How Companies are Implementing Social Customer Relationship Management: Insights From Two Case Studies

Olaf Reinhold
University of Leipzig, Germany
reinhold@wifa.uni-leipzig.de

Rainer Alt
University of Leipzig, Germany
rainer.alt@uni-leipzig.de

Abstract

The Social Web offers a realm of opportunities for the interaction with customers. For the first time many companies have the opportunity to directly and immediately contact consumers or other stakeholders regardless of their position in the value chain. Among the opportunities are: to obtain more comprehensive market insights, to interact in real-time or to incorporate consumers into the service provisioning. Despite these potentials a great uncertainty remains about the existing options to use Social Media for customer relationship management (CRM) purposes and, especially, the required IT systems and the value of such investments. Based on a comprehensive architecture for an integrated Social CRM (SCRM), this research investigates how companies have actually implemented SCRM. Two case studies are examined regarding the contribution of SCRM activities to CRM and the established SCRM infrastructure. The paper concludes with a discussion about observed patterns in SCRM implementations and functional requirements on integrated SCRM systems.

Keywords: Social Media, Customer Relationship Management (CRM), Social Customer Relationship Management (SCRM), case studies

1 Introduction

The Social Web has shaped new forms of internet-based interaction among users. Increasingly, companies are realizing that the Social Web represents an additional channel to communicate with customers and partners. Following a recent survey, the Social Web is gaining momentum at many Fortune 500 companies which are “showing the first signs of really embracing a range of social media tools” (Berkman, 2013). Indeed, many companies have collected a number of community members (called fans, friends, followers and alike). Beyond establishing mere presences in the Social Web, investments were undertaken in tools that improve the use of the Social Web, such as sketching social graphs or extracting social
analytics reports. Among the goals are to learn about market trends and, in particular, about customer behaviour as well as their opinion on products, needs, and the like.

The application of the Social Web to these key customer relationship management (CRM) activities has become known as Social Customer Relationship Management (SCRM). To overcome the challenge of anonymous postings and the large volume of data resulting from the activities on various social community platforms, a variety of information technology (IT) solutions have emerged in recent years. Following, the overview in the literature (see Li & Bernoff, 2008; Rappaport, 2010; Reinhold & Alt, 2011; Wagner & Hughes, 2010) reveals that a large number of focused solutions are available to cover SCRM activities. However, comprehensive software suites that provide integrated support of all main SCRM functionalities are only about to develop. This is reflected in the existing literature which focuses on specific aspects of SCRM, such as the value of communities, patterns of social interactions, technology for analysing Social Web content or methods for introducing SCRM into an organization. The need for integration was acknowledged in other contributions which aim at linking the strategic and technological aspects of SCRM (Alt & Reinhold, 2012; Faase, Helms, & Spruit, 2011; Wang & Owyang, 2010). This integrated view is also reflected in the current consolidation of the SCRM market, where major CRM software vendors have started to enhance their product portfolio by acquiring leading vendors of SCRM functionalities based on their own vision of required functionalities in an integrated SCRM.

First research about the introduction of Social Media and SCRM tools in companies confirms the early stage of evolution that is apparent in the domain of SCRM software solutions. In many companies, the decision to establish a presence in the Social Web rather follows the perceived success or failure of initial Social Web activities than a systematic strategic planning (Andzulis, Panagopoulos, & Rapp, 2012; Cisco Systems, 2010). Early experiences have shown that managers are often surprised by the required effort for managing presences in the Social Web and the speed as well as intensity of responses from Social Web users. At the same time managers still report uncertainty about the ideal processes for SCRM, the effectiveness of SCRM activities in specific industry sector and the return of investments (ROI) into SCRM.

This research argues that the implementation of Social Media and SCRM tools, such as Social Media Monitoring, requires a SCRM strategy and infrastructure which integrates the worlds of the “innovative” Social Web and “classical” CRM. It aims at providing more insight into actual organizational settings of SCRM from an integrated perspective. The research question of this paper is to identify learnings from current SCRM implementations regarding their set-up in the organization, their contribution to key CRM activities and the required infrastructure. The paper first provides a literature overview on the contribution of Social Media to CRM and the elements of an integrated SCRM concept. An analysis framework is developed in the next step which serves as the basis for an in-depth analysis of two case studies. The insights obtained from the cases are summarized regarding the general applicability and the requirements of integrated SCRM. The paper concludes with a discussion about observed patterns within SCRM activities and identified functional requirements of an integrated SCRM system.

