

KenCall
First call for outsourcing

The Advent of Social CRM

Introduction

Social media continues to gather pace. However, this phenomenon is emerging not just as a bandwagon for the fad-struck consumer – the business world is now embracing this too – and we’re witnessing the advent of social CRM as the next charge in customer service.

With Twitter constantly in the headlines, invites through LinkedIn flowing and Facebook flourishing, the business world is beginning to realise that this isn’t another passing whim, like Second Life, and this time they really need to look at how they maximise social media platforms to best effect. As more and more people use social media as their preferred means of communication – and we’re not just talking Generation Y – increasingly businesses are waking up to the fact that they too need to offer these channels as a form of customer communication.

This research report has been instigated to do just that – to investigate how big businesses are using social media platforms, specifically with a view to delivering customer service.

Objectives of the Research

This report, correlated from a 2010 market research study, examines the behaviour of some of the UK’s leading blue-chip organisations. It details their social media presence and proactivity, and whether they are actively engaging in social media activities to handle a broad range of consumer enquiries.

The research was commissioned in order to measure the reality of social CRM, but also ascertains the adoption of the key social media platforms and how well companies are using these tools to either communicate with or deliver service to their customers.

The objectives were stated as follows:

- Map the adoption of: Twitter; Facebook; LinkedIn, company blogs and dedicated social media networks across UK companies, including the preferred combinations of usage
- Ascertain how well companies are using their adopted social media tools for communicating with their audiences
- Gauge the extent to which companies’ websites encourage traditional and non-traditional forms of customer service

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The research was commissioned and conducted by KenCall, East Africa's leading contact centre service provider.

Respondents' Profile

The study researched 95 FTSE 500 organisations spread across the telecommunications, banking, retail and third sector marketplaces. Please view Appendix I for a listing of all companies surveyed.

Methodology

The data was gathered using desk research which examined the public websites of these organisations. The research also went on to interact with these websites to gauge the level of service delivered. A scoring methodology was devised, mapping how well each company was delivering across the various platforms, i.e. were they using social media tools to broadcast corporate messages or were they actively using them to engage in two way conversations or one-to-one communications with individual customers? This data has, in turn, enabled KenCall to develop a social media league table.

The social media platforms examined were:

- Twitter
- Facebook

- LinkedIn
- Company Blogs
- Dedicated Social Media Networks

Key Findings

The research concluded that there were a disproportionate number of companies in favour of signing up for social media platforms to those actively using them to engage with the end customer. Trend sites, such as Twitter and Facebook, were also found to be more in favour than those practicing through the more seasoned blog, although activity across the board remained limited.

- More than one in five companies (22%) are yet to deploy any type of social media platform
- Furthermore, over a third (39%) of companies are not engaged in any form of customer communications via social media
- Almost two-thirds (62%) of companies are not using social media tools for any one-to-one communications with their customers
- Only 15 per cent of organisations studied engaged in one-to-one communications across at least two social media platforms
- Facebook is the preferred social media tool for broadcasting

announcements to customers, with 49% of companies using it this way

—Only 41% of Twitter using companies are actively two-way tweeting and engaging in one-to-one communications

—Company blogs are the most popular means of engaging in one-to-one communications, with 17% of all companies and 59% of company blog users, using it in this way

Looking at more traditional customer service channels:

—Only 94% of companies today offer telephone numbers, evidence that some are trying to steer customers away from their call centres

—97% of companies offer email contact

—Only 61% of companies offer FAQs

—A miserly 11.5% offer chat support – the most immediate form of customer service available

