

Social Media Rewards and Risks, Facebook's View of the AT&T - T-Mobile Deal

By Ed Finegold

Social media is the most overhyped thing since Enzyte, but actual business value is hidden behind the veil of pop culture hyperbole. Business use of social media for customer engagement is in a nascent stage. Though adoption amongst wireless operators is widespread, the maturity level remains modest. In light of the news that AT&T will acquire T-Mobile, if the U.S. Department of Justice permits it, we've decided to take a close look at what these companies are doing on Facebook, as a small sampling of what's happening in the social media channel. The activities in which these prospective bedmates have engaged via Facebook are intriguing. What they aren't doing is surprising. And what customers are saying is often downright hilarious.

Social Media for Customer Interaction

This is all new material, so it makes sense to define some terms. Ultimately, social media channels like Facebook, Twitter, LinkedIn, YouTube and blogs are all just ways to communicate. Various corporations use these communications methods for different purposes, like tweeting to a specific group about a re-scheduled conference call, or posting on an in-house corporate blog that employees' health insurance pay-in just jumped up \$100 per month. Using social media, however, as a way to engage with, sell to, and care for customers is a different animal and is an increasingly relevant part of customer experience management for communications service providers.

Anything any company does on Facebook needs to be mobile friendly.

Social media, as a customer interaction channel, parallels other such channels, like call centers, online self-service portals, and retail locations. A Facebook-

Social Media Customer Take Rate*		
	AT&T	T-Mobile
Customers	96 Million	34 Million
Facebook "Likes"	1.4 Million	225,000
Twitter Followers	82,500	84,200
Facebook %	1.4%	.66%
Twitter %	.08%	.25%
*assumes all 'likes' and 'followers' are customers		

based care operation should cost exponentially less than a call center. The more customer service, technical support, and sales an operator can manage with its Facebook presence, the more it will reduce its fundamental cost of doing business. Reduced costs equal better margins, more profitability, happier shareholders and likely happier customers, given that effective, online self-service tends to improve customer satisfaction scores.

Immaturity Abounds

Taking AT&T and T-Mobile as examples, both operators are essentially using their Facebook (and Twitter) presences as proxies for things they otherwise do online, and through both outbound and inbound marketing, and via call centers and retail stores. Keep in mind that because of how early in its evolution the practice of social media customer interaction is, the adoption is still relatively low (see Table: Social Media Customer Take Rate), but today's practices set the stage for what's obviously an area of rapidly increasing interest.

With both AT&T and T-Mobile, Tweets and Facebook status updates tend to promote new devices and plans; provide tips on using devices or features; and broadcast information about alliance partner marketing. For example, T-Mobile has a section of its Facebook page dedicated to its relationship with the NBA. It promotes its 4G network and displays videos of its TV commercials with Charles Barkley and Dwayne Wade.

In terms of actual customer interaction, care reps sometimes respond directly to questions from customers and provide helpful tips or links to information on the operators' web site. In the bigger picture, however, Facebook pages are intended to be entry points into each company's existing online customer service presence. There are pros and cons to how each company executes this.

Not for distribution or reproduction.

AT&T's Facebook Challenges

The first reaction to AT&T's Facebook page is that there's no way to navigate to customer service (or sales) directly from the wall, other than in uncommon cases where a rep posts a link within a comment in response to a specific question. The customer support tools aren't obvious to find either. I was looking for them, so I found them under a navigation menu item labeled "Welcome". T-Mobile had the good sense to label this menu item "Support" which is a bit more intuitive.

There are basic usability issues in AT&T's Facebook navigation – tested in both Internet Explorer and Firefox – that undermine the customer experience. It takes two clicks, some scrolling, and another click to access online support and self-help FAQs. When these pages are presented, AT&T has the right idea in trying to keep the user within the Facebook window, but the limited screen area cuts off most of the web page making it difficult to read and navigate. These are major barriers to usage. T-Mobile avoids this problem by simply taking the user directly to its customer support website in another tab or window. The downside is taking the user out of the Facebook comfort zone; the upside is that it works.

Another obvious issue with AT&T's Facebook set up is that when one clicks into the customer care section, the space above the fold isn't used optimally. The user has to scroll down to get to any navigation that leads to sales, support or service. The only action buttons above



There are also a large number of pure hate groups.

the fold are the Facebook "Like" button and a "post to our wall" button, which doesn't really leap out at the user. The "like" button makes sense; AT&T's Facebook page has almost 1.4 million "likes". But the "post to our wall" button launches AT&T's entire main Facebook wall – including the navigation menu - within the limited viewing area, rather than taking the user back to the main wall. It's inelegant.

