“The value of social media in CRM. From CRM 1.0 to CRM 2.0”

- What is the perception of social media’s value in CRM? -

Postgraduate Master’s degree dissertation

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Declaration

I, Marouan EL BERNOUSSI, declare that this research report is my own, unaided work, except as indicated in the acknowledgments, the text and the references.

It is being submitted in partial fulfilment of the requirements for the degree of ‘Master of Arts’ at Dublin Business School, Dublin.

It has not been submitted before, in whole, or in part for any degree or examination at any other institution.

Marouan EL BERNOUSSI

SIGNED ON ................................ DAY OF ..........01/04/.....................................2012
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I dedicate this dissertation to my family, my father Abderrahim, my mother Amal and my sister Manal for their unconditional love and support in every way possible throughout the process of this dissertation and beyond. Words alone cannot express what I owe them for their encouragement and whose patient love enabled me to complete this work.

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List of abbreviations

• DBS: Dublin Business School

• LJMU: Liverpool John Moores University

• CRM: Customer Relationship Management

• SCRM: Social CRM

• CoRM: Community Relationship Management

• SFA: Sales Force Automation

• ERP: Enterprise Resource Planning

• IT: Information Technologies

• ROI: Return On Investment

• UGC: User-Generated Content

• BI: Business Intelligence

• KPI: Key Performance Indicator
Abstract

**Purpose** - Through this master’s level thesis, the researcher wants to deeply study CRM and the value of linking social media to it. Specifically, the researcher wants to determine if there is a potential gap between customers’ and companies’ perception of social CRM.

**Methodology** - Through the literature review about information systems, CRM, social media and marketing, the researcher gained considerable knowledge to tackle this topic. The researcher used quantitative and qualitative approach to conduct research.

**Findings** - Social media add value to CRM and improve companies’ businesses. Social CRM will not replace the classical model of CRM. Most importantly, there is a perception gap between customers’ and companies’ perception of social CRM.

**Limitations** - The questionnaire was administered in the Facebook fan page of Bouygues Telecom, which can lead to limitations in terms of sampling representativity. There might be some limitations also in terms of the researcher’s lack of experience in conducting surveys.

**Practical implications** - Outcomes and implications for practice resulting from this dissertation are that businesses wanting to adopt social CRM strategies must develop a real social CRM strategy and not contenting themselves of having a presence on social media.

**Value of paper** - This dissertation will bring value to everyone who wants first to understand what is CRM, it’s underlying principles and criticisms. And secondly having a wide overview and knowledge of linking social media to CRM practices.
CHAPTER 1: INTRODUCTION

“Social media is the biggest paradigm shift in history in how we connect each other, both personally and professionally”\(^1\)

Attensity Company (2010)

1.1 Background

For any business, managing the relationship with customers is of paramount importance. According to a 2002 Goldman Sachs study, CRM is considered the second most important initiative after security for businesses (cited in Greenberg, 2004, p. 2). Indeed, customers are the core of businesses and the success of a company relies on customers’ satisfaction degree and on its ability to manage its relationship with them. Therefore, the most important objective for any company is to make their customers satisfied because the durability of their business depends on them. In the past, many companies were focused on transactions, merely occupied in making more profit and overlooked the relationship factor (Greenberg, 2008). As a consequence, customers started switching and didn’t iterate their purchase experience (Greenberg, 2004). People became more aware of the development of buyer-seller relationships only in 1990s (Ed Peelen, 2005). Today’s companies are going head over heels to retain customers. The fact is that the cost of attracting a new customer is far more than keeping a current customer happy (Greenberg, 2004). Thus, companies understood that building a long relationship with their customers is the best ROI. Moreover, customers’ needs and purchase behaviors are constantly changing. In order to meet those various needs, companies tend to adopt differentiated and customer-oriented marketing strategies to gain competitive advantage. Accordingly, managing the relationship with customers is what we call CRM (Customer Relationship Management). In January 2003 in an Aberdeen Group Interview, Ad Nederlof, the CEO of Genesys Telecommunications Laboratories, said, “CRM is a term that can refer to a range of things from the management of the relationship with customers all the way to the software and hardware that allow one to manage his or her relationship with a customer” (cited in Greenberg, 2004). This definition is too simplistic to explain what CRM is. In the literature review chapter, the researcher will try to develop the definition of CRM.

\(^1\) cited in the whitepaper of the Attensity Company, 2010, p. 2
With the arrival of **social networks** thus the **web 2.0**, people dramatically changed the way they communicate each other. Social media such as Facebook, Twitter...etc. allowed people to share information faster than ever with a great deal of freedom of speech. Consequently and from a professional standpoint, a new type of customer appeared: the **social customer** (Greenberg, 2008). Businesses understood that customers are now present on Internet and social media are a great way to target them. Therefore, companies are adapting their business strategies to social networks in several ways. CRM is obviously concerned by this changes leading to what we call today Social Customer Relationship Management (SCRM or CRM 2.0).

### 1.2 Research area, research question and objectives

In this dissertation, the researcher will try to explain and critically analyze how companies and customers perceive their mutual virtual relationship on social media. And also in a general meaning, how social media are integrated into CRM business strategies.

However, the researcher emphasizes that this dissertation is not only about social networks. But rather the actual situation of CRM through the development of information technologies and systems, thus social media.

- The dissertation working title is the following:

  “The value of social media in CRM. From CRM to CRM 2.0”

- The dissertation working question is the following:

  “What is the perception of the value of social media in CRM?”

In order to be more clear and specific about the thesis subject, the objectives below thoroughly detail the points that the researcher will tackle and wants to understand:

a) **Understand how CRM softwares are linked to social networks:**
   
   a. **Understand how social networks tools are integrated into CRM softwares**
   
   b. **Analyze if social networks tools are really useful in CRM softwares and if there is any added value.**
c. Understand how are CRM softwares useful in capturing customers’ conversations on social networks in order to turn them into clients.

b) Understand the changes between traditional CRM vs Social CRM (or CRM 2.0)

   a. Determine what are the new Social CRM touch-points and channels.

   b. Differentiate the main differences between CRM 1.0 and CRM 2.0

   c. Determine if SCRM is replacing the classical model of CRM

c) Determining who are companies leaders on SCRM

   a. Determine companies leader on SCRM.

   b. Determine their strategy

   c. Determine if a company is left behind if it doesn’t use SCRM strategies

d) Determining customers’ and companies’ perception of social CRM

   a. Determining what do customers think about brands’ presence on social networks

   b. Determining if there’s a potential perception gap

1.3 Suitability of the researcher

The researcher has most of interest in this topic and this area. The researcher is aiming to work as a CRM consultant within a consultancy company. Academic background and work background are explained below to better understand the suitability of the researcher for this topic.

1.3.1 Academic background

The researcher has five years experience in marketing and communication, as a student. He studied 5 years at ISEG Business School in Paris, France; where he has obtained first, a Bachelor in operational marketing and CRM, then a master degree in ‘Marketing - Product Manager’. He spent his last year at Dublin Business School to complete a second master degree in marketing which
helped him to significantly foster his knowledge on the field he’s aiming to work in, especially consultancy where he got two experiences within two different companies.

1.3.2 Learning style

Whilst the induction day at DBS, students were submitted a learning style questionnaire (LSQ) developed by Honey and Mumford. The results of this questionnaire showed that the researcher is a reflector. Indeed, the researcher is generally cautious, stands back and observes, uncomfortable in unplanned situations, needs information to work on and uses information from past, present and immediate observations to maintain a big picture perspective.

1.3.3 Work background

The researcher carried out several internships in Paris in marketing and CRM; in addition to two consultancy projects in Dublin. Among those experiences, the researcher carried out an 8 months experience at C&A in the marketing department where he was, in part, assigned to manage customer relationships, to create a community through social media and assigned also to establish a social media strategy (Facebook and Twitter).

1.4 Contribution of the study

This research will provide a better knowledge about the current trends in CRM and a critical analysis about connecting social media to CRM. The researcher will tackle this dissertation from both companies’ and customers’ standpoint. As information technologies and Internet evolve rapidly, the virtual relationship between customers and companies is also changing in a quick and unpredictable pace. Therefore, this subject is up-to-date and was never tackled by any student in Dublin Business School before. Moreover, this subject is most of importance to the researcher because he intends to work as a CRM/BI consultant. Hopefully, this dissertation will be a real added value for the researcher and play a role in his recruitment process. The researcher will try to put in practice his 5 years background in marketing and management to provide a dissertation of master’s degree level as relevant and interesting as possible.

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2 According to the e-thesis database of the DBS library.
1.5 Scope of the research and limitations

The literature review will cover a large number of academic references concerning CRM and social media but not only. The researcher will try also to note down insights from professionals of CRM that have a long experience in the field and tap into his previous internships contacts.

The main limitation of this research would be the researcher’s lack of experience in conducting surveys and the reliability of data collected through questionnaires as the researcher cannot guarantee the expected amount of responses and control respondents’ bias.

1.6 Recipients of the research

Recipients of this thesis that is conducted as part of the researcher’s master’s degree in Marketing at Dublin Business School are the following:

- **Main recipients:**
  
  • 1st recipient: Dublin Business School where the researcher is a full-time student.
  • 2nd recipient: Liverpool John Moores University, the awarding body.
  • 3rd recipient: Professor Gary Bernie, the researcher’s supervisor.
  • 4th recipient: the researcher (Marouan El Bernoussi), full-time student attached to the MA marketing degree at DBS.

- **Secondary recipients:**

Other recipients are ‘Mounir Bouchiha’, Business Intelligence consultant at BNP PARIBAS bank. ‘Imane Belqola’, social CRM manager at the BUSINESS & DECISION company. And finally, ‘Simohamed Moussaoui’, Social CRM manager at SALESFORCE. They gently accepted to contribute to his research.
1.7 Dissertation organization

Chapter 1 is an overall introduction of the dissertation including several parts such as the research area, research objectives, research question and so forth.

Chapter 2 is the ‘Literature Review’ part which resumes the whole academic materials read by the researcher about this dissertation topic. The literature review chapter is divided as following:

The first part defines CRM, its strategies and implementation. The second part describes thoroughly what is a ‘social customer’. And finally the third part defines social CRM, its strategies and implementation and the main differences with CRM.

Chapter 3 is the ‘Research Methodology’. This section explains exactly how the researcher going to carry out the research in order to answer his research questions and meet his objectives.

Chapter 4 is ‘Data Analysis and Findings’. In this section, the researcher will transcribe into paper his findings and the data collected.

Chapter 5 ‘Conclusions and Recommendations’ the researcher will draw some conclusions and provide recommendations in relation to the topic.

Finally, in the last chapter, the researcher will provide hindsights and a self-reflection about his overall experience at Dublin Business School and regarding the design of this thesis.
CHAPTER 2: LITERATURE REVIEW

In this chapter, the researcher will first start by defining CRM, its implementation strategy and present some major players in the market; then seamlessly define the social customer to end up by explaining what is social CRM.

2.1 What is CRM 1.0?

2.1.1 Definition

In a very simplistic way, CRM stands for Customer Relationship Management. In other words, CRM is managing the relationships between a company and its customers. But ending up with this definition is unsubstantial and an oversimplified way of explaining what CRM is. The definition of CRM has always been subject to criticisms and disagreement. Indeed, Greenberg (2004) stated that “CRM’s evolving definition is now significantly more complex and more enigmatic than it was at any time in the last few years. There are countless attempts to come up with a definition, as widely disparate as the agendas of those presenting them”. (Greenberg, 2004, p.2). CRM is based upon the mainstream of relationship marketing which is considered as one of the main developmental areas of modern marketing and one which has stirred up most research interest (Sheth, 2000, cited in Payne and Flow, 2006 p.137).

In the 4th edition [2008] of his book entitled: “CRM at the speed of light” (a 650 pages book dedicated to Social CRM, whereas the 3rd [2004] edition is dedicated to CRM), Paul Greenberg, an eminent journalist, consultant, CEO...etc. considered as the “Godfather” and The “guru” of CRM, defines it as “a philosophy and a business strategy, supported by a system and a technology, designed to improve human interactions in a business environment.” (Greenberg, 2008, p.30). In the two editions of his book, Paul Greenberg “invites” prestigious CEO’s of some CRM big players companies to provide their insights about CRM to readers. During an Aberdeen Group interview in 2003, Ad Nederlof, (cited in Greenberg, 2004, p.8) CEO of Genesys Telecommunications Laboratories, said: “CRM is a term that can refer to a range of things from the management of the relationship with customers’ all the way to the software and hardware that allow one to manage his or her relationship with a customer”. From Nederlof’s definition we can deduce that CRM is a Marketing concept supported by IT technologies. Speaking of IT, CRM is a small component of a
big Information System called ERP that “integrates internal and external management information across an entire organization, embracing finance, accounting, manufacturing, sales and service, customer relationship management, etc. ERP systems automate this activity with an integrated software application. Their purpose is to facilitate the flow of information between all business functions inside the boundaries of the organization and manage the connections to outside stakeholders” (Bidgoli and Hussein, 2004, p.707).

The term “customer relationship management” appeared in the information technology (IT) softwares vendors and practitioners community in the midst of the 90s. It is often used to describe technology-based customer solutions (softwares), such as Sales Force Automation (SFA) (Payne and Frow, 2005). In the academic community, the terms “relationship marketing” and CRM are often used similarly (Parvatiyar and Sheth 2001, cited in Payne and Frow, 2005). However, “CRM is more commonly used in the context of technology solutions and has been described as “information-enabled relationship marketing” (Ryals and Payne 2001, p. 3, cited in Payne and Frow, 2005)”.

However, from a different and a critical perspective, Newell (2003) in his book entitled “ Why CRM doesn’t work” says that “Customer Relationship Management implies that companies can manage the customer relationships by targeting specific customers for specific products offerings. How audacious, how impudent, how wrong!” (Newell, 2003, p.15). Newell (2003) proposes instead CMR (Customer Managed relationships) which empower customers to determine their own fate. As the researcher stated earlier, the definition of CRM is subject to too many contradictions, criticisms and disagreements by CRM business executives and authors. Which has often led to an acronym war (CRM, CMR, VRM, XRM, CoRM...etc.)
2.1.2 A foggy vision of CRM

The arrival of a new acronym is always a problem for business executives working on CRM. Is it something totally new? or just a cosmetic change by consulting firms of an old problem? Greenberg (2008) supports this notion that the astounding number of acronyms are befuddling as they contribute to “further muddy the already muddy waters” Greenberg (2008, p.29). In one hand, Greenberg (2008) insists that “defining the terms is an important first step” and believes that these acronyms must be well assimilated in order to develop an accurate customer engagement model.

But on the other hand, on an executive report entitled: ”Topic Overview: Social CRM goes mainstream” written by Forrester, [a visionary leading research company on IT], Band and Natalie (2010), the authors of the report, do not share Greenberg’s point of view about the importance of acronyms. Indeed, they stated "a torrent of new acronyms and labels spill forth from consultants, analysts and other pundits to put a label on this new definition of CRM...does it matter at this point what the next generation of CRM thinking and solutions is called? Not really.” (Forrester, 2010, p. 5).

For the purpose of this dissertation, the researcher will not define the other acronyms as he considers that it won’t be necessary and will not contribute to answer the research questions.

A substantial problem that many businesses fail in implementing and adopting CRM stems from the great deal of confusion about what is and what constitutes CRM (Payne and Frow, 2005). In a research conducted by Payne and Frow (2005), the authors found disparate opinions about what CRM means. “To some, it meant direct mail, a loyalty card scheme, or a database, whereas others
envisioned it as a help desk or a call center. Some said that it was about populating a data warehouse or undertaking data mining; others considered CRM an e-commerce solution, such as the use of a personalization engine on the Internet or a relational database for SFA” (Payne and Frow, 2005, p.167). This lack of a widely accepted and appropriate definition of CRM can lead to the failure of a CRM implementation when a company has a shortsighted view of CRM from a limited technology standpoint for instance or undertakes CRM on a crumbled basis (Payne and Frow, 2005).

2.2 CRM 1.0 strategy and implementation

In terms of business strategy and implementation of CRM, a study of the current literature on CRM highlights the effective management of customer relationships which involves many different and allied aspects. Moreover, most of the literature on CRM does not highlight its cross-functional aspect. This is an overlooked and critical characteristic of CRM that should form the underpinning of any CRM implementation model (Payne and Frow, 2006).

Figure 2: CRM strategy and implementation model (Payne and Frow, 2005, p. 171)
The figure above pictures an implementation model for CRM developed by Payne and Frow (2006) which is repetitive, rather than continuous, in that many of its activities need to be managed simultaneously and some elements may need to be revisited as a consequence of later activities. Payne and Frow (2006) highlight the importance of the four implementation elements as it is in this area that CRM research especially needs improvement; in particular, little attention has been given to the role of people in implementing CRM activities (Boulding et al. 2005 cited in Payne and Frow, 2006 p.144).

This figure has two major constituents: ‘key CRM implementation elements’ and ‘core cross-functional CRM processes’. The results of the research carried out by Payne and Frow (2006) document that four critical components for CRM implementation are necessary: CRM readiness assessment, CRM change management, CRM project management and finally employee engagement. Moreover, Payne and Frow (2006) integrated five core CRM processes to these four critical elements: strategy development, value creation, multi-channel integration, information management and performance assessment.

2.2.1 Strategy development process

This process calls for a great deal of concentration on two components: the organization’s business strategy and its customer’s strategy.

• The organization’s business strategy:

An examination of the business strategy must be considered first before the customer’s one. The business strategy relies on assessing the company’s vision about CRM (e.g Davidson 2002). Then, the analysis of the industry competitive environment (e.g Porter analysis 1980). From a critical perspective, Payne and Frow (2006) emphasize that competitive environment analysis such as Porter’s (1980) should be supported by more up-to-date methods (e.g Christensen 2001; Slater and Olson 2002).
• Customer strategy:

The customer strategy implies defining the relevant segmentation strategy including whether a macro-segmentation, micro-segmentation, or one-to-one; e.g. Rubin 1997 (Payne and Frow, 2006). Therefore, the company must identify the several customer segments and defines how to approach them.

Accordingly, the strategy development process relies on the overall assessment of the business strategy and the relevant and appropriate design of the customer strategy which should help the company implement its CRM strategy adequately and on good basis.

2.2.2 The value creation process

The value creation process implies transforming the strategy development process’ outputs into IT softwares that both extract and deliver value (Payne and Frow, 2005). The authors list three critical elements of this process: 1) defining the potential value the company might provides to its customers; 2) defining the potential value the customers can provide to the company; 3) Finally by adequately dealing with this interactive value correlation, maximizing the lifetime value of desirable customer segments (Payne and Frow, 2005). Regarding this interactive value between the businesses and customers, the authors add: “we consider that recent emphasis on viewing the customer as a co-creator or co-producer (e.g. Prahalad and Ramaswamy 2004; Vargo and Lusch 2004) will become increasingly important in CRM activities in the future“. In this statement, the authors are indirectly referring to Social CRM or CRM 2.0. However, from a critical standpoint, Greenberg (2004) declares that although most of companies refer to “value proposition” internally, few of them have a concrete and written value proposition.

2.2.3 Multi-channel integration process

The multi-channel integration process implies managing every touch points (physical or virtual) between the company and its customers and defining the choice of the best combination of channels in order to guarantee the optimum satisfaction of customers’ experience on those channels. Moreover, the main challenge lies on how to promote a “single view” of the customer through those multi-channels (Payne and Frow, 2006).
Regarding channels options, they are too many and they still evolve alongside technology evolution and development.

These include (1) sales force, including field account management, service, and personal representation; (2) outlets, including retail branches, stores, depots, and kiosks; (3) telephony, including traditional telephone, facsimile, telex, and call center contact; (4) direct marketing, including direct mail, radio, and traditional television (but excluding e-commerce); (5) e-commerce, including e-mail, the Internet, and interactive digital television; and (6) m-commerce, including mobile telephony, short message service and text messaging, wire-less application protocol, and 3G mobile services. Some channels are now being used in combination to maximize commercial exposure and return; for example, there is collaborative browsing and Internet relay chat, used by companies such as Lands End, and voice over IP (Internet protocol), which integrates both telephony and the Internet (Payne and Frow, 2005, p.172).

This wide choice of channels offers several chances to improve customers’ relationships and critically, the integration of those channels is highly related to the company’s ability to collect and deploy data about its customers from all the channels and combine it with other relevant data (Payne and Frow, 2005).

2.2.4 The information management process

This phase of CRM implementation involves collecting, collating and using data in different touch points with the customer in order to generate relevant and specific insights for better marketing actions (Greenberg, 2004). The key components of the information management process are: data repository, IT systems, analytical tools, front-office and back-office applications (Payne and Frow, 2005).

- **Data repository**: where all information about customers are stocked and which is capable of relevant data analysis.

