



Geeky Introverts No More: How Tech Companies Can Engage with Customers Using Social CRM

Executive Summary

While change and adaptability to change are business constants, one thing that hasn't changed is that "The customer is always right."

Both established and start-up technology companies are dabbling in social network technology. However, they have yet to make the leap in terms of leveraging social media to enable marketing, sales, product management and customer service functions to deliver better business results.

Across the online, software and high-tech space, most companies have built a social identity that combines a Facebook presence with Twitter, LinkedIn and other tools. Only a few have taken the next step to integrate social tools for listening, conversing and reaching out to customers.

The explosion in social networking has moved the practice of sharing information to a more meaningful plane, one in which businesses can harness consumer preferences and insights to gain a competitive advantage. The sharing of information on social forums regarding opinions and experiences across various products and services is now a key influencer in the decision-making process (see Figure 1). This is in striking contrast with the traditional consumer experience, where customers visit stores and request information for a product and rely on the information provided

by employees to make a buying decision. Instead, now they trust the advice of friends, colleagues, relatives and unknown fellow customers more than that of the organization and its employees. Thus, technology companies need to realize and account for the fact that buying intent, or brand positioning, takes place much earlier than ever before.

Technology companies have only recently realized that traditional ways of reaching out to the customer are changing fast, and that social media is a critical channel for connecting with the largest segment of their customers. This has given rise

Social Media's Ascendance

81% of respondents said they'd received advice from friends and followers relating to a product purchase through a social site.

90% of consumers online trust recommendations from people they know.

83% of online shoppers are interested in sharing information of their purchases to people they know.

Source: Nielsen
Figure 1

Evolution of Social CRM

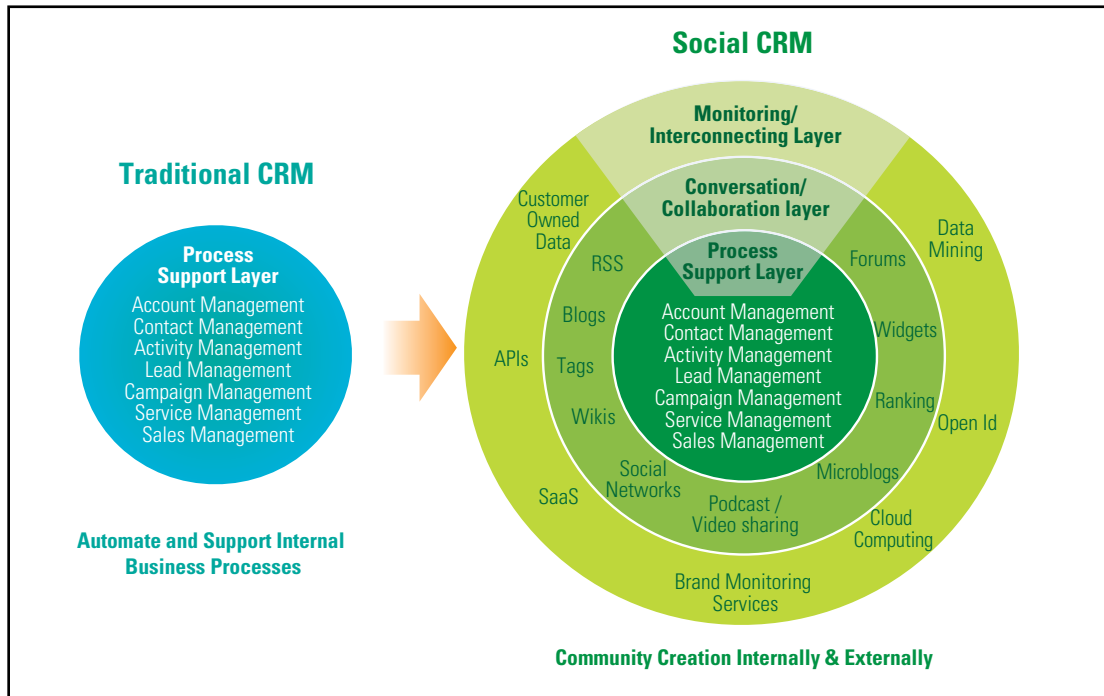


Figure 2

to a new discipline of CRM called social CRM (SCRM) (see Figure 2). SCRM pundit Paul Greenberg says, "Social CRM is engaging in a collaborative conversation with the customer in order to provide a mutually beneficial value in a trusted and transparent business environment."¹

While many technology companies now understand the business importance of SCRM, few have made it an integral part of their larger marketing and process improvement efforts. This white paper discusses how technology companies can leverage SCRM to better understand consumer preferences and respond with offers and services that more appropriately serve their needs.