The major issue with these kinds of presentation and navigation problems is that they create barriers for customers who want to access online support through Facebook. If any social media channel, Facebook being the reigning king of them all, is going to be used for customer interaction, it has to work well. There can be no artificial barriers, extra clicks, sloppy presentation, or unobvious navigation. It has to be presented right up front, and as easy to use as, say, the iPhone. My two year old can use an iPhone and iPad with ease; that's not an exaggeration.

This speaks to another issue; Facebooks says that 250 million people visit its site monthly through a mobile device. The iPhone app is the primary form of Facebook access in my family. Anything any company does on Facebook needs to be mobile friendly. If a customer can't use the tools provided on a widescreen laptop, it's guaranteed that mobile access just isn't going to fly. And, in fact, as an AT&T customer, I have no way of even accessing online customer support through the Facebook app on my iPhone.

Some Kudos for AT&T

We'll put down the lash now and give AT&T some credit for having had a dedicated social media team since 2009. "Today we have 28 customer care representatives supporting all social media channels for the brand including our mobile, B2B and U-verse offerings," says Chris Baccus, AT&T director of social media.

Surprisingly, Baccus adds that "social media care if often more costly than other means." He says the channel is often a "last resort" for customers who have "fairly complex issues" that require "considerable time

and effort, usually through direct messages, email or phone calls to resolve.” This phenomenon is counter-intuitive given that a primary purpose of social media care channels would seem to be to offload an increasing amount of traffic from contact centers to make it easier for customers to access self-care. Given the usability issues cited issues, one can’t help but wonder whether the current model – which requires pretty significant headcount – doesn’t merit some revision.

Increased customer loyalty should also be a benefit of social media care. Baccus says that is “a bit too early to declare success with loyalty and social media” but that “other measurements around loyalty” show that “meeting customer needs in a responsive and satisfying way will improve long-term loyalty.” He adds that “social listening” has influenced AT&T’s marketing messages to respond to “fans and followers.” Further Baccus says, social media does, in fact, provide “instant feedback” and that AT&T is “constantly finding ways to use it to impact products, services, and improve our dialog (sic) with customers.”

T-Mobile’s Wall

As of this writing, T-Mobile’s Facebook wall is awash with negative, visceral reactions to the AT&T acquisition. Examples include:

- “Tara Brown: Ok why the hell u people luring in people when u all done know u sell urself to the devil”
- “Julius Sepeda: It disturbs me how yall come out with new phones and advertisements, write on facebook like its business as usual, meanwhile as soon as yall get the “OK“ yall will just turn us over to the “EVIL EMPIRE“. At least dont act like yall care:(“
- “Robert Davidson: I hope the merger fails.”
- “Andrew Purdon: AT&T you are horrible.”
- “Beth Ann Hill: If it goes to ATT, say bye bye to me!!”
- “Mark Totz: Forget tmobile going to verizon!”
- (My absolute favorite is...)
- “Adniel Garcia: when are u guys gettin the iPhone??”

There are far more negative comments on T-Mobile’s

The tricky issue with the care team approach, however, is that it is head count intensive.

wall than positive comments because of the acquisition news, though there are some very upbeat advocates of T-Mobile’s brand, 4G marketing, and new devices. The fact that many T-Mobile customers lament that T-Mobile has “sold out” to the “evil empire” suggest that customers have stayed with T-Mobile expressly because they are not perceived as an evil empire.

There is consistent confusion, as well, over whether customers’ existing T-Mobile phones will continue to function once the acquisition closes. They will, and other customers are actually taking the time to communicate this to their peers, which means they are sticking up for T-Mobile. These kinds of fans have great value; a critical mass of such fans could be harnessed to help drive an operator’s social media goals. AT&T might consider taking stock of who these fans are, and showing them the love in exchange for their continued advocacy and loyalty.

