

"The one book executives of companies competing for today's digital customer should read is The Definitive Guide to Social CRM."

—Neal Keene, VP of Indirect Sales/Customer Engagement Solutions, Pitney Bowes

THE DEFINITIVE GUIDE TO

Social CRM

Maximizing Customer Relationships
with Social Media to Gain Market
Insights, Customers, and Profits



Barton J. Goldenberg

Founder & President, ISM Inc.

Praise for *The Definitive Guide to Social CRM*

“Barton Goldenberg’s *The Definitive Guide to Social CRM* is just that: a clear and detailed step-by-step outline for embracing social CRM organization-wide, complete with his proven methodologies for strategy and technology adoption within a business. It’s just the primer needed to help business leaders outline how to approach social CRM in their enterprise.”

—**Ginger Conlon**, Editor-in-Chief, *Direct Marketing News*

“Barton Goldenberg has been at the forefront of Customer Relationship Management for 30 years. As a regular columnist to *CRM Magazine* since our launch in 1997, Barton has influenced our audience in print, online, and as a conference chair and speaker at our annual CRM Evolution Conference & Exhibition. Barton has also written extensively for many other media outlets and has been a highly sought after speaker at numerous industry events. Social CRM is still in its early stages of development and Barton’s newest book, *The Definitive Guide to Social CRM* is a must read for anyone trying to get verifiable return-on-investment with their Social CRM projects.”

—**Bob Fernekees**, VP/Group Publisher, CRM Media, a division of Information Today, Inc.

“While Pyrotek is just now dipping our toe in the social media waters, we feel very fortunate to have Barton—and his new book—as our guide while we begin forming a Social CRM strategy.”

—**Joe Tarulli**, Corporate Sales Development Manager, Pyrotek Inc.

“Social CRM is critical to customer engagement in today’s social media driven world. Barton brings his 30 years of experience with helping best-in-class companies with their customer-centric initiatives to bear in this timely analysis of how to do Social CRM right.”

—**Mike Merriman**, Vice President, Sales & Marketing, Mzinga

“As an ISM client, we know the experience and expertise Barton brings to customer-centric initiatives. In his new book, Barton shares his expertise with case studies and a clearly defined roadmap for Social CRM adoption.”

—**Chip Devine**, Vice President—MultiChannel Business, Ferguson

“Social CRM is the next wave that will engage an organization’s customer relationship efforts through an interplay of Social Media with CRM. As Social CRM is forecasted to grow to a \$9 billion global market by 2018, this book will teach the reader how to benefit from this growing phenomenon.

“No matter the business—or the customer—knowing your customers is key. That’s why Social CRM and Barton’s definitive book are so important.”

—**Rob Klyn**, Chief Information Officer, Universal Forest Products Inc.

“From shaping CRM to understanding today’s omni-channel digital customer, Barton Goldenberg leads the way again with his compelling insights and methodologies. The timing of his latest book, *The Definitive Guide to Social CRM*, once again demonstrates his forward thinking.”

—**Bob Dunfee**, 25-Year CRM Veteran

“From shaping CRM to understanding today’s digital client, Barton Goldenberg stays ahead of the curve. That’s why his book on incorporating Social CRM into your customer-centric strategies is so important and timely.”

—**Tim Bajarin**, President, Creative Strategies

“Barton Goldenberg and his team at ISM have already demonstrated Social CRM success with clients such as AAA, Marriott, ExxonMobil, and Kraft Foods, so when creating your Social CRM roadmap, you’ll absolutely want to read *The Definitive Guide to Social CRM*.”

—**Bob McLaughlin**, Former Sr. VP, McGraw-Hill

“Barton Goldenberg is simply the most effective transformational leader I have met. His business acumen is matched only by his ability to understand the dimensions behind how change stems from a customer’s needs to a firm’s operations. Now Barton in his new book, *The Definitive Guide to Social CRM*, captures how a firm should plan, manage, and leverage social media as a means to increase the bottom line. What makes this book so insightful is the integration of social media capabilities with those of CRM; the narrative is both compelling and practical for any leader trying to bring customer relationship capabilities to fruition—the narrative is a roadmap on how to make that outcome a reality.”

—**Cyrus Aram**, Senior Director, Blue Shield of California and Lecturer, University of California, Davis

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—**Neal Keene**, VP of Indirect Sales/Customer Engagement Solutions, Pitney Bowes

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Barton J. Goldenberg
Founder and President, ISM, Inc.

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*The Definitive Guide to Social CRM is dedicated
to my professional colleagues and friends
in the CRM industry. For 30 years your guidance
and support have been invaluable,
and I extend a hearty thanks to you all.*

Contents

Introduction xviii

Part I The Impact of Social Media on Customer Relationships 1

Chapter 1 Social CRM: The Intersection of Social Media and CRM 2

 How Social CRM Engages the Customer 5

 Social CRM Benefits 6

 Social Media Has Taken Off in the Current

 Marketplace 6

 More and More People Are Using Social Media. 7

 Social Media Is Replacing Traditional Media Sources 7

 Meaningful Challenges Still Apply to Social Media and Social CRM 9

 Sample Customer Profile 11

 Ensuring the Impact of Social Media on Customer Relationships 14

 Endnotes 16

Chapter 2 Smart Ways to Incorporate Social Media into Your Organization. 17

 Empowering an Organization with Social Media 17

 Social Listening and Engagement Tools 17

 Private Social Media Communities 18

 Enterprise Collaboration (Knowledge Communities) 19

 Channel and Partner Collaboration. 20

 Use a Phased Approach to Introduce Social Media into the Organization. 21

 Making Money from Social Media. 21

 Hub-and-Spoke Model. 22

 Social Media-Enabled Applications 23

Chapter 3	Social Media Pilot Case Study	26
	Social Media Plan	26
	Step 1: Constituency Selection	26
	Step 2: Technographic Profiling	26
	Step 3: Business Goal Identification and Community Metrics	28
	Step 4: Vendor Selection	28
	Step 5: Community Engagement Plan	29
	Pilot Description	30
	Lessons Learned	30
Part II	Social CRM	33
Chapter 4	Leverage Social Media Information to Advance Your Social CRM Efforts	34
	Step 1: Monitor Social Media Communities to Glean Social Insights	35
	Step 2: Filter Social Media Insight	38
	Step 3: Integrate Social Insight into an Organization's Social CRM Application	40
	Step 4: Leveraging Social Insight to Achieve Enhanced Customer Engagement	43
	Endnotes	44
Chapter 5	Creating Your Social Media Community in Support of Social CRM	45
	Why Create a Social Media Community?	45
	Leveraging Private Social Media Communities to Achieve Social CRM Success	47
	Constituent Selection and Technographic Profiling	47
	Community Governance	49
	Community Guidelines and Community Moderation	53
	Social Media Community Metrics	54
	Emerging Social Media Community Issue: Social Media Policies and Guidelines	55

Private Social Media Communities Case Studies 56
Key Social Media Community Success Factors. 57
Endnotes 58

Chapter 6 Social Media Knowledge Communities and Social CRM 59

Why Knowledge Management Collaboration
Is Growing in Importance 60
Painless Knowledge Management 61
Integrating Social Media Knowledge Communities
and Social CRM 62
Knowledge Management Mini Case Study 63
Endnotes 64

Chapter 7 Overcoming Skepticism to Exploit Social CRM. 65

A Social CRM Success Formula. 67
Social CRM Lessons Learned 70
Endnotes 70

Part III Ready for Social CRM Implementation. 71

Chapter 8 Getting Your Social CRM Strategy Right. 72

Step 1: Prepare an Executive Social CRM Vision 73
Step 2: Determine Social CRM Business
Requirements. 74
Step 3: Identify Social CRM Technology
Opportunities/Challenges 76
Step 4: Determine Key People Issues 77
Step 5: Develop a Long-Term Technical Road Map 78
Step 6: Identify Business Process Issues 78
Step 7: Determine Customer Desires and
Impact on Customers 79
Step 8: Determine Social CRM Competitive
Alternatives and Metrics 80
Step 9: Provide Social CRM Program Observations
and Recommendations 80
Step 10: Create a Social CRM Road Map 81
Step 11: Recommend a Social CRM Program
Management Approach 81
Step 12: Prepare the Social CRM Program
Business Case. 81

