

White Paper: Social Media and Customer Relationship

Abstract

This paper discusses the rapid rise of social media and its impact on customer relationship. It sheds light on how businesses can use social media to connect better with their customers and employees; specifically, how a social strategy

can have a better impact on customer engagement. It also outlines the social tools and techniques that can be integrated with CRM to achieve concentrated results from social media initiatives taken by organizations.

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1. Introduction

Today, with the emergence of social media, many organizations have begun to take social media data seriously to learn more about customer behavior and preferences. Essentially, analysis of social data involves recognizing designated keywords in posts and comments on social sites such as Facebook, Twitter, LinkedIn groups, or Blogger. This helps to improve the company's ability to detect potential customers or even business problems. By virtue of this analysis, companies can streamline their marketing campaigns and derive feedback on their products and services. This approach in business is also known as Social CRM. The intent of the Social CRM model is to create mutual value and transparent business environment.

According to Paul Greenberg, author of *CRM at the Speed of Light*, Social CRM is a philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes, and social characteristics. It is designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It's the company's response to the customer's ownership of the conversation.

2. Why you should integrate social media with CRM

Integration of social media with customer relationship management (CRM) is the next step for organizations that want to optimize the power of social interactions to get better customer insight. Such insight can be obtained in the form of important clues such as an issue, problem or question, positive or negative comments about the company's products and services, among others. They could also be about the competitors' products and services that could help you guide your business process to take appropriate action.

For instance, imagine your organization manufactures laptops and in the recent past, your consumers have submitted multiple support requests related to issues with battery life. In this case, you may want to consider creating a requirement that aims to address these problems for the next product release. Also, you should have a method to seamlessly connect all your product development activities—from ideation to project management—in your customer service strategy.

Social CRM helps businesses to establish customer engagements and increase their brand presence among customers.

Normally, Social CRM functions on top of the conventional CRM, enabling a business to connect customer conversations and relationships from social networking sites to the CRM process. This identifies revenue sources and increases revenue, driving customer loyalty and spotting new business opportunities. Social CRM helps businesses to establish customer engagements and increase their brand presence among customers.

Typical business opportunities with social media in any of the verticals including Consumer Goods and Retail, Healthcare, Hospitality, Media and Entertainment are as follows:

	Marketing	Sales	Service	Innovation	Collaboration
Insight	<ul style="list-style-type: none"> • Brand Tracking • Research Communities 	<ul style="list-style-type: none"> • Identifying Leads 	<ul style="list-style-type: none"> • Identifying Problems 	<ul style="list-style-type: none"> • Identifying trades & ideas 	<ul style="list-style-type: none"> • Collaboration
Response	<ul style="list-style-type: none"> • Changing medium or message 	<ul style="list-style-type: none"> • Converting Leads 	<ul style="list-style-type: none"> • Solving Problems 	<ul style="list-style-type: none"> • Acknowledging ideas 	<ul style="list-style-type: none"> • Shared workspaces
Proactive	<ul style="list-style-type: none"> • Viral marketing campaigns 	<ul style="list-style-type: none"> • Referral campaigns 	<ul style="list-style-type: none"> • Suggestion campaigns 	<ul style="list-style-type: none"> • Suggestion campaigns 	<ul style="list-style-type: none"> • Blogs & Wikis
Crowd Sourcing	<ul style="list-style-type: none"> • Evangelist Communities 	<ul style="list-style-type: none"> • Evangelist Communities 	<ul style="list-style-type: none"> • Self-service Communities 	<ul style="list-style-type: none"> • Ideation Communities 	<ul style="list-style-type: none"> • Employee and Partner Communities

Figure 1: Business opportunities with social media

3. Social CRM model

The Social CRM model is not only limited to increasing sales and successful marketing actions, but it also brings in more customer engagement with the enterprises.