- **IT systems**: this refers to IT hardwares and softwares used in the company. Usually, the integration of IT systems occurs before databases can be integrated to a data-warehouse (Payne and Frow, 2005). However, from a critical perspective, the tensions and lack of communication between Marketing and IT departments within companies complicate the integration of CRM from an organizational standpoint (Glazer, 1997, cited in Payne and Frow, 2005, p.173). More critically, Glazer (1997) point out that “The organization’s
capacity to scale existing systems or to plan for the migration to larger systems without disrupting business operations is critical”.

- **Analytical tools:** analytical tools allow efficient use and exploitation of data warehouses through data mining which contributes to the collection and analysis of relevant data (Payne and Frow, 2005).

- **Front-office and back-office applications:** Front-office applications are IT technologies used by a company to support its direct interactions with customers like SFA and call centers management (Greenberg, 2001).

  Back-office applications help to deal with internal activities such as HR, suppliers relationships, financial processes...etc. (Payne and Frow, 2005).

2.2.5 The performance assessment process

The performance assessment process controls on one side if the company's CRM objectives meet expectations and on the other side if they are being delivered to an accurate standard. Moreover, the ‘PAP’ helps to ensure that key metrics to guide future improvement are determined. This procedure has two main concerns on one hand the shareholder results, which provides a 'macro-view' of the key drivers of CRM performance [employer value, customer value, shareholder value and cost reduction], and on the other hand the performance monitoring, which implies a holistic 'micro-view' of the key descriptors of CRM performance [standards, quantitative and qualitative measurements, results and KPI] (Payne and Frow 2006).

Finally, from a critical perspective, Grabner-Kraeuter and Moedritscher (2002, cited in Payne and Frow, 2005, p.169) support this notion that “the absence of a strategic framework for CRM from which to define success is one reason for the disappointing results of many CRM initiatives”. More critically, in terms of implementation methodology, Greenberg (2004) stresses that the company has nothing to do and that implementation methods are deep secrets that vendors and integrators try to keep from the company so that they reveal them only once they get paid.

2.2.6 CRM implementation failures

CRM has always been subject to criticisms. Indeed, Newell (2003), in his book entitled “ Why CRM doesn’t work”, point out several reasons of CRM implementation failures. Moreover, reports dating back to the mid-1990s quote alarming failure rates for CRM implementation strategies
(Woodcock, 2011). Things are not improving at all. Indeed, Greenberg (2004, p.3) stressed that dozens of reports and studies document failures of CRM. For instance:

- “A 2002, Butler Group report found that 70 percent of CRM implementation fail”.

- “A 2001, Gartner study reported that around 55 percent of all CRM projects failed to meet software customers’ expectations”.

- “A study conducted in 2001 by Bain & Company where 451 senior executives were surveyed, CRM was ranked in the bottom three categories among 25 popular tools evaluated for customer satisfaction”.

Furthermore, results of 2009 reports suggest “only 32% of projects succeeded in delivering on time, on budget and with all objectives met” (Woodcock, 2011, p.59). “44 % did not meet expectations (late, over budget, did not deliver all requirements) and 24% completely failed (were cancelled or delivered but never used)” (Woodcock, 2011, p.59).

Those figures are quite alarming and might be very discouraging for businesses willing to embrace CRM. Woodcock (2011), argues that the most significant cause of CRM implementation failures is because customer management programs are considered, or managed as IT projects. Greenberg (2004) totally agrees with Woodcock and stated that “one of CRM’s persisting problems is that it is still often sold as a technology initiative. There are numerous contemporary examples of companies that buy CRM software admittedly without any planning” (Greenberg, 2004, p.3).

According to Woodcock (2011), the main five reasons of CRM implementation failures are:

- “Poor communication of objectives and required changes”

- “Lack of attention to the human and organizational aspects of the project, particularly addressing the key question, ‘Why should I change?’ “

- “Lack of planning the change elements needed to implement the IT developments”

- “Weak business case and inadequate attention to business goals and needs”

- “Lack of top management involvement and support”

Greenberg (2004, p.4) on the other hand lists two main reasons:
• “No programmatic strategy, even though the software has been purchased”: businesses most often buy several modules of CRM suites but have no training on it.

• “No way to measure the return on investment”: in 2003, CRM Magazine made a research jointly with CAP ventures and surveyed 800 CRM end-user executives and 400 CRM vendors and integrators. The results of the study found that 1/3 of the respondents did not plan to measure ROI at all (Greenberg, 2004).

Therefore, “without strategy, without benchmarks and measures, without cultural and process transformation, the software is rendered useless” (Greenberg, 2004, p.4).

2.3 Quick overview of CRM 1.0 players

Gartner segments vendors of CRM applications and CRM service providers into specific categories Greenberg (2001) provides detailed reviews of CRM vendors’ products. The key segments for CRM applications are Integrated CRM and Enterprise Resource Planning Suite (ERP) (e.g., Oracle, PeopleSoft, SAP), CRM Suite (e.g., Epiphany, Siebel), CRM Framework (e.g., Chordiant), CRM Best of Breed (e.g., NCR Teradata; Broadvision), and “Build it Yourself” (e.g., IBM, Oracle, Sun). The CRM service providers and consultants that offer implementation support specialize in the following areas: corporate strategy (e.g., McKinsey, Bain); CRM strategy (e.g., Peppers & Rogers, Vectia); change management, organization design, training, human resources, and so forth (e.g., Accenture); business transformation (e.g., IBM); infrastructure building and systems integration (e.g., Siemens, Unisys); infrastructure outsourcing (e.g., EDS, CSC); business insight, research, and so forth (e.g., SAS); and business process outsourcing (e.g., Acxiom). The need for comprehensive and scalable options has created scope for many new products from CRM vendors. However, despite their claim to be “complete CRM solution providers,” few software vendors can provide the full range of functionality that a complete CRM business strategy requires (Payne and Frow, 2005).

Furthermore, in his article entitled “Social networking getting in touch the CRM way”, Lager (2006) asserted that CRM 1.0 market is mature. Indeed, he stated:

CRM is fairly mature, and vendors aren’t rolling out new services at the same rate as previously, so the market for extending via third parties is huge. We show companies their
relationship capital, the aggregate value of relationships in the company network and enable them to leverage it (Lager, 2006, p. 23).

2.4 The Social Customer Ecosystem

“The traditional customer is the one we all were as recently as a decade ago. We bought products and services and based our decisions a great deal on utility and price. We communicated with the companies we were dealing with by letter, phone call, and occasional e-mail, if they had the facility to do that. But that customer changed because of a social change in the early part of this millennium. The customer seized control of the business ecosystem and it was never the same”.

Paul Greenberg

In order to understand what is Social CRM, its principles and its strategies, a new breed of customers has to be clearly defined and described. Before that, the researcher will jump back to the 50’s and review the customers’ situation at that moment in order to better understand his evolution.

2.4.1 The product-focused ecosystem

- 1950- 1960s:

According to Greenberg (2008), people had no control over the information and no access to knowledge of a product despite the one provided by the manufacturer, unless they had the possibility to get this information from a neighbor who owned that product. Moreover, according to a 2004 Business Week article (cited in Greenberg, 2008), an advertiser could target 80 percent of US women with a single commercial broadcasted concurrently on CBS, NBC and ABC (the only 3 TV channels that existed). Additionally, newspapers were the only source of media that was accessible massively (Greenberg, 2008). Greenberg (2008) adds that at that time, products were standardized and aimed at mass consumption; tailored and individualized marketing wasn’t existing yet. Therefore, manufacturers were fully in control of the supply and the retailers were owning the market. And most importantly, they all owned the knowledge and information flow jointly with the advertising agencies that promoted that information (Greenberg, 2008).

3 “A customer ecosystem is simply the totality of interactions centered around customers that take place over time” (Greenberg, 2008, p.11)
Regarding the products during that time, they were mostly generic because the expectations of customers were low and they were perfectly willing to purchase them. Indeed, a June 2008 article of CBS Marketwatch (cited in Greenberg, 2008, p.12) supports this notion:

Customers 1.0 were dutiful consumers of mainstream messaging and one-size-fits-all goods. They would gladly drive miles out of their war to visit retail outlets, they readily leaned heavily on advice from retail clerks in making their selections, and they happily bought goods from among arrays of pretty generic offerings. They put up with long lines and poor service, because retailers had the power and their customers were just grateful to get the goods.

Consequently, the corporate ecosystem was in total control of product manufacturers and they had the power to fully dictate the terms to customers who had very low expectations (Metz, 2011). Finally and from a critical perspective, Greenberg, (2008) stated “CRM as a science didn’t exist. It seemed to be there in the often abused and not really believed term “the customer is king”. But with the limited tools the customers had and the limited availability of information, if the customer was king, the manufacturer was a god” (Greenberg, 2008, p.12).

2.4.2 The customer-focused ecosystem

- From the late 80’s to the early 2000:

During this period, technology was increasingly improving which contributed to provide customized goods at lower prices. Internet was accessible to customers offering them the opportunity to access products reviews from people “like them” not just the manufacturer. The development of shipment services like Federal Express and United Parcel Service considerably contributed to serve customers rapidly at a reasonable cost (Greenberg, 2008, p.12). Consequently, customer expectations and demands increased because they felt empowered by the democratization of information mostly thanks to Google (Metz, 2011).

In addition, it’s during the mid 90’s that the importance and the power of Internet was resented by both customers and companies when e-commerce and online review sites like Yelp, ConsumerSearch...etc. impacted and swayed the consumer buying behavior (Solomon, 2006). This led, for the first time, to give a voice of customers and provide insights about the products they were buying (Greenberg, 2008).
In his article entitled “The impact of CRM 2.0 on customer insight”, Greenberg (2009, p.410) reported a 2003 research of the Edelman Trust Barometer, a credible source for defining trusted relationships between businesses and individuals. The research found that in 2003, “a person like me” was considered the most credible spokesperson by only 22% of the interviewees. But in 2004, the most credible spokesperson considered “like me” reached the number one position with 51% of the respondents. In 2005, it reached 56% and in 2008 swelled to 60%. Indeed, a 2010 whitepaper of the company Attensity supports this notion. It was noted in the report that “the social customer is hyper-connected and expects services on his terms, products built for him and endorsed by “people like him”. In the same time, trust in organizations, experts and government institutions fell considerably. This decrease of trust of companies and increase of trust in “someone like me” changed the rules of doing business (Greenberg, 2009). As a matter of fact, what makes the 21st century social customer empowered and truly different than his ancestor [customer 1.0] is the ability to share the digital version of that photo, review or video with click of a button in a blink of an eye (Greenberg, 2009). Consequently, these information exchange between customers are generally out of the hand of businesses (Metz, 2011). Indeed, it was noted in the book “The Cluetrain Manifesto” by Locke et al. (2000) that “markets are conversations (...) The community of discourse is the market. Companies that do not belong to a community of discourse will die” (Locke et al., 2000, cited in Greenberg, 2009, p.411).
2.4.4 Why generation Y?

![Percentage of consumers with accounts on social sites](image)

Figure 3: Who is using social media? (IBM, 2010, p. 4)

In 2006, Forrester Group released its annual North American Consumer Technology Assessment Survey. The results of the study showed that generation Y outstrips the other generations in terms of Internet time consumption; more than watching TV with 10.6 hours per week watching TV and 12.2 hours surfing the web (cited in Greenberg, 2008, p.20). Generation Y are called by Sarah Perez of (www.readwriteweb.com) [most popular technology blogs in the world, known for offering perceptive analysis about up-to-date Internet industry news] as “digital natives” because of their surprisingly ease of multitasking on computers, phones and other communication technologies (Greenberg, 2008). However, critically, Greenberg highlights that generation Y “are not just technology-savvy, which is often touted as one of their key traits. They actively use technology for their communication and personal productivity and they do it as highly mobile, though still sentient, beings” (Greenberg, 2008, p.20). More critically and paradoxically, a study done by eMarketer in July 2008 found that 82 percent of generation Y prefer to shop in store, not online (cited in Greenberg, 2008, p.21). Most importantly, this research found that generation Yers prefer the experience more than the purchase itself (Greenberg, 2008).
Social customers are now in total dominance and control of the business ecosystem because of the democratization of information, the quick access to knowledge and the choices offered to them (Metz, 2011). Besides, social customers have an other important characteristic: they want to take part and engage in the organizations’ decisions (Greenberg, 2008). From a critical standpoint, the company Attensity noted in a whitepaper that “the old method of spoon-feeding messaging doesn’t work, as the social customer will decide what your brand means to him, instead of you telling him”.

The Group Forrester Research, differentiates social customers as following:

![The Social Technographics ladder (Forrester, 2010, p. 8)](Image)

The figure above pictures how the relationship changed from one where “the customer is the object of a sale to one in which the customer is the subject of an experience that he or she controls with businesses” (Greenberg, 2008, p.11)
2.3 What is social CRM (or CRM 2.0) ?

“Any medium that helps us create a one on one relationship with any consumers is what we want to do (...) digital allows that relationship (...) I want a one on one relationship with 7 bn people”

Bob McDonald - P&G Chairman and CEO

2.3.1 Definitions

Greenberg (2008) defines Social CRM as following:

Social CRM is a philosophy and a business strategy, supported by a technology platform, business rules, processes, and social characteristics, 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 (Greenberg, 2008, p.34).

Greenberg (2008) agrees that the evolution of CRM was made “at the speed of light”. He stated: “When I created that global definition of CRM 1.0 in 2003, I had no idea that the social dynamics of the era and the technology transformation to web 2.0 would require a change to it within roughly four years” (Greenberg, 2008, p. 30).

Likewise CRM, SCRM is also subject to many criticisms in terms of its definition and denomination. Indeed, Ang (2011), disagrees with Greenberg’s definition and stated that the term social CRM is “a misnomer because online community members are not necessarily customers of the organization (...) a better term is community relationship management (CoRm) because it more accurately reflects what people do in online communities - connect, converse, create and collaborate” (Ang, 2011, p.31). Ang (2011), goes beyond just criticizing Greenberg’s denomination of SCRM and suggests the figure below:

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4 cited in Woodcock (2011, p.52)
Figure 5: A schematic diagram showing the target difference between CRM and CoRM (Ang, 2011, p. 33)

The figure above explains that the online community O, is a small part of a larger community C. This community might be a community of Harley Davidson motorcycles enthusiasts for instance who regularly gathers and go for a ride, have drinks and so forth. Accordingly, if company W is the Harley Davidson manufacturer, the figure shows that it has potentially three groups of customers: those connected to this online community of Harley Davidson enthusiasts, X; those not connected, Y; and finally, those not part of the Harley Davidson enthusiasts community at all, Z. Therefore, CRM is concerned with managing the relationship between all customers (X, Y, Z). CoRM, on the other hand, is about managing the online community of Harley Davidson enthusiasts that is, O (Ang, 2011, p.33).

Furthermore, Greenberg (2008) asserts that CRM 2.0 is a logic and seamless adaptation of CRM to the Web 2.0, and that every contemporary company must be an Enterprises 2.0 (Greenberg, 2008).

McAfee (2006) [an associate business professor at Harvard Business School] invented the enterprise 2.0 definition (Greenberg, 2008, p.83). McAfee (2006) defines enterprise 2.0 as following: “Enterprise 2.0 is the use of emergent social software platforms within companies, or between companies and their partners or customers”\(^5\)

According to Greenberg (2008) enterprises 1.0 can not exist anymore in this 21st century. Every organization must be an enterprise 2.0 (Greenberg, 2008).

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Greenberg (2008) suggests the Figure above which shows the most probable tools to be used by the enterprise 2.0 to bridge the gap both from a technological and cultural standpoint between the operational side of the company (left column) with the interactions of the customers (right column). That connection becomes conceivable when the ethos of the company meets and accepts the use of the tools internally. Greenberg (2008) asserts that this will lead to an optimum productivity and the staff will be more familiar and comfortable with their own collaboration and their subsequent empowerment to work with their customers in the same way. Regarding the central column, those are the tools most commonly used to internally collaborate (Greenberg, 2008, p.91)

2.3.2 Market overview

2.3.2.1 Gartner’s Magic Quadrant of major SCRM players:

The Gartner Group is the world's leading information technology research and advisory company. Each year, the Gartner Group releases ‘The Gartner Magic Quadrants’. The Magic Quadrants provide a graphical competitive positioning of four types of technology providers: leaders,
visionaries, niche players and challengers. In 2010, Gartner released the “Magic Quadrant for Social CRM” which responds to the growing interest and investment in social applications to support sales, marketing and customer service business processes (Gartner, 2010).

According to Gartner (2010), interest in using social softwares within businesses increased dramatically in marketing and customer service departments and at a smaller scale, in sales organizations. Indeed, the demand for social CRM softwares have mounted up over 50% in the last 12 months. Social CRM vendors grew in number: the market in the midst of 2010 had around a hundred vendors. Few vendors serve the whole market. The great majority have an annual revenue of less than $1 million and are not profitable. Nevertheless, since 2008, spending on SCRM softwares increased which led to a grow revenue of some vendors by more than 100 percent in 2009. Moreover, Gartner is expecting the SCRM market to reach over $1 billion in revenue by 2012, which is a significant increase comparing to the $625 million market in 2010, and the $820 million in 2011.

However, Gartner’s analysts stated that spending by buyers on social applications for marketing, customer service and sales increased by 40 percent in 2010, but social CRM represents less than 5 percent of the total CRM application market. Over 100 vendors have social CRM offerings. Most are not profitable and generate annual revenue of less than $1 million.

"Use by consumers accounts for over 90 percent of spending on social CRM, but spending on business to business (B2B) use is growing faster and will account for 30 percent of total social CRM spending by 2015" (...) "The market will continue its rapid consolidation throughout 2011. Previously, social vendors acquired each other. Now, business application vendors and outsourcers have started to add capabilities through acquisitions." said Adam Sarner, research director at Gartner.

Furthermore, this financial growth was followed by several mergers and acquisitions, such as RightNow and Hivelive, Attensity and Biz360, and salesforce.com and Jigsaw (Gartner, 2010).

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7 source: [http://www.gartner.com/it/page.jsp?id=1777938](http://www.gartner.com/it/page.jsp?id=1777938)
Leaders in the social CRM Magic Quadrant must guarantee to CRM users several functionalities. First, the software or application must benefit both company and community. In other words, the software must in one hand, provide benefits to companies by demonstrating ROI and supporting KPI’s. And on the other hand, guarantee to users that they will get tangible value by participating in a conversation or community. Secondly, leaders’ product range must support several CRM processes, and have significant revenue coming from their social CRM offerings (Gartner, 2010).

Challengers are CRM vendors almost ready to move into leadership. Challengers have strong products, good market position and enough resources to become leaders, but may not have the same characteristics as ‘Visionaries’ such as rate of innovation or marketing strategy for instance.
Challengers do have a presence, are credible and viable. Once their offerings reach a satisfying quality they will likely overtake ‘Leaders’ at some point in the future (Gartner, 2010).

• **Visionaries:**

Visionaries show deep understanding of current and upcoming trends and directions. They have the ability to forecast users’ demands and needs. Their marketing and R&D efforts are boosted by their support to the open-source ecosystem. The visionaries do not show the same extent of delivery as the Challengers but demonstrate vision across a range of capabilities (Gartner, 2010).

• **Niche players:**

Niche players provide focused capabilities and have the ability to understand the dynamics of the market. However, niche players lack of product road maps, of innovative growth strategy and are characterized by narrow functions. Indeed, they provide specific functionalities for specific needs (Gartner, 2010).

