

How to Engage Customers with Social Media



White Paper & How-to Guide



Toister Performance Solutions, Inc.

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Overview

If you are not already using social media in your business, you are probably thinking about it. At the start of 2010, nearly 1 in 5 small businesses were using some form of social media to interact with customers, double the rate from a year ago¹. Services like Facebook, Twitter, and YouTube are exploding in popularity and so many new services are being created that even the most enthusiastic technophiles struggle to keep up with it all. The potential of social media is enormous and we're already seeing it change the way customers interact with companies.

Is it really social, or just more media?

In March 2010, this question launched a small experiment. I set out to see if the companies I do business with could increase my engagement through the use of social media tools such as Facebook and Twitter. The results were terribly disappointing: 7 out of 12 companies I examined **decreased** my level of engagement and made me less likely to return as a customer. The companies that fared poorly tended to over-emphasize media while refusing to socialize with their customers.

Key principles

The companies that increased my engagement all responded to my communication via social media while the companies that decreased my engagement ignored me. Communicating **with** your customers and not just **at** them is the single most important factor affecting engagement, but my experiment also uncovered three key principles that are essential to effectively using social media to engage your customers:

- 1) Have a clear purpose.** The best way to waste time and money on social media is to 'get into it' without a clear strategy. A social media strategy should identify where you will participate, why this is important to your business, and how you will engage your customers.
- 2) Make your purpose clear to your customers.** Set clear expectations with your customers so they know what to expect from you. Why should they become your fan on Facebook or follow you on Twitter? More importantly, what should they **not** expect?
- 3) Execute well or risk frustration.** Make sure you set up your social media presence so you can properly monitor and participate in the conversation. There are many tools, tricks, and techniques to use social media tools effectively, but that also means there are just as many ways for things to go wrong. Your customers will get frustrated if they can't reach you.

In the following pages, I'll share the details of the experiment and a step-by-step guide to developing a strategy for using social media to engage your customers.

¹ Source: Small Business Success Index, University of Maryland Smith School of Business.

The Social Media Experiment: will I be engaged?

Throughout March 2010, I ran a small experiment to see if companies relied more on the social or the media aspect of social media. I decided to test companies that I already did business with who were using Facebook and Twitter to see if these tools changed my level of engagement with these organizations. The companies I selected all met three criteria:

- I was already a customer
- They used Facebook and Twitter
- It was likely I would do business with them sometime in March

The Companies

Here is a description of the companies in my experiment, ranked by number of Facebook Fans they had at the beginning of the experiment. All companies marked with an asterisk have more than one location.

	Description	Facebook Fans	Twitter Followers
1	Coffee house*	6,068,025	794,461
2	Electronics retailer*	1,095,159	20,090
3	Professional sports franchise	73,413	416
4	Home improvement retailer*	27,706	19,831
5	Office supply retailer*	26,694	2,563
6	Frozen yogurt*	20,188	253
7	Self-serve frozen yogurt*	2,397	17
8	Movie theater*	912	713
9	Diner	684	18
10	Winery*	496	921
11	Wine bar	293	98
12	Bistro-style restaurant	291	1,409

The Questions

The experiment looked at three basic questions:

- **Engagement.** Does the business proactively try to engage me as a customer when I connect with them on Facebook and Twitter?
- **Interaction.** Does the business respond when I reach out to them via Facebook and Twitter?
- **Social, Media, or both:** Does the business focus on the social element, the media element, or both?

Methods

The experiment was fairly easy from this point forward.

First, I became a fan of each company via Facebook and began following them on Twitter. This was a simple step with most companies, though one had a Facebook profile like a person would (rather than a ‘fan page’), so I had to wait for them to ‘accept’ me as a friend before connecting them.

Next, I integrated Facebook and Twitter into my normal consumer behavior. For example, when my digital camera broke I went to the electronics retailer’s Facebook page and asked for some recommendations. A few hours later a company representative posted a few suggestions and links to product reviews. I then went to my local store and used their recommendations to quickly select a great camera. I made sure I Tweeted about my successful trip when I returned home.

