Chapter 4

Loyalty Strategy and Social-CRM:
How Consumers Adhere to the Tools

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ABSTRACT

Always on the lookout for novelty and innovation, companies are using social networks, which now occupy an important place in our daily. Users of social networks constitute a new target for retailers looking to evolve their loyalty programs. Through Facebook or twitter accounts, the company can develop a profile of the user and have an idea regarding their interests... Therefore, companies have a lot of opportunities through social CRM, to communicate, to develop their relationship programs and, in fine, to retain their customer. Although the social CRM is perceived as a business strategy it requires a technology platform, rules, processes and social characteristics. To ensure interaction with these tools, the company should ensure that the consumer adopts them in an abundant manner. This paper aims at examining the emergence of interaction across internet tools, the importance of managing customer relationship through social CRM and the determinants of why consumers adopt these tools by studying the case of Facebook in emerging countries.

INTRODUCTION

The current abundance in supply forces businesses to react by implementing a customer relationship management strategy whose goal is customer loyalty (Bahri-Ammari, 2014; Vesel & Zabkar, 2009). Such a strategy, that considers all interactions with customers, is essential for the creation of a close relationship with customers, at least with the most profitable ones. This strategy is defined as the company’s ability to offer tailored services or products for a particular customer. It involves an ongoing ability to understand and anticipate customers’ needs, and therefore considers the relationship with them as a

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Loyalty Strategy and Social-CRM

business object. The customer is attracted by a valuable offer because it allows him/her to spare certain time-consuming market activities, notably costly.

CRM, as an interactive technology, allows the company to track competitors’ reactions and be responsive to consumer needs. Responding quickly to needs by providing services with high added value is now the challenge for most companies. CRM is the process that manages those expectations to ensure long-term relationships and meet consumers’ dynamic needs. To be always in tandem with the changing environment and to provide the expected benefits, CRM was able to adapt itself to technological progress. The advent of internet has given birth to e-CRM which Alhaiou et al. (2009) presents as the online usage of CRM. Dominance of Internet in modern life gives e-CRM an important place in the company’s vision, which has a new channel to carry its retention strategy.

In addition to the electronic channel, the company can now use mobiles as a channel to manage relationships with its customers. According to Valsecchi et al. (2007), mobile CRM (m-CRM) is CRM performed by a mobile support such as a mobile phone. The company may therefore develop an application that allows users to keep in touch with it and allows access to interactive content as part of the company’s relationship policy.

Being always on the lookout for novelty and innovation, CRM professionals have benefited from the emergence of social networks and integrated their success and enthusiasm into their relationship strategies, which gave birth to Social CRM (S-CRM). That puts the customer at the center of business strategy. Now, customers are no longer passive receivers who simply receive information from the company, they rather contribute to its development by discussing and collaborating with the brand. Companies rely on this way to build close relationships with their customers in view of promoting their commitment to the brand and make them potential ambassadors. This is the view of Baird and Parasnis (2011) who argue that the main objective of classic CRM was to take the best possible customer value throughout the life of their relationship with the company while S-CRM aims at managing the dialog with the customer.

Social networks have revolutionized and facilitated communication between people, inspiring and encouraging customer relationship management professionals to integrate this new tool in their relational strategies because it provides opportunities for a targeting based on specific criteria, not possible before. Using Facebook as part of its S-CRM strategy (Zarella, 2010), the company can for example use this channel to communicate with fans and disseminate information concerning news about the brand, products/services, answer questions from its customers and keep in touch with them. All these new forms of CRM are not in conflict, and one does not cancel the other. Rather, they are a subset of the overall CRM business strategy. Therefore, they should be complementary and coherent for the company that has several channels that can be used to carry S-CRM policy (Weinberg, 2009). To ensure interaction with these tools, the company should ensure that the consumer adopts them in an abundant manner. Thus, the interest carried to the TAM model which can explain the intention to use technology. TAM was specifically tailored to model user acceptance of IS with the aim of explaining the intention to use of an information system.

It includes two essential variables: perceived usefulness (PU), perceived of ease of use (PEU), attitude and intention. This study aims to measure the importance of managing customer relationship through social CRM and to examine Internet users’ behavior towards adoption of technology (Facebook). Also to study customers’ acceptance technology behavior to determine the factors which influence their intention to adopt Facebook in emerging countries. This research will help managers to highlight the predicted factors which really affect Internet users (Venkatesh & Davis, 2003; Ellison et al. 2007). The results could serve to determine the variables which urge Internet users to use Facebook. These variables will be studied to help brands and marketers in their communication strategies.