Functionally speaking, T-Mobile hasn’t attempted to

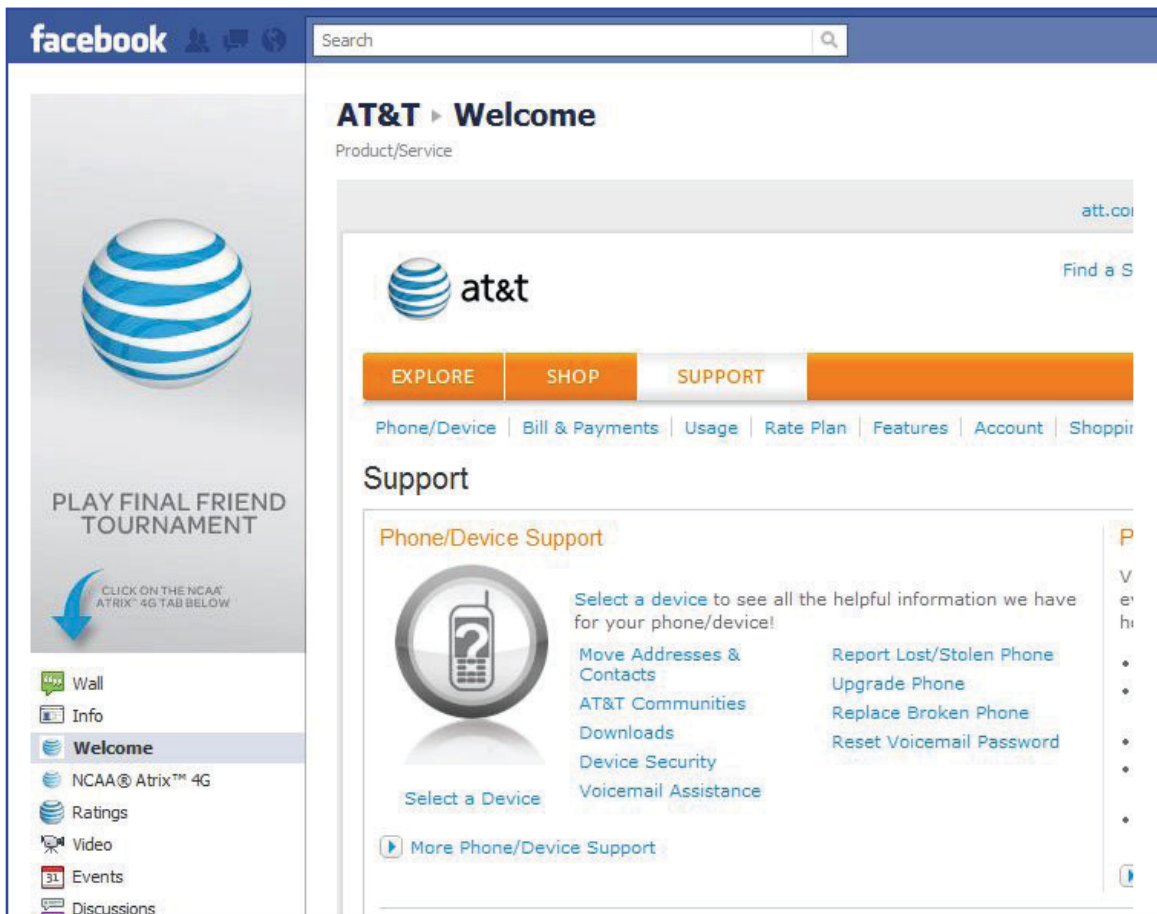


do much that is sophisticated. In contrast to AT&T, their simple approach is clean and effective. Clicking on the “support” link in the navigation menu leads the user to a page where no scrolling is necessary to access T-Mobile support, view its Twitter page, enter its customer forums, or visit its YouTube channel. Only its store locator is partially obscured below the fold. Clicking on any of these items launches a separate window or tab and opens up the appropriate page on T-Mobile’s website, or on Twitter, for example.

If Facebook, or any social media outlet, is a customer interaction channel, then it should be managed just like any other customer interaction channel.

Like AT&T, there is no immediate way to access customer support directly from T-Mobile’s wall. It’s also a multi-click process, which immediately creates barriers for customers. The fact that T-Mobile asks the user to leave Facebook to access its support tools is, in a sense, an admission of not being able to solve the kind of presentation problem AT&T currently has. There’s also an argument to be made that someone who’s on Facebook wants to stay there, so taking them to a separate website just creates another usage barrier.

On the mobile side, I can’t access anything about T-Mobile, other than some high level profile information, through the Facebook iPhone app. This makes sense to the extent that as an iPhone user, I’m clearly not a T-Mobile customer. But what if I wanted to learn more about their new phones, or buy something from them? I can’t do it through Facebook; even the link to their site from the iPhone app profile page goes to a broken link. I’d call that a barrier too.



From the Horse's Mouth

After contacting T-Mobile for comment, Daniel Anderson, Emerging Media Manager for T-Mobile USA responded – perhaps appropriately – via email. He says that the company receives “tens of thousands of messages every day” and that “about 15% (sic) of all comments mentioning T-Mobile on Twitter are questions about our products and services.” What’s the other 85 percent? Well, let’s say there are a lot of critics and haters out there, along with some fans.

Anderson explains that T-Mobile has “a team dedicated to responding to online conversations” which is expanded during peak times. He says the social media team was doubled during the company’s Valentine’s Day promotion “just to keep up with the volume of fan questions.” That team seems to be pretty quiet in the face of the anti-AT&T onslaught, but there is evidence of it responding to serious customer inquiries. He also says that the team does “proactively search for and respond to comments about our products and services” outside of T-Mobile’s own social media sites because “it is important for us to show our customers, and potential customers, that we value their feedback.” Tell that to Tara Brown.

