

Social Customer Insights

Building Customer-centric Organizations

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Executive Summary

Back in the days when people in a small town purchased everything they needed from the local market, businesses had an opportunity to truly understand their customers and provide exemplary, personalized customer service. The local grocers and butchers, for instance, were able to interact with their customers on a regular basis, understand their needs, likes and dislikes and tailor their operations to better suit their customers. Clearly, they ran customer-centric businesses in which customers played an integral role in shaping business decisions.

We know that things are quite different in the flat world that we live in today. While customers have enjoyed access to a broader variety of products and services at competitive prices, they have had to move farther away from the core of the business to allow businesses to leverage their economies of scale. Instead of shaping business decisions, customers live with the decisions that have been made for them.

Due to the impersonal means through which businesses interact with their customers today, businesses depend on touchpoints such as points of sale and points of service to get in touch with customers – they try to collect feedback from their customers at each touchpoint to better understand how customers use and view their products and services. They also have detailed information about each customer. Despite having a sea of data about customers and their interactions with the organization, businesses struggle with understanding their customers as individuals and with providing authentic experiences to their customers.

Social Media enables businesses to deliver those authentic experiences and collect better feedback, presenting a win-win situation for businesses and customers.

The proliferation of the social web has made it all the more easier for people to share information about themselves and about their experiences anytime, from anywhere with anyone. As a result, the web exists today as an ever-growing repository of user-generated content – The number of user-generated content creators in the US will increase from 43% of Internet users in 2008 to 52% by 2013¹. Buried in this content, are individuals' profiles, their interests, connections & thoughts and sentiments or feelings on various topics. Businesses can now leverage the publicly available information to better understand their customers and improve the products, services and experiences they offer to their customers. The social web would thereby allow businesses, irrespective of their size and global reach, to effectively migrate to a customer-centric model.

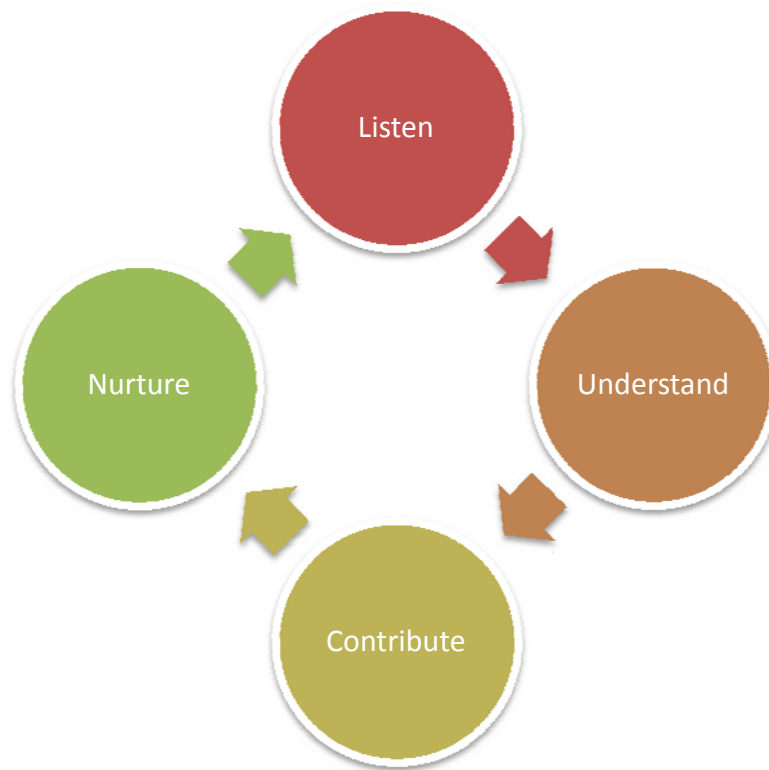
This paper points out why businesses should leverage the social web to understand their customers beyond their relationship history with the company. Further, it covers how companies can improve customer experience and customer advocacy by harnessing the insights gathered about the social customer.

