# Social CRM

Theo Slaats – Partner CRM Deloitte
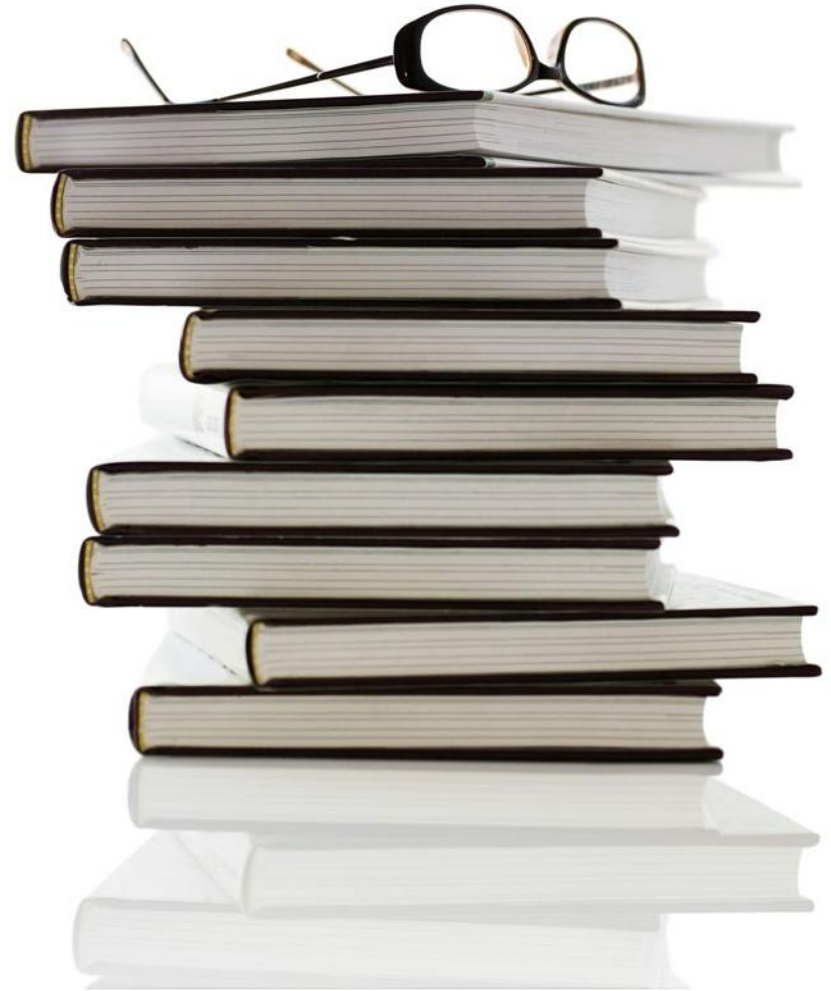
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# Social CRM

# Power of Social Media

## Social Platforms grow big, fast and global:

• Unique visitors to **Twitter increased 1.382 percent** from February 2008 to February 2009 [1]

• **85%** of Dutch population is active online

• Facebook has more than 193 million users worldwide and is the **#1 social network in Europe** [2,3]

• There are more than **133 million blogs** in the world written in 81 different languages [4]

• **60%** is registered with one or more social networks, **30%** are active users

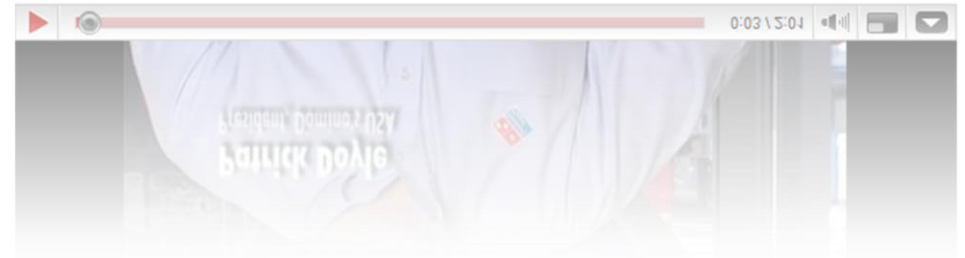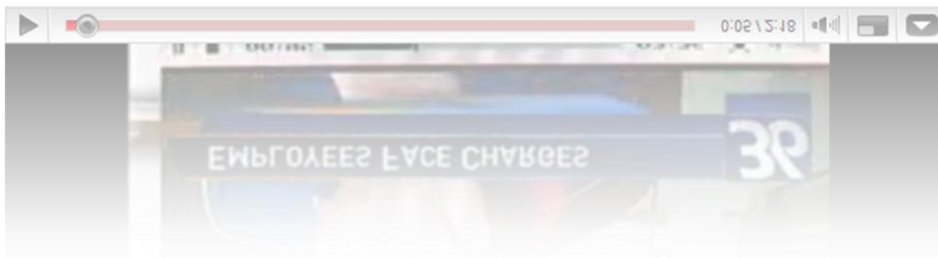• **25% of music sales** go through the web

