SOCIAL CRM: A LITERATURE REVIEW

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ABSTRACT

Social customer relationship management has achieved prominence in the last decade amongst academics and practitioners. As companies practiced engaging in one-way information broadcasting with their customers earlier, today we find them compelled to study and follow multi-way conversations, where customers engage with each other more at times. Limited research has been conducted to review the literature present on social CRM. The goal of this paper is to study the academic and practitioner literature available on social CRM, so as to analyze the differences in them and come up with novel research directions for future.

Keywords: Social CRM, Academic Literature, Practitioner Literature, Social Network, Customer Engagement.

I. INTRODUCTION

The ascendance of social media is challenging the conventional idea of customer relationship management (CRM). In conventional CRM, businesses acquire enough data on their customers, so as to manage a transactional relationship with them and keep them satisfied. Over the years, CRM itself has advanced from its core need of seeking after a client-oriented way of administration. Today CRM can be extended to institute, conserve and strengthen mutually advantageous long-standing social trades between a business and its clients. But in most of such cases, we observe the business to be the principal agent, addressing its obedient clientele, whose capacity to correspond to the company's marketing actions is primarily captured in their buyer behavior.

But along the ascendance of tremendous social networking platforms, customer today are not anymore restricted to an unassertive role in their association with an organization. Apart from having a robust access to knowledge about rival products that is attainable anywhere on the go, customers can effortlessly react and disseminate their assessments to many others who are online out there, and could be potential customers as well. That is why the channels of supply-chain that are presently playing a pertinent part in CRM are related to social media, as buyers and prospective buyers heavily traffic there to discuss, deliberate and exchange views on various products, services, brands and other companies. This shift in trend has caused the emergence of social CRM.

Social CRM lies within the exploration and consolidation of vast social media information into CRM platforms. It can be defined as a strategy that integrates customer transactions as well as customer interactions, so as to derive valuable customer insights. It is a pathbreaking approach that collaborates customer-serving actions with various social media tools and applications in order to effectively capture and intrigue them on a large scale and foster relationships. The establishment of social CRM requires groundbreaking application among all organizational parts. Equipping your business’s CRM initiative with a dynamic social media strategy is paramount to survive in today’s ever-changing competitive environment. An imperative to beginning this transformative approach is the realization of the business’s social CRM objectives and respective performance metrics.

When directly compared with the existing traditional CRM setup, social CRM acts as an extension for the same by being content-driven, conversation-centric, people/community-focused and analytically powered. The direction of this paper is to inspect the existing academic as well as practitioner literature.
on social CRM, so as to analyze and address the contrasting points between them. The findings will help us to come up with directions for future research in the realm of social CRM.

II. ACADEMIC RESEARCH ON SOCIAL CRM

Having been through a number of research papers on this topic, a common understanding was found in the academic literature, stating that social CRM enters customers’ social realms to build a sustainable relationship with them (Baird & Parasnis, 2011; Choudhury & Harrigan, 2014; Rodriguez et al., 2014; Trainor et al., 2014; Woodcock et al., 2011). While some observed that social CRM technologies reinforces the bond that companies have with their customers (Trainor et al., 2014), some did not support the entire dependance of this customer relationship on customer engagement activities (Choudhury & Harrigan, 2014). Although CRM is seen as a package of organizational capabilities and service culture so as to deliver on creation and management of customer relationships, social CRM goes further to engage the customers in a two-way communication, leading to multiple opportunities like achieving better understanding, data gathering and co-creation of future marketing activities. Such engagements may also lead to discovery of various unpenetrated markets and other business opportunities. As potential customers share, as well as, engage with more and more information on social media applications; such applications turn into sources of deep customer insights for companies to capture. Therefore, if companies aim to foster and sustain such complex relationships, they must integrate their various customer-facing departments, so as to holistically target these new-age social consumers (Choudhury & Harrigan, 2014).

