TALK WITH ME, NOT AT ME: Playing to win with social media
Welcome to the Switching Economy

Consumers everywhere have a wealth of information at their fingertips, giving them more control than ever regarding who gets their business. They know they have choices and switch providers when frustrated with their experiences. The result is the emergence of what Accenture calls the Switching Economy: the $5.9 billion of consumer-oriented commerce that’s annually up for grabs globally due to dwindling consumer satisfaction with and loyalty to their established providers.

According to Accenture’s 2013 Global Consumer Pulse Research, which included more than 13,000 consumers in 33 countries, 66 percent of consumers globally have switched providers because of poor experiences in at least one of ten industries surveyed.

An overwhelming majority of consumers (85 percent) said they switch providers because companies simply don’t make it easy to do business with them. It’s not for lack of effort on providers’ part. However, most companies have failed to keep up with consumers’ expectations and behaviors because they have been playing “not to lose” when developing their customer relationships.1

Instead, companies must play to win. That starts with recognizing that the traditional sales and marketing ‘funnel’ is out of synch with consumers today and adopt a new model that is aligned with how consumers behave in today’s digital world—a model that enables companies to understand and keep pace with today’s all-powerful and ever-changing consumers who recognize and reward companies that meet them on their terms and punish those that don’t.

One of the key elements of this new customer model is effectively leveraging social media. Social media has substantially evolved from its primary early use as a way to keep up with what friends are doing. It is now a valuable “window into the world of consumers,” enabling companies to listen to consumers, understand what they think and want, and use that insight to engage them in relevant and interesting interactions. Indeed, leading organizations are using the power and reach of social media to harness insights, create relevance, hone relationships and target stakeholders in a more meaningful and trusted way.

1. We introduced this theme and shared findings from Accenture’s 2013 Global Consumer Pulse Research in our report “Digital Customer: It’s time to play to win and stop playing not to lose.”
Social Media: the New Norm

Social media has become one of the many ways consumers get information and interact, and it is no longer a distinctive, separate channel according to Accenture’s 2013 Global Consumer Pulse research.

For instance, nearly two-thirds (63 percent) of consumers surveyed said they use online information from sources such as expert-review or product-comparison sites, and just under half (48 percent) said they use online information from social media sites to learn about products and services.

A slight majority (52 percent) of consumers surveyed are using social media at least several times a month to interact with family and friends for private purposes. For emerging-market consumers, that figure rises to 66 percent.

About four in 10 (42 percent) consumers globally (and 63 percent of emerging-market consumers) read about companies’ products or customer service delivery on social media sites at least several times a month, and one-quarter globally (and 40 percent of those in emerging markets) said they write about customer service delivery or personal experiences with them on social media sites at least several times a month.

And one-quarter of consumers globally (and one-third of emerging-market consumers) interact directly with companies on social media sites or other digital channels about their products and services at least several times a month.

For providers, social media can be a blessing or a curse. About three in 10 consumers in our survey said positive or negative comments on social media about companies or brands influence them, contributing to their consideration of a product or service as well as their decision to buy a particular offer. Furthermore, almost one in three consumers trust comments made on social media by people they know.

Perhaps the biggest indication that social media has turned the corner to become an elemental part of consumers’ lives is the fact that a substantial percentage of consumers in our survey want companies to be part of the conversation. Twenty-six percent said they like seeing companies get directly involved in contributing to discussions on social media, and 23 percent said they are more likely to do business with a company that they know they can interact with in a social media environment.

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Close to 30% of consumers are influenced by positive or negative comments on social media about companies or brands, impacting both consideration and purchase decisions.
Given the preceding, companies wanting to play to win need to build the capabilities necessary to create and maintain a strong and consistent social media presence—as well as more effectively leverage the data social media generates—to better engage consumers and help prevent them from switching. Many companies, in fact, have made considerable strides to that end in the past several years. However, most companies still lag in two areas that are critical to taking full advantage of social media’s potential: ensuring that social media is well connected to other channels, and managing online reviews as part of their social media, not ecommerce, activities.

Integrating social media with other, more established customer-interaction channels

Companies understand that today’s omni-channel consumer will interact with them in ways that suits them. Increasingly, that channel is social media. However, while many companies recognize the importance and invest in the capability, many continue to treat social media as a disparate channel. Another Accenture survey showed only one quarter (26 percent) of B2C providers reported that their social media programs are tightly and formally linked at a process level to other customer-related initiatives.2 This lack of integration of social channels with established channels can result in conflicting messages being sent to consumers and a bumpy customer experience that can frustrate them. Here’s a real-life example.