# Impact of Social Media

Domino's Pizza gained a lot of media attention when a couple of employees posted a video of them making pizza



Dirty Dirty Dominos pizza



Disgusting Dominos People - Domino's Responds
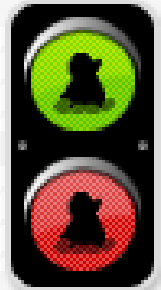
# Impact of Social Media



## Twitter nekt actie laagsteprijsgarantie Albert Heijn

René van Dijk
Uitglijders / 17 juni 2009, 7:42 / Reacties 8 / Views 6591

Albert Heijn garandeert dat A-merken die het bedrijf aanbiedt in de bonusfolders nergens anders goedkoper zijn, meldt NRC Next deze ochtend. De actie lijkt averechts te werken. Dankzij media als Geenstijl en Twitter is het een race tegen de klok: wie is er het eerst bij, Albert Heijn of hun klanten?

*http://www.molblog.nl/bericht/twitter-nekt-actie-laagsteprijsgarantie-albert-heijn/*

# Why CRM should start to think Social?

**Because we live in a social world…**

- We are inserted in and surrounded by social communities,
- We establish relationships based on conversations,
- We struggle to be accepted by other groups,
- We share our insights with like-minded peers and friends,
- We make decisions based on suggestions from like-minded peers and friends.

**… and because customers are,**

**more than everything else,**



"By 2010, **more than 60% of Fortune 1.000** companies will have some form of online community deployed for CRM purposes" – *Gartner Group* [1]
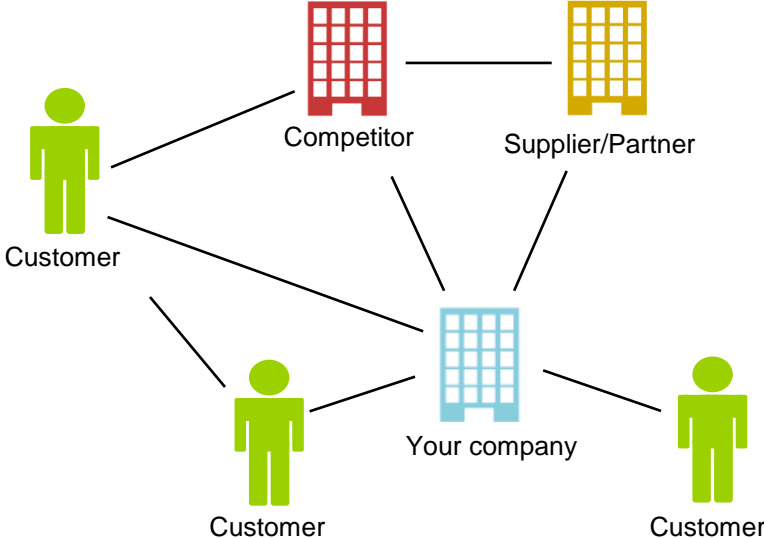
# What is the social customer doing?



The new Social Customer

- Uses new online channels and new communication tools
- Trusts in advices made by online friends, acquaintances and strangers
- Tends to buy more online than offline
- Wants to provide feedback about the product and customer service
- Expects better customer experience online and offline
- Reads and creates product reviews, product rankings and blog posts
- Seeks support to connect with like-minded peers

