Chapter 8

Social CRM:
The Role of Social Media in Managing Customer Relations

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ABSTRACT

The advent of the web 2.0 in general and the social networks in particular has altered the consumer behavior with brands, consumer becoming the protagonist of his relationship with the companies. The consumer is no longer passive, but someone who belongs to an interactive user community, whose opinion influences the decision making of others and the company. And companies, therefore, need to understand how to structure content and branding strategies where clients not only communicate with the company, but each other, in real time: the social media. Social networks, as currently represent the opportunity to get the engagement of customers and prospects in a way that can not be achieved by other means, become a single source of information that must be integrated into the software of the company, allowing the conversion of conversation into a transaction. So having a database of clients with personal information is no longer enough, and is required to obtain qualitative features that enable the company to know more about consumers and provide, as a result, a greater brand value. The Social CRM is a tool that incorporates the information obtained from the social networks to the traditional CRM, to ensure that the company is better informed about its customers and gets a much more solid basis for decision making, customizing the offer and adding value to the customer.

INTRODUCTION

The management of relationships that organizations have with their environment is one of the main focuses of interest to companies. Currently, the creation of a stable and strong relationships with those closest agents and in particular with customers, is the main objective of the marketing programs of companies.

In particular, it is essential the management of the relationships that companies establish in the network, especially those settled with customers through social networks. Social networks have become...
a channel through which individuals - potential consumers - not only to create and issue opinions, but also exchange information and relate. The emergence of phenomena such as the communities of brand or the sale through social networks, has been possible thanks to the diffusion that the applications 2.0 have reached between individuals.

In this context, the Social CRM (in later SCRM) is an essential element. The SCRM is a philosophy, a business strategy designed to engage the customer in a mutually beneficial relationship (win win) that relies on technology, social tools, business rules, workflow and processes, in order to enrich the current knowledge about customers, incorporating social information about them and to provide them with more value. The technological tools that bring together ranges from platforms to post centrally in social networks, monitoring software, up to the community management, etc. The SCRM does not imply having to make a profound change in the company’s business, but a change of strategy towards an evolution of how the brand has to communicate with its customers and potential customers. Currently consumers and users have increasingly more channels of communication to express their opinions, feelings, etc., such as the digital channels Facebook, Twitter, LinkedIn, Pinterest, among others. Whereas the previous ideas, the present chapter aims to study the benefits that the use of the SCRM can bring to the company and its results, and how organizations manage relationships with customers from two perspectives: strategic and operational.

To do this, and after understanding the connection of this type of management with the so-called relationship marketing, we will detail the benefits that implementing a CRM system brings to the company, analyzing the performance and its various modalities. We will also study the conversion experienced by the traditional CRM to become social, in response to the advent of social media that occurs at the Network, where conversations are generated with full of information for the company, detailing the distinguishing features of this new system of customer relationship management that incorporates the social factor.

Then we will establish its functions and detail the actions to be developed to implement a successful strategy, summarizing the criteria that will determine the choice of the optimal SCRM tool. Finally, we will illustrate the chapter with the exhibition of two case studies, both successful, the first related to the implementation of the SCRM in marketing campaigns, the second exemplifying the benefits of the SCRM when adopted as a philosophy.

1. CUSTOMER RELATIONSHIP MANAGEMENT: FROM THE TRADITIONAL SYSTEM TO THE SOCIAL

In this section we will analyze the CRM concept both from a strategic and operational perspective. We will finish it analyzing Internet in the logic of the CRM, attended to its role as a source of dissemination, communication and relationship between the company and its prospects.

1.1. The History of Marketing: From the Transactional Marketing to the Relationship Marketing

The marketing concept is dynamic, and this is seen by the different definitions that have been offered on it over the time, including the different approaches that were responding to the problems presented by the discipline in its respective eras.