

Critical success factors for Social CRM strategies for South African Companies

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ABSTRACT

Social CRM is a new buzz word in the marketing and technology fields and has become an important strategic initiative for companies to employ. Social CRM arose from the need to transform the way we communicate with our customers due to the emergence of social media. In South Africa Social CRM is still a relatively new field with not many companies implementing it successfully.

This research explores the benefits of implementing a Social CRM strategy as well as what the critical success factors are for implementing such a strategy. Five organisations that are implementing Social CRM were identified and eleven managers within those companies were interviewed. Eight companies that provide CRM or social media services for their clients were also identified and one executive or manager was interviewed from each.

The respondents were interviewed over email using a semi-structured interview approach, which yielded qualitative data. The data was analysed using content analysis, more specifically, thematic content analysis and concept mapping to determine recurring themes. Findings from the interviews resulted in nine benefits of implementing Social CRM and seven critical success factors of Social CRM.

The findings of this research shows that the benefits gained from implementing Social CRM are great and include reduced costs, improved customer service, increased reputation and brand building, better segmentation and targeting of customers, enhanced communication and customer collaboration, interactive customer engagement, improved customer insight, increased sales and proactive issue resolution. It also shows that companies need to ensure certain factors are successfully put in place when implementing Social CRM strategies. The critical success factors include organisational readiness (strategy, culture and processes), commitment and buy-in (champion leadership, company-wide commitment and buy-in, senior management commitment and buy-in, staff commitment and buy-in), interaction with customers, knowledge and skills, technology, relevant, high quality content and measurement and monitoring.

DECLARATION

I, Taryn Reyneke, declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Taryn Reyneke

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1 INTRODUCTION

1.1 Context of the study

According to Greenberg (2009a) there has been a transformation in communications since 2003 that impacts every organisation. All institutions are affected by this revolution. It has changed, not only, how people interact with the organisations they choose to be involved with, but also it has changed what it takes to do business. He states that this transformation is driven by the internet and is characterised by social interaction.

Today's business environment is characterised by an increasingly aggressive competence which is resulting in a stronger battle to win customers. The constant change and evolution of technology is one of the reasons that have driven this change. Because of this, the CRM (Customer Relationship Management) concept has had to evolve in such a way that in today's business environment it has to be viewed as a strategy to sustain a long-term relationship with customers (Mendoza, Marius, Pérez, and Grimán, 2007). Greenberg (2010) adds to this by stating that CRM is reaching a "strategic apex", and even though there is a history of CRM failures, it has become an essential part of business. Greenberg (2010) also proposes that in 2007, with a considerable acceleration in 2008, CRM began a revolution, now known as "CRM 2.0" or "Social CRM". It transformed from a strategy that focused on customer transactions to a strategy that incorporates both customer transactions and customer interactions. This strategy will add greatly to the insight businesses can get into their customers as communication will now be a two way street. Faase, Helms, and Spruit (2011) state that the recent developments in web technology have altered the "static online society" into an "interactive society" that can cultivate consumer participation through online interaction. They put forward that CRM has previously focused on a one way interaction (company-to-customer) and propose that the 'personal' touch will result from an organisation that knows

more about their customers and therefore is able to address them more effectively.

Along with the evolution in technology came the rise of social media. Graeme (2010) states that since 2009, the social media scene has been dominated by the astonishing growth and acceptance of social networks like LinkedIn, Twitter and Facebook, which play a huge part in bringing hundreds of millions of people together to interact and share. In South Africa, 9.6 Million people make use of the Internet, 5.3 Million use Facebook, 1.8 Million use LinkedIn and 1.3 Million use Twitter (Kruger, 2012).

Acker, Gröne, Akkad, Pötscher, and Yazbek (2011) also state that social networks have resulted in the rise of the “social consumer”. This social consumer now has the ability to share their opinions about every kind of product or service. Greenberg (2010) also describes, what he calls the, “social customer” as someone that has trust in their peers. They are connected to their peers throughout the day as much as they like via the internet and mobile devices. These customers expect information to be readily available and also have the means to share that information with their trusted peers. They trust more in their peers than in businesses even if they don’t know these peers personally. The social customer requires openness and legitimacy from their peers and the organisations they choose to deal with. The core driver of the relationship between the social customer and the companies they deal with is trust. These customers feel connected with the companies and become loyal and even advocates for the company.

“Thoughts, opinions, ideas, jokes, confidences, experiences, photos and videos are shared by individuals to small networks and can be rapidly amplified into larger networks of people, within a location, nationally or globally” (Woodcock, Green and Starkey, 2011, p. 51). The experiences of customers naturally become part of the conversation and their experiences with products and services are reviewed publicly and honestly whether brands are part of the conversation or not. The consumer has now become more powerful. Brand performance will be affected as the opinions of

consumers amplify. This has led to a shift in the locus of control in the brand – “consumer relationship is shifting from brands to consumers” (Woodcock, Green, et al., 2011, p. 51). Corporate marketing is moving away from push messages and moving more towards the company being part of a conversation, where they listen to the consumers and react accordingly. The conversation is a lot more dynamic (Woodcock, Broomfield, Downer and Starkey, 2011).

With this rise in the social customer, Acker et al. (2011) proposes that one-to-many relationships between companies and their customers are over. Companies now need to contend with the ever increasing social web, where customers are sharing their experiences and opinions on a huge scale, which sometimes can result in the reputations of companies being ruined in an instant. What is needed is a new way to approach customer relationship management. McKay (2008, cited in Ang, 2011) proposes that CRM enterprise system vendors have started to look into how data from the social networks can be integrated into the CRM system of organisations. Band and Petouhoff (2010) also state that companies would like to know how new technologies like forums, blogs or community platforms can be integrated into their existing CRM system. According to Ang (2011), the term ‘ social CRM ’ is often used in this regard. Chen and Chen (2004) also describe this phenomenon; however they refer to it as eCRM. They state that eCRM entails CRM that has “*technology-facilitated interfaces with customers in a broad e-business context which goes beyond the web*” (Chen and Chen, 2004, p. 334). From here on however, in this research report, any mention of eCRM will be referred to as Social CRM for consistency.

Companies need to take their traditional CRM strategies to the next level. They need to rethink their channel, product and customer strategies and build a completely new relationship with their customers with an emphasis on greater transparency. Acker et al. (2011) then go on to say that the goal in the development of this new relationship is to develop trustworthiness in the social domain and use this channel to increase sales. What is required to

achieve this is a huge shift towards collaboration and transparency in the corporate mind-set. The resulting benefit if this is done effectively in terms of reputation and more valuable relationships with customers can be quite significant. Faase et al. (2011) add to the discussion by saying that retaining excellent relationships with consumers is an essential ingredient to attract future purchases. It is important to know your customers in order to address their specific needs and sustain a profitable relationship, especially in economic downturns.

According to Woodcock, Broomfield et al. (2011) there have been numerous studies done that show the relationship between engagement and sales. Due to the rise of social media, brands are now able to extend their personalities to engage with customers wherever they are at the time they want, at work or home and on their terms. Marketers are now able to just listen to online conversations with the help of a number of tools, to ascertain whether their products or brands are being talked about, tap into the sentiment in their market, and understand the speed and fierceness of conversations. Faase et al. (2011) speak about the importance of engaging with customers and propose a continuum where brands can be measured starting at no awareness, then early engagement and at the end advocacy.

Baird and Parasnis (2011) state that “Social CRM” is gaining adhesion as a convincing method to enhance customer engagement. The problem is that for most organisations however, the implementation of a Social CRM strategy is still in its infancy, execution is inconsistent and apprehensions about ROI remain. They propose that to fully utilise the potential of social media to interact with customers, companies must shift the focus from isolated projects to integrated systems that utilise Social CRM to transform the customer relationship.

Therefore, the purpose of this research is to determine the critical success factors for Social CRM in companies in South Africa.

1.2 Problem statement

Chen and Chen (2004) state that although Social CRM is now becoming widely accepted as a CRM strategy and is being seen as more than a software tool, to ensure a successful Social CRM strategy, which requires a change in organisational culture, processes, employee behaviour and technological infrastructure to enable interaction with customers on all channels, still remains uncertain to businesses. Fragmentary reports on Social CRM execution success and failure have been limited in their experimental, cross-industry examination of Social CRM success factors. (Chen and Chen, 2004).

There have been many studies that address the positive value of Social CRM as a business strategy (Band and Petouhoff, 2010; Greenberg, 2009a; Greenberg, 2010; Woodcock, Broomfield et al., 2011; Woodcock, Green, et al., 2011), however, not many of them can provide strong evidence of critical success factors for implementing Social CRM and no studies were identified on the critical success factors for Social CRM in developing countries specifically. This could be because many of the studies are exploratory and deal more with the potential than the actual impact of Social CRM in reality.

Woodcock, Green, et al. (2011, p. 63) state that large companies that are pioneering Social CRM initiatives face three hurdles, namely, “organisational readiness”, “over-hype and over-expectation” and “project management failings. According to Baird and Parasnis (2011) many organisations have implemented elements of a social media program, but progress towards an integrated Social CRM program has resulted in many challenges and uncertainty.

This study identifies a way to address the abovementioned challenges and in doing so solves the following research problem:

1.2.1 *The Problem Statement*

To identify the critical success factors to implement a successful Social CRM strategy within companies in South Africa.

1.3 Significance of the study

Askool and Nakata (2011) state that Social CRM (SCRM) is rising as a new concept for combining social networking with more conventional CRM systems, but social CRM is not being utilised as a value adding tool to improve customer relationships. They put forward that the adoption of classic CRM has been discussed by several studies in developed countries (Bohling et al. 2006; Kamprath and Roeglingery 2009; Osarenkhoe and Bennani 2007; Piskar and Faganel), however there are very few studies that cover CRM implementation in developing countries, even though developing countries are increasingly starting to implement CRM systems. There is even less research that covers Social CRM implementation in developing countries. This research fills a gap in the literature in that the study focusses on what the critical success factors are for Social CRM implementation, which up till now has been covered very little in the literature. Additionally, the study is conducted in South Africa, a developing country and looks at what the critical success factors are for the implementation of Social CRM strategies in companies in South Africa.

The research is useful in that if implemented successfully, social CRM will generate extensive financial rewards and will benefit organisations in terms of improved reputations (Acker et al., 2011). The study provides guidance to marketing and business professionals in companies on what the factors of success are in implementing a Social CRM strategy and to ensure they are ready to deliver the value that their customers seek via social interactions with the company.

1.4 Delimitations of the study

This study only addresses companies that are located within South Africa and does not distinguish between different industries. The study also does not distinguish between Business-To-Business and Business-To-Consumer companies which could have different ways of implementing Social CRM.

1.5 Definition of terms

Customer Relationship Management (CRM): Chen and Popovich (2003, p. 672) define customer relationship management (CRM) as *“a combination of people, processes and technology that seeks to understand a company’s customers. It is an integrated approach to managing relationships by focusing on customer retention and relationship development. CRM has evolved from advances in information technology and organisational changes in customer-centric processes”*.

Web 2.0: Ullrich et al. (2008, p. 705) describe Web 2.0 as *“applications that distinguish themselves from previous generations of software by a number of principles. These new, Web 2.0, applications take full advantage of the network nature of the Web: they encourage participation, are inherently social and open”*.

Social Media: Bruce and Paul (2011, p. 329) put forward that *“social media consists of a set of applications (e.g. Facebook, Twitter, Flickr) that are built to run on a ‘Web 2.0 ’ platform”*. *“This web-based platform inherently enables the creation and distribution / sharing of information created by users / consumers, namely: user-generated content”*.

Social Customer Relationship Management (Social CRM): According to Mohan, Choi and Min (2008 cited in Faase et al. (2011, p. 9)) *“a social CRM system combines “the features of Web 2.0 and social networking with the current CRM System”*. *“They apply a system-view approach. However, social CRM is not just a set of technologies, but rather a company-specific strategy*

for creating customer involvement and building stronger customer relationships. Social CRM is a CRM strategy that uses Web 2.0 services to create engagement between the customer and the firm, which results in mutually beneficial value. Engagement is about offering new points-of-contact (or monitoring existing ones) through which engagement and involvement are encouraged' (Faase et al., 2011, p. 9).

1.6 Assumptions

The following assumptions have been made regarding the study:

- The sample of CRM experts have the knowledge to provide insight into what the critical success factors are.
- The sample of professionals from companies implementing Social CRM have the required information on what they are currently doing in terms of CRM and Social CRM.

2 LITERATURE REVIEW

2.1 Introduction

This section of the paper contains a literature review on the key concepts of this study. The literature review forms a vital part of the research process and makes a valuable contribution to the research (Kumar, 2005). It provides an in-depth analysis on the topic to enable a better understanding of the research problem.

McKenzie (2001) states that all organisations want customers that are loyal and show this loyalty through repeat purchases. Customer relationship management seems to be the best way to achieve this loyalty from customers and in turn achieve business growth and stability.

In many organisations it has emerged that CRM initiatives are becoming strategically important. These initiatives are fast becoming high priority projects (Li Kam Wa, 2001). Goodhue, Wixom, and Watson (2002) theorise that in the earlier days it was easier to manage customer relationships. Sellers knew their buyers, their families, what they usually purchased and what they were likely to purchase. They also knew what their current customer value was and what that value was likely to be in the future. By knowing these things it enabled these merchants to create highly valuable customer relationships. This all changed as people became more mobile, towns grew into cities, business became larger and companies were able to reach more people with their marketing efforts. Today, more businesses are trying to return to how things were in the “good old days” when they knew their customer well. Companies are now starting to access and capture the huge wealth of internal and external information on their customers to analyse and better understand the needs, what their preferences are, their profitability and thereby leverage what they know in every interaction they have with their customers (Goodhue et al., 2002).

Due to developments in information technology and web platforms, the potential for building more instantaneous and far-reaching social networks and business relationships has amplified. Social Media has become an important tool catalysing the growth of information and communication technology (ICT) in the last few years. These web 2.0 (social media) tools have been widely used by individuals and also have an impact on CRM systems, therefore resulting in the emergence of Social CRM as a new paradigm for the integration of social networking with the more traditional CRM systems (Askool and Nakata, 2011).

Social CRM, which is described by Baird and Parasnis (2011) as a “novel concept” that combines social media technology and CRM, is fast becoming a means to enhance customer engagement. For most organisations though, the employment of Social CRM strategies is still in its early stages, implementation is inconsistent and there are still concerns about whether these strategies result in positive ROI. Baird and Parasnis (2011) propose that to fully utilise the potential of social media to interact and connect with customers, companies must integrate programs that use Social CRM to reinvent the customer relationship and move beyond implementing isolated projects. CRM traditionally focussed on solutions that dealt with customers via channels such as the company’s website, customer call centres and the business’s physical location. By comparison, Social CRM incorporates a more dynamic community of customers that communicate with each other via social networks. In these environments the control of the relationship is shifted to the customer as the customer has the power to influence those that are in their network (Baird and Parasnis, 2011).

The literature review is structured as follows: Firstly Social CRM is defined by looking at traditional CRM and the history of CRM and its evolution into Social CRM. Approaches for successful Social CRM implementation is then reviewed as well as a review of the factors that have been identified in the literature that affect the successful implementation of Social CRM.

2.2 Defining Social CRM

2.2.1 Introduction

According to Woodcock, Green, et al. (2011) organisations are faced with challenging times. Organisations have never been able to get so close to their customers and participate with them in such a well-timed and significant way. By combining customer relationship management with social media, organisations can now achieve financial benefits regardless of what sector they are in. Increased customer insight and engagement are the main benefits received and they are fundamental in driving business performance. Financial benefits can also be achieved across the entire customer lifecycle, during acquisition and retention as well as during value deployment and cost to serve management. Additionally, Social CRM can provide insight which can enable “customer centric innovation”. Woodcock, Green, et al. (2011) also propose that knowledge obtained on consumer behaviours, attitudes and moods can help increase benefits throughout the value chain. This can impact on suppliers whereby they can, for example, forecast demand and Intermediaries can, for example, shape in-store promotions. However, Woodcock, Green, et al. (2011, p. 63) state that large companies that are pioneering Social CRM initiatives face three hurdles, namely, “organisational readiness”, “over-hype and over-expectation” and “project management failings.

2.2.2 Customer Relationship Management (CRM)

Customer Relationship Management (CRM) as defined by Boulding, Staelin, Ehret, and Johnston (2005, p. 157) is:

“CRM relates to strategy, the management of the dual creation of value, the intelligent use of data and technology, the acquisition of customer knowledge and the diffusion of this knowledge to the appropriate stakeholders, the development of appropriate (long-term)

relationships with specific customers and/or customer groups, and the integration of processes across the many areas of the firm and across the network of firms that collaborate to generate customer value”.

