

Why the COO should own social media service

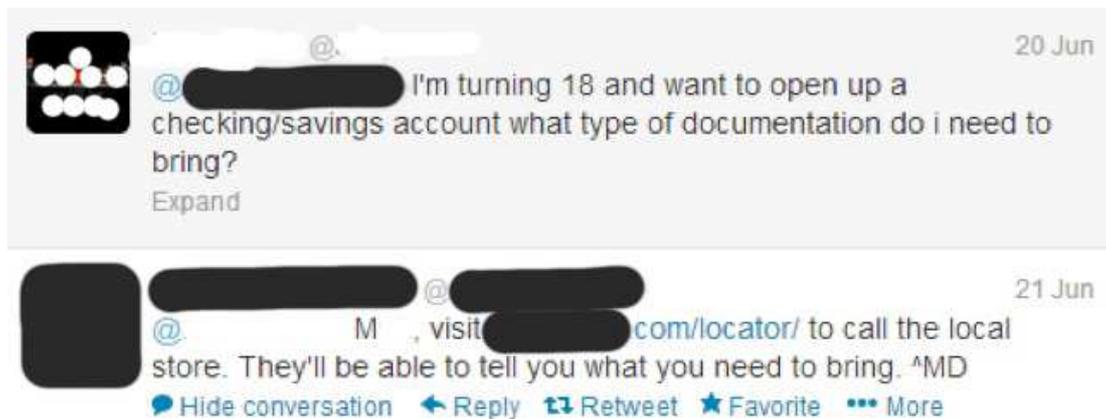
Social media have become quick, cost effective and powerful customer service tools, but too many companies don't put the management of these channels in the best hands

by Gadi BenMark

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A few years ago, the idea of using social media for customer care was virtually unknown. Today, more than 70 percent of US companies do it in some form¹ and nearly a third of the Interbrand 100 have set up dedicated Twitter handles for customer service². Done well, service via social media offers companies a chance to redefine the way customers think and talk about their brands, as players like Comcast, BestBuy and JetBlue have demonstrated.

Not everyone gets it right, however, Take, for example, this “mystery shopper” interaction between an 18-year-old prospective customer and a major bank:



Instead of answering the customer's simple, factual question there and then, the bank is giving him the run-around, obviously trying to end the social media interaction as quickly as possible. Such a potentially valuable new customer would be unlikely to receive such poor treatment if they called the bank or walked into a branch.

Similar or worse examples abound, with company representatives routinely insisting that customers switch to private conversations, or immediately directing enquirers to their telephone call centers, instead of interacting with them in the channel where they have chosen to engage.

What lies at the root of these surprisingly poor interactions, even at companies with a strong reputation for customer service? The answer very often is that social media channels are assigned to marketing or

1 <http://socialnewsdaily.com/wp-content/uploads/2012/10/business-social-media-use-infographic.jpg>

2 <http://finance.yahoo.com/news/study-customer-twitter-sees-63-140000702.html>

corporate communications functions. That makes sense when these channels are being used to build the brand, drive loyalty and boost sales. But it can lead to some frustrating experiences when customers have direct service requests.

Marketing functions often lack the resources, experience, expertise or institutional support to handle service issues well, particularly in the face of rapidly rising volumes of requests. They may also feel that conversations with a dissatisfied customer should be conducted away from the public eye, or that customer service issues are “littering” marketing channels like the company’s Facebook page.

An opportunity for operations

Based on our experience, we believe that responsibility for service via social media belongs, like other customer service channels, to operations. Further, companies that do develop a truly effective social media service capability have the potential to reap significant operational benefits from doing so.

Service by way of social media offers benefits across all the categories companies use to measure their customer service performance. Customers like it: 71 percent of those who have a good social media service experience are likely to recommend the brand to others³. Social media channels also work just as well as call centers in delivering upsell or service-to-sales opportunities, with the added advantage of being able to seamlessly guide customers to relevant web pages or video content. Some players, like Walmart, go even further, joining social media conversations to offer support and guidance to customers discussing relevant products or expressing frustration with competitors.

For most companies, however, the single largest financial opportunity of service using social media is the potential to divert service requests from costly call centers. On average, handling an inbound telephone call costs a company \$6 to \$8, while an interaction using social media costs less than \$1⁴. Of course, not every service request suits social media. These channels work best for simpler issues that lend themselves to a full response in writing. Volumes are still relatively low—40 percent of companies handle 5 percent or less of their service requests using social media – but there is little doubt that many companies could handle far more customer interactions this way, if their social media service channels were built, staffed and promoted to do so.

Building a social media service channel

With the involvement of the service operations function, companies can quickly and decisively improve the performance of their social media service efforts. At one financial services company, for example, while the Chief Marketing Officer championed service alongside social media marketing, the COO took ownership of the channel, with the specific objective of delivering savings by diverting traffic from the organization’s call centers.

3 <http://www.slideshare.net/NMIncite/state-of-social-customer-service-2012>

4 http://www.rightnow.com/files/analyst-reports/RightNow_Multi-Channel_Contact_Center_Benchmark_Report.pdf

The company selected a group of experienced customer service agents and put them in charge of service via social media. Agents chosen for the new role shared some important characteristics: deep product experience, excellent writing skills and the ability to act as strong customer advocates. They were given additional training, both in the technicality of social media and in compliance considerations such as in recognizing the kind of information that is appropriate to share in a public channel.

Significantly, initial IT investments were low. Rather than investing upfront in the changes required to integrate social media channels into its service IT infrastructure, the company gave its social media agents a dedicated social media terminal that sat alongside the existing customer support system. This not only allowed it to bring its social media service capability online faster, it also gave it a base of real world experience that would better inform its subsequent development of a fully integrated system.

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While marketing functions may have pioneered the use of social media in many companies, we believe that the natural home of service via social media is inside the organization's existing service operations function. Only service operations are set up to deal with service queries at scale, and only Service Operations have the experience and expertise to address customer service issues.

Granted, social care is different—it's all in public and all in writing, it runs on non-traditional channels, and as a result represents both a higher bar for service excellence, and an increased downside risk from providing ineffective service. But these are exactly the sort of challenges to which service operations need to rise■

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