2 Integrated Social CRM

2.1 Contribution of SCRM to CRM

CRM maybe defined as a “process that utilises technology as an enabler to capture, analyse and disseminate current and prospective customer data to identify customer needs more
precisely and to develop insightful relationships” (Paulissen et al., 2007). Grönross (1996) recognized three tactical elements at the core of CRM: seeking direct contacts with customers and other stakeholders, building a database covering necessary information, about customers and others; and developing a customer-oriented service system, which are still at the fundament of later extensions of CRM, such as eCRM (Nguyen & Mutum, 2012; Sigala, 2011). The strategic goals of CRM are executed through CRM processes for marketing, sales and service purposes (Peppers & Rogers, 2004). CRM systems (Chan, 2008) provide functionalities to collect customer oriented data within the organization, to manage CRM processes and to learn and optimise an organisation from a customer centric view.

With the emergence of Web 2.0 (O’Reilly, 2005) and the increasing usage of Web 2.0 applications the way how companies and customers interact has significantly changed. So-called Social Media technologies have created new resources for CRM (Li & Bernoff, 2008). Despite the fact that they are attributed a large potential, detailed insights into the added value and the integration between the two elements is limited. Faase et al. (2011) identified that an added value of Web 2.0 in CRM may be observed in the field of customer behaviour, customer interaction, marketing and customer lifetime value. An analysis in the touristic industry from Sigala (2011) shows that two features of Web 2.0, social intelligence and social networking, may be used for establishing and enhancing customer relationships along all stages of the customer lifecycle. Andzulis et al. (2012) investigated the potential of Social Media in the sales processes and show that they contribute in understanding and approaching the customer, discovering needs, presentation, closing sales as well as in service and follow-up activities.

Although existing research confirms a positive overall impact of linking Social Media and CRM, an in-depth research about the contribution to specific CRM activities or processes is missing. For this research, four key activities, based on the three tactical elements, success factors in CRM implementations (Alt & Puschmann, 2006) and the potential of Web 2.0 on CRM, were distinguished to assess the additional value of SCRM on CRM processes:

Learning about the market: The success of CRM depends on a company’s ability to learn as much as possible about the market and its demands. Traditional ways for acquiring this information is via direct customer contact, market research, questionnaires or based on existing knowledge. Social Media offer the opportunity to include opinions from the market and discussions between market actors that previously were not directly accessible (Greenberg, 2010).

Integrating available information: A main goal of CRM is to gather all information about the market and from customer interactions in a centralized database, which aliments the operational CRM processes and establishes the basis for deeper analysis and better understanding of the market in the area of analytical CRM (Peppers & Rogers, 2004). Social Media represent an additional touch point and provide further content for this database (Sigala, 2011). The challenge is to transform the digital communication into structured information objects (Tuzhilin, 2012).

Establishing mutual relationships: The intention of CRM is to achieve mutual relationships with customers that consider the customer as equal element. However, often product selling and provision of related services is the focus of CRM implementation and the voice of the customer is ignored. Since researchers call for a stronger focus on interaction (Mitussis, O’Malley, & Patterson, 2006), Social Media offer the opportunity to integrate customers deeper into CRM processes through listening to them, incorporating them in processes and collaborating with them to create new ideas, products and resources for CRM (Gillin & Schwartzman, 2012; Woodcock, Green, & Starkey, 2011).

Providing a customer oriented service system: The profitability of CRM strategies depends on the ability to maximize customer lifetime value. Initial customer demand shall be developed into a long-term relationship that generates value on different levels such as direct sales,
contracts, reduced acquisition costs or positive recommendation to others (Reichheld & Sasser, 1990). Social Media provide new options to optimize the service system through various means to inform and attract the audience, to foster recommendations or to generate new leads and to keep in contact with customers after they purchased a product (Gillin & Schwartzman, 2012; Greenberg, 2010; Woodcock, Green, & Starkey, 2011).

