CUSTOMER RELATIONSHIP MANAGEMENT THROUGH SOCIAL MEDIA

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Abstract

The emergence of social networking threatens the conventional idea of Customer Relationship Management (CRM). The company holds comprehensive knowledge regarding its consumers in a conventional CRM setting, which it uses to maintain its ties with them. Since the advent of large social networking sites, the consumer is no longer relegated to a passive role in business partnership. As well as making more knowledge about competing goods accessible on mobile devices, consumers can quickly communicate and convey their views to broad audiences, and companies are likely to find it more challenging to handle the feedback consumers obtain on their goods / services. CRM has typically applied to an organization which manages consumer relationships. This basic explanation is questioned by the emergence of social media which has influenced and inspired clients. The present paper illustrates at how CRM needs to respond to the growth of social media. Social networking and CRM integration produces road blocks and possibilities which are pursued. The conversation was focused around the current "Social CRM house", which explored how social networking interaction impacts the key areas of the room (i.e., purchase, termination and growth.) and influences company areas (i.e., employees, IT, success evaluation, measurement, and overall communication strategy).

Keywords: *Customer Relationship Management (CRM), Customer Lifetime Value (CMV), Communication strategy, Social networking sites.*

I. INTRODUCTION

The emergence of social networking threatens the conventional notion of "Customer Relationship Management" (CRM). The company has extensive knowledge regarding its consumers inside a conventional CRM system which it uses to maintain its relationships with them. Researchers describe CRM as a mechanism that "emphasizes the comprehensive and

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strategic monitoring of interactions as they pass from beginning (initiation) to end (termination), through implementation through the various consumer-facing communication networks". Essentially, the organization aims to optimize consumer knowledge to enhance customer lifetime value (CLV) and the associated customer equity [1].

For example, a company might create a current and prospective consumer database, segmented according to specific attributes, and direct various marketing efforts to different segments. The organization can choose to invest much more resources in some segments, up-sell others, cross-sell some groups, and focus on cutting the cost of serving others. The company is the main actor in such situations, addressing passive customers, whose ability to respond to the efforts of the company is essentially captured in their buying behaviour [2].

Along with the growth of broad platforms of social networking, the customer is no longer confined to a passive role in his or her business relationship. In addition to making more knowledge accessible on mobile devices on competing goods, consumers can quickly communicate and convey their views to broad audiences, and companies are expected to find it more challenging to handle the feedback consumers obtain on their goods / services. The net result was to raise the control customers have also proposed that businesses would concentrate on recognizing vendor relationship management (VRM) instead of CRM, where customers handle their relationships with vendors and not the other way around. Such trends are highly harmful to businesses: if consumers share derogatory feedback regarding a company, their reputation may be adversely affected. The advent of social media, though, often provides incentives for marketers to connect and interact with their clients, which eventually inspire them towards becoming an advocate for the products. The task for companies is to recognize and maximize these resources, and to escape the risks they bring.

This paper looks at how CRM has to respond to the growth of social media. The social media is regarded as a category of internet-based applications that enable user produced content to be developed and shared. This emerging CRM model is referred to as "Social CRM". Researchers are suggesting a concise framework - the house of social CRM - which describes how social media impacts CRM and produces pitfalls. The CRM house reflects on how multiple CRM activities - acquisition, termination and maintenance - are influenced by contribution rates [3]. Upon analysing the literature on social networking and CRM convergence, consumer interaction rates will be addressed, and then examine how it impacts typical CRM practices. The features of the "private CRM home" and the pitfalls correlated with it will be explored, and suggest study questions that might help businesses overcome such pitfalls.

A. **Introduction to Social Media and CRM: -**

While social CRM is still a relatively new domain, numerous studies have begun to emerge along the CRM-social media borderline. Such papers are divided into two specific groups by

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investigators. The first category is work that identifies strategies to integrate social impact in looking at conventional CRM problems. For starters, several studies have begun to investigate social influences in the turnover of customers. CRM has also been an important part of knowing and forecasting churns. Recent researchers' experiments apply social factors to the churn issue, trying to define the circumstances in which groups of consumers are likely to churn together. Other study that fits in with this group investigates the impact of value assertively in seeding and new acquisition of customers. Researchers build on seeding strategy studies by recognizing the likelihood that consumers in the seeded base may be heterogeneous in their interest contributions to the company. The second study group explores the monetary implications of social experiences or word-of-mouth, commonly referred to as "media meaning." Such findings provide work on marketing activity and market rating, as well as work contrasting word-of-mouth gained consumers with those gained by other networks [4].

