

## SOCIAL CRM: WAT IS IT REALLY ALL ABOUT?

Likely everybody's heard about social media. It's a hot item, everybody want it to keep up with their competitors. So they activate a Facebook and twitter account, and say they're going social as part of their marketing strategy. At least they think they do. But do they know what will happen next? Do they know why they started up an account in the first place? – No, being 'hip' is NOT a valid argument – Is it clear why you would like to use it? Do you even know what being social is?

Just to be clear: this is NOT a social media user guide. There are a lot of them hovering around the internet if you need one to start up a Twitter profile. This paper defines what social media is truly about. It hopes to explain what the essentials of being social are and makes you aware of why YOU want to be social. This will explain the deeper thoughts behind the increase in your personal and company value, a higher ROI, co-creation processes, a better customer relationship and how exactly you have influence on all this. Think about that. Or you can pursue your reading.

At least it's a nice introduction to your social being.

### What is 'being social'?

Most people don't really realize what social media is about. This makes it difficult to understand the influence it has on our community. That's why it is good to get back to the basics: What is being social?

This should be simple. 'Being social' means action and interaction between people. Being social includes exchange of information which eventually can result in dialogue and discussion. Think of walking the dog and somebody 'kindly' asks you to clean your dog's droppings. You can: A) friendly nod to the guy for noticing and clean up the mess, B) just ignore him, or C) walk back and scold him in the face. The first option is a representation of a message followed by an action. You could call this social interaction, maybe he's got a dog too so you can talk about what the dogs got for dinner. It should be clear option 'B' doesn't include interaction. Though the latter option 'C' does include personal interaction it normally belongs to another form of being social; the antisocial kind.



Well then, 'being social' is about action and interaction in a respectful way. I guess you could imagine shouting something in public and then carefully return to your isolated corner isn't quite social. Then you can also imagine just posting something on a social medium like Twitter and passively wait what will happen is also not quite social. Just remember a social medium does not equal a storage deposit for superfluous information. It wants action. Yeah, being social requires energy (and care). Just like physical relationships.

## When are media called social?

Lucky for some people it isn't necessary anymore to have actual physical person-to-person interaction to be social. Because of living in the digital era we can nowadays be social using all kinds of digital 'social media'. Bluntly said: social media are platforms where people can interact with each other. But what makes social media so special and why are these media called social?

There are a lot of definitions explaining the understanding of social media. This is a fairly common one: *"Social Media are media used for social interaction, using accessible and publishing techniques. Social media uses web-based technologies to turn communication into interactive dialogues. "*

I don't fully agree with this description mainly because of the 'web-based technology' part. For example: do you remember the Yellow Arrow project? This was a public art project of local experiences and it started in 2004<sup>1</sup>. It was about connecting a personal story to a code printed on a Yellow Arrow sticker. This sticker was then stuck on an object which played a role in the location-based story. When texting this code with your mobile you received the particular story as a text message. This project also uses some kind of social interaction and information sharing though it is not immediately linked to a web-based platform. Later on participants were able to annotate their arrows with photos and maps in the online gallery of Yellow Arrows placed throughout the world.



Then again I also don't really agree with the interactive dialogue part. It is possible to be social without having a dialogue. For example let's have a look at Facebook's most popular interactive game: "Farmville"<sup>2</sup>. Farmville is about growing a farm with the help of your neighbors. By sending products and gifts to your Facebook friends you'll receive products and gifts from them. This will help building your farm. Though you aren't engaging in an actual dialogue, you are definitely having an interaction. And it will strengthen the relationship between you and your co-farmers. It's true, even in an offline world you will be talking about it with your real-life 'farm friends'.

As you can see, it's not that easy to define the term 'social media'. In my opinion social media represents *an intermediate environment which makes it possible for people to interact offline as well as online*. I assume people automatically connect 'social media' to a digital environment because of the drastic increase in variety of digitally based social applications. Just remember it can also be an offline business. The text following will refer only to digital social media.

