users become active participants and familiar with all aspects of the social media channels.
- 4) **Incubate and experiment** – start small, test and refine your processes in a controlled environment before scaling.
- 5) **Monitor, coach, and develop** – while the metrics and tools for how you do this may be different for social media, your overall approach to people management and development should be consistent with the rest of your customer management organization.

⁴Owyang, Jeremiah, "Data: How the Advanced Corporations Spend on Social Business (A Glimpse Into the Future)", WebStrategy, <http://www.web-strategist.com/blog/2011/03/24/data-how-the-advanced-corporations-spend-on-social-business/> (March 24, 2011). Comment by Carri Bugbee

- 6) **Continuously improve** – instill a sense of continuous improvement soliciting front-line agent input and feedback mechanisms that also incents and rewards performance improvements.

Social Media - The Process Component

Introducing a Social Customer Management Business Process for Managing Customer Interactions:

There are several best practice process models that have been introduced by the social pundits and business experts, for launching a social customer management sales and service function. Generally speaking, they all incorporate the three major stages of Listening, Learning and Responding. I think a good example and abbreviated description of the social media customer interaction process flow is the one that RightNow Technologies has created in conjunction with their fully integrated customer management platform.

Figure 4: RightNow Technologies Social Customer Management



The RightNow Model incorporates the notion of planning, which we discussed earlier as critical first step in understanding the profile of your audience, their social habits, behaviors and preferences. It also breaks the learning phase into two components, participation and evaluation. The participation element of the customer management process in social media is critical, as it provides an opportunity for the sales/service agent to not only get that “hands-on” experience we referred to earlier, but also helps to build rapport with customers. In addition, I would modify the labeling of the last phase of their model to read “Engage” as opposed to respond. The role of our agents within the industry has evolved to being more collaborative and that of a confidant. We no longer just try to resolve the customer issue, but leverage the interaction as an opportunity to create brand advocates and referrals – this is especially true in the social realm of customer management.

Breaking down each of these process components and their subcomponents further:

1. Plan:

- Profile and analyze social user population characteristics, behavior and volume of activity.
- Align social contact management goals with overall business strategy and objectives.

- Create company guidelines for all employees relative to company related social channel use and customer interaction – the contact center should be the primary funnel for customer interaction.
 - Create agent training, monitoring, measurement, performance and feedback mechanisms.
- 2. Listen:**
- Leverage social site monitoring tools to observe sites where brand relevant conversations and social activity is occurring.
 - Aggregate, summarize and review content with internal teams to create business rules and protocols for agent intervention and escalation.
- 3. Participate:**
- Create a social media lab like environment for hands on exposure to social media sites, tools, etc.
 - Enable social interaction management specialists to create their own profiles with their pictures and post to relevant customer facing portals.
 - Encourage customer engagement in customer conversations on network sites, blogs, within designated community forums, etc. in keeping with agent/employee guidelines.
 - Post updates and outcomes of previous interactions, including company product/service news.
- 4. Evaluate:**
- Leverage social monitoring analytics tools to gather, analyze and prioritize actions for inbound customer content.
 - Establish a customer triage approach for grading and scoring inbound customer comments that correspond to how, when, and who should intervene, or not.
 - Determine which contacts should be transferred to traditional contact center agents.
- 5. Respond/Engage:**
- Engage, show empathy and collaborate with distressed or unhappy customers.
 - Ignore aggressive, violent, vulgar remarks or commentary and continue to monitor.
 - Correct incorrect or inaccurate statements politely.
 - Leverage requests for additional information to educate and further the conversation.
 - Do not sell or promote your brand outwardly, recommend and inform.

