

Getting Social with Customers

Businesses of all sizes are finding Facebook, Twitter, and other social media to be powerful tools for engaging customers, amplifying product messages, discovering trends and influencers, building brand awareness, and taking action on customer requests and recommendations. Half of all Twitter users recommend products in their tweets.

About 1.6 billion people use Facebook, and more than 30 million businesses have active brand pages, enabling users to interact with the brand through blogs, comment pages, contests, and offerings on the brand page. The “like” button gives users a chance to share with their social network their feelings about content and other objects they are viewing and websites they are visiting. With like buttons on millions of websites, Facebook can track user behavior on other sites and then sell this information to marketers. Facebook also sells display ads to firms that show up in the right column of users’ home pages and most other pages in the Facebook interface such as photos and apps.

Twitter has developed many new offerings to interest advertisers, like “promoted tweets” and “promoted trends.” These features give advertisers the ability to have their tweets displayed more prominently when Twitter users search for certain keywords. Many big advertisers are using Twitter’s Vine service, which allows users to share short, repeating videos with a mobile-phone app or post them on other platforms such as Facebook.

Lowe’s is using Facebook mobile video and Snapchat image messaging to help first-time millennial home buyers learn home improvement skills. The home improvement retailer launched a new series of social videos in April 2016 to showcase spring cleaning and do-it-yourself projects. Lowe’s believes this is a more immediate and interactive way to reach younger consumers who are increasingly spending time on visual-driven social media platforms.

Lowe’s “FlipSide” videos are short, two-sided live action videos that show simultaneously what can happen if a homeowner doesn’t clean the gutters and air filters or prune overgrown shrubs compared with the results of proper spring cleaning. These videos take advantage of the flip video application in Facebook’s mobile feed that enables users to change the orientation of the video, and the videos link back to the Lowes.com website.

Lowe’s “In-a-Snap” Snapchat series tries to inspire young homeowners and renters to undertake simple home improvement projects such as installing shelves to build a study nook. During the Lowe’s Snapchat story, users can tap on the screen to put a nail in a wall or chisel off an old tile. Lowe’s is working on another series of video tutorials on Facebook and Instagram called “Home School” that uses drawings from chalk artists to animate maintenance projects.

Lowe’s social media activities have helped increase brand engagement. Although the company’s social campaigns are designed to teach first-time homeowners or young renters about home improvement, the company is also hoping they will encourage consumers to think differently about the brand beyond its products and services. Management believes millennials who are becoming first-time homeowners want to know the deeper meaning of what a company is trying to stand for, not just the products and services it offers.

An estimated 90 percent of customers are influenced by online reviews, and nearly half of U.S. social media users actively seek customer service through social media. As a result, marketing is now placing much more emphasis on customer satisfaction and customer service. Social media monitoring helps marketers and business owners understand more about likes, dislikes, and complaints concerning products, additional products or product modifications customers want, and how people are talking about a brand (positive or negative sentiment).

General Motors (GM) has 26 full-time social media customer care advisers for North America alone, covering more than 150 company social channels from GM, Chevrolet, Buick, GMC, and Cadillac, and approximately 85 sites such as automotive enthusiast forums. These advisers are available to assist customers seven days a week, 16 operational hours per day. GM believes that the processes for identifying and resolving quality concerns are very important.

GM recognized early on that there was a wealth of information in online vehicle owner forums that should be utilized in product development. GM social media advisers actively monitor vehicle owner forums and other social media platforms to identify potential issues and provide real-time customer feedback to the company’s brand quality and engineering

leaders. In some cases, GM social media advisers were able to identify issues much earlier than traditional surveying or dealer feedback.

For example, GM's social media team identified a faulty climate-control part when a customer posted the issue on a product-owner blog. The complaint received dozens of replies and thousands of views, prompting GM that it needed to investigate further. Once GM specialists determined the root cause of the issue, the company released a technical service bulletin to all dealerships to replace the affected HVAC control modules on vehicles already built. GM fixed the original customer's vehicle within 10 days and adjusted production to ensure no additional customers would be affected.

Still, the results of a social presence can be unpredictable and not always beneficial, as a number of companies have learned. In October 2014, Microsoft CEO Satya Nadella triggered negative reaction on Twitter after he spoke about women not needing to ask for pay raises at work and how they should trust the employment system. Nadella later tweeted an apology. Social media provided a platform for angry backlash against Starbucks in March 2015 for its "Race Together" campaign. Starbucks has taken on sensitive social issues before, and it launched the campaign to encourage conversation with its customers about race relations. Critics hammered Starbucks on social media for trying to capitalize on racial tensions in the United States.

Companies everywhere have rushed to create Facebook pages and Twitter accounts, but many still don't understand how to make effective use of these social media tools. While large companies have learned how to stand out on social networks and get lots of help from sites like Facebook and Twitter, most local business owners remain stumped by social marketing. This is true in the auto industry. Car manufacturers including Hyundai and Ford Motor have embraced social media and spend tens of millions of dollars on sophisticated marketing campaigns. Yet many of their local dealers barely maintain a Facebook page, and those that do report little or no gains in sales from going social.

Traditional marketing is all about creating and delivering a message using communication that is primarily one-way. Social media marketing is all about two-way communication and interaction. It enables businesses to receive an immediate response to a message—and to react and change the message, if necessary. Many companies still don't understand that difference.

Sources: Claudia Kubowicz Malhotra, and Arvind Malhotra, "How CEOs Can Leverage Twitter," *MIT Sloan Management Review*, Winter 2016; Daniel Matthews, "Social Customer Service Metrics: 3 Case Studies," Ducttapemarketing.com, accessed July 1, 2016; Nathalie Tadena, "Lowe's Enlists Snapchat, Facebook Mobile Video in New Push to Reach Millennials," *Wall Street Journal*, April 25, 2016; Vinu Goel, "The Gap Between Auto Dealers and Social Media," *New York Times*, April 9, 2015; and Ben DiPetro, "The Morning Risk Report: Takeaways from Starbucks' Race Relations Gambit," *Wall Street Journal*, March 24, 2015.