In today's business world, organisations and management are recognising that customers are the core of the business and whether company is successful depends on effectively managing relationships with their customers. All the companies' objectives therefore become focussed on one ultimate goal which is to make sure the customers are happy. Previously, many companies did not feel this was an important aspect and ignored their customers, resulting in many customers not returning, and often the objective of customer retention became constraints for the organisation and its employees if they did not have the correct tools to achieve this goal. Today, however, technology provides organisations with systems and processes that can enable organisations to track interactions with their customers and allow their employees to speedily access all information related to their customers. This technology is referred to as a customer relationship management system, and if used correctly, can enhance an organisations ability to retain customers and achieve their ultimate goal thereby gaining a strategic advantage over their competitors (Nguyen, Sherif and Newby, 2007).

In an organisation the CRM system is often integrated with other systems in the company used for decision making. This integration should occur across all functional areas within the organisation, such as the enterprise resource planning system, supply chain management systems, executive information systems and product lifecycle management systems. By doing this organisations can enable better management information for decision making and maximise the organisations ability to communicate with its customers. CRM is therefore a necessary tool for business as it helps distinguish an organisation from its competitors with its ability to find solutions for customer's problems. CRM can also contribute to organisational success by shortening the distance between the organisation and its

customers resulting in customer loyalty, better information gathering, superior service delivery and increased organisational learning (Nguyen et al., 2007).

2.2.3 The History of Customer Relationship Management

The concept of customer or market orientation is not new. Drucker (1974, p. 61, cited in Murray, 2002) states “There is only one valid definition of a business purpose: to create a customer”. He states further “The want a business satisfies may have been felt by the customer before he was offered the means of satisfying it...but it remained a potential want until the action of businessmen converted it into effective demand. Only then is there a customer market. The want may have been unfelt by the potential customer...There may have been no want at all until business action created it...In every case, it is business action that creates the customer. It is the customer who determines what a business is.” Burnett (2001, p. 35, cited in Murray, 2002) states, “In 40 years, marketing has moved from being *customer-oriented* to customer-focused and now to being customer-driven.” (Murray, 2002)

According to Murray (2002, p. 35) “business philosophy, integration, co-ordination, organisation-wide, customer focus, long term, mutually beneficial relationships, market intelligence and profitability” are all themes that CRM has in common with the “marketing concept, market orientation, customer orientation and relationship management”. (Murray, 2002)

Xu, Yen, Lin, and Chou (2002) propose that CRM emerged in the late 1980's and was characterised by packaged solutions that emphasised the automation and standardisation of internal processes (creating customer service agent scripts, capturing sales leads, etc.) relating to acquiring, managing and retaining customers and ultimately making the customers into an asset. These processes addressed the needs of the company but were quite expensive and were not very easy to maintain.

Goodhue et al. (2002) propose that until recently companies focussed on products, and their marketing efforts were created with the aim of selling their products to as many people as possible. Individual needs and preferences of customers were not taken into account. The emphasis was on mass marketing. Targeted marketing then emerged, where segments of customers were targeted with marketing messages tailored specifically for their segment.

In the mid 1990's the web emerged which changed the CRM environment substantially. This also changed the customer-related business requirements of organisations. CRM systems need to take into account that existing and potential customers now have the means to communicate and interact more easily with organisations due to the web (Xu et al., 2002).

McKenna (1993, cited in Goodhue et al., 2002) and Peppers and Rogers (1993, cited in Goodhue et al., 2002) put forward that in the 1990's relationship marketing emerged. The focus here was on developing relationships with individual customers and maintaining those relationships. This relied on a two-way dialogue between the company and its customers to enable the development of a deeper relationship. The problem, however, was that this two-way dialogue was labour intensive and therefore needed to be limited to only a few customers (Goodhue et al., 2002)

CRM expands the reach of relationship marketing by incorporating information technology (IT) to help with the labour-intensive tasks required with relationship marketing. This makes it more feasible to implement CRM strategies across a wide range of different customers. Today CRM is driven by changing demands within the business environment, large amounts of data that is available and the advances in IT which is a critical CRM enabler (Goodhue et al., 2002)

2.2.4 From CRM to Social CRM

Woodcock, Broomfield et al. (2011) state that in markets where data is poor, such as consumer goods, for example, marketers aim to build a set of perceptions and attitudes in the consumers' minds that will lead to positive buying behaviour and as research has shown consumers are not a homogenous group and contribute differing values to the organisation and each consumer differs in their level of engagement with the organisation. Additionally, Woodcock, Broomfield et al. (2011) puts forward that research has shown that there is a positive relationship between engagement and net sales value. Advertising and sales promotions that target the whole market are seen as blunt and costly tools and spend in these areas are difficult to account for. Woodcock, Broomfield et al. (2011) also puts forward that in markets where data is rich, such as financial services, for example, marketers have traditionally combined data from sales, data provided from customers and data from external sources. These companies then segment their customers based on their needs. They are then able to sophisticatedly target their customer at the right time with the right offer. These methods are better at getting increased response rate compared to random selection but are still considered to be a blunt instrument as the interactions are positioned to sell rather than to engage or build long term relationships (Woodcock, Broomfield et al., 2011).

Even though traditional CRM strategies enable the management of customer interactions on a sizeable scale, they do not assist in building relationships and trust between customers and organisations. In order to build relationships with customers based on trust, it is essential to get to know the customer substantially and not just be restricted by transactions as it is with traditional CRM (Woodcock, Broomfield et al., 2011).

i. The Arrival of Social Media

The web, and of course the internet, have brought with them substantial changes in business. Web 2.0 and social media vehicles such as Facebook,

Twitter and LinkedIn have resulted in a world where people are more connected than ever before. These technologies are playing a definitive role in expressing brands and shaping the reputations of organisations. Due to their connectedness with others, customers now carry a lot of power by engaging in activities that can either enrich or diminish an organisation's profitability (Bruce and Paul, 2011).

Social media assists an organisation to extend itself to interact and engage with customers when they want, wherever they want, through whichever channels they want and on their own terms. Marketers and organisations can now listen to conversations on the web, with the help of an increasing number of tools, and can see if their brands are being mentioned and can determine the sentiment and feelings of those mentions (Woodcock, Broomfield et al., 2011).

Content, devised to, inform, provide insight or educate consumers, can be created to interact with consumers where they work and play, develop applicable dialogues with those that show they are interested and subsequently convert them to customers and even advocates of the brand. Customers and potential customers can choose to engage with the content at whatever level suits them, whether it at an outer level or a level involving more collaboration and active involvement with the brand (Woodcock, Broomfield et al., 2011).

Pioneer marketers are utilising listening tools and implementing workflow procedures to recognise and then do something with insight gathered as well as decide how to respond to comments. They are also pinpointing "influencers" in their areas and listening more intently to what they say. Marketers are also making use of "socio geo-location data", such as Foursquare and Facebook places to better understand their target markets' movements and offer promotions to consumers based on their area (Woodcock, Broomfield et al., 2011).

According to Tsai and Kilduff (2003) over the past few years there has been an increase in the number of social network studies in business. In terms of a social network, an organisation is defined as a system containing objects such as other organisations, groups and people that are linked together by various relationships. In the network analysis view the focus is on the structure of these relationships and what the cause and effects are of these relationships (Burt, 1995). Social networking is about more than just forging friendships with others. It is now deemed as a vital part of conducting business and a way for companies to reach their customers. Thus, some companies are creating digital social networks for advertising and marketing and are also using social networks to generate new ideas from engagement with customers (Huston and Sakkab, 2006).

ii. **The Social Consumer is born**

Due to the increase in new collaboration and social networking channels consumers are now able to discuss, review, compare and comment on products and services much easier than before resulting in consumers shifting their trust away from companies and brands and rather listening and talking to their peers. Consumers are sharing their experiences, feelings and thoughts over social networks such as blogs, review sites and ranking sites resulting in opinions about products and services now being influenced by the information coming from their peers and fellow consumers (Acker et al., 2011).

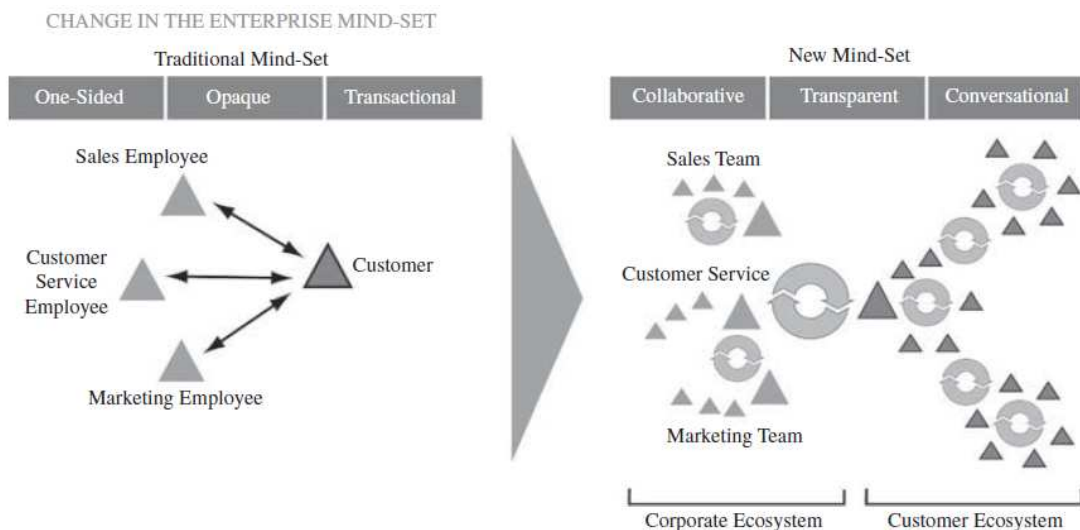
Greenberg (2010) describes this consumer of today as the “social customer” who is someone that has trust in their peers. They are connected to their peers throughout the day as much as they like via the internet and mobile devices. These customers expect information to be readily available and also have the means to share that information with their trusted peers, even if they do not know them. The social customer requires openness and legitimacy from their peers and the organisations they choose to deal with. The core driver of the relationship between the social customer and the

companies they deal with is trust. These customers feel connected with the companies and become loyal and even advocates for the company.

Acker et al. (2011) propose that this newly empowered 'social consumer' is here to stay and if organisations are to adjust and react effectively to this new certainty, they need to foster a new mind-set that far exceeds the old one-sided, transactional and product-centric view of the past. Organisations need to understand that by being more transparent with their consumers and creating a conversation with them they will be able to forge better long-term and finally more valuable relationships with their consumers. This will require collaboration between marketing, customer service and sales within the company in order to respond effectively to this social consumer. The development of a whole new set of tools and capabilities will be needed, that being social customer relationship management (Acker et al., 2011).

This change in the enterprise mind-set proposed by Acker et al. is depicted below in figure 1:

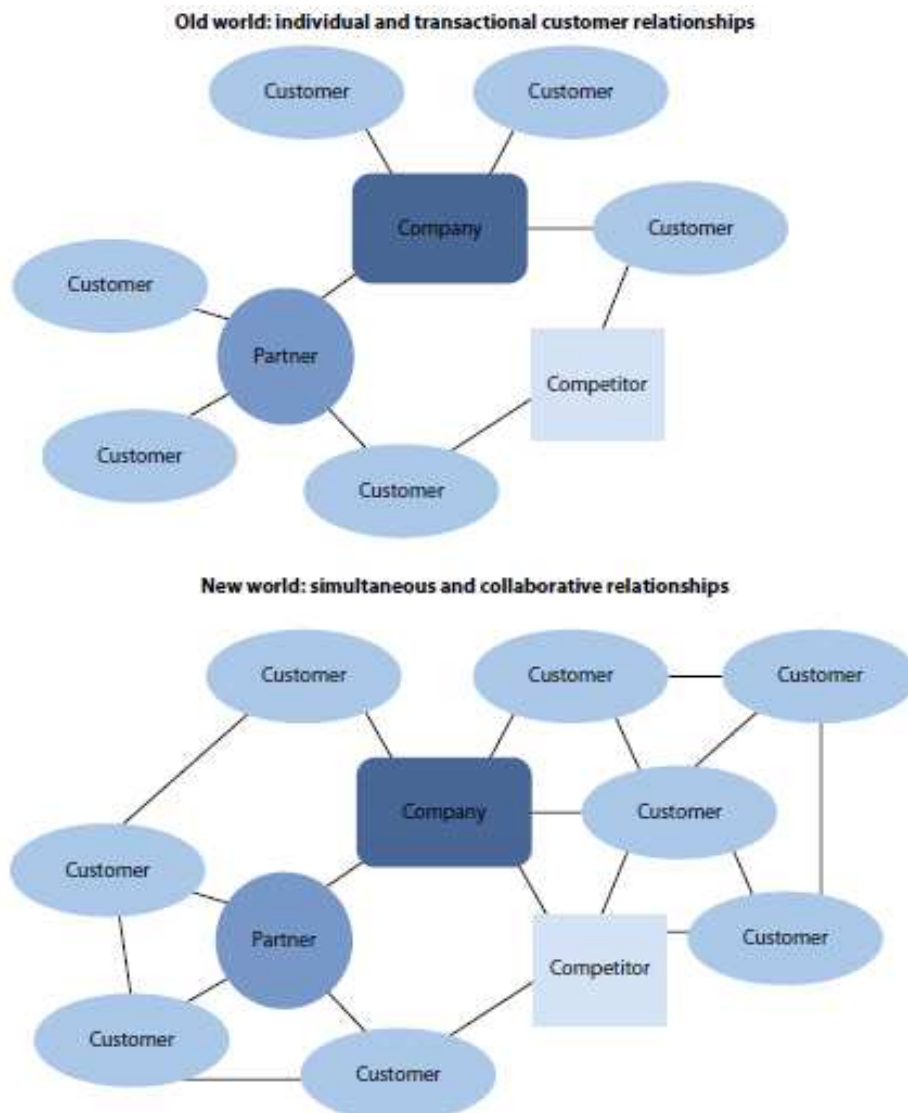
Figure 1: Change in the enterprise mind-set



Source: Acker et al. (2011)

Band and Petouhoff (2010) also discuss the change that is needed to move from traditional CRM, where the relationship is transactional, to Social CRM where the relationship is collaborative and is depicted in Figure 2 below:

Figure 2: The old customer relationship model versus the new



Source: Band and Petouhoff (2010)

iii. **CRM + Social = Social CRM**

With the rise of the social consumer who has the tools to share opinions and reviews about virtually anything, companies now need to contend with this massive, and ever-growing social web. Customer opinions and experiences are shared on an enormous scale which could result in company reputations being ruined in an instant (Acker et al., 2011). In order to navigate this new world, companies need to approach customer relationship management in a new way, by incorporating Social CRM tools. They need to rethink their CRM strategies in order to create new relationships with their customers based on greater transparency. The purpose of this new relationship is twofold. Firstly, to develop the trust required in the social web and secondly to use the social web to increase sales. What is required to achieve this is a change in the corporate mind-set to incorporate collaboration and transparency, and if done correctly could result in significant benefits in terms of better reputation and more profitable relations with consumers (Acker et al., 2011).

Woodcock, Broomfield et al. (2011) propose that instead of replacing traditional CRM, social should instead, add increased value by expanding and enhancing traditional CRM communications. It offers an opportunity to enhance customer engagement and also provides a great place to identify new prospects. Acker et al. (2011) agree that Social CRM should not be seen as a replacement for the operational and analytical traditional CRM systems, but should rather be seen as an extension of them. Organisations striving to create new capabilities based on Social CRM need to adapt, expand and re-engineer their customer, product and channel strategies as well as their tools, processes, people skills and incentive schemes, in fact their whole corporate culture. Acker et al. (2011) state that Social CRM should not just be seen as a 'soft' add-on to existing CRM systems goals and processes, and that it should be realised that there are actual costs involved in producing the necessary capabilities. The ROI should be clearly thought about, tracked and measured.

Woodcock, Broomfield et al. (2011) posit that data is the defining factor of a Social CRM strategy and forms the basic building block for a business that is centred around the customer. Social CRM will help enable the company to move customers that are interested from 'social' engagement and simple interaction through to a more sophisticated level of personalisation, interaction and engagement.

According to Greenberg (2009a) the fundamental basis for the success of Social CRM is vastly different from its predecessor. Traditional CRM is built on an operational approach that is internal to manage customer relationships successfully. Social CRM on the other hand is built on the ability of an organisation to meet the needs of their customers as well as meet the objectives of their business. Instead of being centred around customer management Social CRM is rather centred around customer engagement. Greenberg (2009a) contends that in fact, the CRM technologies that we know and are used to, such as marketing, support applications and sales are not actually the "technical capital of the 21st century's era of the social consumer". The consumer now wants to actively participate in creating value with businesses and not just be the central source of value.

iv. **Social CRM Defined**

Greenberg (2009a, p. 34) defines Social CRM as:

"A philosophy and a business strategy, supported by a technology platform, business rules, processes, and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment".

Askool and Nakata (2011) state that Social CRM is a strategy that incorporates the power of Web 2.0 and online communities with traditional CRM systems to encourage consumers to collaborate with an organisation in decision making that impacts on that customer and thereby create a

meaningful conversation and mutually beneficial relationship between the organisation and the customer.

2.3 Benefits of Social CRM

Acker et al. (2011) propose that the goal in the development of this new mutually beneficial relationship is to develop trustworthiness in the social domain and use this channel to increase sales. What is required to achieve this is a huge shift towards collaboration and transparency in the corporate mind-set. The resulting benefit if this is done effectively in terms of reputation and more valuable relationships with customers can be quite significant.