From a critical standpoint, CRM Magazine, published in September 2010 a relevant article titled “Does social CRM need Gartner’s seal of approval?”. In this article, CRM Magazine are raising criticisms and quibbling over Gartner’s Magic Quadrants. Indeed, one of the harshest criticisms from vendors and industry analysts was about the lack of attention paid to social monitoring (CRM Magazine, 2010). Moreover, criticisms were raised also regarding the ‘Leaders’ quadrant, where Gartner named only Jive Software and Lithium Technologies. CRM Magazine adds that with only three players named in Visionaries, most companies ended up overflowed in Niche players, which Gartner defines as vendors “that are narrow in scope”. Critics argue that Niche players are too differentiated to be defined as such (CRM Magazine, 2010). Esteban Kolisky, founder of a CRM consultancy company ThinkJar and a former Gartner analyst stated that he “always questioned the validity of Magic Quadrants as a determinant in who is a market leader and who is not” (CRM Magazine, 2010, p. 13). Kolisky is going a step further in his criticisms by stating that Gartner CRM summit in 2009 hardly addressed the concept of social CRM, but few months later during the spring’s Gartner Customer 360 event, has devoted several keynotes to social CRM. “When Gartner enters a market, it’s full force, you have to give them that” Kolisky adds (CRM Magazine, 2010, p. 13).
2.3.2.2 Vendors segmentation:

Social CRM vendors are generally segmented into the following (Gartner, 2010):

- “Hosting and supporting a branded or private-label community, and providing the surrounding functions”.
- “Monitoring, listening to and surveying private-label or independent social networks”
- “Facilitating the sharing of common B2B or B2C contacts through the use of an internal community”
- “Community product reviews to facilitate the online sales process”

Furthermore, vendors disseminate themselves on the basis of functions, analytics, ease of use or quality of experience delivered (Gartner, 2010). Accordingly, four other factors contribute to differentiate vendors (Gartner, 2010):

- “The ability to seamlessly interoperate between public social networks and private communities”
- “The ability to integrate processes with traditional, operational CRM applications”
- “The ability to prove the ROI of the social CRM application”
- “Partnerships with global system integrators, or digital or interactive agencies and consultants, to promote and deploy the applications”
2.3.3 Social CRM strategy and implementation

In terms of strategy and implementation, most companies start by building out the “5M’s” and deploying a customer insight program. These five processes provide an underpinning structure to filter huge signal-to-noise rations from social media (Altimeter, 2010):

Figure 8: The “5M’s” of Social CRM: Baseline processes (Altimeter, 2010, p.10)

<table>
<thead>
<tr>
<th>Why it's important</th>
<th>Resources and Requirements</th>
<th>What they don't always tell you</th>
<th>Vendors to watch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring</td>
<td>Brand monitoring software that monitors and scrapes the social web, has team-based workflows and connects to existing CRM databases.</td>
<td>Use tightly scoped keywords to define the search parameters. Yet don't go too tight or you miss key opportunities – going too wide results in too much noise.</td>
<td>Biz360, Buzzmetrics (Nielsen), Cymfony, Radian6, SAS Institute, Salesforce, Visible Technologies</td>
</tr>
<tr>
<td>Mapping</td>
<td>First, find existing public profiles to match, like LinkedIn and Google profiles. Additional database fields must be created that match customer records to social profiles.</td>
<td>The trick is to get them to map their profiles for you. Entice them with rewards, better service, and special deals in an opt-in manner.</td>
<td>Facebook (profiles), Gigya, Google (profiles), OpenID, SalesView, Spredfast, Sprinklr</td>
</tr>
<tr>
<td>Management</td>
<td>Tie back the social world and channels to existing innovation, marketing, sales, support and service processes. Triage profiles to create prioritization frameworks.</td>
<td>Companies must develop a crisis plan for the worst possible scenarios and conduct internal fire drills. Expect the worst to happen on Friday afternoons when management is not available.</td>
<td>CoTweet Infor, KANA, Oracle, RightNow Technologies, SAP, SAS, SugarCRM</td>
</tr>
<tr>
<td>Middleware</td>
<td>Apply technologies such as complex event processing, business process management, business rules, workflows, data integration, and process orchestration among disparate systems.</td>
<td>Develop business rules based on your unique processes. They will include: workflows, complex event processing, and enablement technologies to respond.</td>
<td>Boomi, D&amp;B, PureSima, IBM, Informatica, Oracle, Pervasive, Progress Software, SAS DataFlux, SOA Software, Software AG, Tibco</td>
</tr>
<tr>
<td>Measurement</td>
<td>Advanced dashboards that provide intelligence. Measure based on business objective like improved satisfaction, spread of message.</td>
<td>Rely on data to provide benchmarks, trending, prediction, and sentiment. Bring the insight into actionable state.</td>
<td>IBM Cognos, Information Builders, Microsoft, Oracle Hyperion QlikView, SAP Business Objects, SAS Institute</td>
</tr>
</tbody>
</table>
The figure above highlights the importance of embracing social CRM with a new strategy. This strategy must recognize that instead of managing customers, businesses must facilitate collaborative experiences and dialogue that customers value.

Technically, businesses will be able to catch leads by “listening” for keywords that customers type on their laptop then sending real-time alerts to sales teams to respond. The systems and SCRM applications use complex keyword combinations to search through forums, blogs and all other social networks. Simple tools such as Google Alerts, are basic versions of those SCRM applications but does not provide analysis functions (Woodcock, 2011). More complicated tools such as Helpstream for customer service, InsideView product SalesView for sales and Radian6 for marketing provide the ability to tap millions of sources on the web and can use sentiment analysis and incorporate business tools and workflows so that they can determine and gather the most relevant information based on the emotional tone. SAP Business Objects Insight is a great application for that (Greenberg, 2009).

Furthermore, The Forrester Group in their 2010 executive report titled: “Topic Overview: Social CRM goes mainstream”, listed 7 steps for social CRM strategy and implementation (Forrester, 2010, p. 5). The seven steps are the following:

• **Initiate social CRM experiments immediately**: in this first step, the company must build up some practical experience to apply social CRM ideas to a customer-facing a challenge. Strategies must be refined later as new insights emerge.

• **Benchmark customer and prospect social readiness**: in this step, the company must survey its customer to assess their social computing behavior and attitudes (the will to comment on blogs, contribute content to online forums and wikis...etc.) The Forrester’s Social Technographics application allows that.

• **Define the social customer objectives**: in this third step, the company must understand that the most important is not what technology to use but determining who it is trying to target, what it is trying to accomplish and how it plans to change its relationships with its customers. The Forrester Group recommends using the 4 steps method to achieve that: POST (People, Objectives, Strategy, Technology).

• **Assess the social CRM capabilities**: in this fourth step, the company must undertake a self-assessment to understand how its stacks up compared with CRM best practices and identify where it should focus its attention for quick wins.
• **Understand the social CRM solutions landscape:** in this stage here, the company must learn to navigate an emerging CRM solutions landscape that includes both traditional solutions and new social computing capabilities.
• **Map out the social CRM capabilities-building plan:** A social CRM plan must be closely interlinked to business objectives, focused on customer value, clearly identify the processes and variables that will be affected by this change. For instance, Dell implemented IdeaStorm to collect new ideas from its clients. But it has also systematically designed processes to synthesize those ideas, allocate them to people and departments within Dell for further refinement and evaluation, and finally, come up with the best concepts (Forrester, 2010, p.10).

• **Define the CRM metrics for success:** metrics and measuring the ROI are key variables for a successful social CRM strategy. Social CRM includes both a strategy and a set of tools. Therefore, the company must pay attention to how well it is tracking toward its objectives overtime.

![Figure 11: Example of CRM metrics (Forrester, 2010, p. 11)](image)

From a critical perspective, the integration of social media to CRM is somewhat not completely efficient insofar as it’s not easy to link an online persona from Facebook to an actual client. Kite (2011), in his article titled “Social CRM a tough, worthy goal” supports this notion and pictures this, by giving an example in the banking industry. He stated that “internally at the bank there are eight different Michael Wongs; on Facebook, there probably hundreds” (Kite, 2011, p. 31). Consequently, Roell (2009) stated that “hesitation is normal, when presenting these social media options to clients, hesitation is a common response” (Roell, 2009, p. 25).

2.4 CRM 1.0 VS CRM 2.0

When we hear and read about “the importance” of social media on CRM, the first question that may cross one’s mind is the following: Is social CRM a new paradigm of CRM? or it is just about cosmetic change and an over-hyped fad? In order to respond to this question, Greenberg (2009)
compare CRM to CRM 2.0 and gives the following definitions: “CRM is a philosophy and a business strategy supported by a system and a technology designed to improve human interaction in a business environment” (Greenberg, 2009) On the other hand, “CRM 2.0 is a philosophy and a business strategy, supported by a technology platform, business rules, processes and social characteristics, 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” (Greenberg, 2009, p. 34)

Consequently, the “2.0” touch on CRM assumes a totally different customer paradigm but more importantly, emphasizes the importance of the classical transactional model of CRM 1.0.

CRM 2.0 appeared to respond social customer’s requirements and expectations.

For the question if the classical model of CRM will be replaced by SCRM, Greenberg clearly responds “No!” Indeed, Greenberg (2009) supports this notion that CRM 1.0 is, by itself, insufficient to develop businesses in the way that it traditionally did. But the integration of operational capabilities of “traditional” CRM with the new social capabilities of social networks provides a range of powerful new approaches and tools to actually succeed more effectively than CRM 1.0 ever did (Greenberg, 2009).
<table>
<thead>
<tr>
<th><strong>Traditional CRM features/functions</strong></th>
<th><strong>CRM 2.0 features/functions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• CRM is a philosophy and a business strategy supported by a system and a technology designed to improve human interaction in a business environment</td>
<td>• CRM 2.0 is a philosophy and a business strategy, supported by a technology platform, business rules, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted &amp; transparent business environment. It’s the company’s response to the customer’s ownership of the conversation</td>
</tr>
<tr>
<td>• Tactical and operational: customer strategy is part of a corporate strategy relationship between the company and the customer was seen as enterprise managing customer - parent to child to a large extent.</td>
<td>• Strategic: customer strategy is corporate strategy. Relationship between the company and the customer is seen as a collaborative effort. And yet the company must still be an enterprise in all other aspects.</td>
</tr>
<tr>
<td>• Focus on company &lt;-&gt; customer relationship</td>
<td>• Focus on all iterations of the relationships (among company, business partners, customers) and specifically focus on identifying, engaging and enabling the “influential” nodes</td>
</tr>
<tr>
<td>• The company seeks to lead and shape customer opinions about products, services, and the company-customer relationship. Business focus on products and services that satisfy customers. Customer-facing features- sales, marketing and support.</td>
<td>• The customer is seen as a partner from the beginning in the development and improvement of products, services and the company-customer relationship. Business focus on environments and experiences that engage customer. Customer-facing both features and the people who are in charge of developing and delivering those features.</td>
</tr>
<tr>
<td>• Marketing focused on processes that sent improved, targeted, highly specific corporate messages to customer.</td>
<td>• Marketing focused on building relationship with customer - engaging customer in activity and discussion, observing and redirecting conversations and activities among customers; participating in those conversations.</td>
</tr>
</tbody>
</table>

![Figure 12: Differences between traditional CRM and social CRM (Greenberg, 2009, p. 36)](image)

Accordingly, the mainstream of traditional CRM is underpinned by an internal operational approach to manage customer relationships in a more effective way. But social CRM relies on the ability of businesses to meet the personal agendas of their customers while at the same time meeting the objectives of their own business plan. Therefore, the philosophy of this new approach is customer engagement rather than customer management (Greenberg, 2008, p.35).

From a critical perspective, Lager (2006), stated that “Networking can help remind you to follow up on the things you might normally not do, like remembering birthdays; it can provide a means of introduction to a valued prospect; it can help you form communities with people you’ve never met. But you still have to pick up the phone or write the email.”(Lager, 2006, p. 34). Therefore,
according to Lager (2006), the traditional means of communication with customers will stay the mainstream.

More critically, Woodcock (2011) in his article entitled “Social CRM as a business strategy” supports Greenberg’s opinion about the association of CRM and social media and explains that social CRM will not replace the classical model of CRM and companies who are not using SCRM will not be left behind (Woodcock, 2011). Indeed Woodcock (2011) stated: “SCRM does not replace existing CRM efforts. Instead, it adds more value by augmenting traditional systems. SCRM is a great hunting ground and place for brands to look to acquire consumers to full ‘traditional’ CRM programs” (Woodcock, 2011, p. 54).

2.5 Social CRM challenges and criticisms

In his article entitled “Social networking: getting in touch the CRM way”, Lager (2006) disagrees with Paul Greenberg and criticize his enthusiasm for Social CRM. Indeed, Lager supports this notion that SCRM is not magic and is unreliable because the final user have no control over his personal information (Lager, 2006). They are two primary concerns for business executives about social CRM. One is around the value that they would get out of their social media investment. And the other one was the risk that it created traditional methods of tracking ROI in enterprises were not in their opinion applicable to social media initiatives (Baird and Parasnis, 2010). Another concern is around the risk. And this concern came in two parts, one was the fact that the control of the brand dialogue was not in the hand of business executives it was in the social media. And the second part of the risk was around employees now needing to engage with the social media (Baird and Parasnis, 2010). Interestingly, results of the 2010 IBM executive report showed that too many business executives [such as SAP] are actually creating training programs and having risk management and risk monitoring initiatives so that they could be more effective as employees engage in the social media (IBM, 2010).

2.5.1 ROI

Return on investment is a main concern and one of the most criticized aspect of social media linked to CRM. Indeed, Baird and Parasnis (2010), in their IBM executive report stated that “despite widespread adoption of social media, for most, Social CRM is still in its early stages, execution is patchy and concerns about ROI remain” they added that “most companies that have enthusiastically
embraced social media are now grappling with how to manage its impact” (Baird and Parasnis, 2010, p.1). Woodcock (2011), asserts that the main problem with social networks is that although comments, buzz and online interaction in general can be measured, it’s very complicated to measure how this causes, rather than just correlates with sales (Woodcock, 2011). More critically, a Social Media and CRM manager [anonymous in the article] in a passenger rail services company stated that “there are plenty of different tools for measuring the likes of sentiment, page views and engagement levels. However, you don’t always get sales off it. Even with a traditional loyalty program, it can be difficult to measure the value” (cited in Baird and Parasnis, 2010, p. 10). However, opinions are still split about ROI. Indeed, the VP of a company [anonymous in the article] is optimistic about ROI and asserts that:

Social media is easier to measure than other areas of marketing because it’s digital. For example, we can look at net acquisitions per platform, or we can measure the percent of those on the platforms who engage in order to measure whether we are providing the right level of content (cited in IBM, 2010, p. 10). Furthermore, Phil Fernandez, CEO of the marketing automation firm Marketo has a positive opinion about social CRM and emphasizes on the importance of going beyond having just a presence on a social networking site. He insists on the importance of tracking ROI. Indeed, he stated that “the availability of new online media does provide the opportunity to shift dollars from more-costly channels to cost-effective ones offering critical measurability (...) any marketing department that’s not able to define how the dollars spent are impacting the top and bottom line are sitting ducks” (cited in Tsai, 2009, p.1)

2.5.2 Data privacy

Data privacy is undoubtedly the biggest criticism and challenge facing social media and the main concern of Internet users embracing social networks. A lot of Internet users and associations raised their concerns about social networks’ pitfalls and particularly their usage of customers’ data. Critically, Martin Hayward, Director of Strategy and Futures at Dunnhumby, stated that “the only companies that will have privacy issues are those that aren’t completely transparent with customers about what data they’re gathering and for what purposes, or those that haven’t sought the permission to use this data for improving their customer experience” (cited in Howell & Bublik, 2009, p.31).
2.5.3 E-reputation

There are definitely benefits and drawbacks in embracing social media for business purposes. And one other major disadvantage or threat, is that companies open their selves up to criticisms and negative exposures. Therefore, businesses must be prepared to deal with those situations and most importantly, be present where this negative conversations are taking place.

The Attensity Company (2010), warns enterprises 2.0 of the ‘ostrich attitude’. Indeed, the company asserted that this new breed of social customers will be talking about brands with a great deal of freedom of speech, giving opinions, which generally the company does not get to approve, via channels it doesn’t have control over (Attensity, 2010, p. 2). Roell (2011), supports this notion and stated that “the unfiltered nature of these forums makes clients a bit nervous because brands could potentially open themselves up to criticism. My usual response is that these conversations are occurring regardless of clients’ participation, so it is better to at least be involved in it. By being a part of the conversation, organizations are able to confront any negative sentiments all the while showing consumers that their opinions matter” (Roell, 2011, p. 25). Accordingly, to cope with this situations, Baird & Parasnis (2010) highlight the importance of reputation analysis softwares that can be used defensively to prevent companies from potential negative exposure (Baird & Parasnis, 2010).

E-reputation and brand exposure is threatened by customers but not only. Employees play a major role as well on the companies reputation on Internet. Baird & Parasnis (2010) asserted that there’s an evident fear of an inadvertent employee faux-pas or intentional sabotage. Baird & Parasnis (2010) stated that “the answer is they can’t control it, any more than they can control every phone conversation or e-mail” (Baird & Parasnis, 2010, p. 12). Accordingly, the best way of mitigating this risk according to Baird & Parasnis (2010) is by developing corporate guidelines and employees training programs for social media. The technology giant Intel was one of the first to set up social media guidelines to his employees. The guidelines are thorough, clear and publicly published. Those guidelines essentially state that “any writer will personally be on the line should she put the company at risk (...) in online social networks, the lines between public and private, personal and professional are blurred (cited in Mckay, 2009, p.15).
2.5.4 Over hype

In his article entitled “Social CRM as a business strategy”, Woodcock (2011) asserts that pioneers on SCRM are facing several hindrances, among them, over-hype (Woodcock, 2011). Indeed, because people are embracing social networking sites, such as Facebook at a blinding speed, businesses feel the pressure to engage right now on social media. Baird & Parasnis (2010) stated “we believe it is the fear of not being engaged right now that is driving companies to jump into social media initiatives without having fully assessed the potential for risk (...) the constant media drumbeat about social media innovation and exploding adoption of levels add fuel to the fire (Baird & Parasnis, 2010, p. 12). More critically, Ang (2011), supports also the idea that there isn’t yet a perfect and successful combination of social media and marketing strategies and that social CRM suffers from overhype. In her article entitled: “Community relationship management and social media” she stated: “ despite the growth, managers are still uncertain as to how social media can be used in marketing, some dismissing it as more hype than reality” (Ang, 2011, p. 1). Lager (2006), explains that this over-hype is due to the fact that the media praising the magic of social networks, lump the personal and professional use together (Lager, 2006).

In this chapter, the researcher responded to the research objectives, questions and critically confronted authors opinions about social CRM supported by some conceptual models.
CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

In his fifth edition book entitled: "Research methods for business students", Saunders (2009) defines Research as “something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge” (Saunders et al., 2009, p.5)

This chapter is concerned with the way in which the researcher will be collecting data to answer the research question. It will explain in a holistic way how the researcher will undertake research and which paradigm.

![Figure 13: The Research ‘Onion’ (Saunders et al., 2009)](image)

This section will also include the philosophy of the research, the approach, the strategy; method choices, time horizon and finally techniques and procedures. Furthermore, the researcher will tackle ethical issues and limitations.

3.2 The research problem area, questions and objectives

3.2.1 Research problem area

Saunders et al. (2009) assume that there are several ways and techniques that can be used to define a research area. Indeed, the authors suggest using our rational or creative thinking (Saunders et al.,
Raimond (1993) believes that researchers must combine both of those techniques for an optimum elaboration of the research area (Raimond, 1993, cited in Saunders et al., 2009). Raimond (1993) quoted: “By using one or more creative techniques you are more likely to ensure that your heart as well as your head is in your research project” (Raimond, 1993, cited in Saunders et al., 2009, p.24)

Figure 14: More frequently used techniques for generating and refining research ideas (Saunders et al., 2009, p. 25)

Accordingly, the research involved his own rational thinking by examining his own strengths and interests, in addition to his creative thinking by keeping a notebook of ideas. The researcher decided therefore to assess the value of social media on CRM (Customer Relationship Management) from both customers’ and companies’ perspective.

3.2.2 Research question

Saunders et al. (2009) assume that one of the key success factors of any research is whether a clear set of conclusions were drawn from the data collected. They stated that the clarity, relevance and the accuracy of the research question is largely determinant of that success (Saunders et al., 2009).

“It is often a useful starting point in the writing of research questions to begin with one general focus research question that flows from your research idea. This may lead to several more detailed questions or the definition of research objectives” (Saunders et al., 2009, p. 33). Moreover, Clough and Nutbrown (2002) compare the research question design process to the Russian doll principle: it means starting from one general question and refine it until the essence and the heart of the question can be expressed (Clough and Nutbrown, 2002, cited in Saunders et al., 2009).

The primary question for this research study is:
“What is the perception of the value of social media in CRM?”

Just like Saunders et al. (2009) recommend, the researcher asked several times for his peers and tutor guidance in order to avoid pitfalls of questions that are too easy, too difficult or have already been answered before.

3.2.3 Research objectives

Saunders et al. (2009) stated that “Objectives are more generally acceptable to the research community as evidence of the researcher’s clear sense of purpose and direction” (Saunders et al., 2009, p.34)

This reminds us of a famous quote in Alice’s Adventures in Wonderland. This is part of Alice’s conversation with the Cheshire Cat (cited in Saunders et al., 2009, p.20):

Alice: “Would you tell me, please, which way I ought to walk from here?”

The Cat: “That depends a good deal on where you want to get to”

Alice: “I don’t much care where”

The Cat: “Then it doesn’t matter which way you walk”

Before defining the research objectives, the researcher spent a great deal of time reviewing theory and literature on the thesis subject.

Accordingly, in order to respond to the research question, several objective were pointed out:

✓ Understand what is CRM and social CRM (or CRM 2.0)

✓ Differentiate the main differences between CRM 1.0 and CRM 2.0?

✓ Determine if social CRM is replacing the classical model of CRM

✓ Understand how to implement CRM 1.0 and CRM 2.0 within a company
✓ Understand how social networks tools are integrated to current CRM softwares

✓ Analyze if social networks tools are really useful in CRM softwares and if there is any added value.

