



Five Reasons You Need A Company- Managed Social CRM Platform

June 2011



BroadVision



Social CRM is starting to catch the attention of many companies who want to use social networking to engage their customers. Much of this interest focuses on how companies should engage with customers on public social networks like Facebook and Twitter. But there is much more to Social CRM than Facebook and Twitter.

In this paper, we will consider what Social CRM is, and identify five reasons why companies should consider also having their own Social CRM platform – not to replace their presence on Facebook and Twitter, but to complement it.

What is Social CRM?

A great many articles have been published on the web trying to define what Social CRM really is, but the most widely accepted definition is this from Paul Greenberg, author of *CRM at the Speed of Light*¹, President of The 56 Group, and often referred to as the “godfather of CRM”. He says that social CRM is²:

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

It is the company’s response to the customer’s ownership of the conversation.

Few people disagree with this definition, but it does perhaps fail to convey the meaning of social CRM in practical terms.

Instead, the spirit of social CRM is perhaps summed up better by another, less frequently quoted, statement by Paul Greenberg.

***CRM was about managing the customer.
Social CRM is about engaging with the customer.***

Most CRM systems today are very much designed to help a company manage their customers. They do very little to help engage with customers, and that is why Social CRM can’t be seen as merely an evolution of CRM.

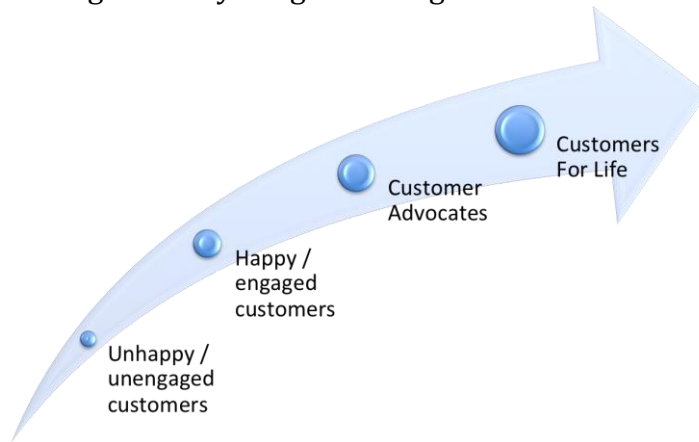
The main objective of Social CRM is to build a mutual beneficial relationship with customers, to take unhappy, disengaged customers, and turn them into happy, engaged customers. Then turn these happy customers into advocates who will

¹ <http://j.mp/jyERs8>

² <http://j.mp/jQqT2t>



recommend your products to their friends, and turn them into customers for life who will keep coming back to you again and again.



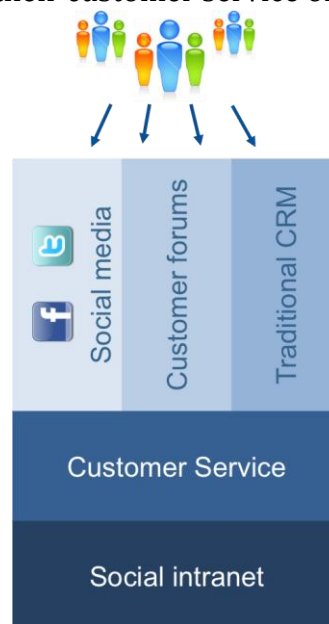
So, what does this mean in practice?

To some companies, Social CRM is simply enabling better interaction between customer services and the rest of the company, without any visible benefit to the customer.

Other companies see Social CRM as just connecting their customer service or marketing department onto Facebook and Twitter.

It's not that either of these is wrong, it's just that they're incomplete. Social CRM spans the boundaries of the organisation. It means integrating all customer engagement channels to enable better communication between customers, customer service and other company employees, and indeed with other customers.

