

Harvesting the Fruit from the Social Media Grapevine



People matter, results count.

Contents

1 The Landscape	01
2 Trust and Transparency: The Seeds of Success	02
3 Working the fields	03
4 Cultivating the Opportunity	05
5 Social Media 2011: A Landmark Vintage	07

The Landscape

The democratic revolution in the Middle East is being catalyzed by calls to action on social networking platforms, which serve as a clarion call for social activism, creating an infectious intolerance of the status quo in Egypt, Tunisia, Bahrain, Libya, and elsewhere. Everyone everywhere is up to date on a by-minute basis of the economic, environmental, and human consequences of the earthquake and tsunami in Japan, not just as conveyed by large news broadcasters but – much more poignantly – by private individuals via new tools for truly democratic information sharing.

Social networking has taken root. The world has truly become a flat, globally connected village. Everyday we read and hear countless examples of how social media is transforming the geopolitical, social and business landscape. There is no longer a need to convince the world of the viability and potential impact of social media on society and business. The numbers speak for themselves: billions of tweets per week, over one half billion Facebook users, thousands of YouTube posts per day.

While perhaps less profound than in other spheres, the impact of social media on business is nonetheless palpable. As with all new phenomena, the diffusion curve for social business management starts with a few pioneering brands that sense a movement and seize on the opportunity to distinguish themselves from the pack by preemptively changing their business models and practices instead of waiting until the market forces them to do so. Best Buy, Starbucks, Dell, and Comcast are just a few notable examples of companies that have opted to embrace social media as a means to better understand, interact with, and serve their customers.

Starbucks: “Hey, we care about what YOU have to say”¹

Starbucks has over 705,000 followers on Twitter and over 5,428,000 fans on Facebook. Starbucks’s social media strategy integrates many different elements. Combined together, these elements create a social media plan that works beautifully to create millions of fans of the brand, people who are highly involved in building and fortifying the brand on the market. Starbucks’ digital dialogue enables customers to give feedback – praise, comments or complaints – and receive a response back from Starbucks.

¹ <http://thenextweb.com/2010/01/11/starbucks-formula-social-media-success/>

Trust and Transparency: The Seeds of Success

Best in class companies have always recognized that their customers are the ultimate source of revenues and profits and that staying aligned with customer expectations over time leads to more sustainable and profitable growth. The seeds of success in this new connected business world are deeply rooted in the customers' demand for companies to live by two fundamental values: Transparency and Trust. These are the Ying and Yang of customer-company alignment. The unprecedented visibility and access that customers now have to information (product ratings, blogs, online communities) and to each other guarantees that corporate missteps, be they false marketing claims, product malfunctions or abysmal customer service, do not go unnoticed. The customer's voice cannot be muted and, more importantly, the social network has become the amplifier of popular opinion. This phenomenon represents both a tremendous threat and a fabulous opportunity. The choice is yours.

Working the fields

“Social media has not only created transformational ways for consumers to interact, but those interactions have resulted in a treasure trove of insights about products, reasons why people buy or churn, competitive data and more for organizations to leverage to gain a competitive advantage.

The shift in consumer behavior towards seeking recommendations from the “crowd” has created opportunities for organizations to engage with customers when they are “in the act” of making a purchase decision. By using software that can monitor the millions of Tweets, discussion threads and reviews on the social web and then automatically route the right conversations to the right people in organizations for action, these opportunities can be turned into real competitive value for organizations.”

Ian Bonner, CEO Attensity

One can view the endless barrage of 140 character tweets in terms of its original definition: “a short burst of inconsequential information”, or as fertile ground for building a trusting and transparent relationship with customers. Clearly, much of what is transmitted today – as characterized by the research findings below – represents strings of pointless babble. But, when one considers that almost one in ten of the billions of messages relates to “recommendation”, it is easy to see the prospects for or potential damage to your brand.

TWEET CLASSIFICATION²

Conversation based	38%
Self promotion	6%
Recommendations	9%
Pointless babble	40%

Underneath, this is also about a fundamental shift from company-controlled, inside-out, company-to-customer based strategies and operations to a more dynamic, peer-to-peer (P2P), real-time, customer-empowered environment that companies must eventually embrace as part of their marketing, selling and services motion.