Finally, I kept detailed notes about my interactions with these companies so I could monitor my own engagement. For example, I realized that the recommendations from the electronics retailer saved me 15 – 30 minutes in time that I would normally spend researching camera models and trying a few out in the store. Their suggestions helped me narrow down my choices and the sales associate in the store itself did a great job helping me make a final decision. At the end of this transaction I was more engaged and felt that Facebook had added more value.

It’s important to point out that I’m fully aware this experiment isn’t rigorous enough to qualify for a grade school science fair. Scientific rigor was never the point. Rather, I set out to better understand social media from an experiential, customer perspective. I’m even willing to admit I wanted these companies to succeed. I was emotionally connected to these experiences, just like any customer would be. I concede that I don’t represent every customer, but I believe my discoveries will prove to be universally applicable.

Results

The results were not at all what I expected. I anticipated a few businesses would do quite well and the rest wouldn’t change my opinion of them. What I discovered was unexpected:

More Engaged	Neutral	Less Engaged
Electronics retailer (2)	Office supplies (5)	Coffee house (1)
Home improvement (4)		Pro sports franchise (3)
Diner (9)		Frozen yogurt (6)
Winery (10)		Self-serve frozen yogurt (7)
		Movie theater (8)
		Wine bar (11)
		Bistro-style restaurant (12)

Here's how they did on the three questions.

Engagement: Does the business proactively try to engage me when I connect with them on Facebook and Twitter?

The answer is “no” for all twelve. I didn't expect any “welcome to Facebook” messages or “Thanks for the follow!” Tweets, but I know some companies do this, so I thought I'd check. This didn't affect my engagement since I didn't expect any proactive responses.

Interaction: Does the business respond when I reach out to them via Facebook and Twitter?

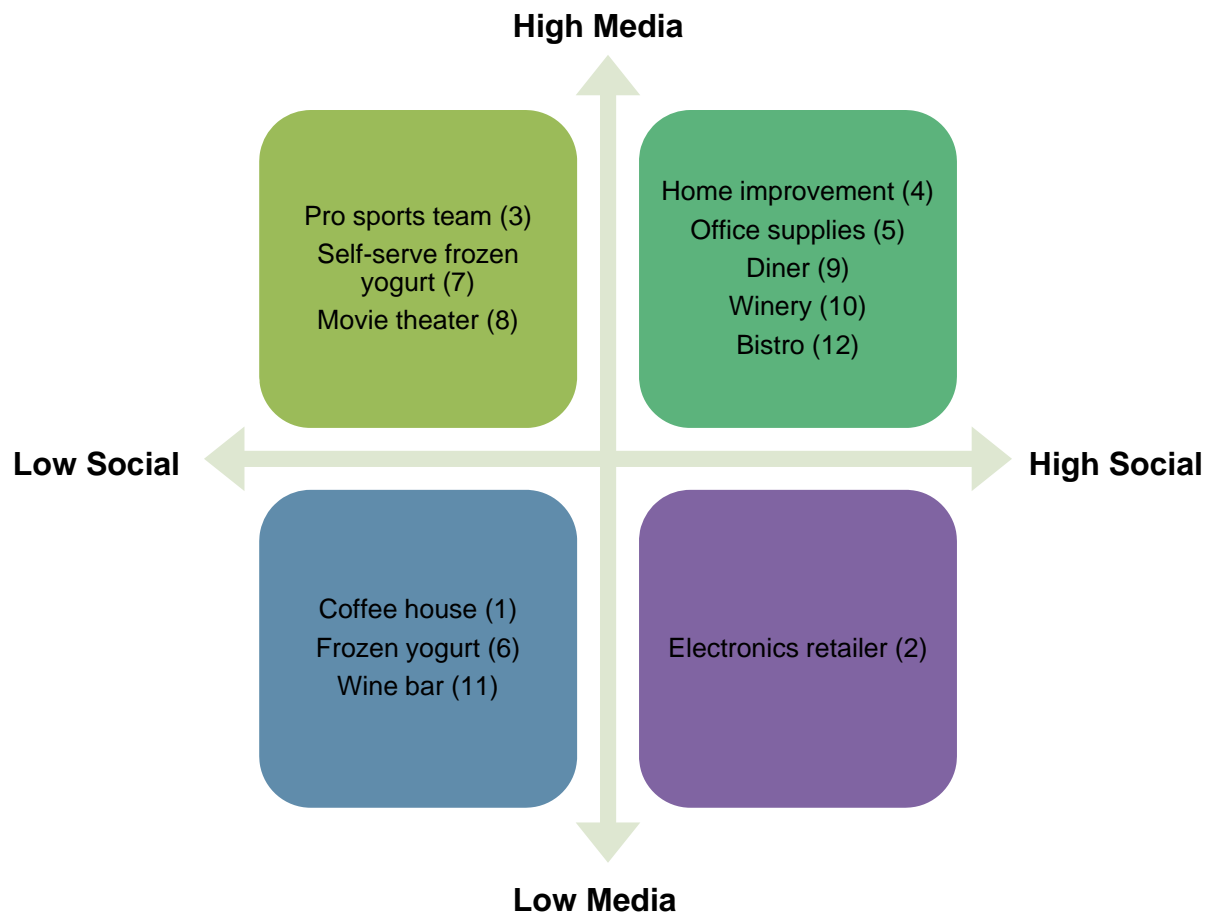
This was a big difference-maker. Some businesses were terrific while others left me feeling ignored. I didn't force it – if I had nothing to say, I didn't. Here's the break-down of responses:

	Description	Facebook Response	Twitter Response	Engaged?
1	Coffee house*	No	No	Less
2	Electronics retailer*	Yes	Yes	More
3	Professional sports franchise	No	No	Less
4	Home improvement retailer*	Yes	Yes	More
5	Office supply retailer*	N/A	Yes	Neutral
6	Frozen yogurt*	No	N/A	Less
7	Self-serve frozen yogurt*	No	No	Less
8	Movie theater*	No	No	Less
9	Diner	Yes	N/A	More
10	Winery*	Yes	N/A	More
11	Wine bar	No	No	Less
12	Bistro-style restaurant	No	Yes	Less

See a pattern? All of the businesses I rated “more engaged” or “neutral” responded to me. All of the businesses I rated “less engaged” did not respond to me in some way. It's hard to engage a customer if you do a lot of talking (media) but no listening (social).

- **Social, Media, or both:** Does the business focus on the social element, the media element, or both?

The graphic on the next page represents my general observations of how much “social” and how much “media” the companies used.



Conclusions

Your strategy must include a social component if you want to engage your customers with social media. My experiment also yielded three main conclusions that are applicable to any business trying to use social media.

1) Have a clear purpose.

The companies that engaged me all seemed to use social media for a clear reason.

2) Make your purpose clear to your customers.

The companies that engaged me made their purpose clear through the way they used social media. The worst mistake companies that disengaged me made was ignoring my Facebook posts and Tweets, especially when they did not make it clear that they would not respond to customers.

3) Execute well or risk frustration.

Do it well or don't do it at all! The companies that engaged me actively monitored their social media channels and responded to comments and questions. The companies that did not engage me either ignored or missed my communication entirely.

How-to Guide

This guide provides step-by-step advice on how to engage customers using social media. It provides general principles, but you may want to consult your IT professional, local whiz kid, or a helpful site like www.mashable.com for help with the technical stuff. The guide is centered on the three major conclusions from my social media experiment:

- 1) **Have a clear purpose**
- 2) **Make your purpose clear to your customers**
- 3) **Execute well**

Have a clear purpose

A clear social media strategy is essential if you are going to achieve meaningful results and avoid wasting a boatload of time. You can create your strategy by asking where, why, and how you'd like to engage your customers.

Where?

Start by doing an environmental scan to select the most appropriate social media tools for your business. There are too many tools available to use them all effectively, so this step can help you maximize your resources. Look for places where customers are already talking about your business or are likely to engage with you if you were there.