2.2 Components of an integrated SCRM

The term SCRM is increasingly used to frame research related with the value adding integration of Web 2.0 in CRM. Even though the term is already broadly used, a coherent perception is still missing. For example, Faase et al. (2011) define SCRM as “about creating a two-way interaction between the customer and the firm” and as “a CRM strategy that uses Web 2.0 services to encourage active customer engagement and involvement”. SCRM includes strategies, processes and technologies that enable companies to link the Social Web with their (often existing) CRM strategies, processes and systems (Baird & Parasnis, 2011a; Reinhold & Alt, 2012). This comprises capabilities in Social Web analysis, transformation of Social Web content into CRM business objects, synchronisation between offline and online CRM activities and individual communication with market actors (Reinhold & Alt, 2011; Woodcock, Green, & Starkey, 2011). SCRM aims to efficiently tap the data in Social Media for analytical purposes (e.g. monitoring and mining) and forward relevant information on products, customers or market trends in the CRM system which may proactively or reactively enhance interactions in the Social Web.

Social Media are the source for data generated by Social Web users, often embedded in interactions (Baird & Parasnis, 2011b; Greenberg, 2010). Basic resources are profiles, postings and links between the former (Reinhold & Alt, 2012). SCRM connects the corresponding data with the existing CRM information base and enables companies to provide new forms of customer insights and relevant context (Woodcock, Green, & Starkey, 2011).

SCRM activities build upon this data and the Web 2.0 functionalities of Social Media. Activities that are discussed within the literature (Baird & Parasnis, 2011a, 2011b; Cisco Systems, 2010; Solis, 2010; Wang & Owyang, 2010) present a strong focus to analysing the Social Web content and to engage with Social Web users. Basic SCRM activity types are: CRM process support, knowledge discovery, performing of transactions and collaboration (Reinhold & Alt, 2012). The transformation of Social Media content into knowledge, which may enhance existing CRM knowledge of higher and approved quality, is a main challenge. Specific functionalities are required on behalf of SCRM systems. Faase et al. (2011) describe several fundamentals for the integration of Web 2.0 and CRM in a five-layer pyramid. An infrastructure represents the basis for customer management and customer engagement that enables customer retention and involvement. Table 1 shows five tasks and functional areas in SCRM that were summarized from the literature in earlier research (Alt & Reinhold, 2012 based on Rappaport, 2010; Sterne, 2010; Winterberg, 2010).
Table 1: Tasks and functional areas of SCRM

At present, tools that cover all functional areas are still missing. However, a variety of dedicated systems has emerged that may be clustered along seven categories (Alt & Reinhold, 2012): Social Search Tools, Social Media Monitoring, Business Intelligence, CRM systems, Social Network Analysis, Social Media Management and Community Management. Figure 1 shows the interaction of the functional areas in an integrated architecture (Alt & Reinhold, 2012).

2.3 Implementation approaches of integrated SCRM

Past research on SCRM implementations has reported three basic approaches for integrating Social Media and CRM processes (Reinhold & Alt, 2012). Partial approaches that rely on a small number of Social Media platforms are often apparent in smaller companies with limited resources for SCRM activities. Usually, they address a limited number of the CRM key activities and primarily require interaction and basic analysis functionalities. Intermediate approaches apply Social Media in multiple CRM processes and aim to improve and expand the touchpoints along the customer lifecycle. They address the CRM key activities of learning about the market and improving the customer service system. In addition to interaction, they require more advanced analysis and basic management functionalities. Advanced approaches incorporate Social Media in most CRM processes and aim to establish Social Media as full customer interaction channel.

Prior research reports that companies usually initiate their SCRM activities with one of these approaches and enhance the solution once measureable benefits were achieved. For example,
Andzulis et al. (2012) analysed the application of Social Media in the field of sales and described its four phases, starting with establishing a Social Media presence, increasing the audience, transformation of sales strategies to finally fully integrated approaches. Cisco (2010) observed five evolution phases in their SCRM projects: Listening (or ignoring), Social Media Broadcasting, Social Media Marketing, Social Media Customer Care, and Proactive Engagement. In parallel, the organizational setting for SCRM was aligned. Dedicated Social Media managers are now responsible for the development and implementation of SCRM strategies as well as dedicated staff for monitoring or interactions. They can be organized in dedicated Social Media functional units or belong to existing business units (e.g. marketing, service).

