Business Application of Social Media:

Using Social Media as a Customer Service Tool

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Introduction
What is ICT

Information Communication Technology, also known as ICT, is essentially a huge umbrella that houses all technical means of processing and communicating information. "The convergence of telecommunication and computer technology has given rise to what, at least within Europe, is generally called information and communication technology or ICT" (Bouman, H., Van Den Hooff, B., Vane De Wijngaert, L., Van Dijk, J., 2005). The World Bank defines Information Communication Technology as:

> "Hardware, software, networks, and media for the collection, storage, processing, transmission, and presentation of information (voice, data, text, images), as well as related services". (The World Bank).

This could be as simple as making a phone call to a relative, using the internet to send an email or creating a network for your organization that allows everyone within the building access to stored data. With the convergence of all forms of technology and communication, ICT has rapidly improve and changed. Because of new and innovated product and services of ICT, it may be difficult for business to keep up to date which communication tools are useful and which are not. For the purpose of this research, the author is going to focus on business application of social media as a customer service tool.

Describe a problem or opportunity for growth in an organization

Information and communication technology play a vital role in businesses today. A customer who purchased a defected product or experienced unpleasant service used to call a customer service representative to report the product or service. Picking up the phone and dialing a contact number for customer support is still the number one preferred channel for customer service, but it is slowly losing grounds to a recent technology called social media. According to a study done by NM Incite, 47% of U.S. social media users today actively seek customer service through social media (Cafferty, 2012).

The study also found that, "…nearly one in three social media users would rather reach out to a brand for customer service through a social channel versus through the traditional telephone" (Cafferty, 2012). As social media becomes less of an experimental online communication gathering place and more of a prominent marketing tool, there is a need to more closely assess the benefits of using social media, as a free customer service channel.

As said by Gadi BenMark, Senior Vice President of NM Incite's Advisory division, "What we're seeing is that customers are turning to social media channels for customer service, regardless of whether and where a particular brand is actually equipped to handle customer service over social media" (The Small Business Authority, 2012). As customers and consumers learn and prefer to use social media as a way to communicate, businesses need to learn and adapt to better suit the needs of them. Customers can now go online and express their thoughts on businesses when they want. Businesses want to be sure they are making the most return on investment when looking at new services and may choose not to utilize social media, but it may hurt them more. Social

media provides an opportunity to provide simple customer service for organization with little financial investment.

Select a possible solution using information communication technology

Everyday there are new technological advances and tools to help businesses achieve the highest return on investment. It is up to businesses to find the right type of technology and how they use it to best fit the need of them and their customers. These tools can be new marketing software or an upgraded customer service. Customer service is the care consumers receive when purchasing a product or service. "Consumers often must encounter an experience to not only be a satisfied customer, but a loyal customer. Customer service is part of that experience." (Lake, L.).

Social media has long connected different users from far and near to a common place. Social media allows for users to share and update photos, discover and pass along news stories, and provide everyone with a voice and opinion. The concept of an excellent customer service experience can be applied to its consumers found of social media networks. A possible solution to increase businesses return on investment is by engaging and interacting with customers through the use of social media.

Technology

Describe the technology-Social Media: Facebook & Twitter

According to the textbook *E-Marketing*,

> "Social media is a term used to describe the type of media that is based on conversation and interaction between people online. It can take many different forms, including internet forums, Web logs, social blogs, micro blogging, wikis podcasts, pictures, video, rating and social bookmarking. Technologies include: blogs, pictures-sharing, vlogs, wall-postings, e-mail, instant messaging, music-sharing, crowd sourcing, and voice over IP, to name a few." (Strauss, 2012).

Of all the social mediums available today, the most well known and used social mediums are Facebook, Twitter, LinkedIn, YouTube and Google+. For the purpose of the paper, the author is going to concentrate on two social media channels, Facebook and Twitter as a means to provide customer service.

Facebook is a social networking service launched in February 2004. As of September 2012, Facebook has over one billion active users, more than half of them using Facebook on a mobile device (Wikipedia, 2012). New users must register before they are allowed to utilize Facebook. Once registered, they can create a profile with information such as a name, current location, interests, and hobbies. Features of Facebook include adding other users as friends, receiving notifications s of their friends, and uploading and sharing photos. Additionally, users may join common-interest user groups, organized by workplace, school or college, or other characteristics, and categorize their friends into lists such as "People from Work" or "Close Friends" (Wikipedia, 2012).