Faase et al. (2011) add to the discussion by saying that retaining excellent relationships with consumers is an essential ingredient to attract future purchases. It is important to know your customers in order to address their specific needs and sustain a profitable relationship, especially in economic downturns. Figure 1 outlines the benefits of Social CRM identified by Chen and Chen (2004).

Figure 3: Social CRM benefits

Tangible Benefits	Intangible Benefits
<ul style="list-style-type: none"> • Increased revenues and profitability • Quicker turnaround time • Reduced internal costs • Higher employee productivity • Reduced marketing (eg direct mailing) costs • Higher customer retention rates • Protected marketing investment with maximised returns 	<ul style="list-style-type: none"> • Increased customer satisfaction • Positive word-of-mouth • Improved customer service • Streamlined business process • Closer contact management • Increased depth and effectiveness of customer segmentation • Acute targeting and profiling of customers • Better understanding/addressing of customer requirements

Source: Chen and Chen (2004)

Chen and Chen (2004) identified in their research that organisations make use of Social CRM initiatives for various reasons implement and that implementation of Social CRM strategies results in both tangible and intangible benefits for the company.

2.4 Factors Affecting Social CRM Implementation

Woodcock, Green, et al. (2011, p. 63) state that large companies that are pioneering Social CRM initiatives face three hurdles, namely, “organisational readiness”, “over-hype and over-expectation” and “project management failings.

According to Baird and Parasnis (2011), many organisations have implemented elements of a social media program, but progress towards an integrated Social CRM program has resulted in many challenges and uncertainty. A survey was conducted of 352 companies to determine their progress and to provide value to customers that they seek from social platforms. Their key findings were as follows:

- “There’s no turning back” (Baird and Parasnis, 2011, p. 27). - Almost two thirds of those surveyed say that it is profoundly going to change the way business is done and they are feeling severe pressure to embrace social media. Many of them have increased their footprint in the social networks, but there is still much more to do to fully exploit the opportunities offered by social networks.
- “Most companies have some elements of a social media program but struggle with the integrated execution of an overarching Social CRM program” (Baird and Parasnis, 2011, p. 27). - Amongst the companies surveyed social media initiatives have grown, but the key elements of a Social CRM strategy, namely, “executive sponsorship, integrated cross-functional governance, consolidated guidelines and policies, and sharing of customer insights to enhance innovation (from structured and unstructured data)” exist only to some degree if at all.
- “Social media challenges vary widely, but concern over ROI and mitigating risk top the list” (Baird and Parasnis, 2011, p. 27). - Approximately two thirds of organisations tried to track ROI, but little consensus was reached on a standard approach. Even though

applying analytical techniques can help, only about 30 percent of the executives surveyed believed they do it properly. Even though many fear negative exposure for their brands, less than half of the respondents actually monitor what is happening with their brands, and only half the companies surveyed offer training to their employees on social media.

Baird and Parasnis (2011) note how fast social media has become a significant priority for many companies. Organisations are now wrestling with handling the impact social networks can have on their operations, engagement processes corporate culture and ultimately their bottom line. It has become clear that social media is going nowhere and if companies want to utilise it to redefine their relationships with customers they will need to rethink their traditional CRM approach (Baird and Parasnis, 2011).

2.5 Critical Success Factors for Social CRM Implementation

DeLone and McLean (2003) put forward that it is critical to measure the success or effectiveness of management information systems in order to aid our understanding of the value these systems provide as well as the efficacy of investments in these technologies. Chen and Chen (2004) also state that to determine management actions as well as information technology investment it is critical to understand the factors that affect the success of implementation of these systems. Furthermore, due to the multi-dimensionality, significance, complexity, and wide scope of organisational commitment required to implement Social CRM applications, it is imperative to identify the areas of success for implementation.

Boynton and Zmud (1984, p. 17) define Critical Success factors (CSF) as:

“Those few things that must go well to ensure success for a manager or an organisation, and, therefore, they represent those managerial or enterprise areas that must be given special and continual attention to

bring about high performance. CSFs include issues vital to an organisation's current operating activities and to its future success”.

As a starting point to identify what the critical success factors are for the implementation of a Social CRM strategy it is helpful to review the critical success factors identified for traditional CRM. Table 1 provides a summary of CRM critical success factors identified by numerous studies.

Table 1: Critical Success factors of CRM Implementation

Critical Success Factors for implementing a CRM strategy	(Wilson, Daniel, and McDonald, 2002)	(Mendoza et al., 2007)	(Croteau and Li, 2003)	(Murray, 2002)	(King and Burgess, 2008)	(Goodhue et al., 2002)
Ensure market orientation	✓					
Need a champion or sponsor	✓				✓	
Change management				✓		
Senior management commitment, support and vision	✓	✓	✓	✓	✓	✓
Staff commitment and buy-in		✓		✓		
Address organisational culture change	✓			✓		
Involve users interactively	✓					
Clear goals and Objectives, determine intent	✓	✓			✓	
Inter-departmental cooperation and integration, organisational seamlessness		✓		✓	✓	
Creation of a multi-disciplinary, dedicated project team		✓		✓	✓	
Communication of the CRM strategy to staff		✓				
Develop adequate channels of communication with customers		✓				
Identification of perceived benefits (operational and strategic)			✓			
Technological readiness	✓	✓	✓			✓
Knowledge management capabilities			✓			✓
Skills and training				✓		
Selection of the right technology				✓	✓	
Management of expectations					✓	

Acker et al. (2011) propose that, to successfully implement Social CRM strategies, organisations should start by simply just listening to the social networks to get a better idea of where they stand in the mind of the consumers, and should start to build a team of staff that are familiar with how the world of social networks operates. By doing this, it will be a good starting point to build proper social CRM capabilities, which includes the ability to manage the organisation's reputation, increase profits and monitor the results.

The key to successfully implementing Social CRM efforts lies in spreading traditional CRM processes and strategies to an organisation's entire social network which includes its customers and suppliers, amongst others. As with all major business initiatives, every process related to social CRM, whether implemented to create customer involvement, or in reaction to it, should either protect the bottom line, boost the top line, or a combination of the two and the processes involved should be consistently monitored to ascertain their on-going success (Acker et al., 2011).

Acker et al. (2011) put forward that in protecting the bottom line reactive activities are normally used such as monitoring the social web for complaints and managing occurrences of bad publicity. It is nearly impossible for any organisation to completely control or anticipate these occurrences, however, it is crucial that organisations build the proficiencies needed to control them when they happen (Acker et al., 2011).

Word-of-mouth marketing, driven by social media and resulting in social sales is one of the best ways to successfully grow the top line through Social CRM initiatives. Techniques for generating social sales, however, rely heavily on the company having a credible reputation on the social web and require marketing to generate attention (Acker et al., 2011).

Acker et al. (2011) propose that in order for Social CRM to be effective and credible Social CRM activities need to be incorporated into the corporate culture.

When it comes to identifying the critical success factors for Social CRM implementation success there is very little research that has been done. One study done by Chen and Chen (2004) identified the following critical success factors of Social CRM outlined in Figure 2.

Figure 4: Social CRM Critical Success Factors

Major Dimensions	Items
Champion leadership	<ul style="list-style-type: none"> • Organisational commitment • Management leadership • Management support
Internal marketing	<ul style="list-style-type: none"> • Incentive • Training and re-training
Knowledge management	<ul style="list-style-type: none"> • Knowledge about customers • Knowledge about market segments • Knowledge about competitors • Data mining • Personalisation
Business-IT alignment	<ul style="list-style-type: none"> • IT strategies supporting business strategies • Customer-centric interface design • Technical architecture reliability • Technical architecture scalability • Business processes matching IT architecture
System integration	<ul style="list-style-type: none"> • Functional integration: marketing, sales, customer service • Data integration • System compatibility • Comparable experience to offline CRM • Integration with other CRM channels
Culture/structure change	<ul style="list-style-type: none"> • Customer service consciousness • Customer-centric organisation culture • Consumer-focused marketing strategies • Affiliation • Merger and acquisition

Source: Chen and Chen (2004: p, 339)

The critical success factors identified by Chen and Chen (2004) share quite a lot in common with the critical success factors of traditional CRM outlined in Table 1. The critical success factors identified by Chen and Chen relate to eCRM and not specifically Social CRM, therefore there needs to be more research conducted in this field to substantively determine the critical success factors for Social CRM implementation success.

2.6 Conclusion of Literature Review

With the change in the way organisations need to communicate with their customers due to the emergence of Social Media, organisations need to relook at the way they manage their customers. Traditional CRM strategies are not enough. Instead organisations need to look at implementing a CRM strategy that combines social media in a way that creates a two-way collaboration between the organisation and the customer. Although many organisations have moved towards implementing a social media program, there has been very little success in implementing an integrated Social CRM program. There are many studies that identify the critical success factors for implementing traditional CRM strategies but very little focus on the critical success factors of a Social CRM strategy. This leads to the following research propositions:

2.6.1 Research proposition 1:

The benefits of Social CRM include:

- **Increased revenue and profitability**

Chen and Chen (2004) stated that in this dynamic market by building long-term relationships with customers and implementing Social CRM strategies the result will be increased profitability.

- **Reduced costs**

Chen and Chen (2004) identified reduced internal costs as well as reduced marketing costs as a benefit of implementing Social CRM. Woodcock, Green, et al. (2011) also identified that there are financial benefits gained from value deployment and cost to serve management.

Reduced costs as a benefit of Social CRM is backed up by Peterson, Gröne, Kammer and Kirscheneder (2010) as they state that when properly executed a Social CRM strategy will enhance the relationship between the company

and the customer and provide management with the tools to boost revenues by leveraging all customer touch points, thereby enhancing customer satisfaction and streamlining costs.

- **Improved customer satisfaction and increased retention rates**

Chen and Chen (2004) identified higher retention rates as a tangible benefit of implementing Social CRM and a resulting intangible benefit in the form of increased customer satisfaction, which drives increased retention.

- **Improved customer service**

Chen and Chen (2004) identified improved customer service as a critical success factor of Social CRM implementation. They claimed that due to the customer centric focus of Social CRM organisations are better able to service their customers in the way they require.

Greenberg (2009b) also states that continuous interactions with customers in the social environment that have positive outcomes will mitigate the bad and enhance the good between customers and the company resulting in improved customer service.

- **Increased trust and reputation**

Acker et al (2011) claim that in implementing Social CRM strategies a change needs to happen in the corporate mind-set to incorporate collaboration and transparency in dealing with customers. By doing this it will develop a trust between the organisation and its customers which could result in significant benefits in terms of better reputation.

Chen and Chen (2004) also mention positive word-of-mouth as a benefit of Social CRM. Positive word of mouth leads to better reputation.

- **Better segmentation and targeting of customers**

Woodcock, Broomfield et al. (2011) puts forward that due to Social CRM companies are able to segment their customers based on their needs. They

are then able to sophisticatedly target their customer at the right time with the right offer.

Chen and Chen (2004, p. 337) also mention that “increased depth and effectiveness of customer segmentation” and “acute targeting and profiling of customers are benefits of Social CRM.

Woodcock, Green et al. (2011) also put forward that traditional advertising and promotions are tools that are costly and blunt and target the market as a whole. These tools are also difficult to measure and their return on investment is unclear. The emergence of Social Media and subsequently Social CRM enables companies to engage with customers on their terms, when they want to and where they want to, whether it is where they work or where they play and also on the channel they prefer. By targeting content specifically for certain groups of consumers and communicating suitably with those that show interest, companies will more easily be able to convert these customers and even gain advocates.

- **Enhanced communication and customer collaboration**

According to Woodcock, Broomfield et al. (2011) there have been numerous studies done that show the relationship between engagement and sales. Due to the rise of social media, brands are now able to extend their personalities to engage with customers wherever they are, at the time they want, at work or home and on their terms. Marketers are now able to just listen to online conversations with the help of a number of tools, to ascertain whether their products or brands are being talked about, tap into the sentiment in their market, and understand the speed and fierceness of conversations. They propose that the social elements combined with CRM add increased value by expanding and enhancing traditional CRM communications.

Organisations are moving towards customer centricity and finding they need to communicate with customers more on a one-to-one basis. Social CRM as a strategy encourages customer collaboration and involvement to become more customer centric. (Faase, Helms and Spruit, 2011).

- **Interactive customer engagement**

Woodcock, Green, et al. (2011, p. 63) put forward that increased engagement is one of the main benefits gained from implementing Social CRM. They also stated that “Never before have we been able to get so close to our customers and engage with them in such a timely and relevant manner”. Social CRM delivers benefits that are “centred around ‘customer engagement’ and are not peripheral but fundamental to driving business performance”.

Woodcock, Broomfield et al. (2011) also propose that by combining social media and traditional CRM the social elements enhance traditional CRM communications and offer an opportunity to enhance customer engagement.

Greenberg (2009b) also states that traditional CRM tools by themselves are not able to provide the tools to handle customer engagement in ways that will benefit the company but by introducing social elements (Social CRM) it will provides the company with the functionality they need to interconnect all this independent activity and increase engagement.

- **Improved customer insight**

Woodcock, Green, et al. (2011) provided that increased customer insight is one of the main benefits of Social CRM And that Social CRM can provide insight which can enable “customer centric innovation”. They also propose that knowledge obtained on consumer behaviours, attitudes and moods can help increase benefits throughout the value chain. This can impact on suppliers whereby they can, for example, forecast demand and Intermediaries can, for example, shape in-store promotions.

Chen and Chen (2004, p. 338) also put forward that “better understanding/addressing of customer requirements” is a benefit gained from implementing Social CRM.

Greenberg (2010, p. 417) solidifies this by comparing the insight gained from traditional CRM to that gained from Social CRM. Traditional CRM tools have always been the source of transactional customer data, however the extent to which they provide insight has traditionally been quite limited and mainly focusses on behavioural elements. Traditional CRM has provided us with insights into “What the customer purchased, what products might interest them, what kind of responses they had to varying marketing campaigns; how their customer service issue got resolved and what opportunities for up-selling and cross-selling might the customer respond to”. For the most part this provided companies with a small amount of behavioural information and it may give us reasonable indication of satisfaction and therefore loyalty but most of the data is collected independently without much direct participation from the customer. With the emergence of Social CRM in a time when the customer is central the opportunity to gain deeper insight into our customers as well as the reasons why they do something has arrived. Due to the willingness of customers to openly communicate in the digital environment we can now tap into the knowledge customers have about products and services they are using.

In summary the benefits of Social CRM to organisations include:

- Increased revenue and profitability
- Reduced costs
- Improved customer satisfaction and increased retention rates
- Improved customer service
- Increased trust and reputation
- Better segmentation and targeting of customers
- Enhanced communication and customer collaboration
- Interactive customer engagement
- Improved customer insight

2.6.2 Research Proposition 2:

The critical success factors of Social CRM include:

- **Organisational Readiness (culture and processes)**

Woodcock, Green, et al. (2011. p. 63) proposed that “organisational readiness”, is a hurdle that companies need to overcome in order to successfully implement social CRM effectively.

Chen and Chen (2004) also put forward that a critical factor in implementing social CRM successfully is ensuring culture/structure change in the company first. This includes implementing a customer-centric organisation culture which incorporates customer service consciousness. It also entails consumer-focused marketing strategies.

Acker et al. (2011) proposes that in order for Social CRM to be effective and credible the activities need to be incorporated into the corporate culture. There is also a need for businesses processes and a social strategy to be defined up front. Baird and Parasnis (2011) propose that consolidated guidelines and policies need to put in place as a key element of successful Social CRM implementation.

- **Champion Leadership**

Chen and Chen (2004) identified champion leadership as a critical success factor for Social CRM implementation. This includes organisational commitment, management leadership and management support. Baird and Parasnis (2011) also state that “executive sponsorship” is a key element needed to implement Social CRM effectively.

- **Listen to customers**

Acker et al. (2011) propose that, to successfully implement Social CRM strategies, organisations should start by simply just listening to the social

networks to get a better idea of where they stand in the mind of the consumers.

Askool and Nakata (2010) proposed that Social CRM is about more than just adopting a technology that enables customer information management, but rather is a business strategy intended to improve human interactions with customers and effectively build relationships.

Faase, Helms, and Spruit (2011) put forward that CRM has previously focused on a one way interaction (company-to-customer) and propose that the 'personal' touch will result from an organisation that knows more about their customers and therefore is able to address them more effectively and thereby increased interaction between companies and their customers is needed.

- **Knowledge management**

Chen and Chen (2004, p. 339) propose that knowledge is a critical success factor in the implementation of Social CRM. They specifically refer to "knowledge about customers, knowledge about market segments, knowledge about competitors, data mining and personalisation".

Acker et al. (2011) propose that, to successfully implement Social CRM strategies, organisations should start to build a team of staff that are familiar with how the world of social networks operates. By doing this, it will be a good starting point to build proper social CRM capabilities.