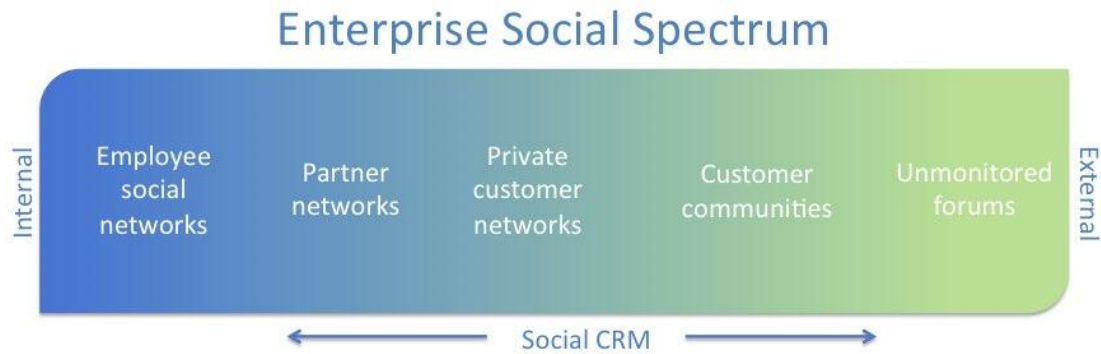
An issue raised by a customer may result in discussion with other customers, discussion the company's customer service team, and it may provoke internal discussion within the company.



Applications of Social CRM

Social CRM addresses quite a wide range of interactions between companies and their partners and customers.

If we plot the different types of social business networks on a spectrum from purely internal on the left, with no external members, to purely external on the right, with no company employees, then Social CRM covers much of the middle ground.



This is illustrated in Gartner's *Top Use Cases for Social CRM*³ published in December 2010. Gartner identify social CRM applications for marketing, customer service and sales, summarized in the table below.

Marketing	Customer Service	Sales
<ul style="list-style-type: none"> Idea management New product market research New product launch Social campaigns Social Event Networking Public relations Brand/reputation promotion and defence 	<ul style="list-style-type: none"> Peer-to-peer support Service customer feedback Service listen and respond Service process analysis 	<ul style="list-style-type: none"> Social sales prospecting and research Social sales collaboration

Some of these applications are very well suited to public social media services like Facebook and Twitter – for example brand promotion and defence, public relations, and events. But other applications such as customer service and idea management are much less well suited, because of the relatively unstructured

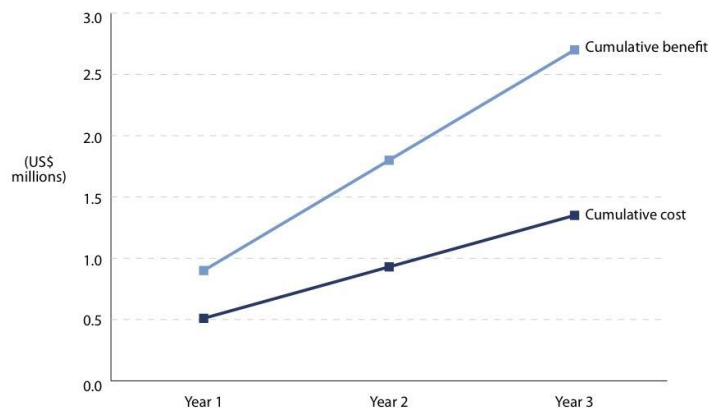
³ <http://j.mp/k0W4Ze>

nature of these public platforms. It is these types of application that benefit most from a company-managed social CRM platform.

There are many products that focus on just one or two of the applications Gartner identify. These are perfectly entitled to be called social CRM solutions. However, as company's social CRM presence grows, it becomes increasingly unwieldy to manage separate applications for each function, and this can compromise the user experience. Therefore, an integrated social CRM suite providing a wide variety of these features is preferable to attempting to connect disparate point solutions.

Return on Investment

Of course, one of the biggest challenges in any social networking project is demonstrating the return on investment – this is notoriously hard to measure. However, for the classic social CRM application of customer service communities, Forrester did a detailed study in 2009 and showed that projects like this will pay for themselves within 12 months⁴, because of the cost savings to the customer service department. Customers helping each other is clearly cheaper than customer service helping customers.



Source: The ROI Of Online Customer Service Communities, Forrester 2009⁵

⁴ Based on 30,000 calls per month; agent's handle time is about four calls an hour; 500,000 customers; 400 new community threads per month; 10,000 community searches per month

⁵ <http://j.mp/lAwEWJ>



Can't I Just Use a Facebook Page?

The massive growth of public social media services like Facebook and Twitter has led a lot of people to consider social CRM to be little more than social media monitoring – listening to what customers are saying on public sites, and responding accordingly. All too commonly, it causes people to ask:

Am I missing something here? Can't I just use a Facebook page for this?

Yes, it is true that some aspects of social CRM are well suited to public networks like Facebook. But that doesn't mean that Facebook, Twitter or other public social networks are always the most appropriate place to engage with your customers. It is often better to draw your customer community closer to you.

