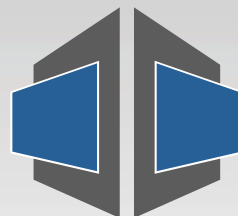


Social CRM

Key Strategies and Must-Have Features



COMPARE
BUSINESS
PRODUCTS

What is Social CRM?

Social CRM has become one of the biggest areas of growth in Customer Relationship Management for companies trying to develop a greater understanding of their customers. Social CRM is no longer a “nice to have”. It is an essential component of a CRM solution that helps organizations to understand what customers really think, through interacting with them directly and getting involved in the conversation about their own organization.

Social CRM is something of a mish-mash of customer service, marketing and sales, and helps to tie the three together through gaining a level of customer insight that was not possible prior to the development of social networking websites. It can also be useful for product and service development through building up a closer understanding of what customers really think. However, many companies feel somewhat out of control with regard to social media, having failed to develop a strategy for harnessing this powerful new tool. Social media allows people to express what they think and this can be potentially damaging for the brand if not handled effectively. On the other hand, Social CRM provides collaboration to an extent that was never previously as easily achievable, so it should be leveraged.

Put simply, Social CRM is customer relationship

management that is developed through social media and networking websites. Gartner’s definition of Social CRM explains that it is a strategy that includes marketing, sales and customer services to actively involve customers in an internet channel to encourage participation in the business. The difference between this and regular CRM is that Social CRM allows organizations to understand relationships and conversations, rather than just data. It creates opportunities to engage with customers or potential customers that are conversing about the organization on these websites.

A Social CRM system can track relationships by reviewing the way information about the organization is shared online. That means companies can track what customers are saying about them via social media systems. Social CRM includes the use of Facebook, Twitter, LinkedIn, blogs, forums and message boards, review sites and news sites. Companies need the ability to review and analyze customer conversations about them and the ability to compare and contrast what customers say about them with the reality of their customer service offerings. They can then act on this – this is the basis of a strong Social CRM system.

Why Should Organizations Adopt Social CRM?

Some question the need for Social CRM, seeing social networking as a fad that will pass. However, there are many reasons for organizations to engage with their customers using social networking websites. Organizations that are more closely connected with their customers through social media will find that they have a better understanding of what their customers need and want, as well as what they are doing right and wrong. Importantly, this can lead to improved products and services and increased sales. Through understanding conversations about the organization it is possible to develop a more comprehensive picture of what customers think and how to interact with them more effectively. Social media interactions can also reach many people at the same time, making this a highly efficient means by which to interact with customers. It is believed that organizations that engage in Social CRM are able to increase revenues through involvement in customer conversations, enabling them to better understand customers. This in turn allows the extension of the customer base to increase business, which is how additional revenues can be derived through utilizing this type of CRM. Brand value can also be increased through these activities, as the organization demonstrates itself to be one that cares what the customer thinks

and gets involved in the conversation regarding its products, rather than one that appears distant and aloof. Importantly, some customers do not even call or email anymore. Instead they will tweet or post on other social media sites, and if organizations are not aware of what is being said about them then they can appear disinterested.

Organizations that engage in Social CRM may be able to increase revenues by better understanding customers.

Research into Social CRM shows that companies using this channel find their customers feel that they have more of a connection with the organization. They appreciate the chance to tell the organization what they do and do not like and to get direct responses through open and transparent conversation. This level of dialogue between organization and customers can also help to build trust. Special offers and discounts distributed via social media can also help to build bonds with customers.

Organizational “Must-Haves” for Effective Social CRM

It is clear that understanding how to develop Social CRM effectively is important for companies to be able to achieve success. The following provides an overview of the Social CRM “must haves” for organizations:

Organizational Support

A critical must-have of social CRM is organizational support from all of the important stakeholders. This will include everyone from the senior management team at the top who will provide the budget and strategy for the activity, through to the employees that have to implement the social media strategy on a day to day basis through their interaction with customers via social media channels. It has been found that the culture of the organization can be a huge barrier to Social CRM implementations, with almost a third of organizations reporting this to be a serious issue. To help to develop a culture of Social CRM in the organization, it is recommended that senior management are also involved in the social media activities – that senior managers develop blog posts and respond to important comments and issues. This helps the senior management team to better understand what social media

really is, which enables them to be able to create and refine effective strategies for these activities. One of the major challenges in terms of getting organizational support at a senior level can be determining ROI for such activities. However, tracking ROI properly can help to demonstrate the value to any stakeholders that may doubt the importance of the strategy.

