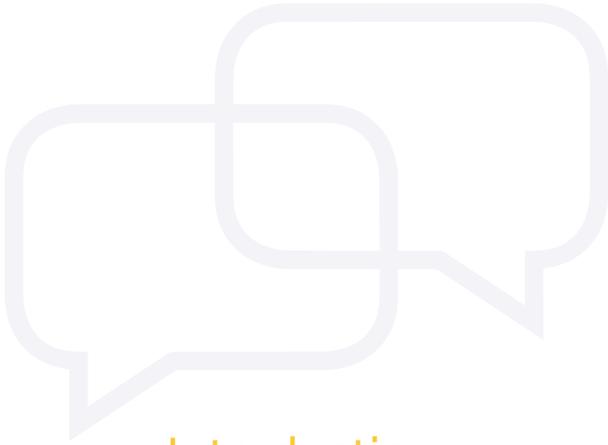




conversocial

Conversocial Report: The State of Social Customer Service



Introduction

Today's most sought-after customers are both mobile and social. With over 1.5 billion Facebook users, +1 billion Facebook Messenger users, +1 billion WhatsApp users, +400 million Instagram users, and +300 million Twitter users, it is no wonder why brands have stepped up their social presence and begun to engage consumers across these platforms.

Conversocial conducted a survey ¹ in August 2016 of a representative sample of the general population in the United States, taking into account social activity and demographics including age, gender, geography, and income. After analyzing respondent feedback and making comparisons with a McKinsey iConsumer US 2013 survey, Conversocial has addressed the key consumer behaviors and trends impacting the state of social customer service in 2016 as outlined in the report below.

“Customers are increasingly turning to social channels for care because of how easy it is to use – so shifting care volume from high effort channels like phone or email towards social care will have a substantial positive impact on loyalty.” Joshua March, Conversocial CEO

¹Google Consumer Surveys publisher network

Key Findings

Businesses have a lot to gain from engaging with customers on social media – more cost effective customer service operations, access to high-income customers, and the ability to improve customer satisfaction and brand loyalty. However, they still have a way to go before customers

trust social as their primary channel for brand engagement and resolution. Businesses need to show customers that social channels, especially messaging platforms, are easy to use and that customer agents are available, responsive, and empowered to act in a timely manner.



Customers prefer social messaging channels: Over half of respondents (54.4%) preferred new messaging channels – such as SMS, Facebook Messenger, Twitter, and WhatsApp – as their primary form of communication with brands over legacy channels such as email, phone, and web chat.



Brand engagement leads to brand loyalty: Nearly half of all respondents (46.7%) indicated that a personalized response from a brand would strengthen their brand loyalty.



Millennials are willing to engage and be loyal: Respondents aged 18-34 have used social for customer service more than any other age group (35.3%) – and if they hadn't yet, were most likely to do so in the future (37.7%). Over half of respondents (57.5%) aged 18-24 were likely to have their loyalty positively impacted following social engagement.



High-earners are more open to social customer service: Nearly half of respondents (47.1%) making over \$150K a year have used social customer service. 86% of respondents making over \$150K a year were more likely to be more loyal to a brand that engaged them on social.



Customers expect social customer service to be effortless: 100% of respondents considered “Ease of Use” a key aspect of social customer service, with 45% qualifying it as the most important aspect.



Brands need to be more responsive and timely: Of the respondents who had contacted a brand on social for customer service, 27.5% never received any response and 30% waited over 30 minutes for the brand to reply.

I. The Rise of Social Customer Service

It is no longer enough for brands to be merely present on social media, they need to be active and engaging. Connectivity has ushered in a new generation of customers who expect more, and expect it fast. Over the last few years, the number of customer interactions on social channels has skyrocketed, jumping 2.5 times in the last two years on Twitter alone.

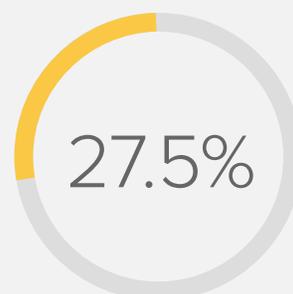
The Conversocial survey found that of those who have engaged with brands on social media for a customer service issue, **40% have done so on Facebook and 27.5% on Twitter [Figure 1].**

In today's digital-first world, if brands are not part of the conversation, they will be left behind. Just being responsive goes a long way in maintaining brand reputation and customer loyalty – but making social customer service a priority can have wide-ranging benefits for business.

FIGURE 1: ENGAGED SOCIAL CUSTOMER SERVICE ON SOCIAL MEDIA



have engaged with a brand for customer service on **Facebook**



have engaged with a brand for customer service on **Twitter**

II. Insights and Opportunities

Along with brand loyalty, social customer service offers businesses a significant return on investment over traditional channels such as phone and email. The same survey found that in addition to clear correlations between social customer engagement and brand satisfaction, there is a major untapped market of potential high-value, revenue-generating customers who could be swayed to a brand if

they were positively engaged on social channels. This was consistent with a McKinsey survey which found that “young adults, wealthier users, and the digitally connected make the greatest use of social networks for customer service – and that they have a greater preference for social channels over phone or face-to-face customer service interactions.”