# Web 2.0 provoked an expansion of the R in the CRM

Company / Company Customer / Partner

Company / Competitor

Customer / Competitor

Company / Partner

Customer / Customer

Company / Customer

Partner / Competitor

cRm

# Social vs. traditional CRM

# Traditional CRM

# Social CRM
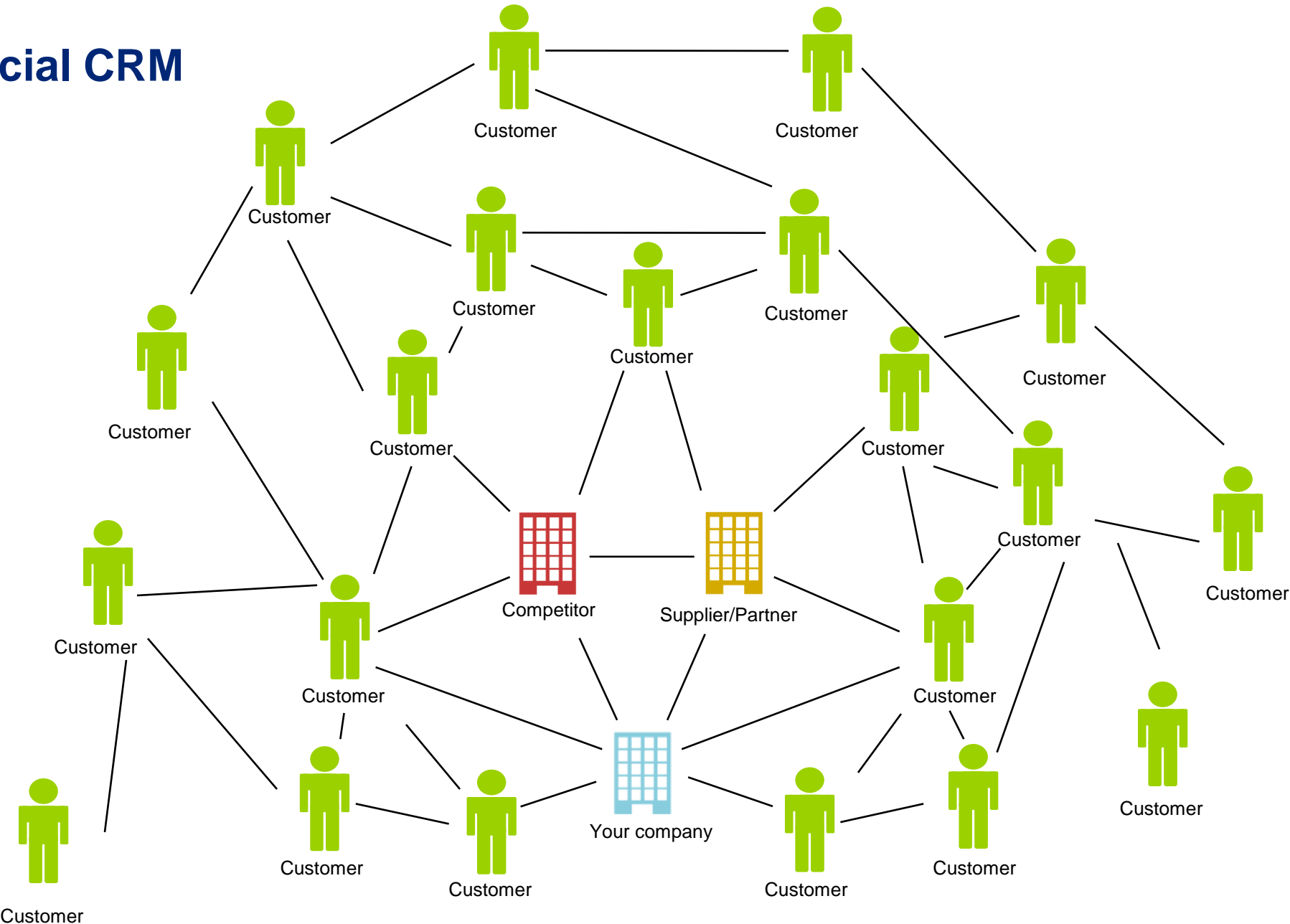
# Evolution of Organizational Mindset requires strong culture change