This collection of publications varies from theoretical research to case studies demonstrating positive company behaviours. These also contributed to a wider definition of the meaning of consumer interest: this importance is no longer restricted to purchase-based CLV, it instead incorporates contextual aspects such as the significance of consumer power, contacts and awareness. Combined, this work shows the shortcomings of the conventional CRM method, which considers the customer as an independent decision-maker creating interest by sales and purchasing behaviour for the product. Consumers will lead in a multitude of ways to a solid increase through the existence of social media. To leverage this ability, businesses need to shift from a conventional CRM viewpoint to a social-CRM viewpoint [5].

B. **Introduction to Social CRM: -**

A framework has been proposed for understanding how social media affect CRM, the house of social CRM. They first conceptualize how social networking and conventional CRM communicate in order to shape modern CRM in order to create the structure. In particular, social networking influences the degree to which consumers may communicate with a product, and the extent of contact of the consumer also influences and is influenced by the company's response to each of the three conventional CRM components — acquisition, upkeep, and termination. In Fig 1, the relationship between consumer communication (i.e., social media) and the three components of CRM is expressed. (Item 1, labelled with "1" and a box around it).
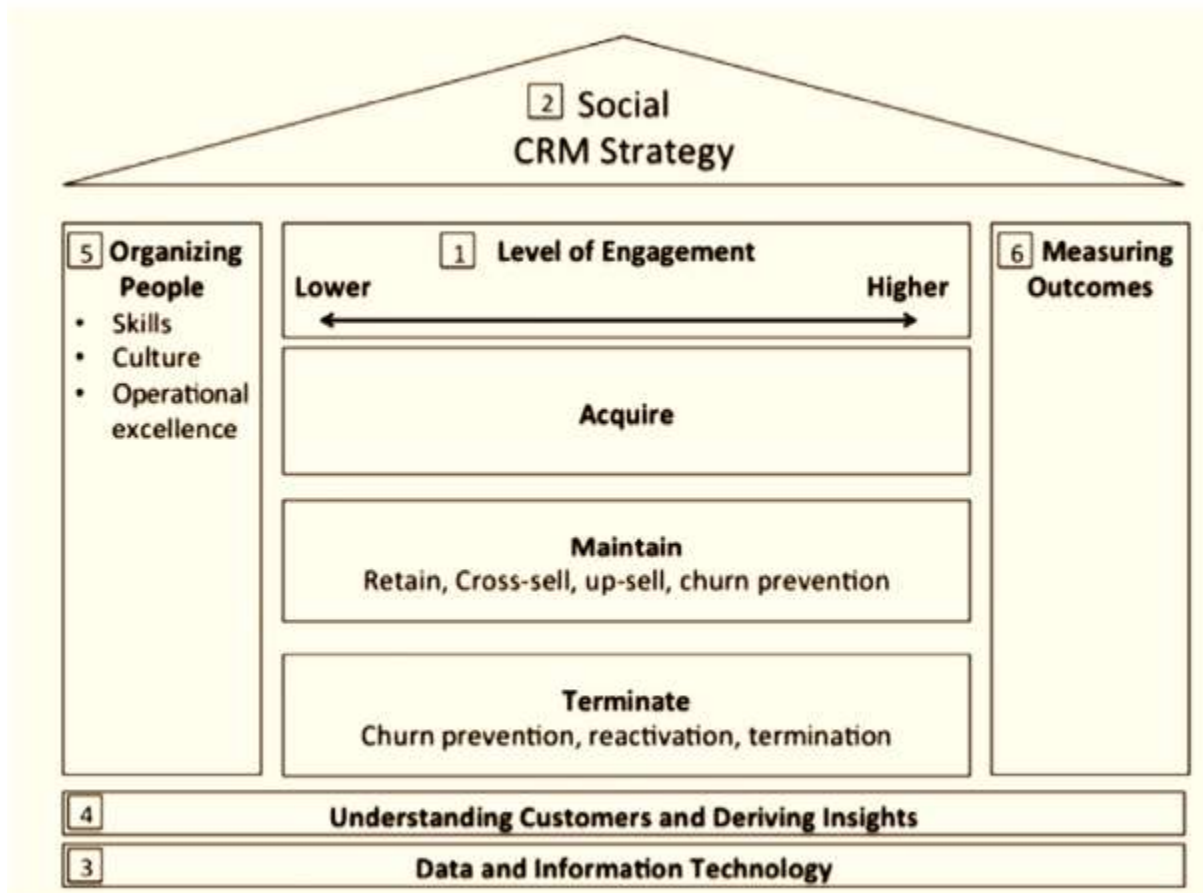
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Fig 1: Social CRM House.