Building Authentic Relationships

Customers reward businesses that understand their needs and solve their problems. On the other hand, they drift away from those that disregard their preferences. While this has always been the case, the interaction explosion that happens on the social web has manifested this customer behavior loud and clear. The voice of the social customer has been heard and she has demanded nothing less than customer-centric organizations.

The business world is in the process of organizing itself to best meet this demand. This may require profound changes to customer relationship management spanning across multiple departments within an organization. Businesses should begin by building authentic relationships with their customers as such relationships will be instrumental to success in the social age.

Great relationships are built when people listen and understand each other, contribute to their mutual well-being and strive to nurture the bonds that result. It's no surprise that the same applies to relationships between businesses and their customers as well.



So let us explore how businesses can perform each of these functions better to build authentic relationships with customers.

State of Listening

Today, businesses gather feedback explicitly by asking customers, and also implicitly through customer interactions. While businesses have advanced feedback chains in place, studies reveal the shortcomings of this approach and the customer behavior patterns that require us to look beyond the current state of listening:

- Only 19% of customers say they always participate in surveys².
- Bad customer experiences erode customers' trust in a business. Understandably, customers who have had such experiences are less likely to provide feedback through surveys than those who have had good experiences². This partly explains why businesses end up hearing what they want to hear through surveys.
- 52% of frustrated customers share their bad experiences with friends and family². By 2015, 75% of frustrated customers will use the social web to share those experiences.
- 65% of customers want businesses to use the social web to identify/address issues that have been expressed publicly³.

Given the shortcomings of the data gathered internally by a business and the inability of operational data to convey the emotional, attitudinal, or preferential expressions of customers, it's easy to see why businesses should listen to their customers on the social web, to better assess the true voice of the customer.

Listening to the Social Customer

The social web is rich with large amounts of unstructured user generated content. While valuable information is buried in this content, it is important to note that this is a fire hose of data. The social web needs to be curated so that businesses can gather pertinent insights, and eventually merge those social insights with enterprise insights.

Amidst all the noise, businesses need to find ways to listen clearly to the personalized voice of the customer:

- Identify customers on the social web and connect their social profiles with enterprise information systems
- Listen to customers' public standpoints or sentiments [likes, dislikes & needs] on topics of interest to the business
- Identify topics/domains of interest to individual customers and their ability to influence their peers on those topics/domains

This ability to listen to the customer base, one customer at a time, will empower businesses not only with an understanding of individual customers, but also with an understanding of customers as a whole.

Understanding the Social Customer

Individuals share information publicly on the social web to present a view of their interests, knowledge, opinions and reputation.



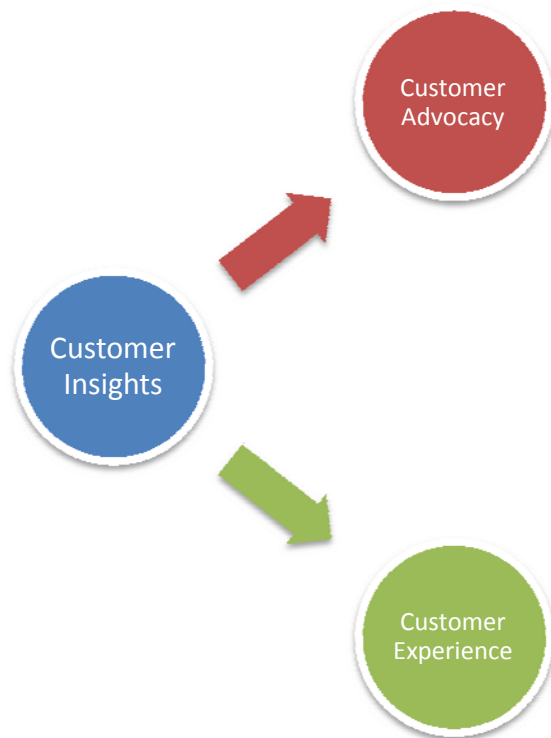
This publicly available information can be leveraged to understand customers as individuals. The social web transcends the abilities of enterprise information systems that are only capable of understanding customers as account-holders maintained as records in CRM databases. When businesses are equipped with the ability to truly understand customers as individuals based on their publicly announced personas, it opens the door to an amazing realm of possibilities to build and enrich authentic relationships. Further, using this information in tandem with information already available within the enterprise, businesses can get a better understanding of customer behavior and preferences.