Traditional CRM

Social CRM

Transaction Feedback

Employee    Customer

Interaction
Conversation
Contribution

Employees    Customers
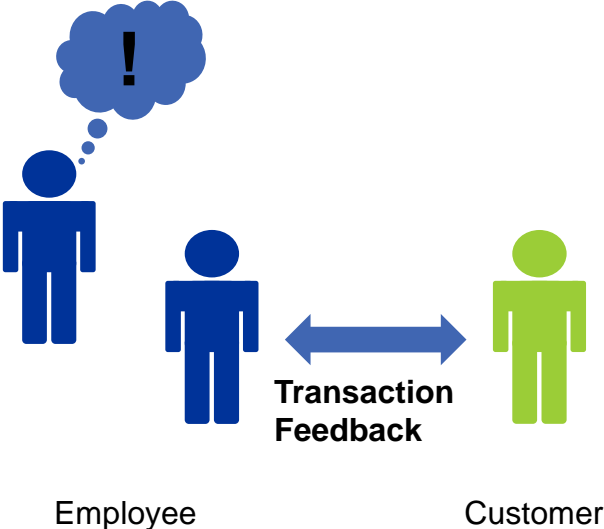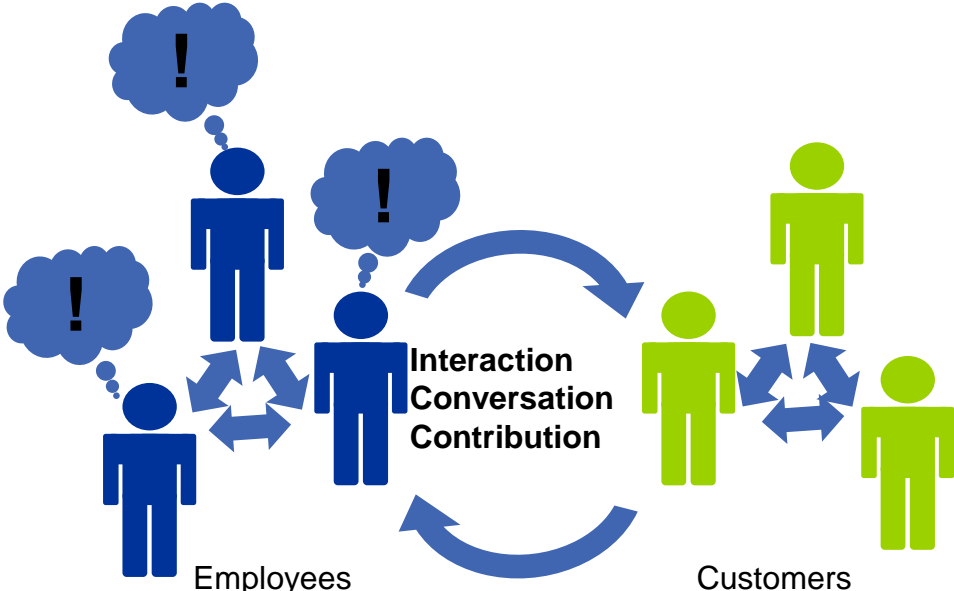
# Evolution of Customer Touch Points demands new channel strategy