Chapter 9	Social CRM Software Selection and Vendor Negotiation	83
	How to Select Software	83
	Step 1: Technical Baseline Review	83
	Step 2: Customer Visits with the Customer-Facing Personnel	84
	Step 3: Brainstorming Session	84
	Step 4: Needs-Analysis Questionnaires	84
	Step 5: Business Process Review	85
	Step 6: Business Functional Prioritization.	85
	Step 7: Technical Platform Recommendations.	85
	Step 8: Social CRM Report	85
	Step 9: Software Selection	86
	Step 10: Software Implementation Assistance	86
	Technical Requirements.	86
	Writing the Social CRM System Specifications.	89
	Vendor RFP Response Review and Social CRM Demo	91
	Questions to Ask Social CRM Software Providers	91
	Tips for Negotiating with Social CRM Vendors	96
	Endnotes	99
Chapter 10	Ten Steps to Effective Social CRM Implementation	100
	Step 1: Organize the Project Management Team	100
	Step 2: Determine the Functions to Automate.	101
	Step 3: Gain Top Executive Support/Commitment	102
	Step 4: Employ Technology Smartly	103
	Step 5: Secure User Ownership	103
	Step 6: Prototype the System.	104
	Step 7: Train Users	104
	Step 8: Motivate Personnel	105
	Step 9: Administrate the System	105
	Step 10: Keep Management Committed.	105

Chapter 11 Social CRM: Achieving the Right Mix of People, Process, and Technology 107
 The People, Process, and Technology Components 107
 Keeping Social CRM on a Healthy Track 109

Part IV Social CRM—Process Issues 111

Chapter 12 Realizing Effective Process Change 112
 Key Business—Process Success Criteria 112
 Social CRM Process Business Case Examples 113
 A Global Manufacturer. 113
 A Consumer Goods Manufacturer. 114
 A Global Life Sciences Organization 115
 Another Global Manufacturer 116
 Social CRM Process Business Case Takeaways. 116

Chapter 13 Understanding Business Process Review 118
 Ten-Step Business Process Review 118
 Step 1: Meet with the Business Process
 Participants to Plan an Initial Schedule 118
 Step 2: Research Relevant Social CRM
 Industry Best Practices 118
 Step 3: Interview Customer Personnel about
 Current State of Business Processes 119
 Step 4: Document As-Are Processes and Make
 Best-in-Class Comparisons 120
 Step 5: Collect Feedback on As-Are
 Process Flows. 120
 Step 6: Hold Workshop(s) to Review
 Feedback 120
 Step 7: Hold a Business Process Improvement
 Workshop 120
 Step 8: Draft To-Be Process Flows 121
 Step 9: Hold a Business Process To-Be
 Workshop 121
 Step 10: Finalize Process Recommendations 121
 Business Process Improvements Must Precede
 Technology Implementation 122

Chapter 14	Applying “Process” Best Practices to Social Media Strategy	124
	Social Media Strategy Process	124
	Contemplate	124
	Navigate	127
	Calibrate	130
Part V	Social CRM—People Issues.	133
Chapter 15	Overcoming Inevitable People Issues.	134
	Social CRM Implementation Failures	134
	Oil Industry Failure	134
	Telecom Industry Failure	135
	Services Industry Failure	136
	Social CRM Implementation Success Stories	136
	Publishing Industry Success Story	137
	Raw Materials Industry Success Story	137
	How to Secure People Success for a Social CRM Initiative	138
	Announce Social CRM Efforts Internally	138
	Create a Superuser Group	139
	Create a Meaningful Communications Program	140
	Keep the Executive Sponsor(s) Actively Engaged	142
	Maintain a Long-term View	142
Chapter 16	Keeping Users Engaged and Happy	144
	Effective Training	144
	Business-Process Training	144
	Application Training	145
	Train-the-Trainer	146
	Systems Administrator Training	146
	Remedial Training	147
	New User Training	147
	A Responsive Help Desk	148
	Comprehensive Systems Administration	149

- Chapter 17 Applying “People” Best Practices to Social Media . . . 150
 - Creating and Adhering to Social Media Policies 150
 - Social Media Policy Recommendations 151
 - Developing Realistic Time Estimates 153
 - Enhancing Motivation 154
 - Leveraging Passion 154
 - Endnotes 155

- Part VI Social CRM—Technology Issues.157**

- Chapter 18 Social CRM Technology Issues 158
 - Dealing with Social CRM Vendors 158
 - Key Technology Challenges 160
 - Technology Challenge 1 161
 - Technology Challenge 2 161
 - Technology Challenge 3 162
 - Social CRM Technology Trends 163
 - Social CRM Security Risks 163

- Part VII The Future of Social CRM165**

- Chapter 19 Customers of the Future and Their Impact on Social CRM 166
 - Happy Hotels: Debbie Jones Case Study 166
 - Leveraging Social Graph Tools 168
 - Endnotes 170

- Chapter 20 The Impact of Mobility on Social CRM 171
 - An Overview of Mobile Devices Used for Social CRM Applications 172
 - Reason 1: Mobile Devices 172
 - Reason 2: Improved Networks 173
 - Reason 3: Software Enhancements 174
 - Reason 4: A Strong “What’s in It for Me?” (WIIFM) 174
 - The Impact of Mobility on Social CRM 175
 - Endnotes 176

Chapter 21	The Impact of Gamification on Social CRM	178
	Examples of Gamification in Business Situations	178
	Motivate Sales Reps to Use Social CRM	
	Applications	178
	Increased Social Media Community	
	Participation	179
	Lower Contact Center Agent Turnover	179
	Deepen Customer Engagement	181
	Game On!	181
	Deployment Options	182
	Using a Purpose-Built Gamification	
	Custom App	182
	Building on Top of a Gamification Platform	182
	Via a Gamification Service	183
	The Impact of Gamification on Social CRM	183
	Endnotes	184
Chapter 22	The Impact of Big Data Analytics and Insight	
	on Social CRM	185
	Applying Big Data Successfully within the	
	Business Environment	186
	The Components of Effective, Data-Driven	
	Decision-Making	187
	The Impact of Big Data on Social CRM	189
	Endnotes	190
Chapter 23	The Impact of Channel Optimization on	
	Social CRM	191
	Summary of Key Channel Optimization Challenges	195
	New and More Channels, Each with Its Own	
	Cost Structure	195
	Changing Customer Channel Preferences	195
	The Need for Seamless Integration across	
	Multichannels	195
	Performing Ongoing Data Analytics	
	Regarding Channel Optimization	196
	Getting the Preference-Versus-Cost	
	Balance Right	196

Securing Customer Adoption of Lowest
 Cost-to-Serve Channels 196

Achieving Technology Integration across
 Channels. 196

The Impact of Channel Optimization on
 Social CRM 197

**Chapter 24 The Impact of the Internet of Things on
 Social CRM198**

Internet of Everything 198

The Internet of Things 199

 Connected Home 200

 Connected Wearables. 201

 Connected Health. 201

 Connecting Merchants with Customers 202

Six Questions to Ask Regarding the Future of the
 Internet of Everything/Internet of Things 203

 Is There a Sustainable Driving Force
 Behind the IOE/IOT? 203

 How to Cost-Justify Investing in the
 IOE/IOT? 204

 How to Respond to the Growing Concerns
 around Data Privacy Issues? 204

 What Are the Resulting Customer
 Service Challenges? 205

 What Is the Impact on Big Data Analysis
 and Insight? 205

 How to Address New People, Process,
 and Technology Issues? 206

The Impact of the Internet of Things on
 Social CRM 207

Endnotes 208

Part VIII Appendixes209

Appendix A Social Media Policy Examples.210

 Ford’s Social Media Policies. 210

 Best Buy’s Social Media Policies 210

 Greteman Group’s Social Media Policies 211

Appendix B	Leading Social Media Monitoring and Filtering Tools	213
Appendix C	Leading Social CRM Software Solutions	215
	Platform Vendors	215
	CRM Vendors	218
Appendix D	Social CRM Technology Trends	221
	Client/Server Architecture Enhancements	221
	XML Playing a Major Role	222
	Portal Architecture	223
	Growing Options for Filtering/Exporting Relevant Social Media/Community	224
	Information	224
	Business Intelligence	225
	Resource Oriented Architecture	227
	Growing Options in Licensing/Hosting Social CRM	228
	Endnotes	229
Appendix E	Addressing Social CRM Security Risks.	230
	Areas Addressed by a Security Policy	231
	The Human Factor	232
	Systems and Software	233
	Developing the Security Policy	235
Appendix F	A Glossary of Terms.	239
	Index.	245

About the Author

Barton Goldenberg, Founder & President of ISM, Inc.