The nice thing about social media is it lets us connect to other people with the same interests or personal issues. This facilitates inducing dialogue and discussions about a subject or object, since we've all got the same attention topics. The only thing required to start being digitally social is to create an account for your platform of interest. Then a 'new' world will open up to you: a world of information based on opinions and knowledge, which will be used to make observations, analysis and mind sharing. A playground for different kinds of web users like the curious consumer, creatives, innovators and the most feared... critics.

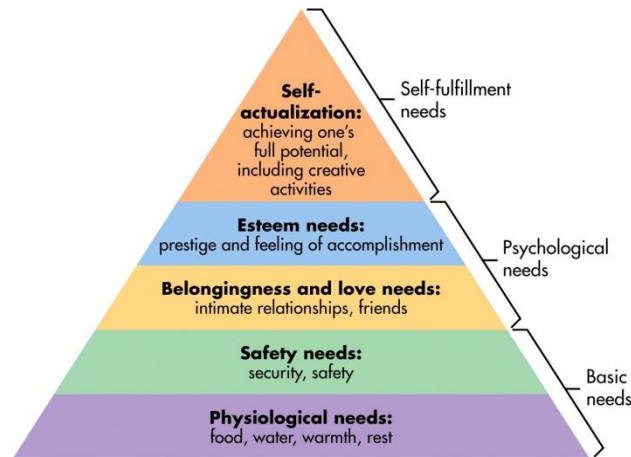
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<sup>1</sup> <http://yellowarrow.net/>

<sup>2</sup> <http://www.farmville.com/>

## Why do you want to be social?

There are different reasons for being social. The most important one is because it belongs to one of the basic needs of humanity. These basic needs are described by Abraham Maslow and his 'Hierarchy of Needs'<sup>3</sup>. According to Maslow, humans will focus their attention and intention upon the growth needs if and only if the deficiency needs have been satisfied.



After the first two layers of basic needs are fulfilled, the psychological needs have to be addressed. The third layer of human needs is the social one, and involves feelings of belongingness. This layer involves relationships in general. Humans need to feel a sense of belonging and acceptance, whether it comes from a large social group or small social connections. Without this need many people become susceptible to loneliness, anxiety and depression. Another nice feature about these psychological needs is when they result in an improvement of your self-esteem when people begin to 'like' your comments and 'retweet' your messages. It's ego-tripping and roughly explains the necessity for humans to act social!

This feeling of belongingness explains the herd-behavior of humans. Recent study shows there's a certain threshold needed for a Facebook application to be successful<sup>4</sup>. That means if there are enough people going to like that application, it is likely to get the attention from the crowd. Apparently it is all about the group and therefore being part of that group.

As you can see this need to be social is a big personal issue. Therefore businesses should better make use of this social need. People are searching more and more for interaction, so why not give it to them? As said before, physical interaction is no longer the only option. Using the proper social media will help you find the right people, and vice versa these people will find you. It's the ideal situation! All you have to do is act social.

<sup>3</sup> [http://www.abraham-maslow.com/m\\_motivation/Hierarchy\\_of\\_Needs.asp](http://www.abraham-maslow.com/m_motivation/Hierarchy_of_Needs.asp)

<sup>4</sup> <http://www.influxinsights.com/blog/article/2615/our-herd-instinct-requires-a-threshold--55.html>

## Who do you think uses social media?

Since there are a lot of different kinds of social media, there are also a lot of different people using these media (see the conversation prism below). It is important to realize this, because no-one wants to be lumped together.

One uses a special kind of media to show they belong to this special group of people with the same interests. Here's the herd-behavior again! Therefore the whole group is on an equal level which facilitates the induction of interaction and discussion. However be aware: this will not automatically imply everybody in the group also have the same opinions and intentions. Like said before, belonging to a group is a psychological need a human wants to live a happy life. When the individual is accepted and is aware of his position, he will also express his true feelings and judgments. That's also a nice feature of social media: people are more confident in saying things online than in real life.

This feeling of being safe is coherent with the feeling of being anonymous online, though this issue is slightly decreasing. Therefore it is possible that the psychological consequences of saying certain bad – or good - things aren't that well perceived by the one saying it. This makes discussion and opinion sites valuable, because people will tell both their positive as well as negative experiences. It doesn't have to resemble how people really think, but it gives you a clue about what's going on in their minds. This also counts for experiences with organizations or products. It is even possible there is a wild discussion going on about you. Scary isn't it...

