



Future of CRM

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Overview

CRM has become an integral function in corporate strategies in recent years as marketing strategies are becoming increasingly customer-centric. From multinational corporations to small businesses, firms of all industries and sizes are investing more resources into CRM and placing a greater emphasis on its role in marketing to their customers. The growth in importance of CRM implementation is exemplified in the case of Zappos, the online shoe retailing phenomenon. Founded in 1999, Zappos has grown to become the internet's largest shoe retailer and was sold to ► [Amazon.com](#) for \$1.2 billion in 2009 (Hsieh, 2010).

At Zappos the entire company philosophy starts with customer service and CRM proficiency. By adopting a customer-centric business model that preaches customer satisfaction, and not monetary profit as the day to day goal has been integral in their massive success over the last decade. All newly hired employees including executives are required to participate in a 4-week customer loyalty course in order to have all company members buy into the company concept and mission (Beaudry, 2009). While product and brand loyalty are at an all time low, Zappos has made it its mission to provide customers with the kind of individual attention that is increasingly scarce.

Zappos customer service is intent on knowing everything about their customers' lives. The story of a middle aged woman, Zaz Lamarr, is a great example of the in-depth customer knowledge that Zappos strives to obtain. Lamarr meant to return some shoes to Zappos, but her mother passed away and, naturally, she just did not have the time. Zappos launched an inquiry to find out what was happening to the shoes, and Lamarr informed them that she had not had the time to return them due to these exigent circumstances. Without hesitation, Zappos arranged to have UPS come pick up the shoes before sending her flowers and their deepest condolences (Marco, 2007). All of these new means of gathering and disseminating data are facilitating relationships, and when building customer loyalty, being able to incorporate mutual benefit as the foundation for the relationship can go a long way.

To understand the future of CRM, let us first take a step back and look at where CRM stands right now by summarizing the three different CRM perspectives that were discussed throughout the previous chapters.

The first perspective, *Strategic CRM*, has as an objective to mold the interactions between a firm and its customers in order to maximize CLV for the firm. Firms must be aware that customers vary in their value contributed through their purchases, and therefore strive to shape the customer-firm interaction through acquisition and retention strategies aimed at driving firm profitability. This complex set of customer-oriented activities forms the foundation for a sustainable and inimitable competitive advantage leading to a successful strategic CRM. As discussed in the text (► Chaps. 3 and 4), the four integral inputs in a CRM strategy are:

1. A customer-management orientation.
2. Integration and alignment of organizational processes.
3. Capture of information and alignment of technology.
4. Implementation of CRM strategy.

The second perspective, *Analytical CRM*, is designed to help firms migrate from relying entirely on traditional marketing metrics to customer-based value metrics. This change has been possible largely due to technological advancements in collecting and mining customer-level data to glean insights regarding customers, markets, products, and processes. This data mining process is essential to providing businesses the ability to make informed, knowledge driven strategic business decisions in order to predict future trends and behaviors.

The third perspective, *Operational CRM*, is gaining significant traction among firms due to changes with respect to (1) consumers, (2) marketplaces, (3) technology, and (4) marketing functions.

1. With respect to consumers, factors such as increasing customer diversity, time scarcity, value consciousness, intolerance for low service levels, information availability and technological aptitude, and decrease in loyalty have contributed to constantly changing customer profiles. These changes in customer profiles have significantly impacted consumer power and choice, and thereby profits for businesses.

2. The global marketplace has changed significantly over the past few decades due to increased globalization, and the growth in the services economy and advancements in technology. These catalysts have been the root cause for intensified competition for customers, market segmentation, and product/service differentiation in the marketplace. As a consequence of these trends, a good product is no longer sufficient to compete and harder to differentiate in a world of high product standards. Due to this, companies are focusing more on enduring commercial relationships through behavioral and purchase histories in order to customize products and services. This shift to a customer-centric model has underlined the importance of Customer Relationship Management for companies in their market positioning.
3. The supply and demand of data storage technology has changed dramatically, with the former getting cheaper despite increasing in quality, and the latter experiencing an explosive growth in data that is available for storage. This is due to the growth in online visits by consumers, which consequently increases the amount of transactions, web log files, and applications. All of the above increases have provided firms with revolutionary opportunities to inform themselves regarding customer behavior and attitudes. Having said that, the real value in this opportunity exists in firms' ability to manage, analyze, and apply such a mass of insight and information to drive profits for the companies.
4. The nature and methods of marketing communications are experiencing prominent changes, with direct and interactive media outpacing traditional mass marketing techniques due to their ability to customize and adapt to increasingly segmented and demanding consumers.

Having reviewed the various CRM perspectives and how businesses have transformed over the years, it is clear that marketing has had a significant role in the transformation. As we look ahead, there are some developments that we expect would bring in the next wave of transformation into the marketing realm. This chapter discusses some of the developments that are already making considerable headway in the business world.

18.1 Social CRM

One of the newest and fastest growing forms of CRM is Social CRM. The emergence of the social web has been the focal point and the catalyst for the growth of Social CRM. With the emergence of peer-to-peer networks, conversations no longer have boundaries and limitations. These networks are increasingly influencing how customers interact with each other and how businesses use the social media tools to manage customer relationships. We provide here a review of the popular social media channels and their influence in CRM activities.

18.1.1 Popular Social Media Channels

Blogs

The blogosphere has changed drastically since its emergence two decades ago. Blogs started from very humble beginnings in the 1990s and quickly

rose to popularity. Originally used for people to journal their thoughts, the number of blogs surpassed one hundred million in 2008 (University of Minnesota Libraries Publishing, 2015). At its very early stages, blogs had to be updated manually, and there were not many blogging platforms. Eventually, more platforms began to emerge such as LiveJournal and Blogger—the latter is credited with bringing blogging to the mainstream. By the end of the 1990s, there were 23 blogs on the internet and that number rose astronomically to 50 million by 2006. In its earlier years, political blogs were more popular. In the early 2000's, blog content shifted to deeper analyses of current events and pop culture than what traditional media was doing at the time. In addition, more light-hearted topics were discussed in blogs such as «how-to» blogs and blogs about blogging. Blogs such as WordPress and TypePad emerged during this time period. In the mid-2000s, blogging had reached the mainstream. By 2010, the number of blogs reached 152 million. By this time, a vast number of individuals had at least one blog.

Companies had even started to join the trend (Webdesigner Depot, 2013).

Companies' decision to join the trend was spun by consumers becoming more electronically vocal about brands and companies' desire to become more customer oriented. Consumers were voicing their sentiment regarding a particular brand on blogs which revealed a clear need for marketers to listen to the peer-to-peer conversations and respond accordingly. Furthermore, given the importance of blogs in consumer decision-making (through product and brand reviews) it proved to be an important medium that marketers could channel favorably to promote their products, services, or brands (Verna, 2010).