Leading customer-centric strategist, author, speaker, and futurist

For 30 years Barton Goldenberg, ISM, Inc.'s founder and president, has challenged executive audiences on the topic of customer-centric business strategies. He designs and delivers insightful, entertaining, and informative presentations that incorporate live case studies taken from ISM's best-in-class clients.

Barton has always occupied a leading role in providing a lifecycle approach to customer relationships, from founding a pioneering firm in 1985, when the concept of customer relationship management (CRM) was taking form, to being one of the first three inductees into the CRM Hall of Fame.

Customer-Centric Presentations

Barton frames his customer-centric business strategy presentations within the people/process/technology paradigm, and references a variety of tools and techniques in support of these strategies, including CRM/Social CRM, Big Data analytics and insight, knowledge communities, customer experience, and channel optimization. Barton's results-oriented, bottom-line presentations have been praised by audiences worldwide, including clients such as AAA, Delta Faucet, Deutsche Bank, Exxon-Mobil, Ferguson, Giorgio Armani, IBM, Jaguar Land Rover, Johnson Controls, Kraft Foods, Marriott, McGraw-Hill, Merck, Pfizer, Roche, Schlumberger, T. Rowe Price, Zumba Fitness, and more.

Meeting Customer Expectations in Real Time

For today's always-on, always-connected consumer, collaboration is the key in the customer lifecycle. Whether business-to-business or business-to-consumer, customer expectations must be met in real time, which Barton addresses in his book, *CRM in Real Time: Empowering Customer Relationships*, published by Information Today. His earlier book, *CRM Automation* (Prentice Hall), is considered the primer for companies implementing customer-focused programs. ISM's Software Lab publishes the benchmark *Guide to Mobile & Social CRM Automation*

(now in its 20th edition). Barton is a columnist for *CRM Magazine* and is often quoted in business and trade publications.

Prior to founding ISM, Barton held senior management positions at the U.S. Department of State and Monsanto Europe S.A. He holds a B.S. (Economics) with honors from the Wharton School of Business and an M.S. (Economics) from the London School of Economics. Presently, Barton serves as the area governor for Rotary District 7620, after serving in 2013–2014 as president of the metroBethesda Rotary Club.

Introduction

For the past 30 years I have had the honor of participating in the CRM industry. During that time it has been my pleasure to work with the world's biggest and best corporations on their CRM efforts (visit www.ismguid.com for a client list). I have chaired dozens of industry conferences, made hundreds of keynotes, and have written many columns and articles for numerous magazines. However, nothing has given me as much gratification as publishing industry-related books. My first book, *CRM Automation*, was published in 2003; the second, *CRM in Real Time*, was published in 2008. Both of them forecasted the next waves in CRM.

My new book, *The Definitive Guide to Social CRM*, focuses on the third wave in CRM: the integration of Social Media and CRM. This wave has already begun to change the nature of the industry, and it will continue to do so over the next five to ten years. Because of Social Media's phenomenal growth, we are now able to listen to, harvest, and integrate insights and customer information from social sites into your organization's CRM application to use in customer engagement activities.

I hope you enjoy *The Definitive Guide to Social CRM* and that you will contact me with your own thoughts and ideas. CRM is our industry to grow, and you can have a role in helping Social CRM blossom.

Barton Goldenberg
Bethesda, Maryland
February 2015

1

Social CRM: The Intersection of Social Media and CRM

For decades organizations have had one-way conversations with their customers where the organizations did all the talking. Now, with the advent of Social Media, organizations and customers engage in two-way dialogues. This has transformed the rules of the marketplace.

Social Media is the newest way for organizations to communicate with and relate to employees, consumers, partners, and other stakeholders. It is enabling customers to have their say by posting exactly what they think about any organization's products, services, and policies—for everyone to see. Social Media is all about the ability of individuals to connect and share freely online through a set of highly interactive technology tools that leverage the fundamental human desire to interact with others. A major result of its growing influence has been to foster a shift in thinking away from promoting an organization's wares to seeking new ways to interact with customers to provide value. The more perceived value an organization can provide, the better its relationships will be with customers, thus improving loyalty and growing revenue. Social Media and its integration with CRM drive home the concept of customer-centric services, so that organizations can grow from closing sales to deepening long-term customer relationships and driving customer advocacy. Using Social CRM, organizations worldwide are maximizing customer relationships via Social Media to gain customers, market insights, and profits.

Social Media has been having such a strong influence on businesses worldwide, and even the experts cannot clearly visualize the total impact it will have. What is clear is that organizations that do not embrace Social Media will be sidelined in the near term, and possibly left behind in the marketplace of the future. Pew Internet.org's "Social Media Update 2013" found that 73 percent of U.S. online adults are using a social-networking platform such as Facebook, LinkedIn, or Twitter. The

average American worker currently spends 1.2 hours a day on Social Media–related tasks, and 61 percent of online Americans under 30 use Social Media–related websites daily. Organizations of all kinds are being forced to make sense of this new channel for consumer interaction as this chorus of conversations and the proliferation of technologies that enable participation in Social Media grow.

Social Media is forcing organizations to find a definitively more customer-centered focus because it stimulates interaction between organizations and customers. Organizations must learn new ways to communicate effectively in this arena. How companies choose to adapt to this two-way dialogue environment will have an enormous impact on many organizations' sustainability. When an organization invests in a Social Media presence, customers are more likely to respond and join in on conversations. Customers really appreciate when a business reaches out to them (instead of the other way around) as well as when they are able to create a dialogue with a business. In many organizations, Social Media can be used to go that extra mile for customers, helping to separate the organizations from competing providers.

Organizations willing to explore and embrace this new business world order learn how to minimize the impact of negative posts on Social Media communities. Negative customer comments in Social Media communities can damage an organization's reputation, making access to all Social Media–related resources used to track and monitor Social Media activity vital for quickly and efficiently engaging customers and resolving disputes. This, in turn, can also improve an organization's image in the eyes of others who read Social Media posts. In addition, positive experiences that customers share can also be openly viewed on Social Media communities. This type of feedback often vastly outweighs positive statements made by the organization about its products and services in traditional marketing venues such as advertising, and is worth more than the expensive ad campaigns needed to attract new customers.

Customer relationship management (CRM) is a business approach that integrates *people*, *process*, and *technology* to maximize relationships with all customers, providing seamless collaboration between all customer-facing functions. It increasingly leverages the Internet and Social Media. Social CRM is the next logical step in CRM's evolution, and was forecast by MarketsandMarkets in a May 2013 study to grow to a \$9-billion-plus worldwide market by the end of 2018.

Social CRM offers organizations the ability to harvest information from Social Media communities, integrate this information into customer profiles, and use the expanded profile to better personalize customer service, marketing messages, and sales offers. Using Social CRM, an organization can gather data about customers from information they have placed online, such as their opinions on a product or service, by using Social Media tools. Afterward, filtered customer information can be placed into an organization's Social CRM system and added to the appropriate customer profile. The organization can then use this information to personalize its customer communications so that customers will receive only organizational communications relevant to them. Although understanding what is relevant to an organization's customers can be a real challenge, a company's staff can use various Social Media analytics tools, online surveys, and polls, as well as relevant comments that customers post on various social communities.

At present, most organizations are just gathering *transactional* information concerning customers or prospects (that is, what they have purchased, when, and at what price), along with basic demographic information, including where the customer lives, works, job title, and so on, and placing this information in their Social CRM system. Using Social Media, an organization can now easily gather additional information, called *sentiment*, from customers, including their attitudes, likes and dislikes, and sentiments on various topics and issues that impact the organization. Furthermore, with Social Media, an organization's staff can easily open a two-way, online conversation with their customers and prospects relating to their preferences and their emotional content concerning the organization's products and services.

The most successful product offers are those that are most relevant to the target customer. An organization can determine product-offer relevancy from Social Media postings by gathering and analyzing customers' and prospects' attitudes, preferences, thoughts, and reviews. An organization can also find out what people are most interested in, what they care about, what their buying history and so on is, and obtain customer and prospect feedback about certain products and services. Social Media can also help companies acquire sentiment analysis from customers and prospects and then incorporate it in a way that will be communicated to the organizations' constituencies. Social CRM enables organizations to harvest such information and use it to make customer communications and product or service offerings that, as a result, are more appropriate

and more relevant to their target audiences. This functionality has never been available before.

