

Should social customer care
be in the contact center?

A cost/benefit analysis.



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Executive Summary

Social media customer care has quickly become a strategic part of customer experience strategies for nearly every business across a variety of industries. Its rapid increase in use by both consumers and businesses have created significant challenges for large brands who need to keep up with consumer expectations for service.

On average, a social media conversation is usually less than \$1 per conversation, compared to a voice call where it averages around \$6. At an average 1/6th the cost of a voice call, deflecting even a small percentage of calls to social channels will yield high direct cost savings.

Additionally, because agents can handle many more conversations per hour in social media than over the phone, the overall performance capabilities of the contact center will increase reducing the need to hire new agents as quickly, which reduces the cost to scale service.

Consumer expectations for speed of response in social channels are consistently becoming more demanding. The current market of traditional, enterprise social media management platforms limit a business's ability to scale their response efforts due to the high per-agent costs. This restricts the company's ability to improve their speed of response to social comments.

When API-based integration solutions are used to bring social features to existing service systems, significant reductions in per-agent cost can be realized, opening up the ability to scale social response over large numbers of agents and allowing for near instant response times.

Furthermore, by integrating social channels into the user-interface of the existing contact center system, this eliminates the silo-effect created by traditional social media software

platforms. Because of the integration, many service processes can be maximized for efficiency, or even eliminated, while quality levels are increased and made more consistent.

If the business outcome goals of the company include reducing the cost of service, improving contact center efficiency and agent performance, while staying ahead of consumer expectations, integrating social media will have a very positive impact on the results.

Introduction

Social networks have become a mainstream channel of communication for people all over the world. As consumers have welcomed the marketing efforts from businesses into their conversation space, their expectations have become very clear: if the brand has a presence in the social network, they must be as responsive there as in any other communication/service channel the brand uses to communicate with customers.

This whitepaper takes a look at why brands should continue investing in social media customer service and why moving the practice to the contact center is needed if they want to stay ahead of customer expectations. The analysis, from a cost/benefit perspective, dives into how a large brand can optimize their social care efforts, what they stand to gain from doing that and how those changes can make deep cuts in the overall cost of service.

How did we get here?

Just over a decade ago, very few businesses were paying attention to social media at all. Internet usage in general was growing rapidly and most businesses were still optimizing around banner ads and similar strategies to drive traffic to their website. Social networks seemed to have come out of nowhere and were suddenly everywhere.

By 2020, 85% of customer service will be digital.

Gartner

Marketing teams quickly realized the value of being able to get involved in social conversations and create brand engagement with their content. While a return on their investment of activities and budget spend was often hard to prove in the beginning, one brand after another found success in their tactics and from that point forward social media became an integral part of nearly every company's go-to-market strategy.

With all this success, came an unintended result: a change in consumer behavior. As marketing teams around the globe poured large percentages of their budget into social media strategies and social advertising campaigns, they were training consumers to expect the brand to be available in those networks. Consumers realized they now had the power of a large megaphone to make public posts about a company if the business wasn't living up to service expectations. And, they knew if the brand didn't respond, the post could quickly be shared across millions of people and have severe negative consequences for the brand. Consumers realized they no longer had to call in on the phone to get help, they could just open up the Twitter app from their phone or go to the company's Facebook page.

While social marketing tactics certainly created new purchases and subscriptions, the marketing team, almost overnight, was now in a position where they were responsible for creating the content to produce the sales and at the same time, respond to

all the incoming questions and customer service issues. Poor customer service in social media could make all the investments they made in creating engagement obsolete, or worse, cause large numbers of customers to churn and go to competitors. Because of this, a large portion of their marketing budget was now being allocated to build a specialized social customer service team, outside of the larger corporate customer service organization. For enterprises, this is where the problems began.

The speed at which all of this escalated put large, enterprise consumer brands in a very difficult position. Up to this point, the only department in most companies that had anything to do with social media was marketing. Because of this, the market of software tools and platforms available to help businesses in social media were built for marketing and advertising purposes. There were virtually no social media software systems built for customer service teams, only marketing teams. And, because the marketing department was solely responsible for social media, none of the major contact center software providers put effort into developing social media capabilities. Because none of marketing systems were designed to work with other customer service systems, and vice versa, this resulted in a social customer service team that was siloed away from the rest of customer service in the marketing department.