It can be said that almost everybody is using social media, according to the technology or media within reach. Most young people grew up with internet and social network-sites. These 'digital natives'<sup>5</sup> are likely to don't know any better than having online relationships. It's part of their lifestyle. Next to very young people, also the older people are curious what social media and social networking is all about. They want to cope up with the youngsters or are really interested in the latest developments. These people have experienced the digital revolution and are therefore called 'digital immigrants'. To reach both kinds of people you have to embrace the online social world and make it your own.

The fact that everybody's online makes it difficult to say who exactly uses social media, though it is possible to make a distinction in the purpose of use and the frequency it is used. These differences and a lot of other ones - like user behavior, attitude and psyche - make it possible to distinguish different kinds of people. You can use this information to define your target groups.

## What are the purposes of using social media?

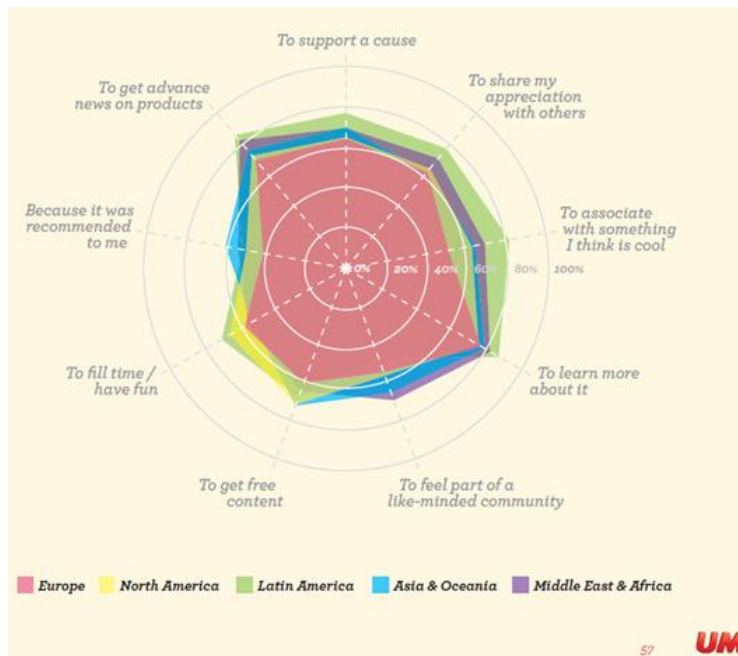
There is a broad range of uses for social media depending on media type, information type, type of human, type of country and politics and so on. Because each social medium has its own specialty and content people are attracted to the medium which suits them most. Therefore all these people have different purposes for using their kind of social medium.

The social media platforms can inform you about places, products, activities and events. They can be used just for having fun or to let you know what your friends, family, colleagues or customers are doing

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<sup>5</sup> <http://www.marcprensky.com/writing/Prensky%20-%20Digital%20Natives,%20Digital%20Immigrants%20-%20Part1.pdf>

or what's on their minds and talk about. Furthermore it can be used to bond with like-minded people to fulfill your psychological needs and upgrade your self-esteem, and thereby expanding your social world.



A recent research of Universal Media shows some purposes for using social media as seen in the picture above<sup>6</sup>. As can be seen the use includes educative, leisure, business and personal goals. Though this picture represents Facebook-users only, it is imaginable this diversity in purposes also counts for other types of social media.

People (and companies) also like sharing their knowledge. Recent study shows people appreciate it when their brands go social<sup>7</sup>. They 'like' their brands because for some primary reasons: discounts or as a 'social badge'. The latter one works like designers clothes: the 'likes' on your profile indicates you support this brand and shows how cool / smart / hip you are and where you are interested in. Shortly: people thankfully use User Generated platforms to discuss and interact and to let others know what kind of person they are. This is ideal for getting the hang on the latest inventions and developments. Though the 'liking' part doesn't directly mean they will all buy your products, they do give you a positive image. It's worth it.