- **Internal marketing**

Chen and Chen (2004) propose that in order to successfully implement Social CRM there needs to be internal marketing activities put in place first. This includes training and re-training staff as well as providing incentives.

- **Business-IT alignment**

Chen and Chen (2004) propose that to successfully implement Social CRM there needs to be business-IT alignment. This incorporates IT strategies that support business strategies, an interface that is customer-centric, a technical architecture that is reliable and scalable and business processes that match IT architecture.

King and Burgess (2008) proposed that critical success factors for Social CRM include factors such as technological readiness and the ability to integrate systems.

Acker , Gröne , Akkad , Pötscher and Yazbek (2011) state that specific capabilities must be put in place in order to be successful in implementing a Social CRM strategy. These include Social CRM specific tools and technology, as well as integrating the broader Social CRM processes into the IT infrastructure.

Peterson, Gröne, Kammer and Kirscheneder (2010, P. 10) add to this by saying that organisations need to have a CRM strategy underpinned by a solid IT infrastructure. “This CRM IT architecture needs to enable the transformation from vertical, single-channel operations to true horizontal business processes that deliver cross-channel integration”.

- **System integration**

System integration is a critical success factor for Social CRM as identified by Chen and Chen (2004). They state that functional integration (marketing, sales and customer service) is needed. There is also a need to integrate data and ensure system compatibility.

In summary the critical success factors of Social CRM to organisations include:

- Organisational Readiness (culture and processes)
- Champion Leadership
- Listen to customers
- Knowledge management
- Internal marketing
- Business-IT alignment
- System integration

3 RESEARCH METHODOLOGY

Following the literature review and identification of the propositions in chapter 2, this section of the paper outlines the research methodology that was employed to conduct the research for this study. Firstly, the research design, including a description of the methodological approach, is discussed, followed by a discussion on the sample identified. The research instrument is then discussed, followed by the procedure for data collection and a discussion on the data analysis and interpretation. Limitations to the study are then reviewed. Lastly a discussion on validity and reliability is put forward.

3.1 Research methodology / paradigm

Although Social CRM is quite a new area of study, system success research is quite common. There are many frameworks for researching information system success (Analytic hierarchy process model (Salmeron and Herrero, 2005); DeLone and McLean IS Success Model (DeLone and McLean, 2003); the systemic methodological framework for IS research (Mendoza et al., 2007), Partial Least Squares (PLS) and structural equation modelling. Due to the limited previous research into what the critical success factors are, specifically for Social CRM, this study was exploratory in nature and consisted of qualitative data, which was analysed using thematic content analysis techniques. Quantitative research was not suitable for this exploratory research, as it is more suitable for descriptive research, where facts and figures are needed, or for causal research to determine relationships. Also, in this research study, quantitative research is inappropriate due to the recency of social media, the small population of experts, and the lack of prior research in this area. Merriam (2002) proposes that qualitative researchers often need to undertake a qualitative study because the existing theory may be limited, or fails to explain the phenomenon accurately.

Denzin and Lincoln (2005, p. 3) define qualitative research as

“a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that makes the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings, and memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meaning people bring to them”.

When looking at paradigms within the area of qualitative research, and considering the objectives of this study as well as the exploratory nature of this study an interpretivist paradigm is appropriate. According to Richard (2008) with the interpretivist paradigm the phenomenon is deeply explored, richly described and a holistic understanding of the phenomenon in details is needed.

3.2 Research Design

The methodological approach adopted in this study was interviews. The respondents of this study are all involved in digital areas of business and due to this nature the respondents were interviewed using semi-structured interviews over email in order to gain their insights into the critical success factors of Social CRM strategies.

3.3 Population and sample

3.3.1 Population

The population consisted of executives and managers within the following:

- Medium to large companies that operate within South Africa

- Companies that implement CRM or Social Media strategies for clients (i.e. Consulting firms and marketing agencies) within South Africa

The population is made up of managers that are responsible for implementing CRM systems within their company, as well as managers within companies that are affected by the implementation of CRM initiatives. The population also includes consultants from organisations that help implement CRM systems and social media strategies in other companies. Interviewing managers from companies that make use of CRM strategies as well as managers from companies that implement CRM strategies for their clients ensured triangulation of data and insights.

3.3.2 *Sample and sampling method*

The sample was selected from companies within South Africa and was selected on a convenience basis.

The method of sampling was as follows:

- 5 organisations were identified and managers within the following functions within the companies were interviewed to achieve data triangulation:
 - Marketing
 - IT
 - Sales
 - Customer Service

Not all the companies were able to provide 4 respondents to cover all the areas suggested above which resulted in a mix from the five companies. Eleven respondents were interviewed from the five companies.

- 8 Companies that provide CRM implementation for their clients were identified and 1 executive or manager was interviewed from each.

All potential respondents were approached to determine if they were willing to participate in the study. Respondents were approached via social media channels and via referrals from other respondents. Names of the respondents were not be divulged, thereby ensuring confidentiality.

3.4 The research instrument

Semi-structured Interviews containing open-ended questions were sent to the respondents. Due to the exploratory nature of the research open-ended questions are appropriate to gain insight into what the respondents deem are the critical success factors for Social CRM implementation.

Appendix A and Appendix B contain the interview guides which were sent to the respondents. Appendix A represents the guide for interviews with the managers of companies implementing Social CRM strategies and appendix B represents the guide sent to managers from companies that help their clients implement CRM strategies. The interview guide questions are adapted from a study done by (Chen and Chen, 2004) due to the fact that their research contained identification of the critical success factors of eCRM implementation.

Appendix C is the cover letter that was sent to potential respondents.

3.5 Procedure for data collection

Respondents were identified mainly via social media channels such as LinkedIn. The researcher searched on LinkedIn for people that contained elements on their profile that related to CRM and Social media. Potential respondents were then contacted telephonically as well as via email and social media to determine if they were willing to participate in the study. Once willingness was established the respondent were emailed the questions.

The respondents took about one month to send the questionnaires back. Some respondents sent their completed questionnaires back within a day

and others took longer. The challenge here with some of the respondents was getting them to send back the questionnaire timeously due to their busy schedules. It did take quite a bit of follow-up from the researcher to get all the completed questionnaires back in time to do the analysis within the allocated time.

Anonymity was assured for the respondents. All interviews were read in full after receiving them back from the respondents and follow-up questions were sent if needed to ensure that all relevant data was included in the study.

3.6 Data analysis and interpretation

Qualitative research has been criticised in the past in that it is based on personal impressions, is strongly subjective and contains researcher bias (Mays and Pope, 1995). For the purpose of this study content analysis as well as concept mapping was used to analyse the data and present the data in a way to overcome these challenges.

3.6.1 Content Analysis

The data was analysed using content analysis, more specifically, thematic content analysis. Content analysis is defined as

“a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding”
(Stemler, 2001, cited in Pope, Mays and Popay, 2007, p. 48)

According to Hsieh and Shannon (2005, cited in Wang, Sedera and Tan, 2009) content analysis has now become a widely used in qualitative research method. It has three different approaches namely, conventional, directed, or summative. Conventional content analysis, also termed as inductive category development, is usually employed with a research design that aims to describe a phenomenon. Conventional content analysis is usually suitable when existing literature concept is limited. Generally

researchers will avoid using predetermined categories and rather permitting the categories to arise from the data (Wang, Sedera, and Tan, 2009). In this paper, due to the exploratory nature of the research and the limited existing literature on critical success factors for Social CRM implementation, conventional content analysis was employed.

Thematic analysis, as a form of content analysis is described by Daly, Kellehear, and Gliksman (1997, cited in Fereday and Muir-Cochrane, 2008) as an exploration for themes that arise as being significant to the description of the phenomenon. Thematic analysis involves identifying themes by recognising patterns within the data (Fereday and Muir-Cochrane, 2008). The data within this study was analysed using thematic analysis in order to break the data from the interviews down into portions that could be interpreted. The themes were analysed for frequency of mention.

The data was interpreted using frequency of mention as an indication of importance. Themes that were mentioned more frequently by respondents were deemed to be the most important (Murray, 2002) and are deemed as the critical success factors for Social CRM implementation.

3.6.2 *Concept Mapping*

Jackson and Trochim (2002) put forward that concept mapping is a good way to analyse open-ended text from interviews as it integrates word-based and code-based methodologies thereby mitigating their weaknesses and combining their strengths. Concept mapping was used in this study to present the findings diagrammatically. The concept maps for proposition 1 and 2 can be found in Appendix D.

3.7 Validity and reliability

This research was conducted in such a way that it created “an account of method and data which can stand independently so that another trained researcher could analyse the same data in the same way and come to

essentially the same conclusions; and to produce a plausible and coherent explanation of the phenomenon under scrutiny” (Mays and Pope, 1995, p. 110).

3.7.1 *Validity*

“Validity is the ability of a measure to measure what it is supposed to measure. If it does not measure what it is designated to measure, there will be problems” (Zikmund, 2003, p. 300).

The sample that was studied adequately represents or has knowledge pertaining to the research topic, which helped to ensure efficient saturation of categories to ensure completeness (Morse, Barrett, Mayan, Olson and Spiers, 2008) which contributed to the validity of this study.

Triangulation of respondents contributes to validity in that interviews were conducted with managers from within different areas of the companies that are implementing Social CRM. Interviews were also done with managers of companies that help their clients implement Social CRM.

The interviews were self-written by the respondents thereby ensuring that the information contained in the interview is factual. This also contributes to the validity of the study.

3.7.2 *Reliability*

Reliability refers to the extent to which measures are “free from error” and will therefore generate consistent results (Zikmund, 2003).

With qualitative research raw data is many times collected in an unstructured way such as audio recordings or transcripts of interviews. In this study reliability in the analysis was ensured by maintaining meticulous records of the interviews conducted and the observations made by documenting the

whole process in great detail (Mays and Pope, 1995). The interviews were also self-written, thereby avoiding errors that could occur during transcribing.

3.8 Confidentiality and ethics

The data collected for this research report was handled confidentially. No sensitive information such as respondent's names is disclosed. Company names were disclosed with permission of the respondents and when respondents requested for their company name not to be disclosed the response was given with the type of company they are.

4 PRESENTATION OF RESULTS

4.1 Introduction

This section of the paper outlines key findings from the research conducted. Responses to the semi-structured email interviews are discussed, as derived from content analysis and concept mapping techniques. Furthermore, a detailed discussion of the results of the proposition testing will be discussed in Chapter 5.

In this section, the responses to the interview questions are set in tabular form and related back to the research propositions. Appendix D to this report shows the same responses and the themes as they relate in the 'concept map' format.

4.2 Profile of respondents

The total number of respondents was nineteen. Five organisations were identified and managers within the marketing, IT, sales and customer service functions within the companies were interviewed. Not all the companies were able to provide four respondents to cover all the areas suggested above which resulted in a mix from the five companies. Eleven respondents were interviewed from the five companies. Eight companies that provide CRM implementation for their clients were identified and one executive or manager was interviewed from each. Table 2 below outlines the profile of the respondents.

Table 2: Profile of respondents

	Company Name / Type of Company	Position within Company
Companies providing CRM or Social Media Services to clients	Digital Media Agency	Business Development Manager
	MPULL	Co-Founder and Director
	Relate Technologies	Business Development Manager – CRM solutions
	Cerebra	Chief Executive Officer
	Quirk	Social Media Specialist Consultant
	Leading Edge Consulting	Owner
	AdvanceForce	Managing Director
	Advertising Agency	Executive Director - Digital
Companies Implementing Social CRM	Rocketseed	Account Director
	CQS Technology Holdings	Chief Information Officer
	Virgin Active South Africa	Digital Platforms Manager
	Banking/Financial Industry	Social Media Specialist
	CQS Technology Holdings	Marketing Manager -GRC and Performance Solutions
	Rocketseed	Account Director
	Ensignt	Head: Service and Implementation
	Ensignt	Key Account Manager
	CQS Technology Holdings	Head of Sales and Marketing
	Rocketseed	Business Development Director
	CQS Technology Holdings	Marketing Manager - Audit Software

4.3 Perceptions of Social CRM

To confirm the credibility of the respondents and determine whether their perception of Social CRM is aligned with the definition identified in the literature review, question 4 in the interview guide asked respondents to comment on what they perceive Social CRM is. The definition proposed by Greenberg (2010, p.34) was:

“A philosophy and a business strategy, supported by a technology platform, business rules, processes, and social characteristics, designed to engage the customer in a collaborative conversation in

order to provide mutually beneficial value in a trusted and transparent business environment”.

Table three summarises the responses from the experts when asked in their opinion what Social CRM is.

Table 3: 'What is Social CRM' summary of responses

Question	Expert responses
<p>In your opinion, what is Social CRM?</p>	<p>“Social CRM is a business strategy for engaging your customers through social networks, with the goal of building consumer trust and brand loyalty. It is a collaborative approach that facilitates the voice of the customer as a key stakeholder in the success of a brand or business, by giving them a platform through which they can share their views and experiences of the brand in question.”</p> <p>“It is a set of business processes enabled by social media technologies that facilitates a social dialogue (where the customer is often in control) between a company and its customers, intended to create mutual value”</p> <p>“Social CRM is the process of building genuine relationships with customers using insights gathered from the social web and is then in turn used to improve business practices and policies based off that feedback. Traditional CRM is about data and how to use that data to target a niche audience, while social CRM is more 1-on-1. At its heart, I believe Social CRM to be a mind-set rather than a process.”</p> <p>“Social CRM is the processes that companies use to interact with their clients on social media platforms and through social media technologies. This includes social media monitoring of the various social media channels (Facebook, Twitter, Instagram, LinkedIn, Pinterest, etc.) to check when individuals mentions a product or a brand within the company’s stable. It also includes a pro-active engagement from the company’s side on social media platforms in creating content and managing communities, stretching as far as customer service and promotions.”</p> <p>“A system or process for the gathering and analysing of information around consumer interactions with the company’s social media (and their respective platforms) in order to build</p>

	smarter profiles of those consumers and make better business decisions.”
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The majority of the respondents understood effectively what Social CRM is in line with the definition and those that did not completely had minor deviations from the definition. The responses to this question therefore proved that the respondents were adequately able to provide insights into Social CRM.

4.4 Responses to proposition 1

Proposition 1: The benefits of Social CRM to organisations include:

- Increased revenue and profitability
- Reduced costs
- Improved customer satisfaction and increased retention rates
- Improved customer service
- Increased trust and reputation
- Better segmentation and targeting of customers
- Enhanced communication and customer collaboration
- Interactive customer engagement
- Improved customer insight

Question 7 in the interview guide for companies implementing Social CRM and Question 6 for the companies providing CRM Services to clients was intended to extract key information on what the respondents deemed to be the benefits of Social CRM.

Through thematic content analysis and concept mapping 9 key themes emerged around the benefits of Social CRM which are listed in Table 4.