Companies eagerly engaged in this social media space until 2014. A study conducted by the University of Massachusetts Center of Marketing Research, found that corporate use of blogs started declining in 2014 citing a 3% decrease from 2013. In 2015, the usage decreased even more to 21% of Fortune 500 companies using blogs which was 10% less than in 2014. The blog trend for companies shifted to other social media platforms such as Instagram. The study revealed that although traditional blogs are still a powerful tool for marketing, corporations have started shifting their efforts to other social media outlets that are steadily on the rise (Barnes, Lescault, & Holmes, 2015).

As a recent development, micro-blogging sites such as Twitter are becoming an important channel of communication for companies to interact with customer groups. In 2015, 78% of Fortune 500 companies had a corporate Twitter account (Barnes et al., 2015). Many companies such as Ford Motors and CVS Health are using Twitter as a communication portal for customer service, and the feedback has helped the companies gain a better understanding of how their consumers view them as a brand and plan accordingly (Melberg, 2014; Talty, 2011).

E-Mail

E-mail has remained one of the most used forms of direct marketing. According to the Direct Marketing Association, in 2015, for every dollar spent on email marketing, an average ROI of \$38 was yielded. In 2013, an average ROI of \$24.93 was reported. This 53% increase in average returns is why companies continue to utilize email as a source for marketing. Companies reported in

2015 their intent to spend more on email marketing compared to previous years (DMA, 2015).

Although email proves to have a rewarding ROI, many still projected emails would be replaced by social media networks such as Snapchat and Slack. Experts at the Direct Marketing Association report otherwise. They expect email to be around for many years to come with social media only enhancing its benefits. According to the 2016 Direct Marketing Association Response Rate Report, emails offer a 122% ROI with social media ROI of 28% coming in second. Email ROI is expected to increase even more in the coming years due to companies such as Google and Microsoft investing in ways to improve email response rates (Boone, 2017).

Furthermore, given the economic downturn in 2008, companies have made a conscious effort to engage in more cost effective ways to continue running their businesses. The cost-effective nature of email marketing has made it increasingly attractive as marketers strive to communicate with and cater to their customers at a low cost. Email has proven to be a rewarding solution to cutting cost while still improving company revenue.

A study conducted 2015 by the Direct Marketing Association, found that over half of the companies represented in its findings reported an increase in email open rates (DMA, 2015). With the average person checking their email 74 times a day, and emails being more effective at customer acquisition than Facebook and Twitter, more companies have started to recognize the value emails add to a company (Boone, 2017). As a result, more companies are engaging in email marketing, and consumer emails are being flooded with company advertisements. In order to maintain email effectiveness, companies have to start engaging in smarter emailing techniques. In order to take emails to the next level and optimize email marketing value potential, companies should engage in better email marketing. Research conducted on a customer's decision to opt-in or opt-out of an email marketing program suggests that intensity and content play a major role in the decision. It is important to note the study was conducted using the influence of a company's direct mail marketing program on their email marketing program. The study found that an increase in one direct mail advertisement would on average prolong a customer's email opt-in time by 13.6 months, and as the number increases, the opt-in period increases.

For opt-out time periods, each additional direct mailer advertisement extends the customer email opt-out period, but this positive impact reverses once a threshold is reached. The conclusions drawn from the research suggests that direct mail and email programs intensity and content need to be monitored in order to optimize the benefits email marketing can provide. In addition to monitoring email and direct mail intensity, findings suggest advertising content match the customer's interest (Kumar, Zhang, & Luo, 2014). Amazon understands the benefits in sending emails based on their customer's interests. The online retailer sends its customers email advertisements related to previous purchases, items in their virtual cart, or browsing history. Amazon's data mining techniques allows them to better understand their customer and cater the marketing to that particular customer's interest. Amazon reported a 29% sales increase following the deployment of their recommendation tactics (Rejoiner, 2016).

Due to the growing trend of online shopping, and consumers' desire for quick, hassle-free shopping, email marketing is a key tool that companies can use to remain relevant in today's market. Optimizing this powerful tool takes utilizing better techniques to acquire and maintain customer loyalty.

Social Networking Platforms

Years ago, many felt the internet was just a fad, and that «cyber business» was a joke. Today those sentiments have been disproven many times over. People are now purchasing items, watching movies, listening to music, etc., all on the internet. The once unfathomed idea has become a reality. To rattle tradition even more, people are now socializing on the internet. Today, social networking is transforming the business world similar to how the internet changed things at the start of its emergence (Holmes, 2015).

Social networking platforms have been the hottest topic of discussion for marketers in the past few years. In 2015, 75% of U.S. adult internet users also utilized social media, and for millennials and younger that number was even higher (Holmes, 2015). The number of worldwide social media users is expected to grow to 2.5 billion by 2018 (Pick, 2016). The high usage of social media makes it an obvious channel for companies to utilize for brand marketing. In 2015, 96% of marketers stated they actively use social media for marketing

(Stelzner, 2015). Social Media's substantial growth over the past years has made social networking one of the most lucrative and high potential marketing and CRM tools. The market research firm, eMarketer estimated in 2015 that advertising revenues on social networking platforms would accelerate worldwide with Facebook being the main driver of the growth. In 2017, worldwide social network ad revenues are expected to reach \$41 billion, and Facebook is expected to possess \$26.98 billion of those revenues (eMarketer, 2015). So how well are businesses utilizing social media platforms to connect with their consumers and improve brand performance?

In a 2014 study by Gigaom Research, social media marketing was deemed by companies as 37% effective at customer retention coming in only second to email marketing (Deal, 2014). A different survey conducted the same year on sale professionals' metrics found that salespeople with social media skills were six times more likely to exceed their sales goal compared to their peers that lacked social media skills (Biro, 2015). In addition to customer retention and meeting sales goals, social media can offer many other benefits if used effectively.

Identifying and targeting micro-segments of consumers, starting dialogs with consumers, and building brand awareness are all benefits that firms can profit from by establishing and managing their presence on social media platforms. Companies such as Papa John's, RedBull, and Target have used Facebook as a means of creating a new portal into their «world». While Papa John's engages in free give-aways for «liking», RedBull has essentially transposed their website onto their Facebook page, and Target has used their page as a platform for promoting their CSR efforts. All the three companies have used distinctly unique approaches, with the same common goal of raising and improving brand awareness.

Podcasts and Internet Radio

The use of podcasts has been on the rise. In 2016, 17% of Americans over 12 reported they listened to a podcast at least once a month. This is an 8% increase from 2008. Even though podcast use has been increasing, marketers are still hesitant to commit large amounts of money towards this advertising channel (Perlberg, 2016).

Marketers find it hard to justify excessive spending in this area because it is hard to quantify

the number of podcasts listeners, and even more difficult to measure the number of listeners that actually listen to the advertisements. Since podcasts advertisements are expensive, companies fear investing too much money in an area that is hard to quantify in terms of ROI. Companies' hesitance in this sector does not equate to the rewards this medium has to offer. It just means companies want to ensure they are reaping some sort of benefit if they are investing money towards it (Perlberg, 2016).

