

The Real Value of Social CRM

Leverage public social media and niche sites to drive traffic to your community

I'VE JUST RETURNED from this year's CRM Evolution event in New York City, where I presented a three-hour CRM executive boot camp. The event gave me additional insight into why there is still so much industry confusion surrounding social CRM. While I have written previously on this topic, it bears repeating: You cannot have social CRM without social media.

Social CRM is the process of integrating the social consumer into your current CRM efforts. That means harvesting sentimental insights from your customers' Twitter posts, Facebook comments, and activity on other social media sites and then integrating relevant information directly into your CRM customer profile. By marrying transactional data from your traditional CRM system with sentimental insights by customers from their participation on social sites, you gain a more complete understanding of your customers, which in turn helps you to improve marketing, sales, and service.



retail energy business. While its wholesale and commercial lines of business are growing nicely, its retail business is considerably lagging the competition in growth and profitability. The problem is a lack of an emotional relationship with current and prospective customers. While this company could create a community on Facebook to open a dialogue with customers, the bigger bang for the buck comes from driving traffic from Facebook-type communities to a company's own social media community. At its own community, a company can become much more intimate with those customers.

The increased personal online engagement leads to a sharing of ideas relevant to this audience, harvesting insights to populate social CRM customer profiles and using its own social

media community data and enhanced social CRM profiles to build better digital marketing campaigns.

CUSTOMER-LED PARTICIPATION

My own company is strategizing and building private hub-and-spoke social communities for a B2B2C business and a B2B business. In both cases, we initially faced typical skepticism from executives: "Why do we need to get into social media with all its risks and perils?" To counter that skepticism, we surveyed current and potential customers to determine their interest in sharing thoughts and receiving insights from other customers. Their response was overwhelming positive. In addition to this customer-led demand, we developed a persuasive social CRM business case to validate the development of a hub-and-spoke social community. As a result, it became increasingly clear that by creating and sustaining a two-way dialogue with customers, the community also offered a significant cost savings in customer service and marketing effectiveness.

For all the reasons noted above, you cannot do social CRM without social media. And if your objective is anything other than building brand image via Facebook and Twitter, the only way to succeed is to create, control, and grow your own social media community. 

Barton Goldenberg (bgoldenberg@ismguide.com) is president and founder of ISM Inc., a consulting firm that applies CRM, social CRM, and social media to successful customer-centric business strategies. He is the publisher of The Guide to CRM Automation (17th edition) and author of CRM in Real Time: Empowering Customer Relationships (Information Today Inc.).

HOW IT WORKS

Successful social CRM leverages the hub-and-spoke model (see above illustration), which pulls public social media sites (e.g., Facebook, Twitter, and LinkedIn) and niche sites

(e.g., Flyertalk) to drive traffic to your own social media community. Build landing pages to meet the unique needs of identified segments, and integrate social information harvested from your community into your CRM system.

Finally, leverage insights from analyzing data contained in your CRM system to push out relevant topics and threads to your community.

THE BUSINESS CASE

Is it necessary to go through the effort and expense of creating your own social media community and integrating it into your CRM system? Yes. That is largely because your organization will own the data and have more control over community content and direction. As the owner, you can more efficiently create and sustain a meaningful, two-way dialogue with your customer, which is at the core of building long-term customer loyalty.

Recently, I took part in a strategy session at a California-based customer in the wholesale, commercial, and

YOU CANNOT HAVE SOCIAL CRM WITHOUT SOCIAL MEDIA.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.