Customized processes and work-arounds were put in place to provide customer information to social care agents so they could help customers in social networks. But these process slowed down the time it took to resolve a customer issue in social media and created inconsistencies in the customer experience from one service channel to another. As consumer expectations for fast service grew more demanding, response times from the social media team became more important. A slow response, or worse, no response, in social media, had nearly the same message as telling a customer, "We don't care about you."

The social marketing platforms began adding features and capabilities designed to help the social care agents, but with these new capabilities, the average monthly price per user went

up quickly. In a short time, the monthly, per person cost of social management software grew to more than double the price of entire, high-end, multi-channel, contact center systems. Today, due to the expensive nature of these products, enterprises are now forced to find a balance between not having enough people on the social media team to respond fast enough and staffing up with enough people to maintain semi-adequate response times while keeping the budget from running up too quickly. However, even if the price of these solutions were to drop significantly, the problems created by having one customer service team siloed away from the rest of customer service would still exist.

All of these problems become larger and tougher to deal with as the number of inbound social comments increases. Every year, marketing teams spend a new record on social media advertising and marketing tactics. And, every year, the volume of consumer responses increases along with it.

In the following pages we'll take a look at a cost/benefit analysis of why, despite these challenges, it's important to continue investing in social customer service. We'll also look at how to get around the social media silo problems to make this scale for enterprises, at a price that doesn't drive them out of business.

Reduce the total cost of service by deflecting calls to social channels.



-\$1 per conversation



\$6 per conversation

It is widely recognized that consumers are going to social channels in quickly increasing amounts expecting fast, quality customer service there. Service leaders should recognize that, while social media requires additional resources for the contact center to support the channel, the cost of meeting those customer expectations can be very low with integration platforms and the return on investing into a quality social media solution can usually be realized in a matter of months. This is especially true when we look at the savings created by deflecting routine customer service calls to social channels.

On average, a social media conversation usually costs less than \$1. Twitter released [a study](#)¹ not too long ago that discusses this. At HelpSocial, our own internal research of customer accounts has shown the same. Compare that to an industry average of \$6 per voice call and you can immediately see where large savings can be made by deflecting routine phone calls with only moderate promotion of social channels to the customer base. [Gartner](#)² believes these types of savings will encourage businesses to optimize the contact center around social/digital channels and, by 2020, as much as 85% of customer service traffic will be served through digital channels, including those like Twitter and Facebook.

By the numbers.

Plug in the numbers from your company with the formulas below to find an estimate of what your organization can save through call deflection to social media.

average monthly call volume x average cost per call = average total cost of voice support (\$VS)

$\$VS - \text{percent of calls deflected (\%CD)} = \text{new total cost of voice support (New\$VS)}$

$\$VS - \text{New\$VS} = \text{monthly savings from call deflection}$

Example: ABC Cable receives 25,000 calls per month and averages a cost of \$6/call. How much will they save if they only deflect 10% of their voice calls to social channels?

25,000 calls per month x \$6 per call = \$150,000/month (\$1.8M/yr)

25,000 calls per month - 10% of calls deflect to social media = 22,500 calls per month (2,500 calls deflected)

2,500 deflected calls per month x \$6 per call = \$15,000/month (\$180,000/yr) saved by deflecting only 10% of calls.

With moderate promotion of social channels for customer care, what should a brand expect to see in call deflection?

Gartner Analyst, Jenny Sussin, presented at Gartner's Customer 360 back in 2013 that McAfee³ saw an 85%+ improvement in call deflection through social customer service and Mint.com³ reduced support tickets by 70% in just 90 days. In another panel discussion, a representative from Nintendo said, in 2014, they were able to deflect 80% of their call volume to digital channels. It's no wonder why Gartner predicted³ that by 2020 85% of customer service would be digital.

With consumer behavior shifting towards a preference of digital channels, enterprises need only to show up with the right social media solution to make sizable gains towards their cost saving goals.

Save through increased agent productivity. Achieve value where the cost per customer interaction is the lowest and value per agent is the highest.

Often, social media conversations are asynchronous. Meaning, time can range from minutes to days in between a customer's response vs live chat that happens 1 message right after the other, or phone calls, that require one to one focus. Because of this asynchronous nature, a single agent may handle as many as 20 different social comments in a given peak hour, compared to an average 4 to 6 calls per hour for voice.