## Traditional CRM

- Phone
- Fax
- Email
- Service
- Letters
- Personal contact
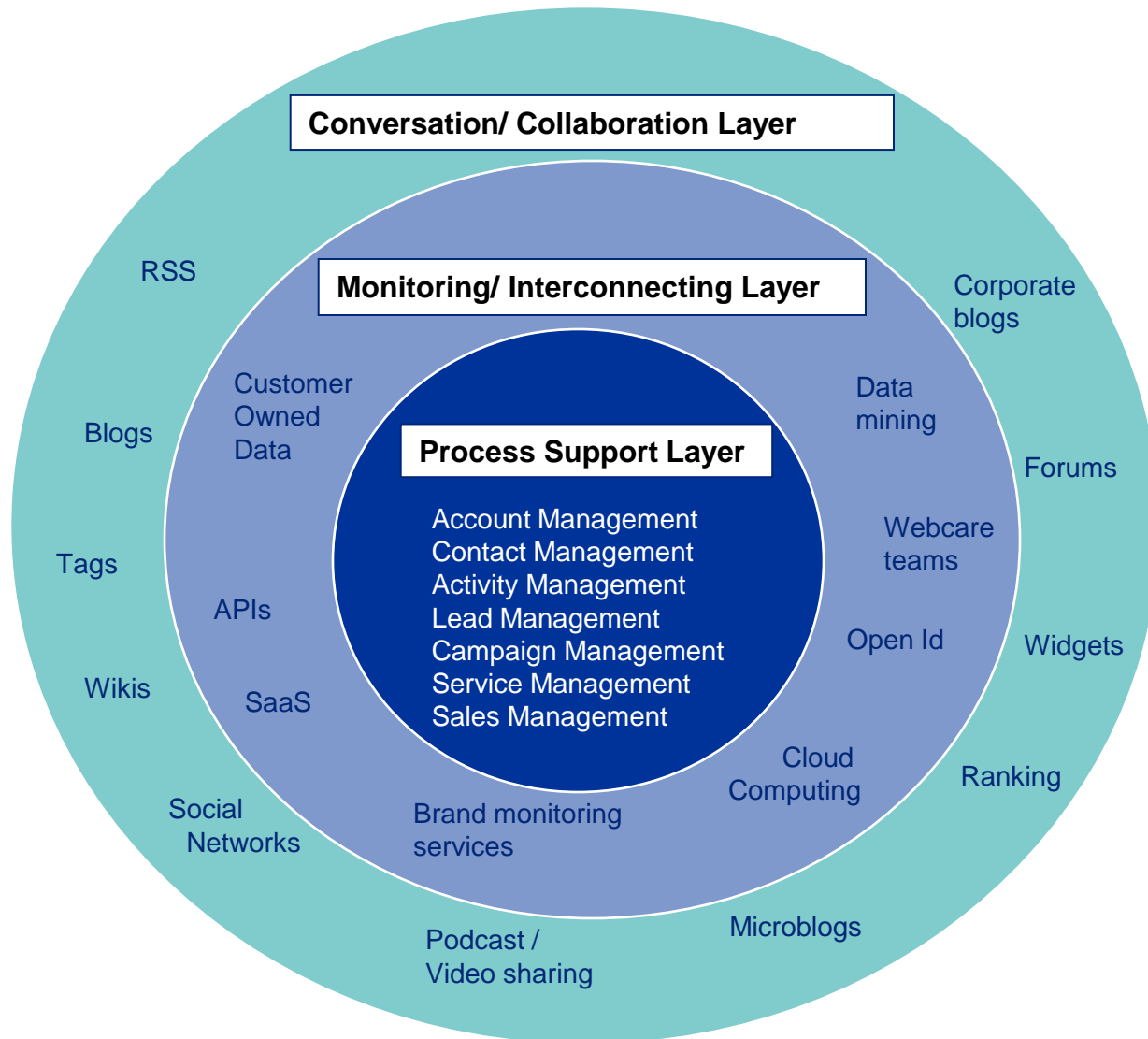- Company's website
- SMS
- Instant Messenger
- Chat
- Media

**+**

## Social CRM

- Auction website
- Video sharing
- Microblogs
- Podcast
- Price comparison website
- Wikis
- Social Networks
- Blogs
- Widgets
- Photo sharing
- Forums
- Slides sharing
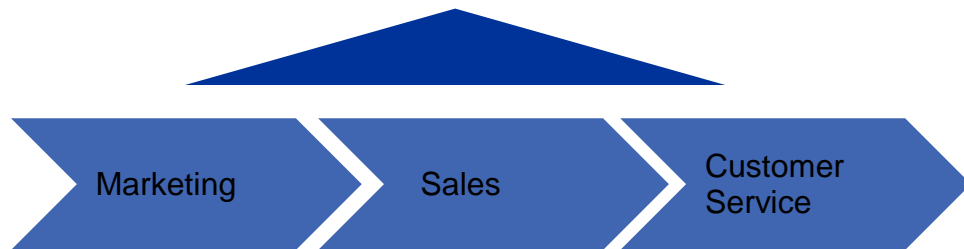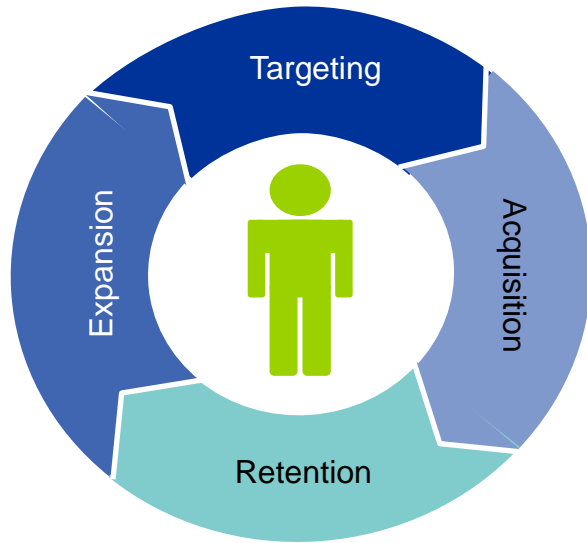- Reviews and ratings in retail sites
- Social bookmarking
- Wish lists
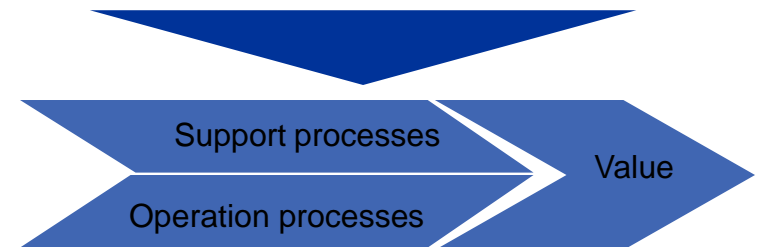- RSS

