



Five Steps for Succeeding with Social Media and Delivering an Enhanced Customer Experience

Executive Summary

The emergence of social media as a mainstream phenomenon is placing a great deal of stress on existing marketing channels. Customers tolerate traditional media channels, but they are also looking for ways to truly engage with brands through digital means. Presented with these digital media options, customers are no longer at the mercy of companies' communication choices and procedures. Other than being choosy and demanding, customers often have very little attention span in the digital world.

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Social media is not simply a fad. Customers have grown to rely on multiple sources of digital information and expect a seamless, easy and proactive communication experience with companies every day. Therefore, it is not enough to engage with customers on a one-to-one basis. Customers desire multiple sales and support outlets, and they want to review product and company information through third-party venues, such as social media sites and online forums, rather than through brand-controlled channels, which makes managing and tracking messages a challenge. Social CRM places the customer at the

heart of the company, where customers become the focal point and the key driver of business operations.

The social component in the CRM model facilitates communication and collaboration between brands and customers to solve business problems, shape better experiences, build customer relationships and garner brand advocacy. Through social network integration with traditional CRM systems, companies can better monitor, facilitate and leverage relationships with their customers. The integration of social in a traditional CRM system allows companies to gather additional customer data and insights to proactively manage and implement action plans.

While it is now common knowledge that businesses want to "engage" and "communicate" with their customers through social channels, why are so many of their social efforts misaligned with corporate objectives? Some companies make the mistake of jumping on the social media bandwagon without first establishing a business objective. Because they lack a strategic plan, they don't allocate resources to adapt to the tools and engagement methodologies that their customers are utilizing. Before implementing a social CRM strategic roadmap, there are two things to keep in mind: determining what your company's social intent is and crafting a channel strategy.

The Importance of a Channel Strategy

So where should companies start? With new applications, tools and social networks continually appearing in the digital landscape, a swirl of noise and chaos threatens to distract companies from planning and implementing their strategies. Companies will need to mine intelligence from the data chaos and create actionable insights in order to keep abreast of the competition.

While many businesses are starting to invest in monitoring tools, many fail to derive any real value from the data or gain insightful intelligence from their investment. Companies need to have a strategic process in place before executing social efforts that are aligned with their goals and objectives.

Customers are increasingly participating in communities, forums, blogs, various social networks and digital mediums. By having a social CRM strategy, companies can learn how to obtain direct feedback from customers and transform this unstructured data into actionable insights. Social CRM can zero-in on customer conversations online through listening tools to pinpoint what customers are really saying in the digital space and to apply this knowledge from a business standpoint. Companies can also communicate with their customers in real time to solve immediate issues.

Here are the many benefits that companies can obtain by implementing a channel strategy that comprises corporate strategies coupled with social technology platforms:

- **Marketing:** Companies can reach their targets more consistently, develop better products and create better customer experiences. Because of this, companies can increase return on investment, reduce traditional marketing costs and improve marketing effectiveness.
- **Customer Service/Sales:** By having a communication process in place, a company's rapid response to social media events can lead to effective crisis management, proactive lead generation and higher customer satisfaction.
- **Research & Development:** Companies can co-create/innovate with their customers through direct feedback and collaboration to ensure that better products are being made.
- **Customer Loyalty:** By effectively engaging with customers through various channels, companies can foster long-term relations with their customers and increase customer loyalty.

Social CRM is a business-wide strategy for managing real-time enterprise communications with customers, partners, prospects and vendors to gather and optimize business processes that span various functions to increase customer satisfaction. We will start by identifying the two sets of channels and their differences.

Channel Types

- **Individual Channel:** Traditional CRM is operationally and internally focused with a client-centric approach. This channel focuses on a one-to-one relationship with customers, while providing the company with an overall viewpoint of the customer's interaction with service tickets, e-mail communication and telephone tech support. For example, escalated customer concerns are routed to the appropriate department and key contact to assist the customer with her query. Metrics and measurements used to gather customer data in this channel consist of click-through rates, number of service calls, direct mail, responses, leads, sales revenue and e-mail. Data is relatively easy to track and depends only on information that the customer provides.
- **Community Channel:** Voyeuristic in nature, this channel allows companies to listen and dive into meaningful and insightful conversations in the social ecosystem through different channels such as forums, blogs, social networks, instant chat, etc. This channel can be tricky for companies attempting to (effectively) maneuver through millions of conversations and social data. Unlike its traditional CRM counterpart, the community channel is built on a customer-centric model, where customers need to be able to find companies in any channel they choose.

