Creating meaningful customer experiences and campaigns in social media: Case study of O2 (Telefónica UK)

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oversees O2's central social media strategy and execution to deliver integrated campaigns, customer engagement and return on investment. Areas of particular interest include consumer responses to new media, and the integration of social media with traditional channels.

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Abstract   This paper provides an overview of social media at O2, the commercial brand of Telefónica UK Limited and a leading communications company with over 23 million customers. It explains the approach adopted in management, governance and customer service. Four principles of behavioural economics are presented to inform how marketers can create meaningful social media experiences. The paper concludes with a case demonstrating how a social media campaign had a direct impact on sales of a new BlackBerry device at O2.

KEYWORDS: telecommunications, social media, behavioural economics, crisis management, social governance, social media campaigns

INTRODUCTION

Social media now represent a key strategic focus for many consumer-led organisations in the UK and worldwide. This is no surprise as social media usage in the UK alone exceeds half the population, with 52 per cent of adults using social media services like Facebook, Twitter and YouTube.[1] This makes social media one of the most efficient and far-reaching channels available to marketers today. Due to the relative youth of the discipline, the role of social media in organisations is not clearly aligned across industries. Kaplan and Haenlein define it as 'a group of internet-based applications that builds on the ideological and technological foundations of Web 2.0, and it allows the creation and exchange of user-generated content'.[2] This definition considers social media as a group of internet-based applications only, yet these channels extend beyond this to contribute to public relations, marketing and retail experiences. Consumers can produce, share and engage with user-generated content online and also in traditional media, stores and outdoor. This is exemplified in the social media strategy of O2, which aims to deliver meaningful cross-platform experiences of tangible value in return for customer engagement and advocacy.

SOCIAL MEDIA AT O2

The mass adoption of social media is demonstrated in the usage of popular mainstream social networks including Facebook, Twitter and YouTube, as well as the increasing number of blogs and brand communities. The popularity, reach and relatively low cost of social media have caused brands to jostle for position to become the most followed and interacted with brands in these spaces.[3] O2 has over 23 million customers in the UK, of which millions engage with the brand at any given time across the year, with this figure growing at an average of 35,000 new fans per month across all social media platforms, at a compound growth rate of 78 per cent over the past three years. The relationship between the brand and these customers has changed; customers and their highly influential social networks are driving marketing and customer service efforts with an unprecedented level of immediacy and reach.[4]

SOCIAL MEDIA MANAGEMENT AND GOVERNANCE

O2 coordinates company-wide activity through main company social media profiles. This gives the brand the ability to integrate social media campaigns with a centralised brand presence. All social media usage throughout the company is governed by a single policy, and a central team of social experts manage all social media activations. O2 uses a hub-and-spoke business model to ensure there is a single source of governance and communication through social media. This model provides direct support and consultancy to the various business units within the organisation, allowing for scalability as social media channels become an increasingly important and in-demand resource within the organisation.

Over the past three years, the organisation has developed a bespoke social listening and insights tool that gives business intelligence and the company's marketers invaluable information (eg interests, hobbies, desires, sentiment and likelihood to recommend) about its customers to inform campaigns and decision making.

The same tool is also used to interact with customers online. Over the past four years, O2 has built a strong rapport online, and the foundation of this is in the way the O2 social media real-time team manages conversation across social media channels. O2 is well recognised in this area; according to Lyon and Georgiou, O2 demonstrated a 'master class in dealing with network "outage outrage"' on social media.[5] Back in 2008, when the brand decided to enter the social media space, conversation levels were a lot lower and there was no expectation for O2 to be actively responding to customers. People were talking about services and products (70 per cent), sponsorships (20 per cent) and product and network support (10 per cent). The brand built goodwill by starting to do a certain degree of customer service on channels including forums and Twitter. These days, the brand can be found responding to customers in most online channels. Customer services now make up 80 per cent of all in-bound enquiries on social media; the remainder of mentions are campaign, brand and sponsorship related. This is consistent with current research that suggests there is a strong expectation that brands should respond to customers online, with 65 per cent of people that have engaged with a brand using social media believing that it is a better way to communicate with companies than call centres.[6] Ultimately, social media provide O2 with the opportunity not only to demonstrate the brand's values but also to stay in touch with highly devoted customers and other consumers alike to deliver co-created campaigns and added perceived value.