Research from Arbitron/Edison and internet radio ad network TargetSpot has uncovered interesting results with regards to the rise of Pandora and other online radio stations. On the one hand, Pandora provides demographic details on the individual listener since users have to fill out an information form when registering, which can be very useful to marketers in segmenting and customizing their messages on an individual basis. On the other hand, a rise in internet radio listening seems to have coincided with a rise in over the air radio listening, and subsequently, a rise in ad expenditures through this medium. Until there are clear signs of online radio stations replacing the traditional radio medium, marketers will be hesitant to go with the lower volume and unknown option. Another difficulty that marketers are encountering with podcasts is being able to sift through the hundreds of millions of podcasts and internet radio outlets and determine which ones will best help them communicate with their target markets.

Mobile Applications

Recent research performed by the mobile analytics firm Flurry has revealed that mobile applications have gained a greater share of users' time commitment than the web has. Flurry reported an overall mobile application usage growth of 58% in 2015 (Khalaf, 2016). In 2016, the growth usage slowed with reports of only 11% growth. This reduction in usage is not due to a decline in users. The reduction in growth is due to the massive number of applications on the market for consumers to enjoy. There are only so many hours in a day, and with the growing number of applications, consumers do not have any available time to add additional applications to their list. Choosing an additional application to enjoy means neglecting a former application. Although, usage growth has slowed, time spent using mobile applications

grew 69% in 2016 (Khalaf, 2016, 2017). Mobile applications, though at it is very mature age, is still popular in today's world. According to U.S. based market research firm World Mobile Applications Market, the mobile application market was valued at nearly \$7 billion in 2010. Today, it has been projected that the mobile application market is projected to be a \$101 billion dollar business by 2020. These impressive growth rates and market valuations hold significant marketing opportunities for companies such as Apple, Android, Windows Mobile, and Blackberry that provide mobile applications (Perez, 2011; Takahashi, 2016).

While the increasing number of mobile applications allows marketers to cater to specific customer segments with targeted mobile applications, it also poses a challenge for marketers to constantly update the applications, and in some cases replace them with more relevant offerings, to make the marketing efforts worthwhile. This condition has ensured that companies are not only developing applications designed to provide utility to their target market, but also creating niche applications for specific customer groups. For instance, Yelp has an application that allows consumers to post reviews related to experiences or products they have purchased. Google offers an application called Google Hangouts which is a communication platform that allows consumers to engage in video calls and phone conversations for free. Uber has an application that allows people to summon a ride digitally. Recently, Uber has expanded its reach by offering food delivery services through UberEATS.

Viral Videos

Viral video views are expected to exceed 62% worldwide by 2017. There has been an annual double digit increase since 2013. The increase in number of viewers is partly due to the increase in internet speeds (eMarketer, 2017).

Viral Videos have emerged as a user-driven method of communicating. The goal for marketers in approaching viral videos is to create something that they believe will be shared by the viewer with the rest of his or her network. Sites such as Youtube and Vimeo are a testament to the fast growing nature and high potential of this communication outlet.

Companies have started to shift money from TV advertising budgets to digital advertising.

According to SMI, between 2014 and 2015, companies transferred approximately \$1 billion advertising dollars from television advertisement to digital advertisement budgets (Alba, 2015).

Many brands are using viral videos as a way of strengthening brand awareness and brand association. In 2016, Subaru, an automobile manufacturing company, created a video as a part of their «Subaru Loves Pets» campaign. The online video featured an adult dog driving its puppy around to lull it to sleep. The goal of the ad was to convince consumers that Subaru's are not just rigged terrain vehicles; they can also provide smooth, comfortable rides. Subaru of America's President, Thomas Doll, decided to change the company's marketing strategy from advertising technical aspects of the vehicle to appealing more to consumers' emotions; hence the emergence of the dog commercials. Doll's change in advertising strategy sparked an increase in Subaru sales with 2016 reports showing a 45% growth over the last 4 years. The dog ads are attention grabbers, and consumers are able to relate to many of the topics that are portrayed (Lee, 2016).

Social Coupons

Social coupons, or online daily deal sites such as Groupon and LivingSocial, sky-rocketed at the start of its existence creating a new customer acquisition method for businesses and a new product/brand research portal for consumers. The success of the deal sites was undeniable – Groupon was valued at more than \$16 billion at the close of its first day of trading which exceeded Best Buy and Whole Foods valuation at the time (Pepitone, 2011).

Social Coupon sites such as Groupon thrived at the beginning because consumers were more conscious of their spending due to the recession, and were hungry for deals as a result. Companies, aware of consumers' desire to save money, utilized social coupon sites to aide in new customer acquisition. Consumers, looking for a way to save a penny, jumped on the deals. Soon after, companies started to realize that the customers utilizing the coupons provided short-lived business, and that the initial goal of the social coupon was not being achieved. As a result, companies started to shy away from offering deals on social coupon sites such as Groupon and LivingSocial. The

decline in company offered deals led Groupon to transition to a new strategy. Groupon recently announced its plans to shift to a new strategy that involves marketing local experiences versus «daily deals» (McArdle, 2016). Groupon's platform is a very promising one in terms of its potential and the purpose of its existence, to offer coupons to consumers and increased brand awareness for businesses. The future of Groupon and LivingSocial will rely on their ability to offer long term benefits for consumers and companies simultaneously.

On the other hand, coupon sites such as RetailMeNot has found much success in today's world. This site allows consumers to find deals for restaurants, apparel, sports equipment, and much more. The coupons are offered in a digital format in which consumers are given «promo codes» to insert during checkout on a company's webpage. Users are able to search the website for any available coupons offered by businesses at the time. In addition, consumers are able to view the success rate of each coupon the expiration date while businesses are able to monitor the number of customers the coupon generated. Essentially, this platform offers benefits for both consumers and businesses. Companies are able to acquire new customers and generate additional sales on current customers who purchase decisions rely on available deals, and consumers are able to save money on items of interest. A study conducted in 2014 by Forrester Consulting revealed 63% of consumers stated digital coupons gave them the motivation to make a purchase (RetailMeNot, 2017).

Although coupon clippings are still the most common method of couponing, the digital coupon is growing at an exponential rate, with eMarketer estimating that there were 121.3 million digital coupon users in the US in 2015 and that number was expected to increase by 5.2% in 2016 (eMarketer, 2016). The recent rise success of these deal sites can be attributed to the recession, which has prompted consumers to find maximum value for their dollar. Also, as consumers become savvier and spend more time researching products online, they are exposed to these sites and promotional offers. From corner restaurants to big corporations, everyone is finding a way to use the social coupon craze to further their customer acquisition success rate.