—None of the companies reviewed offer a “Call-Me” button

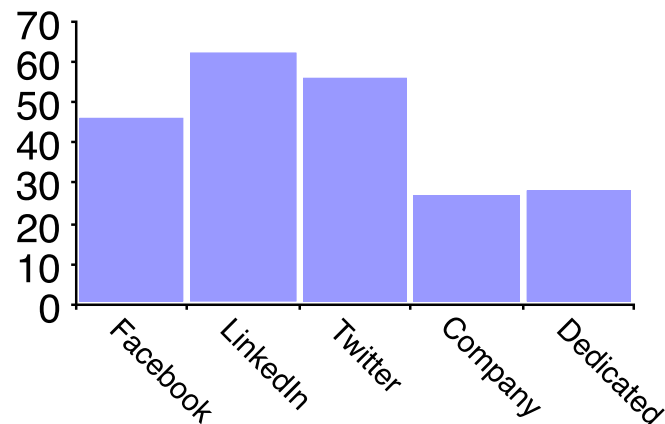
League Table

The charity sector tops the social media league table with 7 charities in the top 10 performers. That said, the telecommunications industry performed the best overall with all telcos in the top 50%. In addition there were 2 telcos in the top 10 and 1 retailer. The banking sector fared the worst with 6 banks placed in the bottom 10 performers (along with 3 charities and 1 retailer). Over half (52%) of companies in the bottom 50% were banks.

Adoption of Social Media Platforms

The research study kicked off by ascertaining which of the main social media platforms each organisation offered via their websites.

Percentage of Companies using Social Media Platforms



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Based on the market research, LinkedIn was found to be the most widely used social media tool – with 63 per cent of all organisations researched displaying a business profile page. Twitter was next in line with 57 per cent of organisations offering Twitter feeds. Facebook fared less favourably attracting 47% of companies. Although positioned as the more corporate of the social media tools, company blogs had a low popularity, with just 28 per cent of those researched engaging in dedicated blogging activities. Elsewhere, dedicated social network forums have done little to capture the imagination of the corporate, with less than one in three (29%) so far adopting such a network.

Customer Communications via Social Media Tools

The research went on to ascertain how companies were using social media tools to communicate with their customers. Points were allocated to companies in the following way:

- 0 – if the company was not using the platform for communicating with their customers, i.e. they did not have the platform or did not use it
- 1 – if they were using the platform for just one way broadcasting of news, sales, promotional updates, etc
- 2 – if they were using the platform in a two-way manner, albeit

listening and responding en masse

3 – if they were using the platform to engage one-to-one with their customers and responding on an individual basis

The research revealed:

—39% of companies are not engaged in any form of customer communications via social media platforms (even though 78% of companies do have them)

—Only 38% of all companies are engaged in any form of one-to-one communications with their customers via social media, meaning almost two-thirds (62%) of companies are not using any social media tools for any one-to-one communications with their customers

Taking the point scheme a stage further, each social media platform had the potential to earn 3 points from each company, so up to 285 points in total. The results were as follows.

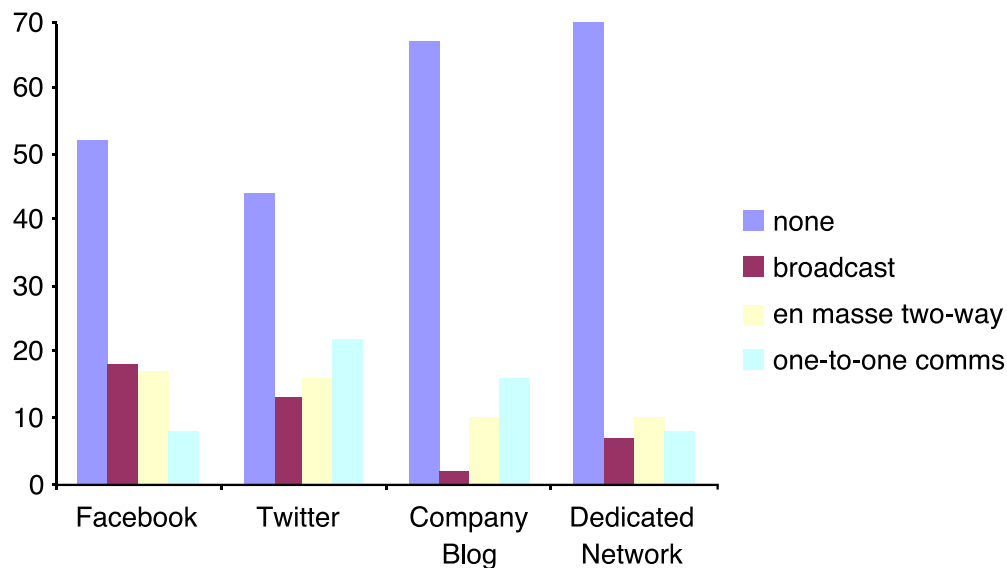
- Twitter led the way with 111 out of 285 points, or 39% of its social CRM potential. Although Twitter is the most used tool for customer communication, it is only being used to just over a third of its potential.
- Facebook followed with 76 out of 285 (27% of total score possible)
- The company blog scored 70 out of 285 or 25%