# Evolution includes social layers



**Conversation/ Collaboration Layer**

**Monitoring/ Interconnecting Layer**

**Process Support Layer**

Account Management
Contact Management
Activity Management
Lead Management
Campaign Management
Service Management
Sales Management

RSS

Corporate blogs

Blogs

Customer Owned Data

Data mining

Forums

Tags

Webcare teams

APIs

Open Id

Widgets

Wikis

SaaS

Cloud Computing

Ranking

Social Networks

Brand monitoring services

Podcast / Video sharing

Microblogs

# Shift of power to the customer

# Cases

# 5 social media objectives

**Listening**

Gaining market and customer insight and intelligence

**Talking**

Engaging in a two way discussion to get your message out (and get messages in)

**Energizing**

Letting your customers tell your prospects on your behalf (viral, word of mouth)

**Supporting**

Getting your customers to self-support each other

**Embracing**

Building better products and services through collaboration with clients

# Case listening: Example ABN AMRO

**Type:** Online Customer Intelligence (OCI)
**Case:** The OCI tool captures all relevant data from different sources (blogs, forum, communities and news sites) and present this information in a tag cloud. Based on the tag cloud further analysis can be made.
**CRM:** Marketing
**Business Value:** Cost Reduction, Customer Retention, Stronger Product Positioning, Brand value
**Customer Value:** Quick response on customer requirements

# Case talking: Sony

**Type:** Blog

**Case:** A Blog where Sony customers can post comments about existing products as well as providing Sony with input about (potential) new products

**CRM:** Marketing (New product development) and Service

**Business Value:** Collect important information about customer needs via direct conversation with customers. Also, an addition to their existing service channels

**Customer Value:** An easy way for customers to share their thoughts with Sony and to find product related information in a quick and simple way
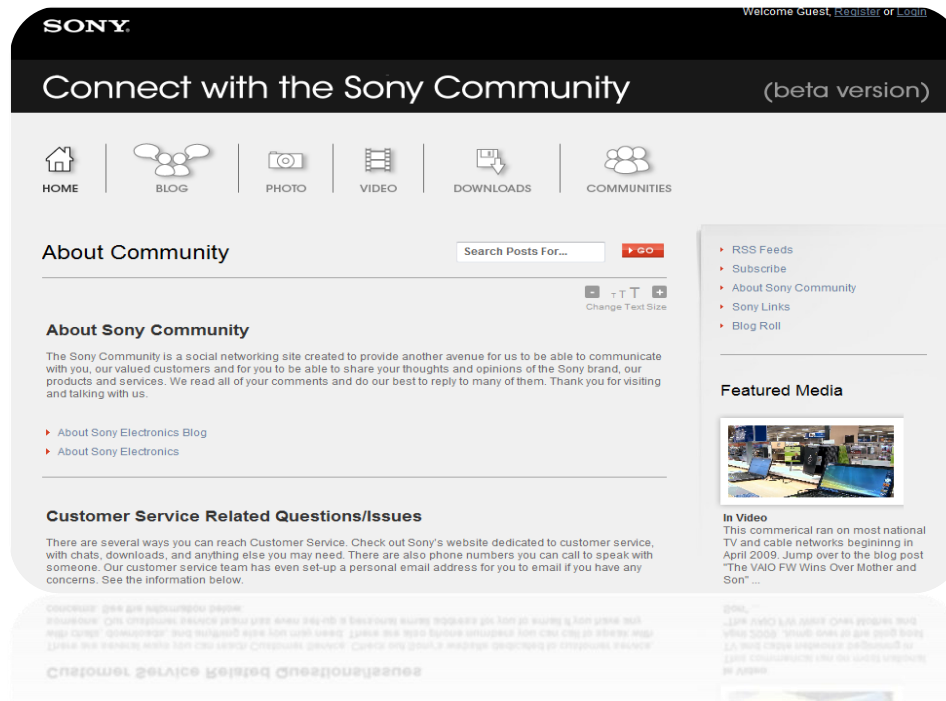
# Case energizing: MINI

