



KPMG ANALYSIS

Social Media Emerging as Customer Engagement Channel

August 21, 2008

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Companies in a variety of industries are using social media platforms such as Twitter and Facebook to communicate directly with consumers about customer service issues or to promote their brands.

While the movement is in its infancy, companies active in social media say they're developing channels to communicate with customers that offer a more immediate and personal touch than a Web site or call center can.

"We want to be part of the conversation, and if someone needs assistance, we want to help, says Frank Eliason, digital care manager for cable and entertainment content provider Comcast. "That makes sense to us. Another piece to this is that we get valuable feedback."

Companies are using Twitter, YouTube, Facebook and other social media sites to interact with customers and to provide updates about their companies and industries to interested consumers.

"As more people are online, it stands to reason that a good percentage would be active on these social networking platforms," says Chris Brogan, vice president of strategy and technology for events and media company CrossTech Media. "The opportunity for a company to monitor what people are saying about them on Twitter has brought them a new quasi-customer service and advocacy opportunity."

Social media consultant Collin Douma says companies that engage with online communities can gain insights into consumer attitudes. For instance, Nokia sponsored an online contest to solicit design ideas, and monitoring auto enthusiast message boards gave Audi an early warning about potential problems with the headlights on one model.

"Companies can make their products or service offerings better by listening to what consumers are [experiencing] after the purchase," Douma says.

A number of companies are active on Twitter, a service that allows people to post messages of up to 140 characters. Comcast, for instance, searches Twitter for comments that mention its name and reaches out to customers who highlight service issues with the company.

Christi Day, a Southwest Airlines spokesperson who administers the company's Twitter account, says Southwest uses Twitter to answer customer questions, describe new posts to the airline's "Nuts About Southwest" blog and to provide information such as weather-related travel advisories.

"We're looking for the best ways to communicate our messages and keep a transparent voice with our customers," Day says. "We don't use it for particular customer service

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issues. We talk to our customers, but there are unique situations that need to be handled in more than 140 characters."

Southwest, which has been active on Twitter since May, is also providing content for YouTube, photo-sharing site Flickr, networking service LinkedIn as well as its corporate blog.

"All of these platforms need different kinds of content -- pictures, messages, videos and all sorts of things," Day says. "We try to get out there any way we can."

Online Outreach

For its part, Comcast launched a Twitter account in April as part of an active online outreach effort. Eliason says the company has been participating in blogs and online forums for a couple of years by responding to questions and sometimes contacting customers it can identify from Web postings.

Comcast's digital care team expanded from one full-time employee in February to seven in April, and will soon reach 10. Since April, the company has posted more than 10,800 messages and 2,800 Twitter users have subscribed to Comcast updates.

"I'm not going to say there's not [an image] benefit to this, but that's not our driver in doing it," Eliason says. "The driving factor is just helping people."

CrossTech's Brogan says reaching out to customers can prevent small customer-service issues from gaining momentum online.

"If [a company] can nip something that someone's complaining about on Twitter, that can save it from getting to a blog," Brogan says. "And that can mean [the media] won't necessarily read that blog and find a bad story about a property or an application."

"There's a cascade effect where if you can get really close to the point of need, then you can possibly [nip] a lot of PR issues in the bud."

Authenticity Critical

For corporate social network efforts to succeed, companies have to make sure their messages strike the right balance between talking about the company and promoting it too overtly.

"There are lot of opportunities to accidentally slip into being a marketer or salesperson in these communities, and you need to understand your goals very clearly," Brogan says.

Another potential drawback for companies is that the value of social networking can be difficult to measure. Because social media tools aren't designed to generate sales directly, companies look to measurements such as Web site traffic, Twitter followers, or subjective measurements such as the tone of the online conversations about their brands.

"Like any company, looking at ROI is important, but at the same time, we've found that customer feedback in general is extraordinarily valuable," says Comcast's Eliason. "Even if you can't put a firm measurement on it, to be able to gather and share feedback on a daily basis, that's where we've seen the biggest success factors."

It's also important to get to know your community before you get involved. For instance, both Comcast and Southwest monitored Twitter for a few months before launching their public accounts.

"You don't walk into a room and start yelling," Douma says. "You walk in, listen and try to find someone to connect with and start the dialogue by joining in. It's the same thing in [social] communities. "

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