✓ Determine who are companies leaders on CRM and social CRM

✓ Understand how are CRM softwares useful in capturing customers’ conversations on social networks in order to turn them into clients.

✓ Determine what are the new social CRM touch-points and channels.

✓ Determine if a company is left behind if it doesn’t use social CRM strategies

✓ Determine if there’s a perception gap between companies and customers about social CRM.

3.3 The research philosophy

Research philosophy relates to the development of knowledge and the nature of it. Indeed, the research philosophy includes important assumptions about the way we perceive the world. These assumptions will corroborate the research strategy and the choice of the methods (Saunders et al., 2009). Johnson and Clark (2006) support this notion that “as business and management researchers we need to be aware of the philosophical commitments we make through our choice of research strategy since this has significant impact not only on what we do but we understand what it is we are investigating (Johnson and Clark, 2006 cited in Saunders, 2009, p.108).


• **Ontology**: is concerned with the nature of reality. It’s the researcher’s view of the nature of reality or being.

• **Epistemology**: concerns what constitutes acceptable knowledge in a field of study. It’s the researcher’s view regarding what constitutes acceptable knowledge.

• **Axiology**: is the researcher’s view of the role of values in research.

There’s no good or bad philosophy. Or in other terms, we cannot state that a philosophy is better than another. A philosophy must be considered in a holistic way (Saunders et al., 2009)
Ultimately, whether the research is well philosophically informed or not is not the most important aspect. But it is more about how we are able to reflect upon our philosophical choices and backup them (Johnson and Clark, 2006 cited in Saunders et al., 2009, p.108).

For the purpose of this dissertation, the researcher will underpin his research on the **epistemology** philosophy.

In addition to the three main philosophical influences listed above, there are some important research paradigms related to those philosophical influences that must also be taken into consideration. Indeed, Burrell and Morgan (1982) defined these paradigms in the following way:

- **Positivism:** “is like the philosophical stance of natural scientist. It’s working with an observable social reality and that the end product of such research can be considered as a general truth similar to those produced by the physical and natural scientists” (Remenyi et al., 1998, cited in Saunders et al., 2009, p.113).

- **Realism:** “is a philosophical thought close to positivism. The mainstream of realism is that what the senses show us as reality is the truth. Objects have an existence independent from the human mind”. Saunders et al. (2009) classify two types of realism: **direct realism** and **critical realism**. Direct realism supports the idea that what we experience through our senses depicts the world in a realistic way. On the other hand, critical realism supports this notion that what we see and live are only sensations. They are representations of the real world (Saunders et al., 2009, p.114)

- **Interpretivism:** is all about understanding differences between humans in their role as social actors. Indeed, Saunders et al. (2009) assumes that “the social world of business and management is far too complex to lend itself to theorizing by definite ‘laws’ in the same way as the physical science” (Saunders et al., 2009, p.116)

Accordingly, as the researcher is studying the value of social media on CRM, he decided to adopt the **interpretivism paradigm** for his research philosophy. In the interpretivism realm, the ‘social’ aspect is most of importance. Indeed, Saunders et al (2009) stated: “Interpretivism advocates that it is necessary for the researcher to understand differences between humans in our role as social actors. This emphasizes the difference between conducting research among people rather than objects such as trucks and computers. The term ‘social actors’ is quite significant here (Saunders et al., 2009, p.116).
3.4 The research approach

In this sub-section, the position and role of theory the researcher will be using for the research is directly linked to two different reasoning approaches: deduction or induction.

 ✓ **Deduction:** (called also testing theory) is drawing conclusions based on logic. Deduction does not depend on experience or observation. Robson (2002), listed five stages through which a deductive research can be conducted:

   ★ Deducing a hypothesis
   ★ Expressing the hypothesis in operational terms which connect two concepts or variables
   ★ Testing the operational hypothesis
   ★ Examining the specific outcome of the inquiry
   ★ Modifying the theory if necessary according to the findings. Robson (2002, cited in Saunders et al. 2009, p.124)

 ✓ **Induction:** (called also building theory) is totally different from deductive approach. Induction is when a conclusion is drawn from past experience or evidence. The assumption is made that because things have always been so then that is how they will be in the future. The conclusion explains the facts and the facts support the conclusion.

The research approach the researcher will be using is the inductive one. Indeed, this approach sounds relevant because it allows gaining a close understanding of the research context from past experiences; and conclusions explain the facts and facts support conclusions. Through this type of research, a good interpretation of data and information collected will allow a better understanding of facts. Moreover, as the researcher is not an expert on CRM, the inductive approach is more tolerant when it comes to the researcher’s knowledge of a topic. Indeed, the induction strategy takes into account that the researcher is not yet an expert but on the way of becoming one. Whereas the deductive strategy assumes that the researcher is already an expert on the subject he is analyzing (Saunders et al., 2009). Furthermore, Saunders et al. (2009), stated that it is important to attach the research approaches to the different research philosophies. Indeed, according to Saunders et al. (2009) “deduction owes more to positivism and induction to interpretivism” (Saunders et al., 2009, p.124). Therefore, the inductive approach is undoubtedly the relevant one.
In his book entitled “Principles of Marketing”, Kotler and Armstrong (2010, p.130) classify three different types of research. **Exploratory**, **descriptive** and **causal** research.

- **Exploratory research**: “is a marketing research that helps gathering preliminary information that will help to better define problems and suggest hypothesis”.
- **Descriptive research**: “is a Marketing research to better describe marketing problems, situations or markets, such as the market potential for a product or the demographics and attitudes of consumers”.
- **Causal research**: “is a Marketing research to test hypotheses about cause-and-effect relationships”.

In this dissertation, the researcher won’t formulate any hypotheses. Moreover, any experimentation will be conducted. Therefore, this dissertation will be based upon an **exploratory** and **descriptive** research.

Robson (2002) defines exploratory studies as “a valuable mean of understanding ‘what is happening; to seek new insights, to ask questions and to assess phenomena in a new light” (Robson 2002, cited in Saunders et al., 2009, p.139). New insights and understanding what’s happening are exactly what the researcher will try to assess by studying the value of social networks on the business world and more specifically on CRM.

Saunders (2009), classifies three ways of conducting an exploratory research:

- A search of the literature
- Interviewing experts in the field
- Conducting focus group interviews

Furthermore, Robson (2002) assumes that the purpose of descriptive research “is to portray an accurate profile of persons, events or situations” (Robson, 2002, cited in Saunders et al., 2009, p. 140). Moreover, Saunders et al. (2009) assume that exploratory and descriptive research can be used simultaneously.

### 3.5 The research strategy

The choice of the research strategy is often guided by the research questions and objectives. Saunders et al. (2009) define seven research strategies: **experiment**, **survey**, **case study**, **action research**, **grounded theory**, **ethnography** and **archival research**.
According to Saunders et al. (2009), some of these strategies belong to the deductive approach whereas others to the inductive one. Moreover, Saunders et al. (2009) assume that no strategy is inherently superior or inferior to any other.

For this study, the researcher will use a survey. Indeed, surveys will help the researcher to collect quantitative data in a large scale in order to be representative of the target population. The technique chosen by the researcher seems to be consistent and relevant as the research approach is exploratory and descriptive. Indeed, Saunders et. al (2009) stated: “It [the survey] therefore tends to be used for exploratory and descriptive research” (Saunders et al., 2009, p. 144).

In addition, the survey technique has some benefits and drawbacks. As advantages, the data collected will allow easy comparison and analysis. However, the analysis of data afterwards is time consuming and the progress of the research is dependant on other’s contribution (Saunders et al., 2009). Even though, the survey strategy is usually associated with the deductive approach, it is a frequent strategy in business and management research. It is most frequently used to answer who, what, where, how much and how many questions (Saunders et al, 2009, p. 144). The benefit of using a survey strategy, is that it gives more control over the research process and when sampling is used, it is possible to generate findings that are representative of the whole population at a lower cost.

3.6 The research choice

Research choice is referred as the way the researcher chooses to combine quantitative and qualitative techniques and other approaches (Saunders et al, 2009).

Hollensen (2010), defines quantitative and qualitative research as the following:

- “Quantitative research is a data analysis based on questionnaires from a large group of respondents”

- “Qualitative research provides a holistic view of a research problem by integrating a larger number of variables but asking only a few respondents” (Hollensen, 2010, p.181).

Indeed, the latter type of research provides a holistic view of a research problem by integrating a larger number of variables but asking a few numbers of respondents. The objective in this exploratory research is to gain an initial understanding and investigate motivations, attitudes, beliefs and intentions of customers. This technique is generally carried through focus groups or in-depth
interviews. The respondents must have considerable knowledge of the problem in order to get high and relevant information. In addition, the time consumption of qualitative research is low during design phase and high during analysis phase (Kotler and Armstrong, 2010).

Indeed, Saunders et al. (2009), assert that “individual quantitative and qualitative techniques and procedures do not exist in isolation” (Saunders et al., 2009, p.151). In choosing the research methods, the researcher will either use a single data collection technique and corresponding analysis procedures (mono method), thus quantitative or qualitative research. Or use more than one data collection technique and analysis procedures to answer the research question (multiple methods) thus, quantitative and qualitative research (Saunders et al., 2009).
For the purpose of this dissertation, the researcher will use both quantitative and qualitative data. Accordingly, it will be based upon a “multiple methods” choice and more specifically “mixed-method research”. Indeed, mixed method research uses quantitative and qualitative data collection techniques and analysis procedures either at the same time or one after another but does not combine them. Consequently, quantitative data are analysed quantitatively and qualitative data are analysed qualitatively. Moreover, Bryman (2006) present some relevant reasons for using mixed-method designs such as: triangulation, facilitation, complementarity, generality, aid interpretation, study different aspects and solving a puzzle (Bryman, 2006 cited in Saunders, 2009 p. 154).
Tashakkori and Teddlie (2003) argue that multiple methods are relevant if they allow better opportunities for the researcher to answer the research questions and where they allow to better assess the extent to which the research findings can be trusted and inferences made from them (cited in Saunders et al., 2009, p.153).

The primary research of this dissertation will be carried out from two different standpoints: from a consumer’s and a company’s perspective. Indeed, primary research will allow determining a potential gap between both companies’ and customers’ perception about their interaction on social media.

Accordingly, the researcher will use semi-structured interviews for the qualitative research and questionnaires for the quantitative one.
3.7 Time horizons

The time horizon to research design is the fact whether the research is cross-sectional or longitudinal.

Malhotra & Birks et al. (2006), assert that cross-sectional designs are the most frequently used design for marketing research and they involve the collection of information once, from a sample of population (Malhotra & Birks et al., 2006, p. 74). According to Easterby-Smith et al. (2008), a cross-sectional approach is the study of a particular phenomenon at a particular time. It often employs the survey strategy (Easterby-Smith et al., 2008; Robson 2002, cited in Saunders et al, 2009).

On the other hand, longitudinal studies demand much more time for research. The main strength of longitudinal research is the capacity that it has to study change and development. They may be seeking to describe the incidence of a phenomenon or to explain how factors are related in different organizations for example (Saunders et al., 2009).

Malhotra & Birks et al. (2006), argue that the sample in longitudinal research in contrast to cross-sectional designs remains the same over time. In other words, the same people are studied over a long period of time. Moreover, and from a critical perspective, Malhotra & Birks et al. (2006), argue that the major drawback of using cross-sectional design is that they do not allow detecting changes (Malhotra & Birks et al., 2006, p. 76).

![Table showing advantages and disadvantages of cross-sectional and longitudinal designs](image)

**Figure 18: Relative advantages and disadvantages of longitudinal and cross-sectional designs (Malhotra & Birks et al., 2006, p. 77)**

Furthermore, Saunders et al. (2009) emphasize that the time horizon has no connection to the research strategy or research choice undertaken by the researcher (Saunders et al., 2009).
Consequently, as research projects undertaken for academic courses are necessarily time constrained the researcher will conduct a **cross-sectional** study.

### 3.8 Data collection, editing and coding

The credibility of research findings are of paramount importance of any research. Saunders et al. (2009) emphasize that in order to reduce the possibility of getting wrong answers, attention has to be paid to two particular variables: **reliability** and **validity**.

Easterby-Smith et al. (2008) argue that reliability refers to the extent to which data collection and analysis procedures will provide consistent and accurate findings. Robson (2002), asserts that they can be four threats to reliability: participant error, participant bias, observer error and observer bias (Robson, 2002, cited in Saunders et al., 2009). Moreover, “validity is concerned with whether the findings are really about what they appear to be about” (Saunders et al., 2009, p.157).

Accordingly, for the data collection, editing and coding, the researcher will follow the model suggested by Malhotra & Birks et al. (2006).

![Figure 19: Data preparation process (Malhotra & Birks et al., 2006, p. 476)](image-url)
3.8.1 Data collection methods

3.8.1.1 Primary research

Secondary data is what we call a research desk. It’s the fact of reanalyzing data that have already been collected for other purposes (Kotler and Armonstrong, 2010). Saunders et al. (2009), suggest that secondary data sources should be exhausted prior to primary research conducted in order to help the researcher to develop a good understanding and insight into previous studies and emerging trends relevant to the area of research (Saunders et al., 2009).

Saunders et al. (2009) classify secondary data as following:

![Diagram of secondary data types](image)

Figure 20: “Types of secondary data” (Saunders et al., 2009, p.259)

Therefore, the secondary data collected will be mainly:

- Area based: books, journals.
- Time series based: books, journals.
- Ad hoc surveys: Organisations’ surveys, Academics’ surveys.

The researcher will also mainly source his secondary data collection from the materials available in the Dublin Business School libraries but also the huge amount of electronic academic databases offered by the DBS intranet.
3.8.1.2 Primary research

3.8.1.2.1 Quantitative research

As discussed earlier, survey and observation are the two types of techniques for collecting primary quantitative data for descriptive research. However, both techniques demand a procedure for normalizing and standardizing the data collected so that it can be analyzed in a uniform and consistent way (Malhotra & Birks et al., 2006). For the purpose of this dissertation, questionnaires will be part of the survey strategy and will be conducted to the population in order to get their insights and perceptions of their usage of social networks and their interaction with brands on them. According to Saunders et al. (2009) the questionnaire is the most frequently used data collection technique within the survey strategy. Each person is asked to respond to the same set of questions which provides an efficient way of collecting responses from a large sample prior to quantitative analysis (Saunders et al., 2009, p. 361). Malhotra & Birks et al. (2006) emphasize that any questionnaire has three specific objectives. First, it must turn the information needed into a set of specific questions that the respondent can and will answer. Second, a questionnaire must encourage the respondent to become involved, to cooperate, and to complete the task. Third, a questionnaire should minimize response error (Malhotra & Birks et al., 2006, p. 371).

Saunders et al. (2009) list different types of questionnaires:

![Figure 21: Types of questionnaire (Saunders et al., 2009, p. 363)](image)

For the purpose of this dissertation, the researcher will use an Internet-mediated questionnaire. Saunders et al. (2009) assert that the choice of the type of questionnaire is related to a variety of factors. Those factors include: ‘the characteristics of the respondents from whom the researcher wish to collect data’ (Saunders et al., 2009, p.363). Accordingly, as the main target of the researcher
are customers who use social media and interact with brands on that channel, the questionnaire technique seems to be consistent.

Internet-mediated questionnaires have the benefits of saving time and money, reaching a large number of people and facilitating the data analysis. Indeed, the researcher will use Google Spreadsheets tool to design its questionnaire freely. Moreover, the researcher will save a lot of time as such softwares provide automatic analysis of data. However, Saunders et al. (2009) assume that questionnaires have also a lot of disadvantages. Indeed, respondents may sometimes deliberately guess at the answer. Or may discuss their answers with others which lead to a bias. Saunders et al. (2009) assume as well that in extreme instances, respondents may invent answers (Saunders et al., 2009, p. 365).

Regarding the questions design, Bourque and Clark (1994) assume that researchers generally do one of three things: adopt questions used in other questionnaires, adapt questions used in other questionnaires or develop their own questions (Bourque and Clark, 1994, cited in Saunders et al., 2009, p.374). Moreover, Saunders et al. (2009) list several types of questions: open questions, list questions, category questions, ranking questions, rating questions, quantity questions and matrix questions (Saunders et al., 2009). For the purpose of this dissertation, the researcher will use mainly rating questions and more specifically ‘Likert-style rating scale’ on a five-point rating scale. Indeed, Malhotra & Birks et al. (2006) define the Likert scale as a “measurement scale with five response categories rating from “strongly disagree” to “strongly agree” that requires respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus objects” (Malhotra & Birks et al., 2006, p. 348). Malhotra & Birks et al. (2006) support this notion that the Likert-scale is particularly suitable for Internet as it is easy to construct, administer and respondents intuitively know how to use the scale (Malhotra & Birks et al., 2006, p. 349)

Nevertheless, before designing his questionnaire, the researcher had to follow some important steps. Foddy (1994) developed a framework in designing a questionnaire; it includes four steps:
Malhotra & Birks et al. (2006) supports this notion that the great weakness of the questionnaire design is the lack of theory: “Because there are no scientific principles that guarantee an optimal or ideal questionnaire, questionnaire design is a skill acquired through experience” (Malhotra & Birks et al., 2006, p.372).

The research will underpin his questionnaire design process (Cf. Appendices) on this model suggested by Malhotra & Birks et al. (2006).
Nevertheless, before administrating the questionnaire to the population, the researcher will pilot-test his questionnaire. Indeed, Malhotra & Birks et al. (2006) define pilot-testing as “testing the questionnaire on a small sample of respondents to identify and eliminate potential problems” (Malhotra & Birks et al., 2006, p. 391). The researcher will pilot-test a first time by personal interviews to observe respondents’ reactions and attitudes than a second time on Internet to point out other technical problems.

### 3.8.1.2.2 Qualitative research

Primary qualitative data refers to all non-numeric data or data that have not been quantified and can be a product of all research strategies. Qualitative research is mostly used to gain understanding in social sciences, as it provides a unique contribution to the study of some important business questions (Saunders et al., 2009). Qualitative research aims to collect and analyse qualitative data in order to assist quantitative research. In primary qualitative research, the use of interviews is a powerful way of gathering data. Saunders et al. (2009), classify three main ways of collecting primary data: semi-structured, in-depth and group interviews.

There are several types of interviews. Among them Saunders et al. (2009) list: **structured, semi-structured and unstructured interviews (or in-depth interviews)**.

For the qualitative research of this dissertation, the researcher will use **semi-structured interviews**. Saunders et al. (2009) recommend researchers to have a list of themes and questions to be covered. Moreover, they argue that the interview process may vary and be adapted according the context and the organisation. That means some questions may be omitted, the order changed or even new questions required (Saunders et al., 2009, p. 320).

Furthermore, Saunders et al. (2009) highlight that the researcher has to get clear idea of the themes that he wishes to discuss with the respondents. Indeed, Saunders et al. (2009) stressed that “without at least some focus, your work will clearly lack a sense of direction and purpose (Saunders et al., 2009, p. 329)

Therefore, the following themes will be tackled:

- Theme 1: SCRM and CRM company’s perception and definition
- Theme 2: the company usage of social media
- Theme 3: social media concerns
Saunders et al. (2009, p. 337) emphasise that the research has to consider the approach whereby he will ask questions. Indeed, the authors list three types of questions that can be used during semi-structured interviews:

- **Open questions**: designed to encourage the interviewee to provide extensive and developmental answers, they generally start with “how”, “why” or “what” (e.g. “Why did the organisation introduce its marketing strategy?”)
- **Probing questions**: designed to explore answers that are of importance to the research topic. They may be structured like open questions but ask for a particular direction. (e.g.: “What external factors caused the corporate strategy to change?”)
- **Specific and closed questions**: designed to get specific information or to confirm a fact or opinion (e.g.: “How many people attended the meeting?”)

Accordingly, for the purpose of this dissertation the researcher will mainly refer to open questions in order to let professionals of CRM to freely express their opinion about the subject but might use probing questions if the answer is unclear and needs more clarification.

### 3.8.2 Data editing

#### 3.8.2.1 Questionnaires

Malhotra & Birks (2006) argue that completed questionnaires often have many small errors that sometimes may be costly for the researcher. Indeed, Malhotra & Birks (2006) defines editing as “the review of the questionnaires with the objective of increasing accuracy and precision. It consists of screening questionnaires to identify illegible, incomplete, inconsistent or ambiguous responses” (Malhotra & Birks, 2006, p. 477).

Kumar (2005) explains that there are two ways of editing data:

- Examining answers of one question or variable at a time
• Examining answers of all questions at the same time which is, examining all the responses given by the respondents.

The researcher will therefore examine answers one by one and will not cross them.

3.8.2.2 Semi-structured interviews

As the sample of the qualitative research is very small and identifiable (three respondents), the researcher will have the opportunity to contact them if necessary for rectification and clarification.