Twitter is another online social networking service launched in 2006. As of 2012, Twitter has over 500 million active users (Wikipedia, 2012). According to the Twitter website,

> "Twitter is a real-time information network that connects you to the latest stories, ideas, opinions and news about what you find interesting. Simply find the accounts you find most compelling and follow the conversations. At the heart of Twitter are small bursts of information called Tweets. Each Tweet is 140 characters long, but don't let the small size fool you—you can discover a lot in a little space. You can see photos, videos and conversations directly in Tweets to get the whole story at a glance, and all in one place" (Twitter, 2012).

Additionally, Twitter subscribers, users can create lists of those they wish to "follow" so they can only receive Twitter feed from those they select (Wikipedia, 2012).

Explain how it could solve the problem

Traditional mediums such as TV, radio, newspapers, magazines, books, and movies typically offer customers and consumers a one-way experience. The expectation of traditional media is to broadcast information for public consumption, allowing for consumers to listen or read passively (Merril, T., 2012). This one-way experience does not allow for any immediate interaction for customers to converse with companies.

Social media differs from traditional media in that it offers a two-way interactive experience (Merril, T., 2012). Social media allows for customers to directly contact companies about their product, service or experiences. At the same time, other customers are able to see and get involve in these interactions, thus creating more conversation.

For example, a customer may have received a poor quality Nike product and "tweeted" the experience, tagging Nike in its tweet. Others customers on Twitter who may have had the same experience can "retweet" the post, making the post viral and having the potential of reaching millions of people. This automatically gives Nike a poor brand image. Nike can improve this problem by simply turning social media into a simple customer service channel by responding to the post immediately and directly. They could tweet back to the original owner of the post saying that they have acknowledged the issue and am willing to work with them to better insure that their customers receive the best quality from Nike. By tweeting back, Nike has interacted with the customer providing instant feedback and turned this opportunity to improve public perception of the brand (Dossani, 2011).

Another example would be Apple using Facebook to announce a new product. With a new product ready to be released, Apple can post the information on its Facebook page. This allows for interested customers to "like" the new product or "comment" and express their thoughts. Apple in return can collect these responses for future data and at the same time interact with those potential customers. If the comments are of a more personal matter, Facebook allows for customers to contact and interact with Apple directly through its "chat" option. This gives the customer and Apple more privacy to discuss the issue at hand without making it public for all to see (Dossani, 2011).

Determine future enhancements in the technology

Facebook features currently consist of friends, like button, chat, messages and inbox, network or groups, wall, status, photo, video and subscriber button. Twitter features currently consist of tweets, subscriber, profile, messages and who to follow options. All of these features allows for both businesses and consumers to interact with one another.

The features of each social media allows for it to be unique and different from one another (Edosomwan, S., 2011). Having too much of the same features as other social media networks would make Facebook and Twitter lose its innovated competitive edge. But two future enhancements that would benefit social media as a customer service channel are a phone call and face-to-face video call option.

The potential of Facebook and Twitter as a customer service channel, along with a phone call or video call feature has a tremendous impact for the future of social media. A phone call feature has the potential to solve complicated or long customer requests. Rather than writing long sentences explaining an issue, a phone call could cut the time in half. A video call feature has the potential to demonstrate products or services for those that are more visual learners. Providing instant customer service in a more intimate manner brings about a faster return on investment for businesses while maintaining good public perception of the brand.