### ... and it's good for your personal marketing

Remember 'Knowledge is power'! Social media will be helpful in your battle against competitors, because it is possible to know and learn about your true image, brand and reputation. Listen to how people talk about you in contrast with others. Learn from it and interact in a correct way. That is: let people know you are truly listening to them. This may include letting them participate in co-creation projects, which implies making use of their knowledge to improve your products or services. Your online community will certainly treasure this privilege. That's how you can play your role as an influencer: to be social and make better and more durable friendships.

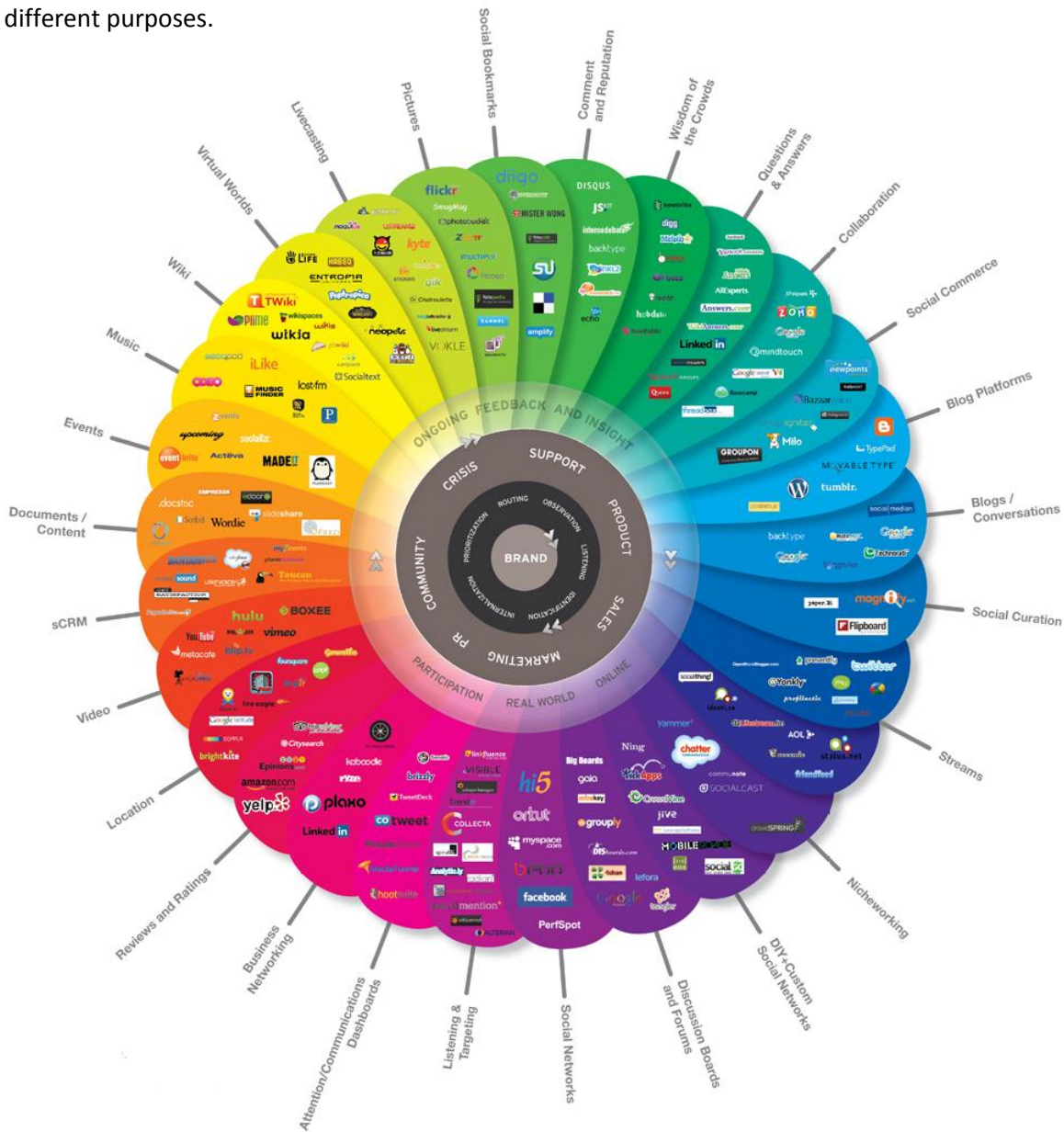
<sup>6</sup> [http://www.universalmedia.nl/files/Wave\\_5-The\\_Socialisation\\_Of\\_Brands-Report.pdf](http://www.universalmedia.nl/files/Wave_5-The_Socialisation_Of_Brands-Report.pdf)