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With 51 out of 285 or 18%, the dedicated network is the least used social media tool for customer communication.

When these usage figures are compared to the tool adoption figures, it is clear to see that usage does not follow adoption and there is still much work to be done. As examples, Twitter is being used by 57% of companies, but only to a third of its potential for customer service, while Facebook is being used by 48% of organisations, yet only to a quarter of its potential. This demonstrates companies have a long way to go and a lot to learn about how to use social media to good customer service effect.

All Companies' Use of Social Media Platforms



Overall, companies were largely opting to either not adopt these tools or not use them for communicating with their customers. Twitter emerged as the preferred tool for one-to-one communication, with 23% of companies using it for such. Meanwhile, Facebook is the preferred tool for broadcast communication with 19% using it in this way and for en masse two way communications, with an additional 18% using it this way. However, Facebook was found to be the least favoured tool for one-to-one communicating, with only 8% of companies electing to use it in this way, exposing a clear distinction between corporate and personal use of the tool.

Somewhat surprisingly, the company blog has emerged as the tool least used for broadcast communicating and instead companies are preferring to use blogs for more personal one-to-one communications and active interaction.

Breaking down the all important one-to-one communications across all companies:

- 23% of companies are engaged in one-to-one communications with their customers over Twitter
- 17% of companies are engaged in one-to-one communications with their customers via blogs
- 8% of companies are engaged in one-to-one communications

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with their customers over Facebook
—8% of companies are engaged in one-to-one communications with their customers via a dedicated social network

Use of Social Media Platforms

Looking at each platform in more detail and how the companies who have adopted the tool are actually using it:

LinkedIn

LinkedIn was found to be the most widely used social tool – with 63 per cent of all organisations researched displaying a business profile page and 93% of those displaying a LinkedIn profile, actively using it.

Facebook

Nearly half of all organisations (48%) are promoting Facebook accounts, however, not all of them are really using Facebook to engage with their audiences:

- 7% of those who have it, don't use it at all
- 40% use it for broadcasting
- 35% periodically reply en masse
- 18% engage in one-to-one communications
- Facebook achieves 20% of its customer enabled social media potential

Twitter

57% of companies offer audiences to follow them on Twitter, yet of these:

- 6% don't actively use Twitter
- A quarter (24%) use it for outward broadcasting only
- A third of companies are using Twitter (30%) to deliver en masse responses on an ad hoc basis
- Only 41% of Twitter using companies are actively engaging in one-to-one communications
- Twitter achieves 29% of its customer enabled social media potential

Company Blog

Surprisingly only 1 in 4 (28%) companies have the most traditional form of social media: the company blog. However, although less companies have one, a higher percentage of those that do are using it properly.

- 55% of companies use their blogs to actively engage in one-to-one communications
- Over a third (37%) are periodically responding in mass communications
- 7% are using it only for broadcasting corporate news
- 4% don't use their company blog at all – which, of course, is worse than not even having one!
- The company blog achieves 18% of its social CRM potential

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Dedicated Social Media Network

Slightly more companies than have developed a corporate blog have gone the whole hog and developed a dedicated social network for their company. Remarkably, despite the effort of developing a dedicated social media facility, the least percentage of companies are using this properly.

