

Social Media and the CRM

by

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There are multiple ways social media can contribute to your customers' CRM experience. Today, social media play an important role for customers in their quest to discover, evaluate, buy, access, use and get support for products and services. It is critical to align your company's social activities with your customers' experience to improve their satisfaction, loyalty, retention and your bottom line.

Many businesses are enthusiastically creating social media programs; however, the big question is: are their customers as excited as they are? In reality, most customers do not engage with companies via social media simply to feel connected. Customers are far more pragmatic. To successfully exploit the potential of social media, companies need to design social media experiences that deliver tangible value to customers in return for their time, attention and interaction.

There is a worldwide adoption of social media usage and businesses are feeling pressure to be where their customers are. These interactive customer locations are increasingly being located inside social media or social networking sites. If your company is adopting a social media program within your CRM, make sure your social media activities are meeting your customer's needs?

With the speed at which social media is being adopted, using social media as a channel for customer engagement presents some interesting challenges for traditional CRM approaches. CRMs have traditionally been designed to manage customer relationships as a means for extracting the greatest value from customers over the lifetime of the relationship. The challenge is -- that with social media -- companies are no longer in control of the relationship. Instead, customers and their highly influential social networks are now driving the conversation. This can have a tremendous impact on a company's marketing, sales and service efforts.

To be successful, a company needs to embrace this paradigm shift with a new strategy that incorporates social media into their CRM. This will allow the company to facilitate collaborative experiences and dialogues that their customers will value. Understanding what customers value is a critical first step toward building a social CRM strategy.

Despite the broad acceptance of social media, a customer's willingness to engage with a company's social media should not be assumed or taken for granted. In reality, only a very small percentage of customers engage regularly with a social media site.

What does this mean for companies? It means you need to stay focused on customer value – what do they expect from you as a result of their social media interaction with the CRM? Social media is ultimately about interacting with others with an expectation of getting something in return, even if that something is an intangible, such as a feeling of connectedness or affection. Customers who participate are actively and purposefully seeking value.

For businesses, the challenge is unlocking what their customers care about and create social media experiences within the CRM to deliver that value. Customers will be willing to interact with businesses if they believe it is to their benefit, feel they can trust the company and decide social media is the right channel to use to get the value they seek.

That value could come in the form of customer reward coupons, specific product information or unique service programs. Engaging with a company via social media may result in a feeling of connectedness for customers – an emotional, intangible gain – but the wish for intimacy is not what drives most of them. Customers want true value such as improved business efficiencies, better customer service and improved ROI from their CRM.

It is understandable why companies want to use social media to interact with customers through the CRM. The benefits can be real and meaningful. With so much to gain, companies need to invest the effort to understand how to break through the noise and offer current and potential customers a reason to reach out to them via social media.

Businesses, eager to get closer to customers, are building pages on social networking sites, posting videos and blogging. These are all legitimate activities, but if they don't deliver what the majority of their customers' value in social media, they are missing the target. Offering tangible value to customers through your CRM social media activities may be the strongest incentive to attract participants who need a good reason to interact.