<sup>7</sup> <http://www.emarketer.com/Article.aspx?R=1007912>

## What kinds of social media are there?

Different uses of social media implies different sorts of social media platforms which each have its own characteristics and goals. The Conversation Prism schemed by Brian Solis and Jesse Thomas gives a good impression of the social media universe anno 2010, their categories and use<sup>8</sup>.

This prism proves there are numerous variations in social media channels. There are applications for discussion, blogs and mini-blogs, video, pictures, social networks and so on. This will make it clear there isn't one main social media channel. Imagine there would be only one platform where everybody's posting everything. It would be more difficult to find the things interesting for you. It also would be impossible to interact in an effective way with possible friends and customers. It is therefore not a bad development there is an evolution going on in social media varieties to create ideal social environments for different purposes.



<sup>8</sup> <http://www.theconversationprism.com/>

At the moment there are a lot of social media applications and they may seem similar in most cases. Be aware though they each have their own (sometimes minuscule) differences in use. The conversation prism will guide you through this social media forest and helps you find the right medium for you.

Now you know there is a lot to choose from. It is therefore useful to know which applications are used for which goals and what kind of people uses them. This is a necessity to make good use of social media possibilities as a catalyst of improving your friend- and/or customer relationships.

### **... and know when you are ready to use them**

So look just beyond Twitter, Facebook and Foursquare because maybe there are better platforms to broadcast your message and (marketing related-)objectives. When it is clear what you want to achieve, who you want to reach, at what time you want to reach them and which channels support your goals, you are ready to go social as part of your marketing-strategy.

Needless to say just using 'some' kind of social medium is not an impulse-activity but requires deep thought and clear goals. People notice when you're not ready to engage in an interactive relationship, and this knowledge can result in some very nasty situations (Nestle or Fonterra.. anyone?). Be prepared when you start and know what to expect when people try to interact. Otherwise it is just a waste of efforts.

### **How does social media influence your customer relationship management?**

We know social media is all about being social. Being social is all about people and the connections they have and maintain. Social media makes it possible to strengthen the relationships with your employees, (potential) customers and online community. It also helps you improve your image and reputation. Therefore it is obvious social media can be used in your customer relationship management. If that's the case you're talking about 'social CRM'.

There are a lot of different definitions of the term social CRM. When compared, they all conclude the following:

*Social CRM means the use of social media to strengthen or improve the relationship with your customers or prospects through interaction and sharing on specific social media platforms, which will eventually result in a more loyal customer community and mutual understanding.*

Using social media can improve your customer relationship, providing that it is used in a correct way. Social media makes it possible to complement your customer contact information which helps your communication processes. However the true value of using Social CRM lies in the interaction part of your communication strategy. This interaction will sacrifice some of your company safety, but the customers will happily accept you being more transparent about your views and goals. This will give them the feeling you accept them as serious and worthy customers. When listening to and using their comments it is possible to improve the creativity and innovation of your services and products. Why not take advantage of this situation? Exactly: no reason!

Social CRM has the same targets as 'normal' CRM, but especially the word-of-mouth advertising part undergoes a drastic change: In a normal 'offline' situation an unsatisfied customer can tell up to seven times more people about their negative experiences, compared to their good experiences. In this online

world where people have hundreds (or even thousands) followers and friends, their opinion will reach much more people. This information will also continue to exist thanks to the Long Tail effect of the internet. It is therefore even more important to keep your online community - and customers - satisfied.