- A staggering 11% don't actually use it
- 25% use it only for outward broadcasting of corporate messages
- 36% randomly reply en masse
- Only 29% use a dedicated social network to actively engage in one-to-one communications
- The dedicated network achieves 13% of its social CRM potential

Use of Multiple Platforms

It is clear that when companies start embracing social media tools, they often adopt more than one of them:

- More than one in five companies (22%) are yet to deploy any type of social media platform
- 17% of companies only use one social media platform
- 17% of companies use two types of social media platform
- 18% of companies deploy three types
- 19% of companies have four social media platforms: Facebook, LinkedIn, —Twitter and company blogs
- 16% of companies have 5 social media platforms
- 73% of companies that have LinkedIn also have Twitter
- 81% of companies that have Twitter also have LinkedIn

- Only 11% of companies that have Facebook and LinkedIn, do NOT Tweet
- 70% of companies that have Twitter also have Facebook
- Surprisingly 44% of those that have Facebook, LinkedIn and Twitter still DO NOT have a company blog

However, again adoption does not imply good customer service:

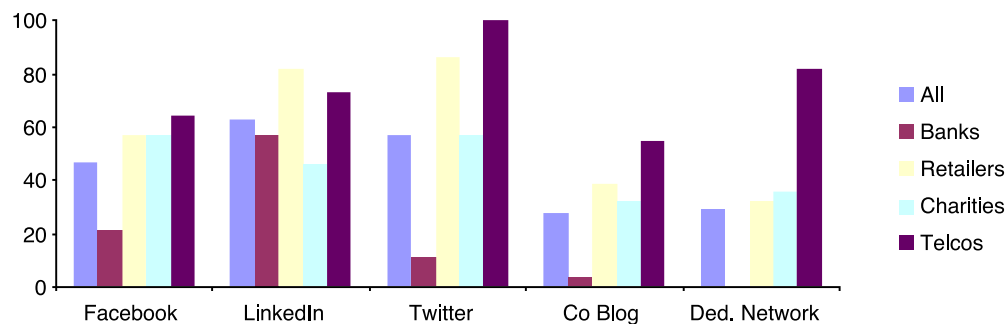
- Of the 17% of companies that have all 5 social platforms, only one offers one-to-one communications across all platforms
- Of the 17% of companies that have all 5 social platforms, none have a "call me" button
- Of the 17% of companies that have all 5 social platforms, only three (20%) offer chat support

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Vertical Sectors and their Adoption of Social Media Platforms

Looking at how each of the sectors used each of the social media tools for communicating:

Sector Adoption (in % of companies) using Social Media Platforms

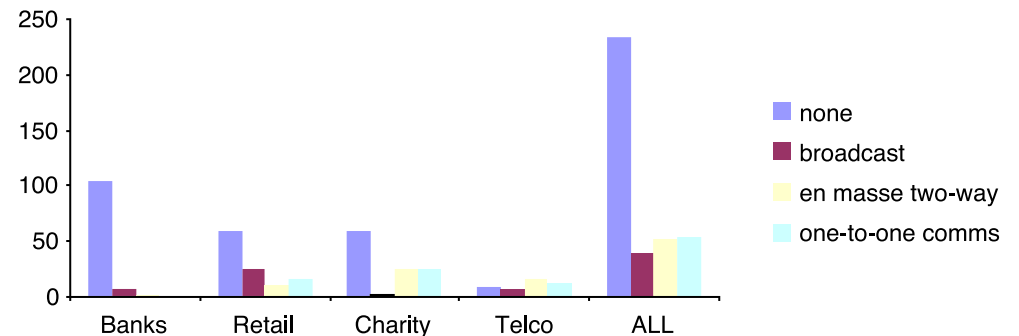


LinkedIn is the preferred tool overall, though its status was elevated by the banks, who clearly prefer LinkedIn as a social media tool, over the others, where there has been little adoption to date. Across the three other sectors, Twitter is clearly the preferred choice, with an average take up (outside of banks) of 81 per cent.