How Social CRM Engages the Customer

The benefits of Social CRM are many, as exemplified in this list of what Social CRM can bring towards customer engagement for an organization:

- Captures indirect feedback from customers on social networks and communities that adds insight into the emotional side of the relationship
- Shares ideas for innovation by leveraging customer insights that can result in co-development of new products and services
- Enables customers to get help from other customers by decreasing service costs
- Generates brand awareness and visibility
- Increases web traffic and advertising income
- Assists in sales, marketing, and service efforts by sharing contacts in a sales community, marketing trends in a marketing community, and service issues in a service community

The impact of Social CRM is expected to be tremendous in the next few years. In a February 2011 Digital Marketing report, Gartner stated that social marketing processes will influence at least 80 percent of consumers' discretionary spending by the end of 2015. Gartner also stated in its 2014 "Magic Quadrant for the CRM Customer Engagement Center" report that 50 percent of its clients were using some type of Social Media applications within their Social CRM systems at the end of 2013. Social CRM has the potential to bring new and dynamic methods for improving customer service to organizations. It is also creating opportunities for new and existing providers in the customer service and contact center infrastructure markets. Current Social CRM vendors have typically come from two directions—the traditional CRM market, in which vendors are adding Social CRM capabilities, and from Social Media platform startup suppliers, which are focused on customer engagement. Social CRM is in its infancy, appearing in a fully realized form in only a limited number of businesses so far; yet, major organizations already are clamoring to harness the tremendous potential of Social CRM functionality.

Social CRM Benefits

Key benefits resulting from Social CRM include the following:

- **Sales staff** can access significantly more relevant information about their customers and prospects from an integrated view of their Social Media activities using digital analytics (website visits, Internet searches, mobile activities, email, and so on) and existing Social CRM activity history.
- **Marketing staff** can meet prospects at their point of need, connecting much earlier in the buying process by leveraging real-time listening and monitoring of Social Media activities. Marketers can also gain a greater insight into the effectiveness of their marketing and communication efforts to their customers and prospects. In addition, they can compare which types of Social Media forums and communities are most effective in generating positive word of mouth, resulting in desired actions on an organization's website or on other digital channels. Afterward, the marketing staff can calculate the ROI of their content marketing and outreach efforts by connecting associated Social Media activities to website traffic, downloads, sales, or other desired actions.
- **Product development staff** can engage and collaborate directly with customers and prospects throughout the development phases, from the initial generation of ideas (known as *ideation*) through the phases of design, prototyping, and testing new or modified products and services, which can drive down costs and deliver significant advocacy and positive marketplace word of mouth.
- **Customer service staff** can provide memorable service by proactively responding to customers with an integrated view of their entire interaction, engagement, and Social Media activity history.
- **Community and Social Media staff** can access the Social Media content generated by customers and prospects for use on their outreach and engagement efforts.

Social Media Has Taken Off in the Current Marketplace

The tremendous growth of three Social Media websites—Facebook, LinkedIn, and Twitter—has made these sites as familiar to many people

as is Google. In addition to Social Media websites, blogs also play a key role in the evolution of Social Media. Facebook, LinkedIn, and Twitter have become so popular that marketers now have studies to show which online community to use to reach customers and prospects in specific industries, including advertising, agriculture, airlines, banking, biotechnology, health care, manufacturing, pharmaceutical, real estate, and more.

More and More People Are Using Social Media

The time and money being spent on Social Media is astounding, as indicated by the following Social Media statistics:

- In 2013, 1.7 billion people were online (ISM research).
- Community members spend 54 percent more than nonmembers (eBay).
- Members spend 50 percent longer in social communities than non-community users (Forum One Networks).
- Live support costs \$12 per call, versus \$.25 for online self-service (Forrester).
- Approximately 56 percent of online community members log on once a day or more (Center for Digital Future).
- Members visit an organization's website nine times as often and view four times the number of pages as nonmembers (McKinsey).
- An estimated 66 percent of business decision-makers start purchase research at a search engine. Even more, 69 percent use Social Media (Motorola).

Social Media Is Replacing Traditional Media Sources

It is clear from these statistics that Social Media has become a way of life that will only grow in importance in the future. In 2011, Social Media became the number-one channel for marketing spending by major organizations, according to the HubSpot "2012 State of Inbound Marketing" report. It also found that the top marketing channels from a generation ago, such as print, display, outdoor, and television, have moved near the bottom of the list for channel investment. Simply said, with the

increased investment in and interest of the world in Social Media, its communities are fast becoming the number-one way for business-to-business (B2B), business-to-consumer (B2C), and business-to-business-to-consumer (B2B2C) organizations to exchange information internally and externally with their customers and prospects.

How hot is Social Media?⁹ Consider these findings:

1. When ISM conducted research for a major pharmaceutical customer, they learned that “Over 80% of Internet consumers search online for health information, trusting peer-generated Social Media content more than pharma company websites and what their physicians say.”

This was a shocking discovery. It’s not a stretch to say that soon, if pharma and physician are removed from this quote, it could apply to just about any industry. This means that more than 80 percent of consumers will search online for information pertaining to an organization, and they will trust peer-generated content in Social Media communities more than information on an organization’s website or so-called experts in that field. In several industries, including travel and healthcare, this behavior is already taking hold.

2. Every minute of every day:¹
 - Facebook users share 2.5 million pieces of content,
 - Email users send 204 million messages,
 - Apple users download 48 thousand apps,
 - Google receives 4 million search queries,
 - YouTube users upload 72 hours of new video,
 - Twitter users tweet 277 thousand times,
 - and Amazon makes \$83,000 in online sales.
3. The influence of Social Media continues to increase:²
 - 46% of web users look toward Social Media when making a purchase
 - 8 out of 10 SMB (small and medium businesses) use Social Media to drive growth

- 3 in 5 SMB say they've gained new customers by using Social Media
- 67% of Twitter users are far more likely to buy from the brands they follow on Twitter

Meaningful Challenges Still Apply to Social Media and Social CRM

Social Media's impressive rise comes with meaningful challenges in the Social Media world. One challenge is that whereas good information travels quickly, bad information can travel even more quickly. Consider these faux pas when Social Media began to take hold in the marketplace:

- **New York City Police Department**—In April 2014, the NYPD asked Twitter users to share photos of themselves and NYPD officers, using the hashtag *#myNYPD*. But just a few days after this initiative, the NYPD was forced to rethink its Social Media strategy after users deluged this hashtag with inane and profane photos of NY police officers.
- **DHL Express**—In October 2014, DHL asked for “likes” within its Facebook account regarding recovery wishes for racecar driver Jules Bianchi's injuries caused by a crash in the Grand Prix. Facebook users immediately criticized DHL for the move, labeling it “tasteless” and “inappropriate,” prompting the company to delete the post and issue an apology via Facebook.
- **American Apparel**—In late 2012, American Apparel offered a 20 percent discount on all items as a means of alleviating boredom among shoppers during the hurricane season. Perspective customers worldwide were appalled, after the destructiveness of Hurricane Sandy, and took to Twitter, Facebook, and other Social Media websites to condemn the ill-considered marketing message, thereby causing management a huge PR nightmare.

Successful Social Media initiatives are grounded in a strategic business context whereby the organization looks to Social Media as toolsets that support one of three core business strategies (these strategies were initially proposed by Michael Treacy in his co-authored book *The Discipline of Market Leaders*):

- **Product Leadership**—Companies such as Procter & Gamble (P&G) use Social Media ideation tools to facilitate the creation and formulation of new ideas within Social Media forums that subject matter experts (SMEs) participate in. P&G has taken the lead in utilizing ideation platforms, with more than one-third of its product innovation ideas being generated in these platforms.
- **Operational Excellence**—Social Media may also be used to cultivate operational excellence by having end users provide customer/technical support within organizationally set guidelines and proper training, thereby helping to drive down costs and increase efficiencies. Hewlett-Packard uses this technique effectively—it has saved in excess of \$10 million by integrating Social Media into its call center/customer service offerings.
- **Customer Intimacy**—Social Media can also be used to boost customer intimacy by creating a two-way dialogue with constituents (such as customers or distribution partners) with the objective of deepening customer relationships and increasing an organization's growth engine. Dozens of best-in-class B2B and B2C organizations (for example, ExxonMobil and Amazon) are currently using Social Media to achieve customer intimacy.

Of these three business strategies, the biggest impact of Social Media is on customer intimacy. I recommend applying the Hub and Spoke Integrated Social Media model to make this impact (see Figure 1.1).