- Use focus groups, surveys, or direct conversation to ask customers where they might try to find your business (or businesses like yours).
- Look at similar businesses to see what they use. Are there many businesses like yours using a particular social media tool, such as Facebook?
- Search consumer rating sites to see where people are discussing your business.

Use the worksheet below to identify the top social media sites (Facebook, Twitter, Yelp, etc.) where your customers are most likely to interact with you.

	Social Media Site	How customers might use it
1		
2		
3		
4		
5		

Why?

Once you've selected the social media tools you'd like to explore, it's time to determine why you want to engage your customers in those arenas.

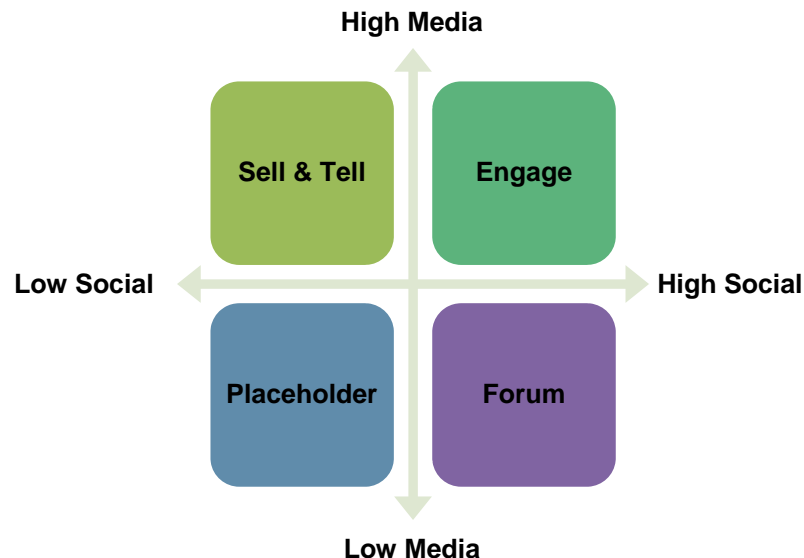
Opportunity

Which of these reasons most closely describes why you want to use social media for your business?

- A. It seems like something we'll eventually need to get into. I want to test it out.
- B. We want to use social media to share promotions or product information.
- C. Our customers are already talking about us. We want to join the conversation.
- D. Both B and C.

Effort

There are four primary social media strategies to choose from. Each is based on a different combination of "social" and media" and each provides a different effort/reward combination.



If you answered...	Your preferred strategy
A	Placeholder: Plant your flag so customers can find you. <ul style="list-style-type: none">• Low Effort• Low Reward
B	Sell & Tell: Provide special promotions (sell) or useful information (tell). <ul style="list-style-type: none">• Medium Effort• Low/Medium Reward.
C	Forum: Use Social Media to provide better customer service. <ul style="list-style-type: none">• Medium/High Effort• Medium Reward
D	Engage: Combine the Sell & Tell and Forum strategies to engage customers. <ul style="list-style-type: none">• High Effort• High Reward

How?

Once you've decided upon a primary strategy, it's time to think about how you are going to use that strategy across the various social media tools you've selected.

Placeholder Strategy

The best way to use the Placeholder strategy is to direct your customers to your website or wherever you do want to interact with them. If your customers find your business through social media, where do you want them to go?

Sell & Tell Strategy

This strategy should focus on offers or information that your customers find interesting or useful. It may take a bit of experimentation to find the sweet spot for your business. You should start by gathering some data:

- Ask your customers what they'd expect from you via Social Media.
- Look at what your competitors are doing.
- Search for some best practices:

Examples:

Sell	Tell
Starbucks used Facebook and Twitter to announce their 'free pastry day' promotion.	Cuvaison Winery posts videos on Facebook of their winemaker discussing their wines.
Office Depot uses Facebook to promote their free webinars for small businesses.	Major League Baseball teams use Facebook to share news and headlines with fans.
Edible Arrangements offered a free box of chocolate-dipped fruit to their first 100,000 Facebook fans.	The Home Depot posts video how-to guides on their Facebook page.