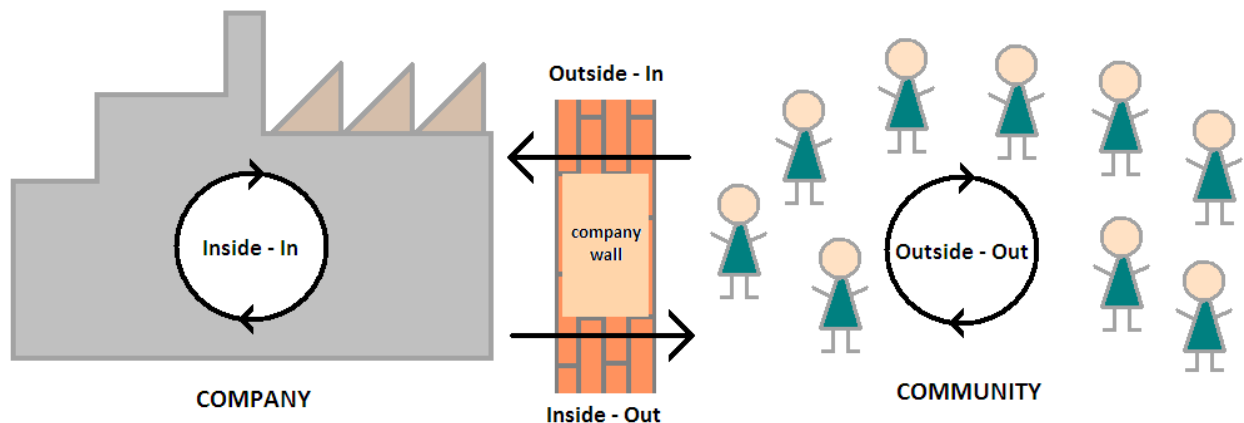
Keeping your customers satisfied is a tough job. That is why you shouldn't let a novice, inexperienced employee or agency represent your company because he/she will automatically be considered your company's ambassador. To accomplish this job in a responsible way requires training, experience and good customer insight. Some companies even introduced a webcare team who has leadership over all online activities and posts. It would even be better if the person(s) in charge is truly affectionate about the company which makes it a bit easier to convince others. Does it sound logical?

### Which communication approaches are possible in your social CRM strategy?

So far we have talked about the following:

- Why you want to be social
- The reason people are longing for social relationships
- How to identify different social media users
- The purposes of using social media
- The great variety in social media channels
- What you can learn from social media channels
- How social media influences your CRM

These topics helped you understand the need of social media and acting social. However there are some other different communication approaches when using social media in your CRM strategy. A distinction can be made based on mutual communication and location of the interaction. This will result in four social media paradigms playing a role in social CRM: Inside-In / Inside-Out / Outside-In / Outside-Out. These paradigms imply the following:



### ***Inside – In***

This kind of communication approach has its boundaries between company walls. It is about sharing knowledge between people (e.g. employees) within an organization using a special social network platform. This platform makes it possible for employees to discuss, blog, share and organize events. This will result in more social communication environment which will give confidence and trust. In return your employees will be more pleased about the company which will be shown to the outer world.

There are different kinds of platforms which support this kind of internal interaction such as the internal regulated SharePoint or one offered by an external agency like Winkwaves<sup>910</sup>. The active interaction inside an organization makes this 'Inside-In' social media paradigm, a typical two-way communication platform.

### ***Inside – Out***

This kind of communication sends messages to the outside world without really expecting a discussion. It can be seen as a purely informative platform, to share or keep people updated assuming people want your information. It is therefore important to stay interesting and only send information relevant to your industry.

Twitter makes a good example. It is possible to have short discussions, but it isn't the real purpose of this application. It is however difficult to maintain a discussion because of the continuous information flow received from others. Nevertheless it is important that some people might talk back through these media. It is reasonable to let them know they are not unnoticed by sending a response. Such a reaction may give them motivation to like you more. Some other information sharing examples are YouTube, blogs or Flickr. This Inside-Out paradigm shows to the outer world that you are willing to give a peek of what is happening in your company. These mostly one-way communication methods defines it the Inside-out social media paradigm.

### ***Outside – In***

The counterpart of the Inside-Out paradigm is the Outside-In variety. Instead of sending information, you are now collecting information. This paradigm is mainly based on listening and information gathering on social media sites.

