CRM Strategies for the Social Customer
The Social Customer Revolution

Revolutionize Your CRM

How to Effectively Develop and Execute a Social CRM Strategy
The communications revolution is in full swing and impacting every aspect of our lives. The lightning fast adoption of social channels has radically altered how people communicate with each other, what they expect of those communications and whom they trust.

Facebook, Twitter, Yelp, Wikipedia, specialized forums all over the world – there is a social network capable of global reach for everyone and every interest.
The effects of this revolution on the business-customer relationship have been profound. The old top-down model of companies telling customers about their products and services, choosing when to communicate with them and using company-sponsored experts as the source of authoritative opinion has been turned on its head.
In the social world, customers now are in control of the conversation, deciding when to communicate with your business. They no longer rely on the brand or company experts, and instead turn to their trusted peers to get what they need.
A social customer:

✓ Knows how to leverage social channels

✓ Communicates with and trusts their peers

✓ Communicates with companies when they choose

✓ Expects real-time or near-time response and gets what they want using social channels

✓ Increases velocity of consumerization while at work

✓ Actively participates in effecting change via social networks

65% OF SOCIAL USERS FIND PEERS THE MORE TRUSTED SOURCE

Source: Edelman 2012 Trust Barometer

20% NOW USE TWITTER FOR CUSTOMER SERVICE

Source: Colloquy
The new social customer means that companies must revolutionize their approach to customer relationship management (CRM).
The customer experience is now at the forefront of any CRM strategy as companies recognize that how the customer is treated during each interaction is crucial to developing an on-going relationship. In every industry, companies are investing in the quality of the customer experience they deliver.

60% OF COMPANIES NOW HAVE SENIOR EXECUTIVES IN CHARGE OF THE CUSTOMER EXPERIENCE

84% HAVE EXPERIENCED POSITIVE RESULTS FROM VOICE OF THE CUSTOMER PROGRAMS

Source: 2011 State of Customer Experience Management, Bruce Temkin
When addressing the needs of the social customer, companies face several key issues:

- The experience must be seamless over every channel – not just social channels – because **customers expect outstanding experiences regardless of channel**.

- Channel priorities must be established. **Customers don’t necessarily want or need every channel all at once**.

- Costs must be managed. Providing everything a customer wants can be far too expensive. **Customer needs and company objectives must be understood and balanced**.

- Delivering **the right experience requires knowledge** – and knowing what knowledge is needed. Customers expect companies to leverage both transactional and unstructured information to deliver experiences they want.
The typical response to incorporating social communications into CRM strategies has been to use a social listening platform. While there is nothing wrong with monitoring and responding to commentary on social channels, this is not the answer to succeeding with the social customer.

Creating an effective social CRM strategy requires going past the concept of just another communication channel to recognizing that customers see themselves as participants in your business. This means that you must treat your customers as your partners.
The need for **trust** tops the list of key requirements for the social customer.

Social customers identify listening to their needs and feedback as essential to developing their trust and earning their business.
Equally important is understanding why customers are interacting with companies over social channels.

Unfortunately, there is an real perception gap between customers’ reasons for interaction and what companies think are the reasons. In a recent study, customers said the top two reasons for interacting with companies via social sites is to get discounts and make purchases. Companies thought these two reasons ranked last.

![Perception gap diagram]

<table>
<thead>
<tr>
<th>Consumers’ ranking</th>
<th>Businesses’ ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasons for interacting with companies via social sites</td>
<td>Reasons they think consumers follow them via social sites</td>
</tr>
<tr>
<td>Discount (61%)</td>
<td>Learn about new products (73%)</td>
</tr>
<tr>
<td>Purchase (55%)</td>
<td>General information (71%)</td>
</tr>
<tr>
<td>Reviews &amp; product rankings (53%)</td>
<td>Submit opinion on current products/services (69%)</td>
</tr>
<tr>
<td>General information (53%)</td>
<td>Exclusive information (68%)</td>
</tr>
<tr>
<td>Exclusive information (52%)</td>
<td>Reviews &amp; product rankings (67%)</td>
</tr>
<tr>
<td>Learn about new products (51%)</td>
<td>Feel connected (64%)</td>
</tr>
<tr>
<td>Submit opinion on current products/services (49%)</td>
<td>Customer service (63%)</td>
</tr>
<tr>
<td>Customer service (37%)</td>
<td>Submit ideas for new products/services (63%)</td>
</tr>
<tr>
<td>Event participation (34%)</td>
<td>Be part of a community (61%)</td>
</tr>
<tr>
<td>Feel connected (33%)</td>
<td>Event participation (61%)</td>
</tr>
<tr>
<td>Submit ideas for new products/services (30%)</td>
<td>Purchase (60%)</td>
</tr>
<tr>
<td>Be part of a community (22%)</td>
<td>Discounts (60%)</td>
</tr>
</tbody>
</table>

An effective strategy for social CRM starts with these two fundamental insights – that developing trust and being aware of what a customer is trying to do are paramount to the success of the customer experience.
Using this knowledge, companies can develop a strategy of customer engagement so that social customers can sculpt the experience they want to have with your business.

Paul Greenberg’s well-accepted definition of Social CRM explains it as:

“A philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment...

It’s the company’s programmatic response to the customer’s control of the conversation.”
The goal is to make the customer happy enough to want to continue the relationship with your company.”

Source: Paul Greenberg

This does not mean that companies must always deliver the “perfect” or most “delightful” experience. An effective Social CRM strategy combines means of communication, tools, products and consumable services with enough understanding of the individual to allow each customer to control the experience.

When customers can self-select the experience, they perceive value in the relationship, which builds trust and ensures that customer needs are being met.
It’s also important to recognize that a Social CRM strategy is really part of a multi-channel strategy, enabling customers to interact with companies over their preferred channel - whether this is pure social networks like Twitter and Facebook, traditional channels like email and calls to the contact center, or smart phones and mobile devices.

64% of companies are beyond the experimental stage and are incorporating Social CRM as part of a multi-channel strategy

Source: State of Social 2011, eConsultancy
As you develop a Social CRM strategy to engage with your customers – and reach the goal of every business to develop long term, profitable relationships – keep in mind these four key points.

1. **RELATIONSHIP** - Treat each customer as a partner, not a client. Involve your customer as an extension of your company.

2. **EXPECTATIONS AND VALUE** - Meet customer expectations, if reasonable. Recognize that the customer’s idea of value may not be the same as yours. Measure and balance the customer interest with your business goals.

3. **RESOURCE** - Resource customers to sculpt their relationship with you. Ask them what they think about the experience you deliver and what they want the relationship to be like.

4. **CHANNEL CHOICE** - Provide the most important channels to customers, not necessarily all of them.
This ebook from Moxie Software is based on the thought leadership of Paul Greenberg. Paul is President of The 56 Group, LLC, a consulting organization for cutting-edge CRM strategies, and author of *CRM at the Speed of Light*.

Follow Paul on Twitter @pgreenbe
If you’re interested in learning more about how Moxie can help you successfully influence the social customer, email us today!

ABOUT MOXIE SOFTWARE, INC.

Moxie Software provides the only customer-centric enterprise social software suite that enables companies and organizations to effectively connect employees, customers and partners to engage in business, share knowledge and collaborate. We power more than three billion social interactions per year for leading organizations in consumer services, financial, healthcare, high-tech and media and entertainment. Moxie Software’s customers are able to innovate faster, improve operational efficiencies and provide superior customer experiences.

To learn more about Moxie Software, visit us at www.moxiesoft.com.