

White Paper



Social CRM

Betting on the Possibilities

Pradeep V Krishnamurthy

Introduction

The words “Social” and “Prediction” has been two of the most used terms last year. Combining the two is just the logical next step, which is what is attempted here.

This paper tries to do a “Paul, The Octopus” on the future of social networking & social CRM and tries to paint the end-game for the guessing game that is going on where most of stake holders (corporate organizations) are sitting on the fence and are deciding where to jump and at what time.

That social CRM is no longer a term that needs to be explained, thanks to chatter created by the self-proclaimed Social Gurus who have blogged, tweeted and what-not to glory about why corporate houses need to uninhibitedly embrace social CRM, gives us the perfect setting to dive directly into the matters as to why and what they should watch out for, how the social networks may evolve in the near future, which networks to go with and which not to (or if one has all the money, then why not simply Create one Instead) and what is it that they need to do now.

The Problems that needs to be addressed

Social networks will shape social CRM and social CRM will in turn shape social networks. There is no two ways about this. It will be a co-existence and a mutual evolution. For the Social Story to become successful, it is very important for the social networks to sit up and address the following:

- Creation of success stories to accelerate social adoption
- Privacy and security issues
- Preserve the sanctity of being “social”

It is indeed self-explanatory when it is stated that you need success stories to accelerate social adoption. In the evolutionary stage of a technology or a fad (if you think this could be one), there would always be early movers who would want to try out the technology just to have been there and to have done it early. It is just not enough if the social networks aggrandize this and come up with glorified tales about how businesses are roaring by having a social presence. It would help to tickle the curiosity of the ones sitting on the fence, but in order to sustain this movement and to make an impactful statement that this is here to stay, the world needs to see some genuine success stories and about social networks being a truly viable and a value creating alternate channel to deliver their services to their customers. The proof of the pudding of the social of the social channel would be in the dwindling success of other channels that has been traditionally used (even in the internet and call center age).

Privacy and security issues are as important, if not more, as having success stories. Addressing privacy and security issues would be the difference between having success stories and having success stories that are un-tainted.

The social networking sites will have to soon answer some of these questions:

- Validations of a user: Will social networks validate users' online identity? Does one need to buy an online identity from a regulatory body and attach it to social networks? How will the user know that a blogger who blogs is not someone who blogs for a business-benefit?
- Maintaining the anonymity: Will users who want to “give a friendly free advice” on which places to stay during a holiday have to reveal their “validated identity” to strangers?
- Validating a user and maintaining the anonymity: Can the social networks validate the user identify and yet maintain the user anonymity at the same time for the users who do not want their identities to be compromised?
- Preserve the sanctity of being “social”: This would be the toughest challenge for the social networks - to maintain their “social” identity despite going the commercial way. How would they balance the user base? Will it be more of information consumers or more of information providers? Would they want to have more of peer-peer communications or business-to-consumers communication? Do they want to stay a social network or turn into a yellow page?

How will Social Networks Evolve?

In order to understand how social CRM would look like in the future we need to first look at how social networks will evolve. We present here a simple and a generic framework of what we think will be used by social networks to address the problems presented above and evolve further.

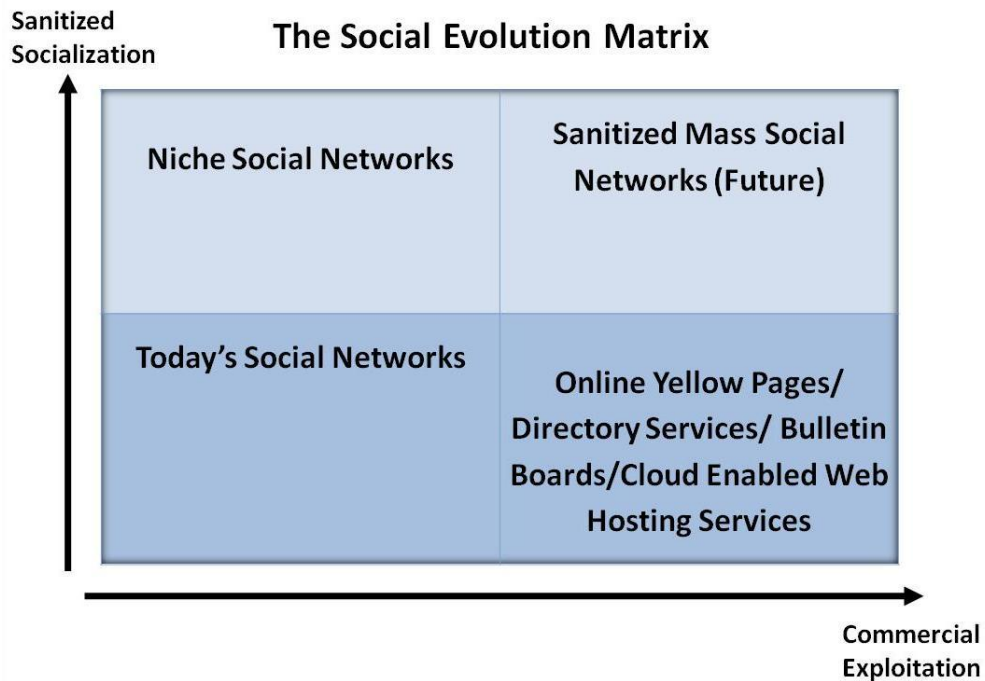
The evolution of social networks will be determined by how these networks move along the two dimensions:

1. Sanitized Socialization
2. Commercial Exploitation

Sanitized socialization, as the name clearly conveys, has two clear areas of focus. The social part of it is the ability of the network to maintain a peer to peer flavor to its site where users can chat up casually and still be able to get a “friendly free advice” or to say things freely to a group without someone using “business intelligence” to interpret their words and trying to make a sale. While the other part that deals with “sanitizing” would comprise of the following:

- Security Zonalization
- Compartmentalization

- Member Anonymity
- Identity Validation



The social networks of the future would look a lot better and more usable to start with. There would also be zones on the social network which would determine the security levels of the user interactions/ transactions on the network. The social networks would roughly get divided in the following zones for a user.

- The personal zone: One-one interactions. No user validations. Double up as scrap book or a personal mail box. The interactions in this zone would remain opaque to the other users. One cannot subscribe to receive conversations happening in this zone. This would be an individual zone with little or no commercial presence. the user in this zone would remain anonymous to other users of the network
- The social zone
 - Private social – Group interactions. No user validations. The interactions in this zone would remain opaque to the other users who are not a part of this group. There would be moderated access to this private social zone like the yahoo groups.
 - Public social – Interactions across the world in an unrestricted group. User validations would exist and be done by the social networks. The interactions in the group will be governed by security laws/ IP laws and multiple forms of legislations. Member would not remain anonymous for the other users of the social network. the content that gets discussed in this forum would be licensed to corporate organizations based on which they would be free to engage in trade with the users in the socio-commercial zone
- The socio-commercial zone- this is the zone where the individuals and the corporate would co-exist. Relevant products and services get advertised by the corporate, commented upon by other users in the group and personalized by the user/group who will be the consumer. The social networks could in fact turn this socio commercial zone into a cloud which could be used by the providers as a platform to offer their sales and services to targeted users. On rare occasions the social network could also be used by the SMEs as their only presence on the World Wide Web and would help them in avoiding costs involved in registration, upkeep and maintenance of their websites.

Further to having security zones, each zone would further get compartmentalized based on the user interests, user's geographic location etc... This will help the social networks to bring the right products and services to the users/ group of users.

As discussed earlier, the user validation and member anonymity preferences would be the integral part of the social networks that would be central to social CRM on these social networks.

What might Social CRM look like on the Sanitized Mass Social Networks of the future?

Google re-defined that way the users searched for information. The social networks-social CRM interplay could pave the way of how information reaches the user just before he may actually look for it. While Google took you to the information across the World Wide Web, what the social networks might end up doing is to bring all the most relevant information/information providers into their networks.

Instead of theorizing what social CRM would look like, it would be better understood by going through the fictional list of "use cases" below across industries and more specifically for the financial services vertical.

Day to day social CRM use cases across verticals

- Discuss movies with your friends on the social zone, watch a free movie premier sponsored by your social network with your friends virtually in the socio-commercial zone (you group might also be tempted to order a pizza through your social network but delivered at your door step. the movie could get premiered during a traditional non –peak hour for the pizza outlet and the pizza provider pays the social network for getting a peep into your life for a highly possible commercial benefit).
- Watch the world cup football or champions league online free on social networks with Nike/ Reebok sponsoring your telecast. The sponsor might also organize a friendly football match for the next weekend in your neighborhood and you would recommend the shoes that you might need, which of course you can buy online on your social networking site.
- Prepare for exams on social networks via paid class rooms that are conducted on-line on the socio-commercial zone.
- Your social community would recommend you the best health insurance plan on social networks. There would be a social premium as against an individual premium depending on the life style of the group you are associated with. You will be under peer pressure from your group for maintaining a good life style to avoid having to go for claims from your insurer which may end up driving up the renewal costs for the group for the subsequent year.
- Get the first pack of free diapers mailed to your home a day after (if) you announce the arrival of your little one on the social zone. CPG companies can come after you by placing an online link to let you get into a contract to buy diapers for the next 3 years which will entitle you to get the necessary stock of diapers delivered to your doorstep on a monthly basis. The aunts and uncles of the newborn may also get a similar offer from a competing brand (which incidentally they might have used for their kids) so that they can gift a life time of diapers for their nieces and nephews). Likewise financial services companies can go after you with their educational savings/investment products for your kids.
- If you for your own business interest of having to write a paper like this, were to run a survey on your social zone on say "what does the users of social networks like of their social networking sites" and your socio- commercial zone has inquiries from two organizations, one trying to sell you a statistic involving preferences of users of social networking and the other letting you know if you would like to attend an interview (on the next Friday as your social calendar is currently free) for the position of a social CRM consultant in their organization