Strategy

Once organizational support is in place—especially at a senior level—one of the key areas to have is a strategy that defines what the Social CRM activities are trying to achieve. This should be further filtered down into goals and objectives at an operational level. Many organizations start using social media without thinking about what they are doing or how this all fits into the bigger picture of the organizational goals and strategy. The scale of the problem is widespread, and research by Ovum found that only half of all banks worldwide have a social media strategy for customer support. Meanwhile, the same research found that only 6% of banks that use social media use it for responding to customers – which is arguably one of its most powerful uses. Many organizations do not use the Social CRM channel proactively and instead use it to react and mitigate risk, responding to crises only. In building a social media strategy it is recommended to gain input from experts. Experts can be found in the organization among

those that use social media continually and understand how it can be leveraged, or become a turn off if used by organizations inappropriately. The Social CRM strategy decided on should consider why Social CRM is important to the organization and how it can be utilized effectively to assist different departments in the company, as well as the customers. Support of customers using Social CRM needs to be achievable in real time, so this should probably be one goal.

Following

One thing that successful Social CRM organizations do is to build a large following on key social networking websites. Companies need to be proactive about this, and they cannot simply wait for customers to follow them or “like” their pages. They have to take active steps to build up a following online. Building up a following requires regular posting of useful content, and includes targeting the company’s potential customers through social media websites. Some general guidelines for posting are that organizations should be:

1. Posting content that is attractive and interesting to the target market
2. Posting items that are likely to get the company noticed by influencers in the industry – this is possible through following these people on Facebook and

Twitter and reviewing the kinds of posts they are making.

3. Posting regularly and try different approaches with the types of postings that are made.
4. Posting content that is not just focused on the organization but that is focused on the customer and meeting their needs.
5. Interacting with customers and potential customers that respond to the company’s posts.
6. Tracking postings and taking note of what is successful, including not just the type of content/item posted but also the time of day and day of the week it was posted – this might be a good time generally to post content.
7. Reviewing interaction with the company’s postings and adapting new postings based on tone, style, language and other post features that will make the post most attractive to the desired audience.
8. Sharing postings of others – companies that share the content of others will find that they gain social equity with the person or organization whose content they shared, meaning that their content will be more likely to get shared.

Attracting as many customers and potential customers as possible is essential. Having a strong, loyal, social media presence is important not least because if issues do arise, supporters of the organization will defend it. This looks considerably better on social networking websites and other forms of social media, than organizations simply defending themselves. A word of warning is necessary here - purchasing a following by hiring a company to get you instant followers is not a good strategy to building up a long term and loyal following.

Staffing

The organization's Social CRM channel needs staffing in just the same as any other channel does. Organizations should not just try to attach this as an additional task for already overwhelmed staff, as Social CRM will lead to an influx of work. Staffing necessitates consideration of the type of response levels to customers that are required of the business through this channel. These should be at least at the same level and standard as for other channels. This means that in many cases it may not be appropriate just to add this as a task for existing CSRs whose skills differ from those required for Social CRM. It may be better to have a dedicated team. However, at the same time it is necessary for the Social CRM employees to be communicating consistently along with the rest of the organization. This requires processes to be put in place ensuring that the organization is

communicating effectively, regardless of which channel the message is delivered through.