Organizations use publically available Social Media tools such as Facebook and Twitter with this model to drive traffic to their corporate website, which in turn is the best tool for driving traffic to their private Social Media community. A private Social Media community is where the company sponsors SME blogs, as well as community forums, best practices, polls, and contests of interest to their customers and prospects. This integrated Social Media approach helps to build the two-way dialogue between organizations and customers. It also allows organizations to harvest comments and other relevant information noted on their private social community and places these insights into customer and prospect profiles located within the organizations' Social CRM system. This allows them not only to have transactional information about their customers (for example, what they have purchased in the past and when), but also sentiment information (for example, what they like or dislike about doing business with the organization, opportunities they would like the organization to pursue, and so on).

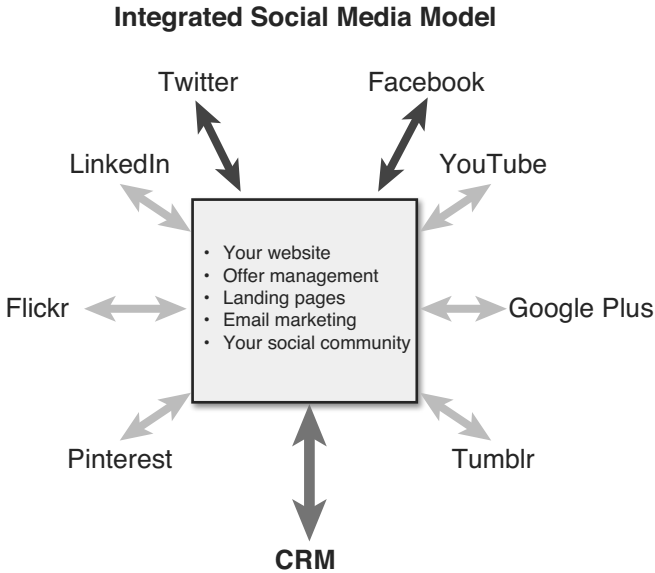


Figure 1.1 The Hub and Spoke Integrated Social Media model

For example, an organization might choose to invite customers and prospects to a private social community discussion forum to learn more about what products or services its customers may be interested in. It can then harvest appropriate information from the forum and enter this information into individual customer profiles contained within the Social CRM system for use when marketing, selling, or servicing these customers or prospects. The organization can also use the data analytics tools (either within its Social CRM system or external data analytics tools) to understand trends gathered during forums, polls, contests, and so on, and feed these results back to the private social community in the form of information, products, or services, thus further enhancing the two-way dialogue.

Sample Customer Profile

The customer profile is the core of every successful Social CRM implementation because it provides a holistic picture of a customer. Think of the profile as a daisy, where you put the customer in the center of the daisy and you have petals of information attached to the center. The sample customer profile shown in Figure 1.2 provides sample

information petals for a pharmaceutical company’s customer profile, with both traditional information petals (including customer information, activities, products purchased, financials, operational issues, service issues, customer insight, competitive information, marketing campaigns/opportunities, and customer news) and the new Social Media information petal. To ensure appropriate security, all information petals can be turned on or off, depending on who is viewing the profile (that is, internal personnel or the customer).

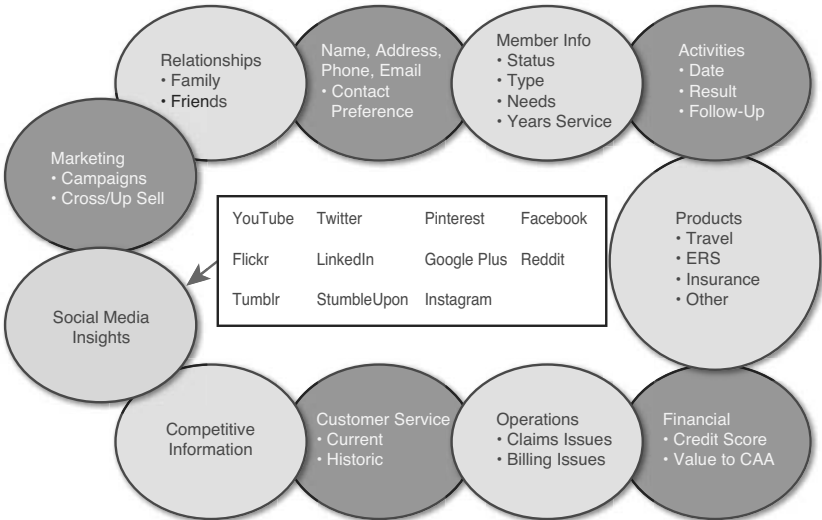


Figure 1.2 SCRM Customer Profile

A customer profile that contains only traditional information holds essentially static information (that is, information that has taken place). By adding Social Media insights to a traditional customer profile gathered from Social Media blogs, community forums, ratings, polls, and so on, the organization now has static as well as positive and negative sentiment information that will provide a more holistic understanding of the customer relationship en route to achieving customer intimacy. The many organizations that have added the Social Media insight petal to their Social CRM customer profile have noted a higher level of sensitivity in the customer buy-cycle and a more effective approach to the organization’s sell-cycle with the customer—both components of a more meaningful two-way dialogue with the customer.

The American Automobile Association: A Successful Social Media/Social CRM Case Study

In the early 1990s, CRM was advertised as a panacea for organizations' sales and marketing woes. From ISM's research it is clear there has been a similar over-evangelizing of the Social Media effects on organizations. Yet, there are concrete, successful examples of implementations that ISM has participated in that highlight how Social Media can be used to assist an organization to grow its business and achieve a higher level of customer intimacy that leads to higher customer satisfaction, loyalty, and advocacy.

One example of this is in ISM's work with the American Automobile Association (AAA) to help design and implement six different Social Media communities during 2009 and 2010, several of which still exist today. These communities had the goal of deepening AAA's customer relationships and ultimately driving additional revenue to the AAA clubs. Several of these social communities were set up to feed information directly into AAA customer—or member—profiles contained within the Social CRM systems. The following are some pragmatic outcomes from two of these communities.

For one AAA club, ISM helped design and implement a Social Media “savings” community, aimed at helping this club's members who were suffering from the Great Recession. The concept was to engage in a conversation with members about how they can save using AAA's Show Your Card & Save (SYCS) program and other special deals made available within the community. The target audience for this community was members and prospects of all ages in a multistate geography, particularly people with a strong focus on savings. The community's goals were to expand the relationship with members, increase the perceived value of an AAA membership, and support increased sales. The Social Media tools initially used included a blog by SMEs, along with a contest to determine who saved the most from AAA's SYCS card program or had the best savings story. This AAA club also used forums to gather information on both member experiences using their AAA SYCS card and new potential vendors that wished to join the community. ISM carefully measured the impact of this community on customer satisfaction and enhanced revenues. The impact on both fronts proved very meaningful.

For the second AAA club, ISM helped analyze information coming from blogs and forums on its Social Media community and brought these insights directly into its Social CRM application and to the appropriate member profiles. This led to deeper insight into each member based on preferences gathered through the Social Media community and ultimately to enhanced and new product and service offerings.

ISM made a point to set up success metrics from the outset to determine the impact of these Social Media efforts on customer relationships to ensure that these communities delivered measurable value, not hype. This led to a lot of discussion within the six AAA clubs because at that time (and still today) many Social Media industry evangelists felt that making money from Social Media communities was not the right success metric. I vehemently disagreed, and asked, “Didn’t we learn anything from the dot-com bust in the early 2000s?” So, for the AAA Social Media communities, ISM set out to measure new revenues generated from AAA members participating in the Social Media community compared to those who were not participating in the Social Media community. By measuring the sales lift between these two groups, AAA was in a position to cost-justify the expense of designing, implementing, and monitoring its Social Media communities. This type of business approach to Social Media will help ensure the overall success of this newly emerging industry.

Other AAA clubs benefited by directly integrating social insights from their private social communities into their Social CRM system. Some clubs now harvest relevant comments from social community users and add those comments to appropriate customer profiles. The comments can then be retrieved from a customer profile and used to provide deeper insights into the customer’s emotional perspective for certain AAA products and services and/or automobile and travel issues. Ultimately, AAA’s social-community effort has led to a better understanding and a closer relationship between AAA clubs and their members.

