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## 5 Reasons Social CRM Is the High Ground for Revenue Production

– David Taber, CIO

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Readers will know that I'm hardly a booster of the latest whizzy thing. I'll take value engineering and reliability over cool technology any day. In fact, I'm OK if you think of me a technology curmudgeon.

So this article may come as something of a surprise, as I'm going to be beating the drums about [social CRM](#). Not because Facebook or LinkedIn or Chatter are cool—they're just technologies, after all—but because of ubiquity.

Almost anybody you want to do business with is *somewhere* in these social networks, at least in the United States. Desirable customers are going to be there just as surely as they're going to have an iOS or Android device. Both mobile and social give you access to new kinds of information and real-time feedback for critical parts of sales and marketing.

I'm not pumping product here. Rather, I'm focused on visibility into purchasing behavior that marketers and sellers have never had before.

### 1. Social Is a Huge Adoption Aid.

If there were one critical success factor for CRM projects, it's the depth and speed of user adoption. The more users adding data to the system, the more likely CRM will be a useful asset for others. More, higher quality data begets more usage, more users and a more complete picture of the customer relationship.

But getting those first users going is always a challenge. The sales guys will whine that they don't have time to type prospect and pipeline data into the CRM, and they often resist having to log in to the system at all. Of course, those same sales reps seem to have no problem writing Tweets, sending an email and jumping onto their social network.

**Commentary:** [Salesforce.com Chatter Teaches Lessons About Social Networks](#)

When social networking and communications are done right—fully threaded through the rest of the CRM object model—they quickly add to the depth of data in the system. For this reason alone, Chatter can be a huge win, with a big caveat about signal-to-noise ratio: make sure you've developed netiquette around what you post, how you post and what you measure.

### 2. Everyone Loves to Play.

What could be more flash-in-the-pan than [gamification](#), you say? Don't discount this one, though, as it really matters for high usage and quick adoption. New research shows exactly how games and gambling get you hooked. When the techniques are used correctly, they really can change behaviors.

A bunch of startups are working to gamify business applications—not only to increase usage but to achieve business goals such as deeper customer engagement, faster problem solving, better collaboration and healthy competition. It's early days for these technologies, but watch out for what it can mean for the effectiveness of marketing and sales.

### 3. Reputation is Everything

Since repeat business makes for a shorter sales cycle than new customer acquisition, and since sales and marketing is the single biggest discretionary cost in many companies, the most profitable sales are destined to come from the most loyal customers. That alone is a reason to measure and optimize your reputation with customers.

However, [social media metrics](#) let you go further, helping you understand the buzz about your company among *non*-customers. The most powerful use cases involve integrating the external measurement system with your website, survey engine, marketing automation and CRM system, to provide you new understandings of the customer's decision and purchase processes.

#### Case Study: [Integrating Social Media Is Hard to Do](#)

This stuff is hard, requiring some serious analytics and taking time to develop and tune your model of customer behavior, but the impact on profitability and customer retention makes for serious ROI.

### 4. I Can See Clearly Now.

Simplistic CRM allows a business to correlate information that employees typed into UI pages, letting sales activity become more coordinated and measurable. That's fine, as far as it goes, but we're breathing our own fumes. Since customer typically put no information into first-generation CRM systems, we can't really know much about them or what they are thinking.

Social media give us a whole new range of information—for profiling and for novel behavioral indicators—that comes "free" because we're not asking prospects or customers to do anything new. (Of course, "free" in actuality is anything but free, since actionable data requires a significant investment in integration and data analytics.)

#### How-to: [Social CRM for the Enterprise: How Analytics Can Move You to Greater Success](#)

Social networks can also provide us with information about who influences whom, allowing much more efficient targeting of marketing and communications efforts.

### 5. Scoring and Automation.

Simplistic CRM never earned much credibility with the sales guys when it came to prioritizing their work. Lead ratings were typically hot, medium or cold and set fairly arbitrarily, often by marketers applying dumb rules. So few reps actually changed their behavior based on a lead rating. Even marketing automation systems' behavioral scoring rarely holds much weight with the sales folks, so they don't rely on those scores to prioritize their call-down lists.

But combining the traditional profile (explicit), behavioral (implicit) and time-based (decay) scoring with the new information from social networking enables a much more realistic and real-time indicator of prospect interest levels. Of course, we can never know what the prospect is *thinking*, but social CRM now give us a lot more information about what they are *doing*.

There's still a fine business case for simplistic CRM systems. When they are done right, you can expect double-digit improvements in key sales and marketing metrics. But the really big gains are going to come from social CRM. The new data, the deeper collaboration and the increased insight should drive at least double the improvements we've seen so far. The numbers aren't out yet, but don't be surprised when they show meaningful increases in the profitability of the marketing and sales business process.

*David Taber is the author of the new Prentice Hall book, "[Salesforce.com Secrets of Success](#)" and is the CEO of [SalesLogistix](#), a certified Salesforce.com consultancy focused on business process improvement through use of CRM systems. SalesLogistix clients are in North America, Europe, Israel and India. Taber has more than 25 years of experience in high tech, including 10 years at the VP level or above.*

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