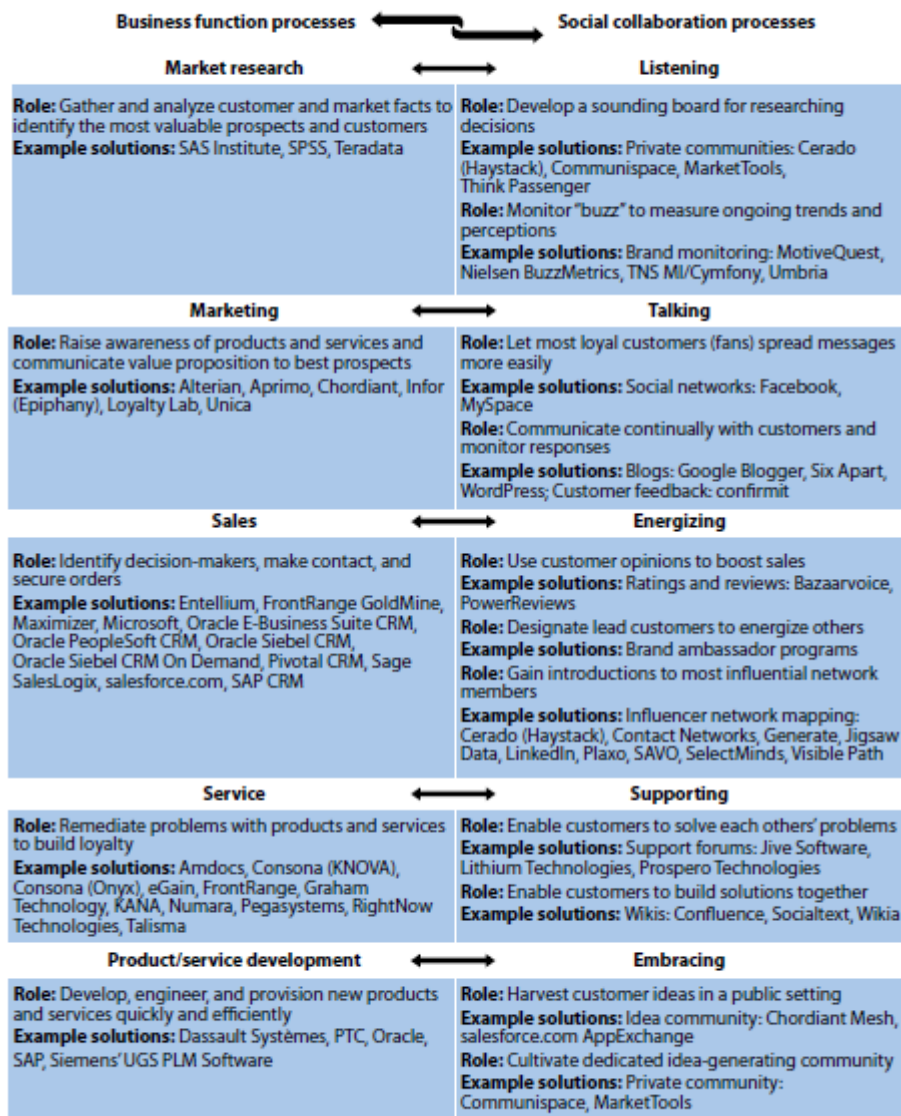
Social Media: Technology Component

The technology landscape for monitoring and managing social media interactions is highly fragmented and incorporates a host of disparate point solutions that, for the most part, all perform one or more of the needed functions in the workflow of identifying, analyzing and managing a social contact. The myriad of software providers and solutions for social media management looks very much like the same cascade of characters we saw with the introduction of CRM and the evolution of the web. Forrester, again, being the leading analyst in this space has done a great job cataloguing all of the various vendors by role and function, relative to their overall process model, for social collaboration. Not seeing the necessity to reinvent the wheel and admittedly not being an expert in the area of social media platform technology, I have included their landscape (shown on the next page), as a baseline.

Within the social management technology sector, as we witnessed with the maturation of multi-channel CRM applications, we are beginning to see consolidation among vendors, as well as an emergence of fully integrated enterprise solutions that incorporate all of these functions within a single platform. Radian6's recent acquisition by Salesforce.com is just one example of a trend that I believe we will see occurring over the course of the next few years. But what I think is even more interesting about the Salesforce/Radian6 merger is the ultimate convergence between Enterprise Feedback Management (EFM) applications; used to gather, analyze and disseminate customer insights; and CRM applications, used to manage and disposition customer contacts. RightNow Technologies has already attempted

Figure 5

Figure 7 The Next-Generation CRM Solutions Landscape



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Source: Forrester Research, Inc.

to venture down this path with their EFM tool suite and is well positioned to create an end to end/closed loop customer engagement platform.

I suspect there will be functionality gaps, as there always are, with respect to any of these integrations which will dictate the necessity for customization and in-house development of our own technology solutions, which is what USA800 has traditionally done. As a service provider, we need to have highly flexible applications that can be modified and adapted to integrate with any of our clients' CRM and order management/fulfillment platforms. As a result, we tend to integrate best in breed solutions with our own suite of solutions, such as our CRM Contact Central™ or develop them ourselves.