This doesn't mean abandoning your presence on these networks. With 600 million users on Facebook and 200 million on Twitter, the reach that these platforms have is immense, and it would be crazy not to take advantage of that. But just because it's the right place to connect with a customer, it doesn't mean it's the right place to form a deeper, more mutually beneficial relationship.

Therefore, let us consider five reasons why companies should consider managing their own social CRM platform to complement their social media presence.



Five Reasons You Need A Company-Managed Social CRM Platform

1. A company-managed social CRM platform gives you more influence over the conversation with your customers
2. You have greater control over the availability, performance and rules of your own platform than one run by Facebook or Twitter
3. You can support more complex relationships with your customers
4. You can engage in a deeper collaboration with your customers
5. You can connect your social CRM presence with other initiatives in your enterprise social ecosystem

Let us consider each of these in a little more detail.

1. Greater influence over the conversation

The subject of “controlling the conversation” between a company and its customers is a hot topic in social CRM circles. It is often said that the first step in social CRM is accepting the fact that the customer now controls the conversation.

It is certainly true that social media has given customers a louder voice, and a place for them to come together and exert pressure on companies. It is far better for companies to engage in this conversation than ignore it, and this always brings to mind this saying:

Keep your friends close, keep your enemies closer

The general opinion on the internet seems to be divided as to whether this was first said by Chinese military strategist Sun Tzu in 400 BC, or whether it was Michael Corleone in Godfather II in 1974.

Whoever said it, what is important is that if the conversation between a company and its customers takes place on a company-managed platform, they can inevitably exert greater influence over the conversation. No, not total control; if you are too heavy-handed in controlling the conversation, you just drive the conversation elsewhere. But you do have more influence.

Peter Kim, Chief Strategy Officer at Dachis Group recently wrote⁶ that companies do actually have a lot more control over the conversation than is being suggested. He says:

Organisations must have process and policy in place to deal with detractors rather than using a blanket approach based on the wisdom of the crowd – or lack thereof

Put simply, the customer isn't always right, so there's nothing wrong with standing up for yourself.

⁶ <http://j.mp/kv2GvI>

2. Control the Platform

Nestle on Facebook

One of the first high profile examples of a social media “attack” took place in March 2010. Greenpeace launched an orchestrated attack on Nestle’s Facebook page, alleging that Nestle were sourcing palm oil from companies responsible for deforestation in Indonesia. What made it particularly newsworthy was how spectacularly badly Nestle handled it – they couldn’t decide whether to get involved in the discussion or delete it. And when they did delete it, this caused even more outrage.

At the time, Jeremiah Owyang of Altimeter Group asked on Twitter, somewhat tongue-in-cheek, “who does Nestle’s Facebook page belong to?”. Nestle obviously felt it belong to Nestle. But their customers felt it belong to them. Of course, they were both wrong, it belongs to Facebook. And Facebook’s rules are notoriously idiosyncratic – they will ban picture of breastfeeding, but allow holocaust denial groups⁷ – they certainly won’t do much to help you protect your brand when you come under attack.

Not long after this, Facebook launched “community pages” which caused a fair amount of confusion about companies’ presence on Facebook. Of course, Facebook are constantly changing their platform, and they’re perfectly entitled to do that, without worrying too much about the impact on companies using the platform. Picking over this, Jeremiah recommended⁸ that companies avoid becoming too dependent on a few public social networks, and start bringing their communities closer to them.

Facebook and DMCA

It’s not as if these idiosyncrasies of Facebook are going away. In May 2011, it was discovered that anyone could bring down a company Facebook page by making a unsubstantiated DMCA complaint against it⁹. The DMCA is the US Digital Millennium Copyright Act, and Facebook has a procedure that allows copyright holders to make a complaint against any page they think is using their content without permission. But this apparently takes the page down automatically, and doesn’t even check whether the email address the complaint was submitted from is valid.

