



Social CRM: The New Rules of Relationship Management

18 Use Cases That Show Business How to
Finally Put Customers First

March 5, 2010

By R “Ray” Wang and Jeremiah Owyang
with Christine Tran
Edited by Charlene Li

Includes input from 42 ecosystem contributors



Table of Contents

- Open Research 3**
- Disclosures..... 3**
- Ecosystem Input 3**
 - Influencer Input..... 3
 - Vendor Input 3
- Purpose and Intent 4**
- Executive Summary 4**
- Customers Have Moved – Organizations are Falling Behind 5**
- Social CRM Reconnects Organizations Back to Customers 6**
- Avoid the Hype – Deploy Social CRM for Business Value 7**
- Get Value: Adopt the 18 Social CRM Use Cases 8**
- All Use Cases Start with Listening 9**
 - Social Customer Insights Form the Foundation for All Social CRM Use Cases 9
 - Social Marketing Seeks to Achieve Customer Advocacy..... 11
 - Social Sales Enables Seamless Lead Opportunities 12
 - Social Support and Service Drives Sustainable Customer Satisfaction..... 14
 - Social Innovation Streamlines Complex Ideation 15
 - Collaboration Reduces Organizational Friction and Stimulates Ecosystem 16
 - Seamless Customer Experience Sustains Advocacy Programs 17
- Recommendations..... 19**
- Resources..... 20**
- Sources..... 21**
- About Us 22**

Open Research

This report is published under the notion of open research. The Creative Commons License is [Attribution-Noncommercial-Share Alike 3.0 United States](http://creativecommons.org/licenses/by-nc-sa/3.0/).

Disclosures

Your trust is important to us, and as such, we believe in being open and transparent about our financial relationships. With their permission, we publish a list of our client base on our website. At the time of this report's publication, some of the technology providers we interviewed are Altimeter Group clients. See our website to learn more: <http://www.altimetergroup.com/disclosure>.

Ecosystem Input

This report could not have been produced without the generous input from some of the leading market influencers and the following solution vendors who have a vested interest in seeing success in Social CRM. Please keep in mind; input into this document does not represent a complete endorsement of the report by the individuals or vendors listed below.

Influencer Input

Nenshad Bardoliwalla
Paul Greenberg: The 56 Group, LLC
Dion Hinchcliffe: Hinchcliffe & Company
Erin Kinikin
Esteban Kolsky: Thinkjar LLC
Marshall Lager: Third Idea Consulting LLC

Brent Leary: CRM Essentials LLC
John Lovett: Web Analytics Demystified
Oliver Marks: The Sovos Group
John Ragsdale: TSIA
Susan Scrupski: The 2.0 Adoption Council
Josh Weinberger: CRM Magazine

Vendor Input

Alterian
Boomi
CrowdEngineering
Epicor
Get Satisfaction
Gigya
Helpstream
IBM
Infosys
INGage Networks
Jive Software

KickApps
Lasso Partners
Lithium
Microsoft
Motif Networks
Mzinga
Oracle
Pervasive Technologies
Radian6
RightNow Technologies
Sage Software

Salesforce.com
SAP
SAS Institute
Scout Labs
Socialtext
Telligent
Visible Technologies
Wipro Technologies

Purpose and Intent

This document serves as a starting point, checklist, and reference guide to real-world entry points for Social CRM projects. The use cases represent an amalgamation of over 100 conversations with organizations pioneering Social CRM initiatives.

Executive Summary

Customers continue to adopt social technologies at a blinding speed – yet organizations are unable to keep up. Why? Rapid adoption of social networking enables users to connect with individuals and communities who share mutual interests, increasingly leaving organizations out of the conversation. Simply hiring more people to keep up with social marketing, sales, and support will not be sufficient, as consumers and their new channels will always outnumber employees. As a result, companies need an organized approach using enterprise software that connects business units to the social web – giving them the opportunity to respond in near-real time, and in a coordinated fashion.

Social CRM does not replace existing CRM efforts – instead it adds more value. In fact, Social CRM augments social networking to serve as a new channel within existing end-to-end CRM processes and investments. Social CRM enhances the relationship aspect of CRM and builds on improving the relationships with more meaningful interactions. As the “Godfather of CRM,” Paul Greenberg notes, “We’ve moved from the transaction to the interaction with customers, though we haven’t eliminated the transaction – or the data associated with it... Social CRM focuses on engaging the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It’s (i.e. Social CRM is) the company’s response to the customer’s ownership of the conversation.”

Social CRM programs may start at the departmental level, but over time, must gain corporate buy in to transcend functional fiefdoms in sales, marketing, service, etc. Most organizations start their initiatives by building out the “5M’s” and deploying a customer insight program. From there, organizations should focus on business values across the seven categories of Social CRM use cases. Each of the 18 use cases can be prioritized by both market demand and technology maturity. With defined metrics in place, organizations can then begin the journey of bringing social networks back into their CRM systems. The below figure lists the 18 use cases:

Figure 1: The 18 Use Cases of Social CRM



Customers Have Moved – Organizations are Falling Behind

The relationship between organizations and customers has traditionally been optimized around the organization, not the customer. However, the rapid adoption of social networks has shifted the balance of power to the customer. Companies and organizations have fallen behind in connecting with customers, and realize that they must find a way to at least participate in the conversation. Some still yearn to regain control of the customer relationship. The reality – this is no longer possible as a few key trends have emerged:

- Customers connect with each other – happily leaving organizations behind.**

Customer behavior has changed. Businesses and organizations no longer control the conversations with their customers. In fact, customers and prospects have chosen to engage with organizations on their own terms, for instance in Yahoo! Answers, online communities, and on Twitter because they trust companies less and less. As a growing number of customers choose to connect and collaborate with each other, for instance, in Get Satisfaction, Yelp, and the blogosphere, they've discovered that they can enjoy a more accurate, timely, and relevant customer experience without the organizations, disrupting the flow of influence.