18.1.2 Consumer-to-Consumer Interaction: A New Marketing Portal

With Social Media outlets garnering more traffic every day, consumer-to-consumer conversations concerning products and services are becoming a new marketing portal. Rather than engaging in direct B2C marketing strategies, firms are beginning to insert themselves into conversations that are already happening between consumers. The conversations that firms used to have to start are already going on, at greater frequency and with more valuable information. The conversations on social media portals and forums provide consumers the freedom and accessibility to view, discuss, and judge products and services. This setup has provided consumers the ability to formulate opinions on products on their own terms, and influence their peers in their buying decisions.

With the advent and subsequent proliferation of social technologies and tools, consumers are not only able to access information on the web, but also share information using a multitude of web technologies amongst their network of fellow users on any scale, and any frequency. This has enabled consumers to actively engage and participate in the development and marketing process of products and services. Additionally, the ability of consumers to access information on their own terms, evaluate products independently, and influence purchase decisions of other users has brought them a new level of autonomy and a sense of «ownership/control» over the products. In other words, we are gradually witnessing a change in the way companies used to know and understand the purchasing habits and the elements of consumer behavior.

The rate of diffusion pertaining to product-related web content has increased manifold. The constantly increasing volume, as well as the vast array of channels through which the information is processed and shared amongst consumer is proving to be difficult for companies to keep track of the content. Additionally, the concept of owning customers, let alone products, is dissipating as consumer-based communities are taking charge. «The Power is with the Consumer,» says A.G. Lafley, former Chief Executive at the Procter and Gamble Company. «Marketers and retailers are scrambling to keep up with her». Consumers are

beginning in a very real sense to own our brands and participate in their creation. We need to learn to begin to let go. An example of handing over the brand to the customer can be found in the case of the Coca-Cola «Share a Coke» campaign where customers were able to customize their soda bottles with their names or other trendy slogans. Due to this campaign, in 2014, Coca-Cola reported an increase in U.S. soda sales after 11 consecutive years of sale decline. Coca-Cola's choice to turn an aspect of their brand over to the consumer confirms that «letting go» of the brand and allowing consumers more input can in fact be rewarding for the company (D'Orazio, 2014; Elliot, 2006).

In light of the increasing popularity of these social media tools and their impact on B2C CRM, companies must adapt their CRM strategies as well as their philosophies of control over products and customers. The first step for companies in re-assessing Social CRM strategies is to acknowledge that it may not be possible to have complete control on the web-based content related to them. Rather, companies must constantly participate in the online communities and adapt their offerings accordingly. According to Adam Sarner, a research director at Gartner, «This doesn't mean that you give them everything like they own it. If you aren't prepared that they'll take some of the control, then don't have the community. And if you can't handle harsh responses, you shouldn't ask questions in the first place. Don't ever, ever, ever ask if your product is good or bad if you aren't prepared to hear the answer and take the consequences of hearing «It sucks.»» The overall idea behind this philosophy is that to engage in Social CRM and be effective, companies must accept the changing realities of consumers (McKay, 2009).

Listening as a First Step

In establishing this new infrastructure for Social CRM, companies must establish a starting point. Given the high degree of consumer generated information, the most logical first step is a simple one: Listen. Being able to utilize information collected on customers begins with listening, and through that, identifying the best strategies in addressing customer demands, concerns, and wants. With marketing and customer communications taking on a whole new perspective, the increasingly active role of the consumer is changing the nature of business altogether. Firms that

do not recognize these market trends and successfully implement them into new CRM strategies must be prepared to face the consequences (Wright, 2006).

Reports show that 96% of unhappy customers will not directly express their feelings to the company, but will express their negative feelings to at least 15 people they come in contact with. Customer satisfaction is paramount in today's world because of the growing presence of social media. News travel faster than they did in the age before internet. The fact that 76% of consumer purchases are based on internet reviews, reveals how much of an impact an unhappy customer can have on a brand (Beal, 2017). Consumers spreading negative brand experiences is exacerbated by word-of-mouth embellishment, in which each time the story is retold the events and details become more exaggerated and incriminating for the store. As Paula Courtney, CEO of the Verde Group, explains, «As people tell the story the negativity is embellished and grows. For example, the first time the story is told, it might be about a customer service representative who was rude. By the time the third or fourth person hears the story, the customer service representative becomes verbally abusive. To make a story worth telling, there has to be some entertainment value, a shock value. Storytelling hurts retailers and entertains consumers» (Knowledge@Wharton, 2006).

There are also companies that are engaging in proactive Social CRM strategies revolving around listening to customers. Radian6, a social media monitoring and engagement company, has received acclaim for its ability to listen to online conversations. Their Listening Stations, On-Site Training, lay down valuable frameworks for companies to process, analyze, and respond to customer conversations. Nielsen Online is another example of basing Social CRM strategies on listening; their BuzzMetrics have received overwhelming positive feedback regarding its Brand Monitoring, Brand Connections & Customer Relations, and Brand Campaign Planning and Management (McKay, 2009). Companies such as Dell and WholeFoods are even integrating their own listening-interacting strategies on Social Media platforms, rather than achieving these solutions outside the company via consulting or outsourcing. In both of these examples, the companies opened Twitter accounts and established them as customer com-

munication portals that provided superior service, information, and value to the customer, as well as being a great way to integrate them into the peer-to-peer conversations and gather data on their target audience.

JetBlue's implementation of a Twitter account for Customer Service has created a huge buzz in the airline community due to its innovative nature. JetBlue's Twitter account is accessible for any airport or airline related query, ranging from looking for a wheelchair for airport transportation to being able to reschedule and rebook flights. One particular experience involved a JetBlue passenger experiencing a weather-induced flight cancellation. After numerous unsuccessful attempts with JetBlue's 800 number (largely due to the mass flight cancellations in response to inclement weather), the passenger decided to tweet his frustrations with JetBlue and the overall situation. What he received next came as a surprise, as JetBlue's Customer Service Twitter account asked if he could Direct Message them his confirmation number. After sending the number, this passenger received a courteous message less than 15 min later with a complete rebooking and a sincere apology. Due to severe weather, the passenger experienced cancellations several more times and every time he received quick, efficient, and personalized treatment from a Twitter based customer service representative. Here was the chronology of Twitter DM between the customer and JetBlue's Customer Service representatives:

1. Customer Tweet: Complaint on his own account
Reponse: Direct Message request for Confirmation Number
2. Customer DM to JetBlue thanking them
Response: "You're welcome. Happy Holidays! ^kb"
3. Customer flight cancelled again, tweet to JetBlue
Response: "Man, you have had a rough day! We're on it. ^kb"
2nd Response: "You just got the last seat on that flight! Confirmation has been emailed (again). Let us know if we can help in any other way. ^kb"
4. Customer flight cancelled again, tweet to JetBlue
Response: "We're working very hard to take care of our customers. I will sleep when

everyone has been taken care of. Smiles. ^kb,” replied the JetBlue Twitter rep. JetBlue Twitter Customer Service sends new flight information

5. Additional, voluntary Customer Service: *“Are you okay on the return flight? ^co” “As a token of our appreciation for your patience during last week’s snowstorm when we canceled your flight, please accept 10,000 TrueBlue points which you can apply toward future travel to any JetBlue destination.” (Murillo, 2011).*

As it turns out, this customer is a well followed blogger and shared his story with countless followers, who in turn, passed it on through their peer-to-peer network. From the JetBlue’s response, it is easy to note the importance of customer management, and a key factor that impacted these processes: listening to customers.

