

#IPA
Social
Works

BT Customer Services

Social media
helped BT improve
service and cut
costs

The first cross-industry collaboration between



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Market context

In the highly competitive world of telecoms, customer service is a key differentiator. Good customer service reduces churn, drives loyalty and has the ability to increase customer value through the sale of additional products and services.

Customer service was a key part of BT's overall strategy to transform its business and invest in growth. It aimed to create the best customer service in the market to increase loyalty and to standardise, simplify and automate its business in order to cut costs and improve the customer experience.

BT was also entering new markets, such as television and sports content, which would involve a slightly different competitor set and put the quality of BT's customer service under a renewed focus.

Business/marketing objectives

BT believes that customers with a positive experience are more loyal, more likely to be brand advocates, and have higher lifetime values for the group. By raising the aspirations of its customer services team, BT wanted to signal the importance of customer service in the company's growth plans.

Creating customers who were more loyal and more likely to be brand advocates would enable the group to maintain revenues from its existing business and grow its business in new areas.

40% difference in churn: 'easy' vs 'difficult'

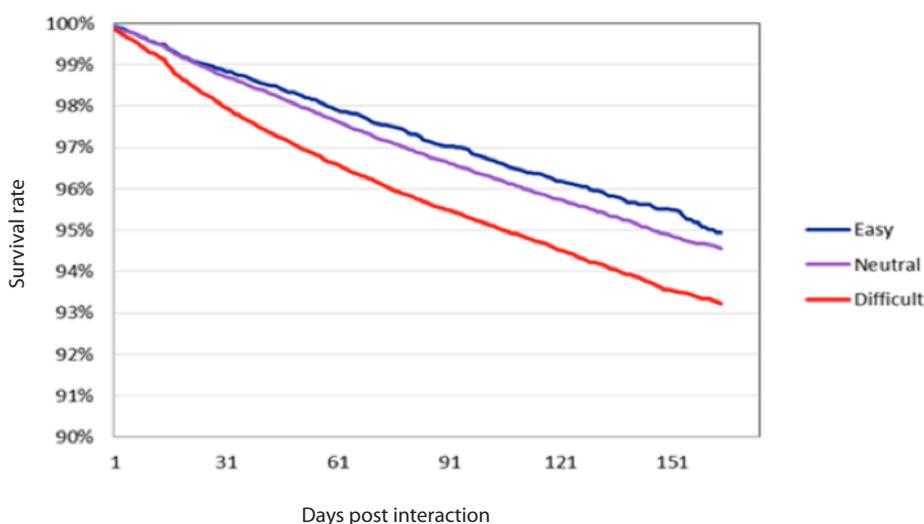


Fig 1: Churn rates were lower among customers who had an 'easy' experience of dealing with BT. The chart above shows the percentage of customers with different experiences of the group who stayed with it as time passed from their interaction.

BT identified that 'ease' of customer service was a factor in reducing churn and also had positive effects on customer loyalty and advocacy which could help it grow in new areas. Effort was therefore a more commercially effective metric to track than the 'Net Promoter Score' used by many other organisations (see Fig 2).

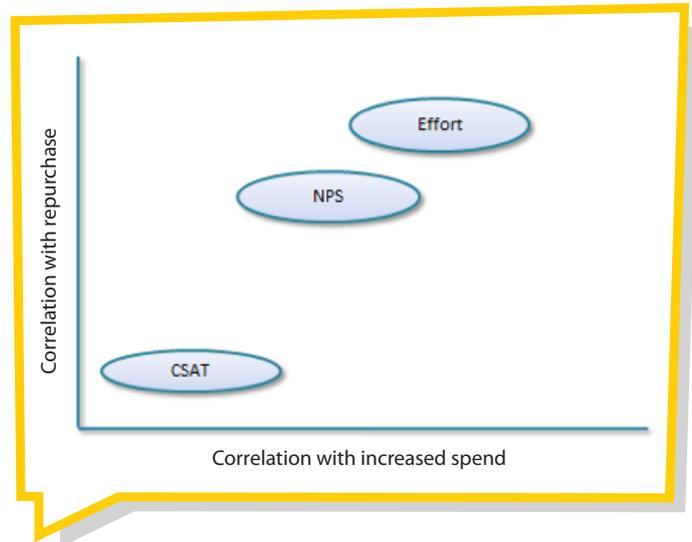


Fig 2: Perceptions of the effort involved in dealing with BT were a larger driver of increased spend and repurchase than the Net Promoter Score or Customer Satisfaction.