- **Companies know the problem will get worse before it gets better.** Organizations realize they are no longer in charge. They often lack a credible strategy that empowers their employees to catch up with their customers. Although Comcast Cares has over 10 employees responding in social channels, they know they can't scale in a 1:1 manner. Furthermore, a proliferation of new social networks and mobile tools are appearing at an increased pace – organizations will fall further behind. The result – tremendous amounts of waste in piecemeal data, customer records, APIs, and experiences – leaving companies unable to efficiently reach customers, prospects, and partners.
- **Outdated frameworks and pet theories relegate discussions to incremental fixes.** Organizations seek a unified framework from which to build use cases. What's lacking is a holistic approach to integrating social into CRM and enterprise apps. With technology providers espousing their point of views based on heritage (e.g. support, sales, marketing, and customer experience), and over 15,740 social media self-proclaimed experts on Twitter¹, confusion abounds in the application of social CRM. The market seeks actionable frameworks to provide vision, build use cases, create entry points, address change managements, and consider technology requirements.

Social CRM Reconnects Organizations Back to Customers

It's the relationship, stupid!² Traditional CRM projects have failed to grasp the complexities of the customer-company relationship. Though these CRM programs started out with the goal of providing a single customer view and 1:1 relationship management, early efforts quickly refocused on automation of front office tasks and improving management visibility across marketing, sales, service and support. Because these programs have often failed to support the front office worker's needs to manage relationships, internal adoption halted as users grew to resent, and in some cases revolt, against CRM.

At the same time, today's proliferation of new social channels leave existing CRM programs and technologies increasingly ill-equipped to build relationships within these new channels. Vendors touting simple Facebook Connect and Twitter integration only scratch the surface in embracing social technologies. Accordingly, organizations who require more innovation in their CRM programs and systems will seek Social CRM tools as a set of emerging solutions to relationship management. Moreover, relationship management must move beyond lists of past interactions. Social CRM captures both official and unofficial customer conversations, including emotional state, humor, anger, etc. Social CRM is more than just another channel. Properly practiced, Social CRM recognizes the depth of the relationship and understanding the current state – good, bad or ugly.

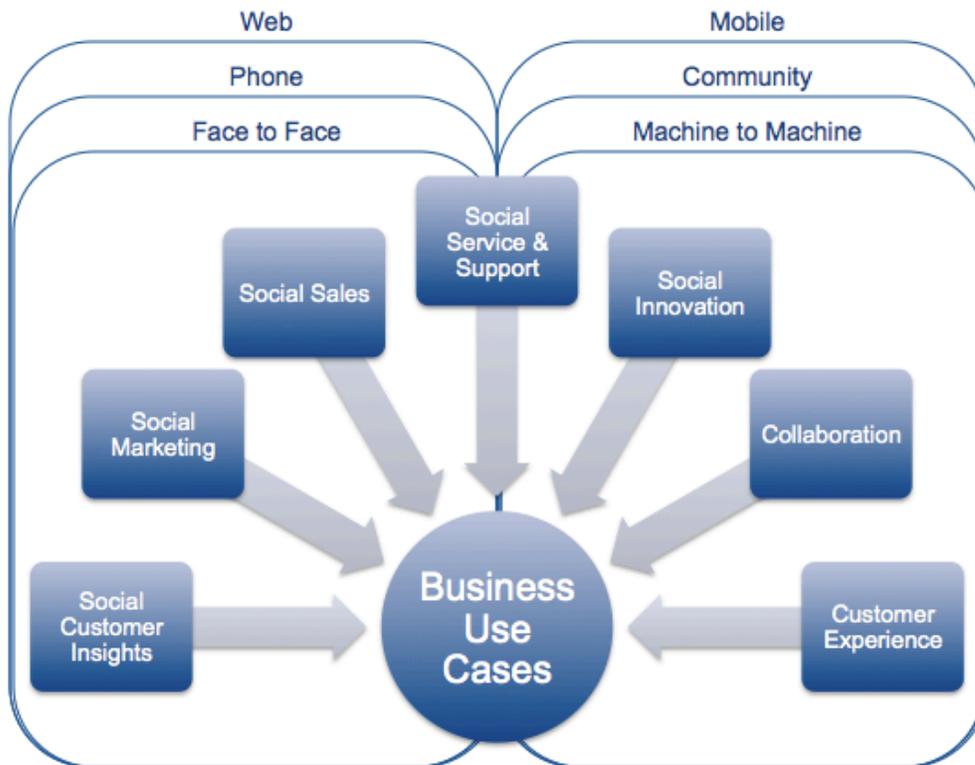
With the social "genie out of the bottle," organizations must re-engage by regaining a seat at the table. Efforts should be spent towards rekindling relationships by engaging with customers in their preferred environment (i.e. social channels). Increasing transparency through social channels may improve corporate reputation. According to the latest Edelman Trust Barometer,

transparent processes earned the top mark for improving corporate reputation (83%). In any case, participation in social channels will add to the mosaic of trust – restoring lost relationships.