As a first consideration, there are also a number of free social listening and contact management solutions that are available on the web, as well as from the various network service providers. Google Alerts, Social Mention, BoardTracker are just a few examples. My advice to anyone that is just getting started with their social media management strategy, is to experiment with some of these

tools first. Familiarize yourself with the tool functionality and gain a better perspective of what they do before jumping all the way in. It will be a while before the technology landscape shakes out in this space and the inner circle winners emerge. Hence, it might be better to wait before making any large technology investments or better yet (and as I always recommend), outsource.

Social Media - The ROI Component:

There has been a lot of theoretical speculation published on the ROI of Social Media, but not a lot of hard data or results. From a sales and customer service perspective the major cost and revenue levers are as follows:

Primary Cost Savings Components:

- **Reduces call and e-mail volume** – customers are able to help each other and resolve issues through on-line conversations and posts, without ever needing to contact a customer service representative.
- **Increases Agent Productivity** – responses crafted by customers are generally more succinct and generate a more accurate/proven response history for agents to leverage as part of their knowledge base, which enables them to handle contacts faster and therefore more of them.
- **Increases FCR/Reduces AHT** – better responses to customer questions are enabled by having more complete and accurate knowledge bases, which ultimately results in higher resolution rates and shorter contact durations.
- **Up-stream business process improvement/cost cutting** – similar to conducting agent focus groups or mining customer comment data, the on-line community creates a forum for customer recommendations for how to be more efficient and improve our overall business practices.

Primary Revenue Enhancement Drivers:

- **Increases WOM brand exposure and referrals** (e.g. the average Facebook user has 135 friends) – on-line mentions and referrals work both on the scene and behind the scenes to generate more sales and build customer confidence among buyers.
- **Improves SEO engine performance and accuracy** – key words generated from multiple sites and links coming into customer facing community portals, as well as those taken from customer quotes and mentions, can be used to fine tune SEO engine and on-line advertising effectiveness.
- **Improved up-stream product development and ideation** – on-line communities serve as having a 24/7 open suggestion box that can lead to successful new product/service ideas or lines of business.

Social customer management is still in its embryonic state for most firms, consequently there is not a lot of reference material or case studies that have been published yet with long-term quantifiable benefits. Most of the references I’ve seen are anecdotal, at best, or isolated primarily to marketing examples.

That being said, the Aberdeen Group, published a study in February of 2009 that surveyed a diverse group (in terms of industry, revenue, headcount, etc.) of 275 companies relative to social media best practices and the financial impact it has had on their overall Return on Marketing Investment (ROMI), WOM Customer Referrals or Net Promoter Scores and new Customer Acquisitions Rate. The Aberdeen model then stack ranks the organizations based on their reported performance metrics and how they score across several key dimensions of social media engagement and business integration. Companies are then provided an overall score and separated into the following three segments:

For those classified within the Best-In-Class performance category, the following observations were made as they relate to social media business practices:

- 97% kept their annual spend rate for social media even (34%) or increased it (53%); only 3% decreased their spend.
- Roughly two-thirds engage in viral, evangelist or influencer marketing programs and roughly 90% engage in community and referral based marketing initiatives.

**Figure 6:
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	<ul style="list-style-type: none"> ▪ 95% improved the likelihood of customers recommending their products or services ▪ 87% improved their ROMI ▪ 95% improved their customer acquisition rate
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 36% improved the likelihood of customers recommending their products or services ▪ 49% improved their ROMI ▪ 58% improved their customer acquisition rate
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 2% improved the likelihood of customers recommending their products or services ▪ 0% improved their ROMI ▪ 6% improved their customer acquisition rate

Source: Aberdeen Group, February 2009

- 58% of best in class companies versus 27% of laggards have dedicated resources devoted to social media marketing and are 2.5 times more likely to have executive level support for the social media efforts.
- Roughly two-thirds have established processes for monitoring, disseminating and acting on social media insights, as well as enhancing their capabilities over time.
- Approximately 50% have invested in social media monitoring, mining, and/or customer engagement platforms and dashboards, however only a third have established formal social benchmarking and performance metrics.

Figure 7: Average Adoption and Spending on 12 Social Business Categories by Corporations in 2011, by Program Maturity Level (Sorted by Advanced Spending)