Mutual Purpose and Transparency

A key issue today in the implementation of Social CRM is that most companies find it difficult to define their purpose for engaging in it, for themselves or for the customers. For successful utilization of Social Media tools, it is essential to define (within certain parameters) the «mutual purpose» that states the incentives for both the customers and the company (Tsai, 2009).

The entire model of interactive social media tools is based around voluntary interaction between different parties. In creating accounts on Twitter, Facebook, and other social platforms, there must be value adding activity for both the company and the customer, otherwise it serves no purpose. Given the high volume of web pages, applications, and users, just «being on» social networks will no longer be enough. Therefore, identifying this «mutual purpose» is essentially the activity of understanding why the company is actually going onto this social network, and how it will positively affect them and their customers alike.

Frank Eliason, a former Comcast customer service expert, created a Twitter Customer Service Account to better serve Comcast customers. His Twitter Customer Service account encompassed the mindset that is required in successful Social CRM implementation. Along with a team of 10 representatives, Eliason saw an opportunity for Social CRM that could better serve their target audience who were already

talking about them. People had been voicing their displeasure and issues that they had encountered as customers of Comcast, only they were doing so on vast online social platforms that were going unnoticed by Comcast. This untapped source provided Eliason with the idea of being able to directly address customer queries on a personal level, while also gathering valuable data on their customer groups.

Eliason chose to focus on Twitter and the millions of searchable micro blogs in order to proactively engage in customer conversations to help solve the issues being tweeted, blogged, and shared by millions of customers. By approaching customers in a proactive, candid, and positive manner (ignoring insults and dead end criticisms) Eliason became a personality among his followers and within the Twitter community. Soon, the media caught on to this innovative way of communicating with each individual customer, one based off of proactively reaching out to customers who were already talking about Comcast.

Perhaps the most intriguing and important facet of this strategy was encompassed by Eliason himself when he said, «I never thought I’d become famous on three words: Can I help?» This embodies how basic and how essential mutual purpose and listening are as a foundation for Social CRM. Eliason clearly defined that there was a gap in communication between Comcast and its customer groups which was negatively impacting customer service. Rather than building a broad presence on Twitter, Eliason realized that the people who were complaining about various aspects of Comcast were already identifiable, and were in need for answers to their questions and concerns. The mutual purpose existed in customers’ need for answers, and Comcast’s need to reach out to a large customer base and learn about them (Weier, 2009).

Given the high volume of information available to customers, transparency and relevancy are becoming key drivers to the successful diffusion of information and the retention of customers. Customers are becoming less inclined to respond to marketing communication, advertisements, or any kind of information source that would appear to have vested interest as the driving force behind it. Users are ignoring these marketing vehicles more now because they are willing and able to gather information and discern the important from the not-so-important on their own.

It is therefore important to stress authenticity, transparency, and relevancy in order to stay involved in the customer process of obtaining information. This trend is ushering in a new wave of marketing that is in sync with the consumer needs. Rather than performing a corporate pitch, companies need to engage in a closer, more meaningful discussion with their customers. It is through the latter that companies will be able to gain the confidence of their customers, help identify the value of their customers, and serve their needs in a more targeted fashion.

In this regard, it is important for companies to understand that customers now want and feel entitled to closely interact and engage with the brand, a trend that is growing at an exponential rate as the Millennials become the drivers of the market. Social media platforms should be used as access points for these discussions to take place, and then be funneled into a relevant activity for marketers. It is about putting a true and honest face to the brand, one that is candid and whose purpose is not to sell, but rather to inform. Numerous companies are engaging in this type of behavior, including H&R Block, Ford, Southwest Airlines, Dell, Popeyes, DunkinDonuts, and Samsung. By participating in various forms of social engagement, these companies are putting a face to their brands. In the case of automaker Hyundai's «Think Tank», that face was often that of a top executive. Hyundai launched this community that holds live chat sessions with some of the company's most important executives, including the CEO. Having access to key decision makers within the organization gave customers a sense of importance, as well as establishing transparency, truth value, and «not hiding» Hyundai's image.

18.1.3 Social CRM Strategies: How to Do It?

Social Strategies: Not Social Tools

Perhaps one of the easiest mistakes to make when establishing a Social CRM strategy is to focus on the available tools rather than creating an adaptable social platform. Although there are some apparent mainstays within the Social Media industry (at least for now) such as Facebook, Twitter, and LinkedIn, reality suggests

that social tools evolve and change constantly. Thus, establishing a sustainable Social CRM strategy based on existing specific tools is a recipe for being left behind. In essence, disposable applications are exactly that, but social computing and interaction are constantly flourishing and becoming more and more essential. The underlying concept and strategy is therefore more important than the short-term implementation (Lager, 2009).

Implementation: Task-Specific

Going from «We're on Facebook» to «We're on Facebook, in order to achieve _____, which we will accomplish by _____», is a jump that many companies are yet to take. Questions such as «What problems are you trying to fix? How does this platform address these problems? How does this fit into your overall CRM strategy?» would evoke only general and vague responses from companies. As mentioned earlier, it is no longer good enough to just be a website, profile, or account on these Social Media platforms. Companies such as Comcast and JetBlue are great examples of utilizing a social media tool because of a need or for a purpose, rather than just because «they probably should».

The issue that many companies are facing is that Social CRM, along with many of the social media channels within it, is in the infant stage of its life cycle. Further given that there are very few recognized and recommended approaches to implement Social CRM, companies usually take the lead of other companies because «everyone else is going social». Although it may seem slightly hazardous and undefined, trial and error has proven to be a successful method for some companies to design and implement successful Social CRM strategies. As Justin Goldsborough, former social media manager for telecommunications provider of Sprint says, «I've learned more by doing and trying things, and that's why we've had more success at Sprint». As noted by Anthony Lye, former Senior Vice President of Oracle CRM, companies can also adapt proven and successful Social CRM strategies and technologies used other companies to match their existing goals (McKay, 2009). Being a fast follower of available strategies currently in usage can also be a great way of integrating a social CRM strategy into the overall company strategy.

18.1.4 Sentiment Analysis

One of the most talked about and interesting trends within Social CRM is the growth of analytics and text analysis. With an increasing number of consumers taking to consumers now willingly talking more than ever on public platforms, the World Wide Web is filled with all the information and data that companies have always wanted from their customers. Consumers want to be heard, and that is why social tools such as Twitter, Facebook, and other platforms in the blogosphere and social networking hold a unique value. Twitter, for example, enables companies to sort information shared by demography, topic of interest, or any other preferred criterion.

