Towards Social CRM - A Model for Deploying Web 2.0 in Customer Relationship Management

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Abstract

Web 2.0 is a recent phenomenon that has led to a revolution in online communication and customer behavior. Organizations have to adapt their ways of doing business in order to satisfy the changing customer demands. Yet, most organizations struggle in exploiting the opportunities of Web 2.0 due to a lack of conceptual understanding, strategies and competences. Scholars and practitioners call for new approaches dealing with the integration of Web 2.0 into Customer Relationship Management (CRM) - the realm of research called Social CRM (SCRM). By means of a design oriented research approach, the scope of this dissertation is to develop a frame of reference which supports management in the strategic planning of SCRM. The fundamental question guiding this research is as follows: How can organizations strategically deploy the opportunities provided by Web 2.0 in their CRM?

The research results indicate that organizations should take account of three aspects in order to exploit the potential of Web 2.0 in CRM: Firstly, they must develop a thorough understanding of Web 2.0 and CRM by means of clarifying the applicability, opportunities, scope and objectives of both concepts. Secondly, setting the basis for SCRM demands defining the concept and its boundaries. Since SCRM is just one part of a general CRM, it requires elaborating on the objectives, intersections and differences. Thirdly, organizations should follow a structured and holistic approach to planning SCRM. The developed SCRM model structures the strategic planning in eight generic processes including readiness assessment, strategy development, value creation, multichannel management, information management, performance assessment and project and change management.

Aligning the integration of Web 2.0 into CRM with respect to these three aspects supports customer-centric management and implies that organizations come down from their ivory towers and start interacting with the people with whom they hope to create relationships.

Zusammenfassung

Web 2.0 ist ein Phänomen der Gegenwart und revolutioniert die Kommunikation und das Kundenverhalten im Internet. Um die Kundenanforderungen in einem Web 2.0 Kontext erfüllen zu können, müssen Unternehmen ihre Geschäftsprozesse anpassen. Es mangelt jedoch häufig an einem konzeptionellen Verständnis, Strategien und Kompetenzen, um die neuen Möglichkeiten effektiv zu nutzen. Wissenschaft und Praxis fordern neue Ansätze, die sich mit der Integration von Web 2.0 im Kundenbeziehungsmanagement (CRM) – auch Social CRM (SCRM) genannt – beschäftigen. Anhand eines gestaltungsorientierten Forschungsansatzes wird in dieser Dissertation ein Bezugsrahmen entwickelt, der Unternehmen bei der strategischen Planung von Social CRM unterstützt. Die zugrunde liegende Forschungsfrage dazu lautet: Mit welchem strategischen Ansatz können Unternehmen die Möglichkeiten des Web 2.0 in ihrem Kundenbeziehungsmanagement nutzen?

Die Forschungsergebnisse zeigen, dass Unternehmen drei wesentliche Aspekte berücksichtigen sollten: Erstens bedarf es eines umfassenden Verständnisses von Web 2.0 und CRM im Sinne der Anwendbarkeit, Chancen, Umfang und Ziele. Zweitens verlangt die Etablierung von SCRM eine klare Definition und Beschreibung des Konzeptes. Da SCRM ein Teil des generellen CRM ist, gilt es die Ziele, Schnittmengen und Unterschiede herauszuarbeiten. Drittens sollten Unternehmen einen strukturierten und ganzheitlichen Planungsansatz verfolgen. Das entwickelte SCRM-Modell strukturiert die Planung in acht Dimensionen. Diese umfassen eine Bewertung der SCRM-Bereitschaft, Strategieentwicklung, Wertschöpfung, Mehrkanal-Management, Informations-Management, Erfolgsmessung sowie ein Projekt- und Change-Management.

Die Integration von Web 2.0 im CRM anhand dieser drei Aspekte unterstützt ein kundenorientiertes Management. Es impliziert, dass Unternehmen von ihren Elfenbeintürmen herabsteigen, um die Interaktion mit jenen Personen zu suchen, mit denen sie langfristige und profitable Beziehungen aufbauen wollen.