Typically, the Social CRM model is based on four solutions:

1. Social listening and engage
2. Social promotion
3. Social conversation
4. Social measurement for providing the best in-class customer experience

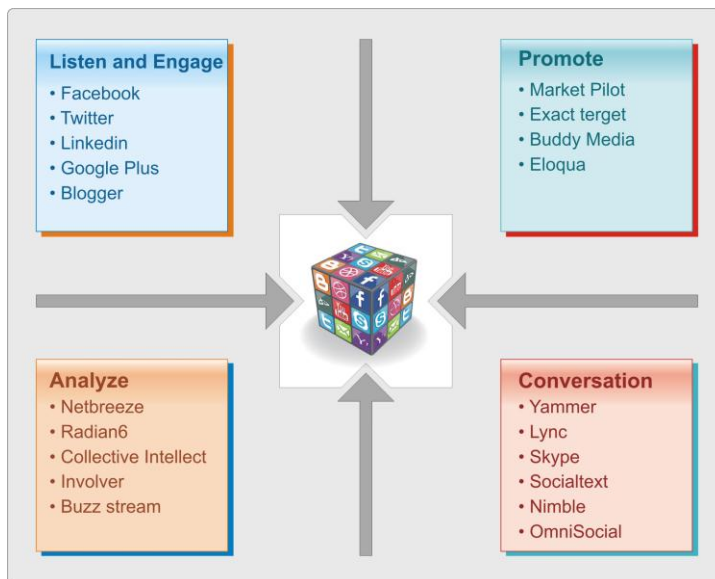


Figure 2: Social CRM Model and Tools You Need to Know About...

SOCIAL LISTEN AND ENGAGE

It is highly recommended that companies set up business pages on social networking sites such as Facebook, Twitter, Google Plus, and LinkedIn. Companies should also proactively engage with customers by keeping the reply feature enabled. They should reply directly to comments left on social media page content, start conversation threads with individual customers, and keep relevant conversations connected.

Pulling relevant conversation in CRM by identifying the applicable content through actionable tagging and feeds by using various sentiment analysis algorithms helps keep track of interactions. This can be achieved by integrating CRM and the appropriate tools.

For example, Zendesk® connects with Facebook and Twitter, and HootSuite is great for team organization and message assignments to pull the relevant conversation in CRM for further processing. Another example could be ExactTarget's SocialEngage (formerly CoTweet), which helps in managing an unlimited number of conversations on Facebook and Twitter.

Furthermore, in CRM, it is recommended that you track and manage customer conversations, as well as your responses. This would provide business, a detailed view of customers across different channels, and help the customer service team to offer better engagement. It is also an input to the marketing team to design relevant campaigns. This information could also be useful for legal purposes.

The building blocks of the listen and engage process are:

- Unified inbox
- Measure
- Rapid response

Pull relevant conversation in CRM by identifying the applicable content through actionable tagging, feeds using various sentiment analysis algorithms.

SOCIAL PROMOTION

Generate a buzz in the market by optimizing your publishing strategy with analytics that help you understand what's working and what's not.

As part of the Social Promotion solution, it is recommended to connect and influence customers by running integrated campaigns across social networking sites such as Facebook, Twitter, and YouTube. Optimizing your publishing strategy with analytics that help you understand what's working and what's not will help you generate a buzz in the market. Powerful built-in tools integrated with your CRM system will enable you to explore, design, and develop unified and cohesive social media strategies, programs, and promotions with nominal efforts. For example, integration of MarketingPilot with MS CRM or Buddy Media with Salesforce tracks all the details—such as information you require to design, develop, implement, and track social media campaigns—with just a few mouse clicks.

Building blocks of social media campaigns include:

- Building and executing social media programs and campaigns
- Designing and tracking specific actions such as posts and tweets
- Routing posts and tweets for prior approval

SOCIAL CONVERSATION

Social conversation encourages you to communicate with your team, department, or the entire organization, without leaving your workspace. You can send social messages to internal conversations for teams to discuss and share. Employee groups can then discuss response approaches, communicate accepted messaging, and encourage others to broadcast across their own social profiles by responding, retweeting, or posting to other social networks.

