

Social Communities Cultivate Engaging Customer Relationships

Social Communities Usher in a New Era of Customer Empowerment and Provide a Way for Organizations to Differentiate Services and Support

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3/30/2014

Executive Summary

Social communities transform customer engagement and provide an innovative way for organizations to extend their reach and provide higher value support for their customers, partners, and employees. The rapid pace of change in customers' preferences for online, real-time communications requires organizations meet this need by providing innovative support for customer conversations. Online social communities offer a platform for customers to engage with employees, external experts, and their peers. It does this by enabling members to access the shared intelligence of a wider community to resolve problems, learn more about products and services, and share opinions. Social communities have become an innovative technology for optimizing customer support. Organizations have discovered online communities drive new revenues, reduce costs, and improve customer loyalty and retention. These market leaders also find their communities create stronger customer relationships and improve customer advocacy. Additionally, this report identifies best practices for success for organizations starting up or expanding their social communities.

Social Media Creates New Requirements for Customer Engagement

Today's customers have new expectations and demands when interacting with organizations. The rapid rise in social media changes how customers engage with a brand, resulting in increased use of social channels as a preferred method for communication. More customers are aware of online options

available and expect organizations to recognize them and provide a personalized experience. Continual technology innovation accelerates the pace of change, and organizations now embrace social communities as a means to differentiate their products and services for this next generation of customers. To be a market leader in customer engagement, organizations need to build strong customer connections, identify customers' interests, and proactively engage customers in interactive conversations.

New Business Model Needed for Customer Collaboration

Customers expect a seamless experience across all communication channels. Additionally, many want real-time interactive engagement to solve problems and receive information. This means that organizations must adopt a customer-centric culture that provides customers an opportunity to solve problems quickly and engage easily. Organizations need to empower customers with self-service solutions that are responsive and easily accessible. Customers will readily use online services when they deliver accurate information and are simple to use. Social communities enhance self-service adoption, as they provide an online platform for customers to engage with other members in interactive conversations that are specific to customers' interests and needs.

Engaged Customers are Repeat Customers.

- *75% of customer interactions are for service and support.*
 - *Millions of customers now use social channels.*
 - *More than half of consumers engage in social service 3 times per month.*
 - *Social customers are more likely to endorse a brand when supported.*
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Social Communities Engage and Energize Customers

Traditional customer support is reactive and does not seek to engage customers in conversation. Often, customers do not receive the information they need in their initial call and must go through time-consuming steps to resolve an issue. Customers often find traditional service channels limiting and impersonal. To improve their customers' experience, organizations need to personalize customer engagement and offer customers a forum for collaboration. Social communities provide customers with new options for interacting with organizations, which include the following:

- **Support customers over multiple devices.** Customers rely on multiple devices when interacting with an organization, such as smart phones, tablets, PCs, and so on. Customers do not want to be constrained to a single mode of communication and increasingly prefer online conversations to a voice call.
- **Grow and expand the knowledge of its members.** Finding the right information or solution is often difficult, as the data might not be readily accessible or published online. Social communities support a team of experts, product managers, and knowledgeable users who can provide content to assist community members while also reducing response times.

- **Build a sense of trust among members.** When members interact with peers and experts, they gain confidence in the information provided. This builds a sense of connectivity with the organization and other members of the community, resulting in increased loyalty.
- **Provide 24/7 availability.** Many organizations support customers and employees across the globe, which requires around-the-clock support. Online communities need to communicate with members at all times, regardless of time zones, and reduce delays in solving problems.

Conservative hi-tech company decided to completely overhaul the way they communicated with partners and channels.

- *Built online community that engages with partners, customers 24/7 with peer-to-peer conversations.*
 - *Transformed company culture and customers now engage in open dialogue with tech support, account managers and peers.*
 - *Reward members for high-value behaviors.*
 - *Often its crowdsource solutions solve complex technical problems.*
 - *Customers have become more engaged with this global company and its employees.*
 - *Collective knowledge grows quickly among its members.*
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- **Deliver information securely.** Managing and maintaining secure operations are critical to the success of online conversations, and security measures must be enforced. This requires a conscientious effort to monitor online conversations, secure data, and make corrections as needed.

Organizations Grow Stronger through Members' Collective Intelligence

Social communities provide ubiquitous connections to other members who have the ability to connect any time over any device. They support interactive dialogue and solicit comments from both internal and external experts. Crowdsourcing, which solicits comments from a large group of people, brings new energy to problem solving and promotes innovative content. Benefits of reaching out to a larger community include the following:

- **Gather content from knowledgeable participants.** This provides a real-time source of dynamic content that assists in problem solving and learning.
- **Allow participants to share opinions.** This is beneficial for monitoring performance and identifying problems early. Additionally, positive opinions often strengthen product adoption and promote sales.
- **Promote innovation.** Content shared in blogs, chat sessions, and videos may offer suggestions for new ways to improve product and service performance or introduce ideas for additional applications and services.
- **Retain members through gamification.** Gamification offers recognition and rewards to active participants and draws new members into the community. Gamification also makes it fun to participate and fosters collaboration with members who enjoy recognition for their active support.