Companies are now beginning to see the value of these sites and are constantly listening to what consumers have to share about their experiences with the products, services and brands. To correctly discern the meaning of the information shared by the consumers, companies are now turning towards sentiment analysis that helps them uncover the intended meaning behind consumer opinions and reviews. Companies such as Best Buy, Viacom, Paramount Pictures, Cisco Systems, and Intuit are using sentiment analysis to improve CRM strategies and provide more targeted offerings.

In May of 2009, the ticket-selling agency StubHub used an innovative online sentiment monitoring technology developed by San Francisco based ScoutLabs. The ticket agency took this measure following a rain delay in a New York Yankees vs. Boston Red Sox game at Fenway Park. The rain delay seemingly coincided with a rise in negative sentiment, which upon further review, arose from the company's inclement weather policy for refunds. The negative sentiment seemed to be a result of StubHub's refusal to provide fans with refunds on the basis that the game had already gone underway. However, after using ScoutLab's technology and seeing the negative impact it would have on their brand image, StubHub proceeded to offer discounts and credit awards to those fans in attendance. Furthermore, this entire saga has led to StubHub re-evaluating its refund policy in situations with bad weather. All of these improvements stemmed from the use of ScoutLab's sentiment analysis technology (Wright, 2009).

One of the fastest growing technologies for automated sentiment analysis is text analytics. This tool collects text data on consumer insights not only from web platforms such as the social media, but also from news articles or information databases. The text analytics provides an objective summary of consumer reactions and responses to a particular company, product, or service. The market for text analytics is expected to more than double from \$2.65 billion in 2015 to \$5.93 billion in 2020, according to a MarketsandMarkets report (King, 2011; MarketsandMarkets, 2015).

Other forms of text analytics solutions offered by companies such as Attensity, ClearForest, Content Analyst, SPSS, Inxight, and Lexalytics are being harnessed by different companies, with each solution providing a unique competitive advantage. For instance, Lexalytics recently launched a web-based application for media relations called MediaVantage which enables a firm to implement automated sentiment analysis of blogs, social media platforms, and any other user feedback over the web in multiple languages.

Another fast growing technology is «Big data» and data analytics. The term «Big data» is used to describe the large amounts of data companies collect on consumers which in turn can be used to predict consumer behavior and ultimately allow companies to make better business decisions (SAS, 2017). The amount of data being collected every day is remarkable, and growing by the minute. «Big data» is being collected on a continual basis from sources such as loyalty cards, emails, social media, just to name a few (Villanova University, 2017). One such data source that has experienced much growth in the market is wearable technology.

Wearable technology such as the Apple Watch and Samsung's Gear Fit has been a growing trend in recent years. The wearable technology market is projected to reach \$8 billion dollars by 2018 (Cognizant, 2016). This technology has the capability of collecting powerful data that will allow companies to learn consumer behavior, which would include information such as places they go, things they do, and their lifestyle. The retrieved data can be used in a variety of valuable ways. Companies such as Big Cloud Analytics are able to demonstrate the value of wearable devices by developing several applications for the data. For example, the data on health parameters for an individual can be monitored and a baseline can be

created with a certain confidence interval. When the health parameter exceeds the confidence interval for a few consecutive days, notifications can be sent to the wearable technology user to alert them to seek medical care. In addition to consumer health benefits, wearable technology can provide the «Big data» companies need to better predict future demand by analyzing current consumer behavior extracted from wearable technology.

This rapidly growing market will allow companies to gain deeper insights into consumer behavior than anything prior to its existence because it offers real time data on customer behavior. Once this market is tapped into successfully by companies, businesses will be able to offer customer service quickly, customer specific loyalty rewards, gain immediate feedback from consumers, and the list goes on. Since this data will essentially be collected at the moment it happens, companies will need to dedicate fulltime staff in this area to better benefit from its rewards.

«Big data» and data analytics are powerful tools that have changed and are continually changing today's market (Villanova University, 2017). The term «Big data» is fairly new, but the act of gathering data on consumer habits has been around for some time now. Companies that are attempting to utilize this tool are finding it challenging to quantify the value and returns. Although, companies are struggling with adopting the growing trend due to the overwhelming amounts of available data, 2015 studies reported that 75% of companies have or plan to invest in this powerful tool by 2017. This number is up from 2012 reports that revealed only 58% of companies had plans to do so (Gaitho, 2015). These numbers show that companies recognize the benefits, and want to take steps toward better marketing practices. As this industry grows, the marketing industry will be forever changed. The valuable insights gained from «Big data» and data analytics will allow companies do engage in better targeted marketing, improve customer retention, and utilize prediction models to better understand future customer demand.

18.1.5 A Final Word on Social CRM

For the consumers, social media has turned the web from a predominantly communication medium to a medium that encourages collabora-

tion, creation and sharing of information on their own terms. Enabling consumers to express their feelings with regards to a company and their product or service is something that companies have been trying to facilitate for years. With this invaluable insight, companies can now leverage the analytical capabilities of social CRM to understand and uncover the various facets of consumer decision making.

From the above discussion it is clear that in this new digital age, the expansion and popularity of social media is not only increasing the engagement level of consumers, but also reducing the communication gap between consumers and companies in the B2C, B2B, and C2C markets. These social interactions are becoming critical to business operations as formal marketing communication methods are slowly being reconsidered, and novel social media approaches are receiving constant attention.

18.2 Global CRM (GCRM)

Global CRM is defined as «The strategic application of the processes and practices of CRM by firms operating in multiple countries, or by firms serving customers who span multiple countries» (Kumar, Sunder, & Ramaseshan, 2011; Ramaseshan, Bejou, Jain, Mason, & Pancras, 2006). This definition suggests that firm and customer level differences impact a firm's cross-cultural and cross-national success. At the firm level, these differences include integral components such as production, operations, product portfolio, and firm size. On a customer level, key measures such as customer expectations, drivers of satisfaction, loyalty, and profitability all contribute to the degree of success a firm has in GCRM implementation. Additional recent perspectives on CRM systems suggest that the consumer-centric view could grow among companies as a result of goodwill (Endacott, 2004). This perspective has changed, however, with companies now identifying CRM as a vehicle for profitability on a global scale.

The basis of understanding GCRM begins with understanding the general trends of globalization. As innovative technologies continue to spawn, facilitating rapid and constant company-consumer interaction across oceans and conti-

nents, the relationship elements between a company and its customers undergo changes. This is particularly true with regards to CRM, as globalization has stressed the importance of having a defined and systematic GCRM strategy in order to adapt to dynamic and widespread customer bases.