3 Cases of SCRM implementations

3.1 Analysis design

This research aims to contribute to the scarce body of knowledge on SCRM implementations through the in-depth analysis of two case studies. The related case studies were conducted within the research project SCRM-I between 2011 and 2012. Based on interview guidelines the application of Social Media in CRM was assessed, especially the organizational setting, used Social Media, supported processes, used technology and ROI in SCRM and summarized in a case description. For the description of the activities further information from the web and literature (e.g. web pages, reports, whitepapers) was used. From the total of 5 in-depth case studies that were conducted during the SCRM-I project and described in a case database, two cases were further examined for this research. Both cases are sophisticated regarding SCRM usage and allowed for an analysis in all main CRM processes. Table 2 provides an overview on the organisational and technological setting observed in each case. Appendix A adds a brief description of each examined activity.

<table>
<thead>
<tr>
<th>Organisational setting</th>
<th>Spreadshirt</th>
<th>Dell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry sector</td>
<td>Fashion</td>
<td>IT</td>
</tr>
<tr>
<td>Main customer interaction channels</td>
<td>Web</td>
<td>Phone, Web</td>
</tr>
<tr>
<td>Integration approach</td>
<td>Partial to intermediate</td>
<td>Intermediate to advanced</td>
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<tr>
<td>Dedicated Social Media Manager</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Involvement of the organisation in SCRM activities</td>
<td>low-medium</td>
<td>High</td>
</tr>
<tr>
<td>Dedicated Social Media functional unit</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Use of dedicated SCRM tools by system categories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Search</td>
<td>Several stand-alone systems</td>
<td>Some stand-alone systems</td>
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<tr>
<td>Social Media Monitoring</td>
<td>Several stand-alone systems</td>
<td>Dedicated system &amp; stand-alone systems</td>
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<tr>
<td>Business Intelligence</td>
<td>-</td>
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<td>CRM system</td>
<td>Stand-alone system not integrated with CRM system</td>
<td>Stand-alone system partially integrated with CRM system</td>
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<td>Social Network Analysis</td>
<td>-</td>
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<tr>
<td>Social Media Management</td>
<td>Dedicated system</td>
<td>Dedicated system &amp; stand-alone system</td>
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<tr>
<td>Community Management</td>
<td>Dedicated system</td>
<td>Dedicated systems</td>
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Table 2: Organisational and technological setting in each case
3.2 Spreadshirt

Spreadshirt is a German e-commerce company headquartered in Leipzig that offers an online platform where people may design, buy and sell individualised fashion. The company is a typical Web 2.0 business that started in a saturated market and acquired customers that were not addressed by established companies. The business model is based on few core elements: external parties design the fashion, all available designs can be bought via one platform, Spreadshirt produces by order and the partner may open e-commerce shops on the Spreadshirt platform. This enables Spreadshirt to offer designs for almost every niche market and people from these markets also help to advertise and generate leads via partner shops.

Social Media are essential for Spreadshirt to keep in touch with their partners due to the lack of stores and the high web affinity of their partners. For this purpose, they operate an own blog and forum. In addition they use Facebook, Youtube and Twitter as external touch points and for service management. Besides for interactions, Spreadshirt applies Social Media to learn about the market and events that may be relevant for new designs. Therefore they track various Social Media via monitoring tools and distribute these insights into their organisation as well as to partners. These SCRM activities enable Spreadshirt to access and interact with their market and partners at a personal level and to offer them also a place where they can interact with each other. They created a community of partners that together with Spreadshirt is able to fill out all roles in a fashion supply chain.