3.8.3 Data coding

Malhotra & Birks (2006) defines coding as the process of assigning a code, usually a number, to each possible answer to each question. For instance, a question on the gender of the respondents may be allocated a code of 1 for males and 2 for females (Malhotra & Birks, 2006, p. 479).

3.8.3.1 Questionnaires

Malhotra & Birks (2006), explains that many questionnaire design and data entry software packages code data automatically (Malhotra & Birks, 2006, p. 479). Indeed, for the data collection process, the researcher will use Google Spreadsheets. Therefore, coding and analysis will be done automatically.

3.8.3.2 Semi-structured interview

Saunders et al. (2009, p. 490) list three different types of qualitative analysis processes:

• Summarizing (condensation) of meanings
• Categorization (grouping) of meanings
• Structuring (ordering) of meanings using narrative

The researcher will code and transcribe his semi-structured interviews manually according to the themes listed in the section 3.8.1.2.2.
3.9 Population and sample

Malhotra & Birks (2006) argue that sampling is a key component of any research design. Indeed, according to Malhotra & Birks (2006), the purpose of most marketing research projects is to collect information about the characteristics of a population. This information may be obtained by taking a census or a sample (Malhotra & Birks, 2006, p. 405). Malhotra & Birks (2006) defines a census as “a complete enumeration of the elements of a population or study objects”. Where the sample would be “a subgroup of the elements of the population selected for participation in the study” (Malhotra & Birks, 2006, p. 405). Saunders et al. (2009) explain that there are two types of sampling: probability and non-probability (Saunders et al., 2009)

In the table below, Malhotra & Birks (2006) point out the main differences between a sample and a census:

![Figure 24: Sample vs Census (Malhotra & Birks, 2006, p. 405)](image)

3.9.1 Qualitative research

For the qualitative research, the researcher will leverage his acquaintances in Paris and past internships.

The semi-structured interviews will be carried out with the following persons:

<table>
<thead>
<tr>
<th>Company</th>
<th>Interviewee</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNP PARIBAS</td>
<td>Mounir Bouchiha</td>
<td>Business Intelligence Manager</td>
</tr>
<tr>
<td>BUSINESS &amp; DECISION</td>
<td>Imane Belqola</td>
<td>Social CRM Consultant</td>
</tr>
<tr>
<td>SALESFORCE</td>
<td>Simohamed Moussaoui</td>
<td>Social CRM manager</td>
</tr>
</tbody>
</table>
These interviews will provide priceless insights of social CRM from professionals. Saunders et al. (2009), emphasize on the significance of establishing personal contact and assume that managers are likely to agree to be interviewed rather than complete a questionnaire. Therefore, the interviews will be carried out face to face and will take place at the interviewees desk within their company. Prior the interviews several ethical points will be clearly explained to the respondents. Those points are detailed on the introduction part of the semi-structured interview.

3.9.2 Quantitative research

Malhotra & Birks (2006) emphasize on the importance of clearly defining the target population without ambiguity. Indeed, Malhotra & Birks (2006) highlight that an imprecise target population may lead to an ineffective study at best and misleading at worst (Malhotra & Birks, 2006, p. 406). Therefore, the target population should be defined in relation to: elements, sampling units, extent and time.

Accordingly, the researcher has set his target population as following:

- Elements: social networks users (male or female) who interact with brands on social media
- Sampling units: Facebook fan page of ‘Bouygues Telecom’ (105 000)
- Extent: France
- Time: February 2012

The researcher will use a census. The questionnaire will be posted on the Facebook fan page of the company Bouygues Telecom. For information, Bouygues Telecom is the third telephone provider in France with 11 217 000 clients. The researcher being himself client of this company, he often interacts with it on the Facebook fan page for customer service.

The researcher is expecting a response rate of 0.5% on the Facebook fan page. Therefore, 525 responses are expected.

3.10 Ethical issues in the research

Ethics in business research refers to a code of conduct or expected societal norm of behavior while conducting research. Ethical behaviors expected from the researcher, apply to the organizations and individuals taking part in the dissertation (Saunders et al., 2009).

---

Saunders et al. (2009), differentiate two dominant philosophical views of ethics in research: the deontological view and the teleological view. The deontological view assumes that “the ends served by the research can never justify the use of research which is unethical”. In contrast, the teleological view argues that “the ends served by the research justify the means” (Saunders et al., 2009, p. 188).

The researcher certifies that he will conduct this research in a responsible and ethical way. The researcher certifies that he will:

✓ Respect the privacy of all participants while collecting, analyzing and reporting data.
✓ Respect the maintenance of the confidentiality of data provided by individuals or identifiable participants and their anonymity.
✓ Respect reactions of participants to the way in which the researcher collect information (embarrassment, stress, discomfort, pain and harm...etc.)
✓ Respect the copyright of other authors and students and won’t steal their work.
✓ Will always respect the Harvard referencing system to cite others’ researchers work.
✓ Will submit a consent form to all respondents and interviewees.

![Figure 25: Ethical issues at different stages of research (Saunders et al., 2009, p. 188)](image)

The researcher will take into consideration all the ethical issues listed by Saunders et al. (2009) above during the different stages of his research.
3.10 The limitations of the research

3.10.1 General limitations

The researcher might encounter some difficulties and limitations while writing up his thesis that can be out of his control. Indeed, these limitations can be from different nature.

First, the researcher is not an expert neither in CRM nor in social media and has no experience in conducting research and dissertations according to the Anglo-Saxon educational system.

Secondly, errors may lead to a lack of reliability. Saunders et al. (2009) explains that reliability refers to the extent to which data collection and analysis procedures will provide consistent findings. Robson (2002, cited in Saunders et al. 2009) identifies four main threats for reliability that the researcher has to take into consideration: subject or participant error, subject or participant bias, observer error and observer bias.

3.10.2 Limitations in the qualitative survey

The researcher does not have a solid experience of the interviewing methods in front of experienced professionals of Social CRM. His lack of experience could certainly have an effect on the quality of the survey process.

3.10.3 Limitations in the quantitative survey

There might be some limitations in terms of the representativity of the sample and the number of questionnaires collected. Indeed, questionnaires were posted in the Facebook fan page of the phone provider Bouygues Telecom. Therefore, the researcher has no control on the reliability of information and can’t detect if there’s any bias. Additionally, the researcher can’t guarantee that respondents will take the time to fill the questionnaires.
CHAPTER 4: DATA ANALYSIS AND FINDINGS

As stated before, the purpose of this dissertation is to determine a potential gap between customers’ and professionals’ perception of social CRM. Parasuraman et al. (1985) proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. They developed a service quality model based on gap analysis the various gap pictured in the model are the following (Parasuraman et al., 1985, cited in: Nithin 2004):

• “Gap 1: Difference between consumers’ expectation and management’s perceptions of those expectations.

• Gap 2: Difference between management’s perceptions of consumer’s expectations and service quality specifications.

• Gap 3: Difference between service quality specifications and service actually delivered.

• Gap 4: Difference between service delivery and the communications to consumers about service delivery.

• Gap 5: Difference between consumer’s expectation and perceived service. This gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer’s side” (Parasuraman et al., 1985, cited in: Nithin 2004)

According to this model, the objective of the researcher is to determine first, if there’s a gap. And eventually, specifying which gap is it.
4.1 Quantitative data analysis

Before being processed and analyzed, quantitative data in a raw form have little meaning. Therefore, it is important to process these data into graphs, charts and statistics to make them useful and turn them into information that describe, present and examine relationships and trends (Saunders et al., 2009, p. 414).

Results will be explained in this section after each question. Under each question there will be a table and a graph that will detail statistically the findings.
The results of this question show that 67% of respondents prefer using social media on a laptop. This means also that respondents are mobile and can access social media everywhere.
This question helps determining which social network Internet users prefer amongst all social media. This information is important for brands as they must know where they should have a presence and where they should concentrate their marketing strategies efforts.

Obviously, Facebook is very much to the taste of Internet users followed by YouTube and LinkedIn, which is quite a surprise for the latter as it shows that Internet users go also on social networks for job research and professional purposes.

![Question 3: Why do you go on social networking sites? - Connecting with friends and family](image1)

**Figure 30.1: question 3 quantitative data analysis (table)**

![Why do you go on social networking sites? - Connecting with friends and family](image2)

**Figure 30.1.1: question 3 quantitative data analysis (graph)**

This question helps understanding and determining the motives that mainly push customers to go on social networking sites. The results show that the great majority admit that social networks is first of all about connecting with friends and family. Indeed, the 2010 IBM report supports this notion and emphasize that customers go first and foremost on social media to interact with friends and family (IBM, 2010).
This question shows that 34% of respondents are neutral about the fact that the main motive pushing them to go on social networks is brand interaction. Still, 24% strongly disagree with this argument. Therefore, we can conclude that customers (or Internet users) do not often interact with brands on social networks. Indeed, IBM in a study conducted in 2010, supports this notion and stated that

Consumers all over the world, across all generations, are swarming to social media, but most interact only occasionally. Despite the astounding escalation of social media adoption, only a very small percentage of consumers engages regularly by responding to posts and authoring their own content (IBM, 2010).
The results of this question show that 50% of respondents agree that social networks are also a canal to access news. This is important because it shows that social networks are not only for entertainment. Still the graph below shows that entertainment is an important motive.
The results of this question show that entertainment is a main motive to go on social networks. Indeed, in a study conducted by the consultancy firm Gartner, the results showed that social media users and especially generation Y, spend lot of time accessing entertainment such as videos, games...etc. (cited in Greenberg, 2008).

The results of this question show that half of respondents share opinion on social networks. It means that they use social networks as a platform of self-expression. This result is very important.
for businesses as they must be aware that social networks empower customers insofar as they allow them to control their brand reputation. Indeed, Roell (2011) supports this notion that the unfiltered nature of social media makes companies a bit nervous because they open themselves up to criticisms. Roell (2011) respond to that by emphasizing that these conversations are taking place regardless of the companies’ participation, so it is better to be involved in it.

![Figure 30.6: question 3 quantitative data analysis (table)](image)

![Figure 30.6.1: question 3 quantitative data analysis (graph)](image)

The results of this question show that 42% of respondents are neutral about the fact that product reviews and ranking are the main motive of using social networks. This question must not be confused with “why do you interact with brands? - access reviews and product ranking”

![Figure 30.7: question 3 quantitative data analysis (table)](image)
The results of this question show that 35% of respondents are neutral about the fact that meeting new people is a motive for social media use. Therefore, we can draw the conclusion that respondents go on social media to maintain their relationships and not developing new ones.

The results of this question show that respondents go on social networks to share pictures, video, music...etc. This is very important in terms of advertising insofar as they can contribute to promote ads, create buzz and generate word of mouth.
The results of this question show that social networks are also for business and professional purposes. Indeed, 33% of respondents use social networks for work research and studies. Indeed, Greenberg (2008) supports this notion that generation Y, especially students are very active on social media for studies and homework research (Greenberg, 2008).
The results of this question show that respondents are very divided on the fact that getting deals and promotions is a motive for going on social networking sites. This question must not be confused with the following one: “why do you interact with brands? - get deals and promotions”.

The results of this question show that 30% of respondents are neutral about the fact that social media can be a motive for job research. However, 29% do agree with this assertion. Moreover, 50% of respondents do have a LinkedIn profil (Cf. question 2).
The results of this question show that 30% of respondents are neutral about seeking customer service on social networks. However, 29% do agree on this assertion. This question should not be mixed up with the following one “why do you interact with brands? - Customer service”. This question is important because it highlights that customers can interact with brands when they don’t generally just for customer service inquiries.
The results of this question show that submitting ideas for new products/services is not a main motive that push respondents to go on social networking sites. However, Greenberg (2008), explains that this is due to the fact that companies do not have a real social CRM strategy and don’t know how to engage their customers on social media (Greenberg, 2008).

The results of this question show that 44% of respondents do agree that being part of a community is a main motive for using social networks. Indeed, people of the same community help each other
and share the same interests. Moreover, in terms of consumer buying behavior, they can have a great influence on others.

![Figure 30.15: question 3 quantitative data analysis (table)](image)

This question highlights the importance of social networks in terms of event participation. Indeed, nowadays most of events are promoted on Facebook. The section “events” on Facebook really have a great impact on events organization.

![Figure 30.15.1: question 3 quantitative data analysis (graph)](image)

![Figure 31.1: question 4 quantitative data analysis (table)](image)
The results of this question show that 52% of respondents would be massively ready to stop using social networks because of data privacy. Indeed, this is the only point of agreement of the authors referenced in the ‘Literature Review’ chapter. All of them agree to say that data privacy is the main and major criticism (Attensity, 2010).

The results of this question show that 44% of respondents agree that spam would be a main reason for stopping using social networks. Indeed, Newell (2003) point out the fact that spam is a major cause of disruption of CRM (Newell, 2003).
A lot of people are still reluctant of using social networks because they do not like virtual relationships and prefer instead building a real one. For this argument, the results of this question show that 48% are neutral about it. Which means that respondent wouldn’t stop using social networks necessarily for this reason.
A lot of social network users assert that having a profile on social networks is very important for maintaining and managing its social life. The results of this question show that 37% of respondents are neutral. However, 36% agree with this assertion.

While they were asked if they feel they interact with brands on social networks, 40% of respondents were neutral. Indeed, the IBM 2010 report supports this notion and stated that:

Consumers have strong opinions about their social media interactions and, despite their embrace of social media, their willingness to engage with companies should not be assumed or
taken for granted (...) Consumers all over the world, across all generations, are swarming to social media, but most interact only occasionally. Despite the astounding escalation of social media adoption, only a very small percentage of consumers engages regularly by responding to posts and authoring their own content (cited in IBM, 2010, p.2).

<table>
<thead>
<tr>
<th></th>
<th>Response percent</th>
<th>Response count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>14%</td>
<td>14</td>
</tr>
<tr>
<td>Disagree</td>
<td>21%</td>
<td>21</td>
</tr>
<tr>
<td>Neutral</td>
<td>25%</td>
<td>25</td>
</tr>
<tr>
<td>Agree</td>
<td>32%</td>
<td>34</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>8%</td>
<td>8</td>
</tr>
</tbody>
</table>

Figure 33.1: question 6 quantitative data analysis (table)

While they were asked if getting discounts and promotions was a main motive to interact with brands, 32% of respondents agreed with this assertion. This highlights the fact that customers look for tangible value from brands on social networks. Indeed, Greenberg (2008), highlights the importance of the “tangible value” in CRM and Social CRM. According to Greenberg (2008), it is the minimum that a company must offer to acquire and develop the loyalty of its customers (cited in Greenberg, 2008).
The results of this question show that 31% of respondents disagree with the fact that purchasing is a main motive for brand interaction. This means also due to data privacy that customers are not keen to purchasing through social networks.
The results of this question show that 39% of respondents do interact with brands on social networks for product reviews and ranking. This is important in terms of consumer buying behavior because it shows that customers review products on Internet before buying them.

The results of this question show that 50% of respondents check general information and updates of companies on social networks. This shows that a social network can be a substitute of a corporate website.
The results of this question show that 31% of respondents look for exclusive information when they interact with brands on social networks. This means that customers expect something exclusive from brands while they interact on social networks.

The results of this question show that respondents are neutral about submitting their opinions on companies’ products on social networks.
The results of this question show that 44% of respondents are neutral about seeking customer service on social networks. This means that social networks are still not advanced yet for this purpose.
The results of this question show that 37% of respondents take part in events thanks to social networks.
The results of this question show that 30% of respondents are not keen to submitting ideas for new product/services on social networks.

The results of this question show that respondents are very divided about the fact of exchanging with other members of a community on social networks.
The results of this question show that 48% of respondents strongly agree that they would stop interacting with brands on social networks for data privacy issues. Martin Hayward [Director of Strategy and futures at Dunnhumby Company] stated that “the only companies that will have privacy issues are those that aren’t completely transparent with customers about what data they’re gathering and for what purposes, or those that haven’t sought the permission to use this data for improving their customer experience (cited in Howell & Bublik, 2009, p.31).
The results of this question show that 44% of respondents would stop interacting with brands on social networks because of spam. Indeed, in his book “why CRM doesn’t work”, Newell (2003) point out spams as a main disruptor of CRM. According to Newell (2003), customers are facing thousand of information everyday that it lost all of its impact (Newell, 2003).
The results of this question show that 42% of respondents would stop interacting with brands on social networks if they don’t get any tangible value. Promotions and discounts for instance is a good incentive to encourage interaction with brands. Indeed, Greenberg (2008) supports this notion and insists of the importance of the “tangible value” (Greenberg, 2008).

The results of this question show that 31% of respondents strongly agree that social networks are first and foremost about friends and family interactions not for business purposes. This result is very important as it changes the whole perception of companies about social CRM. Indeed, the IBM
(2010) report supports this notion and emphasize on the fact that consumers don’t even consider engaging with businesses through social sites, for them social media are about connections with friends and family (cited in IBM, 2010, p. 2).

The results of this question show that 50% of respondents would interact with brands if they feel that the company is communicating honestly and in a transparent way.

![Figure 34.1: question 7 quantitative data analysis (table)](image)

![Figure 34.1.1: question 7 quantitative data analysis (graph)](image)

![Figure 34.2: question 7 quantitative data analysis (table)](image)
The results of this question show that 50% of respondents agree that promotions is a good incentive to encourage interaction with brands on social networks.

The results of this question show that 40% of respondents agree that getting exclusive information is a good incentive to encourage brand interaction on social networks.
The results of this question show that 36% of respondents consider that customer service on social networks is quicker than on traditional channels and that it would encourage them to approach brands on social media instead of traditional channels.
The results of this question show that 43% of respondents are keen to sharing a bad experience with other customers on Internet. This point is crucial because the findings prove that a bad experience of one customer can have an impact on the brand image and the buying behavior of several other customers. Therefore, social media empower customers and brands can’t really control it.

The results of this question are very interesting. Indeed, in contrast to the question before, customers are not keen to share a good experience on social media. The often heard statistics that a
typical dissatisfied customer will tell 8 to 10 people about his or her bad experience is confirmed here.

The results of this question show that 30% of respondents are not really sure if interacting with brands on social media will make them feel more loyal. This shows that customers are not really convinced that social media will affect their loyalty. Indeed, the IBM (2010) report stated that most companies believe that social networks will increase advocacy but according to a study few of consumers agree (cited in IBM, 2010, p.2).
The results of this question show that almost half of respondents think that social media will have an impact on their buying behavior. However, unlike the question before it doesn’t show that they will remain loyal, social media may stir up the buying behavior but they can easily switch to an other brand.

The results of this question show that 42% of respondents think that only customers who are fan of a brand or have an affinity interact with that brand on social media. Indeed, the 2010 IBM report
stated that over half of respondents in the study believe that passion for a business or brand is a prerequisite for social media engagement (IBM, 2010, p.2).

The results of this question show 79 respondents out of 104 ask for advice and consult their friends and family before purchasing. This shows that the buying decision can be biased and influenced by peers.
The results of this question show that 51% of respondents do trust product insights from a random Internet user. Indeed, this is very interesting because the following questions below show also that thanks to social media, customers trust “someone like them” instead of celebrity endorsers or the brand itself.

Figure 39.2: question 12 quantitative data analysis (table)

<table>
<thead>
<tr>
<th>Response</th>
<th>Response count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>27%</td>
</tr>
<tr>
<td>Disagree</td>
<td>26%</td>
</tr>
<tr>
<td>Neutral</td>
<td>31%</td>
</tr>
<tr>
<td>Agree</td>
<td>14%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>2%</td>
</tr>
</tbody>
</table>

Answered question: 102
Skipped question: 0

Figure 39.2.1: question 12 quantitative data analysis (graph)

The results of this question show that 31% of respondents are not really sure if celebrity endorsers still have an impact on their buying behavior. Moreover, 26% completely disagree with this assertion.
The results of this question show that 35% of respondents are not sure if they do trust product review from the brand. Moreover, 26% completely disagree with this assertion.
The results of this question show that the great majority of respondents do trust product reviews on Internet. Indeed, Greenberg (2008), supports this notion and stated that this is what makes social media very powerful (Greenberg, 2008).

The results of this question show that the majority of respondents wouldn’t feel secure in making payments on social media. Indeed, data privacy issues doesn’t help brands to make the most of social media.
This question is very interesting as it highlights the lack of trust of respondents on social media. Indeed, the great majority think that their private data are sold to other companies for business purposes without their agreement.
The results of this question show that the great majority of respondents strongly disagree with the assertion that companies struggling with transparency risk being perceived as insincere and manipulative.

The results of this question show that respondents are very divided about companies who do not have a presence on social media. Indeed, 26% disagree, 26% are neutral and 20% agree with this assertion.
The results of this question show that 36% of respondents think that companies use specific CRM softwares to enhance their business.

The male-female parity of this questionnaire is 34/71 out of 104.
Half of respondents who answered this questionnaire are 18-24 and the other half 25-34. This proves that generation Y is the most active on social media.
Half of respondents who answered this questionnaire are students. They are the most active because first they are part of the generation Y and secondly, they probably have more time than other categories.