Ensuring the Impact of Social Media on Customer Relationships

Clearly there is real value in creating a Social Media community and harvesting information generated on the community for use within an

organization's Social CRM efforts. ISM helped to design Kraft Foodservice division's Social Media community with the goal of creating a two-way dialogue with chefs and restaurants owners. Similar to P&G's use of ideation tools offered within Social Media communities to generate product enhancements, Kraft's community will be a great place to test product ideas and to gather meaningful feedback that in turn will feed into its Social CRM system to help achieve customer intimacy.

Sticking with the linkage between Social Media communities and their impact on Social CRM, some organizations leverage their Social Media communities to create customer advocates, who in turn help promote products to other potential customers both within and outside the community. Other organizations use Social Media communities to save money on the support side by allowing properly trained customers to help fellow customers, rather than spending valuable internal resources on those support efforts.

An organization embarking on a Social Media initiative must have a well-planned strategy that supports the organization's core business goals. As information is gathered from a variety of feeds, including both public and private Social Media communities, it is important to have carefully thought through how the organization will integrate this information inside its current Social CRM system and how the organization will use this information to deepen customer relationships en route to achieving meaningful customer intimacy.

To successfully leverage Social Media to help achieve customer intimacy, here is a short list of actions an organization must include en route to achieving meaningful impact:

- Support the organization's business goals with Social Media.
- Define success for the community from the outset using clear metrics.
- Link Social Media efforts to existing Social CRM customer programs and outreach.
- Integrate Social Media with other marketing programs.
- Leverage existing internal organizational resources and initiatives.
- Monitor social communities carefully.
- Respond quickly to social community input.

The chapters that follow offer a comprehensive understanding of the current CRM, Social CRM, and Social Media marketplace and cover

topics ranging from smart ways to incorporate Social Media into the enterprise to leveraging Social Media information to advance any organization's CRM efforts. They provide insight into how other organizations have achieved specific goals via best practices in Social CRM, and they help in overcoming skepticism so that any organization can exploit the real benefits of Social CRM.

Endnotes

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Index

Numbers

1-800-Flowers, 24

A

AAA (American Automobile Association)
 Big Data, 186
 hub-and-spoke model, 22-23
 sample customer profile, 12-14
 Social Media impact, 66
Acquia, 217
American Apparel, 9
Apache Solr Search, 224-225
application training, 145-146
Aptean CRM application, 218, 224
Attensity, 213
AwarenessHub, 218

B

Bajarin, Tim, 173
Barton, Kathy, 60
Bazaarvoice, 217
beacons in Internet of Things, 202-203
Beevolve, 214
Bernoff, Josh, 28
Best Buy social media policy, 210-211
best practices, people issues, 150
 employee motivation, 154
 leveraging employee passion, 154-155
 Social Media policies, 150-152
 time estimates, 153
Big Data
 case studies, 186-187
 impact of, 189-190
 in Internet of Things, 205-206
 requirements, 187-189
 statistics, 185-186

blogs, 52-53
Bunchball, 178-179
business case in Social CRM strategy creation, 81-82
business functional prioritization for software selection, 85
business goal identification, Social Media pilot case study, 28
business intelligence, future trends, 225-227
business metrics, creating private Social Media communities, 55
business process issues. *See* process issues
business requirements for Social CRM, 74-76
Buzzient, 214

C

calibrate stage (Social Media strategy creation), 130-132
 community metrics, 130-131
 support services, 131
case studies
 Big Data, 186-187
 Happy Hotels (customers of the future), 166-169
 knowledge management (KM), 63-64
 people issues
 failure examples, 134-136
 success examples, 136-138
 private Social Media communities, 56-57
 process issues, 113-116
 Social Media pilot case study, 26
 business goal identification, 28
 community engagement plan, 29

- community metrics*, 28
 - constituency selection*, 26
 - description*, 30
 - lessons learned*, 30-32
 - technographic profiling*, 26-27
 - vendor selection*, 28-29
 - Chambers, John**, 70
 - channel and partner collaboration**, 20-21
 - channel optimization**, 191-194
 - challenges, 195-196
 - impact of, 197
 - Chatter**, 219
 - Cisco SocialMiner**, 213
 - clickstream flows**, 128-129
 - client/server architectures**, future trends, 221-222
 - Coca-Cola**, 179
 - collaboration**. *See* enterprise collaboration
 - Collective Intellect**, 213
 - communications in Social CRM implementation**
 - communications management, 140-141
 - internal communications, 138-139
 - communities**. *See* private Social Media communities; public Social Media communities
 - community governance**, 49-53
 - community guidelines**, 53-54
 - community managers**, 49
 - community metrics**
 - cost-to-serve, 192
 - creating private Social Media communities, 54-55
 - in Social CRM strategy creation, 80
 - Social Media pilot case study, 28
 - in Social Media strategy creation, 130-131
 - community moderators**, 49, 53-54
 - competitive analysis in Social CRM strategy creation**, 80
 - constituency selection**
 - creating private Social Media communities, 47-49
 - Social Media pilot case study, 26
 - contact center turnover rates**, 179-180
 - contemplate stage (Social Media strategy creation)**, 124-127
 - assess current situation, 125
 - community linkage to business strategy, 125
 - define audience, 125-126
 - organizational resources, 127
 - review Social Media policies, 127
 - Social Media goals, 126-127
 - core business strategies**, 9-11
 - cost-to-serve metrics**, 192
 - CRM (customer relationship management)**
 - defined, 3
 - vendors, 215, 218-220
 - customer engagement**
 - gamification, 181
 - with Social CRM, 5
 - with social insight, 43-44, 162-163
 - Social Media pilot case study, 29
 - in Social Media strategy creation, 129-130
 - customer feedback**
 - in business process review, 122
 - in Social CRM strategy creation, 79-80
 - customer intimacy**, 10
 - customer profiles**
 - sample profile, 11-14
 - social insight integration, 40
 - customer relationship management (CRM)**. *See* CRM (customer relationship management)
 - customer service challenges for Internet of Things**, 205
 - customers of the future**, 166
 - Happy Hotels case study, 166-169
 - social graph tools, 168-169
- D**
- dashboards**, future trends, 223-224
 - data analytics**. *See* Big Data
 - data mining**, 227
 - data privacy**, 38, 204-205
 - data warehousing**, 226-227
 - Dell**, 36-37
 - DHL Express**, 9
 - The Discipline of Market Leaders* (Treacy), 9

disgruntled customers, handling, 68-69
 distribution channels. *See* channel optimization
 Drucker, Peter, 28

E

ecommerce, security risks, 231
 email systems, security risks, 231-232
 Employee Engagement Spaces platform, 217
 employee motivation for Social Media programs, 154
 employee passion, leveraging, 154-155
 engagement. *See* customer engagement; user motivation
 enterprise collaboration, 19-20. *See also* knowledge management (KM)
 ease of use, 61-62
 importance of, 60-61
 integration with Social CRM, 62
 enterprise security, 232
 EpicMix, 182
 executive commitment in Social CRM implementation, 102, 105-106, 142
 executive Social CRM vision statement, preparing, 73-74
 ExpertZone, 20

F

Facebook, growth of, 6-7
 filtering tools, 213-214
 future trends, 224-225
 in Social CRM framework, 38-40, 161
 first-mover advantage, 46
 Ford social media policy, 210
 Foursquare, 182-183
 Front Runner. *See* pilot case study
 future trends in Social CRM
 Big Data
 case studies, 186-187
 impact of, 189-190
 requirements, 187-189
 statistics, 185-186
 channel optimization, 191-194
 challenges, 195-196
 impact of, 197

customers of the future, 166
 Happy Hotels case study, 166-169
 social graph tools, 168-169
 gamification
 business results of, 181-182
 defined, 178
 deployment options, 182-183
 examples in business situations, 178-181
 impact of, 183-184
 statistics, 181
 Internet of Everything (IOE), *defined*, 198-199
 Internet of Things (IOT)
 beacons, 202-203
 challenges, 203-207
 defined, 199-200
 health devices, 201-202
 home devices, 200-201
 impact of, 207-208
 wearables, 201
 Wi-Fi technology, 203
 mobility, 171-172
 impact of, 175-176
 network improvements, 173-174
 smartphone statistics, 171
 software enhancements, 174
 types of devices, 172-173
 WIIFM (What's in It for Me?), 174-175
 technology trends, 163, 221
 business intelligence, 225-227
 client/server architectures, 221-222
 filtering tools, 224-225
 hosting options, 229
 licensing options, 228-229
 portal architecture, 223-224
 ROA (Resource Oriented Architecture), 227-228
 XML functionality, 222-223