The social CRM is focused on information that businesses gain by examining vast volumes of consumer data rendered accessible by social networking (items 3 and 4). Item 3 includes the "input materials" of various data sources and the computer systems used to capture, archive, interpret and utilize the data. Before they can be actionable, the raw materials must be stored, and element 4 comprises of processes of removing interest from repositories. A strategy's effectiveness is guided by the people who "inhabit" the building, i.e., the workers of the company (item 5). Ultimately, effective methods of evaluating the output of each variable must be established (item 6). Each aspect of social CRM house produces traps that must be prevented by the client [6].

Social CRM is conceptualized as consisting of two dimensions: a dimension of CRM and a dimension of social media. The CRM aspect comprises the three fundamental components of the standard CRM process: introduction (acquisition), continuity (retention), and dissolution of the relationships. Researchers are attempting to define aspects in which the advent of social networking affects each variable, but are not seeking to differentiate between different forms of social media, since the social network environment is constantly changing and new technologies are increasingly being brought into the market [7].

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When discussed above, CRM's standard model suggests customers are passive, reacting mainly to their purchasing activity to the activities of an organization. It was recommended that by encouraging consumers to become active participants in the partnership, presenting them with incentives to interact with the company, a fundamental manner in which social networking may influence CRM. When a consumer creates content linked to a particular brand, he or she is interacting with the product.

Scholars vary with the emphasis and nature of the interaction model, with some concentrating on the consumer's psychological condition, some concentrating on the consumers' non-purchasing behaviours. Of ease, rather than subscribing to the entire spectrum of interaction, researchers distinguish between two types of interaction: lower engagement, which describes circumstances in which consumers either only ingest content passively or use rather simple forms of feedback; and greater engagement, which describes instances in which consumers actively process or interact in the brand's position in their lives.

It is important to differentiate this from its implications when determining consumer interaction. For e.g., merely pressing a "like" button is a lower type of consumer interaction, because very little understanding of the context of the brand is needed. And a wide group of friends can notice the "like" of a buyer, and even push the friends to purchase. Conversely, a customer who publishes a long, thorough analysis of a restaurant or music album on a website shows a higher degree of interaction, even though the review's impact on others are small, e.g. perhaps because there is a poor level of shared interest amongst users or because there are few users to the website on which the analysis appears [8].

An indicator of the above case is the "Crash the Super Bowl" rivalry by Pepsi Max, which draws on the principle of the demand for ideas. Consumers were invited to produce videos in this competition which reveals why they liked Pepsi Max. A cash prize was awarded to winning videos, and screened during the Super Bowl competition. Consumers who took part in the competition were strongly involved, even though several others refused to see non-winning entries. For social CRM, the two dimensions we describe build a two-way contrast (social media: lower involvement, higher involvement) by three (CRM: acquisition, maintenance, termination), which forms the foundation of the following debate.

There is no line of division between higher and lower involvement, because doing so would imply two rates of involvement which would refute our argument that the extent of engagement is a scale. A business will evaluate the CRM plan depending on the degree of interaction that consumers are expected to display and the CRM targets the organization wants to accomplish. Consumer interaction is intrinsic in that it is influenced by the touch points of the business, and therefore the essence of the relationship determines subsequent points of communication [9].

C. **Lower Customer Engagement: -**

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Most of the organizations who aim to engage social media in their attempts to gain consumers begin by posting advertisement spots on YouTube, running ads on Twitter, or sharing updates about their Wikipedia items. Customers with lower rates of interaction or simply ingest these content, or may connect with it through "liking" it or posting it (for example, on Facebook, YouTube or Twitter). Such behaviour will help businesses increase knowledge and shift perceptions among prospective consumers, thus leading to new consumer acquisition (see previous chapter on the consequences of engagement).

A benefit of focusing on social networking practices such as those described above is that businesses will draw on the simple mechanisms they are already acquainted with by organizing more conventional marketing operations (e.g., displaying ads on TV, putting banner advertisements on a site and presenting updates on the corporate web page). This familiarity reduces danger, especially for businesses that are new to social media space. In reality, the key distinction between these promotions and their conventional equivalents from an operational viewpoint is maybe the potential to increase targeting [10].