Over time, this reversal of relationship leverage, where the terms and conditions of commerce reside with the customer, will force companies to rethink their basic approach to the 4Ps:

SOCIAL MEDIA IMPACT ON THE 4P'S

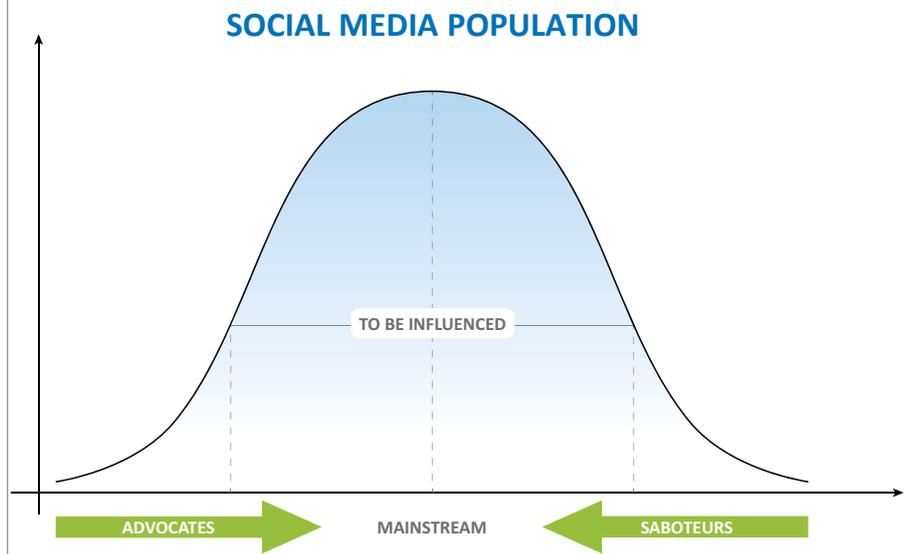
4P'S	FROM	TOWARDS	PIONEER
PRODUCT:	Linear, market research based design	Crowd sourced solutions	Attensity (social listening & analytics)
PRICING:	Cost plus or competition based	Community arbitrage	Groupon (collective buying)
PLACEMENT:	Brick & mortar + web (1-2-1)	Web (exchange) + B&M	Amazon.com (multinational e-commerce)
PROMOTION:	Standard discounting	Location based, mobile sales	Nearfield Communications (wireless/mobile technologies)

Clearly these are trends – signifying a shift towards a new way of doing business. Some industries will be affected more quickly than others. The product/service markets that are inherently “high involvement” and generate an abundance of customer passion (eg. consumer electronics, automotive, gaming, sports, travel, etc.) are leading the way. What is critical to understand is that we as individuals – and consumers – do not compartmentalize our expectations by industry. When we are “delighted” by an innovative practice in one area, it sets a mental expectation that other organizations we deal with will provide an equivalent experience; hence, the bar is lifted for all. To note, for all the hype and hysteria, many businesses will

² Kelly, Ryan, ed (August 12, 2009). “Twitter Study – August 2009” Twitter Study Reveals Interesting Results About Usage. San Antonio, Texas: Pear Analytics. Retrieved Jun 3, 2010

continue to prosper by operating with good common sense business practices: responding to market demands with a quality product/service, with high perceived value at an appropriate price; all backed/supported by a trusted brand. However, how your company harnesses the energy behind social business will likely have a profound effect on enduring success.

One thing is for sure: the global reach and influence that your customers now have cannot be controlled, but it can be influenced. It is possible in these early days, that the sentiments expressed in the social world may not be completely representative of or projectable to your entire market. At present, the medium may most naturally attract polarized opinion leaders; either rabid fans and/or brand saboteurs. Even though they may represent a minority, it is critical to recognize that the upside (fans) or downside (saboteurs) views have a multiplicative effect on the network. The resonance of one loud voice can have far reaching implications. It pays, therefore, to listen, learn, engage and act on what you hear.