Table 4: Benefits of Social CRM Responses

Theme	Expert Comments
Improved Customer Insight	<ul style="list-style-type: none"> • Insight – social CRM offers deeper insight into customers based on their extensive social profiles and engagement • Business insight – working direct with customers to enhance end to end workflows and process that customers feedback aren't working for them. • Improvement in the depth of understanding of the customers (contacts) we are working with at a business level. • Insight into activities outside of your particular touch point journeys – a full 360° view of the customer and their influences • Greater insight into customer – the ability to view pre-touch point journey and how to reach the customer earlier in the sales funnel • Getting to know your consumer/client better (putting a face on a consumer by monitoring the type of discussions that are happening about the brand) • Better customer profiling & reporting – get to know what consumers like/dislike and what they say. Know them more personally.
Proactive Issue Resolution	<ul style="list-style-type: none"> • Being proactive in interfacing with customers, as they feel their voice is being heard. • Proactive issue resolution – by monitoring what customers are saying, problems can be solved before they become issues • Manage PR crisis before it snowballs (or escalate possible threats) • Picking up on bad publicity quickly (responding to bad comments and given the opportunity to address this immediately to prevent unhappy consumers and negative brand comments) • Proactively manage resolutions when problems arise.
Better segmentation and targeting of customers	<ul style="list-style-type: none"> • Marketing – they can now engage the clients and prospective clients much earlier in the sales process by monitoring conversations and measuring popular activities. The CRM solution will give them a full measurable tool to create the correct marketing message • Reaching the right people at the right time (targeting and platform) • Research- collect & segment information based smart targeted campaigns • Marketing plan for new target audience- strategic and targeted offering based on customer preference obtained via Social CRM

	<ul style="list-style-type: none"> • Define customer groups and demographics by segmentation • Wider Audience – exposes the organisations products and services to a wider and audience than traditional media, BUT the organisation has the opportunity to dissect and understand the target audience, and define different strategies and messaging per audience segment.
Improved customer service	<ul style="list-style-type: none"> • Client Services – they can now give the customer a complete and satisfactory service with a central view of all interaction with the customer • Support/Service – from mass communications and posts to one-on-one discussions, social provides organisations with the opportunity to service existing clients on their channel of choice. Gone are the days on one fits all. Not only is it channel of choice but even time of day. Customers utilise different channels at different time so understanding each and every customer's choice is critical to the success of solid customer service and support. • Customer Service: Due to the vast movement into mobile, customers are accessing social networks on the move. It is therefore a great idea to have your company manage customer service via social media. It essentially helps with reputation of your organisation to have issues/questions answered in public. • Better customer service – report on social media engagement and react to complaints quicker before they get out of hand or spread too quickly. • Transparency – brands that have truly put effort into the customer experience can show they are better than those that have not as the quantity and nature of complaints and issues is public.
Increased reputation and brand building	<ul style="list-style-type: none"> • Brand building • Positioning of thought leadership • An opportunity for brand building (entrenching the brand in every day discussions, involvement in CSI projects) • Brand awareness: Social media networks is where most people are spending their time these days, whether at their desk or on the move going to a meeting, at a restaurant waiting for a friend or when at home after work, people are tweeting and browsing social networks. Due to this constant browsing, people become aware of your brand if you are constantly posting and engaging with your customers. • Is current and relevant - More and more people (and not just the younger generation) favour social media of one form or another. Using this as a channel makes a company relevant to that audience.
Interactive customer	<ul style="list-style-type: none"> • Engagement using a less threatening and more equalising medium. • Increased engagement with customers. Engagement is not just quantitative, but qualitative. Social CRM is about conversation, not

engagement	<p>broadcast</p> <ul style="list-style-type: none"> • Possible better adoption – customers engage via the platform of their choice and feel more comfortable about it. • Instant feedback, both good and bad • Multiple touch points – social CRM offers the corporation multiple opportunities and interfaces to connect with the customer
Enhanced communication and customer collaboration	<ul style="list-style-type: none"> • Puts the customer in control. Unlike traditional media and CRM of that matter social media is largely out of the control of the company and under the control of the consumer. • Because the ability to communicate is instant – and people have access to the information anytime and anywhere – collaborating with customers can always be aligned with what is current. Works both ways – what’s on a client’s mind now can be communicated to you, now • It allows for two way communication – conversations. Previously, information was always pushed to customers. Now it’s about collaboration • Allows the organisation to communicate with customers all the time. Because people are not always at their desks – they have access to tablets and smart phones – so you always connected to your customers
Increased Sales	<ul style="list-style-type: none"> • Greater marketing conversion - Social CRM gives us a greater understanding of the market and thus increases the chances of marketing success. As campaigns are now created off the insights and input of the market, we are better able to convert prospects into sales • Lead Generation – by sharing the right content with the right people you can drive customers and new leads to learn about products and services offered and then sell to them. • Sales – they have a single view of clients and prospective clients, making it easier to sell or upsell to clients’ specific needs and requirements • Lead generation – by listening to your competitors, customers online mentions of brands, products and services, you can proactively source and engage with potential customers • Market Penetration/Sales: There’s no greater way of marketing than word of mouth and friend referrals. Having employees use their social media accounts to post updates linking to either blog posts or articles on your company website allows for people to recognise your brand and familiarise themselves with it. If I tweet, or share a tweet by the company, my followers will easily identify the company as something that I like and trust and therefore lead to possible business opportunity.
Reduced	<ul style="list-style-type: none"> • Cut costs on Market research by engaging with your communities or social network users directly for their insights

Costs	<ul style="list-style-type: none"> • Reduce costs- through few dedicated resources working on CRM and integration of marketing initiatives • Cost effective. Correctly managed their social CRM can offer a lower cost platform for CRM. If the community values your products and services the viral effect of social media will kick in and the community may begin to manage itself. • Cost – lower cost than traditional media and also allows for the change in strategy and message at a moment's notice with little or no cost implementation. • Anticipated low spend – could be inexpensive to setup a system & process but may involve man hours to monitor and maintain.
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In summary, the thematic content analysis and concept mapping resulted in the emergence of nine key themes around the benefits of Social CRM. In addition to the financial benefits of increased sales and reduced costs, there are also a number of customer engagement benefits.

4.5 Responses to proposition 2

Proposition 2: The critical success factors of Social CRM to organisations include:

- Organisational Readiness (culture and processes)
- Champion Leadership
- Listen to customers
- Knowledge management
- Internal marketing
- Business-IT alignment
- System integration

Question 8 in the interview guide for companies implementing Social CRM and Question 7 for the companies providing CRM Services to clients was

intended to extract key information on what the respondents deemed to be the critical success factors of Social CRM.

Through thematic content analysis and concept mapping seven key themes emerged around the critical success factors of Social CRM which are listed in Table 5.

Table 5: Critical Success Factors of Social CRM Responses

Theme	Expert Comments
Commitment and buy-In	<p>Within this theme there are four sub themes as they all relate to people within the company.</p> <p>Champion Leadership</p> <ul style="list-style-type: none"> • Have a dedicated person responsible for social CRM. In any company there needs to be at least one (depending on the size of the company) person/people who are responsible for the social CRM. There needs to be accountability in fulfilling CRM objectives. • Someone in the company needs to have the responsibility to monitor groups, manage, guide, assist and proactively deal with issues to make sure things don't get out of hand • Needs constant focus – and collaboration needs to be driven daily • Ownership – it is tricky deciding where the burden for strategic decision-making for Social CRM belongs in the enterprise. There are no hard and fast rules and each organisation must evaluate its leadership structure and organisational dynamics to make a sustainable call <p>Companywide Commitment and Buy-In (No Silos)</p> <ul style="list-style-type: none"> • Employees / People: The team(s) working within a company is what makes up the people. These would be the business development staff, marketing teams, customer services agents, account managers and top management will be working together to ensure that the process is defined, delivered and deployed as closely possible to the "T" as possible. • Business buy-in, must get everyone to get involved, understand their role & responsibility and get value from the service. • Buy-in from the whole company – not just marketing function. Marketing needs to drive it – but conversation driven from all divisions <p>Senior Management Commitment and Buy-In</p> <ul style="list-style-type: none"> • C-suite buy-in from within the business – if social CRM isn't driven

	<p>from the top down and supported throughout a business, it can prove difficult to drive and achieve real business value</p> <ul style="list-style-type: none"> • Total commitment of management in using, and in leading by example. • Total immersion - Paying lip service to Social CRM (or just CRM or just social media) and/or limiting the responsibility for it to a small portion of a company will not lead to success. A company should first embrace social media from top to bottom and immerse itself in the space, particularly from the top leaderships down. This cannot be a side line. <p>Staff Commitment and Buy-In</p> <ul style="list-style-type: none"> • Social principles – the entire organisation needs to be updated and aware of the values and behaviours typical to the social era of business, even if they are inherently contradictory to the business practices of that enterprise. • Making everyone responsible for data accuracy, adhering to data structuring disciplines agreed to. • Everyone in the business being totally involved – not just used by some • Adopting the entire system, living in it and using it for every aspect of engagement and relationship building with the customers, suppliers, partners, influences of the enterprise • Manpower – Depending on your Social Media footprint, this is not a one man show
<p>Interaction with customers</p>	<ul style="list-style-type: none"> • Interaction – by ecommerce and social media platforms you need to aggregate all blog conversations, quantity and written reviews as well as forum discussions • Response time is critical. Responding to comments on social media platforms are very important especially when the comments are negative. One comment can have a snowball effect and damage any brand. There needs to be constant monitoring and effective escalation processes. • Be open to all kinds of feedback – even negative • Acknowledge when things go bad instead of hiding from it • Listening – the organisation has to accept they are going to hear/read comments and post they might not be ready for or have brushed under the carpet. The challenge here is being the organisation that listens to what is being said and pro-actively responds both to the market and internally (which might result in a relook at who they are and what services/products they offer).
<p>Knowledge</p>	<ul style="list-style-type: none"> • Training – as responses are public the people responsible for responding need to have sufficient training. For sales people they may not own social media accounts (Besides a Facebook account) and may need training from setting up to using the software.

and Skills	<ul style="list-style-type: none"> • Skilled Strategist – you cannot rely on any young person that has used social media for years to come up with your social CRM strategy. You need people that understand ROI and customer experience to design and manage your strategy. • Knowledge – the largest barrier to a successful social media CRM solution is the lack of knowledge, not only information regarding the client, but also the process. • Resources- dedicated resources knowledgeable on the Social CRM system processes e.g. through training. • Knowledge– Understanding Social CRM and having the relevant qualifications is very important. This role can't be occupied by a junior.
Relevant, high quality content	<ul style="list-style-type: none"> • Content Creation – you don't want your social media profile to be filled with issues, questions and responses. You want to be constantly pushing thought leadership and attempting to use the channel to sell – this can only be done if you are producing regular content. • Integrating social CRM strategy with a well-developed and defined content strategy • Content is king. Creating content should be part of the social CRM strategy of a company. Make it relevant and current. • The clients need to get value from the forum and it must be continuous and consistent. If it's not you will lose them and won't get them back • Be proactive in putting content out especially when there are errors in the software, before people have even picked it up
Measurement and monitoring	<ul style="list-style-type: none"> • Intimacy – by means of surveys, brand monitoring and customer service calls all opinions and sentiment tracking should be done • Measurement – social CRM activities are largely data based and therefore highly measurable • Establish a continuous feedback cycle (both on customer and company side to ensure progress) • Deep reporting – on consumer engagement, platform performance as well as internal staff usage
Technology	<ul style="list-style-type: none"> • Software to run them – running social media cannot be done without management software. Software is needed to monitor, assign, integrate, post and analysis social media. • Technology that can assist in managing big data and analysis of that data for processing by the business • Social CRM system- Select a tool suitable & easy to utilise based on organisational requirements. • Social CRM Technology: The tool you use to automate, collect data and segment and engage with your customers is of utmost

	<p>importance. At our company, we've managed to build a web based tool that allows for multi-channel marketing where we collect data from various channels (web, social, landing pages, micro-sites etc.) and communicate the same message across the same channels as well email and SMS too. It's all about getting the right message across at the right time and on the right device. Because of the ever evolving world of technology customers are notified continually of enhancements within the product which paves way for good customer experience and retention.</p> <ul style="list-style-type: none"> • The technology has to be really good. It needs to be easy to use and easy to contribute. The technology needs to be cool. It needs to be designed to be interactive and not boring
<p>Organisational readiness (strategy, culture and processes)</p>	<ul style="list-style-type: none"> • Having a social strategy in place • Social Business strategy and implementation. If the business is unable to cater for the amount of big data and customer insight that can come out of social CRM engagement strategies, the information will not be directed to the correct departments and utilised effectively for developing an authentic business – one that listens to the customers voice and use it to direct their business decisions • Implementation plan- detailed plan on actions and timelines • Have a strategy – merely collecting 'likes' are no use without a clear strategy. What is your objective? What is your reason for wanting likes and follows. • Process definition: the way in which customers are interacted with, engaged with or managed needs to be defined well before delving into making use of any social media channel. It is with this process that you will want to take users through a "journey". This journey is what would be defined by the process. • Change in culture. There is a big change to be made as control of the relationship is relinquished to the customer. As with any material change in culture, resistance is likely to be high and formal change management will be required.

In summary, the thematic content analysis and concept mapping resulted in the emergence of seven key themes around the critical success factors of Social CRM. These were particularly around internal organisational factors that are critical for successful implementation.

In the next section the findings from the research will be compared and contrasted with the findings revealed in the literature review.

5 INTERPRETATION OF RESULTS

5.1 Introduction

The interpretation of the results of this research is based on the findings from the email interviews and is compared to and contrasted with the findings revealed in the literature review. The results of the propositions tested will be discussed by commenting upon the responses to each question as they relate to the proposition.

5.2 Proposition 1:

Proposition 1: The benefits of Social CRM to organisations include:

- Increased revenue and profitability
- Reduced costs
- Improved customer satisfaction and increased retention rates
- Improved customer service
- Increased trust and reputation
- Better segmentation and targeting of customers
- Enhanced communication and customer collaboration
- Interactive customer engagement
- Improved customer insight

The findings will now be compared and contrasted against each of the benefits put forward in proposition 1. Table 6 provides a summary of the findings.

Table 6: Benefits: Comparison between the proposition and the findings

Benefit from Proposition 1	Themes	Conclusion
Increased revenue and profitability	Increased sales	Identified
Reduced costs	Reduced costs	Identified
Improved customer satisfaction and increased retention rates		Not identified
Improved customer service	Improved customer service	Identified
Increased trust and reputation	Increased reputation and brand building	Identified
Better segmentation and targeting of customers	Better segmentation and targeting of customers	Identified
Enhanced communication and customer collaboration	Enhanced communication and customer collaboration	Identified
Interactive customer engagement	Interactive customer engagement	Identified
Improved customer insight	Improved customer insight	Identified
	Proactive issue resolution	New Finding

5.2.1 Benefits from Proposition 1

a. Increased Revenue and Profitability

Nine of the respondents mentioned benefits related to increased sales and lead generation. "Social CRM gives us a greater understanding of the market and thus increases the chances of marketing success. As campaigns are now created off the insights and input of the market, we are better able to convert prospects into sales". Due to Social CRM, companies will have a single view of the customer which will make it easier to sell or upsell specific products to them. Another respondent indicated that "There's no greater way of marketing than word of mouth and friend referrals" which can lead to a potential sale. Furthermore, "by sharing the right content with the right people you can drive customers and new leads to learn about products and services offered and then sell to them".

Ang (2011) proposes that when a company knows who their followers are, a company specific social page gives the company an opportunity to sell. He also put forward that various companies successfully sell substantial amounts through their company fan pages. Peterson, Gröne, Kammer and Kirscheneder (2010) propose that targeted marketing resulting from Social CRM enables greater potential to up- and cross-sell products and services.

Based on the responses from the experts, "Increased revenue and profitability" was identified as a benefit of Social CRM, although the focus was on sales rather than profitability.

b. Reduced costs

From the responses six of the respondents mentioned reduced costs as a benefit of Social CRM. These included: market research costs, people resources costs, lower CRM platform costs and less traditional media costs.

One expert powerfully captured this benefit with the following statement: "Cost effective. Correctly managed their social CRM can offer a lower cost

platform for CRM. If the community values your products and services the viral effect of social media will kick in and the community may begin to manage itself”.

Chen and Chen (2004) identified reduced internal costs as well as reduced marketing costs as a benefit of implementing Social CRM. Woodcock, Green, et al. (2011) also identified that there are financial benefits gained from value deployment and cost to serve management.

Based on the responses from the experts “reduced costs” as a benefit of Social CRM was identified.

c. ***Improved customer satisfaction and increased retention rates***

From the responses, none of the respondents specifically mentioned improved customer satisfaction and only three of the respondents mentioned increased retention and loyalty.

Chen and Chen (2004) identified higher retention rates as a tangible benefit of implementing Social CRM and a resulting intangible benefit in the form of increased customer satisfaction.

During the thematic content analysis and concept mapping there were other themes amongst the responses which were mentioned more frequently and were deemed more important.

As a result “Improved customer satisfaction and increased retention rates” as a benefit of Social CRM was not specifically identified.

d. ***Improved Customer Service***

Eight of the respondents referred to elements of improved customer service due to implementation of Social CRM strategies. By having a central view of the customer organisations are now able to give customers better service.

Organisations are also able to now service customers on their channel of choice and even their time of choice.

Resulting from improved customer service and the ability to service customers via social media it also helps improve the company's reputation by answering queries in the public eye. This also results in a reduced need for support staff as others may find the answers they need on the social networks.

Greenberg (2009b) also states that continuous interactions with customers in the social environment that have positive outcomes will mitigate the bad and enhance the good between customers and the company resulting in improved customer service.

Based on the responses from the experts "improved customer service" as a benefit of Social CRM was identified.

e. ***Increased trust and reputation***

Six of the respondents spoke about Social CRM giving the company an opportunity to build and position their brand in a favourable manner by employing Social CRM strategies. This ties in with reputation. One respondent stated that that Social CRM is a way of "entrenching the brand in every day discussions". Another proposed that "Social media networks are where most people are spending their time these days, whether at their desk or on the move going to a meeting, at a restaurant waiting for a friend or when at home after work, people are tweeting and browsing social networks. Due to this constant browsing, people become aware of your brand if you are constantly posting and engaging with your customers". It was also said that by using Social CRM makes a company relevant to the audience on that particular channel.

Acker et al (2011) claim that in implementing Social CRM strategies a change needs to happen in the corporate mind-set to incorporate collaboration and transparency in dealing with customers. By doing this it will

develop a trust between the organisation and its customers which could result in significant benefits in terms of better reputation.

Based on the responses from the experts “increased trust and reputation” as a benefit of Social CRM was identified, although the focus was on the brand rather than the reputation.

f. ***Better segmentation and targeting of customers***

Six of the respondents spoke about the ability to segment customers better and target marketing activities more effectively now due to Social CRM. One respondent mentioned the ability to target offerings “based on customer preferences obtained via Social CRM”. Another mentioned that “the organisation has the opportunity to dissect and understand the target audience, and define different strategies and messaging per audience segment”. Organisations can also use the Social CRM solution to give them a full measurable tool to create the correct marketing message.

Woodcock, Broomfield et al. (2011) puts forward that due to Social CRM companies are able to segment their customers based on their needs. They are then able to sophisticatedly target their customer at the right time with the right offer.

