BEYOND THE ARC

Leveraging social media complaints to improve customer experience

Today's strategic business agenda needs to center on customer experience. A core part of that is paying close attention to customer needs and resolving problems quickly – and social media can play a key role. By leveraging vast amounts of customer feedback on social networks such as Twitter and Facebook, companies can gain insight on how to fix pain points and address emerging issues before they escalate.

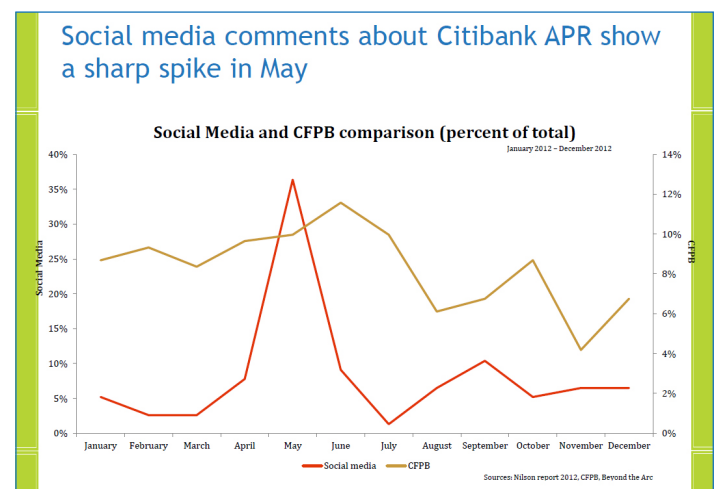### Social media analytics as a complaint management tool

In industries such as financial services where complaints run high, it's especially important to have an effective complaint management strategy to improve customer experience. One powerful tool is using text analytics to monitor and understand negative feedback on social networks so the business can prioritize actions to resolve issues early on, improve customer service, and reduce risk. Solutions such as our Social Customer Insights[sm] service enable companies to drive measurable business improvements with a multifaceted approach:

- **Active monitoring of social media networks** to identify, categorize, and analyze customer feedback and consumer perceptions about your brand and industry.

- **Action plan for establishing a strong social media presence** across multiple platforms to build direct engagement with customers and help meet key business objectives.

- **Crisis communication plan** for effectively managing negative customer feedback on social media, such as best practices for providing prompt, personalized support to directly address customer concerns and turn negative impacts into positive customer experiences.

Case study: Social analytics foretold escalating customer issues with Citibank

As part of our Social Customer Insights service, for the past two years we've built up a proprietary database of over 350 million social media comments (from Twitter, Facebook, and industry blogs) related to the top 100 banks and credit unions. Using text analytics we've mined this data to identify key issues and trends in the financial services industry. One standout was discovering a concurrent spike in social media feedback and Consumer Financial Protection Bureau (CFPB) complaints about Citibank credit card interest rates.

In the spring of 2012, our analysis found that social media complaints about Citibank APRs were rising dramatically, peaking in May – just one month before the same issues topped out in the CFPB complaint database. If Citibank had closely monitored and addressed negative social media feedback early on, they might have preserved customer relationships and avoided escalation to the CFPB. By landing on the CFPB's radar, Citibank might face a high risk of multimillion dollar fines, given the agency's track record. In fact, a recent article noted that nearly 40% of credit card complaints to the CFPB result in either monetary relief to the consumer or adjusted interest rates.

Social media comments about Citibank APR show a sharp spike in May

Social Media and CFPB comparison (percent of total)
January 2012 – December 2012

Sources: Nilson report 2012, CFPB, Beyond the Arc

Use social media to gain a holistic view of the customer experience

Another key benefit of monitoring online conversations is that businesses can capture feedback beyond the product level, expanding to a broader, integrated view of what customers think about the brand at large. While they may have complaints about a specific product or service, customers see the company as one entity, even if lines of business are managed semi-autonomously. Using social media analytics to look at overall brand sentiment can enable the company to take action– such as improving customer communications and retooling service policies-- to help prevent complaints before they occur.

Let's Talk

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