Because of the asynchronous nature, social customer care can easily be spread across a contact center full of blended skillset agents. In one instance the agent might be replying to a support ticket or handling a phone call and in the next they might reply to a Tweet or Instagram comment. In this scenario, because of the small amount of time each agent spends on a social comment, a larger volume of customer issues can be resolved without increasing the number of working agents.

Additionally, by scaling the social response efforts over a larger number of agents, instead of limiting social care to a relatively small, dedicated team, the time to respond to a social customer can be nearly instantaneous, every time. With consumer expectations around response times becoming tougher to keep up with, this puts the enterprise that scales social in the contact center at a major service advantage over those who choose to keep social media dedicated to a small team.

For many, it may make sense to phase the approach into using the contact center for social care. Those maintaining a dedicated team of social care agents can take a staged approach by using the contact center as an overflow option on nights and weekends or during service outages or crises were social traffic is abnormally high.

By the numbers.

Plug in the numbers from your company with the formulas below to find an estimate of the cost for your own social media conversations.

average hourly rate per agent / X number of social conversations at peak time per hour = cost per social conversation

(average cost per call x average number of calls at peak time) + average hourly rate per agent = hourly cost for voice support

Example: ABC Cable pays their agents an average of \$9/hour. Dedicated social media agents average 20 conversations per hour at peak traffic times and voice agents average 7 calls per hour during peak call times.

\$9 per hour per agent / 20 social conversations per hour = \$0.45/conversation, \$9/hour

(\$6 per voice call x 7 calls per hour) + \$9 per hour per agent = \$42 voice cost + \$9/hour/agent = \$51/hour (\$6/conversation)

Social customer care was nearly 1/6th of the cost per hour and almost 3 times more productive.

Cost of scaling social customer care:

Here is the point where we encounter the scaling problem associated with the high cost of social media software. While the value of social customer care can be seen easily in the call deflection example above and, while the cost per social conversation appears to be less than \$1, when the cost of social media software is added in, a cost/benefit model begins to break.

The following is a demonstration of the scaling problem using average pricing from enterprise social media management platforms. We're focusing on the monthly price of a standard agent only. Costs of custom integrations, implementation fees, training, consulting, admin users and other commonly charged

items are not included (but should be factored in to your own analysis).



\$300/month
per user



\$150/month
per user

Add in the cost of social media software:

For traditional social management solutions (similar to the HelpSocial Connect dashboard), adding in the cost of the software and showing the per-conversation cost can be found here:

price per agent per month x number of agents = monthly social software cost

monthly social software cost / number of conversations = cost per conversation

Example:

ABC Cable wants to improve their customer service experience. They have decided to scale social care across 500 blended skillset agents in their contact center so they can respond as close to real-time as possible to customers in social networks.

\$300 social media software license per month per agent x 500 agents = \$150,000/month

\$150,000 / (avg 2500 conversations per day x avg 21 working days per month) = \$2.86 per conversation

At \$2.86 per conversation, that's still nearly 3 times less than the cost of an average phone call. But, the total cost per agent for ABC Cable's contact center has now more than doubled from an average of software cost of \$150/month/agent to \$450/month/agent. Even if ABC Cable decided to use HelpSocial's social care dashboard, Connect, at the lower price of \$100/month/agent, their total operating costs are still significantly increased beyond the breaking point of any reasonable cost/benefit ratio.

Beyond the technical limitations between social media software historically not working well with contact center software, this a primary reason why social customer care has never been widely

adopted as a mainstream channel for customer service in the contact center. And, it remains the reason why it has become nearly impossible for a large consumer brand to achieve consistent, near-instantaneous response times.

The social media industry, measuring response time success based on how many hours it takes a brand to reply is a direct reflection of the scaling problem of social customer care. By contrast, can you imagine if it took an hour for a customer service representative to answer a ringing phone? And yet, that's where we are with social customer care. Unfortunately, with the nature of social media, the consequences of not being able to improve the service standard are on public display every single time a customer posts a question.