Based on the responses from the experts “better segmentation and targeting of customers” as a benefit of Social CRM was identified.

g. ***Enhanced communication and customer collaboration***

Seven of the respondents mentioned improved communication and collaboration with customers as a benefit of Social CRM. One respondent stated that Social CRM enables Co-created content that is generated within the market which increases the market’s propensity to accept this messaging. Another mentioned that “It allows for two way communication – conversations. Previously, information was always pushed to customers.

Now it's about collaboration". Due to the ability of communication to be instantaneous people now have access to information from anywhere and anytime, resulting in the ability to align communication with what is current. This works both ways as what's on the client's mind can also now be communicated to companies immediately.

Organisations are moving towards customer centricity and finding they need to communicate with customers more on a one-to-one basis. Social CRM as a strategy encourages customer collaboration and involvement to become more customer centric. (Faase, Helms and Spruit, 2011).

Based on the responses from the experts "enhanced communication and customer collaboration" as a benefit of Social CRM was identified.

h. ***Interactive Customer Engagement***

Five of the respondents brought up increased customer engagement as a benefit of Social CRM. One respondent proposed that "Social CRM is about conversation, not broadcast" and that the engagement needed to be qualitative and not just quantitative and that leads to increased engagement. Another stated that because customers are able to engage on a platform of their choice they will feel more comfortable and better engage with company.

Woodcock, Broomfield et al. (2011) also propose that by combining social media and traditional CRM the social elements enhance traditional CRM communications and offer an opportunity to enhance customer engagement.

Based on the responses from the experts "interactive customer engagement" as a benefit of Social CRM was identified.

i. ***Improved Customer Insight***

A significant number of respondents mentioned improved customer insight as a benefit of Social CRM. There were 18 responses that referred to this benefit. One respondent said "Social CRM offers deeper insight into customers based on their extensive social profiles and engagement" whilst

another put forward that Social CRM gives companies “the ability to view pre-touch point journeys and how to reach the customer earlier in the sales funnel”.

Analysis of the findings shows us that this improvement in customer insight provides companies with the ability to “track and record information directly from customer insights”, get feedback on what’s working and what is not working, get a full 360° view of customers and their influences, accurately measure customer satisfaction levels and customer sentiment, profile customers better and segment them for better targeted marketing.

Chen and Chen (2004, P. 338) also put forward that “better understanding/addressing of customer requirements” is a benefit gained from implementing Social CRM.

Based on the responses from the experts “improved customer insight” as a benefit of Social CRM was identified.

Of the benefits put forward in Proposition 1, eight were supported by the findings. The results from the content analysis and concept mapping resulted in one additional benefit:

5.2.2 Additional Benefits from findings

j. Proactive Issue Resolution

Five of the respondents had comments which related to Social CRM resulting in the ability to proactively manage issues and queries better. “Proactive issue resolution – by monitoring what customers are saying, problems can be solved before they become issues”. It also represents a way to manage public relations crises before they escalate into possible threats. By picking up on bad comments and publicity quickly and responding effectively you can more easily turn negative comments into positive ones.

Acker , Gröne , Akkad , Pötscher and Yazbek (2011) propose that there is a need to develop rapid service responses to queries and issues raised via social platforms and proactively monitor and establish social support strategies.

Greenberg (2009b) stated that traditionally customer service starts with a complaint over the internet or via a phone call to a call centre agent which consist of automated menu options. Even though the issue may be eventually resolved for the customer, they are usually even more upset than when they first started the process. This could be caused by the automated system becoming more of a problem rather than a solution or it could be that the person that dealt with their query was not correctly trained. Traditionally this CRM problem was dealt with by reducing the time spent in call queues but Social CRM systems are based on different principles. Basically by implementing Social CRM tools social networks and forums are scanned to find mentions about the company, good or bad, and an alert is triggered for the appropriate person to deal with the issues. This is where Social CRM deals with issues proactively. Customers can also get answers to queries from other community members as well as from knowledge bases.

An analysis of the responses resulted in the identification of 8 of the benefits proposed in proposition 1 (Increased revenue and profitability, Reduced costs, improved customer service, increased reputation and brand building, better segmentation and targeting of customers, enhanced communication and customer collaboration, interactive customer engagement and improved customer insight). One of the benefits proposed in proposition 1 was not supported by the findings (Improved customer satisfaction and increased retention rates). The findings resulted in one additional benefit of Social CRM (Proactive issue resolution). Therefore proposition 1 is **partially accepted**.

5.3 Proposition 2:

Proposition 2: The critical success factors of Social CRM to organisations include:

- Organisational Readiness (culture and processes)
- Champion Leadership
- Listen to customers
- Knowledge management
- Internal marketing
- Business-IT alignment
- System integration

The findings will now be compared and contrasted against each of the critical success factors put forward in proposition 2. Table 7 provides a summary of the findings.

Table 7: CSF: Comparison between the proposition and the findings

Critical success factors from Proposition 1	Themes	Conclusion
Organisational Readiness (culture and processes)	Organisational Readiness (strategy, culture and processes)	Identified
Champion Leadership	Commitment and Buy-in <ul style="list-style-type: none"> • Champion leadership • Companywide commitment and buy-in • Senior commitment and buy-in • Staff commitment and buy-in 	Identified
Listen to customers	Interaction with customers	Identified
Knowledge management	Knowledge and skills	Identified
Internal marketing		Not identified
Business-IT alignment	Technology	Identified
System integration		Not identified
	Relevant, high quality content	New Finding
	Measurement and monitoring	New Finding

5.3.1 Critical success factors from Proposition 2

a. Organisational readiness (culture and Processes)

Eleven of the respondents had comments which related to the need to have a clear strategy as well as a change in culture within the organisation in order to implement social CRM successfully.

“Social Business strategy and implementation - If the business is unable to cater for the amount of big data and customer insight that can come out of social CRM engagement strategies, the information will not be directed to the correct departments and utilised effectively for developing an authentic business.” Just being on the social networks is not enough. There needs to be clear strategy with objectives. There also needs to be set guidelines on how things are done, like how customers are interacted and engaged with. The plan needs to be detailed and contain actions and responsibilities with clear timelines.

“Change in culture. There is a big change to be made as control of the relationship is relinquished to the customer. As with any material change in culture, resistance is likely to be high and formal change management will be required”.

Woodcock, Green, et al. (2011. P. 63) proposed that “organisational readiness”, is a hurdle that companies need to overcome in order to successfully implement social CRM effectively.

Askool and Nakata (2010, p. 217) put forward that Social CRM is not just about adopting technology to manage customer relationships better, but is also a business strategy intended to increase interactions and build successful relationships. They also state that Social CRM is based on a “strategy for customer engagement rather than managing customers”.

Based on the responses from the experts “Organisational readiness (Strategy, culture and Processes)” as a critical success factor of Social CRM was identified.

b. ***Champion Leadership***

Chen and Chen (2004) categorised organisational commitment, management leadership and management support all under the category of champion leadership.

From the responses four of the respondents mentioned champion leadership as a critical success factor for successful implementation of Social CRM. This constitutes having at least one (depending on company size) person responsible for Social CRM implementation and accountable for ensuring objectives are met. One respondent stated that the organisational leadership structures and dynamics need to be evaluated to make a call on who should take ownership of the Social CRM strategy to ensure its sustainability.

Based on the responses from the experts “champion leadership” was identified as a critical success factor for successful implementation of Social CRM. However after conducting the thematic content analysis and concept mapping it became clear that champion leadership should fall within a bigger category and be grouped with other themes that also fit into that category. It was decided that the category would be “Commitment and Buy-In” and would include all themes that refer to people within the company that need to Buy-in and commit to Social CRM as a strategy.

The other themes that were included in this category are as follows:

i. **Companywide Commitment and Buy-In (No Silos)**

3 respondents mentioned companywide commitment and buy-in. “The team(s) working within a company is what makes up the people. These would be the business development staff, marketing teams, customer

services agents, account managers and top management will be working together to ensure that the process is defined, delivered and deployed as closely possible to the “T” as possible”. There needs to be buy-in from everyone in the company. “Everyone must get involved, understand their role and responsibility and get value from the service”. “Buy-in from the whole company – not just marketing function. Marketing needs to drive it – but conversation driven from all divisions”.

ii. **Senior Management Commitment and Buy-In**

3 respondents mentioned senior management commitment and buy-in. “If social CRM isn’t driven from the top down and supported throughout a business, it can prove difficult to drive and achieve real business value” and “total commitment of management in using, and in leading by example” were some of the statements made by respondents. Total immersion is required and “paying lip service to Social CRM (or just CRM or just social media) and/or limiting the responsibility for it to a small portion of a company will not lead to success. A company should first embrace social media from top to bottom and immerse itself in the space, particularly from the top leadership down. This cannot be a side line”.

Woodcock, Green et al. (2011) propose that leadership buy-in and support needs to be ensured and the need for change needs to be clear due to the potential benefits of implementing Social CRM. Leaders need to have a clear road map showing objectives, benefits, costs and risks. Culture, processes, measures and technology will need to advance and this needs leadership. Askool and Nakata (2011) propose that Social CRM needs to be introduced as a strategy rather than just a technology from the top and requires management support.

iii. **Staff Commitment and Buy-In**

5 respondents mentioned staff commitment and buy-in. “Adopting the entire system, living in it and using it for every aspect of engagement and relationship building with the customers, suppliers, partners and influences of

the enterprise". All staff needs to be totally involved and it should not just be used by some. Everyone should also be responsible for data accuracy and adhering to data structuring disciplines agreed to.

Askool and Nakata (2011) state that a full commitment from staff is a major critical success factor in implementing Social CRM as they are the frontline of the company and need to provide the best possible service to customers.

c. ***Listen to customers***

Eight of the respondents mentioned interaction with customers as a critical success factor for Social CRM implementation, which ties in with "listen to customers proposed in Proposition 2.

"Responding to comments on social media platforms are very important especially when the comments are negative. One comment can have a snowball effect and damage any brand. There needs to be constant monitoring and effective escalation processes".

"The organisation has to accept that they are going to hear/read comments and posts they might not be ready for or have brushed under the carpet. The challenge here is being the organisation that listens to what is being said and pro-actively responds both to the market and internally (which might result in a relook at who they are and what services/products they offer)".

Acker et al. (2011) propose that, to successfully implement Social CRM strategies, organisations should start by simply just listening to the social networks to get a better idea of where they stand in the mind of the consumers.

Based on the responses from the experts "listen to customers" as a critical success factor of Social CRM was identified, however for the purpose of this study, due to many responses mentioning interaction as the main theme, the critical success factor will be referred to as interaction with customers.

d. ***Knowledge management***

Knowledge and skills were mentioned by six of the respondents as a critical success factor for Social CRM implementation. This referred to having the correct people who have the required knowledge and skills to implement Social CRM. “As responses are public the people responsible for responding need to have sufficient training. For sales people they may not own social media accounts (Besides a Facebook account) and may need training from setting up to using the software”. “Skilled Strategist – you cannot rely on any young person that has used social media for years to come up with your social CRM strategy. You need people that understand ROI and customer experience to design and manage your strategy”.

Based on the responses from the experts “knowledge management” as a critical success factor of Social CRM was identified, although the focus was on knowledge and skills.

e. ***Internal marketing***

None of the respondents mentioned internal marketing being a critical success factor of Social CRM.

Chen and Chen (2004) propose that in order to successfully implement Social CRM there needs to be internal marketing activities put in place first. This includes training and re-training staff as well as providing incentives.

However, “internal marketing” was not identified as a critical success factor of Social CRM was not found, and is also implied in the knowledge and skills critical success factor identified.

f. ***Business IT alignment***

Business-IT alignment as a critical success factor as put forward by Chen and Chen (2004) classifies following factors within Business IT alignment: “IT strategies supporting business strategies”, “customer centric interface design”, “technical architecture reliability”, “technical architecture scalability”,

“business processes matching IT architecture”. “Select a tool suitable & easy to utilise based on organisational requirements.”

From the interviews done 10 respondents mentioned factors to do with the technology, which falls into the IT field of Social CRM. Some of the factors mentioned fall in line with the classifications proposed by Chen and Chen (2011) whilst others just refer to the technology.

Some of the mentions included “your CRM system should ideally slot into already established systems and databases for accurate measurement”, “the tool you use to automate, collect data and segment and engage with your customers is of utmost importance”, “deep integration with all other systems and data sources” and “corporations may be required to cut losses on outdated, irrelevant or counter-intuitive technology and infrastructure to make way for more progressive tools and platforms”.

King and Burgess (2008) proposed that critical success factors for Social CRM include factors such as technological readiness and the ability to integrate systems.

Based on the responses from the experts “business IT alignment” was identified as a critical success factor for successful implementation of Social CRM, however in this study it will be referred to as technology.

g. ***Systems integration***

From the responses there were only two mentions of integration: “It’s important to integrate all customer touch point with the Social CRM for consistency and effective campaigns” and “Integration – Your CRM system should ideally slot into already established systems and databases for accurate measurement”.

System integration is a critical success factor for Social CRM as identified by Chen and Chen (2004). They state that functional integration (marketing,

sales and customer service) is needed. There is also a need to integrate data and ensure system compatibility.

During the thematic content analysis and concept mapping there were themes amongst the responses which were mentioned more frequently and were deemed more important.

As a result, even though it was mentioned by two respondents, “systems integration” is not found as a critical success factor of Social CRM by the majority. By implication system integration is considered part of the technology theme.

Of the critical success factors put forward in Proposition 2, five were supported by the findings. The results from the content analysis and concept mapping resulted in 2 additional critical success factors:

5.3.2 Additional Critical Success Factors from Findings

a. Relevant, high quality content

There were ten mentions relating to the content a company puts out on the social platforms and especially to the quality of what is communicated. “Content is king. Creating content should be part of the social CRM strategy of a company. Make it relevant and current”. “Content Creation – you don’t want your social media profile to be filled with issues, questions and responses. You want to be constantly pushing thought leadership and attempting to use the channel to sell – this can only be done if you are producing regular content”. Social CRM needs to be implemented together with “a well-developed and defined content strategy”.

Woodcock, Broomfield et al. (2011) propose that “content, designed to entertain, inform, educate or provide insight, can be designed to connect with consumers”. By developing relevant content for those that show interest companies will succeed.

Woodcock, Green et al. (2011, p. 51) propose that “marketing is becoming less about pushing messages out to consumers within a static relationship, and more about the brand being part of the dynamic conversation, listening, serving relevant content / experiences to earn the trust of consumers”.

b. ***Measurement and monitoring***

Five of the respondents mentioned that in order to have a successful Social CRM strategy you need to measure and monitor effectively. There needs to be continuous feedback cycles to ensure progress and there is a need for deep reporting on consumer engagement, platform performance, internal staff usage and web analytics. The brand also needs to be monitored, including opinions and sentiment.

Askool and Nakata (2010) put forward that organisations can enhance their relationships with customers by employing Social CRM strategies however there is a strong need to analyse data and monitor customer behaviour and satisfaction. Ang (2010, p. 35) added that companies should actively “monitor all conversations because people are 65 per cent more likely to buy a product after engaging with the community of customers and experts”.

Woodcock, Broomfield et al. (2011) state that evaluation and measurement should be a priority when implementing Social CRM and companies should implement metrics and institute a managed approach, based on objectives set by leadership, to report on the efficiency and effectiveness of activities.

An analysis of the responses resulted in the acceptance of five of the critical success factors proposed in proposition 2 (Organisational readiness (strategy, culture and processes), champion leadership, listen to customers, knowledge management, business-IT alignment). Two of the critical success factors proposed in proposition 2 were not supported by the findings (internal marketing and system integration). The findings resulted in two additional critical success factors of Social CRM (Relevant, high quality content and

measurement and monitoring). Therefore proposition 2 is **partially accepted**.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary

The key results of this study will be presented in tabular form as well as through a discussion of the research findings in terms of the two propositions that were qualitatively tested. Relevant findings from the literature will be included in the discussion.

6.2 Relevant Findings

6.2.1 *Proposition 1*

Proposition 1: The benefits of Social CRM to organisations include:

- Increased revenue and profitability
- Reduced costs
- Improved customer satisfaction and increased retention rates
- Improved customer service
- Increased trust and reputation
- Better segmentation and targeting of customers
- Enhanced communication and customer collaboration
- Interactive customer engagement
- Improved customer insight

The analysis of the respondents comments revealed 9 themes around the benefits of Social CRM which are summarised in Table 8.