Overview of contents

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Abbreviations

BE	Business Engineering
BISE	Business and Information Systems Engineering
BM	Business Model
B2C	Business to Consumer or Business to Customer
C2C	Consumer/Customer to Consumer/Customer
cf.	compare
CLV	Customer lifetime value
CRM	Customer Relationship Management
CSF	Critical success factor
DSR	Design Science Research
e.g.	for example
etc.	et cetera (lat.)
i.e.	that is
ICT	Information and Communication Technology
IS	Information Systems
IT	Information Technology
mgmt.	Management
n/a	Not applicable
No.	Number
p.	page
RACI	Responsible, Accountable, Consulted, Informed
RM	Relationship Management
SCRM	Social CRM
SD logic	Service dominance logic
SoMe	Social Media
Single sign on	SSO
UGC	User Generated Content
vs.	versus
WoM	Word of mouth

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1 Introduction

Within the last decade, there has been tremendous change and development in the usage of the Internet, the availability of software applications and the potential for online communication. To demonstrate this development with some figures, on just one day, there are about:

144,000	hours of videos uploaded on	YouTube,
55,000,000	images published on	Instagram,
500,000,000	messages sent on	Twitter,
757,000,000	active users of	Facebook,
1,000,000,000	search requests on	Google.[1]

Web 2.0 and Social Media are central keywords in this context. Web 2.0 describes the phenomenon of societal, business and technological change in the Internet (Musser & O'Reilly, 2006, p. 4). Social Media are corresponding Internet-based applications that facilitate participation in creating digital content such as text message, short clips or images[2] (Kaplan & Haenlein, 2010, p. 61). Ultimately, Web 2.0 has led to a revolution of online communication (Georgi, Jung, & Lehmkuhl, 2011).

This brief outline of the current situation provides the basis for the research background in the next section. It sets the scene for the research problem (Section 1.2) and the research motivation (Section 1.3). The research question and objectives introduce the research goal in section 1.4. The specific contribution of this dissertation to relevant interest groups is presented in section 1.5, followed by a summary and document outline (Section 1.6).

[1] Facebook, 2014; Google, 2014; Instagram, 2014; Twitter, 2014; YouTube, 2014

[2] A detailed elaboration on Web 2.0 and Social Media is given in Chapter 2.

1.1 Research background

The notion of progressive digitalization in business and society implies that organizations have to (re-) act. They need to adapt their ways of doing business in order to satisfy changing customer demands. "Consumer integration, participation and collaboration are fundamental to Web 2.0, i.e. social practices integrated within a technological mediated environment" (Lehmkuhl & Jung, 2013b, p. 1). This consumer behavior impacts on organizational value creation which must be explored and exploited (Culnan, McHugh, & Zubillaga, 2010). In fact, Web 2.0 is one of the top trends for the decade ahead and becoming a "key piece of organizational infrastructure that links and engages employees, customers, and suppliers as never before" (Bughin, Chui, & Manyika, 2013, p. 1).

A promising field of application of Web 2.0 is customer relationship management (CRM). Web 2.0 can provide "the means to facilitate dialogue and bonding not simply with individual consumers[3], but with multiple participants. This in turn may allow these various participants to benefit from an internet dialogue which is based upon community" (Szmigin, Canning, & Reppel, 2005, p. 484). Put differently, Web 2.0 facilitates consumer-centric management and offers new opportunities for direct connection, interaction, collaboration and thus an intensified exchange which leads to mutually beneficial outcomes. Web 2.0 supported CRM, also called Social CRM (SCRM), addresses the potential for advanced consumer integration, and deals with the deployment of Web 2.0 principles and practices in CRM[4] (Askool & Nakata, 2010, p. 205; Lehmkuhl & Jung, 2013a, p. 190).