Social Communities Reduce Costs and Improve the Bottom Line

Social communities offer a means to lower support costs and improve business performance. Business process improvements occur through shared knowledge and easier access to content. Internal productivity shows gains due to reducing delays in finding information that is often stored across several databases. Social communities deliver quantifiable, real savings for customer support in the following areas:

Multinational service provider adopts social community for its technical support.

- *Wide variance in types of products it supports.*
 - *Wanted transparent customer engagements.*
 - *Cultivated environment of peer-to-peer support.*
 - *Goal is to complete service call in a single transaction.*
 - *Social community gives members access to content and offers immediate response.*
 - *Gamification offers members points and rewards for support.*
 - *Wide acceptance by members promotes self-learning.*
 - *Results found 1st call resolution rates soared.*
 - *Customer satisfaction scores also improved.*
 - *Community grew quickly and self-governs very well.*
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- **Deflect calls from customers.** When organizations encourage their customers to go to their online community for help, customers often find the answers they need quickly and do not need to place a support call.
 - **Improve call resolution rates.** Many customers find that they must make repeated calls to obtain a correct answer. With the average cost of a call ranging from four dollars to ten dollars, this represents a high cost for support. When questions are put to the online community, customers often resolve issues themselves in a single session.
 - **Gain immediate access to subject-matter experts.** When complex or difficult issues arise, the question can be posted on an internal social community website, and customers receive a quick response from an expert on the topic. This significantly improves customer satisfaction.
 - **Promote customer loyalty.** Customers feel more involved, and organizations broaden their reach by proactively informing customers of matters of interest regarding the product. Interactive engagement personalizes customers' experiences and increases trust.
 - **Build collaborative work environment.** Employees find that internal communities a safe way to discuss topics and gain options. Many organizations express amazement at the rapid adoption of social communities by their members' willingness to participate regularly.

Social Communities Put Organizations on the Fast Track

Executives strive to improve employee productivity and increase customer retention. When organizations encourage a collaborative environment, decisions are made more quickly, and communication hurdles are removed. Knowledge sharing among peers improves output and reduces errors. Internal communities help employees become more successful due to easier access to experts and improved flow of information. Internal collaboration on social communities helps organizations achieve new levels of productivity, which boosts morale, builds a spirit of teamwork, and retains top employees.

Call to Action: Create A Social Community that Promotes Organic Growth by Members and Self-Governs

Social communities take on lives of their own and are self-governed. However, they need to have a solid foundation and structure to achieve success. It is important to implement a plan that will generate high participation and valuable content. Best practices for forming a social community include the following:

- **Develop a plan based on clear goals and objectives.** Communities take on many forms, so it is important that you clearly understand the primary goals and purpose of the community and appoint an enthusiastic community manager to lead the effort.
- **Communicate with employees on its purpose.** Inform all employees of the formation of the social community and ask for feedback and suggestions. Then create a list of prospective members who will become the core members of the community.
- **Pilot the initial rollout.** Before a major launch, invite a smaller group of members to join the community and ask for comments on its performance. Develop clearly defined metrics for the number of members, usage, and task completion.
- **Manage and expand your community.** Integrate data from the community into existing applications and regularly analyze the community's content and share it with the appropriate departments. Encourage flexibility, and let the community take on its own life. However, continue to monitor and modify as needed.
- **Give each community a clear mission.** Communities have several objectives. Determine what you want as the outcome of your community. It may be a general discussion forum, a site for education and training, a platform for idea sharing, or a marketing tool for promotions and product support.
- **Empower members to make the community successful.** Encourage the community to self-govern but regularly monitor it to ensure accurate content. Promote peer-to-peer conversations and make it enjoyable for members to participate by using rewards and recognition.
- **Build trust and loyalty for members.** Manage the community to ensure it is achieving its objectives while also safeguarding security and quality content. Encourage active participation of members and ensure that issues or concerns expressed receive a rapid response. Make your community dynamic and educational.

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Elizabeth Herrell is the founder and president of Communication Initiatives. She provides thought leadership on Next Generation Customer Experience and Customer Engagement Management. As a recognized industry leading analyst, she has three years of experience at Constellation Research as a Vice President and Principal Analyst and eleven years of experience at Forrester Research as a vice president and principal analyst. She has delivered multiple consulting projects to companies and provides expert advice on business communication solutions and customer support transformation. Elizabeth has published more than 600 reports on industry trends, vendor assessments, best practices and technology insight, and is often a featured guest speaker for business conferences and client engagements. She has written many blog posts and is frequently quoted in major business journals and trade publications.

Prior to her role as an industry analyst, Elizabeth held senior management positions with IBM, ROLM and Siemens Business Communications, where she was a senior manager for strategic planning and alliances.