Avoid the Hype – Deploy Social CRM for Business Value

Social CRM programs must deliver real value, not buzz. Given today’s tight budgets, limited resources, and little time, organizations need to focus on bite-sized entry points. Choose entry points based on business value.³ Altimeter Group has identified seven categories that tie directly to real business use cases (see Figure 2):

Figure 2. Choose Your Entry Points to Business Value



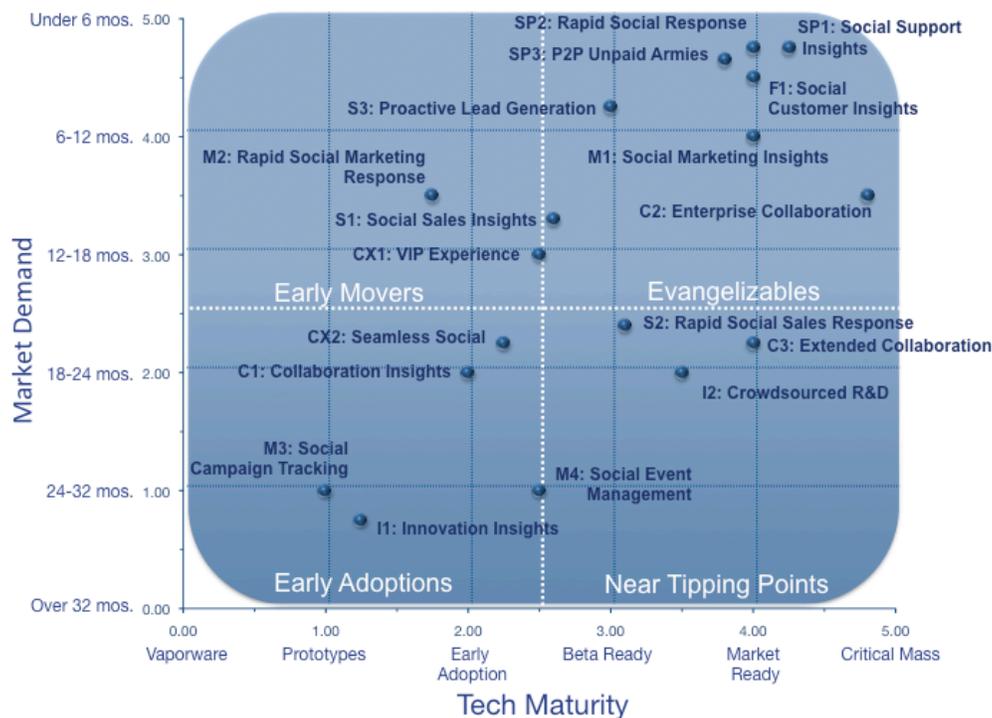
Each one of the 18 use cases brings definable metrics that should be incorporated in each Social CRM program (see Figure 3). Begin with the end in mind. Metrics should be aligned with an organization’s entry points. Quantify the baseline and determine the effort. Adjust ROI targets to align resources with efforts to move the needle. The goal – drive business value.

Get Value: Adopt the 18 Social CRM Use Cases

After months of study and interviews with over 100 organizations, Altimeter Group has identified 18 use cases for Social CRM. Despite the diverse set of options, not all use cases are equal. Organizations must prioritize based on market demand and technology maturity. Market demand reflects the urgency by organization to deploy a use case. For instance, high demand (i.e. in the next six months) scores a “5”, while low demand (i.e. greater than two years) yields a “0”. Tech maturity scores the market readiness and maturity of a solution. A solution set that gains a critical mass of customers earns a “5” while a conceptual solution is considered vaporware or scores a “0”. A ranking of the use cases reveals four categories:

- **Evangelizables.** This category represents market demand that is *less* than 16 months and technology maturity between beta ready technologies and those with critical mass.
- **Near Tipping Points.** This category represents market demand that is *more* than 16 months and technology maturity between beta ready technologies and those with critical mass.
- **Early Movers.** This category represents market demand that is *less* than 16 months and technology maturity between vaporware and beta ready technologies.
- **Early Adoptions** This category represents market demand that is *more* than 16 months and technology maturity between vaporware and beta ready technologies.

Figure 3. Not All 18 Social CRM Use Cases are Market Ready



All Use Cases Start with Listening

In each of the seven categories of Social CRM, Altimeter Group provides an order of operations. Use cases that address insight serve as the foundational requirements for all other activities. Each category of use case includes a range of reactive to proactive use cases of Social CRM in action.

