

# Memorandum

To: Pamela Ip – Professor  
From: Mark Wilson  
Lisa Robinson  
Date: February 20, 2012  
Subject: The Impact of Social Media on Customer Service

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Pamela,

As per your request, we have prepared a report on the impact of social media on customer service to provide information on how the service industry has changed and how companies can maintain high standards online.

The attached report analyzes the topic of social media and customer service, its objectives, and exemplifies of how this area has changed over time. Additionally, we have included a recommended social media policy for incorporating social media platforms into corporate customer service protocol.

Please contact us if you require any further research conducted on the impacts social media has had on customer service. We can be reached via telephone at 604-836-9987/778-235-1205 or email at [mark.james.wilson@hotmail.com](mailto:mark.james.wilson@hotmail.com) / [robinsonlisamarie@gmail.com](mailto:robinsonlisamarie@gmail.com)

Thank you,

Mark Wilson

Lisa Robinson

# Social Media & Customer Service

How transparency changed everything...

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February 20, 2012

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## Academic Honesty Verification

The author(s) verify this document was prepared in accordance with my signed Academic Honesty Statement. This document was prepared by me specifically for this course. The thoughts, ideas and writing in this report reflect our work and our work only unless we have properly attributed credit to other sources.

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## Introduction

### The Impacts of Social Media on Customer Service

Over the years customer service has played a growing role in the world of business. We used to have specific people labeled as customer service representatives (CSR), but now we live in a world with many touch points, so everybody has their own position as a CSR.

Because technology has progressed at such a rapid rate over the past few years, the Social Media and online realm have grown to become one of the key elements of many companies customer service department.

We are going to explore some of the changes over the years these new tools have provided, including tips on how to best use them with real world examples.

## Customer Service

### The Evolution

Customer Service was created to do exactly what it says – Service the Customer. The position was developed after it was determined that we couldn't simply sell a product, but we had to service it afterwards to ensure customer satisfaction.

As the years progressed, we saw an increase of customer touch points – TV, phone, radio, broadly over the internet – and now, we have Social Media.

In 2011, an estimated 20% of the populations were using Social Media as a means of complaining about or praising a product. To put that into perspective, 63% use email, and 41% use telephone (some cross over and use both). This means that within the past 2-3 years that social media has begun; it has already taken over 1/5<sup>th</sup> of the market for all customer service inquiries (Leverency, 2011).

### Objectives of Incorporating Social Media

Consumers expect a lot from businesses. Now that 20% of the market is participating in product/service inquiries through Social Media, it will be EXPECTED that companies are already there and set up to the consumer's needs.

Here are some of the objectives Social Media must fulfill in managing Customer Service:

- **Reaction Time** – Quick turnaround is necessary because companies are exposed on social media, so a long delay would look bad on their prioritizing 'customer first'
  - **Transparency** – Being online puts companies in a vulnerable spot. Customer complaints are exposed to the world online, but if properly managed and dealt with publicly, this can actually boost a company's reputation
  - **Manage both Positive & Negative Comments** – As indicated above, dealing with negative comments is essential in maintaining a strong online brand presence. But companies also must moderate positive comments. This active role online will create
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interaction with the customer and their experience, bringing further brand loyalty. While not everything can always be addressed, companies need to stay on top of both positive AND negative comments, tweets, posts, etc.

- **New Platforms** – Being on top of the new social media platforms will not only help marketing and online presence, but also satisfy customer needs by being present in every tool they desire to find you on

In essence, companies don't need to change the way they handle customer service calls. They simply need to pass this on into their digital world and ensure they are interacting and communicating with their valued customers. By staying ahead and with the trending move towards online customer service, companies will be able to spread their high service levels faster through the market to increase brand image.

### **Social Media Impacts – The Good & Bad of Customer Service**

#### **Comcast- Twitter Page**

Comcast has done a great job in integrating impressive customer service practices through the social media platform of twitter. The company has assigned a particular handle “comcastbill” to respond to customer inquiries and complaints throughout twitter. In doing so, it has connected a personal identity to that of the company, resulting in a more personal way of handling customer service issues. Comcast has definitely perfected the use of customer service through its fast and informative replies using the social media platform of twitter.

#### **Dell- Facebook Page**

Dell's official Facebook page is operated and maintained by the Dell Corporation. It is regulated daily with status updates and wall posts; all of which are relevant to the product, company or industry. A large amount of customer complaints are made to this particular page, the company is not keen on replying to most of the frustrations relayed by customers. It is apparent that various consumers use the page to seek some sort of remedy for their less than satisfactory experiences with Dell products or services. However, the response rate is hit or miss, with the company replying to some consumers promptly, while overlooking others altogether. All in all, there is great room for improvement in Dells Facebook page's response rate to customers.

#### **Ana White, Knock-Off Wood – Facebook Page**

Ana White is a homemaker who has built a website to empower other women to take on 'do-it yourself' carpentry projects around the house. She built a massive following of over 56,000 people on Facebook from her easy blueprints of how to do some of your own household modifications. Her site now fills up with people submitting their own creations and posting their inquiries. Such community involvement including feedback is encouraged by Ana through her appreciative and prompt reply. This display of well-rounded interaction and service created a community of likeminded individuals helping each other out. All in all, Facebook helped Ana build her website and online community.