Telcos were found to be the early trend-setters with 100 percent promoting a Twitter account and 73 per cent having already uploaded a profile on LinkedIn. Retailers closely followed, with 86% on Twitter and 82% using LinkedIn. 57% of retailers promoted a Facebook account. More than half of charities (57%) were using both Facebook and Twitter, but surprisingly less than half (46%) were using LinkedIn.

Banks were by far the least enamoured by social media tools compared to the other verticals, with only one in five (21%) of banks registering with Facebook. Use of Twitter by banks was low, with only 11 per cent content to 'tweet' and the company blog and dedicated social network were largely ignored.

All Sectors' Communications using Social Media Platforms

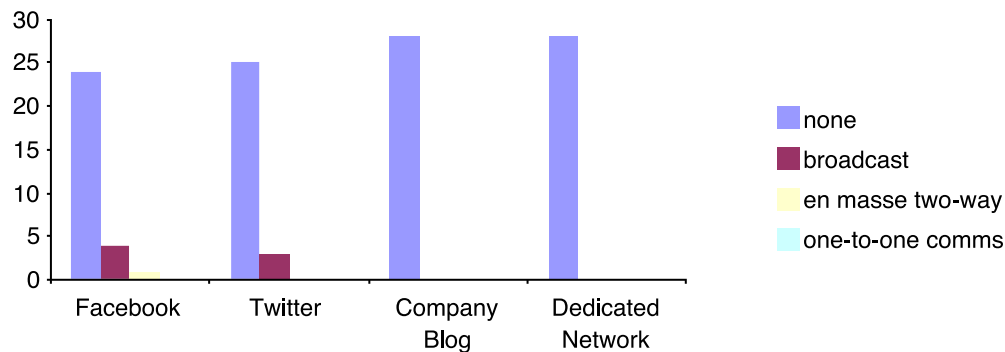


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Although not communicating via social media is the clear route for most, it is encouraging to see that overall, when companies are communicating via social media, they are attempting to employ one-to-one communications rather than just one-way broadcasting.

Interestingly, no banks at all are engaged in one-to-one communications with their customers, making it the poorest performing sector in this regard. 23% of charities were engaging on a one-to-one basis, making it overall the best performing sector. Retail achieved 14% and telcos 11% - although telcos performed more consistently overall.

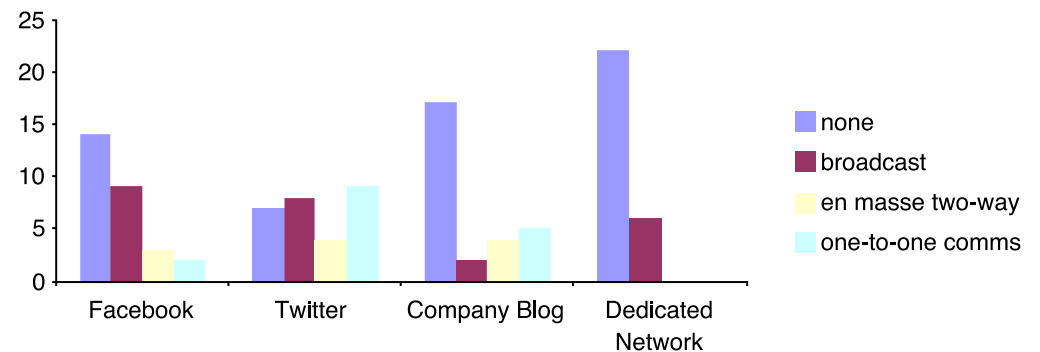
The Banking Sector's Communications using Social Media Platforms



The banking sector was the poorest performer overall with banks largely choosing not to use social media tools to communicate to their audiences.

The banking sector is clearly the laggard in this area, with no banks engaged in one-to-one communications with their customers, save the 4% that are communicating one-to-one over Facebook. Only 14 per cent of banks surveyed entered into even the most basic form of one-way broadcasting on Facebook, with only 4% responding via Facebook. What's more, just 11 per cent of financial institutions used Twitter without tweeting back - illustrating the need for change among banking organisations. Studies carried out also concluded that only one bank was prepared to entertain a company blog and none a dedicated social network forum.

