

Social Customer Relationship Management: An Empirical Study

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ABSTRACT:

Social Customer Relationships Management (CRM) is a present business drift giving new channels of two-route correspondence with clients through online networking destinations, for example, Facebook, Twitter and so forth. As the next generation for customer relationship management, Social CRM is gaining momentum. Social CRM empowers organizations to collaborate in a simple and contemporary path specifically with clients and also to track client connections and their social impact. Social CRM, an alternate mindset about customer relationship management that spotlights on utilizing online networking to improve customer engagement. We give points of view on goals and sorts of CRM, the working cycle of CRM, the phases of a CRM Strategy and technology tools that are utilized as a part of CRM. Social CRM is in especially broke down, since this new pattern requires dynamic engagement by clients and different partners. The engagement procedure is basic to fruitful Social CRM and to effective social business practices. The outcomes demonstrate that Social CRM is an incredible device for acquiring constant significant information about clients and a modest method to contact them. The paper describes the empirical study of the Customer Relationships Management, e-CRM and Social CRM for organizations.

Keywords: Social CRM, CRM, Social Networking, e-CRM, Social Media Marketing

INTRODUCTION

Customer Relationship Management (CRM) is a business field that purely relays on the ideology that is "customer is king", i.e. Customer is core component for any business (Boris, 2012). The training of carrying long based customer retention is designated relationship advertising and newly CRM. This is done to improve the relationship with customer by understanding them and their needs and keep them by delivering quality based products, attract new customers by offering good deals, increase profits and decrease customer maintenance costs. CRM is a process that companies use in order to improve business relationships with customers. Companies do this by using strategies and technologies to manage and analyse customer interactions, as well as data, throughout the customer lifecycle (Rouse, 2014). Their points are to get, hold and increment clients. In any case, the primary objective of CRM is to expand client devotion and thus to enhance business gainfulness.

CRM is a way of collecting, processing, analyzing, storing and managing data about business customers through business policies, strategies and rules. This work is done by constant study on different product or services that are presented to clients for:

- Make healthy relationship with them.
- Maintain basic components of CRM.
- Spot the factors related to CRM success.
- Increase the growth rate of product sale.

CRM sets specific objectives, namely to include improvements regarding customer satisfaction and business sales enhancement. It can be divided into four basic types, based on characteristics. These are Strategic CRM, Operational CRM, Analytical CRM and Collaborative CRM. Strategic CRM is a type of CRM, in which companies collect information about customers and market trends, in order to offer a better proposition to the customer. Operational CRM is focusing on the customer and includes business processes, such as services, marketing and sales. The following automations are included in Operational CRM:

- Sales Force Automation
- Marketing Automation
- Service Automation Sales

Force Automation automates crucial sales of the company and the administrative functions of the sales force team. Marketing Automation automates marketing processes, such as customer segmentation and Customer Data Integration (CDI), which is the process of consolidating and managing customer information from all available sources (Rouse, 2005). Service Automation Sales diagnose and resolve issues related to products.

Analytical CRM collects stores and captures data from customers. It also includes the following applications:

- Sales Data (products, purchasing history)
- Financial Data (purchase history and credit score)
- Marketing Data (customer response rates to marketing campaigns).

Finally, in Collaborative CRM companies provide help to customers by sharing any information collected from interactions.

CRM STRATEGIES AND TECHNOLOGY TOOLS

A successful CRM Strategy contains three fundamental areas: *“who your customers are”* meaning that it is necessary for a company to understand what kind of relationships it has to build with each customer, *“How both parties obtain value from the relationship”*, pointing to a conclusion that both sides must obtain benefits or else a different strategy is needed, *“Systems and software are only as effective as the strategy behind them”*, focusing on the importance of improving relationships through communications. As for the technology tools for Customer Retention, companies use tools such as Data Warehousing (DW), Data Mining, Database Queries and On Line Analytical Processing (OLAP). Data Warehouses are huge repositories of customer related data, accepted from various databases. Data Mining is a process of extracting patterns from large data sets, by using certain methods, in order to effectively collect these data sets for analysis and forecasting. By using Database Queries companies can access, modify and manage the databases through Structured Query Language (SQL) commands. OLAP is a known process of multidimensional analysis of elements which offers advanced abilities to the information analysis of a Data Warehouse.

THE WORKING CYCLE OF CRM

Every CRM model contains a working cycle in companies that is oriented to the customer. The CRM model contains phases, which are followed by the business in order to achieve its goals. The following figure introduces the flow of the current model (Marketing Teacher, 2017).



Fig.1. CRM Model [Source: Marketing Teacher, 2017]

- **1. Customer Acquisition:** This is the process to attract a customer and convince him of making his first purchase.
Growth: Companies focus on increasing the number of their customers through market orientation, innovative Information Technology (IT), such as the use of physical devices to create, store, secure all forms of electronic data, and value creation.
- **2. Customer Retention:** Customers return to the company and buy again. It is anticipated that they purchase a similar product or service.
Growth: Through market orientation, innovative IT and value creation, companies focus on increasing the number of their customers who will purchase from them regularly.
- **3. Customer Extension:** Customers are regularly returning to purchase from the company. This time they have been informed about new products or services that may not be related to their original purchase. The main purpose on this stage is to retain them as customers for extended products or services.
Growth: Through market orientation, innovative IT and value creation, the company focuses on increasing the number of their customers who purchase additional or supplementary products and services.