Table 8: Benefits of Social CRM

Benefit	Description
Reduced Costs	This includes reduced market research costs from engaging directly with customers to gain insights and the reduced costs associated with gaining potential customers via word of mouth marketing. There is also a cost saving from spending less on other traditional media.
Improved Customer Service	By having a central view of all interactions with customers it enable organisations to provide a better service to them. Social CRM also reduces the need for customer service centres as people are able to find what they need online and even from other community members.
Increased reputation and brand building	Social CRM provides companies with an opportunity to better their reputation and build their brands by entrenching the brand in every day discussions and as people are spending more time on social networks the companies present there will be more relevant to those audiences.
Better segmentation and targeting of customers	Customer preferences can be extracted from the data obtained via Social CRM tools. This data can be used to segment customers into groups and target each group with relevant messaging. Different strategies can be adopted for each group.
Enhanced communication and customer collaboration	Social CRM provides an opportunity for customers to actively participate and contribute to solutions. Social CRM also allows constant communication with customers where communication is a two way street.
Interactive customer engagement	Customers are able to engage on a platform of their choice where they will feel more comfortable and better engage with companies if they are on those platforms. Social CRM leads to increased engagement as it's about conversation and instant feedback, whether it's good or bad.
Improved Customer Insight	This includes access to proven track record information gained directly from customer insights, extensive social profiles offer deeper insight into customers, a full 360° view into customers and their influences, the ability to profile and segment customers based on their profiles and the ability to listen to what your customers are talking about and interested in.

Increased Sales	Having a single view of customers as well as an accurate view of their likes and dislikes leads to better opportunities to sell and upsell to them. Word of mouth via social networks also leads to increases in sales.
Proactive Issue Resolution	By monitoring what customers are saying in the social environment, organisation can proactively manage issues before they become issues. Bad publicity can be picked up early and if dealt with effectively be turned into good publicity.

All the benefits that were identified from the literature review were identified except for improved customer satisfaction and increased retention rates. However, an additional benefit was identified, that of proactive issue resolution. Consequently proposition 1 is **partially accepted**.

6.2.2 Proposition 2:

Proposition 2: The critical success factors of Social CRM to organisations include:

- Organisational Readiness (culture and processes)
- Champion Leadership
- Listen to customers
- Knowledge management
- Internal marketing
- Business-IT alignment
- System integration

The analysis of the respondent's comments revealed 7 themes around the critical success factors of Social CRM which are summarised in Table 9.

Table 9: Critical success factors of Social CRM

Critical Success Factor	Description
Organisational readiness (strategy, culture and processes)	There needs to be a clear strategy, as well as objectives and measures in place when implementing Social CRM. There also needs to be set guidelines on how things are done, like how customers are interacted and engaged with. The plan needs to be detailed and contain actions and responsibilities with clear timelines. There also needs to be a shift in the corporate culture to a customer-centric focus.
Commitment and buy-in	<p>Champion Leadership There is a need to have a dedicated person responsible for social CRM. There needs to be accountability in fulfilling CRM objectives.</p> <p>Companywide Commitment and Buy-In (No Silos) Business buy-in is needed, everyone must get involved, understand their role & responsibility and get value from the service. There needs to be buy-in from the whole company and not just marketing function. Marketing should drive the process, but conversation needs to be driven from all divisions</p> <p>Senior Management Commitment and Buy-In If social CRM isn't driven from the top down and supported throughout a business, it can prove difficult to drive and achieve real business value. Total commitment of management in using the systems and leading by example needs to happen.</p> <p>Staff Commitment and Buy-In All staff need to be committed to the strategy and everyone should be responsible for data accuracy and adhering to data structuring disciplines. Staff should adopt the entire system, live in it and use it for every aspect of engagement and relationship building with the customers, suppliers, partners, influences of the enterprise.</p>
Interaction with customers	Social media has created the expectation of instant feedback; therefore it's paramount that constant interaction with customers takes place. The company also needs to be open to all kinds of feedback. Interaction with clients also needs to consist of providing valuable information that sparks conversation and listening to clients has to say.
Knowledge and	It is imperative that the correct people who have the required knowledge and skills to implement Social CRM are put in place. People responsible for interacting with customers need to have

skills	sufficient training. You need people that understand ROI and customer experience to design and manage your strategy.
Technology	Social CRM systems need to integrate with existing systems and databases for accurate measurement. The tools you use need to automate, collect data, segment and engage with your customers.
Relevant, high quality content	“Content is king”. Creating content should be part of the social CRM strategy of a company. The content you put out needs to constantly be providing thought leadership and attempting to use the channel to sell. It also needs to be relevant and current.
Measurement and monitoring	There needs to be continuous feedback cycles to ensure progress and there is a need for deep reporting on consumer engagement, platform performance, internal staff usage and web analytics. The brand also needs to be monitored, including opinions and sentiment.

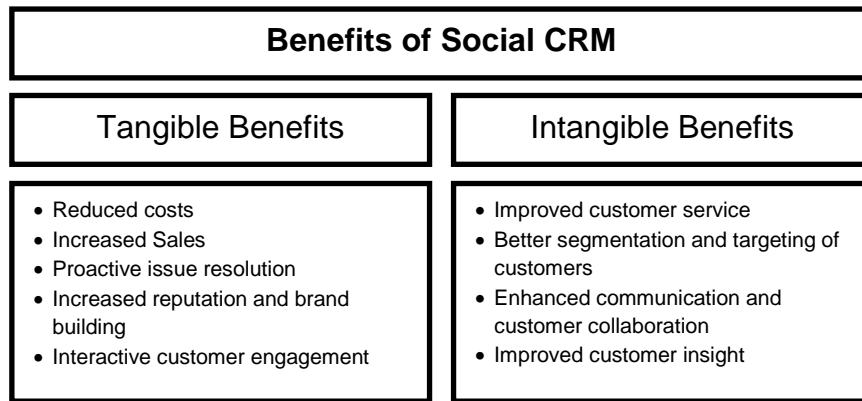
All the critical success factors that were identified from the literature review were identified except for internal marketing and system integration. However two additional critical success factors were identified, that of relevant, high quality content and measurement and monitoring. Consequently proposition 2 is **partially accepted**.

6.3 Recommendations

The literature review shows that due to the emergence of Social Media and the rise of the social consumer it has become imperative for organisations to transform the way they do business and manage their customers. As Greenberg (2009b) stated there has been a transformation in the way we need to communicate with customers and this impacts all companies. Even though traditional CRM strategies enable the management of customer interactions on a sizeable scale, they do not assist in building relationships and trust between customers and organisations. In order to build relationships with customers based on trust, it is essential to get to know the customer substantially and not just be restricted by transactions as it is with traditional CRM (Woodcock, Broomfield et al., 2011). This is where Social CRM comes in.

It is clear from the findings that implementing Social CRM strategies within an organisation results in various benefits which are depicted in Figure 5:

Figure 5: Benefits of Social CRM

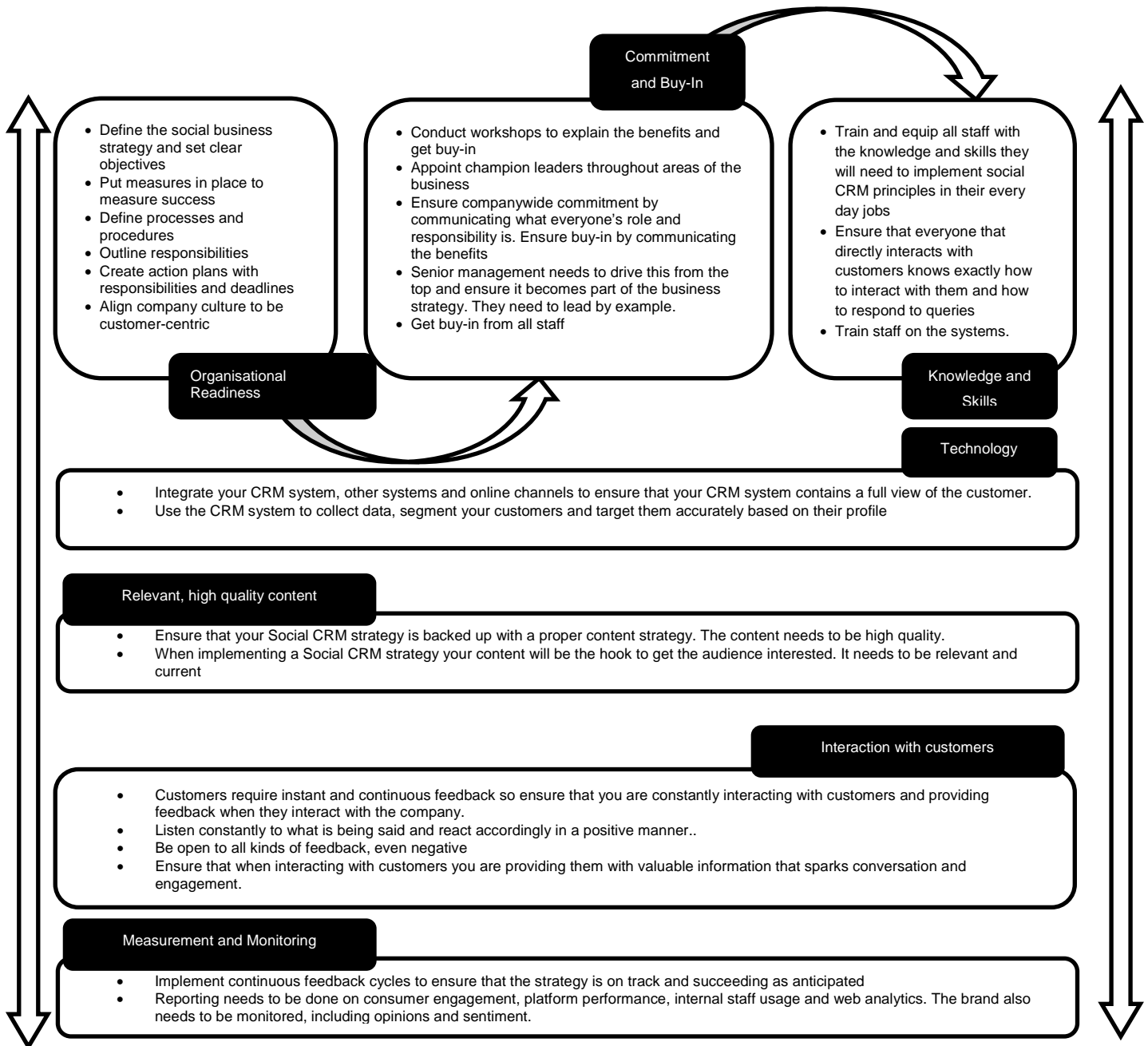


Source: Derived from this study

As can be seen in Figure 5, there are financial, marketing and customer engagement benefits.

In order to benefit from implementing Social CRM there are certain factors that need to be employed to be successful in implementing a Social CRM strategy. Figure 6 outlines a process to follow when implementing a Social CRM strategy.

Figure 6: Social CRM implementation Process



Source: Derived from this study

The process described in Figure 6 depicts a continuous cycle where measurement and monitoring, relevant high quality content, customer interaction and technology enablement is done throughout the process. The company then needs to keep going back to ensure that the company strategy is still aligned in terms of objectives, processes, procedures, responsibilities and company culture. The company also needs to keep ensuring commitment and buy-in remains and also ensure that knowledge and skills is maintained and evolves.

- **Organisational Readiness (strategy, culture and processes)**

Before implementing Social CRM there needs to be a strategy in place which allows for a “social business”. This will include a detailed plan outlining actions and timelines. Processes and procedures need to be defined and adhered to throughout. This may also require a change in organisational culture to align with a customer centred orientation.

- **Commitment and buy-in**

- **Champion leadership**

Companies need to make sure that they have a dedicated person driving the process and ensuring all elements of the strategy are followed and that there is accountability.

- **Company-wide commitment and buy-in**

Everyone in the company needs to buy-in to a Social CRM as a strategy for managing customer relationships. Although it is often driven by marketing the whole company needs to incorporate principles of Social CRM in the way they conduct their jobs.

- **Senior management commitment and buy-in**

If Social CRM is not driven from the top it will never work effectively. Top management and leadership need to buy-in and lead by example when it comes to implementing Social CRM practices.

- **Staff commitment and buy-in**

All staff in the company needs to buy-in to Social CRM principles and live by them. Everyone should be responsible in their jobs to implement the principles of Social CRM

- **Knowledge and skills**

To ensure successful implementation of Social CRM within an organisation there needs to be sufficient skills and knowledge. People within the company need to have the correct skills to deal with issues arising on the social networks. They also need to have the skills to manage the systems properly. Training needs to be provided to all staff on how things are done, and what to do in situations that may arise. A solid policy is also advised to ensure everyone is knowledgeable on how things should work.

- **Technology**

The tool used for Social CRM is extremely important. It needs to be able to automate, collect data, segment customers, engage with customers, assign tasks, post to social networks, and analyse trends. Integration with other systems in the organisation is also important for accurate measurement.

- **Relevant, high quality content**

To ensure successful implementation of a Social CRM strategy you need to make sure that every touch point for the customer is of a high

standard in terms of content. Content also needs to be current and relevant for your customers. It is also important to be proactive in putting content out, especially when there are problems.

- **Interaction with customers**

Interaction with customers should be done on a one-on-one basis. What is meant by this is that companies should interact with customers in a meaningful way and not in a mass communication way. Interaction with customers' needs to be meaningful and add value to the customers. This will also involve listening to customers and being open to negative feedback.

- **Measurement and monitoring**

A Social CRM strategy needs to be measurable. Throughout the whole process there needs to be continuous feedback cycles and measurement of activities. Measurement should be done on consumer engagement and interaction, site traffic, visits, share of conversation, brand monitoring and sentiment tracking.

The model developed as a result of this research covers external and internal interfaces as well as the processes that need to be in place. It is recommended that organisations follow this model to ensure successful implementation of Social CRM.

6.4 Limitations of the study

- Due to the fact that the study was exploratory in nature, the results may not be seen as conclusive, and will require further research.
- Due to the nature of this research, being a master's dissertation, the data coding and theme identification was done by one person, which fails to provide different perspectives from other experts.

- Content analysis assumes that frequency of mention as an indication of significance. Although this is true if the underlying evidence is frequency related, this may not always be the case (Stemler, 2001).

6.5 Suggestions for further research

This study into the critical success factors of Social CRM for South African companies is one of the first studies in this area within South Africa. Due to the exploratory nature of this study follow-up research is recommended. A qualitative study with a larger sample size is recommended and possibly a longitudinal study of time.

A larger population sample and the use of a quantitative study could provide further insights into what Social CRM entails in the South African environment as well as a more detailed look at what the benefits and critical success factors are for Social CRM in South Africa.

Further study should also be done on what the steps are to implement a Social CRM strategy successfully as well as a comprehensive study into lessons learned and failures.

This study was also very broad and did not focus on specific industries or types of companies. Suggested further research could be industry specific and could also be specifically B2B or B2C

6.6 Implications of the study

The emergence of social media has completely changed the way we do business. Organisations have had to change the way they communicate and interact with their customers. Social CRM in South Africa is still a relatively new concept and not many companies have implemented it successfully. Poorly handled, Social CRM can put the company in an unfavourable

position which will be in the public eye so companies need to carefully manage their Social CRM strategy to ensure this does not happen.

This study, which outlines a clear framework for companies to use when launching a Social CRM strategy, will assist in a more successful implementation of Social CRM. If used, correctly it will be a starting point for companies to successfully implement these strategies. As can be seen from the research, if implemented successfully, Social CRM will result in improved financial performance and enhanced reputation.

First movers in this area will gain significant benefits from implementing Social CRM strategies. Because it is still such a new area these first movers also need to clearly record their lessons learned and failures so that research can be done to grow this area.

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APPENDIX A

Interview guide for management within the companies
employing Social CRM

Critical Success Factors of Successful Social CRM Strategy Implementation

Section1: Details of Respondent

1. Full Name:
(Your personal details won't be disclosed)
2. Position:
3. Company Name:
4. Please specify if your company name can be disclosed (it will just be listed as part of the respondent companies and not associated with specific answers? If not, please provide me with the type of company:

Section 2: Social CRM

5. In your opinion, what is Social CRM? This question was used to determine the respondent's view of what Social CRM. The interviewer used it to gage the respondents expertise in the area
6. What benefits do you think Social CRM offers for organisations?
(Please provide at least 5 with a description of each)
 - i.
7. What are the critical success factors for the implementation of a successful Social CRM strategy?
(Please provide at least 5 with a description of each)
 - i.

APPENDIX B

Interview sent to managers within the companies that implement CRM strategies for their clients

Critical Success Factors of Successful Social CRM Strategy Implementation

Section1: Details of Respondent

1. Full Name:
(Your personal details won't be disclosed)
2. Position:
3. Company Name:
4. Please specify if your company name can be disclosed (it will just be listed as part of the respondent companies and not associated with specific answers? If not, please provide me with the type of company:

Section 2: Social CRM

5. In your opinion, what is Social CRM? This question was used to determine the respondent's view of what Social CRM. The interviewer used it to gage the respondents expertise in the area
6. What is the usage rate of Social CRM in the company (i.e. How long? How many people?) This question was used to determine if the companies are actually implementing social CRM
7. What benefits do you think Social CRM offers for organisations?
(Please provide at least 5 with a description of each)
 - ii.
8. What are the critical success factors for the implementation of a successful Social CRM strategy?
(Please provide at least 5 with a description of each)
 - ii.