Cultivating the Opportunity

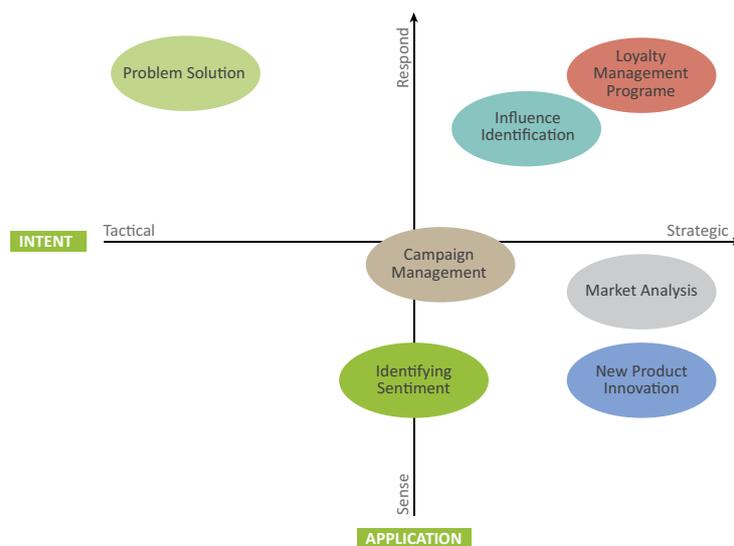
There exists the potential of a trap, whereby companies treat social business management as a “program de jour”, concluding that they must do SOMETHING, e.g. build a fan club, launch a twitter campaign, implement an ideas forum on the corporate site or buy a social listening tool.

A recent survey of over 300 senior executives within the Fortune 1000 conducted by Harris Interactive for Capgemini³ suggests that many have already fallen into such a trap. While almost six of ten (57%) of the senior leaders in our research indicated that their respective companies do indeed already monitor online conversations relating to their brand or products/services, only a little more than a third of these individuals (particularly those from companies with revenues greater than USD 10bn) indicated that they attempt to measure the value from such activities and 25% admitted to taking no action on what is observed. Moreover, a whopping three-quarters of those running these companies are incapable of estimating the number of people in the organization involved in social listening. It seems they know the topic is important, and that the company is doing something but are unclear as to what group/s and in what number are engaged in social media activities.

It may be that social networking is such a viral movement that it defies traditional business planning. However, before engaging in these sorts of activities it would be prudent to consider how your organization can best leverage social business practices across the enterprise.

The following simple framework may be helpful in organizing your thinking on how best to approach your overall social media strategy.

SOCIAL MEDIA STRATEGY FRAMEWORK



From a strategic perspective, management should certainly invest to understand (sense) market sentiment on its overall brand and products reputation. This is typically the province of the PR/Marketing department and is accomplished via social listening tools. Not surprisingly, about two-thirds of our survey respondents indicated that marketing or PR currently carries the primary responsibility for social media management.

³ Harris Interactive Omnibus Survey, March 2011.

A study conducted by the Society For New Communications Research (TWI survey) confirms the importance of knowing what is being said about your brand and products. Over 75% of respondents agreed (strongly agreed/agreed) with the statement: “I choose companies/ brands based on other customer care experiences shared online”.

<http://sncr.org/wp-content/uploads/2008/10/customer-care-study.pdf>

Beyond being a target for online campaign management, social networks can represent a valuable resource for sensing emerging or unmet customer requirements that can then be translated into new product features. Moderating customer discussion forums, conducting online polls, and establishing ideas forums are viable techniques to help your product development/management organization take the pulse of the market. In fact, when asked what the most important impact social media could have on their business, executives pointed to “input on new products and services”.

Finally, from a strategic perspective, learning who the opinion leaders are and engaging them in “influence” campaigns can boost sales through virtual word of mouth promotion.

On the tactical/operational side, while it is critical to sense what the market thinks and to listen to what is being said, it is even more powerful when you can take actions that respond to the various complaints, suggestions, and unmet needs. Today, only a small fraction of companies (9%)⁴ look to their Customer Care organizations to spearhead the social business management activities. Ultimately, the customer service department will need to bring order and discipline to this new form of customer interaction, much like they have had to do with email, chat and voice response technologies.