Inevitably, this loophole will be closed, even if it is hasn’t been already; it would be astonishing if it wasn’t. But what problem will be uncovered next? As long as you are using a platform managed by someone else, you are exposing yourself to this sort of risk. Companies maintaining a Facebook page don’t have a service

⁷ <http://j.mp/lP0gXn>

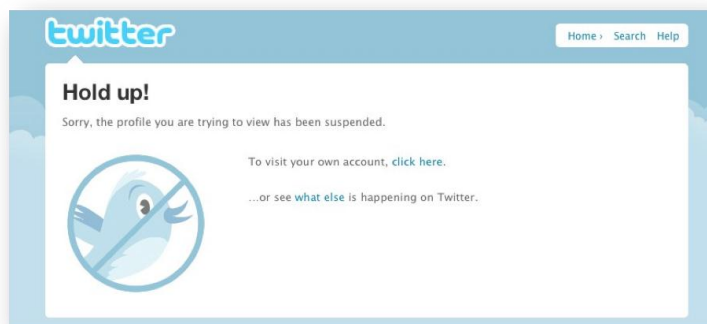
⁸ <http://j.mp/kIOkBw>

⁹ <http://j.mp/kcUZbe>

level agreement with Facebook. Do you really want your main customer engagement platform to be so vulnerable?

Twitter

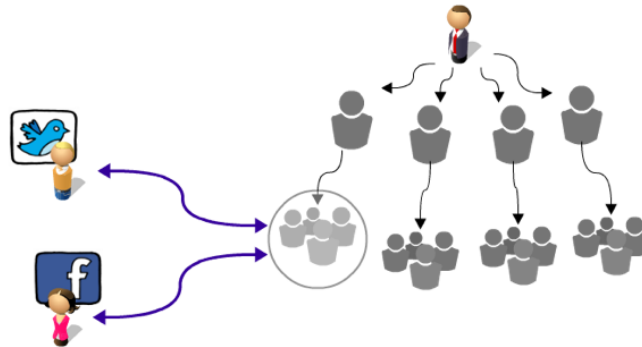
It would be unfair to suggest that this is solely a Facebook problem. Twitter's platform is not without its own problems, and Twitter can unilaterally suspend accounts. BroadVision's own Twitter account was suspended recently. We were never explicitly told the reason why, but suspect it was because we were using a tool to synchronise our Facebook page with our Twitter account. Twitter took a dislike to the tool and suspended the accounts of everyone using it, without warning.



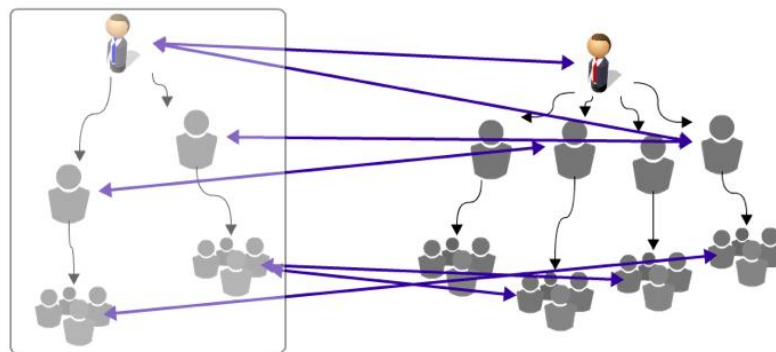
And of course, while things have improved recently, do you want the notorious "Fail Whale" getting between you and your customers?

3. Complexity of customer relationships

The Facebook and Twitter model of relationships are primarily relevant to business to consumer social CRM, where individual customers communicate with the customer service or marketing department of a company.



Business to business social CRM is far more complicated; there may be many different people at the customer communicating with many different people at the supplier.



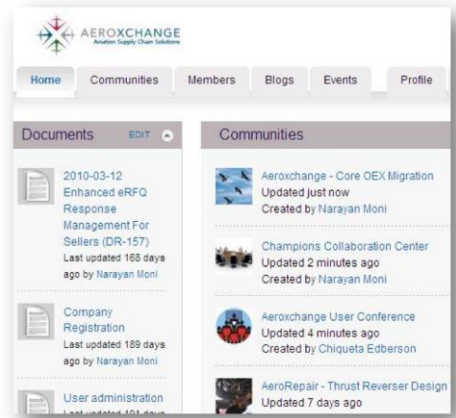
Several customers of a supplier may well be competitors of each other, so they may be very reluctant to have this conversation in public. Other customers may have no such reluctance, so there needs to be a balance between public and private discussion.

Case Study: Aeroxchange

An example of this is Aeroxchange, a global consortium sponsored by some of the largest airlines in the world. They use BroadVision Clearvale to enable collaboration between manufacturers and service providers throughout a complex supply chain.