Anderson admits that self-help videos on YouTube are intended to help “offset the need for customers to contact our other support channels” and says that its community forums are a good “self-help resource for customers looking for quick answers to common questions.” He adds that “T-Mobile reaches about 140 million people every month through the cumulative reach of our social media efforts,” but provided no further basis for that estimate. It sounds a bit like fuzzy math. If you reach 140 million people, and you’ve only gathered about 300,000 “likes” and Twitter followers, I’m not sure that makes your success metrics sound all that strong. Regardless, T-Mobile is trying to be creative in using social media to support customers, and deserves some credit for that forethought and for delivering a solid online experience.

Untamed Risks in Social Channels

There appears to be more risk for operators in what they are not doing in social media channels than in what they are. There are hundreds of unofficial Facebook groups and profiles that incorporate the names AT&T Wireless and T-Mobile, and in many cases their logos and corporate boilerplate. There are many

Where customer service has clearly gravitated to social networking, those responsible for managing retail channels haven't.

hate groups; groups and profiles that exist for no other reason than to vent rage against the operators. A third group consists of authorized resellers, and this bears some special attention.

Dozens of resellers just call themselves “AT&T Wireless,” for example, and don’t redirect the hundreds of fans commenting on their walls who have mistaken them for AT&T Inc. Many of them use corporate logos as their profile pictures, rather than appropriate reseller logos. Some resellers identify themselves as such, but fail to use properly authorized logos. And, there is no consistency in how resellers present themselves or communicate with customers on their Facebook pages. T-Mobile suffers from the same set of problems. Assuming the acquisition goes through, its problem will only compound AT&T’s.

These issues are “not acceptable and controls need to be put in place to police the risks around social media,” says Alex Leslie, communications industry analyst and founder of the Global Billing Association. He warns, however, that “companies need to be careful not to simply try and crush the revolution with too many rules and regulations.” Given that we have seen social media “cause revolutions in the Middle East” and “start campaigns against policies and politicians” with “an honesty that the establishment finds alarming,” says Leslie, risk management practices should comprise constructive dialogue with business partners rather than wading into no-win situations with critics.

If Facebook, or any social media outlet, is a customer interaction channel, then it should be managed just like any other customer interaction channel, any of which may contribute to a customer’s end-to-end experience. Retailers have to follow rules and policies in their stores in regards to logos, devices they sell, promotions they offer, and how they use the parent company’s trademarks. But these rules either don’t apply, or aren’t being enforced, on Facebook.

**“A company that fails to protect its trademark can lose the rights to it.”
–Dr. Russell Brand”**

Protect That Trademark

While it would not make sense to try and take on a hundred hate groups who are misusing a logo – that only plays into their hands – it may make sense to have a corporate-level dialogue with Facebook about it. That discussion might go something like this, “hey guys, we have a few smartphone users over here who visit your site through our network; you mind helping us out with unauthorized use of our intellectual property?”

Further, it certainly would make sense for any company that leverages customer-facing resellers and franchisees to create clear policies and protocols to govern branding, marketing, and customer interaction over social media channels. This is all about protecting the end to end customer experience, and the need to defend the trademark.

Dr. Russell Brand, CEO and Founder of Responsible Solutions, is an authority on online technology and advises large companies on intellectual property matters. He explains that “a company that fails to protect its trademark can lose the rights to it.” Dr.Brand surmises that while major companies tend to “have complete teams to deal with the printed matter issues, point of service, etc; they don’t have a team to deal with the social media and web equivalents.” He adds that while there is little case law to define “safe haven defensive practices” the “intrinsic risks” regarding trademark abandonment “are the same; they risk complete and unrecoverable loss of the trademark.” Further, this doesn’t mean just losing the right to defend the company’s trademark in social media channels, but rather “losing it in any one advertising form loses it in all forms; at least within the country group.”

For those who would scoff at this as preposterous and suggest that large companies have better things to do than worry about people misusing their trademarks on Facebook, Dr. Brand points to Coca-Cola as an example. “Coke has a team of people to go to restaurants that serve colas other than Coke...If the service staff doesn’t say, “Is Pepsi, OK?” they make a note of it and a lawyer letter goes out.” Disney is another company



that is known to protect its trademarks with consistent aggression in a similar way.

The bottom line for operators is that social media is growing in importance in regards to its contribution to the overall customer experience, to cost reduction, and in driving uptake of online self-service. Though we are in the earliest stages, there clearly are lessons and management practices that have been developed across more traditional customer-facing channels that

are not yet being applied to social media. Operators deserve credit for trying to be creative, if not innovative, in establishing teams dedicating to managing customer interactions on social media sites. Though the maturity level and adoption rate remain relatively low, as with any other new business practice – from revenue assurance to paperless billing – it makes sense that it will simply take time for operators and customers to adjust to the medium, its benefits, and its risks.