Though it was observed in the academic literature that significant attention was paid to the perceived benefits and the competitive edge created due to social CRM, instead of the factors which may lead to creation of new obstacles on its implementation. However, some paper did try to slightly touch upon some topics related around this. For example, an elaborate explanation was provided as protecting the bottom line via interventions like provision of social support, robust complaints management, effective handling of bad public relations and creation of sustainable brand and product awareness campaigns (Acker, Grone, Akkad, Potscher & Yazbek, 2011). Also, with the onset of new trends as the customer data present in online realms evolves, the processes set up for their collection, integration and analysis become challenging and may demand major overhaul (Choudhury & Harrigan, 2014). While acquiring new customers, companies fall short of using the full potential of online communities, as they seek to target their audiences only via popular social media platforms and end up with low brand awareness creation (Malthouse, Haenlein, Skiera, Wege & Zhang, 2013). A similar disadvantage may also be observed in the company’s retention strategies when they use the same platforms to generate a favorable customer engagement using only a handful activities such as like, comment, share and subscribe.

In order to discover the elements that impact social CRM embracement, certain researchers associated their patented models with some of the prevailing theories on social CRM. Harrigan and Miles (2014) utilized the Dynamic Capabilities theory so as to study the components that impact social CRM applications of various small and medium enterprises. They discovered that online communities are presenting the greatest migration from traditional CRM to social CRM. Dynamic Capabilities theory can be seen as a protraction of Resource-Based view framework, which itself is used to find out a set of strategic resources that an organization can use to create lasting competitive advantages. These particular resources should be profitable, uncommon, difficult to imitate and substitute so that these organizations can stand out among their competitors and deliver their targets. There are also certain papers in which the researchers did not associate their models with some of the existing theories on social CRM. For example, Woodcock et al. (2011) included in their research paper a worksheet, which can be useful for businesses approaching to incorporate social CRM with their current customer management processes. These processes are instrumental in supporting the needs of customer-facing employees, their adoption of social CRM software knowledge and even the teams involved in setting up the architecture for social CRM in those organizations.

The academic literature represents social CRM having the capability to help in providing a 360-degree view of each customer, given the challenge of integrating its data with other all other data pertaining to same customer, is overcome (Harrigan and Miles, 2015). This process of integration would require absorption of entire customer data, from all points of engagement with customer, and storing the same at a single location, for future access. This access, (Jayachandran et al., 2005) at the same time needs to be provided to the correct employees, at the correct time and in the correct format. In large and traditional organizations, this was noted to be a key challenge as data was not being shared in a compatible and in convenient ways to top and middle managers, as well as customer-serving representatives, when required. Nowadays, various social media scanning software come to

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the rescue by providing real-time metrics in a comprehensive format. These may be exceptionally valuable for new-age entrepreneurs or marketers. For building trust in customers, it is essential that they receive definitive and constructive information, from the side of the organization (Jayachandran et al., 2005). Such instances would occur when past interactions of the customers with the organization are readily available to the staff assisting them in present times.

It can be summarized that numerous commitments to the academic literature are concentrated on simplifying key terms and theories around social CRM. A lot of paper drew conjecture upon organizational outlook for implementing social CRM as an IT solution and not adequate research towards providing a thorough and in-depth view for outcomes of social CRM embrace in its entirety. Another area of research that lacked was a detailed emphasis on return on investment for deploying social CRM solutions.

### III. PRACTITIONER RESEARCH ON SOCIAL CRM

As CRM becomes an extensively used term, we found in practitioner literature that social CRM has taken up the position of being the rage among various industry experts, CRM pundits and solution developing organizations following the creation of numerous articles, reports and white papers, which have sprung up around in the last decade. Although many of them zero down upon better ways to understand and setup social CRM in companies, only a handful discuss about the pitfalls and other management issues which might emerge along the way. However, they do conduct a broad scan and present knowledge regarding promotion mix, reputation management, new-age customer strategies and much more. Although the white papers discussions do not dig deep into concepts and do not build models around various factors as seen in academic research, they do spin their content on social CRM around problem-solving, constraint balancing and situational-fit, with the goal of delivering high on effectiveness of their respective topics.

Some papers in the literature have suggested that reinforcing CRM initiatives with a social media strategy is key for operating businesses today as buyers are flocking to internet in heavy numbers to gather information for making their respective purchase decisions, instead of being recipient of push marketing initiatives (Leary, 2008). Buyers nowadays have access to a plethora of communication devices that permit them to quickly share their online and offline encounters, while buying professional or personal items among their social systems. This coupling of social information dissemination with increasing online connectivity is adding a new set of opportunities and challenges for the enterprises (Keuky & Clarke, 2011). Corporates have also taken cognizance of these exponentially growing numbers as well as relevance of influencer channels, which has forced them to shift away from their traditional marketing approaches.