ROI FOR SOCIAL CUSTOMER SERVICE

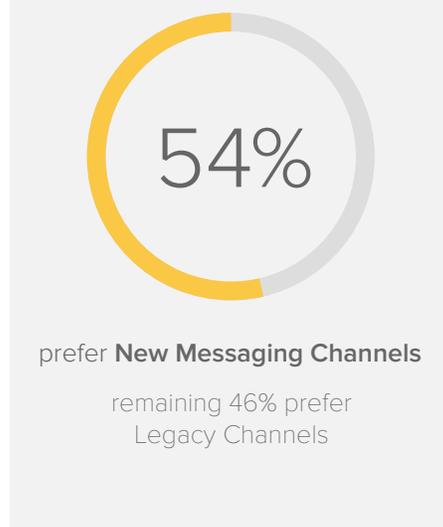
We already know that social customer service has a direct impact on the bottom line based on operational cost alone. Traditional contact centers are expensive to operate, and shifting primary attention to social care reduces overhead. **Gartner found that** it costs less than \$1 per interaction on social, compared to \$6 per phone call and anywhere from \$2.50 to \$5 per email. Gartner also found that social agents are able to handle four to eight times as many issues per hour as a phone agent. If it takes 10 minutes to resolve an issue via email and five minutes to resolve an issue on social, there is concrete justification for implementing or strengthening your social customer service operation.

Social channels are more cost effective for businesses, and they are also more desirable for customers. In fact, when asked which method was the preferred channel of communication with brands, Facebook and Facebook Messenger were the leading response, over phone, email, webchat, SMS and Twitter. Furthermore, the survey found that 3 out of every 5 respondents under age 65 preferred to communicate with brands through messaging channels like Facebook Messenger. **Overall, 54.4% of respondents preferred new messaging channels – such as SMS, Facebook Messenger, Twitter, and WhatsApp – as their primary form of communication with brands [Figure 2],** clearly surpassing the 45.6% who would still use legacy channels such as email, phone, and web chat.

Critically, the survey found that 100% of respondents chose “Ease of Use” as a key aspect of social customer service, with 45% qualifying it as the most important aspect. If an issue can be resolved with ease and in a timely manner on the customer’s platform of choice, then customer satisfaction will surely rise. By tracking sentiment over social, brands can also measure revenue protected by improving customer satisfaction.

If social is the most cost effective solution, and customers – especially the millennial generation and those with higher incomes – prefer communicating with brands on these platforms, then it makes sense for businesses to shift their customer service strategy to social channels.

**FIGURE 2:
HOW DO YOU PREFER
TO COMMUNICATE
WITH A BRAND?**



BRAND LOYALTY

The survey found that **46.7% of respondents indicated that personalized responses from brands would strengthen their brand loyalty and 28.1% said it might affect their brand loyalty, with only 25.4% saying it would have little to no impact [Figure 3].**

Respondents aged 18 to 24 were the most likely to have their loyalty positively impacted following social engagement at 57.5%, followed by those aged 25 to 34 at 55.1%, and then a relative decline in loyalty in correlation with an increase in the respondents' age.

Furthermore, both McKinsey and Conversocial found that respondents aged 18 to 34 preferred social to phone or in-person customer service significantly more than older age groups. It is clear that among the millennial generation, personal engagement on social channels is well received and leads to strengthened brand loyalty.

HIGH-VALUE CUSTOMERS

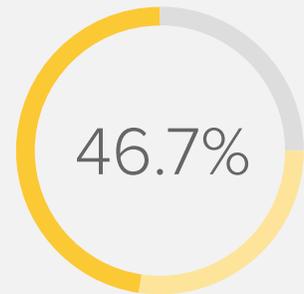
Consistently throughout the survey, we found positive correlations between a respondent's willingness to use social channels for customer service, and their age and income. Specifically, we found that younger, higher-earning respondents were more likely to engage with brands on social channels. In addition, the same young participants with greater buying power were also the most likely to associate a positive customer service response with brand loyalty.

The survey found that, consistent with McKinsey findings, respondents aged 18 to 34 had used social for customer service more than any other age group, at 35.3% – and if they hadn't yet, 37.7% were likely to try engaging brands over social channels in the future. Factor in respondents aged 35 to 44, and the percentage of those who have used social for customer service jumped to 52.1%, and to 52.4% for those who would consider it.

47.1% of respondents making over \$150K a year had previously used social channels for customer service, whereas only 13.5% of those making \$25-50K a year had done so. McKinsey also found that respondents with an annual income over \$150K used social for customer service significantly more. Furthermore, **respondents making over \$150K a year were 86% more likely to be more loyal to a brand that engaged them on social [Figure 4].**

Those earning more than \$100K a year were 60% more likely to be loyal. There is a clear correlation between higher income and increased likelihood to engage with brands on social, as well as between income and increased loyalty to a brand.