Spreadshirt uses information systems especially for the provision of own Social Media platforms such as the blog and forum and also in the field of monitoring to access actual discussions about the company and new market trends. For interaction and coordination they use a stand alone system that helps them to collect for example requests via Twitter and Facebook in one single point and to assign a responsible Social Media Manager that answers the questions. A deep integration with the backend systems was not necessary in the past but becomes necessary with the increasing demand of local sales and service managers who want also to interact with their customers via Social Media. With an increasing amount of relevant conversations and a growing audience, the need for automation in the field of presence management and interaction as well raises. Spreadshirt starts to provide trainings and supporting tools for their employees and expand the IT infrastructure.

One of the main challenges for Spreadshirt is the transformation of various small SCRM activities and heterogeneous tool landscape into a company-wide SCRM approach and platform.

3.3 Dell

Dell Inc. is a US computer manufacturer that offers computer technology and related services such as configuration, support or IT outsourcing. Dell started to incorporate Social Media into their business processes already in 2006 after Jeff Jarvis mobilized numerous Social Web users which were unsatisfied with the products and service of Dell via his blog.

As a typical e-commerce company, an important customer-interaction channel is the internet and related electronic communication channels such as e-mail, micro messaging or chat. Around the core business of selling configurable computers they started to analyse the communication in the Social Web for identifying problems and expectations related to their service offerings early on. The initial goal was to prevent similar situations as 2006 where Dell is not matching the market expectations. Motivated by positive feedback and success of their activities they professionalised the Social Media usage and started to advertise, interact, sell and provide support via Social Media. They combine for example marketing campaigns with Social Media activities to get instant feedback on the success or to further increase the audience. Another example is the use of Social Media to keep in touch with business professionals independent from current sales processes. A key element of their strategy is the
widespread inclusion of employees in the SCRM strategy. Each employee may qualify for the right to speak in the name of Dell within social networks. In 2012 already more than 9000 employees have taken the qualification. A professional team of Social Media managers support them and provide regular trainings. Through this intense presence in social networks Dell raises a strong community that takes up the position of Dell in discussions, independently provides advice or support to customers and supplies Dell with real-time feedback from the market.

Dell uses several tools to support these processes. A service platform helps to track interactions across channels and contact persons, a monitoring system enables employees to track relevant discussions but also to monitor specific topics such as response to a campaign, product related discussions and to create reports that summarize Social Web insights on specific topics. Interactions with customers are linked via a service platform with the back-end CRM systems and enable Dell for example to access and expand entries in the knowledge-base. The latest development is the so called Social Media Command Center which summarizes these capabilities. The goal is the provision of a central platform that analyses Social Media, distribute information across the enterprise and coordinates activities. In the same time it provides the necessary technological base. Dell benefits from their SCRM activities through a continuous stream of market feedback, the ability to mobilize external people for their CRM activities and to have access to a broad audience without the need for physical stores.

One of the main challenges for Dell is to manage all SCRM activities and to ensure a consistent communication and brand perception across the whole company.

4 Evaluation of SCRM case studies

Based on the findings from the literature review presented (see Chapter 2) an analysis framework was designed and used on both cases. The findings are summarized in the following section. In Table 3 the analysed activities are structured along the dimension of the main CRM process in sales, marketing and service and the support of the CRM key activities and their relation to the functional areas. The levels of low, medium and high express the contribution to a CRM key activity or relation to one of the functional areas. The table paints a diverse picture that highlights heterogeneous infrastructures, but also the overall relevance of all functional areas of an integrated SCRM for sales, marketing and service.

The case of Dell features a broad approach that established a strong presence in the Social Web, turns Social Web content into knowledge, provides CRM processes via Social Media and creates a strong community for collaborative activities. Spreadshirt pursues a more focused approach that concentrates on creating and maintaining a community that is systematically leveraged to externalize tasks and to collaboratively work in CRM processes.
4.1 Contribution of SCRM activities to CRM

Regarding the contribution to the CRM key activities (see Chapter 2.1), learning about the market is apparent in each case. Dell makes explicit use of Social Media and implemented dedicated activities to generate additional insight into their market. Spreadshirt focuses more on learning about the market via Social Web interactions. It may be observed, that this goal is apparent in activities in the field of marketing but also in service. It comprises obtaining information about developments in the market, about the perception of products and service, about the places where potential leads, consumers and influential individuals convene and also about actors that may have an interest in the products or influence decisions.