Applying this insight, BT created a 'Net Easy' score – using the question 'how easy was it to get the help you wanted from BT today?' – to measure the impact of customer service on this measure.

This was calculated in the following way:

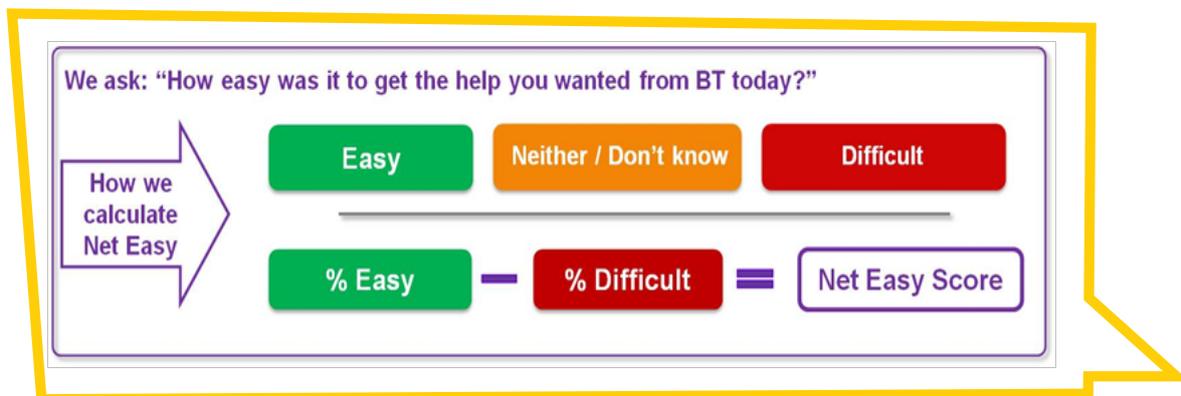


Fig 3: Calculating the Net Easy Score

BT's overall strategy of increasing growth by making it an 'easy' company to deal with, thereby enhancing customer loyalty and advocacy, flowed down to the more specific aims of its service and social media policies. These aims were to:

- Make its service function the customer champion, encouraging it to be a key differentiator and factor in brand loyalty
- Make it easier for customers to contact and deal with BT by going from a single channel (namely, phone) point of contact to a multi-channel approach, and use content and knowledge across all channels
- Open itself up to the customer, bring the customer voice upfront, and harness crowd-sourcing and customer-generated content
- Show that it was an innovative, modern company, as comfortable and adept in the same channels as its customers
- Focus on getting the basics right, aiming to give customers an 'easy' service experience rather than a 'wow' one.

Channel choice

BT wanted a channel strategy that made it easy for customers to interact with, was more efficient for both parties, and reduced costs.

The group identified that social media had the following qualities that made it ideal as a customer service platform:

- It widened BT's footprint and maximised entry points for customers
- It delivered a painless journey into contact for customers
- It could reduce demand on traditional, more expensive service channels
- It enabled BT to pre-empt in-bound contact by posting appropriate material and eliminating or reducing unnecessary contacts
- Where appropriate, customer journeys could be automated
- It could allow BT to identify hotspots and provide instant feedback
- User-generated content could reduce costs

At the same time, there was clear evidence of customers' preference for social channels. Nearly 50% preferred live chat or social media; among BT customers aged under 30, 27% had used social media as a means of obtaining a service; and more customers (74%) were taking a multi-channel approach to service.

By ease of use, social media outscored other channels, including email, online self-service and voice. According to BT's 'Net Easy' scores, live chat and social media outperformed BT.com by 2:1 and voice by 4:1.