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[3] There is an interchangeable use of the terms *consumer* (i.e. the end-user of a product or beneficiary of a service) and *customer* (i.e. somebody that purchases a service/good and may or may not be the end-user). Despite the important difference in characterizing a person as either a consumer or customer, it is frequently not possible for organizations to identify an individual properly in the Internet.

[4] A detailed elaboration on SCRM is presented in Chapter 4.

1.2 Research problem and research gap

Even though Social Media "are mainstream in a private setting, there is still uncertainty among organizations operating them" (Lehmkuhl, Baumöl, & Jung, 2013, p. 3067). Due to the hype on Social Media, "organizations can feel that they must urgently jump on the bandwagon, particularly given the ease and relatively low initial costs of rolling out some of these cloud-based applications" (Culnan et al., 2010, p. 246). Frequent usage of Social Media is observed in customer facing-functions such as communication, marketing and service (see Appendix A; Chui, Manyika, Bughin, & Dobbs, 2012, p. 27).

As soon as consumers are aware of organizational commitment on Social Media, they expect them to act accordingly. Instead of pursuing a traditional one-way push communication, organizations are expected to foster a two-way interaction. This means being responsive to requests, providing consumer support, publishing relevant content and encouraging interaction. At present, consumer expectations are likely not to be fulfilled and there is a perception gap on intentions to use Social Media. People connect with organizations or brands to obtain a tangible value but organizations think that their followers'/fans'[5] wish to learn about new products or to receive general information (Baird & Parasnis, 2011c, p. 9). This gap is confirmed by the fact that organizations miss interacting with their followers. Only 5% of organizations' content engage consumers in discussions (Singer, Mathews, & Heggie, 2012, p. 43). That is, the vast majority of organizations struggle in deploying the opportunities of Web 2.0 effectively. Moreover, there are cost-benefit considerations, the fear of losing control or the perceived need to implement an IT innovation fashion (Fuchs-Kittowski, Klassen, Faust, & Einhaus, 2009, p. 375; Larson & Watson, 2011, p. 2). A satisfactory exploitation of Web 2.0's potential is missing. The reasons for this are (at least) threefold:

[5] The terms *fans*, *followers* and *connected web-user* are used interchangeably in this dissertation. All of them refer to a person who is connected with an object of interest (e.g. organization, brand, product, person) on Social Media.

Firstly, there is a lack of conceptual understanding with regard to Web 2.0. Organizations are not aware of the principles and practice of Web 2.0[6], acknowledging it as a series of new communication channels, instead of a new mode of communication that is supported by new channels. Firms focus on the most popular platforms and anticipate reaching a large audience quickly. Major use is to push corporate messages, instead of facilitating discourse.

Secondly, there is little strategic emphasis on consumers and no clear objectives on how to manage them in a highly interactive online environment (Hanna, Rohm, & Crittenden, 2011, p. 270). Most organizations stress brand communication as a goal which is mainly an extension of conventional marketing campaigns to Social Media. Only 10% of organizations intend to use Social Media for CRM. Beyond that, SCRM adoption is likely to be project-based and used selectively within individual business functions (Reinhold & Alt, 2012, p. 160; Sigala, 2011, p. 659). This situation can be explained by a lack of experience, ambiguity and the perception that the efforts exceed the benefits (Bernet & Keel, 2013, p. 9/20).

Thirdly, there is a lack of skill sets, resources, guidelines and competences for using Social Media on an operational basis (Lehmkuhl & Jung, 2013a, p. 190). Employees are not equipped with the capabilities to satisfy ever more demanding consumers via Social Media. Processes, rules of communication, authorization or internal alignment to solve consumers' problems are not in place yet.

In conclusion, organizations not only fail to take advantage of the opportunities to strengthen relationships, but also to position themselves appropriate. This inhibits establishing symbiotic relationships with consumers, which is ultimate objective of CRM[7]. Adapting business processes to support CRM requires professionalizing Web 2.0 management.