BUILDING TRUST AND GAINING PERMISSION FROM CUSTOMERS

Executing campaigns and brand engagement mechanics online is not something all brands will see in relation to direct benefits to customer satisfaction, loyalty or sales. It is necessary to build trust and gain permission from customers to communicate proactively on social media. O2 built goodwill by making sure it did a degree of customer service through social media first. A real-time social media response team was created to monitor and respond to all mentions of the brand and its products and services. The team was able to successfully scale up from one to 15 people over three years by seconding traditional customer service agents into social media response roles. The positive response the brand got in return gave it permission to engage its customers with interesting campaigns, with those engaging with the brand on social media having a five point higher Customer Satisfaction Index than those that do not.

It is important for marketers to understand that organisations are no longer in control of the relationship they have with customers, particularly in the public space of online. Brands have the ability to be facilitators and mediators of conversation, but not controllers. Instead, customers and their social networks control the flow and sentiment of conversation, which has the ability to undermine and outperform a brand's marketing and customer service efforts with unprecedented immediacy and reach.[4] For example, BlackBerry was faced with a communications crisis in 2011 when the company suffered an extensive data outage shutting down e-mail and web access to millions of customers across Europe. Almost instantaneously the brand suffered a barrage of customers contacting BlackBerry via social networks including Twitter.[7] The brand quickly lost control as it failed to give customers informed updates on the situation or start responding to the thousands of enquiries coming in. There is no clear division between positive brand advocates and negative sentiment: these two polar views coexist in modern social networks including Facebook pages and Twitter streams.[8]

SOCIAL MEDIA AS A CUSTOMER SERVICE CHANNEL

The coexistence of advocacy and negativity naturally concerns many brand guardians. However, it presents an opportunity for brands and highly devoted customers to influence the perceptions and behaviours of others. In July 2012, O2 suffered its largest network outage, cutting services to millions of customers. The number of brand mentions exceeded 120,000 on the day of the outage, sending online sentiment towards the brand immediately downward. When faced with such unprecedented levels of negative online conversation, some brands may choose to hide from customers and hope for the storm to blow over. On the first day of the outage, the mass of negative tweets had reached an estimated 1.7 million people.[5] O2's approach involved responding to each customer individually and providing extensive updates via the brand's many social media channels. The high efficiency of social media channels, coupled with the speed of response and a personable tone of voice led to a shift in customer perceptions and behaviour just days after the outage (Figure 1).

APPLYING BEHAVIOURAL ECONOMICS TO CREATE MEANINGFUL EXPERIENCES

Every minute of the day, 100,000 tweets are sent, 48 hours of content are uploaded to YouTube and 684,000 pieces of content
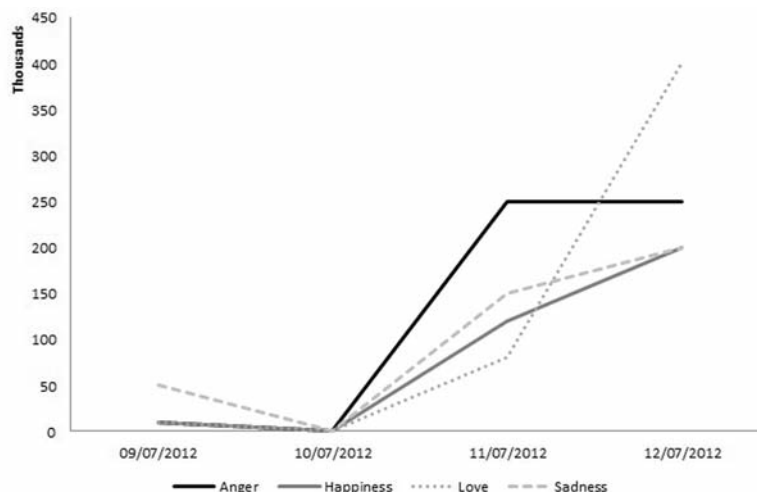
Figure 1: Reach of Twitter conversation referencing O2 categorised by sentiment
Source: Lyon, J. and Georgiou, A. (2012) 'Calming a twitstorm: O2's masterclass in dealing with "outage outrage"', available at: http://www.wired.co.uk/news/archive/2012-07/17/o2-outage-social-media-masterclass (accessed 13th January, 2013).