### **United Breaks Guitars – YouTube Video**

Dave Carroll was travelling on United Airlines with his band in March 2010, when the United workers began throwing their guitars around on the tarmac. He tried contacting them to have his guitar replaced, but they would not help him. Mr. Carroll launched a video on YouTube called 'United Breaks Guitars', which went viral, spreading the message of United's poor service in this situation. Eventually United tried to replace the guitar for Carroll, but he declined because of how he was treated. The guitar manufacturer was inspired by this and (Taylor) ended up replacing the guitar for Carroll. This is an example of how social media can drastically impact a brand image. The video now has over 11 million views (Lasica, 2010).

### **Social Media Policy**

In integrating customer service practices into the digital community, it is required that companies set forth guidelines for social media account managers. In doing so, individuals authorized to publically post content for the company via these platforms develop a concise and clear understanding of what is and is not appropriate and/or required of them. We suggest that any company implementing an online customer service sector through the use of social media platforms use the following guidelines to develop an official policy.

#### **Credibility**

##### ***1. Publish reliable, credible information.***

It is important that any post made to a social media platform is credible in its content; as it represents the company's overall image. It is essential that posted content is free of grammatical and spelling errors; while also accurate in its intended message. Doing so aids in the company's ability to appear professional (Cash, 2011). Additionally, establishing your social media accounts as credible sources allow for consumers to build a trusting relationship with your company; an ideal when using the platform for customer service practices.

#### **Relevance**

##### ***2. Publish content that is relevant and appropriate to your company and target audience.***

All corporate social media platforms should be looked at as a way to develop a deeper and more intimate relationship with consumer. It is important to make sure any content posted through a company's corporate account aligns with the defined values of the company, and appeals to the needs and wants of the target market. In using the platform for customer service, it is important to be aware of how to respond to customer inquiries and complaints in an appropriate manner. Responding to customer complaints is a necessity, but by no means should a company debate, question or incite a customer complaint. The idea is to make recognition of the complaints and propose a solution in the most short and simple manner.

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## Attentiveness

### ***3. Listen to what consumers are saying about your company/brand.***

Users of social media platforms are becoming more outspoken in terms of experiences and expectations. Consumers are now engaging in two way communication with companies through said platforms (Revay, 2012). It is very important that a company realize the impact that a negative or positive comment by an individual can have on its image. As well, in keeping a listening ear open for any talk or inquires on the company/brand, valuable knowledge can be gained about consumer insights, wants and needs, and can acts as a cost effective way to help improve the company's image. Doing so will help improve a company's overall customer service.

## Timeliness

### ***4. Be proactive instead of reactive.***

It is vital for a company to be aware of any mentionings that are being made of its brand, whether it is good or bad. Not only should companies utilize social media listening devices, they should also act quickly in the instance of any negative talk.

Quick response to consumer complaints can minimize the company's overall consequences pertaining to the issue at hand. Additionally, it is important to make your customer and clients aware of your presence on social media platforms so that they feel a sense of worth. It is not enough for your company to appear present through consistent update to content, while being inactive in terms of response to customer inquiries or complaints. Being responsive and helpful are aspects of the customer service process that portray your company's level of customer care (Spredfast, 2011).

## Transparency

### ***5. Be open and honest; as everyone will know if you are not.***

Especially when using social media platforms as an arena for customer service practices, it is critical to acknowledge your company's responsibility to be transparent in its values, actions and intentions. Digital communities act in real time and have the ability to reach an abundance of individuals quicker than ever. Due to this, companies must be aware that any issue regarding their company, good and bad, can (and most likely will) reach potential and existing clients within seconds of the incidents occurrence. It is the important that in the case of an error on the company's part, being upfront and taking responsibility for the issue is essential. The more transparent your company is in its practices, the more trusting and forgiving the consumer will be willing to be (Shepherdson, 2011).

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## **Authorization**

### ***6. Set rules of accountability; define responsibilities and scope of control.***

Any corporation that sets up official corporate social media accounts will most likely have multiple individuals responsible for its maintenance. It is important that specific individuals are given authorization of corporate social accounts, so that in the case of an error, proper accountability can be placed on the right individual.

In using such platforms for customer service, it is critical that any authorized personnel be aware of what customer remedies are within their realm of control. Ideologies of what is considered suitable for consumer reconciliation and/or compensation when dealing with customer complaints must be clearly defined by the company to the employees. This minimizes the potential for employees to overstep their boundaries and make unauthorized promises to customers.

## **Modesty**

### ***7. Be humble, not boastful.***

Social media platforms can help build company and brand awareness, whilst also aiding in the development of consumer loyalty. When using these platforms for customer service practices, it can feel rewarding to have consumers take pride in your company's products or services. These loyal consumers act as valuable (and free) promoters for your company/brand. However, it is important that actual paid employees or company representatives stay humble about any company feats. It is okay to make consumers aware of company achievements, but it can appear arrogant or overconfident to boast about such achievements (Harr, 2011). Instead, let loyal customers do the boasting for you, encouraging it through superior customer appreciation.

## **Summary**

Social media platforms are an excellent way to foster and maintain relationships with potential and existing customers. Utilizing such platforms to deal with corporate customer service issues can be effective and cost efficient. It is important that any company considering integrating social media platforms into their customer service protocol be well informed of the impacts that lack of understanding and poor management of such platforms can have on a company. Developing a well-rounded understanding of the platforms, and introducing sound social media policies are crucial to successful implementation of social media, especially when integrated with customer service practices.

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