Social Customer Insights Form the Foundation for All Social CRM Use Cases

1. **Social Customer Insights (F1).** "Wondering why Facebook knows more about my customers than I do?" Social Customer Insights form the foundation for all Social CRM initiatives. Because many organizations have lost touch with their customers, they've failed to achieve a credible marketing presence in new social channels. Insights move beyond just preferences, interests or birthdays. The social web delivers insights into the opinions about an organization's products and services. Unfortunately, lack of customer insight has led many organizations to misunderstand their customer needs resulting in an array of product and solution design failures.

Market Demand Index: 4.50

Tech Maturity Index: 4.00

Thus, Social CRM projects must begin with the 5M's: Monitoring, Mapping, Management, Middleware, and Measurement (see Figure 4). These five foundational processes provide a framework to filter huge signal-to-noise ratios from blogs, tweets, and other social media. While not all of the 5M's need to be ready to start, organizations will need all 5M's to truly engage well with a customer. Output from the 5M's power the social customer insights for all the Social CRM use cases. Below is a detailed description of the 5M's:

Figure 4. The “5M’s” of Social CRM: Baseline Processes

	Why it's important	Resources and Requirements	What they don't always tell you	Vendors to watch
Monitoring	Provides listening capabilities to filter out noise from the social sphere. Encapsulate both metrics and measurement. Extract insights making measurement more effective.	Brand monitoring software that monitors and scrapes the social web, has team-based workflows and connects to existing CRM databases.	Use tightly scoped keywords to define the search parameters. Yet don't go too tight or you miss key opportunities – going too wide results in too much noise.	Biz360, Buzzmetrics (Nielsen), Cymfony, Radian6, SAS Institute, Scoutlabs, Visible Technologies
Mapping	Mapping solutions identify relationships. Due to lack of single identity, companies must link social profiles to customer records to provide a holistic experience.	First, find existing public profiles to match, like LinkedIn and Google profiles. Additional database fields must be created that match customer records to social profiles.	The trick is to get them to map their profiles for you. Entice them with rewards, better service, and special deals in an opt-in manner	Facebook (profiles), Gigya, Google (profiles), OpenID, SalesView, Spredfast, Sprinklr
Management	Management systems bring CRM processes to life. Without a purpose, social data is unactionable. Business rules and processes are needed to triage the right information to the right teams in real-time.	Tie back the social world and channels to existing innovation, marketing, sales, support and service processes. Triage profiles to create prioritization frameworks.	Companies must develop a crises plan for the worst possible scenarios and conduct internal fire drills. Expect the worst to happen on Friday afternoons when management is not available.	CoTweet Infor, KANA, Oracle, RightNow Technologies, SAP, SAS, SugarCRM
Middleware	Middleware technologies glue the social world to the enterprise. Social CRM connects to nearly every customer facing system. Data will have to seamlessly flow between systems, and advanced dashboards that provide intelligence.	Apply technologies such as complex event processing, business process management, business rules, workflows, data integration, and process orchestration among disparate systems.	Develop business rules based on your unique processes. They will include: workflows, complex event processing, and enablement technologies to respond.	Boomi, D&B Purisma, IBM, Informatica, Oracle, Pervasive, Progress Software, SAS DataFlux, SOA Software, Software AG, TIBCO
Measurement	What you can't measure you can't improve, therefore organizations must be able to benchmark what's been done.	Advanced dashboards that provide intelligence. Measure based on business objective like improved satisfaction, spread of message.	Rely on data to provide benchmarks, trending, prediction, and sentiment. Bring the insight into actionable state.	IBM Cognos, Information Builders, Microsoft, Oracle Hyperion QlikView, SAP Business Objects, SAS Institute

Social Marketing Seeks to Achieve Customer Advocacy

Use cases start with Social Marketing Insights and move from reactive programs such as Rapid Social Marketing Response to proactive use cases such as Social Event Management. Details include:

2. **Social Marketing Insights (M1).** "Listen before talking." Social marketing builds off analysis from Social Customer Insights. To be effective, marketers must listen to what consumers are already saying, making them relevant when they deploy their social marketing efforts. Marketers must identify top influencers, rank top conversations, prioritize top channels, identify velocity of discussion, and gauge the tone of topics. Sophisticated marketers will create their own "private focus groups" using insight community vendors. One Fortune 500 consumer products company began their initiative with Social Marketing Insights and discovered that over 75% of its marketing spend did not reach its most influential social channels.

Market Demand Index: 4.00

Tech Maturity Index: 4.00

Vendors to watch: Alterian, Biz360, BlogPulse (Nielsen), Brandwatch, BuzzLogic, BuzzMetrics (Nielsen), Cymfony, Dow Jones Insight, Get Satisfaction, IBM Atlas for Lotus Connections, Jive Software (Filtrbox), Microsoft Dynamics, Overtone, Radian6, RightNow Technologies, SAS Institute, Scout Labs, Spiral16, Sysomos, Telligent, Visible Technologies. Insight community vendors: Communispace, Passenger

3. **Rapid Social Marketing Response (M2).** "Defending the brand." Companies can no longer afford to slowly respond to customers, as a blogger can trigger a discussion that results in mainstream PR crises (e.g. The Punked List⁴). To be successful, brands will have to identify what's being said, the severity of the information, the influence of that person, and context of previous interactions. They must quickly triage to respond in near real-time. The Social CRM system provides coordination among teams.