It is apparent that the social web provides an opportunity for businesses to understand their customers better. At the same time, it also provides fundamentally different mediums for businesses to communicate and collaborate with their customers. For instance, the terms of engagement on a social channel, such as a blog, an online community or a micro-blogging service could be substantially different from those in place for traditional channels such as phone, email or chat. Businesses are beginning to identify best practices for social customer engagement, and are recognizing relevance, authenticity and openness as prime drivers for deeper relationships. Businesses should devise authentic ways to leverage

relevant social customer insights and initiate open interactions with customers both through traditional and social channels. This collaboration/engagement framework will facilitate value creation and deeper customer relationships.

Social Customer Insights at Work

Businesses can migrate toward a customer-centric model by leveraging social insights about individual customers' needs and desires to drive business decisions across multiple functions. With deeper, shared insights about customers, different departments within an organization will be empowered to drive commercial success while adding significant value to customers.



In particular, individual customer insights gathered from the social web is most valuable and directly applicable to boosting Customer Advocacy [Marketing] and Customer Experience [Service/Support]. Let us see how these insights could be leveraged to improve marketing and customer service efforts through traditional and social channels.

Driving Customer Advocacy – Marketing

Customers get delighted when they experience exceptional products and services. Even in times of disconcert, they express relief and appreciation when businesses reach out to them with authenticity. It is these moments of truth that convert customers into brand advocates.

In the social age that we live in, brand advocates are all the more important as 44% of consumers trust peer recommendations and 64% trust experts, but only 17% trust corporate advertising⁴. While it takes

commitment and synergy across several business functions to create brand advocates, marketers strive to identify them and build sustainable relationships with them. Insights gathered about individual customers from the social web can be extremely helpful in building those relationships.

Social Marketing Insights

With almost every other internet user in the US publishing content, the social web is evolving into an ever-growing repository for user-generated content. That makes the social web an indispensable resource for market research. The ability to identify individual social customer insights and to analyze the insights at an aggregate level, essentially allows businesses to understand the customer base, one customer at a time. These actionable insights could be leveraged to drive marketing efforts through timely, relevant and authentic messaging:

Insight	Benefit
Knowledge & Opinions	Informed Messaging that reflects the knowledge and opinions shared by customers, prospects, competitors and other online influencers
Interests	Targeted Marketing toward specific customer groups that share common interests
Influence	Word of Mouth marketing campaigns through specific individuals who have the potential & willingness to influence their peers on specific topics
Sentiment	Sensitive Messaging that reflects empathy towards customers Timely Offers that are directed at customers when they are more likely to buy

Recent studies have indicated that the social web is no exception to the Law of the Few. Since 20% of individuals on the social web influence the purchasing activity of 74% of the population, studies suggest that businesses should identify key-influencers online, build sustainable relationships with them, so that the most suitable individuals can be targeted with the right information, products and promotions in a cost-effective manner⁵.

Rapid Social Marketing Response

Social Media has democratized the sharing of information, and has handed a megaphone to everyone. With the increased level of interaction that happens in the social web, we should not be surprised when news of negative customer experiences spreads like wild fire. While businesses should strive to avoid such inconveniences for their customers in the first place, they should also be prepared to address such issues before they escalate into PR nightmares.

It is important that businesses are able to understand the customer’s standpoint, collaborate internally to decide next steps and reach out to the customer, as needed, in a timely manner with empathy and authenticity.

Insight	Benefit
Opinions	Holistic analysis of customer’s standpoint that leverages both internal data from enterprise information systems and publicly available data from the social web as well
Influence	Holistic analysis of the customer’s value to the business and the

Insight	Benefit
Sentiment	appropriate allocation of resources for issue resolution Sensitive Messaging that addresses the customer’s frustration and reflects empathy and authenticity

Improving Customer Experience – Services/Support

Businesses are in the process of establishing the modus operandi for social customer care with a growing number of people seeking support through social media networks. For instance, in the US, 19% of Twitter users seek customer support via the micro-blogging network, while 42% use Twitter to learn about products and services⁶.