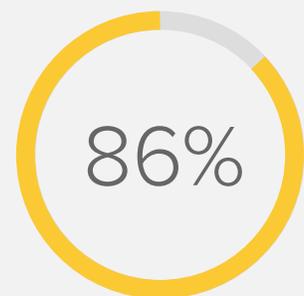
**FIGURE 3:
RECEIVING A
PERSONALIZED
RESPONSE**



say personalized responses increase loyalty

28.1% say it may influence loyalty
25.4% say it has little to no impact

**FIGURE 4:
HIGH-VALUE CUSTOMERS
(MAKING OVER \$150,000/YR)**



are more loyal to brands that engaged them on social

III. Obstacles to Overcome

AWARENESS

Trends indicate that social is the present and future of customer engagement, but social networks and brands need to do more to raise user awareness about the benefits of using social channels. For the percentage of the population that has engaged with brands on Facebook and Twitter, there are 60% and 72.5%, respectively, who have not – and brands need to ask themselves why that is.

Social and messaging platforms have added a number of features that make it easier for brands to engage with customers in-channel, and privately. For example, on Facebook Messenger and Twitter, brands can have direct and private conversations with users allowing them to resolve issues that might contain personal information.

HUMANITY AT SCALE

Some argue that the move away from legacy service channels such as phone or e-mail is making the customer experience “less human.” However, long phone menus, agent re-routing, and endless email streams are inefficient and cumbersome. Technology done right delivers the empathy your consumer seeks in a meaningful, timely fashion.

In order for brands to really build customer trust and make social the primary channel for engagement and resolution, they will first need to prove that they are available, responsive, and empowered to act in a timely manner. The survey found that 86.2% of respondents considered Ease of Use, Quality of Service, and Interacting with a Human Representative the top three most

TIMELINESS

Although a timely response was fourth on the list of most important aspects to social customer engagement, it does not mean that customers are willing to forego timeliness for the convenience and ease of use that comes with social channel engagement. Out of respondents who had never

Twitter recently updated their business profile features to make customer service a priority. Businesses can now choose to display response time and hours of availability on their profiles, and even designate a “provides support” handle for more efficient resolution.

There is still work to be done to ensure customers realize that they can do more than applaud or vent to brands on social media. Customers need to know that they can turn to private channels to get information or updates, initiate and complete transactions, and resolve issues without the hassle of waiting on the phone and dealing with an often frustrating and impersonal interactive voice response (IVR) system.

important aspects of social customer service, closely followed by a Timely Response.

Interacting with a human representative was one of the three most important aspects. Although customers may be open to social customer service, they still prefer to have a human, personal engagement over a robotic pre-programmed response. Social care agents who are free to break from the script and engage freely with customers will have a better chance at strengthening brand loyalty. Given that messaging platforms are far outpacing their social network counterparts and have become the default way for people interact with each other, this gives brands a great medium for engaging in a more human, personal way.

used social for customer service, 45.1% agreed that they would feel frustrated after waiting 5 minutes to speak to a customer representative on the phone, and after 10 minutes, over 80% would be frustrated.

Brands cannot afford to disregard timeliness as an important factor in maintaining brand loyalty over social – 35.8% of respondents still select it as a leading aspect. Of the respondents who had mentioned a brand on social, 27.5% never received any response and 30% waited over 30 minutes for the brand to reply. Likewise, McKinsey found that 34% of its 2013 respondents did not receive a response when engaging brands on social, and of the 66% who received a response, only 32% felt it was ‘prompt’.

Over the last three years, there appears to be a slight improvement in brand responsiveness on social channels, but not in timeliness of response. **Conversocial’s Airline Benchmark Report**, for example, found that an airline industry average responsiveness of 21% showed clear appreciation

of the importance social plays in customer service; however, the US average response time lagged at 1 hour and 5 minutes, followed by at even more European average response time at 3 hours and 40 minutes.

Brands may be starting to recognize that customers cannot go unheard, but are still unable to scale their responses effectively in order to engage customers on social and in-the-moment. Brands should not let mentions go unanswered – each is a missed opportunity to engage a customer and strengthen brand loyalty. Although customers might not put timeliness at the forefront of their social customer service experience, it is still an important aspect impacting their overall view of the brand.

IV. Recommendations

In today’s saturated markets, customer experience is the competitive advantage. Businesses should take stock of the fact that future generations of customers are going to be much more engaged with brands on social media, and their loyalty will depend upon how engaged those brands are in return.

They should also realize that today’s high-value customer is engaged on, and open to, brand communication on social channels, so businesses should not wait to start a conversation to build recognition and loyalty with what could be their most profitable customers. This is consistent with McKinsey’s findings that “high earners in particular make the greatest use of social networks for customer service. Companies that fail to take

advantage of that are missing an opportunity to improve brand experiences and grow.”

Most importantly, businesses should heed customer sentiment and preferences for engagement on social channels by prioritizing ease of use, quality of service, and timely response. First and foremost, this means being present, accessible, and responsive on social channels. To do this, brands need to be able to organize, delegate, and respond to social mentions effectively, at scale. Furthermore, it means bringing humanity to all customer touch points by arming front line staff, breaking down internal silos, and allowing social to inform business decisions so that social queries can be resolved in-the-moment with a personalized touch.