Integration of available information in the sense of integrating Social Web content into CRM is still in an early stage. Primarily the usage of content from the Social Web within SCRM activities may be observed. The integration of data with CRM systems is less important and often performed manually by Social Media Managers. Especially in the field of service additional information from the Social Web is integrated manually as described in the case of Dell. An automated integration is primarily visible in relation to specific functional areas, such as service and activity management (e.g. conversation management at Dell) that require information about discussions, event and actors.
Activities that address mutual relationships aim to transport the message that the consumer is taken seriously and as a valuable ‘asset’. While all process areas support this goal, the cases of Dell and Spreadshirt show that the activities need to combine the usage of Social Web resources and provision of new content through platforms, discussions and interactions. This may comprise the recognition of up-speaking Social Web users and the initiation of conversations, supporting with information as well as resources to pursue individual interests (e.g. becoming a fashion expert) and the provision of platforms where customers can become active in business processes (e.g. Dell). The stimulation of customers to exchange information about the company (e.g. on own facebook pages) and to share their affection to the company or brands (e.g. advertising designs) can be observed in the case of Spreadshirt.

Several activities contribute to an improvement of the customer oriented service system. Especially activities in the field of sales and service use Social Media to establish an additional channel for customers with added value, such as a 24x7 availability or higher service level though collaboration with Social Web users. All cases display activities to proactively identify and address product-related problems reported by customers. The cases also provide some examples of how Social Media may be applied for improvements in the sales process. For example, Social Media may be used as a platform to provide Social Web users with the means to distribute the products and services of the company by their own as they are an opportunity for long-tail approaches. They also offer the option to distribute fixed offerings to a broad audience that have a basic interest in the company or its services.

### 4.2 Application of the functional areas

A heterogeneous picture was also found in the functional areas (see Chapter 2.2). Although both cases were required to cover all functional areas, clusters are visible for specific CRM process areas and within the separate functional areas.

Each activity requires access to existing Social Media or functionalities to establish a presence in the Social Web. It may be observed that most activities either need access to few specific platforms, depend on the provision of an own platform or require a reading access to a large number of platforms. Only a few activities make use of several platforms, especially if an extensive access on content is required (e.g. trend analysis by Spreadshirt) or an overall strong presence should be maintained (e.g. community management by Dell). Both cases show the aim to manage or reroute the more established relationships on own platforms or at least channels, resulting in an increasing need to provide and maintain such platforms or presences.

Analysis, mining and monitoring of Social Web content are primarily required in activities that facilitate to learn about the market and to integrate information. The cases show different levels of analysis: basic analyses makes use of the integrated capabilities of Social Media platforms (e.g. Hashtags in Twitter), medium approaches use bag-of-words approaches to track postings by a set of key words (e.g. product synonyms) and deep analysis interprets the findings through manual and technical means (e.g. analysts report). The advanced approaches are used in marketing as in the case of Dell to uncover hidden trends, to relate discussions to the product portfolio and to understand the ecosystem, or service management to extract problems or complaints from discussions. In the cases, monitoring played only a limited role in sales related activities. Basically the companies use Social Media to post dedicated offerings for their Social Media audience and evaluate the success, but not to track and adjust the offerings during the process. Managers in the cases scored the actual capabilities in analysis as still limited but are also unsure how much investment into specific technology (e.g. advanced text analysis) is justified with respect to the expected improvements.
Interaction is addressed by most activities and in all CRM process areas. Even though it seems to be more important in sales and service related activities, interaction may also be observed in marketing to stimulate the community and assist campaigns. In most activities either direct interactions between employees and consumers or engaging into discussions is in the focus. Few activities, especially in the field of service management and community based approaches, combine both forms. Companies with more employees, such as Dell, also aggregate relevant discussions and question into a centralized pool and distribute the reaction activities among their employees with Social Media skills. In both cases the companies aim to realize a conversation style adjusted to Social Media, such as individualized dialogs, distribution of interesting content, promotion of users, mixing different media types.