Fortunately, technology is advancing and with it, new pricing models are solving this scaling problem. As an example, at HelpSocial, our Open API is designed to give companies the ability to pick out the social capabilities they care about and integrate them into their existing service systems or build their own social media tools and systems. Combined with a usage-based pricing model, this reduces the cost per conversation down to a few cents, bringing the total monthly price for the example above down to around \$2000/month - for the entire contact center.

Agents should be trained as Blended Agents (capable of handling voice and/or digital), so as more calls are deflected to social channels, blended agents can switch between social and voice calls, removing the need to increase agent count to handle social media. Eventually, staffing needs will be reduced as an increased volume of calls are deflected and each voice agent's productivity increases by many multiples as they take on more social conversations.

Save through process elimination and improved agent efficiency with user interface-integrated social media solutions.

Because of the rapid way social media has grown and evolved inside our businesses, the social media suite has become the go-to standard for most enterprise social media teams. They are typically not the best at any one single capability, but often they are very good to good enough at many of them. As social marketing teams split their responsibilities in two (marketing and care), the social management suites increased their seat count as the care teams grew in size.

For a social customer care team, being siloed outside of the larger customer service organization and using a system that is separate from the rest of the service systems brings many issues. For example, when a customer calls in on the phone, the phone agent has all the historical data about the customer right in front of them. When someone tweets, the social agent may have no relevant information on the customer history, or even be able to recognize whether the person is a customer at all.

There are hundreds of small challenges like these that social teams have had to deal with since the beginning due to the way the team structure and social media software has evolved. Each one of these challenges introduces extra time into the process of helping a customer. Every company has examples of the bandaid-type solutions they put in place to try and solve for these issues, but ultimately, unless social media can be integrated with the rest of customer service, the quality level of a social customer care team will have a glass ceiling.

While social media suites may be great for marketing teams, customer service organizations have no use for the vast majority of their capabilities. They need to be able to see social comments that are relevant to what their agents can help with, be able to reply back to those comments and pull metrics on team/agent performance. Beyond that, the social media suite

provides little value that the social marketing team isn't already taking advantage of.

Most contact center platforms already provide reporting, customer issue tracking features and a means for routing items to agents based skillset. With a social media solution that can be integrated into the user interface of a contact center system, the customer service organization can bring in the few extra capabilities needed for social care responsibilities and eliminate virtually every problem created by keeping a social care team siloed in marketing, using marketing software.

HelpSocial's Open API is an example of a platform where the brand can pick out the features they care about and bring them into their service systems. By taking this approach, duplicate processes are eliminated, work-arounds to tie other tools and departments together are removed, existing processes are made more efficient and the brand can provide a consistent customer experience across every service channel.

In addition to cost savings and improvements in performance, faster service times lead directly to higher customer satisfaction scores. A quick google search can reveal many studies that have cited the impact fast customer service has on turning customers into promoters. In social media, speed of service is even more important. Improving customer care efficiency not only saves money, it produces a higher customer lifetime value and increases the number of customer referrals.

By the Numbers:

[Searching for contextual data:](#)

On average an agent may spend 10 minutes looking for related information to understand the context of the customer situation, before being able to provide quality assistance. By bringing social capabilities into service systems, this research time is cut back 50% - 60% leading to faster response times, shorter handle times and improved agent productivity rates.

Productivity:

Social agents can handle 30% to 50% more conversations per hour.

Voice agents can improve handle time by 20% - 30% when context is needed about a social complaints.

Efficiency for social agents:

First response is 50% to 60% faster.

Average handle time is reduced by 30% to 50%.

Automated routing of social comments:

The HelpSocial Open API was built to work with any service system that uses a routing engine for skill-based routing of calls, emails, chats, etc. to agents in a contact center. By using the existing routing engine to assign social conversations to agents, average handle time is reduced by 10 seconds, or more. This also leads to an additional 10% increase in agent productivity, reducing idle time.

Additionally, staffing requirements for manual monitoring and routing are severely reduced. Full time monitoring/routing position(s) is/are eliminated and replaced by no more than 5% of a supervisor's time used to manually route comments that didn't match skill-based rules.

Data entry across systems:

A consistent customer service experience across all channels requires all agents to have access to the same information. With social customer care integrated into customer service systems, all agents, across all channel teams, not only have access to all contextual customer information, but the agents only have to enter the data 1 time.