Support provided to these customers can be broadly classified into two categories:

Type of Support	Attributes
Generic Q&A	<ul style="list-style-type: none"> - Leverages the many-many nature of the social channel to reuse shared knowledge - Can be optimized through connectivity between enterprise and social knowledge bases
Specific Problem Resolution	<ul style="list-style-type: none"> - Requires holistic analysis of the specific customer’s situation - Involves high-level triage of the issue reported and subsequent transfer of the work-item to back-office operations - Can be optimized through timely, holistic insights and a high degree of internal collaboration

Social Support Insights

When businesses interact with their customers on third party networks, they may not have identified the customers in their internal information systems. In addition to linking internal records with social profiles, they also need to understand the customer through the publicly shared personas. This understanding is instrumental to providing exceptional service not only via the social channel but also through other channels.

Insight	Benefit
Opinions	Holistic analysis of customer’s standpoint that leverages both internal data from enterprise information systems and publicly available data from the social web as well
Influence	Holistic analysis of the customer’s value to the business and the appropriate allocation of resources for customer care Dynamic Call Routing for VIP customers identified based on online influence
Sentiment	Sensitive Messaging that is cognizant of the customer’s standpoint and reflects empathy and authenticity Dynamic Agent Awareness of customer vulnerability during customer interactions on other contact channels
Interests	Targeted Up-sell/Cross-sell Offers in contact centers based on interests expressed through online personas

Rapid Social Response

A stitch in time saves nine. This is especially true with social media. Not too long ago, people were thrilled to get personalized customer service via social channels. Nowadays, that has become the new normal. Customers expect businesses to not only respond to their requests on the social web, but actually resolve them in a timely manner. The ability to provide the best rapid social response will depend on timely access to holistic customer insights and a process that streamlines customer interactions based on inputs from multiple business functions.

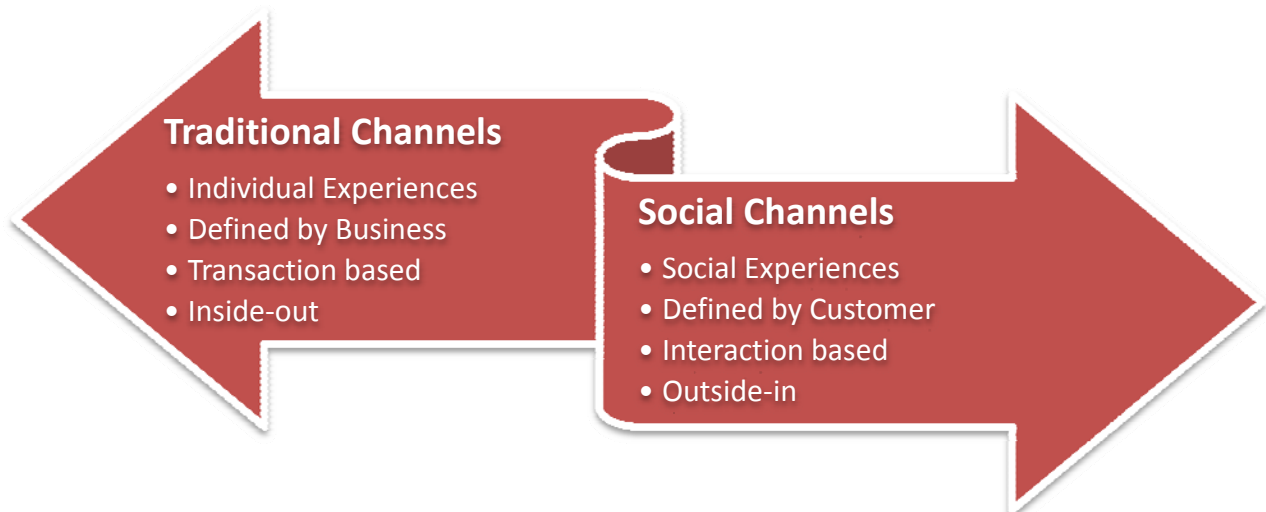
Seamless Customer Experience

As businesses interact with their customers through a growing number of channels, it is important that they manage their operations to provide consistent and cohesive customer experiences. This is a challenge that businesses have been tackling with traditional channels such as phone, email, chat and self-service. The advent of social media and the emergence of the social customer have spurred many businesses to interact with customers through social channels such as online communities to enable peer-to-peer support, ideas web sites to crowdsource innovation, blogs and micro-blogging services to share news & discuss views and social networks to connect. The challenge of providing seamless customer experience in the social age is two-fold:

- Providing an effective experience to customers on social channels
- Integrating the social experience seamlessly with the experience provided on the traditional channels

Effective Social

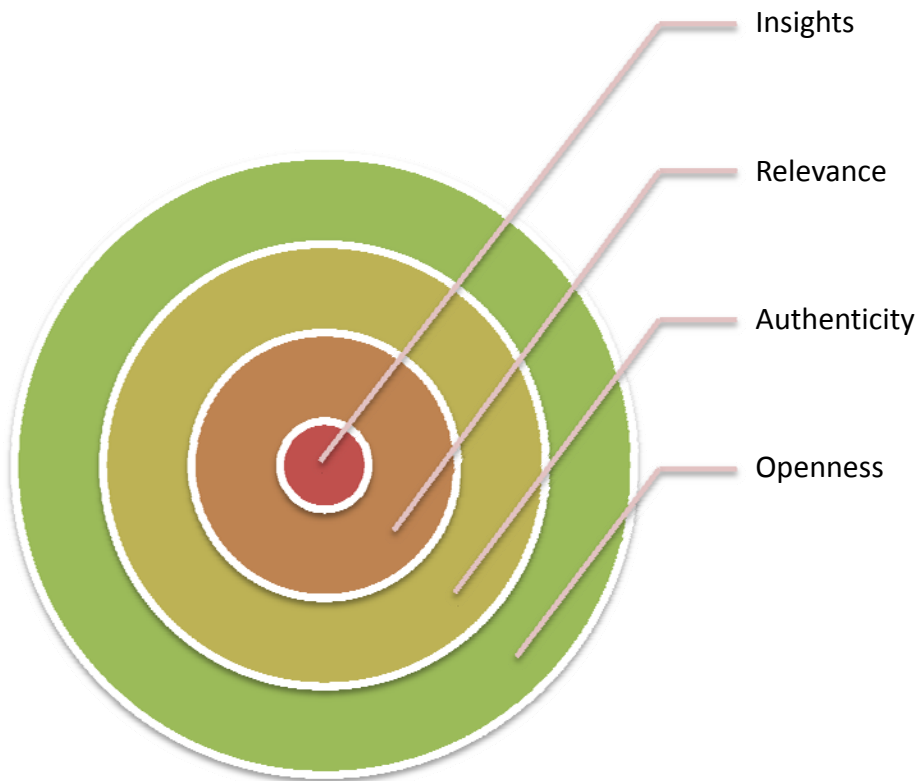
Before discussing the elements of effective social interactions, it is important to recognize that social channels are fundamentally different from traditional contact channels. They require different engagement paradigms, processes and intelligence.



In order to add value for both customers and businesses, effective social experiences need to embody the following attributes:

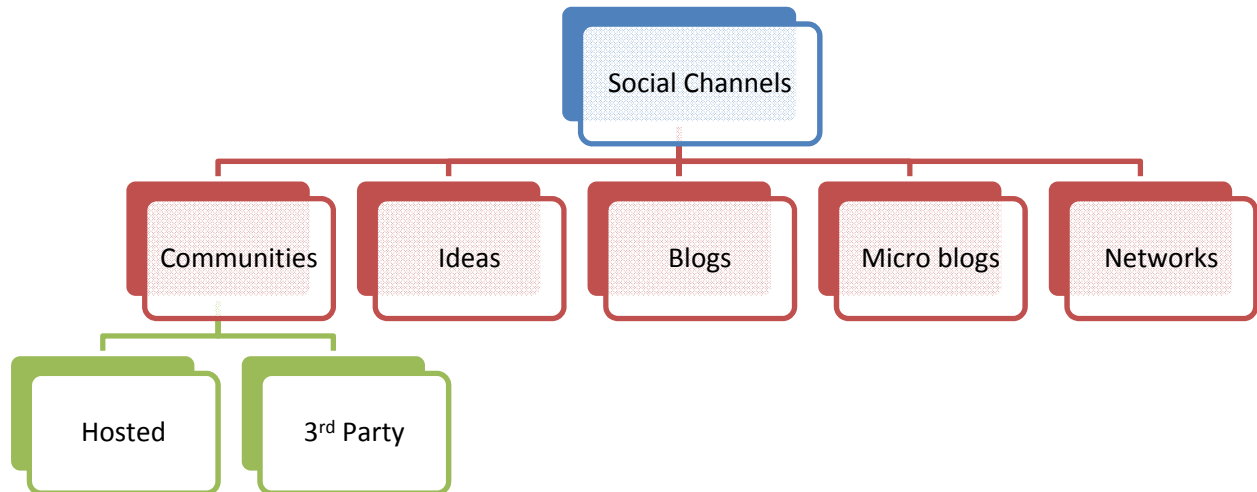
Attribute	Description	Example
Relevance	Experiences that are relevant to both the business and the customer	A sportswear manufacturer engaged sports enthusiasts through the social web to build deeper relationships with customers
Authenticity	Interactions that are honest and in the best interest of the customer, and by induction, that of the business	A computer manufacturer listened to customer complaints online to resolve issues and improve customer experience
Openness	Interactions that encourage open collaboration and the varied views of the collaborators	A retail beverages company collaborated with customers on new ideas and introduced changes that customers welcomed

When businesses engage customers through relevant, authentic and open interactions, customers and other stakeholders will shape the social interactions in the context of their needs, preferences, interests and sentiments. In order to drive the most effective social experiences, businesses should leverage social insights and substantially improve the relevance, authenticity and openness of customer experiences on social channels.



Seamless Social

When businesses interact with customers on a growing number of social channels, it is important that they are able to continue a conversation across multiple channels seamlessly.



Several social channels, such as location-based social networks and social event management networks, are exemplary in connecting the physical world with the digital world. In an environment that thrives on connections and immediacy, businesses cannot afford to treat each social channel as a separate silo. Rather they need to be able to view a customer as the same individual across multiple disparate social channels. Since some of these channels will continue to be operated by third parties, this ability to make enterprise information systems aware of a customer’s social presence will be instrumental in providing a seamless social experience for customers.

Further, relevant social customer insights can be used to personalize interactions that happen on traditional channels, and ultimately provide a superior customer experience.

VIP Experience

Businesses need to be able to identify highly valuable customers in order to provide them with the best experience possible. The interaction explosion that is characteristic of the social web and the mavens, connectors and salesmen of memes have redefined the value an individual provides a business. Particularly, businesses have realized that an individual’s online influence is an important attribute that defines the value they bring to the table. The social insights gathered about individual customers could be leveraged to identify key-influencers as VIPs who would have gone unnoticed otherwise.

Conclusion

Social commerce success stories primarily revolve around three threads – relevant experiences, authentic interactions and open collaboration. These elements enable the creation of sustainable value for both businesses and customers alike. This ability to deliver win-win scenarios is of paramount importance to businesses in this social age, as customers continue to reward organizations that are customer-centric, and drift away from those that are not.

Social Customer Insights are at the heart of successful social commerce initiatives, as businesses need to plan their efforts based on a sound understanding of their customers. Armed with this intelligence, businesses can take the most appropriate reactive and proactive steps to embrace the social customer and build an authentic relationship.

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About Jacada

Jacada provides solutions that optimize and improve the effectiveness of customer interactions. Jacada unified desktop and process optimization solutions help companies reduce the cost of their operations, drive customer satisfaction and provide a complete return on investment in as little as 12 months after deployment. Founded in 1990, Jacada operates globally with offices in Atlanta, USA; Herzliya, Israel; London, England; Munich, Germany; and Stockholm, Sweden. More information is available at www.jacada.com.

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