APPENDIX C

Cover Letter sent to potential respondents

My name is Taryn Reyneke, and I am conducting research for the purpose of obtaining a Master's Degree in Strategic Marketing at Wits Business School. As part of my degree I am required to submit a research report in the form of a dissertation on the information obtained from my study. My research aims to explore the critical success factors of Social CRM implementations in companies in South Africa. Please note that to take part in this study, you would need to be over the age of eighteen and employed in an organisation implementing Social CRM or a consulting firm that provides Social Media or CRM implementation services to clients.

Participation in this research will involve you being interviewed over email or face to face by myself for 1 hour, and if necessary another 1 hour session. Please note that your participation is completely voluntary. The more responses I receive, the greater the strength of my research will be.

No identifying information, such as your name or I.D. number is required. You will therefore remain anonymous and the data you provide will not be linked to you as an individual in any way. Your answers will not be seen by any other person, other than examiners and will only be processed by myself and my supervisors. Your responses will only be looked at in relation to all other responses in the study. There are no foreseeable risks or benefits when taking part in this study.

Feedback of the general results will be given in the form of a summary of the overall findings. If you have any questions or concerns, please feel free to contact myself or my supervisors as per the details below. If you choose to participate in this study it would be greatly appreciated.

Kind Regards
Taryn

Contact Details:

Taryn Reyneke
073 588 5188
taryn1098@gmail.com

Supervisor:
Geoff Bick
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APPENDIX D: CONCEPT MAPS

Concept Map 1: Benefits of Social CRM

- Social Media teams – they are now giving proven track record information direct from customer insights and views, this will assist in creating a pleasurable social media presence
- Insight – social CRM offers deeper insight into customers based on their extensive social profiles and engagement
- Intelligence – the data garnered from social platforms allows for better strategic decision making
- Business insight – working direct with customers to enhance end to end workflows and process that customers feedback aren't working for them.
- You can keep tabs on the members as they move around.
- Improvement in the depth of understanding of the customers (contacts) we are working with at a business level.
- Honest feedback (once you break through the emotional outbursts) and the ability to mine that data better along with traditional insights gathering
- Insight into activities outside of your particular touch point journeys – a full 360° view of the customer and their influences
- Greater insight into customer – the ability to view pre-touch point journey and how to reach the customer earlier in the sales funnel
- Increase in member sentiment. All our social activity is measured on sentiment and uses the same calculations as our NPS (Net Promoter Score) systems. These are counted as equals to our telephone surveys.
- Accurate measurement of customer satisfaction
- Accurate measurement of sentiment
- Getting to know your consumer/client better (putting a face on a consumer by monitoring the type of discussions that are happening about the brand)
- Marketing Research: Surveys and questionnaires are a good way of trying to get information from customers. Doing this via social CRM ensures that you touch the largest possible demographic diversity as these platforms have people from all over the world and of various age groups. This is good if you're doing research on products that affect such a large age group.
- Better customer profiling & reporting – get to know what consumers like/dislike and what they say. Know them more personally.
- Listening to customer complaints – people often complain about products but not necessarily directly to company
- Use customers' history to build profiles – by analysing what customers are saying on their social channels companies can profile and segment their customer database more effectively and then use this data to more effectively communicate. This data can also be pulled into CRM systems such as Salesforce using plugins such as HubSpot.
- Listening – provides the organisation with the opportunity to "listen" to what their current and future market are talking about, reacting to, and interested in. No other traditional medium provides this opportunity.

- Being proactive in interfacing with customers, as they feel their voice is being heard.
- Proactive issue resolution – by monitoring what customers are saying, problems can be solved before they become issues
- Manage PR crisis before it snowballs (or escalate possible threats)
- Picking up on bad publicity quickly (responding to bad comments and given the opportunity to address this immediately to prevent unhappy consumers and negative brand comments)
- Proactively manage resolutions when problems arise.

- Marketing – they can now engage the clients and prospective clients much earlier in the sales process by monitoring conversations and measuring popular activities. The CRM solution will give them a full measurable tool to create the correct marketing message
- Reaching the right people at the right time (targeting and platform)
- Research- collect & segment information based smart targeted campaigns
- Marketing plan for new target audience- strategic and targeted offering based on customer preference obtained via Social CRM
- Define customer groups and demographics by segmentation
- Wider Audience – exposes the organisations products and services to a wider and audience than traditional media, BUT the organisation has the opportunity to dissect and understand the target audience, and define different strategies and messaging per audience segment

- Client Services – they can now give the customer a complete and satisfactory service with a central view of all interaction with the customer
- Support/Service – from mass communications and posts to one-on-one discussions, social provides organisations with the opportunity to service existing clients on their channel of choice. Gone are the days on one fits all. Not only is it channel of choice but even time of day. Customers utilise different channels at different time so understanding each and every customer's choice is critical to the success of solid customer service and support.
- Customer Service: Due to the vast movement into mobile, customers are accessing social networks on the move. It is therefore a great idea to have your company manage customer service via social media. It essentially helps with reputation of your organisation to have issues/questions answered in public.
- Reduces our requirement for a support team
- Better customer service – report on social media engagement and react to complaints quicker before they get out of hand or spread too quickly.
- Transparency – brands that have truly put effort into the customer experience can show they are better than those that have not as the quantity and nature of complaints and issues is public.
- Trafficking queries
- Answering technical issues, like Vodacom 911

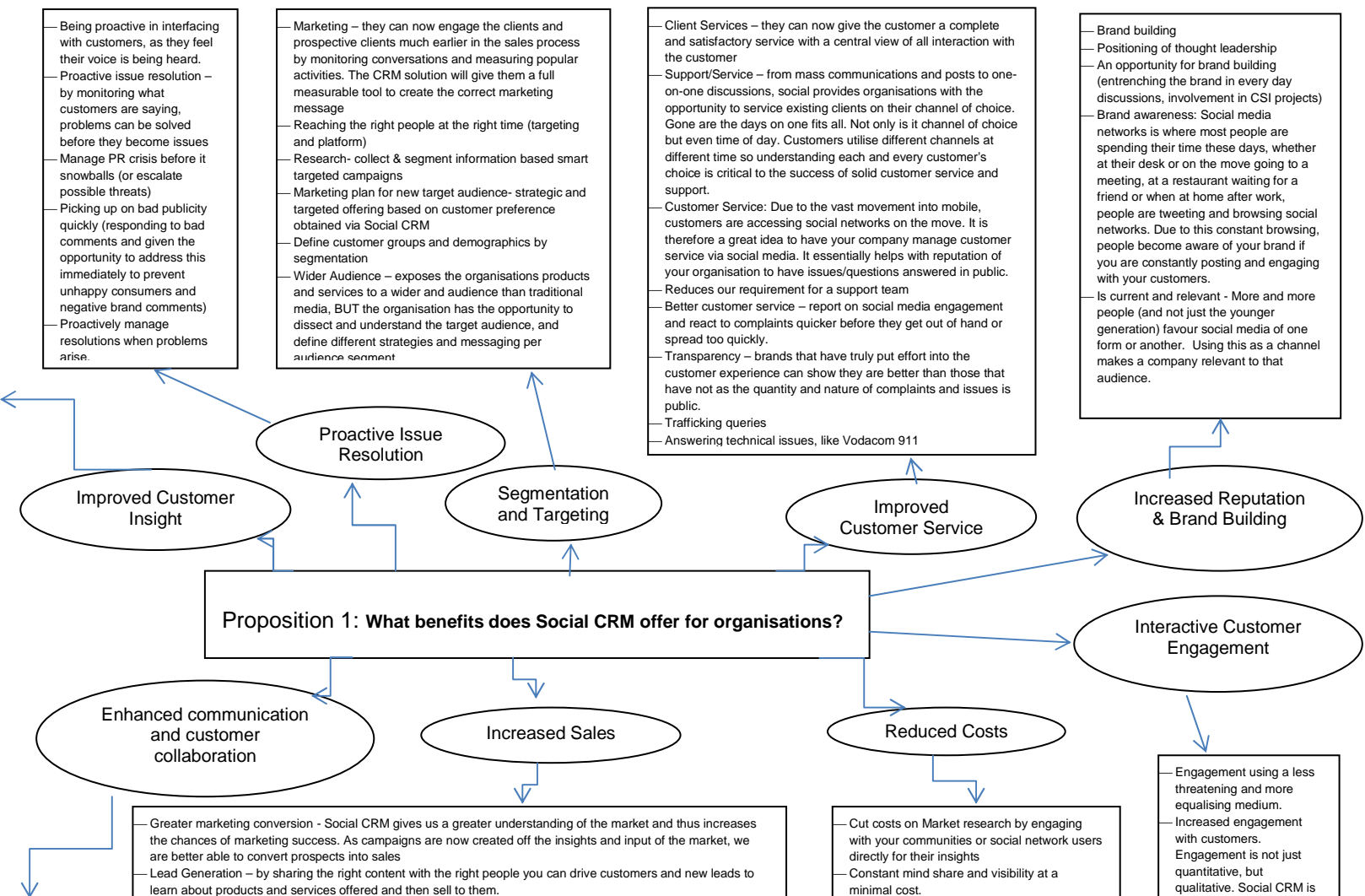
- Brand building
- Positioning of thought leadership
- An opportunity for brand building (entrenching the brand in every day discussions, involvement in CSI projects)
- Brand awareness: Social media networks is where most people are spending their time these days, whether at their desk or on the move going to a meeting, at a restaurant waiting for a friend or when at home after work, people are tweeting and browsing social networks. Due to this constant browsing, people become aware of your brand if you are constantly posting and engaging with your customers.
- Is current and relevant - More and more people (and not just the younger generation) favour social media of one form or another. Using this as a channel makes a company relevant to that audience.

- Puts the customer in control. Unlike traditional media and CRM of that matter social media is largely out of the control of the company and under the control of the consumer.
- Co-created content that is generated with the market. This increases the market's propensity to accept this messaging.
- Give clients the feeling of participation and that they can contribute to a solution
- Allows us to identify specific individual who could be thought leaders, early adopters and even potential employees
- Because the ability to communicate is instant – and people have access to the information anytime and anywhere – collaborating with customers can always be aligned with what is current. Works both ways – what's on a client's mind now can be communicated to you, now
- It allows for two way communication – conversations. Previously, information was always pushed to customers. Now it's about collaboration
- Allows the organisation to communicate with customers all the time. Because people are not always at their desks – they have access to tablets and smart phones – so you always connected to your customers

- Greater marketing conversion - Social CRM gives us a greater understanding of the market and thus increases the chances of marketing success. As campaigns are now created off the insights and input of the market, we are better able to convert prospects into sales
- Lead Generation – by sharing the right content with the right people you can drive customers and new leads to learn about products and services offered and then sell to them.
- Sales – they have a single view of clients and prospective clients, making it easier to sell or upsell to clients' specific needs and requirements
- Lead generation – by listening to your competitors, customers online mentions of brands, products and services, you can proactively source and engage with potential customers
- Provide for a superior sales tool, justification to do business, an excellent ice breaker.
- Can market additional products / services to a research / captive audience
- A platform for promotions (either through competitions, information about events, new product launches, etc.)
- Social Event Networking: What better to find new business opportunities than to network? It has been proven that networking is the one key source of business opportunities. Using Social CRM to manage an event is key lately as people are always on the move and thus can use things like Google Hangout to have an event. This works wonders as people don't necessarily have to be physically present as the event but can be in the comfort of their own homes and manage to create a great impression which can lead to an opportunity(s).
- Market Penetration/Sales: There's no greater way of marketing than word of mouth and friend referrals. Having employees use their social media accounts to post updates linking to either blog posts or articles on your company website allows for people to recognise your brand and familiarise themselves with it. If I tweet, or share a tweet by the company, my followers will easily identify the company as something that I like and trust and therefore lead to possible business opportunity.

- Cut costs on Market research by engaging with your communities or social network users directly for their insights
- Constant mind share and visibility at a minimal cost.
- Reduce costs- through few dedicated resources working on CRM and integration of marketing initiatives
- Cost effective. Correctly managed their social CRM can offer a lower cost platform for CRM. If the community values your products and services the viral effect of social media will kick in and the community may begin to manage itself.
- Cost – lower cost than traditional media and also allows for the change in strategy and message at a moment's notice with little or no cost implementation.
- Anticipated low spend – could be inexpensive to setup a system & process but may involve man hours to monitor and maintain.

- Engagement using a less threatening and more equalising medium.
- Increased engagement with customers. Engagement is not just quantitative, but qualitative. Social CRM is about conversation, not broadcast
- Possible better adoption – customers engage via the platform of their choice and feel more comfortable about it.
- Instant feedback, both good and bad
- Multiple touch points – social CRM offers the corporation multiple opportunities and interfaces to connect with the customer



Concept Map 2: Critical Success Factors of Social CRM

Champion Leadership

- Have a dedicated person responsible for social CRM. In any company there needs to be at least one (depending on the size of the company) person/people who are responsible for the social CRM. There needs to be accountability in fulfilling CRM objectives.
- Someone in the company needs to have the responsibility to monitor groups, manage, guide, assist and proactively deal with issues to make sure things don't get out of hand
- Needs constant focus – and collaboration needs to be driven daily
- Ownership – it is tricky deciding where the burden for strategic decision-making for Social CRM belongs in the enterprise. There are no hard and fast rules and each organisation must evaluate its leadership structure and organisational dynamics to make a sustainable call

Companywide Commitment and Buy-In (No Silos)

- Employees / People: The team(s) working within a company is what makes up the people. These would be the business development staff, marketing teams, customer services agents, account managers and top management will be working together to ensure that the process is defined, delivered and deployed as closely possible to the "T" as possible.
- Business buy-in, must get everyone to get involved, understand their role & responsibility and get value from the service.
- Buy-in from the whole company – not just marketing function. Marketing needs to drive it – but conversation driven from all divisions

Senior Management Commitment and Buy-In

- C-suite buy-in from within the business – if social CRM isn't driven from the top down and supported throughout a business, it can prove difficult to drive and achieve real business value
- Total commitment of management in using, and in leading by example.
- Total immersion - Paying lip service to Social CRM (or just CRM or just social media) and/or limiting the responsibility for it to a small portion of a company will not lead to success. A company should first embrace social media from top to bottom and immerse itself in the space, particularly from the top leaderships down. This cannot be a side line.

Staff Commitment and Buy-In

- Social principles – the entire organisation needs to be updated and aware of the values and behaviours typical to the social era of business, even if they are inherently contradictory to the business practices of that enterprise.
- Making everyone responsible for data accuracy, adhering to data structuring disciplines agreed to.
- Everyone in the business being totally involved – not just used by some
- Adopting the entire system, living in it and using it for every aspect of engagement and relationship building with the customers, suppliers, partners, influences of the enterprise
- Manpower – Depending on your Social Media footprint, this is not a one man show

- Interacting with clients on a 1 to 1 level not as a corp.
- Interaction – by ecommerce and social media platforms you need to aggregate all blog conversations, quantity and written reviews as well as forum discussions
- Response time. Social media has created the expectation of instant feedback.
- Response time is critical. Responding to comments on social media platforms are very important especially when the comments are negative. One comment can have a snowball effect and damage any brand. There needs to be constant monitoring and effective escalation processes.
- You need enough people, critical momentum for it to be more effective. There needs to be a real focus on value and adding something for the clients when first rolling it out especially.
- Be open to all kinds of feedback – even negative
- Acknowledge when things go bad instead of hiding from it
- Listening – the organisation has to accept they are going to hear/read comments and post they might not be ready for or have brushed under the carpet. The challenge here is being the organisation that listens to what is being said and pro-actively responds both to the market and internally (which might result in a relook at who they are and what services/products they offer).

- Training – as responses are public the people responsible for responding need to have sufficient training. For sales people they may not own social media accounts (Besides a Facebook account) and may need training from setting up to using the software.
- Skilled Strategist – you cannot rely on any young person that has used social media for years to come up with your social CRM strategy. You need people that understand ROI and customer experience to design and manage your strategy.
- Knowledge – the largest barrier to a successful social media CRM solution is the lack of knowledge, not only information regarding the client, but also the process.
- Resources- dedicated resources knowledgeable on the Social CRM system processes e.g. through training.
- Knowledge– Understanding Social CRM and having the relevant qualifications is very important. This role can't be occupied by a junior.
- Having a solid policy. Social media in the hands of the uninformed can be like a machine gun in the hands of a child – extremely dangerous. One inappropriate remark of customer interaction can do untold damage

- Content Creation – you don't want your social media profile to be filled with issues, questions and responses. You want to be constantly pushing thought leadership and attempting to use the channel to sell – this can only be done if you are producing regular content.
- Every touch point – web site, adverts, LinkedIn profiles must be of a constant high standard
- In an ideal world you must make a fair amount of intelligent noise to remain top of mind
- Integrating social CRM strategy with a well-developed and defined content strategy
- Creation of original content
- Content is king. Creating content should be part of the social CRM strategy of a company. Make it relevant and current.
- The clients need to get value from the forum and it must be continuous and consistent. If it's not you will lose them and won't get them back
- When launching a social CRM program you need to have a compelling event, like a new release to get them on the forums to get them to join to get that critical mass.
- Communicate with purpose – don't spam customers – offer real value
- Be proactive in putting content out especially when there are errors in the software, before people have even picked it up