Channel strategy

BT's social media team is empowered to 'own' customer issues and provide an end-to-end, one-contact, resolution service.

BT uses four channels: Twitter, Facebook, YouTube and a community forum. Each cross-promotes the other.

Its Twitter channel (www.twitter.com/BTCare) is used pro-actively to post information about outages and local exchange issues, such as a fire at the Gerrard Street exchange in West London.

A tweet about the pressure on 999 calls during the London riots was retweeted almost 400 times, giving a reach of 311,000 and reducing wait times on 999 calls.

The Twitter team operates 12 hours a day Monday to Saturday, and eight hours a day on Sundays. It has 42,000 followers.

The BT Facebook page (www.facebook.com/BTUK) posts a mix of news, promotions and engagement content. It also responds to customer complaints and seeks to solve any issues.

BT's YouTube channel (www.youtube.com/btcare) contains over 100 information and explanatory videos covering subjects such as billing, router set-up, e-mail and broadband. Where appropriate, BT customer service staff interact on discussion pages.

The community forum pages allow customers to discuss issues with each other, as well as BT. Community leaders are self-selected BT customers who provide advice and tips.

The community leaders generate about 20pc of the posts on the forum, and 28% of the accepted solutions.

BT measures impressions and reach, in particular retweets. Retweets, for example, by personal finance guru Martin Lewis, have added 42,985 impressions.

Measurement

To calculate the ROI, BT analyses the number of unique customers, effectiveness or resolution rates and the operational cost per channel, separating out social media channels from the others.

Debatescape, a social monitoring tool, is a key factor in BT's trends and productivity analytics.

BT also measures:

- Customer preferences for individual contact channels
- 'Net Easy' scores
- Advocacy, sentiment shifts, and churn propensity
- Channel volume usage, uniques, posts, video views, follows and likes
- Call 'deflection' rates (i.e. substitution of social media for other channels)
- Customer service staff productivity tracked on hourly-weekly-monthly bases, problem resolution rate and speed.

Results/business benefits

BT has lowered the cost of its customer service operations by £2m a year. It estimates approximately 600,000 contacts per year are routed via social media instead of more expensive voice methods.

Customers say they prefer to deal with BT via social media and find it easier. Live chat and social media channels both registered 44% increase in preference scores, versus a 2% decline in voice, 7% in e-mail and 47% in white mail.

Customer experience is improved, leading to greater advocacy, lower propensity to churn and greater customer lifetime value.

Key learnings

BT says the following are essential in using social media as a customer service channel:

- Be open and transparent in your communications
- Ensure senior stakeholders are engaged, especially for 'sticky' moments
- Take it seriously and integrate into business processes; do not isolate or outsource customer service social media
- Be selective about where you should have a social media presence

The Steering Group

Stephen Maher	MBA (Chair)	Nigel Gwilliam	IPA
Prof. Paddy Barwise	London Business School (academic advisor)	Jed Hallam	Mindshare
Jenny Burns	RSA	Janet Hull	IPA
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James Devon	MBA	Peter Markey	RSA
Simeon Duckworth	Mindshare	Matt Taylor	Twitter
Mark Earls	Herdmeister	Christian Walsh	MRS
Jane Frost	MRS	Christopher Wellbelove	BT
Gemma Greaves	The Marketing Society	Lucy Whitehead	TfL
Keith Gulliver	RSA	Sarah Woodley	The Marketing Society

More information

For the first time, the IPA, The Marketing Society and MRS have joined together to launch a cross-industry initiative.

#IPASocialWorks, with sponsorship from Facebook, LinkedIn and Twitter, will identify good practice in social media effectiveness and measurement.

Visit

www.ipa.co.uk/effectiveness
www.marsoc.co/IPAsocialworks
www.mrs.org.uk/social

-See case studies from BT, Fridge Raiders, O2, TfL, Iceland Tourism and others that have passed review.

Contact us

We want to hear from you - whether you want to submit case studies, collaborate on a wiki, or share your/ your company's expertise in another way.

Contact

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