Doing so will require integration of social media platforms, systems and processes into the company’s overall operational footprint. Despite many companies not yet measuring its impact on the business, there is a strong business case for aligning social business management activities with the Customer Service function. Importantly, there is a whole new generation of tools coming to market which enable companies to capture the essence of online conversations through sophisticated linguistics, extraction and categorization capabilities, as well as text analytics and automated response tools to help you decipher the meaning of what is being said and allow you to “close the loop” by taking the most appropriate actions. When one can preemptively “intercept” a customer with a problem early on and engage in triage activities, a potential systemic issue can be quickly isolated and the root cause addressed. And, when an average customer service call costs USD 8, there is a strong value proposition associated with call deflection and online resolution (USD 0.10/contact).

In today’s financially stressed corporate world, CEOs are unlikely to tolerate strictly qualitative business cases just because it is the right thing to do. The good news is that there are ways to gather both the standard direct measures such as value of call deflections and first pass resolution in service, conversion rates from online campaigns as well as new, intermediate measures like click thrus from social sites to your corporate site, number of identified influencers that you touch, re-tweet rates, and twitter scores.

⁴ Harris Interactive Omnibus Survey, March 2011.

Social Media 2011: A Landmark Vintage

Perhaps only a couple of years ago one could have questioned whether social media management was merely a fad (apparently over one in ten (13%) still believe so based on our research). However, the velocity of traffic being witnessed month to month suggests that now may indeed be the right time to “pluck the grapevine” and begin the process of blending social media into your business.

Recommendations

For those ready to do so, you might consider the following recommendations:

Establish a governance structure: Avoid unnecessary organizational friction between functions – Marketing, Customer Service, PR, Product Development, Operations in the early days by taking a cross-functional team approach (9% do so today). Spend some time clarifying strategy, policies, standards, and workflows associated with how you will deploy social media capabilities. It should be less about who “owns” the responsibility and more about what business outcomes you seek and how best to organize to deliver them. Educating and communicating with your workforce on the company’s social media strategy as well as the “do’s and don’t’s” of how they themselves use this medium is an important step.

Launch a series of targeted pilot programs: Listening is important but acting is critical. Work through the issues of how you will “close the loop” on what you are learning. Be clear on the protocols for who engages in both the proactive outreach campaigns and the customer intercepts associated with specific customer complaints/issues. Working within the cross-functional structure, devise and execute pilot programs targeting a specific segment of the market or customer population, aimed at producing a specific outcome. Be sure to measure the outcomes.

Consider outsourcing the activity: Given that many companies have been caught either ill-prepared operationally and/or unbudgeted financially for what it will take to implement their social media strategy and that the enabling technologies are still evolving, outsourcing elements of your social media operations could be the fastest, most cost-efficient approach.

Look for an end-to-end managed service that incorporates the technology, process management, workflow and reporting and analytics associated with the implementation, integration and management of your social media related operations. While no company should totally abdicate responsibility for managing their customer relationships to a third party, it is likely that Social Media will mirror the standard practice of outsourcing call center operations.

Managed services for social media solutions can provide you the flexibility to rapidly adjust your social media plans based on business dynamics. You can focus on the strategy for enhancing your customer relationships and experience while the outsourcer manages the platforms and technologies needed to listen, engage, monitor, and act on what you learn. This enables you to quickly change and evolve your strategy and approach. All of this can be delivered on an all-inclusive flat fee, subscription basis.

Whether you have yet to take a “taste” of the social media experience or are well on your way to digesting it within your business, one thing seems certain: your customers are out there on the grapevine expressing themselves. Whether this results in sour grapes or fine wine in business performance terms depends on you.

Customer Operations Management (COM) Services

Capgemini provides a full range of customer facing business process services that empower businesses to interact more effectively and efficiently with their customers through multiple channels. In delivering social media as a managed service, we offer a multi-layered solution, which addresses each client’s requirements across all social media platforms and channels. To maximize the value delivered, Capgemini draws upon its extensive BPO experience in many industries and its global footprint to augment its social media services – no matter where in the world they’re needed.



About Capgemini and the Collaborative Business Experience™

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Rightshore® is a trademark belonging to Capgemini

model called Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in 40 countries, Capgemini reported 2010 global revenues of EUR 8.7 billion and employs around 110,000 people worldwide.

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