4.2 Qualitative data analysis

As mentioned in the section 3.4, the researcher has decided to use an inductive approach to collect and analyze data. Indeed; Saunders et al. (2009) outline a number of inductively based analytical procedures to analyze qualitative data:

- Data display and analysis
- Template analysis
- Analytical induction
- Grounded theory
- Discourse analysis
- Narrative analysis

Accordingly, the researcher will use the data display and analysis approach, which is underpinned by the following sub-processes:

- Data reduction
- Data display
- Drawing and verifying conclusions
The researcher has interviewed three CRM and Social CRM professionals. This method is relevant and interesting as it aims collecting data from all interviews, reducing them before displaying them. Miles and Huberman (cited in Saunders et al., 2009), list a number of ways of displaying data, and refer to two main families of data display: matrices and networks. The researcher will therefore gather the interviews in a table where data will be entered in different cells (Saunders et al., 2009).
The researcher has interviewed the following recipients:

<table>
<thead>
<tr>
<th>Company</th>
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<th>Position</th>
</tr>
</thead>
<tbody>
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<td>Business Intelligence Manager</td>
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<tr>
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<td>Imane Belqola</td>
<td>Social CRM Consultant</td>
</tr>
<tr>
<td>SALESFORCE</td>
<td>Simohamed Moussaoui</td>
<td>Social CRM manager</td>
</tr>
</tbody>
</table>

**Theme 1: Professionals vision and definition of social CRM**

- **Mounir Bouchiha**
  - The widespread of Internet platforms for social media has expanded self-expression online. Customer relationship is increasingly managed on social media. Professionals of CRM should be able to adapt this business strategies to this channel. However, social CRM helps only to add value and complement CRM strategies. It probably won’t replace the classical model of CRM.

- **Imane Belqola**
  - In a very simplistic definition, social CRM is the connection of social media to CRM techniques. The main difference between the two is that on social CRM, the customer has the total control of the relationship. The market of social CRM is increasingly expanding but it won’t be totally replaced by the traditional approach of CRM.

- **Simohamed Moussaoui**
  - Social CRM is the new way to get in touch with your clients, prospects and even the new way of benchmarking competitors. The main difference between CRM 1.0 is that on social CRM the customer has much more power over his relationship with the brand, except over his data privacy, which is the main criticism.

- **Conclusion**
  - Social CRM helps adding value to CRM, the main difference between CRM 1.0 and 2.0 are over the degree of control of the relationship. Social CRM will not replace the classical model of CRM.
## Theme 2: Company’s current usage of social CRM

<table>
<thead>
<tr>
<th>Name</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mounir Bouchiha</td>
<td>As BNP PARIBAS doesn’t sell tangible products, the bank mainly communicate on events and exchange with customers. It aims at developing loyalty and creating buzz by launching quizzes for instance. The department in charge of this is the marketing department. Its role is capturing data from social media such as personal information, analysing it, filtering it and aggregating it in databases by profiles, such as prospects, unsatisfied customers...etc. But social media does not help generate sales directly yet.</td>
</tr>
<tr>
<td>Imane Belqola</td>
<td>Business &amp; Decision helps other companies to build their social CRM strategies in terms of targeting, positioning and how to approach customers on social media. The marketing department is in charge of the strategy whereas the IT are in charge of helping clients implementing the software. Business &amp; Decision recommends several Social CRM softwares such as PeopleSoft, SugarCRM or Salesforce that capture, analyse and aggregate data automatically.</td>
</tr>
<tr>
<td>Simohamed Moussaoui</td>
<td>Salesforce is undoubtedly the most famous Social CRM application. It provides a great software that offers a wide range of smart functionalities that help maintaining customer relationship.</td>
</tr>
</tbody>
</table>

**Conclusion**

Social CRM applications do not help generating sales directly yet. Moreover, the marketing and IT departments work together to provide the best social CRM application.
<table>
<thead>
<tr>
<th>Theme 3: Company’s perception of data privacy on social media and SCRM challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mounir Bouchiha</strong></td>
</tr>
<tr>
<td>BNPPARIBAS hasn’t established guidelines nor employees training for using social media, but with the increasing use of social media as a channel of interaction with customers, it intend to do so next year. As the company operates in banking, it thinks on the contrary that it has to be transparent towards its customers. For the interviewer, social media have to make a lot of efforts in terms of data privacy before consumers feel secure in making payments on Internet. The interviewer thinks that customers do trust celebrity endorsers more than a random Internet user as they have a bigger power of conviction. Elaborating and measuring ROI was the main and biggest challenge for the company.</td>
</tr>
<tr>
<td><strong>Imane Belqola</strong></td>
</tr>
<tr>
<td>As the company operates and works on social media everyday, B&amp;D has established guidelines and employees training for using social media. For the company, transparency is of paramount importance. Being transparent won’t give a dubious image of the brand regarding data privacy. For the interviewer, customers will feel secure in making payment on Internet if it is adopted massively, which will happen sooner or later. Moreover, according to the interviewer, celebrity endorsers exert more power of conviction than a random Internet user. The key SCRM challenges are ROI, lack of strategy and data privacy.</td>
</tr>
<tr>
<td><strong>Simohamed Moussaoui</strong></td>
</tr>
<tr>
<td>Salesforce is one of the first companies who set up guidelines and employees training for social media use. For the interviewer, emphasizing too much on data privacy will not reassure customers about data privacy. &quot;Because of Facebook's foggy usage of data privacy, all other social networks are put in the same basket&quot;. Accordingly, customers will not feel secure in making payments on Internet but this tendency will change sooner or later. For the interviewer, celebrity endorsers still have a great power on buying behavior. The main challenges are ROI and data privacy.</td>
</tr>
<tr>
<td><strong>Conclusion</strong></td>
</tr>
<tr>
<td>Only companies who operates on social media generally set up guidelines and social media training for employees. Being transparent will not promote a manipulative image of the company. Customers will finish by making payments on social media. Celebrity endorser have more impact on the buying behavior than a random Internet user like customers. Finally, the main challenges are ROI and data privacy.</td>
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<td><strong>Theme 4: Company’s satisfaction degree of social CRM</strong></td>
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<tr>
<td><strong>Mounir Bouchiha</strong></td>
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<tr>
<td>Reaching out to customers via social media will definitely help customer advocacy. Studies have shown that people spend more time on social media especially since they can access their accounts from their smartphones. Social media are very useful when it comes to organizing events or creating a buzz. Therefore, companies who don’t have a presence on social media will miss something at this point. Social media have contributed to improve the bank’s business as it has made the interaction with customers much more simplified and easier. Moreover, it allowed the bank to benchmark easily their competitors. More importantly, it is a great source of priceless data. Much more than email and surveys, even if it is very hard to link the online channel to the offline one. The identification process between online and offline is very hard. However, the bank gets the type of data it wants.</td>
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<tr>
<td><strong>Imane Belqola</strong></td>
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<tr>
<td>Reaching out to customers via social media will help customer advocacy if a good social CRM strategy is set up. Having a presence without strategy is useless. Moreover, for the respondent companies won’t be left behind if they don’t have a presence on social media as social CRM is in it’s early stages. Social media helped the company to improve it’s business by opening a new department dedicated to social CRM, which was a market to enter. The company collect data generally from customer service, email then social media and uses a specific IT tool to link data from online and backoffice channel. However, it is hard to link and merge online and offline profiles. Today the company is satisfied with the type of data it gets.</td>
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<td><strong>Simohamed Moussaoui</strong></td>
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<td>Customer advocacy is reachable only if the customer gets a tangible value from the brand or have an affinity with it. Social media help only to maintain this advocacy but not creating it. Today, companies won’t be left behind if they don’t have a presence on social media. But this tendency is going to change bit by bit. Without social media, Salesforce wouldn’t exist today. Therefore, social media IS the business of the company. The company collects data from the web, email and customer service, then social media at the bottom of list. Linking data from the online and offline channel is very hard and asks a lot of time and research. Finally the company gets the type of data it wants.</td>
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<td><strong>Conclusion</strong></td>
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<tr>
<td>Social CRM will help customer advocacy if there’s a good social CRM strategy. Having a presence is not enough. Companies who don’t have a presence on social media won’t be perceived as out of touch. Even if it is a great source of data, it is still not the best tool of data collection. However, companies are satisfied with type of data they get.</td>
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## Theme 5: Companies' perception of the motives that encourage customers to engage with them on social media

<table>
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<tr>
<th>Mounir Bouchihha</th>
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<tr>
<td>1. Submit ideas for new products/services 2. Purchase 3. Exchange with other members of the brand community 4. Customer service 5. Product reviews and ranking 6. General information and updates 7. Submit opinions on current products/services 8. Take part in events 9. Get discount and promotions 10. Get exclusive information. Customers like to engage with brands on social media as they engage this conversation on their own terms on a friendly platform. Moreover, engaging with brands on social media will help to stir up future purchases if the brand succeeds in providing a good and interactive experience on social media. Finally, the respondent doesn’t agree with the assertion that only customers who already have an affinity with a brand or are fan engage with that brand.</td>
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<tr>
<td>1. Purchase 2. Product reviews and ranking 3. Submit ideas for new products/services 4. General information and updates 5. Customer service 6. Submit opinions on current products/services 7. Take part in events 8. Get exclusive information 9. Get discounts and promotions 10. Exchange with other members of the brand community. Customers like to engage with brands on social media as they feel more close to the brand which seems more reachable and accessible. Especially if the brand build a strategy to entertain its customers and award their loyalty. Accordingly, this will encourage future purchases. Finally, the respondent doesn’t agree about the fact that only customers who have an affinity with a brand engage with it on social media. A customer can become a fan thanks to social media.</td>
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<th>Simohamed Moussaoui</th>
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<tr>
<td>1. General information and updates 2. Customer service 3. Purchase 4. Submit opinions on current products/services 5. Take part on events 6. Submit ideas for new products/services 7. Product reviews and ranking 8. Exchange with other members of the brand community 9. Get exclusive information 10. Get discounts and promotions. Customers like to engage with brands on social media if they get a value like a discount for instance. Engaging on social media will encourage future purchases especially if the company is brick and mortar. Not only customers who are fan engage with brands on social media. The advocacy can be built bit by bit on social media if the customer is continuously awarded for his loyalty and gets surprised.</td>
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<th>Conclusion</th>
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<tr>
<td>The 3 companies agree that purchasing is a main motive listed at the top of the list. Whereas getting a tangible value (discount) is not really important for the customer. Moreover, customers like to engage with brands on social media. Interacting with brands on social media will encourage future purchases. And not only customers who are fan engage with brands on social media.</td>
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CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Conclusions

The purpose of this section is drawing conclusions of the whole project and not just the research findings (Saunders et al, 2009). Indeed, Saunders et al. (2009) recommend business students to ask themselves the following question “What do my conclusion adds to the understanding of the topic displayed in the literature review?” (Saunders et al., 2009, p. 538). Moreover, the main purpose of the conclusion is to answer the researcher question: “What is the perception of the value of social media on CRM?”.

The researcher used an inductive approach, therefore, this section aims at building theory from primary and secondary research.

The researcher has set the following objectives:

a) Understanding how CRM softwares are linked to social networks:

   a. Understand how social networks tools are integrated into CRM softwares
   
   b. Analyze if social networks tools are really useful in CRM softwares and if there is any added value.
   
   c. Understand how are CRM softwares useful in capturing customers’ conversations on social networks in order to turn them into clients.

b) Understanding the differences between traditional CRM vs Social CRM (or CRM 2.0)

   a. Determine what are the new Social CRM touch-points and channels.
   
   b. Differentiate the main differences between CRM 1.0 and CRM 2.0
   
   c. Determine if SCRM is replacing the classical model of CRM

C) Determining who are companies leaders on SCRM

   a. Determine companies leader on SCRM.
Objective 1: Understanding how CRM softwares are linked to social networks.

The literature review highlighted the fact that new social CRM softwares incorporate social media tools, especially for Facebook (Facebook Connect) and Twitter (“tweet it!”). The conception and the design of the current social CRM softwares are inspired from social media as they have for instance, a “news feed”, where employers can post what they are working on and communicate with other departments. Moreover, social CRM softwares allow displaying targeted tweets by keywords directly in the platform. For instance, if one assumes that the company Dell is using a social CRM software such as Salesforce, it can view all tweets hashtagged by “#Dell” and then monitor the conversations and contact the person who tweeted it. Furthermore, one way for advertisers to target customers, is using profile tags as a way of identifying past visitors. For instance, if a Facebook user types “going to Paris” as one of their hobbies or tags a particular restaurant in their latest photo album, marketers can serve them a relevant advertisement directly on their profile page.

Objective 2: Understanding the differences between traditional CRM and Social CRM.

The literature review emphasized that the mainstream of traditional CRM is underpinned by an internal operational approach to manage customer relationships in a more effective way. Whereas social CRM relies on the ability of businesses to meet the personal agendas of their customers while at the same time meeting the objectives of their own business plan. Moreover, CRM 1.0 is, by itself, insufficient to develop businesses in the way that it traditionally did. But the integration of operational capabilities of “traditional” CRM with the new social capabilities of social networks provides a range of powerful new approaches and tools to actually succeed more effectively than CRM 1.0 ever did. Therefore, CRM 2.0 won’t replace CRM 1.0.
Finally, the new social CRM channels are the e-newsletter but most importantly the mobile phone.

**Objective 3: Determining who are companies leader on social CRM**

The Gartner’s magic quadrant of major social CRM players summarizes companies leaders on Social CRM. Indeed, the magic quadrant differentiates companies between “leaders”, “challengers”, “visionaries” and “niche players”. In the social CRM market, the leaders are “Jive Software” and “Lithium”. Whereas “SAP” and “Oracle” are still leaders in the CRM market. In terms of social CRM strategy and implementation, the literature review details the 5M’s model (Monitoring, Mapping, Management, Middleware, Measurement), in addition to the Forrester’s seven steps for social CRM.

Furthermore, SCRM does not replace existing CRM efforts. Instead, it adds more value by augmenting traditional systems. SCRM is a great hunting ground and place for brands to look to acquire consumers to full ‘traditional’ CRM programs. Therefore, companies’ won’t be left behind if they choose not adopting a social CRM business strategy, for the moment.

**Objective 4: Determining customers’ and companies’ perception of social CRM**

The findings of the data analysis section show that customers can have sometimes a different perception of social media and social CRM than companies can have. Indeed, for instance, the majority of respondents are concerned about data privacy, do not feel that they interact with brands and are not willing to purchase on social media. Moreover, respondent do not feel they obtain any tangible value from brands on social media and do not even feel they interact with them on this medium. The results of the findings showed that the companies’ perception is totally different and sometimes in stunning contrast to the ones of customers. Accordingly, the findings of this dissertation show that there is a perception gap. The following figure illustrates this perception gap:
5.2 Recommendations

Harnessing social CRM can provide great value to companies. The benefits apply across the customer lifecycle, acquisition, value development, managing cost to serve and retention. Moreover, social CRM can provide insights that will help building knowledge about customer buying behavior, attitudes and moods. However, there are some pivotal recommendations that companies must follow in order to succeed in their social CRM strategy. Firstly, in order to thrive in the future, analysts said that social CRM vendors will need to provide tangible value and benefits for companies and communities, demonstrating multiple use cases for sales, marketing and customer service processes. Secondly, companies must take into consideration the following recommendations:

• Be clear on the difference between social media and other channels

• Be aware and recognize that social media is a game changer
• Make the customer experience seamless across social media and other channels

• Start thinking like a customer

• Ask customers about customers’ value if they are not sure

• Monetize social media if that’s what customer wants

Thirdly, social CRM providers must consider some inclusion and exclusion criteria while designing their social CRM softwares. Indeed, they must offer a social application that primarily supports one or more of the following:

• Internal sales

• Marketing

• Customer service users

• Customers

• Prospects

• Partners outside the company

Furthermore, the minimum functions of social CRM application must include:

• A measurable business use case, key performance indicators and a process workflow for engaging with customers in an interactive way.

• A platform where customers, prospects and community managers can interact and exchange.

• E-reputation management and social media guidelines

• Search and filtering tools

• Ability to add information in a flexible way into CRM operations
Finally, probably the most important recommendation for companies is building up a real social CRM strategy and not contenting themselves of storing up million of fans and “likes”. Social media are just channels of exchange and dialogue complementary to others and which have to be integrated in a global business strategy. Accordingly, companies must use social media as a tool of customer relationship management and not like a broadcast media of mass.
CHAPTER 6: REFLECTION ON LEARNING AND SKILL DEVELOPMENT

6.1 Introduction

This section is concerned with the researcher’s personal learning while working on his dissertation. The researcher will explain the concept of learning and identify the different skills he improved and finally discuss future application of what he learnt.

6.2 Reflection on learning

According to Kolb (1984, p.38) “learning is the process whereby knowledge is created through the transformation of experience”. Moreover, Mumford (1999) explained that “learning has happened when people can demonstrate that they know something that they didn’t know before and/or when they can do something they couldn’t do before” (Mumford, 1999). Dale (2001) supports this notion that learning is “vital” in the human process, “essential” for survival and “fundamental” to evolution. Furthermore, he adds that it is “an individual activity” swayed by several variables such as “preferences”, styles and experiences, as well as the entourage.

According to Dale (2001, p 4), learning applied to “both the content and the process of moving from a state of unknowing and incompetence to one of awareness, understanding and competence” (Dale, 2001, p.4).

Moreover, Dale (2001) supports this notion that learning is a significant process, as all human being need to expand their knowledge, to improve their skills for evolution (Dale, 2001).

The researcher has followed the four steps of competence provided by Dale (2001, p.5). Indeed, before writing up his thesis, the researcher was unconscious of his incompetence, and then he became in the state of conscious incompetence, consequently he had access to academic articles and books to reach the state of conscious competence.
Furthermore, Kolb (1984) depicted in a diagram that leaning is a cycle of a circular process which occurs in four stages. This cycle starts from concrete experience, followed by reflection, observation, abstract concepts and generalizations, to finally ends at active experimentation, (Honey and Mumford, 1986). This cycle explains the process by which a learner assess his experiences and acts to allow himself changing his behavior. In addition, Kolb emphasizes that the most consistent learning occurs when the cycle moves in the clockwise direction through the four phases of the learning cycle.

Based on Kolb’s learning cycle and Honey and Mumford’s learning styles, the researcher considers himself as a ‘reflector’ and seen the transition from Diverger to Accommodator style of learning.

Indeed, in moments of important decisions, the researcher generally considers all options offered to him before taking a decision or making a choice. He observes and reflects carefully in order to take the best option.

This style highlights the fact that the researcher wants to avoid mistakes. Indeed, before drawing conclusions and recommendations, the researcher wanted to understand what is CRM and what are social media in order to deliver a consistent and accurate study on the topic. Moreover, the
researcher recognizes himself as a theorist as well. Indeed, the researcher spent considerable time looking for theory to underpin his work.

![Kolb's learning styles](http://www.productivitybooster.com/downloads/kolblearningstylesdiagram.pdf)

**Figure 50: Kolb’s learning styles**

6.3 Skills development

The following section aims pointing out the different skills the researcher improved while working on his dissertation. The researcher will explain what he has learnt from this experience and the study of this area. Moreover, the researcher will explain the impact on his personal evolution and development.

6.3.1 Research capability and analytical skills

First and foremost, the researcher discovered the Anglo-Saxon educational system, which is totally different from the French one. Indeed, the Anglo-Saxon system adopts a more scientific and rational approach insofar as the researcher always had to support his opinions by theory and academic materials. For instance, for building up his literature review chapter or for other assignments during the academic year, the researcher learned how to gather data from academic sources:

databases and developed an ability to synthetize. Indeed, he had to learn managing great amount of information, by filtering and summarizing in order to provide concise and relevant information. Moreover, the researcher discovered the referencing system and the importance of copyright and intellectual property. He learnt how to reference according to the Harvard referencing style. Furthermore and most importantly, the researcher learned how to develop a critical thinking by always criticizing and confronting opinions of different authors.

Accordingly, the dissertation helped the researcher developing good analytical and research capability skills.

6.3.2 Team working skills and working methods

During the academic program, a large number of assignments were group based. Indeed, while studying in France, the researcher wasn’t really used to work in groups. Therefore, in DBS he learnt working in a team, share and gather ideas, work with different people. This has contributed to develop a sense of empathy. Most importantly, the researcher had also to overcome and deal with some issues like tensions, deadlines, coordination...etc. Furthermore, the dissertation and more generally this experience in DBS helped the researcher to develop working methods skills and management, like the Gantt Chart for instance, which is a great tool of project management that helped the researcher organizing and scheduling his work along the time.