Illustration of Industry Specific Social CRM Use Cases - Financial Services

CRM Functions in Financial Services	Social CRM Channels	
	Sanitized Mass Social Networks	Niche Social Networks
Sales	Twitter, Face Book Accounts to Attract User Attention to Redirect Enquiries to Corporate Web Sites. Analytics/ Business Intelligence Lead Targeted Sales in Social Zones of the Social Networks based on User Discussions	Adopt the “I know, I Like, I Follow” principle of Viral Marketing- Identify Ambassadors, Advocates and Leaders In Niche Social Networks, Provide Unmatched delight in Online/ Offline Services in a Legal Manner. The Influencers will automatically keep the cash register ringing with more sales and inquiries.
CRM Functions in Financial Services	Social CRM Channels	
	Sanitized Mass Social Networks	Niche Social Networks
Marketing	Online Campaigns, Surveys, Targeted Advertisements. Season Based Marketing Campaigns <u>Examples:</u> Health Insurance Offers on Social Networks on Father’s Day, Mother’s Day. Free Tax Filing Software During Tax Season with a Report Showing How user could have a Save More Tax and Links to Investment Plans for the next Financial year	Sponsor Offline Events for Niche Online Communities to Come Together. For Example a Banking firm Organizes a Real Estate Property Spotting Opportunities for a Select Community of Users.
Service	Accounts in Popular Social Network as Service Channels- "Reply Once, Support For Ever"	Online Communities In Niche Social Networks to act as an Extended Service Organization Selective Response to Complaints or Discussions which can taint your organization in Forums and Online Communities
MDM - Master Data Management	Obtain rights to access User Base from the Social Network and Import it in to Master Data(Customers, Partners, Organizational Contacts, Potential Hires) of the Internal ERP Applications for Sales and Marketing	Import Key Users in Niche Communities who are looked up as Leaders as Parties into your ERP and send Collaterals and Information in advance to them so that they could Champion your Brand on the Networks.
New Product Development/Launch	Product Launch Announcements. Crowd Sourced New Product Development	Community Sourced Research and Product Development- Customer Championed New Product Creation for making Brands and Products with a Cult Following.

What we have seen is just the tip of the iceberg. The combination of social CRM and social networks has the potential to be a such a disruptive platform/technology that it is anyone’s guess to predict what other established forms of commerce it may derail on its ascendancy.

What do you do now as an organization?

In real life do you follow your customer into a grocery-shop? Wouldn’t that be stalking? The first and foremost thing is to not let you social CRM investments be perceived as “anti-social”.

It is important for organizations to choose their social CRM strategies carefully and not go overboard on “social” at the cost of other channels that has been established by them over a period of time. They should not blindly invest on social CRM just because a competitor is doing it. A social CRM investment is as personal as a brand building exercise and needs the personalization that is demands for every organization for it will be unique for every company and what can work in one, need not work in the other.

As a result of deployment of social CRM, there would be two types of organizations, one whose social CRM initiatives would have got them more customers in a short time and then as things saturate can't wait to move on to the next fad in the ever changing internet world. The other who's social CRM initiatives have enabled them to redesign themselves as customer centric organizations, where the internal transformations works hand in hand with the their social CRM initiatives where customer comments make its way into the organization, gets analyzed and integrated into the business processes, acted upon, and then disseminated again externally for their customers. These are the organizations that would have made the most of their social CRM investments which would lead to benefits that will far outlive any fad in the internet world.

As a part of your social CRM strategy, you might want to do any of the following below:

- Create a social network (based on a social CRM deployable framework) of your own and use social CRM as a model of revenue.
- Develop business intelligence needed for you if you are a either social network site or an organization implementing a social CRM strategy around the social networking site
- Strategize carefully as to what you want and what your customer may want and to choose the most relevant social networks and shape them if needed to run your social initiatives.
- Outsource completely your social CRM efforts to help boost your sales or manage your service.

Whatever be your chosen path in the social landscape, our colleagues in the CRM practice in Infosys can help you get to your destination and make the journey a rewarding and a lasting experience.

About the Author:

Pradeep V Krishnamurthy is a Lead Consultant with Infosys Technologies and has 9 years of Experience in the domain of ERP and CRM Packaged Solutions. He holds a Master's Degree in Management from the Indian Institute of Technology, Bombay. Pradeep has implemented CRM solutions and packages for leading Fortune 1000 Clients of Infosys over the last seven years. His areas of interest include research in the area of Social CRM to create road maps and solutions for IT services around the Social CRM entity.



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