According to Stenger (2014), social CRM assist organization in executing effective reputation management via 5 major activities, namely: monitoring, suppression of content, provision of right to reply, management of claims and communication during crisis. Although monitoring is somewhat all organizations do, but right to reply and content suppression corresponds to prohibiting the proliferation of illegal content or negative content via the company accounts; while the last two provide rare opportunities to interact deeply with customers. In hindsight, activities like right to reply and claims management do appear as negative aspects of increased online customer participation, but they still can be termed as necessary evils to increase as well as sustain brand awareness efforts of a business. As per Chess Media Group (2010), before brainstorming on for the right social CRM solution, corporations must primarily evaluate their management preparation, competitive strengths, unique selling points and culture, and after that suggest particular methods to highlight shortcomings within departments and/or general processes. Such shortcomings might be initially managed by using multi-functional professionals to handle corporate’s social presence and customer interactions, with a plan to later develop a whole setup with effective establishment of a social CRM solution.

Throughout the study of practitioner literature, it can be observed that the key focus has always lied towards solving deep-down organizational problems arising around social CRM, as in contrast to academic literature which seems to be established within the positivistic convention of social CRM. Consequently, some critical questions (like how to execute online reputation management when inappropriate or fake information about organizations is published, or how to roll back from the fundamental changes made for implementing social CRMs across organizations) still remain to be answered by the available practitioner literature and might require academic scrutiny into it.

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IV. CONTRAST BETWEEN ACADEMIC AND PRACTITIONER RESEARCH

As per our study of literature around social CRM, there is a prevailing agreement among academic and practitioner research that social CRM is largely a business strategy which is supported by various technology platforms, acting as a separate branch out of the CRM strategy of a business. This branching out helps the existing CRM architecture in delivering value to social customers, as businesses engage with them via platforms of their choice. It ultimately opens up a new paradigm, having its own set of benefits and challenges, for managing customer relations, gathering customer data as facts and feedback and insight for developing new products. Thus, social CRM can be gauged to be an avital approach for delivering improved stakeholder value through the advancement of appropriate connections with vital clients and customer groups.

However, in spite of seeing an increase in practitioner literature around social CRM, deep statistical studies concerning a few topics (average time taken to implement, expected return on investment, investigation of hidden social CRM practices already being followed by businesses) are still unavailable. Instead, most of the academic literature is found to be focused on defining, conceptualizing and modeling a general social CRM architecture which could be followed by organizations from various industries. When compared to academic literature, practitioner literature can be found to be stressing more on different strategies used for adoption of social CRM in distinct industries, the pitfalls that appear in the process, the future of social CRM and more.

V. CONCLUSIONS AND FURTHER RESEARCH DIRECTIONS

This study aims to scan the existing academic and practitioner literature present regarding social CRM so as to collate recent findings and look for new directions for future research. Both academic practitioner literature were found to agree upon the definition, role, purpose and the intangible benefits which are offered by the implementing social CRM in business. There was also a general consensus around the understanding that social CRM is not an individual entity, but acts as an arm of conventional CRM approach. Customer engagement is at the core of social CRM as it aims to interact with them on platforms of their choice, where they own the conversation majorly. However, it was also observed that most of the academic literature was lacking empirical evidence, when speculating on the possible costs, infrastructural needs, measurement practices and pitfalls involved while implementing social CRM strategy. By probing the current terminologies, driving agents, imagined results and administrative gaps in regards to social CRM, a provision has been made to consolidate the learnings of social CRM as a cutting-edge abstraction for research. In accordance with conventional CRM study, such a description may be avital scenario for designing cross-disciplinary social CRM models.

a. Having studied academic and practitioner literature on the topic, by no means exhaustive, we recommend the below future research topics as important bearings for the future of social CRM research:

b. The identification of management innovations and transformative approaches for successful adoption and integration of social CRM with business practices.

c. An empirical study of how information gathered from social CRM solutions could deliver insights for new product developments

d. The construction of conceptual and organizational frameworks to assess the readiness of organizations for implementing social CRM strategy.

Such research trajectory if followed closely, contains the potential to deliver immense value and applicable knowledge in regards to social CRM experience.

REFERENCES