Social Media Emerges in the Technology Space

Some technology companies have taken steps to reach out to customers through social media campaigns via sponsored Tweets, featured YouTube channels, LinkedIn spots, Facebook posts, etc. and are tracking social sites (like Twitter and Foursquare) to monitor and assess feedback and requirements even before inquiries reach the customer service desk. Some examples of corporate use of social media are shown in Figure 3.

SCRM Challenges for Technology Companies

While the aforementioned companies have tapped social media as a customer communications channel, the overwhelming majority have been slow to leverage social networking as an integrated and potent sales and marketing tool because of the complexities of integrating social media into established operations. The first set of challenges for technology companies with most social media initiatives is the lack of longer-term support by senior management, failure to properly develop a cohesive SCRM strategy and a lack of metrics to measure success. Moreover, these campaigns often lack the back-end support needed to convert opportunities into profits. As a result, many initiatives do not return desired results, or lack marketing punch, giving senior management additional reason to remain non-committal. The second set of challenges these organizations face is how to effectively engage their channel partners, enterprise customers, consumers and associates in real time.

To successfully leverage social media and generate business benefits, a comprehensive strategy covering front-end, back-office and metrics to measure results is a must. The initiative should span all aspects of social networking, includ-

SCRM's Functional Fit

Social CRM Examples	Online	Software	High-Tech
Marketing	Vendors use social media to gather responses, blogs new features and collect feedbacks on the Internet to promote their brand names.	Software vendors use social media to generate product launch buzz, Adobe, for example, used social media as a part of experimental tactics for launching new products such as Creative Suite 5.	Vendors promote their new products and/or new features via social media channels. Cisco, for example, sponsored Twitter keywords to generate buzz and excitement around an event showcasing the launch of the Cius Tablet.
Sales	Social media gives buyers a voice on product reviews and feedback to attract new buyers. Amazon leverages both product reviews and users with strong reputations to offer testimonial reviews of products sold organically.	Software companies such as TurboTax leverage reviews and TurboTax Social Hub to help consumers with their buying decisions.	Social media can be used as an additional sales channel. Dell has surpassed \$3 million in sales via links from one of its Twitter accounts.
Service	Social media enables vendors to partner with their resellers to drive more traffic to their stores, eBay launched eBay Ink Social Media Seller program to drive traffic to its social media seller profiles and/or their e-commerce stores.	Social media enables vendors to provide better and faster customer service while reducing support costs. Intuit QuickBooks Live Community helps users exchange helpful information to quickly solve technical challenges, which has reduced customer service calls.	Social media enables vendors to crowdsource new features, submit requests and knowledge sharing. VMware uses multiple social media channels to promote knowledge content, communicate relevant industry content and events through various industry-specific Twitter feeds.

Figure 3

ing creating social communities for interaction, positive communications, listening solutions, analytics and a strong back-office to convert this intelligence into action. In a technology industry context, the SCRM approach can be broadly classified into three components (see Figure 4).

Specific to the technology space, companies need to apply these emerging social CRM approaches in the following ways:

- **Social Media Listening and Analytics:** Tech companies should gather feedback, questions, suggestions, etc. through listening solutions and analyze these inputs to generate intelligence for devising consumer strategies. They can listen to user content in key tech social networking sites (such as Mashable.com, TechCrunch.com and Twitter) to capture information on products, perceptions and services and use business intelligence tools to help formulate strategies to improve their products, services and communications. Ideas on strategy and implementation should also be gathered from all internal stakeholders through blogging, wikis and other forms of idea and content sharing, since the best ideas come from the grassroots level. This data, gathered

from active listening, must be analyzed and converted into intelligence that can be incorporated into actions that help companies engage with customers, improve service delivery and deliver measurable results.