TYPES OF CRM:

Customer Relationship Management software is being used by businesses, to guide them into an effective communication with their customers. Thus, the main purpose of a CRM application, is to help an organization understand the needs and behaviors of its customers and provide them better quality of service. There are four types of CRM applications: Strategic, Collaborative, Operative and Analytical to perform all these activities (Johnson, 2002).

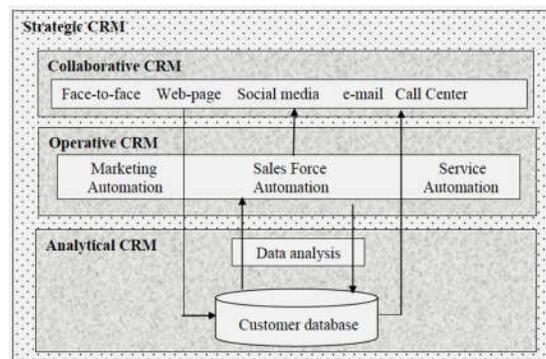


Fig.2. CRM types and their uses [Source: Johnson, 200]

e-CRM PROCESS:

The purpose is to retain customers and increase their loyalty to the organization. As we implement eCRM process, three steps in the life cycle is proposed (Buttle, 2010):

- *Data collection:* Refers to the information regarding customer preferences. Data is collected via websites, social media, emails and questionnaires.
- *Data aggregation:* A technique that companies use to filter and analyze customer needs, in order to realize requests of customers.
- *Customer interaction:* Companies provide specific feedbacks, to fulfil customer needs.

DIFFERENCES BETWEEN e-CRM AND CRM:

	Customer Data	Analysis of Customer Characteristics	Customer Service
CRM	Data Warehouse - Customer Information - Transaction History - Products Information	Transaction Analysis - Customer Profile - Past Transaction History	Target Marketing - Static Service - One-way Service - Time and Space Limit
e-CRM	Web-house - Customer Information - Transaction History - Products Information - Click Stream - Contents Information	Transaction Analysis - Customer Profile - Past Transaction History Activity Analysis - Exploratory Activities (Navigation, shopping cart, shopping pattern etc.)	1:1 Marketing - Real Time Service - Two-way Service - At Any Time - From Anywhere

Fig.3. CMR in comparison to e-CRM [Source: Harrigan and Choudhury, 2010]

SOCIAL CRM:

Social media, such as Facebook, Twitter, LinkedIn, YouTube, Google (+ and Analytics) etc. have become an integral part of modern society, and they have completely changed the way we communicate, share and co-create information. More and more businesses tend to use social media in order to advertise their brand and their products and also to achieve better communication with the consumers. (Siakas et al., 2014a).

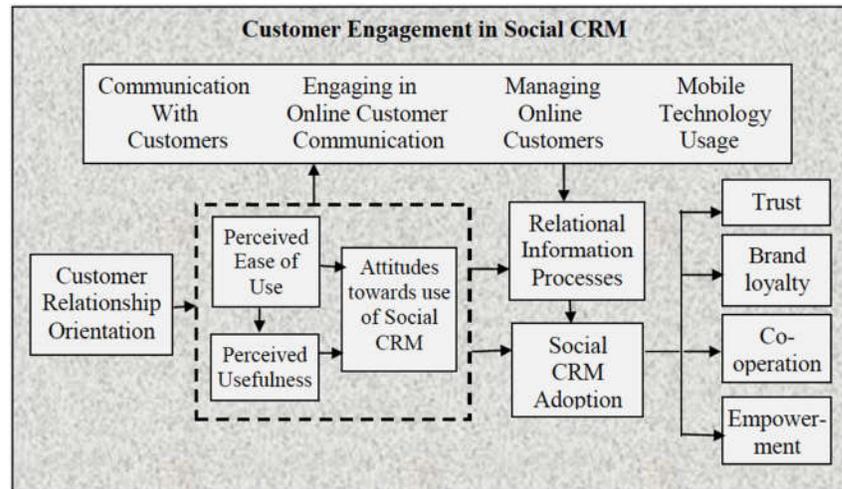


Fig.4. The Conceptual Model for Customer Engagement in Social CRM [Source: Harrigan and Choudhury,2012]

CONCLUSION

This paper describes the significance of CRM, e-CRM and Social CRM for organizations. Specifically Social CRM, another pattern that requires dynamic engagement by customers and different partners, was analyzed. The outcomes demonstrated that the points of interest for an organization of the appearance via web-based networking media are taken a toll related because of the free idea of their utilization and viral nature of online networking that expanded the customer base. The disadvantages were related to the time that was needed to monitor the traffic on the different social networks. Customer Relationship Management is in service management, which is based relationship and information intensive. CRM meets the customer's desires, enhance the service quality, hold the clients and enhance the benefit of the association through beneficial and powerful administration system. Associations are impacts by new developments by enlivening the speed of learning and information. At present, administrators and proprietors are bit by bit persuaded about using of customer relationship management in their association to upgrade the wage and advantage, nature of item and administrations, customer's upkeep and satisfaction. By executing a fruitful customer relationship management, the points of interest are rising and the associations are quicker in utilizing CRM framework.

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