For many social customer care teams, waiting on colleagues from other areas of the business to provide context into a customer issue is an unfortunately routine delay. In the scenario where social care is integrated with the rest of customer service this can be eliminated. Total time to resolution for complex issues is improved by 30% - 50%.

Training time:

Traditional social media management suites are complex and require a considerable amount of training to master the feature set. Many of the top platforms used by social marketing and community management teams today recommend between 1 - 2 days of training for agents and between 2 - 4 days of training for supervisors. When social care features are integrated into the user interface the agent uses for all other channels, the learning curve is drastically reduced. Recommended agent training time is less than 1 hour and supervisors require less than 2 hours for complete mastery of the new capabilities, reducing training time and operation disruption by as much as 88%.

700% more business disruption from rolling out a stand-alone social media platform vs using an integrated solution.

Example: ABC Cable decides to integrate social media capabilities into their contact center system. Since they are not deploying an entirely new software package, the training time is significantly reduced, saving implementation costs.

(25 agents on social media team x \$9 per hour) x 8 working hours = \$1,800 for a full time work day.

\$1,800 work day cost - 4% training time = \$1,728 agent costs saved by using a UI-Integrated Social System (or double, \$3,456 saved for 2 days of training).

2 supervisors x \$50,000/yr salary = \$416/work day. 2 days of training = \$832 supervisor costs saved (or double, \$1,664 for 4 days).

Total saved in reduced training time = \$2,144 to \$5,120, based on a 25 person team.

Additionally, the severely reduced training time nearly eliminates any disruption to contact center operations associated with rolling out social media as a new channel. Another way to look at this is, by not using a user interface-integrated social solution, you are increasing the amount of disruption to operations by 700% during implementation time.

Take advantage of blended-skill agent capabilities to reduce the agent-count needed during major issues.

With a user interface-integrated social solution, all agents have the knowledge of how to help customers in social media because the process is the same as any other channel. A contact center may have dedicated agents covering social traffic, but in times of a major issue, such as a service outage, agents from other channels, that have not seen as large of an increase in customer traffic, can be added to the queue for social conversations. With stand-alone social management tools, this capability doesn't exist unless agents from other channels have also gone through extensive training on the social platform.

These blended-skill agents can be used to reduce additional staffing needs and can improve workforce efficiency by being able to move an agent from one channel to another, instead of remaining idle while waiting for the next assignment in their queue.

Centralized reporting and real-time, cross-channel performance monitoring saves time and improves service consistency. Stand-alone social management systems require manual time to combine metrics from their internal database with the reports for all other channels in the contact center system. This not only requires extra time from leaders around monthly/quarterly reporting intervals, but it prevents real-time monitoring of the customer journey and how agents are performing.

A fully integrated social solution enables the ability for leaders to have a complete real-time picture of customer and agent activity, allowing them to achieve better consistency with service levels.

Through integrated reporting, leaders can continue to use their same reporting tools and avoid the time spent exporting data from siloed social systems and manipulating it to fit the format of other reports. Or worse, have an all-encompassing report for

standard customer service channels and a separate report for social media. In this example, a fully integrated social solution has saved leaders between 4 and 16 hours per month of work spent combining reports and has been pivotal in understanding what is needed to maintain a quality experience from social media to other channels.

Conclusion

Social networks and their daily use across all but the youngest age demographics are constantly evolving and show no signs of consumers losing interest. If anything, the nature of the networks seem to be moving in favor of more private conversations with networks like WhatsApp, SnapChat and Facebook Messenger. That's a good thing for brands who would rather their customers didn't complain publicly about service issues, but introduces a continuing challenge to stay ahead of where consumers are moving.

This is the first time in business history where, across industries, customers have taken control of where and when they expect customer service to happen. Businesses are no longer competing with their industry competitor's service experience, but with that of every business's service experience. Those working to stay ahead of customer expectations are consistently the companies that come out ahead.

With new changes in technology and pricing models, social customer care as a business practice is ready for disruption. These new capabilities will allow businesses to explore ideas and try new things at a price point that brings tremendous value to the organization and customer experience.

For questions about HelpSocial and to learn more about how an integrated solution might work in your business, visit www.helpsocial.com. For an cost comparison of traditional social media software and an integrated solution, visit www.helpsocial.com/pricing.

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