Market Demand Index: 3.50

Tech Maturity Index: 1.75

Vendors to watch: Alterian, CoTweet (ExactTarget), Hootsuite, Jive Software, Microsoft Dynamics, Radian6, RightNow Technologies, Salesforce.com, SAP, Scout Labs, Telligent, Visible Technologies

4. **Social Campaign Tracking (M3).** "Optimizing in flight." Unlike traditional advertising, social marketing is constantly changing and requires constant attention and massaging. As a result brands, must track what's being said so they can quickly respond. They must constantly monitor sentiment, velocity, discussion, and relationships in order to make real-time course corrections. For example, a large software gaming publisher used Social Campaign Tracking to change key elements of its product launch to address a new class of users. Armed with information about the

right language and conversations to participate in, a shift from a print campaign to an actual offer in a country specific multi-player environment led to a 23% increase in sales. As a result, they opened up a new market in a geography they had planned not to enter.

Market Demand Index: 1.0

Tech Maturity Index: 1.0

Vendors to watch: Alterian, Biz360, Dow Jones Insight, Overtone, Radian6, SAS Institute, Scout Labs, Visible Technologies.

5. **Social Event Management (M4).** "What happens in person goes social." Marketers need a social strategy before, during, and after the market for both online and physical events. Events are no longer a fixed period of time. They must use social to promote the event to connect customers, improve the event experience in real-time, and track mentions and follow-ups for lead generation. Leading organizations such as LeWeb and Tokyo 2.0 now incorporate a combination of Social Event Management tools such as Plancast event listings to real-time Twitter streams. Attendees already supplement traditional events with live chat press conferences, video uploads, and podcasts. Don't expect this to be limited to physical events. InXpo, ON24, and Unisfair will quickly develop solutions for virtual events tied with social. The goal – provide speakers with feedback, answer audience questions, and gauge overall sentiment.

Market Demand Index: 1.0

Tech Maturity Index: 2.5

Vendors to watch: Alterian, Biz360, Dow Jones Insight, Gigya, InXpo, ON24, Overtone, Radian6, Scout Labs, Unisfair, Visible Technologies

Social Sales Enables Seamless Lead Opportunities

Use cases start with Social Sales Insights and move from reactive programs such as Rapid Social Sales Response to proactive use cases such as Proactive Social Lead Generation. Details include:

6. **Social Sales Insights (S1).** "Finding your prospects' and customers' watering holes." Due to limited budgets and poor tools, most organizations lack a sales presence in social channels. Social Sales Insights builds off analysis from Social Customer Insights to hone in on sales transaction channels. To succeed, organizations must identify not only where their key prospects and customers interact, but also the key needs that a brand aims to help with. By ranking the level of influence a social channel exerts, organizations can then target their social sales efforts to avoid an expensive and ineffective shotgun approach. A Fortune 100 financial services client used Social Sales Insight to determine when they could be helpful in social channels and conversations as opposed to interrupting the conversation. Four months later, social channel territory sales comprised 10% of all sales.

Market Demand Index: 3.30

Tech Maturity Index: 2.60

Vendors to watch: Alterian, Biz360, BlogPulse (Nielsen), Brandwatch, BuzzLogic, BuzzMetrics (Nielsen), Cymfony, Dow Jones Insight, IBM Atlas for Lotus Connections, Jive Software (Filtrbox), Overtone, Radian6, Scout Labs, Spiral16, Sysomos, Telligent, Visible Technologies

7. **Rapid Social Sales Response (S2).** "Catching a lead in mid-air." Rapid Social Sales Response monitors key channels for sales opportunities. Armed with knowledge and sentiment analysis from Social Sales Insights, sales teams can target key buying communities and rapidly react to potential sales triggers. Sales teams who pinpoint a valid point of need can then engage. By participating in the right conversation at the right time, a sale can be intercepted from a competitor's hand. Sales teams then bring the prospects back into a sales channel of their choice: web, phone, or email to complete the transaction. Recently, a sales representative at a medical technology company intercepted a conversation in a chat group about a prospect's concern. Through Rapid Social Sales Response the representative jumped in and shared best practices with the prospect. Impressed by her professionalism, the prospect awarded a multimillion dollar deal to a company they had never even shortlisted.

Market Demand Index: 2.40

Tech Maturity Index: 3.10

Vendors to watch: InsideView, Jive Software, Lithium Technologies, Telligent

8. **Proactive Social Lead Generation (S3).** "Using Peer 2 Peer Lead Generation." Proactive Social Lead Generation reaches customers who would like to be educated by the organization or its ambassadors. Even after tiering of key social channels through social sales insights, organizations still lack feet on the street so referrals, online customer testimonials and social recommendations will be key for scale. With savvy competitors siphoning off sales from traditional channels, organizations and ambassador programs can improve channel coverage and qualify social media opportunities into leads for response by the appropriate channel. A major consumer electronics vendor found that conversion of leads to sales in Proactive Social Lead Generation added immediate profits and reduced sales channel costs by as much as 33%.