This has resulted in improvements in:

- the quality of specifications generated within design communities
- the ability to stimulate vibrant information-sharing across different groups
- the ability to collaborate on complex timelines set by airlines in the ecosystem



Clearly, this sort of business-to-business engagement would not be possible through consumer social media sites. Clearvale enables a more sophisticated level of engagement between the members of the network.

4. Deeper customer engagement

But Facebook is not ideally suited for structured interaction with customers, even in the B2C world. This is summed up very well by this statement that used to appear on Sony's Facebook page

We want our fan page to be a place for all kinds of discussion, but it is not the place where we can provide you with great customer support

Sony has now removed that sentence, but they do still direct customers back to the forums on their own site for customer service. This is entirely justified – customer support needs a level of accountability and traceability that a consumer social media platform cannot offer.

It's true that Facebook applications for customer service are emerging. But these typically just provide Facebook users with a window onto an external service system. This provides a perfect balance - it takes advantage of the immense customer reach of Facebook, but stores data in a more structured, controlled environment.

Case Study: Webank

Webank in Italy recently ran a six-week project on BroadVision Clearvale¹⁰ to crowdsource the design of a new iPad banking application. They invited six experts to brainstorm what the application should look like. They broadcast these discussions live through the web site, and invited everyone to register on the site to provide input to the discussion.



Again, this is something that would have been hard to achieve on services like Facebook and Twitter.

¹⁰ <http://wepadproject.it>

5. Connect with your social enterprise ecosystem

Many companies who are exploring social CRM are also considering how they can use social networking inside the company. This raises the question of how the various social initiatives in a company integrate with each other.

Clearvale has a unique way of handling this, through the concept of social ecosystems¹¹. It allows several social networks to overlap each other, with users and content shared between them, enabling a discussion to move between the different networks as required.

So, for example, a company might have a customer network, a partner network, an employee network and a recruitment network. Employees of the company may well be in all of these networks, and it allows them to link internal and external discussions to resolve problems quickly and efficiently.



¹¹ For more details of Clearvale Ecosystems, see <http://videos.broadvision.com/m/K61dyw>



Conclusion

There are many different applications of social CRM for marketing, customer service and sales. These include applications targeted internally at customer service and sales staff, but are primarily focused on **engaging** with customers, not **managing** them.

While many point solutions are available that focus on individual social CRM applications, an integrated suite enabling several of these functions is easier to manage and delivers a more coherent user experience.

A company-managed social CRM platform does not replace a presence on Facebook or Twitter; it complements that presence, enabling customer engagement models that are not practical on public social media services.

A company-managed social CRM platform enables you to:

- Regain more influence of the conversation with your customers
- Control the platform on which the conversation is taking place
- Reflect more complex relationships with customers
- Engage in deeper customer interaction
- Act as a hub around which your entire social ecosystem can be connected



Since the dawn of the Web, BroadVision has been a global leader in providing organizations with the rules, tools and infrastructure for doing business on the Web. On the product and technology side, we've been an innovator and market leader in solutions designed to meet the needs of the enterprise for collaboration, personalization, agile/DIY development, content creation and management, and technology for the workplace. With BroadVision Clearvale, we're now a leader in cloud-based solutions for the virtual, mobile, social enterprise.

BroadVision

<http://www.broadvision.com>

Clearvale is a cloud-based enterprise social networking solution that helps businesses engage with employees, customers and partners. Only Clearvale enables businesses to create separate social networks for each of these groups, but manage them together as a whole, creating a social enterprise ecosystem. Within an organization, Clearvale improves knowledge exchange, encourages innovation and connects employees with each other, dramatically improving business efficiency. Outside an organization, Clearvale connects a company with its customers and partners, providing greater insight into customer needs, and helping build a more mutually beneficial relationship.

clearvale

<http://www.clearvale.com>

About the author



Richard Hughes is Director of Product Strategy at BroadVision. As one of BroadVision's most senior technical staff, Mr. Hughes is integral to guiding product development as well as the strategic success of BroadVision's customers. During his 13 years at BroadVision, he has advised major international companies such as British Telecom, O2, Vodafone, DSG, ABN AMRO, and Ericsson on deployment of their eCommerce and enterprise portal systems. Prior to joining BroadVision, Mr. Hughes managed the eCommerce web site at Blackwell's Online Bookshop. He has a BSc in Computer Software Technology from the University of Bath.

<http://www.broadvision.com/blog/author/richard>

<http://twitter.com/richardhughes>

BroadVision