The Retail Sector's Communications using Social Media Platforms



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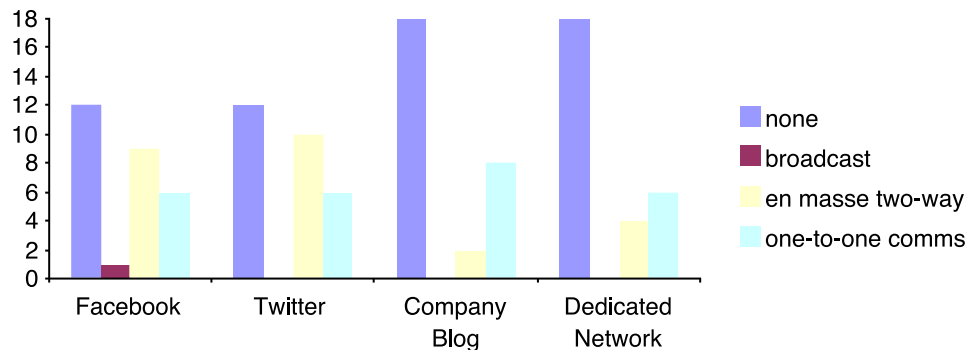
The dedicated network is the least used tool by the retail sector and Twitter the favoured tool for communicating with customers.

- Only 42% of retailers are engaged in any form of one-to-one communications with their customers – regardless of media
- 7% of retailers are engaged in one-to-one communications with their customers over Facebook
- 32% of retailers are engaged in one-to-one communications with their customers over Twitter
- 18% of retailers are engaged in one-to-one communications with their customers via blogs
- No retailers are engaged in one-to-one communications with their customers via a dedicated social network

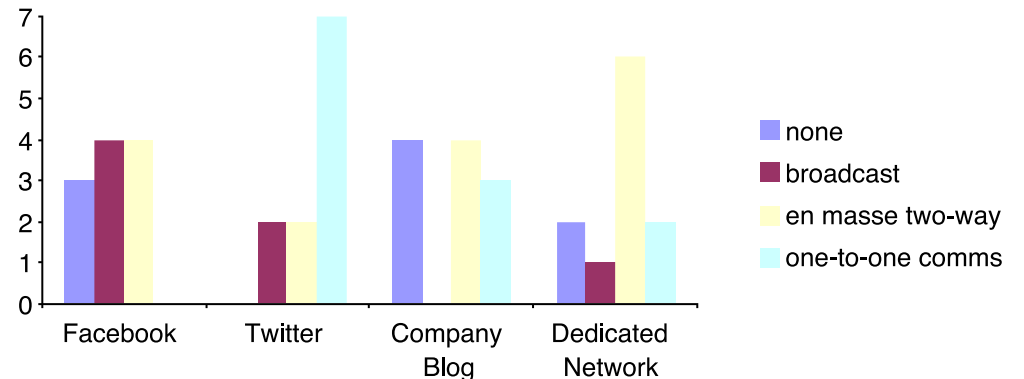
Twitter is the preferred tool of the charity sector, yet the company blog is the most used for one-to-one communications.

- Only 42% of charities are engaged in any form of one-to-one communications with their retailers – regardless of media
- 21% of charities are engaged in one-to-one communications with their customers over Facebook
- 21% of charities are engaged in one-to-one communications with their customers over Twitter
- 29% of charities are engaged in one-to-one communications with their customers via blogs
- 6% of charities are engaged in one-to-one communications with their customers via a dedicated social network

Charities' Communications using Social Media Platforms



The Telecommunications Sector's Communications using Social Media Platforms



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The telecommunications sector was the best performer overall, with Twitter being heavily adopted for one-to-one communications and a dedicated social media network also actively being used.

—Furthermore, 91% of telcos are engaged in any form of one-to-one communications with their customers – regardless of media, however, 0% do so over Facebook.