Market Demand Index: 4.25

Tech Maturity Index: 3.00

Vendors to watch: Aprimo, Genius.com, iContact, Manticore Technology, oppSource.com, Oracle, Scout Labs

Social Support and Service Drives Sustainable Customer Satisfaction

Use cases start with Social Support Insights and move from reactive programs such as Rapid Social Response to proactive use cases such as P2P Unpaid Armies. Details include:

9. **Social Support Insights (SP1).** "Realizing where there's social smoke there's a social fire." Social Support Insights builds off analysis from Social Customer Insights. The output provides organizations with the information needed to rank an individual's level of influence, determine friend or foe status, associate the relationship with the organization, and select an appropriate response channel. For example, a consumer in a B2C environment could also be a key influencer in a B2B deal. Social CRM breaks down B2B and B2C and identifies relationships in Peer-to-Peer (P2P). Organizations gain targeted triaging based on key influence factors and improve the effectiveness of their spend on support and service. A major utility provider applies Social Support Insights to help their support and service teams prioritize key influencers and their involvement in key social channels. The result – 11% increase in customer satisfaction and a baseline for its Rapid Social Response initiatives.

Market Demand Index: 4.75

Tech Maturity Index: 4.25

Vendors to watch: Alterian, Baynote, BlogPulse (Nielsen), Brandwatch, BuzzLogic, BuzzMetrics (Nielsen), Clarabridge, Cymfony, IBM Atlas for Lotus Connections, Jive Software (Filtrbox), KickApps, Lithium, Microsoft Dynamics, Radian6, RightNow Technologies, SAS Institute, Scout Labs, Spiral16, Sysomos, Telligent, Visible Technologies

10. **Rapid Social Response (SP2).** "Discovering that real time isn't fast enough." Despite the proliferation of channels, organizations must be able to triage support requests and customer feedback. Failures can rapidly increase the likelihood of a groundswell of consumer activism and mainstream PR disaster such as United "Guitars." Organizations must be able to act quickly and respond to those who meet preset criteria. Several on-line retailers have successfully employed Rapid Social Response and found a 4 to 7% increase in customer satisfaction and a 1 to 3% improvement in retention rates.

Market Demand Index: 4.75

Tech Maturity Index: 4.00

Vendors to watch: Alterian, Helpstream, Lithium, Microsoft Dynamics, Microsoft SharePoint, Parature, Radian6, RightNow Technologies, Salesforce.com, Scout Labs, Telligent, Visible Technologies

11. **Peer-2-Peer (P2P) Unpaid Armies (SP3).** "Harnessing your advocates." Customers and partners now know more about your services and products than your organization does. No organization can have the resources to provide customer support in a 1:1 fashion. In addition, most organizations lack a presence in social networks to change

the tenor of conversation. As a result, smart organizations find ways to harness this collective expertise. They recruit, recognize, and reward advocates who provide support. Organizations gain scale in reducing support/service costs as they add each community and channel. Advocates also play a role in responding to scenarios where it may be awkward for the organization to address such as PR fires.

Market Demand Index: 4.65

Tech Maturity Index: 3.80

Vendors to watch: Bazaarvoice, Consona Corporation (KNOVA), CrowdEngineering, Expo.TV, Fuze Digital Solutions, Get Satisfaction, InQuira, Jive Software, KickApps, Lithium, Mzinga, Parature, RightNow Technologies, Telligent, Yammer, and Zuberance

Social Innovation Streamlines Complex Ideation

Streamlined innovation represents ideation and innovation nirvana. Use cases listed below should support efforts to attain this state. Details include:

12. **Innovation Insights (I1).** "Catching innovation trends right under your nose." Innovation Insights utilizes the analysis from Social Customer Insights and Social Support Insights. With time to market increasing in importance, organizations can no longer afford to design products and services in a vacuum. Organizations must capitalize on innovation trends that can range from product fixes and enhancement requests to feature and solution suggestions. The goal is to capture, organize, and prioritize ideas. A large telecommunications company carrier utilized Innovation Insights to identify a large market for a new product accessory that had not yet been developed. One year later, the new product line accounts for 10% of all sales.

Market Demand Index: 0.75

Tech Maturity Index: 1.25

Vendors to watch: beRelevant, CrowdEngineering, Get Satisfaction, Idea Magnet, Jive Software, KickApps, Lithium, LiveWorld, RightNow Technologies, Salesforce.com, Telligent, UserVoice

13. **Crowdsourced R&D (I2).** "Real-time innovation and feedback." Crowdsourced R&D improves concept to delivery time frames. Because pace of innovation in traditional models is too costly and slow, organizations must find new ways to leverage the strengths of product experts. Customers, partners, and industry watchers can play a role to expedite requirements gathering, prototyping, and demo tests. As last-mile solutions become more detailed and industry specific, mechanisms for direct feedback increase precision in meeting customer demand for innovation. One large software publisher applied Crowdsourced R&D to prioritize its product development roadmap. They now employ the same number of Product Managers but have been able to scope out twice the number of features.