G

gamification
 business results of, 181-182
 defined, 178
 deployment options, 182-183

examples in business situations,
178-181
impact of, 183-184
statistics, 181
Gatorade, 36
Get Satisfaction, 217
Google Glass, 201
governance structure, 49-53
Greteman Group social media policy,
211-212
Groundswell (Li and Bernoff), 28

H

Happy Hotels case study, 166-169
health devices in Internet of
Things, 201-202
help desk response in Social CRM
implementation, 148
home devices in Internet of Things,
200-201
Hootsuite, 214
hosting options, future trends, 229
hub-and-spoke model, 10-11,
22-23, 128
human factor. *See* people issues

I

implementation steps for Social
CRM, 100
automated functions, 101-102
executive commitment, 102,
105-106
open architecture technology, 103
project management team
organization, 100-101
prototyping, 104
system administration, 105
training, 104
user motivation, 105
user ownership, 103
Infor CRM application, 92, 218, 223
INGage Networks, 216
institutional memory, 60-61
internal communications in Social
CRM implementation, 138-139
Internet of Everything (IOE),
defined, 198-199

Internet of Things (IOT)
beacons, 202-203
challenges, 203-207
defined, 199-200
health devices, 201-202
home devices, 200-201
impact of, 207-208
wearables, 201
Wi-Fi technology, 203
IPv6 (Internet Protocol version
6), 199

J

JavaScript, 224
Jigsaw, 218-219
Jive, 216-217
Jones, Debbie (customers of the
future case study), 166-169

K

key account management (process
issues case study), 114-115
knowledge communities, 19-20. *See*
also knowledge management (KM)
ease of use, 61-62
importance of, 60-61
integration with Social CRM, 62
knowledge management (KM). *See*
also knowledge communities
case study, 63-64
defined, 59
ease of use of Social Media
communities, 61-62
importance of, 60-61
Kraft Foodservice, 15, 22

L

lead management (process issues case
study), 115-116
lessons learned
overcoming skepticism about Social
CRM, 70
Social Media pilot case study, 30-32
Levi's Stadium, 202-203
Li, Charlene, 28
licensing options, future trends,
228-229

LinkedIn, growth of, 6-7
 Lithium Social Customer Experience Platform, 215-216
 LiveOps, 180
 long-term viewpoint in Social CRM implementation, 142-143

M

machine-to-machine Internet connectivity, 198
 machine-to-people Internet connectivity, 199
 Macy's, 202
 Marriott, 35
 metrics. *See* community metrics
 Microsoft, 20
 mobility, 171-172
 impact of, 175-176
 network improvements, 173-174
 smartphone statistics, 171
 software enhancements, 174
 types of devices, 172-173
 WIIFM (What's in It for Me?), 174-175
 moderators. *See* community moderators
 monitoring tools, 213-214
 in Social CRM framework, 35-38
 challenges, 161
 data privacy, 38
 public versus private Social Media communities, 37-38
 ROI (return on investment), 36-37
 what to monitor, 35
 motivation of users. *See* user motivation
 Moxie Software, 217
 Mzinga, 216

N

navigate stage (Social Media strategy creation), 127-130
 engagement plan, 129-130
 process flows, 128-129
 tool selection, 128
 needs analysis, for software selection, 84-85

negotiation tips for vendors, 96-99, 158-160
 new user training, 147
 New York City Police Department (NYPD), 9

O

OmniSocial Engaged platform, 216
 OmniSocial Learning platform, 216
 1-800-Flowers, 24
 operational excellence, 10
 Oracle CRM application, 218

P

Pacific Life, 187
 partner collaboration, 20-21
 passion, leveraging, 154-155
 people issues
 best practices, 150
 employee motivation, 154
 leveraging employee passion, 154-155
 Social Media policies, 150-152
 time estimates, 153
 case studies
 failure examples, 134-136
 success examples, 136-138
 in Internet of Things, 206
 ratio with process and technology issues, 107-110
 security risks, 232-233
 in Social CRM strategy creation, 77, 138
 communications management, 140-141
 executive commitment, 142
 internal communications, 138-139
 long-term viewpoint, 142-143
 superuser groups, 139-140
 user motivation, 144
 help desk response, 148
 system administration, 149
 training, 144-147

PeopleBrowsr, 214
 people-to-people Internet connectivity, 199
 perpetual licensing, 229

personalization, future trends, 223-224

phased approach to Social Media integration, 21

pilot case study, 26

- business goal identification, 28
- community engagement plan, 29
- community metrics, 28
- constituency selection, 26
- description, 30
- lessons learned, 30-32
- technographic profiling, 26-27
- vendor selection, 28-29

platform recommendations for software selection, 85

platform vendors, 215-218

Platt, Lew, 59

policies for employee Social Media usage. *See* Social Media policies

portal architecture, future trends, 223-224

private Social Media communities, 11, 18-19

- case studies, 56-57
- gamification, 179
- monitoring, 37-38
- policies and guidelines for employee usage, 55-56
- process issues case study, 113-114
- reasons for creating, 45-47
- requirements for creating
 - community governance*, 49-53
 - community guidelines and moderation*, 53-54
 - community metrics*, 54-55
 - constituency selection*, 47-49
 - technographic profiling*, 47-49

Social Media pilot case study, 26

- business goal identification*, 28
- community engagement plan*, 29
- community metrics*, 28
- constituency selection*, 26
- description*, 30
- lessons learned*, 30-32
- technographic profiling*, 26-27
- vendor selection*, 28-29

success factors, 57

process flows in Social Media strategy creation, 128-129

process issues, 112

- case studies, 113-116
- in Internet of Things, 206
- ratio with people and technology issues, 107-110
- review methodology, 118-122
- Social CRM strategy creation, 78-79
- Social Media strategy creation, 124
 - calibrate stage*, 130-132
 - contemplate stage*, 124-127
 - navigate stage*, 127-130
- software role in, 116, 122-123
- success factors, 112-113, 119
- training, 144-145

process review for software selection, 85

product leadership, 10

program management

- in Social CRM implementation, 100-101
- in Social CRM strategy creation, 81

project champions, 100

project managers, 100

project sponsors, 49

project user groups, 101

prototyping in Social CRM implementation, 104

public Social Media communities

- gamification, 179
- monitoring, 37-38
- policies and guidelines for employee usage, 55-56
- reasons for creating, 45-47
- success factors, 57

Q

questions to ask software vendors, 91-96

- business history, 92
- customer importance, 96
- financial backing, 93-94
- implementation plan, 95-96
- industry sector experience, 92-93
- maintenance agreement, 95
- management team backgrounds, 93
- source code availability, 94
- support services, 94-95
- technological direction, 93
- training offered, 94
- warranty policy, 95

R

Radian6, 40, 213
 RBC (Royal Bank of Canada), 24
 Really Simple Syndication (RSS), 225
 remedial training, 147
 remote access, security risks, 231
 request for proposal (RFP) for software selection, 89-91
 resource commitment for Social CRM, 69
 Resource Oriented Architecture (ROA), future trends, 227-228
 retail customer relationships in Internet of Things, 202-203
 review methodology for business processes, 118-122
 RFP (request for proposal) for software selection, 89-91
 Richardson, Robert, 230
 Ritz Carlton, 17-18
 ROA (Resource Oriented Architecture), future trends, 227-228
 road map for Social CRM, 81
 ROI (return on investment), 21-22
 hub-and-spoke model, 22-23
 for Internet of Things, 204
 monitoring tools, 36-37
 Social Media-enabled applications, 23-25
 Royal Bank of Canada (RBC), 24
 RSS (Really Simple Syndication), 225

S

SaaS/Cloud applications, 229
 sales pipeline management, 116, 194
 Salesforce.com, 218-219
 dashboards, 224
 Radian6, 40, 213
 sample customer profile, 11-14, 40
 Samsung Nation, 183
 SAP CRM application, 218, 224
 Scout Labs, 213
 security policies
 development, 235-238
 types of risks addressed, 231-232

security risks, 163-164, 230-231
 human factor, 232-233
 security policy development, 235-238
 system software, 233-235
 types of risks addressed, 231-232
 selecting Social CRM software, 83, 128
 automated functions, 101-102
 methodology for, 83-86
 open architecture technology, 103
 questions to ask software vendors, 91-96
 business history, 92
 customer importance, 96
 financial backing, 93-94
 implementation plan, 95-96
 industry sector experience, 92-93
 maintenance agreement, 95
 management team backgrounds, 93
 source code availability, 94
 support services, 94-95
 technological direction, 93
 training offered, 94
 warranty policy, 95
 software demo, 91
 technical requirements, 86-89
 vendor negotiation tips, 96-99, 158-160
 vendor RFP (request for proposal), 89-91