Management and integration with CRM systems plays a minor role in the analysed activities. Two directions were found: basic management functionalities are required for tasks to coordinate activities, resources and actors in activities that comprise several Social Media platforms or for companies with more employees involved in SCRM activities. More advanced functionalities are apparent in activities that feature collaborative aspects, such as the evaluation of products or cooperative work for the coordination and transfer of information into internal processes and the information base. Integration with CRM systems can be observed in sales related activities that deal with the provision and finalizing of offerings, integration between Social Media and regular customer service, and when Social Media are deeply integrated into regular marketing campaigns. This low integration also results from the problem that a deeper integration into the main CRM system requires higher investments and may inflict these systems which result in hesitations of decision makers.

4.3 Implementation approaches and integration degree

The two cases confirm the existence of different implementation approaches of SCRM (see Chapter 2.3). Both cases show a different maturity degree of the integration of SCRM. However, in specific areas both cases display already a high integration degree of Social Media and CRM.

In the case of Spreadshirt the company aims for strong customer engagement and performs several activities that deeply incorporate customers and Social Web users via Social Media in typical CRM activities. However, the integration with CRM systems is still low and only few components of an integrated SCRM system can be observed, primarily Social Media and Monitoring. The case illustrates how a higher level of SCRM in limited field can be achieved without a deeply integrated SCRM infrastructure. But, the case shows also the limitations of this approach. A more comprehensive SCRM approach requires, especially for further increasing collaboration with customers and optimizing CRM activities based on SCRM insights, a stronger integration and further components (e.g. CRM, Management).

The case of Dell shows an already deeply integrated SCRM that aims on incorporating customers and Social Web users in all CRM processes. It illustrates how all components of an integrated SCRM system are integrated for realizing a closed loop between assessing information from the Social Web and providing a customer oriented service system. But, it can also be observed, that the automation between the components has still limitations and some SCRM activities are limited by the infrastructure components (e.g. management, text analysis). The case of Dell is marked by a closed loop between ongoing evaluation and optimization of SCRM activities, while continuously lowering the borders between business units, employees and customers. The case shows how an integrated SCRM helps to expand CRM beyond the limits of traditional CRM though an deep integration of new information sources and communication channels.
5 Learnings for integrated SCRM implementations

Besides the learnings about the current implementation of an integrated SCRM, some additional insights regarding the implementation approach and design of a SCRM system can be obtained from the cases.

5.1 Basic activity patterns in SCRM implementations

A closer examination of the functional areas, SCRM activity types and goals shows several patterns pursued with SCRM activities. Patterns are commonly used in information systems research for describing a regular and intelligible form or sequence discernible in the way in which something happens or is done (Oxford Dictionaries, 2013).

Supporting activities for CRM cover presence and nurturing of a community. Presence aims to attract an audience within the Social Web. This can be achieved by profiles and interesting messages on relevant Social Media platforms (e.g. Spreadshirt’s use of external Social Media). Nurturing a community means the identification of product and service affine Social Web users as well as experts in the domain of the company and making them aware of the organization and starting an engagement process with them (e.g. community management of Dell).

Knowledge discovery comprises learning, extraction and connecting. Learning includes the understanding of relevant actors, the ongoing discussions and their impact on the products portfolio, CRM processes and CRM strategies of a company within the Social Web (e.g. Command Center of Dell). Extraction means the identification and integration of information that is relevant for CRM from the Social Web to enrich objects of the CRM information base (e.g. campaign management of Dell). Connecting aims for an integration of information and activities with Social Web users and customers in a consistent interaction history across all channels by applying identification features to Social Media offerings (e.g. service management at Dell).

Performing of transactions can be differentiated into the aim of transaction and routing. Transaction means direct interactions with individual customers to advertise offerings, to establish contracts and to provide support (e.g. Twitter support by Dell). Routing relates to the identification of Social Web users in each stage of the customer buying cycle, to initiate interactions and to route them into the most appropriate channel to turn them into customers (e.g. Partner recruiting of Spreadshirt).

Collaboration with the market includes externalisation and collaborative work. Externalisation aims for the empowerment of consumers by providing them with resources and service to advertise, sell or support the product of the company (e.g. Facebook-Shops by Spreadshirt). Collaborative work means to work together with consumers to create new products or marketing campaigns and to perform tasks of community, sales or service management (e.g. IdeaStrom forum of Dell).