Market Demand Index: 2.00

Tech Maturity Index: 3.50

Vendors to watch: CrowdEngineering, Get Satisfaction, Jive, Lithium, LiveWorld, Mzinga, RightNow Technologies, Telligent, UserVoice

Collaboration Reduces Organizational Friction and Stimulates Ecosystem

With nearly every business unit now empowered to have discussions with customers, the risk of a fragmented customer experience is greater than ever. Therefore businesses and organizations should not be limited to one silo only, and nor should Social CRM. In order for companies to respond to customers in a holistic fashion, their internal tools must aggregate internal discussions, customer records, and workflows in a coordinated workflow. Social CRM will start to aggregate and connect internal collaboration tools used by employees, then expand to extranet systems where partners are connected. Social CRM should also extend to core assets such as employees, and then evolve to connecting with partners and the greater ecosystem. Employees who hear things first-hand gain empowerment to address issues and provide better solutions. Key collaboration use cases often improve overall customer experiences through empowered teams focused on delivering a single customer experience.

14. **Collaboration Insights (C1).** Organizations must learn from different arms in the company in order to quickly respond to customers. Now, with social tools, employees may be talking about customer problems in disparate silos. To respond to customers more efficiently, organizations must smooth processes by finding common hurdles and solutions, and understanding general sentiment of employees.

Market Demand Index: 2.00

Tech Maturity Index: 2.00

Vendors to watch: CrowdEngineering, Get Satisfaction, Jive, Telligent

15. **Enterprise Collaboration (C2).** "Not everything lives in SharePoint." A single collaboration tool rarely sweeps across an entire corporation. Business units are often empowered to use SaaS providers like Chatter, Socialtext, PBworks, or even Yammer to get things done. Additionally, there may be enterprise rollouts of Telligent or SharePoint. Regardless of the tools used, departments must work together in a seamless way to get work done. Empower department and teams to work together across boundaries of functional fiefdoms through shared APIs that often feed back into a centralized CRM system. By tying enterprise collaboration to existing critical business functions, operations and applications, organizations can drive adoption and change management. A leading analyst firm managed to reduce the average number of emails per day by just over 100, creating extra hours of productive time for client delivery.

Market Demand Index: 3.50

Tech Maturity Index: 4.80

Vendors to watch: Get Satisfaction, IBM LotusLive, Jive Software, Microsoft SharePoint, Mzinga, Oracle, PBworks, Salesforce.com Chatter, Socialcast, Socialtext, Telligent, Visible Technologies, Yammer

16. **Extended Collaboration (C3).** "Help me help you." Organizations will extend collaboration to partners, channels, suppliers, and other stakeholders. Organizations must get ahead of the social trend where adoption occurs at the fringes, and provide a common collaboration tool for partners outside of the firewall to interact and work with employees and other partners. Extended collaboration provides organizations with the ability to effectively listen and educate their extended networks with social learning tools. At one wireless carrier, collaboration with handset suppliers led to the reduction of 10 days in the new handset introduction process, improving critical time to market requirements.

Market Demand Index: 2.25

Tech Maturity Index: 4.00

Vendors to watch: CrowdEngineering, Jive Software, Lithium, Mzinga, Oracle, RightNow Technologies, Salesforce.com, Socialtext

Seamless Customer Experience Sustains Advocacy Programs

17. **Seamless Customer Experience (CX1).** "Customers don't care what channel or department you work in." Seamless Customer Experience mashes up the social experience with the enterprise. Why is this important? Proliferation of social channels and federated customer data decrease the odds of a consistent customer experience. Information access is often inconsistent and not timely. Customers view a company as a single entity, even though it is composed of a large number of departments or individuals. Presenting a consistent face to customers improves their comfort and satisfaction. Yet Seamless Customer Experience requires more accurate and real-time customer information. Social profiles must tie back to existing customer and account information to drive the backbone of personalized experiences.

Market Demand Index: 3.00

Tech Maturity Index: 2.50

Vendors to watch: Get Satisfaction, Helpstream, RightNow Technologies

18. **VIP Experience (CX2).** "Reward your best customers or lose them." VIP Experience delivers premium programs to top customers. The goal – ensure that your most profitable customers remain loyal. Since establishing a VIP Experience program, a

large hospitality company managed to increase the number of loyal patrons by 7% in a down economy.

Market Demand Index: 2.25

Tech Maturity Index: 2.25

Vendors to watch: We've yet to see a vendor emerge that can aid organizations, as often this is an internal business program. However, there are a number of traditional loyalty program vendors who will have to transcend social to move into this space. With that said, expect to use community platform tools, reputation systems, and brand monitoring tools to manage for now.

Recommendations

Have the right plan in place before entering this new approach. Apply these six simple steps to your first set of Social CRM projects:

1. **Act now! Be deliberate and begin with an entry-level use case.** Begin with a pragmatic process and develop your listening program first (e.g. Social Sales Insights, or Social Service Insights). Then map out the biggest pain points in your company and prioritize use cases based on business value. Reduce your risk of failure and over commitment of resources by starting with an entry-level use case. Master that one use case, then layer on more advanced scenarios. By building in sequence, you can apply lessons learned that will cascade to other projects.
2. **Breathe social. Invest in change management and training.** You'll need your organization to walk the talk. Start with the basics by training them on best practices in using Twitter, Facebook, and LinkedIn accounts. Craft a pragmatic social media policy that supports your Social CRM efforts. Establish your organization's social presence and continue to research new tools, communities, and models.
3. **Complement existing CRM processes.** Align the Social CRM use cases with existing CRM strategy. The move to social channels adds a series of new customer interaction models that must be integrated into existing customer facing processes. However, Social CRM does not replace your overall customer strategy. In fact, you must augment and in some cases redesign your overall CRM program to support new models.
4. **Demonstrate value. Measure based on business goals not "engagement."** The 5M's in Social Customer Insights will be a challenge in any new endeavor, so devote extra resources to learn from new deployments. Start with measurement based on your use case objective. If your goal is to develop Rapid Social Responses, then measure the decrease in response time to prospects and customers – based on previous benchmarks before the project. Remember, measure based on the specific use cases – not less meaningful social statistics like followers, retweets, or fans. From there, adopt the rest of the 5M's to refine your engagement strategy.
5. **Encourage the right mindset. New deployments require rapid iteration.** In an immature market, expect and embrace rapid failure. Early pioneers quickly learn from their mistakes and then iterate. In your resource planning, allow for an agile development process as teams prepare to integrate new channels to legacy systems. Prepare the team to fail fast and rapidly apply lessons learned into future iterations.
6. **Find other pioneers.** Join early adopter communities. Take the time to identify other leaders in the market place. Pioneers ask the hard questions, share lessons learned and contribute best practices. Join the online group for Social CRM Pioneers at: <http://groups.google.com/group/social-crm-pioneers>

Resources

Join the Altimeter ecosystem. Altimeter Group will be continuing the discussion via webinars, social conversations, and events. Let's start off with these key questions:

- Who's leading the Social CRM efforts at your organization?
- What are the top drivers for starting a Social CRM initiative?
- Which use cases are most ideal to deploy in your cost and benefit analysis?

Take part in the ongoing dialogue:

- Google Group: Join your peers in this group for Social CRM Pioneers at: <http://groups.google.com/group/social-crm-pioneers>
- Twitter: Add the hashtag #scrmusecase to your tweets and follow the conversation at: <http://search.twitter.com/search?q=scrmusecase>

Sources

1. *What's Next Blog*, "Self-Proclaimed Social Media Gurus on Twitter Multiplying Like Rabbits," <http://www.whatsnextblog.com/archives/2009/12/self-proclaimed-social-media-gurus-on-twitter-multiplying-like-rabbits.asp>
2. *A Software Insider's Point of View*, "Monday Musings: It's The Relationships, Stupid (Part 1) – Stop Commoditizing The Client Facing Workforce," <http://blog.softwareinsider.org/2009/03/16/mondays-musings-its-the-relationship-stupid-part-1-commoditizing-the-workforce>
3. *A Software Insider's Point of View*, "Tuesday Tips: Apps Strategies Should Start With Business Value," <http://blog.softwareinsider.org/2009/12/08/tuesdays-tip-apps-strategies-should-start-with-business-value>
4. *Web Strategy*, "A Chronology of Brands that Got Punk'd by Social Media," <http://www.web-strategist.com/blog/2008/05/02/a-chronology-of-brands-that-got-punkd-by-social-media>

About Us

Altimeter Group is a Silicon Valley-based research and consulting firm that provides companies with a pragmatic approach to disruptive technologies. We have four areas of focus: Leadership and Management, Customer Strategy, Enterprise Strategy, and Innovation and Design.

About R “Ray” Wang, Partner

R “Ray” Wang (@rwan0) is a Partner with Altimeter Group. He focuses on *CRM systems* and disruptive technologies for the enterprise. As an enterprise strategist, Ray bridges the gap between today’s enterprise landscape with an emerging class of enterprise business solutions adopting the spirit of social technologies and Enterprise 2.0 concepts. Research topic areas often include ERP, CRM, Project Based Solutions, Order Management, Master Data Management, and SaaS. For software vendors, he provides strategic guidance in go-to-market strategies; reviews and designs software licensing, pricing, support, and maintenance policies; delivers competitive assessments; evaluates software partner ecosystems; and researches business processes such as the perfect order and continuous customer management for the enterprise and SMB markets. In both 2008 and 2009, Ray was recognized by the prestigious Institute of Industry Analyst Relations (IIAR) as Analyst of the Year.

About Jeremiah Owyang, Partner

Jeremiah Owyang (@jowyang) is a Partner with Altimeter Group. He focuses on *social business* and disruptive technologies for customer strategies. Hailing from enterprise web management and a former industry analyst, Jeremiah consults and speaks on the topics of disruptive technologies for brand related customer strategies. Previously, Jeremiah was a Senior Analyst at Forrester Research, focused on social computing for the interactive marketer. Prior to that, he was the Director of Corporate Media Strategy at PodTech Network, a podcasting and online video startup. From 2005-2007 Jeremiah held the title of Manager of Global Web Marketing at Hitachi Data Systems and launched the community and blog program. He also served as the Intranet Architect at World Savings (now Wells Fargo) and was a user experience professional at Exodus Communications. He writes the Web Strategy blog and is a columnist at Forbes CMO Network.

Contact Us

Altimeter’s Hangar (At the Crossroads)
1875 S. Grant St. #680
San Mateo, CA 94402-2667
info@altimetergroup.com
www.altimetergroup.com

Consulting Inquiries

David Stanley
VP, Business Development and Sales
Phone: 719.357.7826
Email: david@altimetergroup.com