A million-mile flyer arrived at the gate seven minutes before his plane was scheduled to depart, but the plane door was closed, and he was not allowed to board. Frustrated, he sent out a general tweet and an email to the airline in which he wondered why the airline wouldn’t make an exception for a high-revenue customer. Ninety minutes later, the airline saw the tweet and tweeted the flyer a private response: “Give us your frequent flyer number and we’ll talk”. Recognizing his status, the airline offered him a $50 credit for his inconvenience. Yet six hours later, the flyer got an email from the airline stating that it was sorry the door was closed, but that’s company policy and there was nothing further the airline could do. It was obvious from their responses that the social media and email teams didn’t know what each other was doing. It’s also likely that if the flyer had called the airline, the call center would have been equally in the dark about the actions of the other two channels’ teams.

If the email and social media teams had been using the same process and CRM system, they could have avoided the miscommunication. The two teams could have opened a case in the system, tied to the customer’s frequent flyer number, which would have enabled the email team to immediately see that the social media team already addressed the flyer’s concern. The result would have been a much smoother customer experience that would have left the flyer more satisfied than confused.

Recognizing that online reviews are a part of social media, not ecommerce, and managing them accordingly

Another challenge that often makes it difficult for companies to fully leverage social media is the failure to treat online reviews as social media. In many companies, reviews are considered part of the ecommerce infrastructure and, as a result, often are mismanaged or not even managed at all. When that happens, companies tend to miss opportunities to reward customers for positive reviews and address negative reviews to mute the impact on the brand.

Three actions are critical to helping a company more effectively capitalize on the power of online reviews. The first is for a company to extend its social media management technology capabilities to include reviews. In most companies, review management tends to be supported by an add-on tool to the ecommerce platform. This approach lacks the moderation and collaboration capabilities necessary to monitor and respond to reviews—which are a core functionality of social media management platforms.

The second action is to shift responsibility for review management from the ecommerce team to the social media team—or at the very least, foster greater communication between the two groups. Doing so will help bake review management into the everyday activities of the people who are most in tune with the company’s social media policies and practices and, thus, help ensure reviews don’t get lost in the ecommerce shuffle.

The third is to implement new processes for monitoring and leveraging relevant review sites. For companies that sell through multiple retail sites, this is especially critical, as it can be challenging to keep tabs on—and, where appropriate, join the conversation on—all the relevant sites on which consumers could post reviews of the companies’ products. On the other hand, retailers don’t have to worry about multiple sites, but they do have to moderate their own review site as well as encourage consumers and product companies to engage in dialogue that helps drive additional sales.

The gold standard for review management, of course, is Amazon, which considers its review capability one of the foundations of the company’s business. Reviews have been vital to Amazon’s success from the beginning. They helped distinguish Amazon in the early days of ecommerce from other fledgling online retailers and remained over the years a fundamental driver of customer loyalty and new revenue. Not only does Amazon do a great job of encouraging consumers to post reviews of their purchases and companies to engage in those reviews, the company also heavily moderates the reviews to help ensure their quality and authenticity—which is critical to maintaining consumers’ trust in them.

Enrich my experience

Consumers are smart, and understand that companies are gathering more data than ever about their shopping habits and buying preferences. They expect that companies will handle this data responsibly if they value the relationship with their customers, and use the data to create not just better selling opportunities for the company, but better choices and more valuable offerings for the consumer. This new relationship is defined by reciprocal trust and mutual value... anything less turns the customer off.

Hyper-relevance means that companies need to be able to tailor interactions with consumers regardless of which channels they use. The goal is to be able to identify a customer and connect all the data points with business processes and internal data from CRM and transactional systems, which means getting smarter about using geo-location data, social media and cloud computing along with conventional media. Consider Seamless and GrubHub, previous competitors that recognized that the mobile technology explosion made a merger sensible, allowing them to provide their combined customer base access to a platform than includes more than 25,000 restaurants in more than 500 cities. Companies like GrubHub Seamless capture consumer behavior in an “always on” streaming digital environment, which enables the company to, in near real time, present relevant options to customers via their channel of choice. In another industry sector, Quicken Loans boasts one of the highest satisfaction ratings in the industry—80+ percent—because it communicates clearly and consistently to customers information that’s important to them such as loan terms, the application process, and next steps.
Consumers’ expectations and needs have changed over the years, leaving many companies struggling to keep up. That’s why it’s so critical for companies that sell to consumers to strengthen their focus on social media, where consumers freely express what they want, what they do, and what they think—about a wide variety of topics. Mining this rich source of data and becoming part of the social media conversation can enable companies to become more relevant to consumers and evolve as consumers do.

As our research reveals, strong social media capabilities are truly a critical element of the new customer model that helps enable companies to capture the significant opportunity to take market share and improve customer loyalty in today’s Switching Economy.

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Unlocking Value from Social Data
The Social Media Management Handbook
and complimentary downloadable executive summary

From Analog to Digital: How to Transform the Business Model
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