18.2.1 Informational Technology Needs

Global CRM as a concept is evolving at an accelerated rate due to the introduction of new innovative technologies. Software as a Service (SaaS) has particularly impacted GCRM models and has become a motor for growth and progress within the marketing field. The worldwide cloud services market is forecast to reach \$204 billion in 2016, a 16.5% increase from 2015 market of \$175 billion, according to Gartner, Inc. The industry is poised for a strong growth through 2020, when the worldwide cloud services market is projected to reach \$383.4 billion (Gartner, 2016b). Gartner also estimates that, over the course of the next 5 years, \$1 trillion in IT spending will be affected by the cloud. Enterprises will spend \$111 billion cumulatively on software as a service (SaaS), platform as a service (PaaS), and infrastructure as a service (IaaS), combined and expected to increase to \$216 billion in 2020 (Gartner, 2016a, 2017).

Following the growth of GCRM, multinational enterprises are beginning to implement and build SaaS models in order to integrate customer and company level data across various geographic regions. This phenomenon is accelerating the growth of smaller service firms such as ► Salesforce.com, and will continue to do so as SaaS requirements for companies become increasingly diverse and specialized.

The room for improvement in SaaS implementation, however, is fairly prominent. The global CRM practices are known to report lower costs in attracting and retaining customers, increasing employee productivity and call center efficiency, as well as creating more accurate sales forecasting for increased customer sales and satisfaction. As firms aim to establish an international presence through off-shoring business processes, foreign direct investment (FDI), and other expansion methods, global CRM practices can be implemented to facilitate the above mentioned processes.

One company using a SaaS solution is the ambulance group, First Med. By choosing the cloud as their automated model, they were able to reduce turnaround time from the output to mailing of statements in their billing system. This SaaS solution allows First Med to directly transfer information from its billing system to the SaaS platform. «We don't need another software,» said Matt Ellis, the company's accounts receivable manager. «We simply upload straight from our system and everything's right there.» All that is required is for the statements to be uploaded onto the SaaS platform, at which point First Med employees access them on a web interface. Additional advantages from the SaaS software include, tracking capabilities of the process as well as mail production at the SaaS facility (Berard, 2010).

18.2.2 Global Diffusion

Regional and National Heterogeneity

Although the growth of GCRM is often categorized in the functional, industrial, and regional aspects, the regional aspect of GCRM has had the most success and holds great promise for the future. National and regional heterogeneity have become important players in determining the outcomes of CRM implementation. The constant advances in communications and technology have accentuated the blurring of national boundaries, thereby accelerating the global diffusion of CRM as well as allowing firms to operate within and outside of specific geographic regions. Owing to variations in worldwide growth trends, the type of business clients, and cultural environments, companies face a series of challenges on designing and implementing business and marketing strategies. Global CRM systems and practices can help managers to understand and align with their partners and clients from all regions, thereby facilitating the process of making informed decisions and adapting appropriately to the economic, cultural, and political climates of each area of business.

Applying It as a Firm

Being able to implement a successful Global CRM system and strategy involves starting from the top and allowing for a trickledown effect to occur. Developing a uniform outlook on GCRM strat-

egy is essential to then being able to adapt it and implement it on a regional or national level. The difficulty in this process exists in being able to find a middle ground between the region/country-specific needs across the board and the global requirements of the strategy without losing sight of the customer-centric strategy of CRM practices.

There is no completely uniform GCRM solution. Industry, customer type, region and other variables must all be accounted for as they change by country or region in order to maximize the effectiveness of the GCRM practice. An example of being successful in this practice is that of U.S electronics retailer Best Buy. The firm successfully adopted a customer centric model, beginning with a \$50 million investment to obtain, process, and analyze customer-level data before eventually using this information to change the hierarchical structure of the company. By orienting the salespeople towards the customer instead of towards the product, Best Buy was able to better serve its customers across the board and was able to streamline and funnel their marketing strategy directly to them. This example illustrates a definitive need for firms to prioritize Global, and yet adaptable, CRM strategies in order to maintain a customer-centric outlook.

As shown in the example of Best Buy, a GCRM program has a certain methodology and different requirements that must be fulfilled in order to have sustainable and effective implementation. Finding the balance between focusing on the local or global scale is often mismanaged, leading to disastrous results in particular regions or the eventual collapse of the global strategy due to unmanageable segmentation. Therefore, developing a CRM strategy at the highest level of management, but leaving room for needed adaptability is crucial to the delivery of the program and practice. This ensures that local customers' particular needs are met and accounted for, while also alleviating the company from risking severe deviation from its global standards. Much like with Social CRM, engaging in any form of GCRM prior to strategizing for the long term. The big picture should show local CRM practices integrated into a globally managed one.

Global CRM serves to build and maintain relationships with customers that span multiple countries and is an integral part of the overall global business strategy that aids in the paradigm shift from product centrality to customer centric-

ity. Firms that have implemented GCRM can leverage their integrated database to segment regional and global market and target the most profitable segment(s) as well as individual customers with the right product offer at the right time regardless of their geographical location, thereby fulfilling customer centric strategy. Global CRM also enables firms to have more effective data analytics and more accurate forecasts about global, regional, and individual market trends. New products or innovations do not usually diffuse simultaneously (sprinkler strategy) throughout several countries because of different economic, political, or cultural conditions; rather, they sequentially spread (waterfall strategy) from one country to another (Kalish, Mahajan, & Muller, 1995). Thus, GCRM provides a firm with learning benefits as it applies the knowledge it gains from one country to another.

18.3 Database CRM

18.3.1 Introduction

A database is a collection of information pertaining to customer interactions with the company that can be subsequently used for various marketing activities. ► Chapter 8 discussed, in detail, the various types, benefits, and uses of databases. Many businesses use these lists in order to better understand their customers whilst differentiating each individual customer based on these statistical findings. Using this information that they have on current customers, businesses can therefore target prospective customers and preemptively build profiles and cater to their individual wants and needs from the beginning. These CRM databases and consulting products provide companies with the ability to store and keep track of information on customers, their purchasing habits, and all of the nuances within their feedbacks and behaviors that have an impact on the buyer-seller relationship. For many years, companies handled all of this information with a physical storage space containing the database(s), resulting in high costs and restrictions with regards to off-site accessibility to the system. As mentioned in the GCRM section, global practices are becoming more and more common (and necessary), resulting in the need for more cost-efficient digital platforms for using, accessing and constantly updating the databases.

18.3.2 Cloud Computing

The development of cloud computing has allowed for more accessible and customizable implementation of CRM practices. It offers large organizations the luxury of disseminating all applications, data, and products within the CRM strategy to the members within the organization who should require it. As the fastest growing method for data storing, cloud computing provides a unique advantage for CRM, in that the previous physical and organizational restrictions no longer exist. Providing businesses the opportunity to install, use, and share CRM related applications on a web platform allows for remote access and real time updating in order to keep up with the dynamic and evolving nature of databases.