Companies should, in a like vein, integrate social networking into their attempts to attract current clients and establish continuing ties with them. For e.g., Facebook brand pages have been shown to be successful in affecting brand perceptions of consumers who "heart" them and the same applies to virtual world flagship brand stores. This ability to maintain consumers is particularly critical for markets where businesses are unable to quickly define their current end-customer bases, such as fast-moving consumer products, or where businesses are highly reliant on indirect delivery.

Nevertheless, as with the examples mentioned with acquisitions, while such practices focus on some sort of consumer interaction, such as enjoying a brand website, they are also very constrained with terms of the degree to which they enable consumers to participate in the retention efforts of the business [11].

D. **Termination: -**

Higher rates of consumer involvement render termination of the partnership more difficult particularly when the business begins it. In fact, split consumers are likely to respond adversely to termination by transmitting derogatory word of mouth. This negative word-of-mouth will contribute to the loss of consumers that the business needs to retain, especially in a competitive market and, in the worst case, to concerted acts such as consumer boycotts. If determining which consumers to retain and which ones to "stall," businesses will take note of these (indirect) divestment costs.

E. **Social CRM Strategy: -**

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Researchers propose that social CRM's strategic goal would provide several sources of business interest, including CLV, "Consumer Influence Value" (CIV), "Consumer Influence Effect" (CIE), and "Customer Referral value" (CRV), and customer benefit. The organisation will also need to recognize interest for certain stakeholders, such as culture or other related groups, as new media has allowed users to propagate negative word-of-mouth beyond what conventional watch-dog journalism might do [13].

Studies provide examples of how a shared emphasis on the interest generated from both the company and the consumer - called interest fusion - can create a relationship that favours all parties. They have five case studies spanning from Wiki-crimes to crowd-funding and specific forms of smartphone applications. Another form of meaning fusion that is more directly linked to social CRM is the usage for marketing purposes of data collected from social networks, and is relevant to the privacy concerns mentioned below. For e.g., suppose a music store introduces a program that deduces individual consumer tastes inside its database.

Depending on what consumers write in comments or tell in certain online sites, along with certain measurable anomalies like browser history, it deduces that a consumer likes a certain band. Value-fusion approaches will use this insight to optimize market and consumer interest. For examples, it might submit an email letting the client know this band is about to release a new album. This contact has a strong advantage for the company because it may generate a profit. A randomized, monitored check will allow the firm to recognize the exact interest the email produces [14].

The value-fusion issues are how and whether the consumer profits from the email. The buyer can trust information of the latest album and purchase it to provide a hedonic benefit. However, the email may still generate detrimental interest. It may be viewed as spam, contributing to the consumer opting out of newsletters and not purchasing from the seller (reduction of CLV). The consumer might still believe his privacy was breached, complain about the social network account and privacy breach and potentially build a problem for the company. Common metrics such as customer loyalty, for example, can represent the interest the user receives, but are also not diagnostic. For order to resolve this pitfall, more precise indicators of the antecedents need to be established for fulfilment, such as the degree to which the benefit proposition is provided [13].

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F. **Operational Excellence: -**

Operational excellence refers to the establishment of harmonized business processes and frameworks which enable social media to become an integral part of organizational and CRM processes. Apart from CRM, several companies have several touchpoints including conventional outbound radio, print and outdoor advertisements, face-to-face communications with front-line staff, and discussions with call-centre members, and the number of communication distribution platforms tends to expand. Such contact points are also handled by different silos within an organisation.

Convergence allows businesses to combat the prevalent silo mind-set and facilitate the convergence of knowledge processing and access to data, as well as output and practical processes. A typical approach to developing a shared understanding among workers is to identify standards or codes of ethics to be enforced in such contexts (i.e., responses, performance assessments, and chain of command escalation procedures). This can be achieved with a well-defined brand identity and for any touch point, even CRM contact points, the definition can be reinforced.

II.   CONCLUSION

CRM's idea is that the organization should and will handle partnerships with its clients to increase the loyalty value, and goal that ultimately affects the client. Social networking and other emerging innovations have provided customers the ability to respond. Technologies have now made it easier for customers to process ads and CRM notifications, equate costs with rivals via mobile devices from everywhere, and send favourable or derogatory brand notifications to a global population. To thrive in this industry, CRM will grow by creating touch points that influence the customer and add value to both the business and the user.
Given our attention on the specific issues involved with mobile CRM, they are by no means naysayers on including social networking in CRM approaches. Instead, the businesses and academics would be best positioned to tackle these issues by thoroughly understanding them.

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