are shared on Facebook.[9] This plethora of content and stories make it difficult for brands to find ways to achieve cut-through and engagement. Behavioural economics looks to identify ways in which behaviour differs from traditional economic understanding and show how behaviour matters in an economic context. It is the combination of psychology and economics that investigates what happens in markets in which some of the agents display limitations and complications.[10] This offers an interesting perspective on understanding consumer behaviour which can be applied to create meaningful customer experiences in social media. Four principles of behavioural economics have been selected to demonstrate how the understanding of human psychology and behaviour can inform social content and strategies.

People act according to self-image

People have a certain self-image that translates into their social media behaviour. The content people share and engage with is an expression of themselves. Having an understanding of

what customers value is a critical part of using social media to build an effective customer relationship management strategy.[4] Therefore before attempting to execute a campaign, brands must first understand what value a customer can get from the outreach. Good questions to ask are why a customer would seek out a brand in social media and why a customer would interact with a certain piece of content or campaign. This can be difficult as there is a need to create content that not only associates with the brand, but also resonates with the customer. In most cases, addressing the questions makes it easier to engage in conversation with customers, thus mediating the flow and sentiment of conversation about a brand.

Other people's opinions matter

Social media represent the perfect platform for a brand to communicate expertise in an industry or 'thought leadership'. O2 achieves this by creating great editorial content produced by knowledgeable leaders across different business units in the organisation. People with a general interest in these areas will

engage with this content, participate in conversation and share it with their networks.

People are creatures of habit

Know when to reach out to customers, be relevant and timely. This can be as simple as knowing when the brand's audience engage with content most often.

Understanding what an audience expects of the brand at any given time will allow you to act accordingly and become a part of their habitual behaviour. On average, 85 per cent of active Facebook users log in every day, and many of these do so at the same time each day.[11] People do this because they become accustomed to social networks and their popularity is only enhancing this behaviour. O2 uses social media tools to analyse such data and use this insight to optimise accordingly, be it publication times or channel selection.

Feel empowered to take action

The average person in an urban city sees as many as 5,000 advertising messages a day, making behavioural decisions more difficult.[12] One way to make these choices easier, however, is to empower people to take action. It is important to realise that social media are not simply a channel for brand loyalty, but they can also influence the bottom line. Conversion to sale can come from inspiring and empowering consumers to interact, take action and/or learn more about a product or service. In principle, this is something direct response marketers have been doing for decades; however, many brands fail to achieve this with their social media activities. The more personal and private nature of social media means it is incredibly important to find a balance between direct response and building brand relationships. Nonetheless, there has been a visible shift away from traditional media towards social media channels in the search for information.[13] The most empowering factor in this is

that consumers put more trust in the recommendations of friends and other consumers alike. Research conducted by O2 and Facebook found that fans of the O2 Facebook page are 1.7 times more likely to take action and recommend the brand to their friends or family.