	Novice		Intermediate		Advanced	
	Adoption	Spending	Adoption	Spending	Adoption	Spending
Internal Soft Costs						
Staff to Manage	68%	\$133,000	76%	\$303,000	88%	\$406,000
Training and Education	85%	\$9,000	76%	\$15,000	76%	\$66,000
Research and Development	55%	\$8,000	75%	\$59,000	74%	\$56,000
Customer-Facing Initiatives						
Boutique Agencies (specializing in SM)	32%	\$31,000	55%	\$96,000	59%	\$238,000
Ad/Marketing Spend	63%	\$36,000	78%	\$204,000	78%	\$195,000
Traditional Agencies (deploying SM)	52%	\$51,000	49%	\$162,000	35%	\$87,000
Influencer/Blogger Programs	37%	\$12,000	66%	\$60,000	85%	\$50,000
Technology Investments						
Custom Technology Development	28%	\$11,000	58%	\$55,000	68%	\$272,000
Community Platforms	42%	\$78,000	58%	\$126,000	78%	\$198,000
Brand Monitoring	60%	\$42,000	87%	\$108,000	89%	\$150,000
Social CRM	6%	\$1,000	42%	\$27,000	44%	\$116,000
Social Media Management Systems	39%	\$4,000	60%	\$28,000	72%	\$23,000

Base: 140 Global Corporate Social Strategists; for spending, those who have adopted each social business category.

Source: Altimeter Group

Aberdeen’s assessment of the ROI and best practices segmentation, closely aligns with the Altimeter Group’s more recent (February 2011) study on social media corporate spend, referenced earlier in this paper. Altimeter’s segmentation is derived by social media spend, correlated with the level of social media adoption and business integration, along many of the same criteria that Aberdeen used to also derive their three segments. Altimeter, however, only surveyed large companies with a minimum of 1000 employees and labels their three segments as Novice, Intermediate and Advanced. Their view of proportionate corporate spend levels by segment and social media category is worth noting.

Net, net the jury is still out as to what the expected thresholds of performance will be for corresponding investments in social media marketing, customer

management initiatives and technology. As the medium matures and companies forward integrate their SMMS and SCRMs platforms, I believe we will see more definitive case studies out there being developed, particularly as they relate to social customer management metrics and ROI results.

Figure 9: Altimeter Group - Study on Social Media

Figure 8: Top External (or Customer-Facing) Social Strategy Objectives in 2011 (Respondents allowed to choose three priorities.)



Base: 140 Global Corporate Social Strategists

Source: Altimeter Group

Altimeter’s study found that the average spend, among the 140 global firms they interviewed, on social media for 2011 is estimated to be \$833,000 across all of these categories, but the top two areas of spend will be focused on website integration with companies’ social portals, as well as Social Media Management Systems (SMMS) and Social CRM (SCRMs).

Summary:

This paper was intended to be a compendium of the most recent and relevant research available on social media, marketing and customer management and to serve as a back-drop for those of us who are still exploring our social business strategy, as to where the industry is headed. I hope that I accomplished that goal. In the months to come as USA800 begins to formalize our own social media marketing strategy and services offering we plan to release another paper highlighting the results of those pilots and case studies.

Social Media is definitely the new frontier, the new channel for “open mike” customer conversations and interactions and true to the name of the book that made it famous, it has certainly become a “groundswell”. I have attempted to draw parallels between the introduction and integration of social media to our industry and that of the web, when it was first introduced as a mainstream customer contact channel. After surveying the market and reading all of the experts published articles and research reports, I can say that I think that analogy is still a good one. I will say, however, that if the web is the hub and social media is just one of the spokes, then we certainly have our hands full in the years to come, because we have only just begun to understand the implications of this one.

About the Author:



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Tom has been in his role at USA 800 for 13 years and has been with the company for a total of 20 years. Tom was principally responsible for developing USA 800's ESOP offering and establishing its landmark position as the largest employee-owned, contact center company in the industry. Under his leadership the company has experienced double-digit growth over the course of the last 10 years while achieving record profitability.

Tom has a degree in political science and economics from Bucknell University and is passionate about measuring and delivering ROI for this clients. In his own words.....

"We focus on delivering an exceptional customer experience for our clients. USA800 is unique because our employees are owners and have a vested interest in delivering ROI for our clients. Our people, processes and technologies are focused around being performance-based. We are excited about the opportunity the social media channel gives us to deliver for our partners and their customers."

About USA 800

USA 800, Inc. is a 100% employee-owned, inbound customer care center which employs 1,300+ employee-owners at its three contact center locations (Kansas City, Missouri, St Joseph, Missouri and Halstead, Kansas). USA 800 has been named as one of the Top 50 Inbound Call Centers by Customer Interaction Magazine. The three Midwest call centers are comprised of 900+ multi-media workstations. For more than 30 years, USA 800 has been providing inbound sales, customer care and technical support functions. USA 800 serves a cross section of industries including: Catalog/On-Line Retail, Consumer Goods, Communications, Education, Government, Healthcare, Insurance, Utilities and Not for Profit. For more information, go to www.usa800.com.