It is necessary to get to know what is happening in your online community, because next to information sharing it is just as important to be aware what people think about you, your products, service and company. Listening to your customers will expand your customer insight which can be useful in your sales, marketing and service strategies. Luckily there are different applications which make it possible to monitor messages on social media sites and prepare the results for further analysis. These applications are still being further developed. The listening and passive attitude – and thus one-way analysis - makes this the Outside-In social media paradigm.

### ***Outside – Out***

This communication approach is the more social one where your online community interacts with each other on a platform which makes it possible for you to monitor their behavior and discussions. Most Outside-Out platforms are specially designed for people to discuss, share, blog etcetera. The people on

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<sup>9</sup> <http://sharepoint.microsoft.com/en-us/Pages/default.aspx>

<sup>10</sup> <http://winkwaves.com/producties/winkwaves-kenniscafe/>

such platforms build their own community with a common interest. They are therefore belonging to a group likeminded individuals who most of the time expect interaction and discussion.

An example is My Starbucks Idea<sup>11</sup>. This is an online platform where customers can share ideas, vote and discuss. Then Starbucks shows their fans what they're doing with their ideas. This way the consumers are part of a co-creation process. This feeling of them being needed will result in a more loyal community. Because it is cool you were part of that idea! In this paradigm your customer has a strong central position. That kind of two-way interaction without really interfering makes this the Outside-Out social media paradigm.

### **What are the best ways to use these paradigms in a social CRM philosophy?**

These social media paradigms are almost never used alone because they want to complement each other. That's why they cross-react in their activities and functions. For example: normally spoken you would never 'just' send a message without having a goal. That's because you always have a goal to achieve! The need of a cause makes the Inside-Out and Outside-In paradigms are a strong couple. You will give some information and you will get some information, though it can be in a non-interactive way. By sending out a message and monitoring what the reactions on that message are you can get more insight in what your role as an influencer may be and what kind of customers are interested in you. Or when you don't 'play the game' that well it will tell you which customers loathe you. Interesting isn't it? That's your chance to find out why they do so and what you can do to improve their opinions! Time to react!

Next to the Inside-Outside paradigms also the Outside-Out paradigm plays an important role in your social CRM channels. This one makes it possible to talk to your customers and online community in an informal way. These kinds of platforms invite them to give their opinion about your activities which can result in new ideas, interesting discussions and innovative theories. This way it will be possible to manage your image, brand and reputation. Together with the other paradigms you have a strong tool to analyze behavior and attitude of your online community. Using these tools you will get to learn more about your target audience and how to interact with them. One very well known social network platform where these kinds of paradigms strengthen each other is Facebook.

The Inside-In paradigm is however a somewhat peculiar one because it indirectly reinforces your customer relationships by your satisfied employees. The clear communication where interactivity is a key aspect will give you a stronger bond with your employees. In return they will transmit their positive experiences with the outside world. So give them a chance to show what they know and how this fits into your business. This is the Inside-In variation of co-creation.

Indeed a social medium has to be a transparent medium and will anyhow show some of your weak spots. Your online community will also grab this possibility to counteract, give complaints or undertake other surprising actions. This is a risk you must be willing to take. Therefore you have to know how to anticipate in these kinds of situations, e.g. think about your crisis management. Keep in mind your community will surely correct you if you're doing it the wrong way! Type a few keywords like "social media warfare" and "Facebook" in any kind of search engine and you're right into some nasty examples of how NOT to manage your social relationships. I truly hope you'll learn something from it!

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<sup>11</sup> <http://mystarbucksidea.force.com/>

When you know and acknowledge what being social really is about, then you know how to use social media as a means of your CRM strategy.

### **And now?**

Understand all this information? Then NOW you're ready to work on your social relationships and let people 'like' you! And remember: just like the real world you first have to be social and then you are ready to have and maintain friendships. This also counts for your organization. Don't forget this when you are about to step into this social media world!

So get into your chair and mingle with the masses, learn from each other and treat them like you would like to be treated. Gather all the social media user guides you can find and the how-to's to start a webcare team (which also includes where to install it). Listen, interact and be social!