Social CRM can reap great rewards for the organization but not without the prerequisite effort being applied. Those that are going to be involved in Social CRM will need job descriptions that reflect what they will be doing. Their tasks may involve managing online communities, blogging, attracting followers and getting "likes", among other social media tasks. They can also solicit opinions from customers on existing

It may be prudent to have a separate team dedicated to your company's Social CRM campaigns.

or new products that can be used for product innovation. This can be done by making postings asking customers: "What do you think of our new product?" or, "Do you like the way we have adapted this product? Let us know!" Training may be required for some tasks so that CSRs really understand what they need to do and how to be able to communicate with customers in real time effectively through this channel. A level of empowerment is also necessary so that

CSRs feel confident to be able to make sensible decisions and respond to customers appropriately without fear of making a mistake. Of course this also requires training so that CSRs working on Social CRM understand appropriate messages and responses. Empowerment on this level can sometimes be challenging in organizations that have more of a command and control approach to management and are used to distributing messages to the public only via Public Relations departments.

Policies

Social CRM must be managed effectively, and the social media behavior of employees should be regulated. Many companies do not have policies but this could easily lead to errors occurring, so it is an area that must be addressed. Policies should dovetail with other organizational policies such as computer use and e-communications as well as the company's non-disclosure agreement so that information and messages posted are appropriate. One concern is employees wasting time on social media, or worse, negatively impacting on the organization through poor use of social media. Corporate guidelines can help the organization to avoid some of these issues through detailing expectations to employees.

Technical Features

Technology can help to drive Social CRM by

providing a range of different opportunities to facilitate easier interaction with customers through this channel. For example, being able to post one update to all of the different platforms where the organization has a presence provides a certain level of efficiency that is not achieved if the company has to go in and update each platform separately. Also, the ability to see all of the different interactions with its customers on different platforms in one place is helpful for similar organizational efficiency reasons. Scheduling updates can also be helpful so that information can be provided to customers in the timeliest manner possible. The ability to include social profiles of customers in the company's database as well as updating their contacts in the company's system using social media information is particularly useful as well. As yet, systems are still being developed to achieve all of these types of functions, given the newness of Social CRM. However, the technology is rapidly catching up with organizations' requirements and organizations should keep up with what is available in the market.

Developing areas of the organization's website where customers can help one another is also a useful technological approach. This can cut costs for your employees responding to questions as customers do this for each other, and it also gives the company another area to monitor to find out more about what customers think about products and services. Of course this should not

detract from stepping in and answering customer queries and questions when needed.

Personality

A social media presence needs a personality. Companies have to find a way to make their organization's brand and personality shine through while remaining consistent across other channels, including other non-social networking channels. The organization's personality needs to be built on Twitter, Facebook and LinkedIn, among others, depending on the company's

Consistent personality across all channels - social networking and non-social networking alike - is extremely important.

industry – some industries have specific social networking websites for that sector, and in this case it is important to build a presence on these, as well as the more popular websites listed here. The organization itself should have a social media personality, but as well as this, specific contact center leaders in the company can also build

up a personality, providing insights on customer service best practice and how the organization plans to improve, to increase customer service further.

Tracking

Social CRM systems that are especially useful will inform the organization that a message, comment or status has been posted somewhere in cyberspace about the company. This allows the company to immediately respond and in so doing, develop a better relationship with the customer that posted it. In addition, by responding to this customer the company also builds up the brand among that person's Twitter followers or Facebook friends. Tracking can be used to understand whether or not customers or potential customers are subscribed to the company's blog or if they are followers or fans on different social networks. Understanding this helps the organization to be able to keep track of the customer's level of involvement with the organization. Analytics help organizations to understand what social media interactions mean for them. Even simple Google Alerts can help organizations to track what is being said about them and can provide a cheap but effective means of tracking customer activity.

Social CRM needs monitoring carefully. These days customers react quickly and often to organizational changes and announcements as

well as new products, services or issues via social media means. Making sure to keep abreast of what is being said about the organization through these channels is a critical component of a good Social CRM approach. This means keeping track of negative brand exposure and having a plan to be able to deal with it when it occurs. As well as mitigating issues, the organization can also piggy back off news stories and trends and patterns that are being reported that may support what it is doing with its customer contact center. Additionally to monitoring social media the company can review suggestions that have been made via these channels about its customer service to implement into practice.

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