6.3.3 Communication and language skills

This one year experience for a master’s degree in DBS, helped undoubtedly the researcher to improve his english dramatically. Indeed, the MA Marketing program and the Anglo-Saxon educational system ask for heavy reading. Therefore, the researcher spent considerable time reading books and academic articles in order to deliver work that meets the expectations of lecturers and standards of a master’s degree.
6.3.4 Marketing knowledge

This master’s degree in Marketing helped the researcher to foster his knowledge in Marketing and acquire new knowledge in this field. Indeed, in DBS courses such as Global Marketing, Strategic Marketing Analysis or IMC were delivered by very competent professors who have been underpinning their courses by books of renown authors in the Marketing field.

6.3.5 Time Management

Organization and time management were key variables for writing up this dissertation. Indeed, once again, the Gantt Chart helped the researcher to point out detailed tasks and stages of the thesis by fixing deadlines. Moreover, the researcher had to balance his time study between other subjects and the thesis which was sometimes very difficult. Accordingly, this time management helped the researcher to acquire rigor and diligence in his work.

6.4 Future application of learning

Doing his master’s degree in DBS is the most rewarding accomplishment for the researcher. Indeed, the researcher learnt a lot while doing his thesis, and improved his capabilities which are now very valuable. The researcher would like to use this newly acquired skills not only in his professional environment but also in his personal life. Firstly, time management for instance, will be very useful for the researcher as it helps finding a balance between professional and personal life and manage it in an efficient manner. Therefore, the researcher will be able to respect deadlines in his professional life and deliver work in high standards. Secondly, the researcher gained knowledge, working methods, and confidence which will help him to conduct successfully his professional projects in the future. Thirdly the researcher developed a critical thinking and an ability to synthesize which are two key skills necessary in professional life.

Furthermore, the two consultancy projects in Global Marketing and Services Marketing were most of importance to the researcher as he is considering finding a position as a CRM Junior Consultant.
Indeed, tackling the CRM area, helped the researcher gaining knowledge in Information Systems and Computing, which was a way to open himself to a new field.
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APPENDICES

Appendix 1: Questionnaire design process

The researcher will follow the questionnaire design steps suggested by Malhotra & Birks et al. (2006).

✦ Specify the information needed
The researcher needs to determine precisely what are his research problem, research approach, question and objectives to draw consistently the route of his dissertation. It is most of importance also to determine accurately the target population in order to deliver relevant and consistent findings.

The researcher’s dissertation is about the perception of using social media on CRM techniques. The research question is the following: “What’s the value of social media on CRM?”

In order to be specific and deliver a holistic study, several objectives were listed:

✓ Analyze if social networks tools are really useful in CRM softwares and if there is any added value.

✓ Understand how are CRM softwares useful in capturing customers’ conversations on social networks in order to turn them into clients.

✓ Determine what are the new Social CRM touch-points and channels.

✓ Differentiate the main differences between CRM 1.0 and CRM 2.0?

✓ Determine if SCRM is replacing the classical model of CRM

✓ Determine companies leader on SCRM.
Determine their strategy?

Determine if a company is left behind if it doesn’t use SCRM strategies?

What do customers think about brands’ presence on social networks?

Are companies really willing to improve their customers’ relationship through social media or it is just a way to make more money?

Regarding the research methods, the researcher will administer a questionnaire to consumers who interact with brands on social media and semi-structured interviews with professionals of CRM. The objective is to determine if there’s a potential gap between customers and companies perception of social CRM. In other words, this will allow assessing if companies using social media for business purposes do really understand and take into consideration customers motives to interact with them on social media.

Therefore, the researcher will be surveying only customers interacting with brands on social media. The researcher has designed his target population as following:

- Elements: social networks users (male or female) who interact with brands on social media
- Sampling units: Facebook fan page of ‘Bouygues Telecom’ (105 000)
- Extent: France
- Time: February 2012

As the questionnaires will be administrated on the fan page cited above, the researcher will use a census. The researcher is expecting a response rate of 0,5%. Accordingly, the researcher expects 525 responses.

Specify the type of interviewing method

Malhotra & Birks (2006) assume that the type of interviewing method influences the questionnaire design. Indeed, in personal interviews for instance, interviewees see the questionnaire and interact face to face with the interviewer. Which can allow long and complex questions. In telephone interviews, the respondents interact with the interviewer but do not see the questionnaire. Therefore this implies some limitations regarding the types of questions as they have to be short and simple. Internet-mediated questionnaires are generally self-administrated, so detailed instructions must be provided to interviewees (Malhotra & Birk. 2006, p. 375).
For his quantitative research, the researcher will use a self-administrated questionnaire and more specifically the Internet-mediated questionnaire. The administration process will be done through Google Spreadsheets, which will make the process of analyzing the findings easier. The Internet-mediated questionnaire is commonly used by business students as it provides several advantages like saving time and money, targeting a large number of people...etc. Regarding, the qualitative research, the researcher will be using semi-structured interviews.

**Determine the content of individual questions**

The next step after specifying the information needed and the type of information method is the content of individual questions. Indeed, Malhotra & Birks (2006) assert that every question in a questionnaire should contribute to the information needed or serve some specific purpose. Accordingly, if there’s no satisfactory use of the data resulting from a question, then that question should be dismissed (Malhotra & Birks, 2006, p. 377).

While designing the questions, Malhotra & Birks (2006) recommend one’s to ask two questions:

- Is the question necessary?
- Are several questions needed instead of one?

In the second critical question, Malhotra & Birks (2006) insist of the importance of avoiding the ‘double-barreled question’ which is a single question that attempts to cover two issues (e.g: Do you think that Coca-Cola is a tasty and refreshing soft drink?). Such questions can be confusing and leading to ambiguous responses (Malhotra & Birks, 2006, p. 377).

The researcher will be presenting questions to interviewees as following:

**Part 1: Customers’ choice of social network and device**

Question 1 & 2: The first and second question are general questions about customers’ preferences of social networks and the device on which they access those social networking sites.

**Part 2: Customers’ motives and reluctance of using social networks**

Question 3 & 4: Those questions help understanding why do customers go on social networking sites and for which reasons exactly.
Part 3: Customers’ interaction with brands on social networks
Question 5 to 12: Those questions help not only assessing customers’ perception of brands approaching them on social networks but also if customers have the will to interact with brands on social networks.

Part 4: The influence of peers on buying behavior
Questions 13 & 14: Those questions help to understand who customers trust and ask advice from before the buying process.

Part 5: Social networks and privacy
Questions 15 to 17: Those questions help gauging customers’ perception over their data privacy

Part 6: Customers’ perception of brands not using social networks
Questions 18 & 19 help understanding customers’ perception of brands not engaging on social networks.

Part 7: Demographics
Questions 20 to 22 give demographic information about respondents such as age, level of education...etc. in order to get a profile of respondents.

The researcher will be presenting questions to professionals as following:
Part 1: Professionals vision and definition of social CRM
Question 1 to 3 are general questions about professionals definition and vision of social CRM.

Part 2: Companies’ current use of social CRM
Question 4 to 6 help understanding what is the company doing with social CRM and how.

Part 3: Companies’ perception of data privacy on social media and SCRM challenges
Question 7 to 12 allow determining companies’ efforts on protecting data privacy of its customers and it’s perception of ‘trust’ between customers and businesses.

Part 4: Companies’ satisfaction degree of social CRM
Question 13 to 18 help measuring the degree of satisfaction of companies using social CRM strategies.
Part 5: Companies’ perception of the motives that encourage customers to engage with them on social media

Question 19 to 22 help gauging companies perception of the motives that encourage customers to engage with brands on social media. The objective here is to determine if there’s a potential perception gap.

✧ Overcome the respondents inability and unwillingness to answer

Malhotra & Birks (2006) assume that researchers should assume the probability that interviewees might provide irrelevant and inconsistent answers. This inability to answer might stem from a lack of information, difficulty to remember or inability to articulate certain types of responses (Malhotra & Birks, 2006, p.378). Accordingly, Malhotra & Birks (2006) recommend researchers to raise the following questions:

✴ Is the respondent informed?

Malhotra & Birks (2006) assume that sometimes, respondents are asked questions in subjects in which they have poor or any knowledge. Therefore, they recommend using filter questions which filter out interviewees who are not adequately informed.

✴ Can the respondent remember?

Malhotra & Birks (2006) assume that respondents may not remember their past experiences to provide relevant information. For instance, there’s a high probability of forgetting the lunch we had one week ago. Malhotra & Birks (2006) assume that this inability to remember leads to errors of omission, telescoping and creation.

“Omission is the inability to recall an event that actually took place. Telescoping takes place when an individual telescopes or compresses time by remembering an event as occurring more recently that it actually occurred. And finally, creation errors takes place when a respondent ‘remembers’ an event that did not actually occur” (Malhotra & Birks, 2006, p. 378).

✴ Is the respondent able to articulate?

Malhotra & Birks (2006) stressed that sometimes, respondents are unable to articulate their answers for several reasons such as the effort needed to answer that question, lack of description, or just
unwillingness...etc. Therefore, respondents should be helped by pictures, alternative answers, descriptions, maps ...etc. (Malhotra & Birks, 2006, p. 379).

Accordingly, the researcher will take into account the above advices while administrating his questionnaires.

✦ Choose question structure

There are two types of questions: **unstructured** and **structured**. Unstructured questions are open-ended questions that respondents answer in their own words (e.g: what’s your occupation?). Structured questions are questions that pre-specify the set of response alternatives and the response format. A structured question could be multiple choice, dichotomous or a scale (Malhotra & Birks, 2006, p. 382).

The researcher will mainly use structured questions to offer a simplified access to the questionnaire by predetermined answers. Rating-type questions will be used to collect opinions from respondents by using the Likert-style rating scale. The respondent will be asked to answer how he agrees or disagrees on a five-point rating scale with a statement.

✦ Choose question wording

Malhotra & Birks (2006) assume that deciding on question wording is one of the most critical and difficult task in designing a questionnaire. Indeed, poorly-worded questions may lead to response error or unwillingness of answering a question. Therefore, to avoid these problems, Malhotra & Birks (2006, p. 384) offer the following guidelines:

2. Define the issue
3. Use ordinary words
4. Use unambiguous words
5. Avoid leading or biasing questions
6. Avoid implicit alternatives
7. Avoid implicit assumptions
8. Avoid generalizations and estimates
9. Use positive and negative statements
For his question wording, the researcher will follow the above recommendations provided by Malhotra & Birks (2006).

✦ **Arrange the question in proper order**

Just like question wording, question order is of most importance in the questionnaire design. Malhotra & Birks (2006) assume that “questions communicate and set respondents in a particular frame of mind. This frame of mind is set at the start of the questioning process and can change as each question is posed and responded to (Malhotra & Birks, 2006, p. 388). Therefore, the researcher will use **opening questions** to gain confidence and cooperation of the respondents. The information collected will be classified as **basic, classification or identification** information. Moreover, in terms of structure the researcher will use the **funnel approach** recommended by Malhotra & Birks et al. (2006).

✦ **Identify the form and layout**

Malhotra & Birks (2006) assume that the format, spacing and positioning of questions can have a significant effect on the results, especially in self-administrated questionnaires (Malhotra & Birks, 2006, p. 390). The researcher will divide questions into several parts. Each part tackles a different theme (Cf. ‘Determine the content of individual question’). Moreover, the researcher will administer his questionnaire through Google Spreadsheets which provides a great deal of customization in terms of layout and form. During the administration process, respondents will have the ability to see the progression of the questionnaire so that they don’t get the feeling that it won’t end.

✦ **Reproduce the questionnaire**

Malhotra & Birks (2006) assume that the way a questionnaire is reproduced for administration can also influence the results. For instance, a questionnaire reproduced in poor-quality paper can give the feeling that the project is unimportant, thus spontaneous answers under no reflection (Malhotra & Birks, 2006, p. 390). Consequently, the researcher will be fussy about the form, layout, will avoid split questions, avoid to overcrowd questions making the questionnaire look shorter and will provide instructions to individual questions if necessary.
Eliminate problems by pilot-testing

Pilot-testing is testing the questionnaire on a small sample of respondent for the purpose of improving the questionnaire by identifying and eliminating potential problems (Malhotra & Birks, 2006 p. 391). The researcher pilot-tested the questionnaire twice to 6 friends (3 experienced: DBS students and 3 new interviewers) who are representative of the population. The first pilot-test was carried through individual interviews in order to get direct and constructed insights. And the second via Internet. The researcher made several changes and got some remarks on question content, wording, sequence, form and layout, question difficulty, and instructions.

Summary of findings:

2. 100% of respondents stated the laptop as the preferred device for social media interaction

3. 100% of respondents are subscribed on Facebook. 30% have a Twitter account and 20% a Google + profile.

4. Generally respondents go on social networking sites to mainly interact with friends and family, meet people and access entertainment.

5. Respondents would mainly stop using social networks for privacy concerns

6. For the question “Do you feel you interact with brands on social networks” the great majority disagrees.

7. Respondents interact with brands on social networks mainly to get discounts and promotions.

8. Respondents would mainly stop interacting with brands on social media for data privacy concerns and because they don’t get any tangible value from the brand.

9. Respondents stated that discounts and promotion would mainly encourage them to interact with brands on social networks.
10. The majority of respondents agrees (scale of 4) that interacting with brands on social networks will make them feel more loyal.

11. The majority of respondents agrees (scale of 4) that interacting with brands on social networks can stir up future purchases.

12. Respondents strongly agree about the fact that only consumers who already have an affinity with a brand engage with it on social networks.

13. Half of respondents consult friends or family before purchasing.

14. The great majority of respondents trust reviews from a random Internet user (someone like them).

15. The great majority of respondents won’t feel secure in making a payment through social networks.

16. The great majority of respondents are sure that social networks sell private data to brands.

17. Respondents mainly disagree about the fact that a company who struggle with transparency, risk being perceived by customers as insincere and manipulative.

18. Respondents are neutral about the fact that companies that have no presence on social networks might be left behind.

19. Respondents globally agree (scale of 4) that companies use specific IT tools to accurately target them on Internet.

20. 50% of respondents are male 50% others are female

21. The majority of respondents are between 18 and 24 years old

22. Half of respondents are students the other half are employees (have a position in a company)
Appendix 3: Questionnaire for quantitative research

Social CRM survey

Dear Guest,

My name is Marwan El Bernoissi and I'm a postgraduate student obtaining a master degree at Dublin Business School, in Dublin, Ireland.

As part of my master degree program, I'm carrying out a dissertation to assess the value of social media on CRM (Customer Relationship Management) from both, customers’ and companies’ standpoint.

The purpose of my thesis is to identify if there's a potential gap between customers’ and companies’ perception of Social CRM (or CRM 2.0).

All the information you will enter will be kept strictly confidential and you will remain completely anonymous. The information you will provide will only be used for the purpose of this thesis.

Please note that your participation is voluntary and that you may withdraw at anytime.

This survey should only take 5 minutes of your time.

Should you have any question, please contact me at: marwan.elberoussi@gmail.com

For each question, please select the answer the best suits you.

Thank you kindly for your time and assistance!

Marwan EL BERNOUSSI

*Obligatoire

Please state your preference device for social media interaction *

- Desktop

Are you subscribed to one of those social networks? *

Multiple choices are possible

- Facebook
- Twitter
- LinkedIn
- YouTube
- Google+
- Xing
- Flickr
- a blog
- I'm not subscribed to any social network
- Autre: ____________________________
### Why do you go on social networking sites? *

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecting with friends and family</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Interact with brands</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Access news</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Access entertainment</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Share opinion</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Access reviews and product ranking</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Meet new people</td>
<td>○</td>
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<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Share media</td>
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<td>○</td>
<td>○</td>
<td>○</td>
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<td>Research for work or studies</td>
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<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Get deals and promotions</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Search jobs</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Customer service</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Submit ideas for new products/services</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Be part of a community</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Event participation</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
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</tbody>
</table>

### Why would you stop using social networking sites? *

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
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<tbody>
<tr>
<td>Data privacy concerns</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Spam</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I don't like virtual relationships</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I don't need to be on a social network to have a social life</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

### Do you feel you interact with brands on social networks? *

1 2 3 4 5

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>○</th>
<th>○</th>
<th>○</th>
<th>○</th>
<th>Strongly agree</th>
</tr>
</thead>
</table>
### Why do you interact with brands on social networks? *

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>To get discounts and promotions</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>To purchase</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>For product reviews and ranking</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>For general information and updates</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>To get exclusive information</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>To submit opinions on current products/services</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Customer service</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>To take part in events</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Submit ideas for new products/services</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Exchange with other members of the brand community</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

### Why would you stop interacting with brands on social networking sites? *

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
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<tr>
<td>Data privacy concerns</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I don't want to be spammed</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I do not obtain any tangible value from the brand</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Social networks are about family and friends interaction, not for business purposes</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
What can encourage you to interact with brands on social networking sites? *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feel that the company is communicating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>honestly</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Promotions</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Getting exclusive information</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Customer service is quicker than phone or</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>email</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Share a bad experience with other customers</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Share a good experience with other customers</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

What do you think about this statement: "I think that interacting with brands on social networks will make me feel more loyal" *

1 2 3 4 5

Strongly agree ○ ○ ○ ○ ○ Strongly disagree

What do you think about this statement: "Engaging with brands on social networks will encourage customers for future purchases" *

1 2 3 4 5

Strongly disagree ○ ○ ○ ○ ○ Strongly agree

What do you think about this statement: “Only consumers who already have an affinity with a brand or are fan, engage with that brand on social media” *

1 2 3 4 5

Strongly disagree ○ ○ ○ ○ ○ Strongly agree

Do you ask friends or family for advices before purchasing? *

○ Yes
○ No
"I do trust a review of a product/service from: *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Someone like me (random internet user)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Celebrity endorser</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The brand</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I do not trust product/service reviews on Internet</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

What do you think about this statement?: "I would feel secure making a payment through social networks" *

1  2  3  4  5

Strongly disagree ○  ○  ○  ○  Strongly agree

What do you think about this statement: "I'm sure that social networks sell private data to brands" *

1  2  3  4  5

Strongly disagree ○  ○  ○  ○  Strongly agree

What do you think about this statement: "Companies that struggle with transparency, risk being perceived by customers as insincere and manipulative "

1  2  3  4  5

Strongly disagree ○  ○  ○  ○  Strongly agree
What do you think about this statement: “Companies that do not have a presence on social networks are left behind” *

1 2 3 4 5

Strongly disagree  ○ ○ ○ ○ ○ Strongly agree

What do you think about this statement: “Companies use specific IT softwares to track customers’ conversations on social media in order to accurately target them” *

1 2 3 4 5

Strongly disagree  ○ ○ ○ ○ ○ Strongly agree

Select your gender *

- Male :

In which age bracket are you? *

- under 18 :

What's your occupation? *

- Student :
Appendix 4: Semi-structured interview for qualitative research

Dublin Business School
excellence through learning

Qualitative research
- Semi-structured interview-
Qualitative Research

- Semi-structured interview -

Introduction

First and foremost, I would like to thank you for considering my request, for your time and your priceless contribution to my dissertation.

My name is Marwan El Bernoussi and I’m a postgraduate student obtaining a master degree at Dublin Business School, in Dublin, Ireland. As part of my master degree program, I’m carrying out a dissertation to assess the value of social media on CRM (Customer Relationship Management) from both, customers' and companies' standpoint. The purpose of my thesis is to identify if there’s a potential gap between customers’ and companies' perception of Social CRM (or CRM 2.0).

This interview should last 30 to 45 minutes. During this interview, I will be taking some notes on my laptop and tape record our interview in order to be able to review it if I miss key information.

Please note that all the information you will provide will be strictly used for the purpose of my dissertation. Only you, Dublin Business School (my thesis supervisor included), an examiner from Liverpool John Moores University (awarding body) and me will have access to the data collected. Moreover, you can be provided by a summary of the research findings upon request.

Finally, please remember that you can skip a question, or abort the interview whenever you want.

Do you have any question?
Do you agree on the terms of this interview?

Interviewee:  Witness:  Date:
1) First of all, in some words, how would you define Social CRM (CRM 2.0)?

2) In your opinion, what is the main difference between CRM 1.0 and CRM 2.0?

3) In your opinion, do you think that CRM 2.0 will totally replace the classical model of CRM (CRM 1.0)?

4) What is your company mainly doing with social media today?
   - Communicate with customers
   - General sales leads
   - Promote events

5) Which functions are responsible for managing and implementing a social media strategy?
   - Marketing/Communications
   - IT
   - Web/online
   - Customer service/call center
   - HR
   - R&D
   - Risk Management
   - Finance
   - Other

6) How does your company perform the following data capture and analytical tasks for social media?
   - Capture data
   - Analyse data
   - Aggregate data

7) Have you established policies for using social media in your company?
   a. If not, do you intend to do so in the 12 next months?

8) Have you offered social media training to your employees?
   a. If not, do you intend to do so in the 12 next months?

9) What do you think about this statement: “Companies that struggle with transparency, risk being perceived by customers as insincere or manipulative”
10) Do you think that customers will feel secure in making payments on social media?