Analyze the potential of the technology

The potential benefits of using social media as a customer service channel are extraordinary. The biggest potential of social media is the ability to strengthen brand experience. By strengthening the brand experience for customers, it allows customers and current and potential employees to be more attractive to the organization (Edosomwan, S., 2011). When customers have a chance to interact with an organization while using a product or service, they experience a brand privilege (Edosomwan, S. 2011). The *Journal of Applied Management and Entrepreneurship* said this of brand awareness and social media,

Brand awareness starts with the experiences of the employees of a company. If a company is approachable, people-friendly, then the company must make itself visible by inclusion on the web. Social media forum acts as a powerful way to communicate the brand value and brand attribute as they facilitate open forms of communication. Social media is best for the following situations:

- Promote open communication between employees and management.
- Enable employees to share project ideas and work in teams effectively, which help in sharing knowledge and experiences.
- Social media also promotes better content, such as webcast and videos, than just simple text.
- Helps to communicate collaboratively between current and potential customers, in receiving feedback, product definition, product development, or any forms of customer service and support.
- Encourage members, or part of the company's employees, to become members of a well recognized community.

- Social media becomes a good venue for discussions and becomes a classic goal of marketing and communications, but the companies must ensure that the employees are adhering to the rules and etiquettes of social media (Edosomwan, S. 2011).

Social media as a customer service tool has the potential to create brand awareness and obtain loyal customers. If organizations are able to capitalize on this, the result will be an organization that has a good reputation and has customers who speak positively about the company in a practical and sensitive way (Donna, L. H., 2010).

Impact Analysis

Economical

One of the biggest advantages of ICT is economic. Social media tools such as Facebook and Twitter are free, which can save businesses money. This would also be an ideal option for small businesses or businesses that have just opened with a low budget. These tools do not necessary replace other marketing or customer service tools, but helps strengthen them at a free cost. However, it may be cost effective to hire or train individuals who know how to use and monitor social media effectively.

Sociological

The ultimate goal of using social media as a customer service tool is to be able to show customers and society that businesses are helpful, thankful, transparent, and honest. Social media gives businesses the chance to influence to improve public perception of the company brand (Castronovo, C., 2012). With this said, businesses cannot control what and when customers express negative comments regarding a product or service. But an advantage of social media is that everything you do using this tool is visible for others to see. If a problem is solved using social media, others will notice it and appreciate it and gives organizations a chance to be regarded as a customer friendly company (Donna, L. H., 2010).

Psychological

Use of social media can have psychological impact both on businesses and its customers. Since social media is a two-way interaction, not all comments are positive. Businesses will have to be mentally strong to receive these comments and deal with them in a way that does not offend their customers. Businesses that utilize social media need to be aware of what they are saying to not damage the organization's image. This can have a psychologically toll on businesses because it creates an atmosphere that everything done is being watched, which can impact work performance.

Environmental

An environmental advantage of social media is that it allows for departments within a business to be on the same page. Being transparent creates this synergy by understanding the organizations' goals and objectives and therefore creates a positive environment for its employees and customers. Disadvantage of social media within businesses is not drawing a fine line for personal and business use of social media. Because personal and professional life can easily be blurred with the the use of social media, it can create a hostile workplace. According to *Social Media*

Uncovered, more than 50 percent of employees use Facebook while at work (Chaudhary, R., 2011). Co-workers can follow and become friends on Twitter and Facebook and perceive tweets or status updates in the wrong way. This is what can create a hostile environment. Allowing employees full access to social mediums while on the job has the potential of creating distractions, which may impact work productivity.

Political

Using social media networks as a customer service tool can have political and legal impact on an organization. First, organizations face privacy risks when interacting with customers. Without carefully considering what to post on social media sites, organizations risk leaking sensitive information such as internal facts or trade secrets (Chaudhary, R., 2011). This could have a negative impact on the organization's strategy or reduce its competitive advantages. Setting guidelines and social media policies can help avoid legal and political risk.

Recommendations

Social media is not a new concept. Businesses have created websites to help provide information for potential customers and customers have actively expressed their thoughts of organizations through blogs, forums and messages. Using social media as a customer service tool is a new concept and actually successful implementing it is even newer, even foreign for some businesses. With the rate that ICT is growing and improving, it is important for businesses to be able to adapt and learn these new technologies and use them to their benefit.

Using social media as a customer service tool is a perfect opportunity of using new technology to benefit the organization in this fast and dynamic society. Social media as a customer service tool allows for a two-way interaction that gives companies a friendly face and allows customers to express their thoughts and receive immediate feedback. Everyone business should utilize these free social mediums such as Facebook and Twitter to help create brand awareness and draw customers to their product or service to increase revenue.

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