Next, make a list of the types of promotions you'd like to offer or the information your customers will find useful. The best examples are integrated with your existing advertising or customer communication strategy.

Forum Strategy

You can use the Forum strategy by participating in existing forums, such as consumer rating sites, or creating your own Forum for customers to use. (**Note:** creating your own forum only works if you have a lot of customers who want to talk about your business.)

Best Buy does an amazing job of using the Forum strategy to engage their customers. They even take on the disgruntled ones and come off looking good. You can see for yourself by visiting their Facebook page: www.facebook.com/bestbuy

Here are a few keys to Best Buy's success that you can use:

- Assign responsibility.** Put a person or a team of people in charge of monitoring and participating in your forums. Small business owners are often tempted to put themselves in charge of social media, but you want to be sure you have the capacity first. (See the next key.)
- Respond quickly.** Make sure the person in charge of monitoring social media sites has the capacity (time + authority + skill) to respond quickly and appropriately. Your customers won't care if you get too busy to respond; they'll just feel ignored. A good rule of thumb is you should respond no later than one business day. This is especially true when responding to Facebook comments since your customer took the time to seek out your business.
- Respond personally.** The person responding on behalf of your business should use their name. Getting an answer from "Coral" is much more personal than getting a response from "Best Buy" or "Management".

Response Guide: Here's how Best Buy responds to customer feedback.

Your Customer Says	A Good Response
Positive Feedback	Use the forum to reply in public and thank them for their business. This acknowledges your happy customer and shows other customers and prospects that you are listening.
Negative Feedback	Use the forum to acknowledge the customer's frustration and provide a way for them to contact you privately so you can try to resolve the issue. This helps anyone else watching the conversation think you are responsive without airing the specific issue in public.
Questions	Customers will sometimes use your Forum to ask questions. Find the answer and post it in the forum for all to see.

Engage Strategy

This strategy is simply a combination of **Sell & Tell** and **Forum**. Follow the guide for both and you'll do well.

Make your purpose clear to your customers

You risk confusing and even alienating your customers if you take a haphazard approach to social media. Make it clear why you are using each outlet so customers know what to expect from you. This includes setting up sites like Facebook and Twitter so any visitor knows exactly why they should be a fan of your business or follow your tweets.

Here are a couple of examples:

Facebook

House Rules

Have fun. Be cool. Be yourself.

We welcome all questions and commentary, including criticism. By using or accessing Best Buy's Facebook page, you agree to comply with Facebook's [Terms and Conditions](#). We will delete any content that is a violation of these terms or is contrary to our company values. Personal attacks, vulgarity or racism will not be tolerated and will be deleted immediately. If the behavior continues, we reserve the right to block you from posting on this page.

If you have a serious customer service issue, we recommend going to <http://forums.bestbuy.com> for the fastest path to resolution.

Best Buy posts "House Rules" on their Facebook page so visitors and fans know what to expect. www.facebook.com/bestbuy

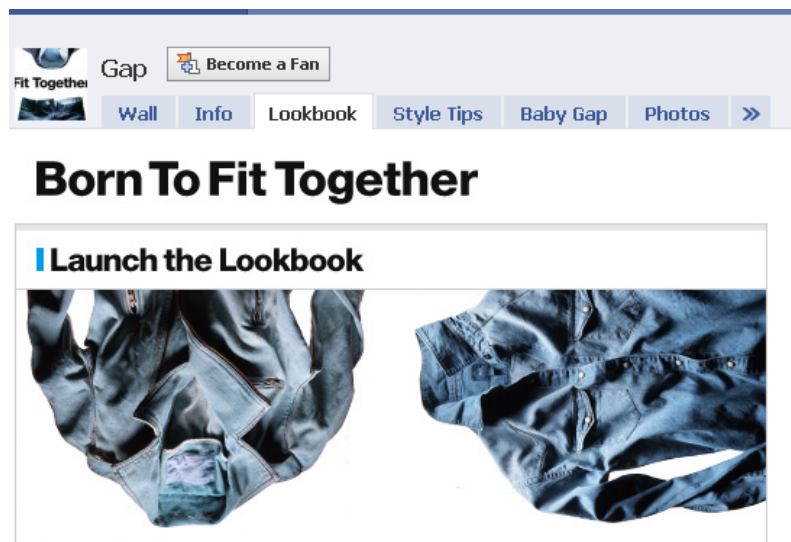
← Why you should use their Facebook page.