The adaptability and customization capabilities of these applications have made for a more effective CRM tool for each individual employee. Employees are now able to access all of customer data and information on a point-and-click interface, which adapts according to each employee's specific requirements or preferences. Another advantage of housing CRM data with the cloud is that there is no longer a need to allocate massive amounts of server capacity for hypothetical outcomes as a preventative measure. Instead, cloud computing scales up and down as demand dictates, eliminating the need for housing endless preparations for various outcomes. Through this automated and customizable platform, companies are able to cut out the manpower and additional costs that are associated with physical databases such as upfront investments in hardware, housing, and maintenance costs. Through this switch, companies are gaining ground in CRM data-processing as a more cost-effective and flexible solution that houses the same security and confidentiality, all while maximizing users' ability to access and share applications at will.

Many large corporations such as Google, IBM, and Amazon have not only integrated cloud computing into their business infrastructure, but have also made it a cornerstone of their CRM strategy and its everyday functionality. IBM's launch of their Smart Cloud Services has paved the way for a new way of company thinking. «Rethink IT. Reinvent business» is an apt slogan for a company that is offering a wide range of innovative cloud-based solutions such as

SaaS, IaaS, PaaS, Cloud Security, Development, and Testing. Many of these services have the goal of creating capacities for their customers to process business software within data hubs. Furthermore, IBM is projecting these cloud computing services to account for 5% of company revenues by 2015, a total of \$7 billion (Ricadela & Hoffmann, 2011). Google and IBM are also utilizing Cloud Computing, for various reasons such as improving maintenance times, streamlining processes, and improving employees' productivity and performance by re-positioning their focus to the tasks rather than the software issues that need solving in order to accomplish that task.

As one of the world's leading technology organizations for the past few decades, IBM's switch to cloud computing stemmed from issues that many organizations today are still facing. IBM was experiencing issues on all fronts—starting with having too many platforms hosting their various departments, to using applications that became incompatible with the introduction of new software and systems (some applications upgraded while others remained stagnant). To address these issues, IBM turned to Siebel (a CRM Solution software provider) to create an integrated company-wide CRM solution platform that would provide a single source for customer and marketplace data.

These cloud computing based CRM applications can be applied easily and are economical without any infrastructure or maintenance obstacles. In today's age, business software must be readily adaptable for accessing and processing data in relation to market changes and increasing profits. Being able to familiarize employees quicker with the newest apps grants them the ability to focus more on the work itself: helping, understanding, and serving customers.

The implementation of cloud computing has been growing at an exponential rate, with IDC research forecasting an increase in cloud-related expenditures by 2020 (for a total of \$500 billion) (IDC, 2017). This industry, expected to surpass \$200 billion by 2016, is growing across company boundaries, with midsize companies beginning to embrace these strategies in addition to the major multinational corporations already profiting from the cloud's CRM solutions (Gartner, 2016a; Modavi, 2010).

18.3.3 Privacy Issues and Concerns

The rise of cloud computing and database information management has led to questions and concerns from businesses and consumers alike regarding the privacy and security of the content. The accessibility of these web-based platforms is simultaneously the root cause of concern for issues such as identity theft and individual privacy. Recent years have proven the risks associated with online databases. Target experienced a data breach, which affected approximately 40 million people and costs the company \$39 million to repair damages. During this breach, hackers were able to gain access to customer's personal information and credit card information (Garcia, 2015). Blue Cross Blue Shield had a similar experience that affected roughly 78.8 million of its members (Herman, 2016). Costs associated with this breach is expected to be in the millions as well. The recent system compromises have left users questioning the levels of regulation and privacy that go into the processes involved in collecting information on consumers and online transactions as they are becoming increasingly wary of these methods. Banks are issuing credit and debit cards with chip technology to lower the risks of future system

compromises. In addition, online companies are now placing «cookies» into users' computers, enabling them to garner personal information on the user without their consent or awareness. The practice of placing files called «cookies» and Web bugs by online companies in the user's computer during a visit is quite common. The cookies acquire the information while the user is visiting a particular site and create a pathway for them to continue to systematically retrieve information on this user. Information such as purchase history, advertisement responses, and other online activity can all be gathered in these processes.

Therefore, while several precautions are advised by privacy rights associations, the key to reduce the risk due to fraud lies in closely guarding personal information such as Social Security number (SSN), financial information, and driver's license number among others pieces personally identifiable information for any fraudulent transactions, and monitoring credit history regularly. At the same time, online marketers and researchers will have to reassure customers and participants that their personal information is secure by not only closely guarding the information, but also put in place recourses for consumers in the event of a data breach.

Summary

Within all of the growing trends in CRM, there is still a great deal of uncharted territory that experts and companies are striving to understand. Within the trends of social CRM, GCRM, and cloud computing, there are intricacies and channels that have yet to be fully tested and understood.

Social networking is changing the way people live, and its effect on the consumer world has had a clear impact that is altering the B2C world. However, the same cannot be said for social media's impact on B2B, where the new channels and methods of communication between parties are barely causing a single ripple within the larger network (Lager, 2009). What this stems from is a hesitancy to move away from sound and tested strategies in favor of the unknown. Because B2B transactions tend to have larger implications than individual B2C relationships, the risk is higher for failure. That

does not indicate that social media and social CRM cannot penetrate the infrastructure of B2B networks. There are already subtle examples of these tools having their use within B2B transactions. The BlackBerry Pearl, for example, is a social tool that is directly marketed to professionals with the purpose of facilitating communication processes in their business environment. Although this is on an individual scale, and one could treat these individuals as consumers, the reason for which these people are using this product is to gain from the competitive advantages it provides in the business world.

In conclusion, CRM is undergoing significant changes. With recent developments in speed, reliability, and spread of information channels such as social media have made the concept of CRM fascinating for academicians and practitioners. It has grown tremendously from a predominantly database concept operating at the

aggregate level to one that can be customized for individual customers and applied to areas across the world. Its ubiquity can be felt from daily, routine activities to specialized marketing campaigns, all made possible by the power of data and customer information. The advancements in CRM have also given rise to issues and

concerns such as identity thefts, privacy right violations, cyber stalking, and many more. As soon as one crime is brought under control, another crime, bigger and much larger in size, comes up. Despite these contrasting sides, CRM continues to provide a viable option for information for marketers and consumers alike.

International Perspectives: Did You Know?

1. AirAsia, a Malaysian low cost airline, was one of the first airlines that embraced social media. Today they manage different Facebook pages for different locations worldwide, frequently engage consumers with fun promotions, develop various branding campaigns based on user-generated content, and respond promptly to customer inquiries. Doing so they won several awards for their outstanding social media presence and profit from a huge number of followers and likes on the different social media networks (AirAsia, 2015; Helmrich, 2014; Mutum, Roy, & Kipnis, 2014).
2. T-Mobile US, collects enormous quantities of data from its customers and uses this data to prevent customer turnover. In fact, by using the customers' usage patterns, trends, purchases by location, and profitability the company managed to reduce churn by 50%. T-Mobile also uses big data to identify its most influential customers on the different social media networks and offers them discounts to influence the telecomm choices of other customers (Oaks, 2015).

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