Types of customer information that can be derived from this model include ratio of positive vs. negative sentiments, keyword mention trends, number of views, number of brand mentions, etc. Due to its viral nature, companies will need to ensure that they conceptualize and execute various types of strategies to adapt to the social customer.

Communities present an easy way for customers to connect with other members who share similar interests and viewpoints. The community channel has no ties to a specific company/brand. Social consumers utilize these channels and participate in conversations with other consumers in a natural and unrestricted way. The channels are not controlled or owned

by the company. Negative comments about companies are widely accepted and, at times, nurtured.

For companies to really understand their customers' social behavior, they will need to embark on a data integration and scalability exercise to build a comprehensive view of multi-channel social behavior. It is simply not enough to rely on individual traditional channels or social channels as a silo to understand customer dynamics but rather an integration of the two. Customers are still engaging with traditional CRM channels such as e-mail, mobile media, Web sites, phone/call centers and search engines, as well as participating in social communities, forums, blogs, social networks and chat sessions.

What companies need to understand is that capturing an overview of relevant customer data can deliver very positive outcomes. However, customers are more likely to pledge their loyalty to companies when they effectively engage with them in the customer's preferred channel. Business use cases and strategies executed through traditional and community channels will need to be integrated and fully supported by this universal goal. It is important, therefore, for all companies to understand the differences between the two channels and be ready to implement separate strategies (that share the same corporate objectives) to ensure across-the-board customer satisfaction.

We advocate the following five steps to help our clients define and execute the right channel strategy to meet the demands of the social customer.

1. Identify Social Intent.

The first step for any company to take prior to a strategic implementation is to define and understand their social intent, which comprises goals, objectives and mission statements. Examples of social intent include: increasing traffic, instituting a crisis reputation management strategy, increasing lead generation or improving brand awareness. The social intent will define the planning, roadmap, framework and strategy that span channels and internal/external business functions.

2. Define Channel Objectives and Choose the Right Channel.

The second step involves identifying your company's social use cases to define channel objectives that are based around your social intent. Here are two examples of this:

- **Example #1:** If your company's social intent is to effectively manage brand reputation, you can derive insights and participate in social channels that consist of: Forums and review sites, blogs, listening and monitoring, text mining, Facebook, LinkedIn and Twitter for real-time conversations and comments about your brand.

- **Example #2:** If your company is looking to increase R&D involvement with customers (and reap the benefits of decreasing R&D costs), you want to form online communities that foster collaboration and direct feedback management. Participation on social networking sites such as Facebook can foster co-creation, identify focus groups and deliver feedback through interactive contests, surveys, location check-ins and reward points. Participation on Twitter serves both as a broadcasting tool, as well as a channel for real-time customer engagement and sentiment analysis.

Another part of this step is to define and develop specific social CRM use cases and channel strategies for these organizational functions:

- **Internal audience:** Employees, partners, contractors, vendors.
- **External audience:** Customers, partners and across markets.
- **Business functions:** R&D, marketing, public relations, customer service, sales and others.

3. Conduct an Audit and Discover Current Corporate Strategies, Levels and Resources.

Create an audit/discovery of your company's current internal social strategies, identify the existing social-readiness and examine the steps that your company can take to improve. By creating a roadmap and strategic process, your company can transition from its current state to a desired social state.

Your audit should include:

- An assessment of your customer-based capabilities, a refinement of company objectives and an understanding of how these efforts are currently being integrated into your daily operations across business functions.

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- Identification of corporate policies, governance or regulations that create an opportunity or a roadblock.
- Assessment of your digital company culture, including staff, employees and resource allocation.
- Integration of corporate operational and technological CRM tools with existing social channels for seamless deployment and data intelligence extracting.

It is important that your company conduct an enterprise-wide assessment to help understand corporate readiness relative to social ownership, governance of social CRM and resource allocation prior to executing your multichannel strategy.

4. Create a Social CRM Prioritization Model and Build a Social CRM Roadmap.

At the fourth stage, your company will need to identify areas within the organization that are most appropriate for leveraging social CRM in order to maximize efficiency and effectiveness and optimize performance across business functions. Creating a social CRM prioritization model can help identify your organization's strengths and weaknesses to understand the process and time it will take to align your departmental efforts with your social goals and implementation. Companies are encouraged to ask questions such as:

- What steps do we take to align our strategy with our social intent?
- Are we close to meeting our customers' demands and expectations?
- Can we identify the gap that exists between our current social circumstances vs. our desired outcome?