CASE STUDY: BLACKBERRY HALLOWEEN

Through the power of social insight and applying learnings from consumer behaviour there is a relatively clear methodology to building an effective social media campaign. To boost sales and raise awareness of a new BlackBerry device, using Halloween as a reference point, O2 launched a campaign in 2012 to reach the key target audience of 16 to 24-year-olds.

Social listening and search engine analytics data showed the audience wanted inspiration for Halloween. O2 used this insight to develop relevant content that met the needs of consumers at this time.

A buzz graph was used to identify what people were talking about in regards to Halloween and find what keywords were the main topics of conversation (Figure 2). Key themes included 'events', 'parties' and 'costumes'. These themes showed strong associations with keywords including 'scary', 'family', 'sexy' and 'night'.

Based on this insight, O2 published gig guides, made videos showing how to make scary costumes, and created fashion imagery to get the audience thinking about Halloween styles and trends in 2012. All content was distributed across O2's social media channels, amplified further through collaboration with two of the UK's most influential fashion bloggers to hold an interactive event at a Halloween–themed venue. Over 40 influential bloggers across multiple genres attended the event, with the BlackBerry campaign seamlessly woven into the experience.
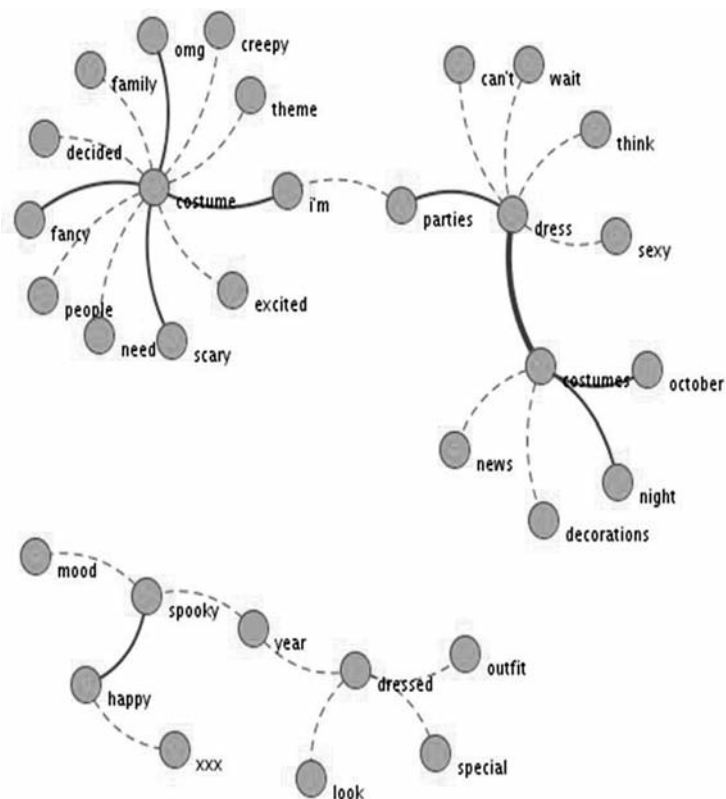
Figure 2: Halloween buzz graph (historical data, 2011)
Source: O2 Insights 2012

The gig guides that were distributed throughout the campaign received a click–through rate of over 10 per cent compared with an average 2 per cent for other campaigns. The inspirational videos achieved over 220,000 views, and the bloggers generated hundreds of tweets, blog posts and pictures. This combined social activity generated 4.7 million impressions and a 158 per cent uplift in sales during the campaign period. The success of this campaign was due to the nature of the content: it met the needs of the customer while empowering people to go about Halloween in their own O2/BlackBerry way.

CONCLUSION

Over the past four years, O2 has developed a strong social media governance policy and structure not only to service millions of customers online but also to deliver meaningful customer experiences that add value. By adopting simple principles of behavioural economics, marketers can begin to understand better the types of content and campaigns that will achieve cut-through and resonate with their customers. Like many other organisations, O2 will continue to innovate and push the boundaries in one of the most exciting marketing channels since the advent of television.

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