- **Customer and Partner Development:** Technology companies need to create social communities and engage with members to create positive sentiment and build trust. VMware, for example, created focused communities with discussion forums, self-help groups and online chat capabilities to support various subgroups, such as industry best practices, spotlights and industry leader blogs. The community is engaged and run by users to collaborate and exchange ideas while companies can use it to share news, press releases and other forms of content.
- **Sales and Marketing, Product Management and Service Delivery:** Having a social media presence and interacting with consumers

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Compartmentalizing Social CRM

	Activity	Implementation Approach	Tools to Leverage Social Capabilities
Customer and Partner Community Development	Create social communities and engage with them to create positive sentiments and build trust.	<ul style="list-style-type: none"> Community creation and management: Build focused communities with discussion forums and self-help groups. Gather feedback, questions, suggestions, ideas, etc. News publishing and awareness creation. Corporate branding and public relations. Internal collaboration across teams for idea generation and content sharing. 	<ul style="list-style-type: none"> Jive Technologies, Lithium, Liferay and open source software such as Drupal, Joomla.
Social Media Listening & Analytics	Listening solutions for information capture and analysis.	<ul style="list-style-type: none"> Listen to the user-generated content in key tech social networking sites. Capture, process and cleanse info. Feed the social media insights into strong analytics and BI solutions. Convert raw data into opportunities that can be harnessed and provide measurable results. Compare current sentiment vs. historical sentiment and perform trend analysis. 	<ul style="list-style-type: none"> Network Hippo, Radian6, biz360, Omniture, Nielsen BuzzMetrics, Cognizant Customer Listening Solution (CLS).
Sales and Marketing, Product Management & Service Delivery	Synthesize information and design solutions to engage, retain and influence customers in specific market segments.	<ul style="list-style-type: none"> Capture and store sales leads and opportunities in CRM Application. Product development: Design innovative products suitable for a specific group of customers. Feed marketing insights to the marketing and product group to design promotions, campaigns, surveys and product enhancements. Process improvement: Effectively use feedback to improve servicing and originations processes. Customer information management and profiling. Improve customer service and issue resolution. 	<ul style="list-style-type: none"> Variety of Analytics and Marketing & Sales Enablement tools including SAS, Oracle and Salesforce.com.

Figure 4

is necessary, but not sufficient, to leverage SCRM for competitive market advantage. The SCRM infrastructure needs to feed consumer sentiments into a strong analytics and BI engine to convert raw data into opportunities and leads that can be harnessed to provide measurable results. The information captured through SCRM must be leveraged to boost sales and improve perception, products and services. Doing this requires the following:

- **Services Analysis Solution:** Companies can leverage information captured through SCRM tools and infrastructure to identify process gaps and inefficiencies in customer service and improve processes that will have maximum impact on enhancing customer experience. They will be surprised to learn that most of the complaints pivot on a lack of communication and clarity.
- **Product/Brand Analysis Solution:** In all technology companies, positive publicity and brand image are as important as pro-

cess excellence – and even more so today. Over the past six years, Intuit’s user community for its TurboTax products, Inner Circle, has more than 25,000 members and has become an integral part of the TurboTax product updating and improvement plan. SCRM can help build positive brand image through community creation, awareness creation, corporate branding, public relation campaigns and crowdsourcing for new product and service development.

- **Sales Analysis Solution:** With so much advertising noise and so many options, customer acquisition is a big challenge for technology companies. Listening to and analyzing customer comments on various social networks can help identify potential customers and provide insights into products consumers are looking for or want companies to offer. This analysis will help launch new products or services that are already in demand.

Moving Forward

Demographic, social and behavioral shifts have implications for all businesses. The increased abundance of social networks and media usage has led to a change in customer behavior when it comes to deciding on what products and services to purchase. This is even more important for businesses where customer experience is a key factor, such as the technology industry. Companies need to adapt in order to remain competitive. Many technology companies have noticed this shift and have made efforts in social channels in order to engage and influence their customers. The usual outcome is a set of mixed results due to a number of factors caused by not having the right social CRM strategy.

Social CRM incorporates a set of strategically aligned activities in order to produce optimal results within the social media space. The development of a social community with partners and customers can be used as a channel to market, sell

and support a company's products and services. Engaging the right social media listening and analytic approach can help companies to better analyze and react to customer needs. Alignment and integration with sales and marketing, product development and service delivery will bring true end-to-end social CRM execution.

Technology companies that successfully implement social CRM will have distinct listening ownership of customers through social media channels and have the ability to directly influence the decision-making experience. Additionally, those companies that are further able to effectively optimize and maximize social CRM efforts will be able to quickly react to customer needs through metrics and analytics and exceed expectations through effectively delivering for those needs – thus helping to enable those same customers to positively influence new, prospective customers through the social network channels and beyond.

Footnotes

¹ <http://www.insideview.com/social-crm.html>

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