11) At your opinion customers trust internet product/service reviews from:
   - A random Internet user
   - Celebrity endorser
   - The brand
   - Do not trust product/service reviews on Internet

12) What are your key social CRM challenges?
   - Absence of social media strategy
   - Establishing a ROI strategy
   - Managing risks with potential negative brand exposure
   - Privacy issues
   - Lack of analysis
   - Monitoring employees social media use
   - Not realizing ROI
   - Lack of skills
   - Lack of employee participation
   - Employee concerns over privacy
   - Public concerns over privacy

13) Do you think that reaching out to customers via social media will help customer advocacy?

14) Do you think that your company will be perceived as out of touch if you don’t have a presence on social media?

15) Have social media contributed to improve your business and be more successful?
    a. If so, how?

16) Where do you generally collect data relating to the online channel?
    - Email
    - The web
    - Online surveys/enterprise feedback
    - Customer service
    - Social media
    - Other:

17) Are you able to link data from the online channel to the back office channel?

18) Would you say that your organization gets the type of data it needs from the online channel?
19) In your opinion, why do you think customers interact with brands on social media?
- To get discounts and promotions
- To purchase
- For product ranking and reviews
- For general information
- To get exclusive information
- To learn about new products
- To submit opinions on current products/services
- For customer service
- To take part on events
- Feel connected to the brand
- Submit ideas for new products/services
- Be part of the brand community

20) What do you think about this statement: “Customers like to interact with brands on social media”

21) What do you think about this statement: “Engaging with brands on social media will encourage customers for future purchases”

22) What do you think about this statement: “Only customers who already have an affinity with a brand or are fan, engage with that brand on social media”
Appendix 5: Capgemini Consulting report on Social CRM

Socializing CRM
Merits and Approaches to Deploying Social CRM Solutions
1. Abstract

2. Emergence of Social Media

3. Arrival of the Influencer
   3.1 Factors driving growth of influencers
   3.2 Role played by influencers

4. Shift from traditional to social CRM
   4.1 Defining Social CRM
   4.2 Sources of value through social media
   4.3 Key challenges in deploying social CRM

5. Creating a winning social CRM strategy
   5.1 Determine the reason for going social
   5.2 Follow a structured approach towards social CRM
   5.3 Establish measurable baselines
   5.4 Identify, engage and collaborate with target influencers
   5.5 Use analytics to continuously improve performance
   5.6 Follow customers as they traverse platforms

6. Conclusion
1. Abstract

Consumer adoption of social media has rapidly shot up in recent years. Where businesses used to engage in one-way information dissemination with customers earlier, today, multi-way conversations, with or without the involvement of the business, between consumers are the norm. There now exist a category of super consumers, or influencers, who play a dis-proportionate role in the ecosystem given their large networks and online reputations. Current CRM approaches are incapable of capturing the various signals that are emanating from these multiple touch points and new stakeholders. The need of the hour is for a social CRM approach that can effectively allow businesses to capture insights and manage the customer relationship successfully by leveraging the viral nature of the medium. However, companies will need to overcome challenges around control of message, identification of influencers and the need to actively engage with the customer community. We believe businesses should take a structured approach to deploying social CRM, once they have determined the key takeaways that they need from such an approach. They should then ensure that they establish measurable baselines, while continuing to identify, engage and collaborate with influencers. Businesses should also bear in mind that a move to social CRM be closely monitored in terms of the impact of each social signal. And finally, it is imperative that businesses keep a close watch on how social activity is rapidly going mobile and the likely impact that it will have on experience management.
3. Arrival of the Influencer

In the emerging social ecosystem, a powerful army of grassroots ‘influencers’ has emerged. Equipped with above-average knowledge of the service / product, social esteem and extensive online social networks, these new categories of consumers are generating category demand, shaping brand perceptions and driving purchase decisions to a significant degree. Their preferred vehicles of communication are a proliferating number of blogs, message boards, wikis, and social networking platforms. In order to better understand the impact that such influencers have on consumers and businesses, it is imperative to first look at factors that have driven their growth.

3.1 Factors driving growth of influencers

- Growing distrust of traditional marketing
  Consumers have grown increasingly cynical and distrusting of traditional marketers and the messages they communicate. Empowered by greater access to information, consumers have become information gatekeepers, filtering out the majority of marketing messages that are shepherded their way. With technology advancements enabling consumers to bypass or block a large percentage of irrelevant or low value messages, the power of traditional marketing clearly appears to be in demise. For instance, a recent survey indicated that over 62% of people polled in the UK held a deep rooted cynicism towards companies and felt that companies are only interested in selling products and services but not necessarily the product or service that is right for the consumer. The same survey found that as little as 5% of people trusted advertising. On a related note, a different study revealed that in both the developed markets of US and UK, there has been a remarkable decline in trust placed in media in recent times.

Presenting a potential solution, a different survey found that 70% of users trusted consumer opinions posted online, a number that is only below the percentage that believed in recommendations from known people.

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3 Alterian, “Your Brand: At Risk or Ready for Growth”, 2010
4 Edelman Trust Barometer, 2011
5 Nielsen, “Global Advertising: Consumers Trust Real Friends and Virtual Strangers the Most”, Jul 2009
• **Rising means of aggregating word-of-mouth opinions**
  Using social networks, consumers are able to connect with people they would probably never have otherwise met in real life and to create content, publish opinions and offer purchase recommendations online with considerable ease. For instance, websites such as Yelp and Trip Advisor help put consumers in touch with one another. Through rating and commenting mechanisms, they help consumers arrive at crowdsourced opinions. As the scale of such communities expands, the scale of influence will extend significantly.

• **Proliferation of influencer channels**
  Businesses have recognized the proliferation of influencer channels and are now incorporating a variety of social aspects into their marketing efforts, encouraging consumer input, interaction and collaboration. For example, almost all ecommerce sites now have consumer reviews, comments and recommendation features; Amazon and eBay allow consumers to leave feedback on individual transactions from marketplace buyers. The proliferation of influencer channels has created an environment of ‘casual influence’. New services such as Blippy, that originally allowed consumers to create social networks based on goods and services purchased, are redefining the lengths of traditional user-business interaction\(^6\).

### 3.2 Role played by influencers

While word-of-mouth influence has been traditionally restricted to the consumer’s small circle of friends, family members and colleagues, the rise of digital platforms has significantly expanded the breadth and depth of the consumer’s personal networks. Marketers are increasingly indentifying and reaching out to influencers in various market segments.

A recent case-in-point is Unilever. The company wanted to launch a premium variant of Marmite, a yeast-extract breakfast spread in the UK. For doing so, the company created an exclusive club of what it identified as extreme Marmite lovers; those that consumed the product daily and in high-volume. The club members were then invited to events where their opinions were crowdsourced, and subsequently, more consumers competed to be part of the club, thereby creating a buzz around the

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\(^6\) Telegraph, ‘Blippy: the social network based on credit card transactions’, Dec 2009
product. Strong retail sales were reported at only 20% of the cost of a typical product launch\(^7\).

It is also important to bear in mind that influencers and their influence vary along the consumer decision process. For instance, a survey indicates that while anonymous peer reviews influenced only 34% of people polled during the awareness phase, their percentage grew to over 43% during the consideration and action phase\(^8\).

In order for businesses to address the impact of influencers, it becomes imperative that organizations recognize the fact that success in the social business environment requires a solid CRM foundation that can support the agility and flexibility that engaging with the social customer demands. In the next section, we look at what a social CRM approach looks like and some of the potential challenges that are involved in implementing it.

\(^7\) Word of Mouth Marketing Association
\(^8\) Razorfish, “Fluent: The Razorfish Social Influence Marketing Report”, 2010
4. Shift from traditional to social CRM

4.1 Defining Social CRM

Social CRM is the logical extension of traditional CRM solutions, where the focus shifts from managing customers to engaging continuously with them in a multi touch-point scenario. Traditional CRM solutions manage inside-out one-to-one relationships between companies and their customers. Such models leave little room for customer expression and feedback, which is a costly problem in an age of influencer-dominated social media. SCRM’s outside-in model, however, encompasses relationships amongst fans and customers as well as the more traditional bonds formed between a business and its clients (see Figure 3).

Figure 3: Difference between CRM and Social CRM

In making the transition from CRM to SCRM, companies need to undergo fundamental changes in how they approach the three key areas of marketing, sales and service moving from individual to group-based approaches, from reactive to proactive measures and from one-off transactions to long-term relationships (see Figure 4).
approaches business. It becomes imperative to first understand the key sources of value for social media and how they are impacted.

4.2 Sources of value through social media

Companies that are able to successfully capture value through the embrace of social media are not those with great SCRM strategies, but those with great customer strategies. In order for a firm to succeed in the social media universe it has to first identify what its current customers, potential clients, and even possible detractors want and expect. Then it must determine how it can profitably deliver on the expectations, reserving SCRM as one of its tools. The rollout of an effective SCRM approach is almost by definition iterative because consumers control the conversation.

- **Create successful products with crowdsourcing**

  Companies already have significant interaction with current and potential customers through their distribution channels. However, a lot of this interaction remains one-way. Social media’s unique proposition is its ability to provide a means to both create an interaction at the brand level driving engagement, while helping drive innovations in product development.

  A case in point for using crowdsourcing for driving engagement is coffee chain Starbucks. Starbucks has accomplished this by creating My Starbucks Idea, a micro site where their customers can post product ideas, comment on the suggestions, and vote for the best proposals. The system which encourages two-way communication and allows customers to follow the implementation of top-rated ideas has led to more than 100,000 submitted ideas in the three years of its launch to March 2011, of which over six hundred have been implemented. While the percentage of actual product implementations might be low, it is pertinent to note that from the perspective of product engagement, the program has seen strong success, as witnessed by the large number of idea submissions.

  A good example of using crowdsourcing to innovate in product development comes from construction toy company Lego. The company provides downloadable design software that allows customers to design their own Lego and then purchase

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9 Brand Autopsy, "Tough Love For Starbucks", Jan 2010
it through its Designbyme initiative\textsuperscript{10}. This not only helps it in driving engagement, but also gives significant insights into customer trends.

By creating new products from a community, these companies successfully leveraged social media’s ability to facilitate crowdsourcing, a clear benefit of a solid SCRM strategy. Allowing customers and fans to directly provide feedback on current products and propose new product ideas is not only an inexpensive approach to R&D but a strong way to build a stronger bond with clients.

- **Promote the brand using social media**
  Companies need to smartly define what a brand stands for and then create a brand strategy that leverages the benefits and viral nature of social media. Automotive major Ford is a good case-in-point. The company gave 100 consumers that are already comfortable with social media, their Fiesta line of cars and asked them to complete a different mission each month. These missions were then documented on multiple social media sites including Twitter, Facebook, YouTube and Flickr. The impact of the campaign was both swift and strong. The brand had over 60\% recognition even before it went into sale\textsuperscript{11}. Fiesta got over 6.5 Mn YouTube views, and sold over 10,000 cars in the first six days of sales\textsuperscript{12}.

- **Drive sales by engaging customer community**
  A good customer strategy with a strong SCRM can bring customers and brand fans to the point where they are virtually employees of a company. When a business is able to integrate customers into its operating model by the thousands, SCRM can become a means by which companies can quickly and with relative ease improve sales figures.

  A method that worked well for Domino’s pizza was commission based sales for its fan network. The company created a tool that enables Facebook users to host Domino’s ads. The tool is tied to an affiliate marketing program that pays a 0.5\% commission every time someone clicks on the widget and places an order. The initiative generated $26M in profits for Domino’s in 2010\textsuperscript{13}.

\begin{itemize}
  \item \textsuperscript{10} Company website
  \item \textsuperscript{11} Fast Company Co Design, “Five Companies That Mastered Social Media’s Branding Potential”, Mar 2011
  \item \textsuperscript{12} BusinessWeek, “How Ford Got Social Marketing Right”, Jan 2010
  \item \textsuperscript{13} Marketing Magazine, “Domino’s credits social media for sales growth”, Jul 2010
\end{itemize}
Similarly, a campaign run by Sony on Twitter allowed 1,500 users to build a customized laptop, at a discounted price. The promotion helped Sony garner an additional $1.5 Mn in sales from Twitter\textsuperscript{14}. However, an important point to bear in mind is that while it is relatively easy to create such one-off transactional actions, converting them into an approach that drives engagement and two-way interaction is much more challenging.

- **Drive down costs without impacting quality**

  While until recently many companies saw customer support as a one-to-one relationship with clients, the social web with its forums, blogs, and fan websites is transforming it into a many-to-many relationship. In many cases customers are taking on the key role of helping their peers and answering support questions.

  GiffGaff, a mobile virtual network operator (MVNO) in the UK that is part of Telefonica and rents its bandwidth from O2, has gone so far as to forgo customer service employees altogether in favor of user-driven customer support. Subscribers are awarded points and are encouraged to answer other customer support inquiries or submitting ideas for marketing, advertising or pricing models. Users can then convert these points to cash, mobile credit or donations to charity. As of June 2010, the company had a 6,000 strong online community and over 40% received their first bi-annual cash payout with the average user receiving £14\textsuperscript{15}. The company claims that 100% of questions raised are answered by its community, with an average response time of 4 minutes\textsuperscript{16}. This allows GiffGaff to run a company having thousands of customers with only fourteen employees.

### 4.3 Key challenges in deploying social CRM

A move to social CRM, while having multiple benefits, is not without its share of challenges. Chief among them are concerns over brand image, the difficulty of identifying the influencers and the need to actively engage with the larger customer community.

\textsuperscript{14} The Next Web, “Evidence that Social Media Really Does Drive Sales”, Sep 2010

\textsuperscript{15} Guardian, “Mobile provider Giffgaff makes first customer payouts”, Jul 2010

\textsuperscript{16} Company website, Oct 2010
• **Risk of losing control over brand image**

Companies entering the social media universe are often concerned about the social web’s dangers and weaknesses. One of the biggest challenges that businesses face is their perceived lack of control over brand image. While positive social media coverage is welcomed uniformly, companies are concerned over the impact of uncontrolled and viral negative messages. Addressing this challenge required businesses to be transparent and honest with their customers, in times of crises. For instance, When Nestle was the target of environmental activists, their Facebook and YouTube pages were under attack with negative comments that rapidly spiralled out of control\(^{17}\). What further worsened matters was that the company’s initial response was to delete negative comments. This further alienated the customer community creating significant loss of brand equity. The challenge with such an approach of deleting comments is the risk that consumers will simply move to another channel to vent their anger. Similarly, there is the example of Domino’s Pizza which was under attack on social media after a video surfaced of its employees handling food in an unhygienic manner. The company responded with a statement within 24 hours on its web site, and soon after the company CEO went public with a video apologizing for the incident, although even this response was seen as slow in the current times\(^{18}\).

• **Identifying the influencer segment**

While the power of influencers is indeed rising, it is also important to view this in context of the percentage of people contributing online. For instance, research indicates that in Europe, only 14% of users of social media are creators, while over 54% are spectators\(^{19}\). While social media offers the tools for becoming influencers in an easy manner, not everyone is one. Following the traditionally accepted participation inequality patterns where 1% are heavy contributors, 9% are intermittent contributors and over 90% are lurkers, it becomes apparent that influencers are amongst the top 10% of users of a service\(^{20}\). However, for a business, the important factor is that the rest of the 90% now trust these influencers more than they do businesses. As such it becomes all the more critical that they identify the influencers correctly.

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17 Wall Street Journal, “Nestlé Takes a Beating on Social-Media Sites”, Mar 2010


19 Forrester, “European Social Technographics 2010”, Sep 2010

• **Need for active engagement with community**

Many firms suffer a poor understanding of social media, often either because their employees are not encouraged to use social media or because executives do not allocate dedicated and specialized resources to social media initiatives. A strong social media presence will need tools to reach out to customers, collect customer insights, and monitor discussions. In the earlier example, since Nestlé was especially weak in monitoring, it was unable to identify and react to the crisis at its earliest stages when damage could have been minimized through direct communication with the aggrieved. Companies need to bear in mind that by not engaging with the community, they let the voice of the dissenters be the lone voice, leading to further complications down the road.

In our concluding section, we provide actionable recommendations on how businesses can create a winning social CRM strategy.
5. Creating a winning social CRM strategy

A winning social CRM strategy is founded on the pillars of several key principles. Firstly, organizations should not venture into social driven by their competition. Once they have figured out their true need for a social CRM strategy, they should go about deploying one in a highly structured manner. Companies will then need to establish measurable baselines and engage with the influencer community. They should make sure that there is a constant focus on analytics to ensure continuous improvement. As consumers start using social services over their mobile devices, businesses should ensure that they closely follow customer movements across platforms.

5.1 Determine the reason for going social

An important point to bear in mind is the fact that while social CRM gives a host of benefits, the objective behind deploying them should always be guided by a larger strategy of engaging holistically with the customer. Businesses should not venture into social CRM lured by the competitive game of one-upmanship. Instead, they should be guided by the genuine desire to gain a true 360° view of their customers. Before going social companies should first consider why they want to be there in the first place and more importantly, why their customers are there. Social CRM starts with an understanding of what customers are trying to do, where social media fits into the customer’s value creating process and how social CRM can help create mutual value for both organization and customer.

5.2 Follow a structured approach towards social CRM

Companies should strive to follow a sequential and structured approach when implementing social CRM. They should resist the competitive urge to rapidly deploy them in face of what their peers are doing. A structured approach involves creating awareness, assessing a company’s maturity, defining the business strategy and finally determining the rollout strategy (see Figure 6).
Create awareness
Influencer marketing should not be managed as an ad hoc or isolated activity but rather should be fully integrated into the overall brand, product and channel strategies. In formulating an influencer strategy, careful consideration should be paid to whom the company wants to target and why, what they want to do with them once they are found, and through what channels they want to engage with them.

Assess company’s maturity
Companies should assess themselves on where they stand in the social media scale. They should analyze how open their communication channels are and how open they are to negative feedback. They should try to identify department level involvement with social media and current guidelines as applicable to social media involvement by employees.

Define strategy and build a business case
Companies need to determine the social media platforms on which they intend to have a presence. These could vary from Facebook, Twitter, LinkedIn, among others. They should then identify the right internal marketing tools that will help them effectively manage the CRM solution. Having done so, they should then build a business model that optimizes the one-time and ongoing investments that need to be made.
Social CRM

- Deploy strategy
  The deployment phase includes the actual identification of jobs and roles relating to managing social media and accordingly staffing them. Companies will also have to train employees on the impact of social CRM and how they should address customer issues in the new scenario.

5.3 Establish measurable baselines
While rolling out a comprehensive social CRM solution is a major part of a company’s transition, however, it remains imperative that businesses constantly measure results and refine their actions. In order to calculate the impact of marketing efforts on the consumer decision process it is important to establish an initial baseline. This baseline needs to closely align with what the company is trying to change or disrupt in regards to the market.

5.4 Identify, engage and collaborate with target influencers
Based on a company’s overall strategic intent, businesses need to identify and target the ‘right’ influencers. There are multiple categories of influencers, which makes it challenging to identify the influential, and their extent, in a given market. Typical selection criteria include unique category knowledge or interest, demographic or network characteristics, or the specific channels through which the consumer exerts the greatest degree of influence. Companies should also strive to identify and rank influencers based on the stage of the consumer decision process that they have the most impact on. While some influencers, through the focus of their online content, are more effective at stimulating category, brand or product awareness/interest early in the buying cycle, others are more instrumental in guiding consumers to a specific purchase decision.

Transparency, openness, and honesty have become the new table stakes of influencer interaction. Businesses need to be a part of the conversation by reaching out and engaging the key influencers and content creators through their own preferred channels and trusted networks. Collaboration needs to begin with social media services that consumers spend their time in and source their information from. Collaboration and co-creation help in creating a heightened sense of trust and partnership with those members of the online community who can potentially do the most good or indeed, the most harm, to the market’s perception of a company’s brands, products and services.
6. Conclusion

We have entered an era of radical change for customer facing organizations. The changing consumer and technology landscape has led to the creation of an influence economy. As the power of traditional CRM diminishes, companies are turning to online social networks and powerful individuals within these networks to amplify and spread their messages, co-create solutions and provide ongoing support. By engaging and collaborating with key influencers in this complex ecosystem, companies are able to gain a better understanding of the consumer decision process while at the same time positioning their companies to ‘win’.

The future for social CRM indeed appears bright. With consumer touch points increasing in a multi-device hyper-connected world, businesses have to indeed adapt their existing CRM approaches to capture and monetize the varying signals for the social worlds. As businesses and the way they are managed evolve in the future, it is indeed very likely that the concept of a social CRM would only be theoretical, for all the aspects that currently make up a dedicated social CRM strategy would have long been integrated into a new and more-robust enterprise of the future that has social as one of its key underpinnings. As consumers and businesses move to the mobile platform, it becomes imperative that total experience management becomes key as the focus shifts even further from the point of transaction to the point of interaction.
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