**Type**: Viral marketing / Blog

**Case**: Mini spread rumors that the company was hiding something about their cars, "hacked" their own website and created a blog to create buzz about the economic and ecologic aspects of the Mini Cooper in this viral campaign

**CRM**: Marketing

**Business Value**: Education of customers about the car's economic and ecological value

**Customer Value**: Sharing the Mini-experience with other (potential) owners

# Case supporting:  Orange - Service Cloud

Type: Service Cloud

Case: Orange shares

CRM: Service

Business Value: Supporting their customers

Customer Value: Receiving excellent service wherever they are on the

< Hier komt de footer. Pas aan in de masterslide >

# Case embracing: Starbucks

**Type:** Idea gapturing

**Case:** Starbucks gaptured ideas in collaboration with their customers. Starbucks VIP card and getting a free cup of coffee when buying coffee beans are two examples of customer-generated idea currently in use

**CRM:** Marketing (New product development)

**Business Value:** Starbucks captured in one year more than 70.000 ideas submitted through the site.

**Customer Value:** Customer like to have a place to put their creative ideas.
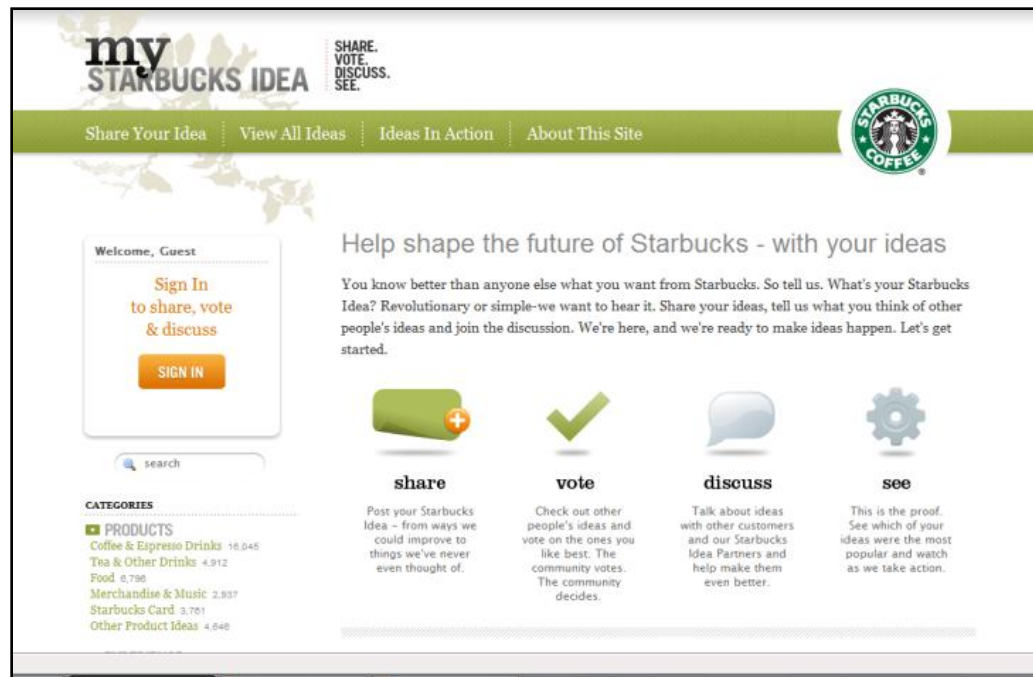
# Key Take-Aways

# What's next?

- Social media is the future. It is not a temporary trend, it a structural change in the world how companies and customers are connected

- How can social media influence your CRM business. In other words, how can Social CRM be beneficial for your company:
  - **Increase revenue**
  - **Reduce costs**
  - **Improve brand reputation**
  - **Stimulate innovation**

# Where do you start?

1) Recognize the trend that social technologies are crossing over to all aspects of the business
2) Yet, as things start to get complicated, simplify
3) Start the culture change now with internal education
4) Rather than build a strategy focused on technologies, build around customers and employees
5) Organize your company for social