← A few rules of conduct.

← An alternative channel for issues that don't fit their intended Facebook use.

Gap brings Facebook visitors and fans to a different landing page. Most Facebook pages direct you to their wall, which encourages people to post comments. Gap has decided to encourage you to browse their products, which gives their Facebook page a clear purpose.

www.facebook.com/gap



The screenshot shows the top of the Gap Facebook page. It includes the Gap logo, a 'Become a Fan' button, and navigation tabs for 'Wall', 'Info', 'Lookbook', 'Style Tips', 'Baby Gap', and 'Photos'. Below the navigation is a large banner titled 'Born To Fit Together' with a sub-header 'Launch the Lookbook'. The banner features two images of denim clothing: a pair of jeans on the left and a pair of shorts on the right.

Twitter

Name Best Buy
Location 55423
Web <http://www.bestbu...>
Bio @BestBuy promises to give you the latest and greatest from Best Buy, including updates from employees, deals, event notices, and more...check it out!

200 following 20,657 followers 994 listed

Tweets 989

Best Buy vs. Starbucks

Look at the difference between Best Buy and Starbucks on Twitter. Best Buy's Twitter page makes it clear why you should follow them.

www.twitter.com/bestbuy
www.twitter.com/starbucks

Name Starbucks Coffee
Location Seattle, WA
Web <http://www.starbu...>
Bio Freshly brewed tweets from Brad at Starbucks in Seattle, WA.

83,135 following 807,908 followers 8,450 listed

Tweets 4,710

Customer Review Checklist

A good way to make sure you have established clear expectations is to have a few customers look at your social media presence and give you their feedback. You can ask them a few questions and see if their answers match your strategy. This will do two great things for you.

1. Their feedback will let you know if you are on target or not.
2. Involving them in the process will strengthen their engagement and make it more likely for them to tell others about your social media presence.

Here are a few suggested questions to ask your customers about each social media tool you use. You can compare their answers to your strategy to see if it is a match.

Questions	Match?
What do you think we are using this for?	Y N
What did you find most helpful or interesting?	Y N
What did you expect to see that you didn't find?	Y N

Execute Well

Social media can sometimes be a double-edged sword. These tools contain many features that make them incredibly easy to use and manage. This also means there are plenty of opportunities for cracks in the system. Anything that ‘slips through the cracks’ has the potential to frustrate, alienate, or disengage your customers.

The checklist below will help you evaluate the execution of your social media strategy.

✓	
	Monitoring Process <ul style="list-style-type: none"><input type="checkbox"/> Do you have a process to monitor each of your social media tools?<input type="checkbox"/> Is there a person or team of people that are responsible for this process?
	Resource Allocation <ul style="list-style-type: none"><input type="checkbox"/> Have you allocated enough resources (people, time, etc.) to execute your social media strategy?
	Media Planning <ul style="list-style-type: none"><input type="checkbox"/> If media (offers, promotions, or information) is a part of your strategy, have you created this media ahead of time?<input type="checkbox"/> Is your media strategy integrated with your overall customer communication or advertising plan?<input type="checkbox"/> Have you trained your staff on the offers, promotions, and information you are sharing via social media?
	Testing <ul style="list-style-type: none"><input type="checkbox"/> Have you tested your various social media tools to ensure they are working properly?<input type="checkbox"/> Did you search for any gaps to ensure you aren't missing any customer communication?
	Evaluation <ul style="list-style-type: none"><input type="checkbox"/> How will you evaluate the success of your social media strategy?<input type="checkbox"/> When will you evaluate the success of your social media strategy?<input type="checkbox"/> How will you decide whether to expand, contract, or hold your social media presence?