Service Cloud, 219

Simplify360, 213

skepticism of Social CRM,
 overcoming, 65-66
 benefits of Social CRM, 67-68
 lessons learned, 70
 responses to common concerns, 68-69

smart devices, 200. *See also* mobility
 SMEs (subject matter experts), 51-52
 Smith, Dennis, 155

Social CRM

 benefits, 6
 customer engagement, 5
 future trends. *See* future trends in Social CRM
 growth of, 65

- impact of Social Media on, 13-16
- implementation steps, 100
 - automated functions*, 101-102
 - executive commitment*, 102, 105-106
 - open architecture technology*, 103
 - project management team organization*, 100-101
 - prototyping*, 104
 - system administration*, 105
 - training*, 104
 - user motivation*, 105
 - user ownership*, 103
- importance to organizations, 3-5
- integration with knowledge communities, 62
- overcoming skepticism about, 65-66
 - benefits of Social CRM*, 67-68
 - lessons learned*, 70
 - responses to common concerns*, 68-69
- people issues. *See* people issues
- process issues. *See* process issues
- sample customer profile, 11-14
- security risks, 163-164, 230-231
 - human factor*, 232-233
 - security policy development*, 235-238
 - system software*, 233-235
 - types of risks addressed*, 231-232
- technology issues. *See* technology issues
- tools. *See* tools
- Social CRM framework**, 34, 160
 - customer engagement from social insight, 43-44, 162-163
 - filtering tools, 38-40, 161
 - monitoring tools, 35-38
 - challenges*, 161
 - data privacy*, 38
 - public versus private Social Media communities*, 37-38
 - ROI (return on investment)*, 36-37
 - what to monitor*, 35
 - social insight integration, 40-43, 161-162
- Social CRM road map**, 81
- Social CRM strategy creation**, 72-73
 - business case, 81-82
 - business requirements, 74-76
 - community metrics, 80
 - competitive analysis, 80
 - customer feedback, 79-80
 - executive Social CRM vision statement, 73-74
 - observations and recommendations, 80
 - people issues, 77, 138
 - communications management*, 140-141
 - executive commitment*, 142
 - internal communications*, 138-139
 - long-term viewpoint*, 142-143
 - superuser groups*, 139-140
 - process issues, 78-79
 - program management, 81
 - road map, 81
 - technology trends, 76-77
 - technology-gap analysis, 78
- social graphs**
 - Happy Hotels case study, 166-169
 - leveraging, 168-169
- social insight**
 - customer engagement with, 43-44, 162-163
 - filtering tools, 224-225
 - integration in Social CRM framework, 40-43, 161-162
- social listening and engagement tools**, 17-18
- Social Media**
 - challenges, 9-11
 - communities. *See* private Social Media communities; public Social Media communities
 - core business strategies, 9-11
 - growth of, 6-7
 - impact on Social CRM, 13-16
 - integration with organization, 17
 - channel and partner collaboration*, 20-21
 - enterprise collaboration*, 19-20
 - phased approach*, 21
 - private Social Media communities*, 11, 18-19
 - social listening and engagement tools*, 17-18

- organizations and, 2-3
 - pilot case study, 26
 - business goal identification*, 28
 - community engagement plan*, 29
 - community metrics*, 28
 - constituency selection*, 26
 - description*, 30
 - lessons learned*, 30-32
 - technographic profiling*, 26-27
 - vendor selection*, 28-29
 - replacing traditional media, 7-9
 - ROI (return on investment), 21-22
 - hub-and-spoke model*, 22-23
 - Social Media-enabled applications*, 23-25
 - statistics, 7-9
 - tools. *See* tools
 - Social Media policies, 55-56**
 - best practices, 150-152
 - examples
 - Best Buy*, 210-211
 - Ford*, 210
 - Greteman Group*, 211-212
 - Social Media strategy creation, 124**
 - calibrate stage, 130-132
 - community metrics*, 130-131
 - support services*, 131
 - contemplate stage, 124-127
 - assess current situation*, 125
 - community linkage to business strategy*, 125
 - define audience*, 125-126
 - organizational resources*, 127
 - review Social Media policies*, 127
 - Social Media goals*, 126-127
 - navigate stage, 127-130
 - engagement plan*, 129-130
 - process flows*, 128-129
 - tool selection*, 128
 - Social Media-enabled applications, 23-25**
 - Social Mention, 214**
 - software. *See* tools
 - Space by Moxie, 217
 - Sprout Social, 214
 - State Farm Insurance, 186-187
 - steering committee, 49
 - strategic communications, 140
 - strategy creation. *See* Social CRM strategy creation
 - subject matter experts (SMEs), 51-52
 - subscription licensing, 228
 - superuser groups in Social CRM implementation, 139-140
 - support services in Social Media strategy creation, 131
 - Sysco, 187
 - Sysomos, 214
 - system administration in Social CRM implementation, 105, 146-147, 149
 - system software. *See* tools
- T**
- tablets. *See* mobility
 - tactical communications, 141
 - technical baseline review for software selection, 83
 - technical requirements for software selection, 86-89
 - technographic profiling
 - creating private Social Media communities, 47-49
 - Social Media pilot case study, 26-27
 - technology issues, 158. *See also* tools
 - challenges, 160-163
 - in Internet of Things, 206-207
 - ratio with people and process issues, 107-110
 - security risks, 163-164, 230-231
 - human factor*, 232-233
 - security policy development*, 235-238
 - system software*, 233-235
 - types of risks addressed*, 231-232
 - in Social CRM strategy creation, 76-77
 - vendor negotiation, 158-160
 - technology-gap analysis in Social CRM strategy creation, 78
 - time estimates for Social Media programs, 153
 - tools. *See also* technology issues
 - CRM vendors, 215, 218-220
 - future trends, 163, 221
 - business intelligence*, 225-227
 - client/server architectures*, 221-222

- filtering tools*, 224-225
 - hosting options*, 229
 - licensing options*, 228-229
 - portal architecture*, 223-224
 - ROA (Resource Oriented Architecture)*, 227-228
 - XML functionality*, 222-223
 - monitoring and filtering tools, 35-40, 161, 213-214
 - platform vendors, 215-218
 - role in process issues, 116, 122-123
 - security risks, 233-235
 - selection, 83, 128
 - automated functions*, 101-102
 - methodology for*, 83-86
 - open architecture technology*, 103
 - questions to ask software vendors*, 91-96
 - Social Media pilot case study*, 28-29
 - software demo*, 91
 - technical requirements*, 86-89
 - vendor negotiation tips*, 96-99, 158-160
 - vendor RFP (request for proposal)*, 89-91
 - Social Media integration
 - channel and partner collaboration*, 20-21
 - enterprise collaboration*, 19-20
 - private Social Media communities*, 18-19
 - social listening and engagement tools*, 17-18
 - Social Media-enabled applications*, 23-25
 - traditional media, Social Media replacing, 7-9
 - training in Social CRM implementation, 104, 144-147
 - application training, 145-146
 - business-process training, 144-145
 - new user training, 147
 - remedial training, 147
 - systems administrator training, 146-147
 - train-the-trainer sessions, 146
 - Treacy, Michael, 9
 - TweetDeck, 214
 - Twitter, growth of, 6-7
- U**
- update software AG, 219, 223
 - user motivation
 - for employees, 154
 - in Social CRM implementation, 105, 144
 - help desk response*, 148
 - system administration*, 149
 - training*, 144-147
 - user ownership in Social CRM implementation, 103
 - user training in Social CRM implementation, 104
- V**
- vendors. *See* tools
 - Visible Technologies, 213
 - vision statement, preparing, 73-74
- W**
- wearables in Internet of Things, 201
 - What's in It for Me? (WIIFM), 174-175
 - Widget Studio, 217
 - Wi-Fi technology in Internet of Things, 203
 - WIIFM (What's in It for Me?), 174-175
 - Wildfire Social Media Monitor, 214
- X-Y-Z**
- XML functionality
 - future trends, 222-223
 - RSS (Really Simple Syndication), 225
 - Young, Ron, 59
 - Zimbra, 217