—73% of telcos are engaged in one-to-one communications with their customers over Twitter and 100% of telcos Tweet

—27% of telcos are engaged in one-to-one communications with their customers via blogs

—18% of telcos engage with customers in one-to-one communications using dedicated social networks

How websites promote traditional customer service

With an inherent need to provide the end user with a variety of customer service tools, studies concluded that, out of those researched, organisations were evidently out of touch when it came to actually offering consumers real customer service, with no companies entertaining even the most basic “call-me” button facility on their websites. 97 per cent of organisations, meanwhile, were happy to interface with consumers by offering an online contact form/email.

Meanwhile, only 94 % of those surveyed provided a visible customer services contact number online - a clear indication that some corporates are trying to steer customers away from their contact centres.

‘Chat support’ functions resonated with just 12 per cent of organisations. Q&A sections were seen as a more favourable option, with 61 per cent of companies offering a FAQ service in some shape or form.

Studies concluded that the telecoms industry was the most forward thinking vertical sector through email (100 per cent) and providing Q&A (100 per cent) advice.

How responsive are organisations to end-user enquiries?

With customer service still number one on the consumer charter, surprisingly, only half (49%) of those researched were able to respond to a customer enquiry levied at their company within 24 hours.

Telco providers were found to be the most proactive to respond to direct customer tweets, with 91 per cent of all sector providers able to tweet-back within 24 hours.

The least responsive were those operating within the financial services sector, which found just 10 per cent of all financial institutions

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were able to provide some form of response within a 24-hour period. Retailers, meanwhile, and those operating in the third sector, were found to be more responsive, with 68 and 57 per cent, respectively, able to make suitable service level provisions within the designated 24-hour timeframe.

Conclusion

While it's accepted that no social media tool is currently able to serve all purposes, organisations are either missing out, or dismissing the opportunity to engage with their consumers.

Studies show that cross-vertical organisations see it more as a trend-factor as opposed to something more customer management focused. As a result, research shows that many organisations are missing out when it comes to providing social media enabled customer service.

Studies found that organisations are quick to jump on the bandwagon when it comes to registering for social media, but are not personalising it and offering good customer service through it.

Financial services providers were found to be most on the back foot, with telcos leading the charge.

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Appendix I

3 Mobile broadband
Abbey national Treasury services
Abbeyfield Society,
ABC International Bank plc
Aberlour child care trust
Absolute return for kids
ACT foundation
Action aid
Action for blind people
Airdrie Savings
Aldermore Bank
Amazon UK
AOL
Apple computer
Argos
ASDA
Asos
B&Q
Babraham institute
Baily Thomas Charitable trust
Ballinger Charitable Trust
Bank Leumi
Bank Of New York Mellon
Bank of Scotland
Barclays Bank Plc
Baring Foundation
Barnardos
Barnwood House Trust

Barrow Cadbury Trust
Be Broadband
British Airways
British Red cross Society
British refugee council
BT
CARE International
Cater Allen
charities Aid foundation
Charity Bank Ltd
Christian aid
Church House Trust
Close Brothers Ltd
Comet UK
Currys
DB Bank UK Limited
Debenhams
Donkey Sanctuary
Dresdner Kleinwort limited
Dunbar Bank plc
Duncan lawrie Ltd
Easy Jet
EFG Private Bank
Epson
Europe Arab Bank plc
European Finance House Ltd
Family Action
FBN Bank (UK) Ltd
FIBI Bank (UK)Plc
Gate House Bank Plc
Guide Dogs For the Blind Association
Harrods Bank Ltd
Help Age International
HMV Media Group

HSBC Bank Plc
ICBC(London)Ltd
Islamic Relief
J P Morgan International Bank Ltd
Jewish Care
John Innes Centre
John Lewis
lastminute.com
leprosy Mission International
leukaemia Research
Marie stopes international
Marks and Spencer
New Look
Next
O2
Orange
Playcom
Plusnet
Primark Stores
River Island
Ryan Air
Sainsbury
T D Bank Europe Ltd
T Mobile(UK)
Talk Talk
Tesco direct
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Top Shop
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Virgin Media
Vodafone
Zenith Bank(UK) Ltd

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Media: A Market Research Study
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