Here are a few things to keep in mind prior to building your social CRM roadmap:

- Develop an all-embracing analysis of your company's internal-external involvement; identify road blocks, threats and opportunities. Categorize these based on their levels of strengths and weaknesses.

- Establish a clear vision of what your company is trying to achieve. This means having company-wide social practices, processes, resources (staff, technology, budget, etc.) in place.
- Create a mechanism to prioritize corporate assets and resources required to meet your objectives. Make sure you build clear action plans and target social channel utilization to achieve maximum results.
- Create an actionable roadmap where you develop key marketing insights, define projects, identify channel choices and decide on social use cases in terms of their priority.

Next, build a social CRM roadmap, but only after you have your corporate goals and objectives defined.

- Understand the health of your company's current social CRM performance. Is your company effectively capturing and tracking valuable customer information?
- Establish a clear multichannel mission. What additional information would need to be leveraged from your customers to ensure better customer service and data derivation?
- Understand and compare the state of your current company's social CRM initiatives with that of your desired state. This will determine how close you are to establishing that goal.
- What resources and channels will you utilize? Identify your mission and create a defining project plan that links a specific social channel to strategic execution. An example is developing a customer community to reduce the cost and volume of service calls.
- Develop your social CRM business case to understand how financial assets will be disbursed and how benefits will be measured. This way, your company can zero-in on important projects that will help your business become more social, without any added cost.
- Identify where and what your customers are doing online. How are they communicating online? Why are they communicating in this manner?
- Establish baselines, benchmarks and project timelines for both short- and long-term goals and choose the right channels to deploy the strategy based on your targeted customer demographics.

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- Develop both social policies and best practices, including crisis management, brand reputation management and marketing communication.
- Create “customer-centric” social governance within your internal organization to ensure all key stakeholders and executives are equally informed on social efforts.

5. Conduct Proofs-of-Concept and Experiments.

How can your organization authenticate the true value of social CRM? Proof-of-concept tests and experiments that cover some of the points below can be great starting points:

- Define the metrics, measurements and key performance indicators you will use to determine the types of customer data to track. For example: Is your business tracking the frequency of complaints filed by customers for a given number of days? Are you tracking user satisfaction and time spent on a given section of your community? To do this, your company requires separate sets of measurements and metrics to derive meaningful business intelligence.
- Identify the tools and resources that are best suited to support your multichannel efforts.
- Identify and define the purpose of data collection. Your company will need to create a process to measure structured vs. unstructured data (review, sentiments, feedback, etc.).
- Establish baselines and benchmarks to measure incremental successes. It is highly advisable that efforts are effectively measured to ensure alignment with the social intent.
- Utilize the feedback you receive from the steps above to correct underperforming systems and gather information to execute actionable insights based on it.
- Rinse and repeat.

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Moving Forward: Keeping Pace with Customers' Social Expectations

With new customer behaviors and heightened expectations for engagement in the digital world, companies will need to keep up with consumer attitudinal shifts to stay ahead of the competitive curve. Social customers expect companies to adapt to changes quickly. They expect brands/companies to be present in whatever social channel they are participating and demand that companies listen to their questions, feedback, ideas, complaints and reviews (and respond quickly, of course).

Customers know how critical they are to every brand's success, and they use this as leverage to direct and shape marketing messages. Social CRM allows businesses to have a 360-degree view of their customers by merging social networking tools with existing CRM platforms to manage interactions and feedback from one centralized location. This allows businesses to effectively manage (and foster) new customer relationships as well as retain existing customers. Through active monitoring, listening and engagement with customers in multiple social channels, companies can receive valuable insight into what customers are saying about products and services in real time without the use of polls or surveys. Social activities can be tracked, and key data points can be entered and merged into a company's existing CRM system.

Businesses can obtain a competitive advantage and be early adopters of social CRM through a general understanding of the steps above. To maximize revenue and build long-term relations with your customer (while increasing their lifetime value), you will need to get ready to embrace and map the digital chaos and be an agile enterprise in this socially-enabled world.

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About Cognizant

Cognizant (Nasdaq: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world's leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 50 delivery centers worldwide and approximately 104,000 employees as of December 31, 2010, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 1000 and is ranked among the top performing and fastest growing companies in the world.

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