5.2 Functional requirements in an integrated SCRM system

The in-depth analysis of actual implementations reveals also further insights into the specific functionality requirements in each area of an integrated SCRM system.

First, Social Media are required as platform and communication channel. An integrated SCRM system needs the ability to create or to access via interfaces at least four types of Social Media: (1) internally used Social Media (e.g. discussion board), (2) Social Media provided by the company (e.g. customer community), (3) external and free accessible Social
Media (e.g. blog, forum), and (4) external but access restricted Social Media (e.g. Facebook). Interfaces should support read and write operations.

Second, analysis functionalities support Social Web analysis and knowledge discovery based on statistic and semantic data- and text-mining. Four functional groups seem necessary: (1) reporting functionalities that provide basic information for SCRM, (2) analysing functionalities that support the configuration of individual queries, (3) monitoring functionalities that provide real-time information for daily coordination tasks in SCRM and (4) functionalities for automated generation of CRM business objects such as leads or opportunities based on business rules.

Third, interaction functionalities enable people involved in SCRM activities as well as Social Web users to interact via Social Media and to keep track of interaction histories over all channels. Four functional groups can be observed: (1) seeding of content via different Social Media to initiate and foster discussions, (2) support of direct communication via Social Media to enable Social Web users to contact a company directly or employees to interact with them, (3) functionalities to react and step into discussions between Social Web users in own and external Social Media and (4) provision of supporting services and resources such as Shop or Fan-Apps that external parties can use.

Fourth, management functionalities support the integration with CRM processes and systems as well as the coordinate of SCRM activities. Two functional groups can be identified: (1) process functionalities that support the use of monitoring and interaction data and functionalities in CRM systems and (2) management functionalities that support the coordination and management of SCRM activities and provide a central view on profiles, Social Media sources, and Social Media based interactions and events.

Fifth, the CRM system interconnects other customer touch points and provides data about customers, markets and activities as well as CRM process specific functionalities and integration with back-end systems. A CRM system should support: (1) interactions via Social Media, (2) customer, process and product insights based on Social Web data, (3) real-time information about the business ecosystem (e.g. influencing Social Web users, relevant Social Media, relevant events) and (4) incorporate interactions via Social Media into the customer lifecycle history.

### 5.3 Conclusions and outlook

In summary, the findings of this paper support the framework of an integrated SCRM. They are based on the examination of two SCRM implementations, which illustrate two different approaches towards a value adding introduction of Social Media in CRM. The analysed companies are of different sizes and made different investments into SCRM. But, both companies clearly focus their SCRM activities and infrastructure on their business model and obtain positive results. The analysis reveals how four CRM key activities benefit from SCRM and the enabling character of integrated SCRM systems. Even though, no company introduced one single integrated SCRM system, the cases confirm the need for capabilities in each of the functional areas of an integrated SCRM (see Table 3) and the evolution towards integrated systems.

Although these insights represent only a limited perspective into the overall topic of SCRM, they are promising in understanding the implementation of SCRM approaches and their impact on specific goals. The comparison of the cases also reveals several patterns that companies pursue in their SCRM implementations and provides further insights into the functional demand of SCRM. These findings may provide additional input for the viability of integrated SCRM concepts. However, further analysis of SCRM cases is required for evaluating the identified patterns and for determining the design options in SCRM strategies and systems more precisely.
Findings from the paper can be used for focusing future research that aims for a better understanding of individual SCRM activities and the required systems, but also for discussing individual aspects of SCRM, such as the required functionality, the legal limitations of activities and the value of investments.

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References


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## Appendix A

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<th>CRM area</th>
<th>Activity</th>
<th>Short Description</th>
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<td>Campaign development and monitoring of resonance</td>
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<td>Market analysis</td>
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<td></td>
<td>Product/innovation management</td>
<td>Product portfolio evaluation with customers</td>
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<td>Brand management</td>
<td>Social Media touch points and information via Social Media</td>
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<td>Facebook Shop-App</td>
<td>Shop-App customers can integrate into their own Facebook profile</td>
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<td>Community support forum</td>
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