Using Yammer, Nimble, or Socialtext can transform your corporate intranet into a powerful social communication hub. In such cases, internal conversations allow you to add anyone to your conversation free to discuss social messages and receive approved messaging.

If Microsoft platform is used extensively in your organization, bring Microsoft Dynamics CRM and the power of Microsoft Lync and Skype together to provide a quick connection with click-to-call, click-to-email, and click-to-IM capabilities.

Ultimately,
measurable social
insight drives real
business results by
providing focused
and extraordinary
customer experience.

Building blocks of social conversation include:

- Sending and receiving real-time updates across the organization
- Creating a one-stop shop for information
- Showcasing your corporate culture

SOCIAL ANALYTICS OR MEASUREMENT

Analytics or measurement of social media data is a little complicated because identifying leads generated through social media communities is tricky to separate due to factors such as SEO, PPC, or media buying. A 'click' generated may have been affected by something that was done on the social media. However, specialized social analytics tools integrated with CRM provide social media usage effectiveness using various criteria.

For example, MarketingPilot and Netbreeze integrated with MS Dynamics CRM or Radian6 integrated with Salesforce auto-calculates the return on marketing investment (ROMI) of all your social media campaigns using various matrices including:

- Number of posts or tweets
- Audience growth or new 'friends'
- Number of conversions or conversion rate
- Referrers, measures of influence

Ultimately, measurable social insight drives real business results by providing focused and extraordinary customer experience.

4. Social CRM market forecast

Louis Columbus, a software strategist who covers CRM extensively, in his articles *What's "Hot" in CRM Application 2012* and *Gartner's Magic Quadrant for Social CRM and the Social Enterprise*, says that:

- ✓ CRM spending grew 13% last year, fuelling analytical, operational, and social CRM growth. Operational CRM represents 80% of all CRM spending.
- ✓ Social CRM grew 30% in 2011 in revenue terms and is 7% of total CRM spending globally as of 2011. 90% of Social CRM spending is originating in Business-to-Consumer (B2C) organizations with the remaining occurring in B2B.

Source: <http://www.forbes.com/sites/louiscolumbus/2012/04/23/whats-hot-in-crm-applications-2012/>

- ✓ Social CRM's greatest potential is in attaining very high adoption rates throughout enterprises. Of the many companies competing in this market, Salesforce.com has an edge here given their product strategy that emphasizes ease of customization and use.

Source: <http://www.forbes.com/sites/louiscolumbus/2012/10/02/gartners-magic-quadrant-for-social-crm-and-the-social-enterprise/>

About Cybage Software Pvt. Ltd.

Founded in 1995, Cybage Software is a leading offshore software services company offering solutions that accelerate, simplify, and enrich business processes to give its customers an edge over competition. We are an SEI CMMI Level 5 version 1.3 and ISO 27001 appraised company based in Pune, India. Our success is built on a pool of 4,300 software professionals. Based on a remarkable record of quality, consistency, and outstanding technological prowess, we have partnered with more than 200 global software houses of fine repute. Our array of services includes Product Engineering (OPD), Enterprise Business Solutions, and Value Added Services. Cybage specializes in the implementation of the Offshore Development model.

The Cybage domain expertise spans across several business verticals such as Media and Entertainment, Travel and Hospitality, Healthcare and Life Sciences, Retail and Distribution, and Hi-Tech. Cybage has eight technology focused Centers of Excellence (CoEs) — E-commerce, Enterprise Mobility, Customer Relationship Management, Business Intelligence, Enterprise Content Management, Cloud Computing, Education & Learning, and Supply Chain Management.

Our unique model of operational efficiency, **ExcelShore®**, helps de-risk our approach and provide the best value per unit cost.

To know more about us, visit us at www.cybage.com or write to us at biz@cybage.com.