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[6] A *principle* describes the characteristics of something. A *practice* describes an action that is done repeatedly, a habit. A specification of the relevant Web 2.0 principles and practice is given in section 2.1.1.1.

[7] A detailed explanation on the concept of CRM is given in section 2.2.

The experiences of SCRM pioneers should motivate efforts to improve Web 2.0 management. There are positive outcomes such as high satisfaction from social consumer support, a reduction in support costs, increasing customer loyalty or improvements in the net promoter score (Bock, Ebner, & Rossmann, 2013, p. 83; Lithium, 2014). Yet, exploration by means of “trial and error has proven to be a successful method [...] to design and implement successful […] strategies” (Kumar & Reinartz, 2012, p. 366). SCRM is driven by a step-by-step policy to exploit its opportunities. Structural guidance is lacking to professionalize Web 2.0 integration into business processes (Lehmkuhl et al., 2013, p. 3067). There is a paucity of management solutions such as conceptual models or implementation methods, with scholarly research contributing little to this practical need. Emphasis is put on exploring the subject matter, which means “establishing a basic understanding of the scope and effects of Web 2.0 on CRM“ (Lehmkuhl & Jung, 2013a, p. 193). Comprehensive or Greenfield approaches have not been research objectives so far. Nevertheless, there is a call for new management approaches, which are in line with the characteristics of Social Media and their effects on consumers (Askool & Nakata, 2010, p. 110; Hennig-Thurau et al., 2010, p. 2; Lehmkuhl & Jung, 2013a, p. 198). This call for research suggests that Web 2.0 puts proven CRM approaches to the test. It is questioned whether proven management concepts and theoretical propositions are still applicable in a dynamic Web 2.0 environment (Kumar & Reinartz, 2012, p. 362; Szmigin et al., 2005, p. 481). Applied research is needed to discover and validate the levers of how Web 2.0 complements, extends or even alters the concepts of CRM.

1.3 Research motivation and scope

The research motivation builds on the need for structural support from practice, in addition to the call from scholars for innovative means-ends relations. Market analysts use a complementary reasoning, that SCRM should be addressed by holistic concepts, which requires management innovation and transformative approaches (Bolchover & Symington, 2012, p. 15; Chui et al., 2012, p. 134).

Strategic concepts are a starting point for such research (Baird & Parasnis, 2011a, p. 5; Grabner-Kraeuter, Moedritscher, Waiguny, & Mussnig, 2007, p. 151; Ryals & Payne, 2001, p. 24). Therefore, the scope of research is to develop a frame of reference which supports management in deploying the opportunities provided by Web 2.0 in CRM. A frame of reference is an explanatory model that serves as a guideline to systematize, arrange and scrutinize a research domain and also to characterize causes and effects (Kubicek, 1976, p. 17). A strategic management perspective is chosen to provide a comprehensive approach. This implies that the solution to be developed is about the strategic planning of SCRM rather than its implementation. Ultimately, it provides instruction for ensuring a consumer-centric Web 2.0 management.

The design science research (DSR) paradigm of Business and Information Systems Engineering (BISE[8]) science provides the scientific background. Research in this domain develops theoretical artifacts (e.g. models) that extend existing capability limitations (e.g. professionalize Web 2.0 management) and solve practical problems (e.g. deploy Web 2.0 in CRM) (Hevner et al., 2004)[9].

1.4 Research question and objectives

Linking the reasoning of an intensified Internet usage, missed opportunities to exploit Web 2.0 and the demand for new approaches to manage relationships, leads to the fundamental research question of this dissertation:

How can organizations strategically deploy the opportunities provided by Web 2.0 in their Customer Relationship Management?

In order to answer this question comprehensively, a series of research objectives are presented in Figure 1.

[8] BISE is the translation for the German word “Wirtschaftsinformatik”, commonly referred to in English as IS research (Österle et al., 2010, p. 7).

[9] A detailed presentation of the scientific positioning and research approach is given in Chapter 3.

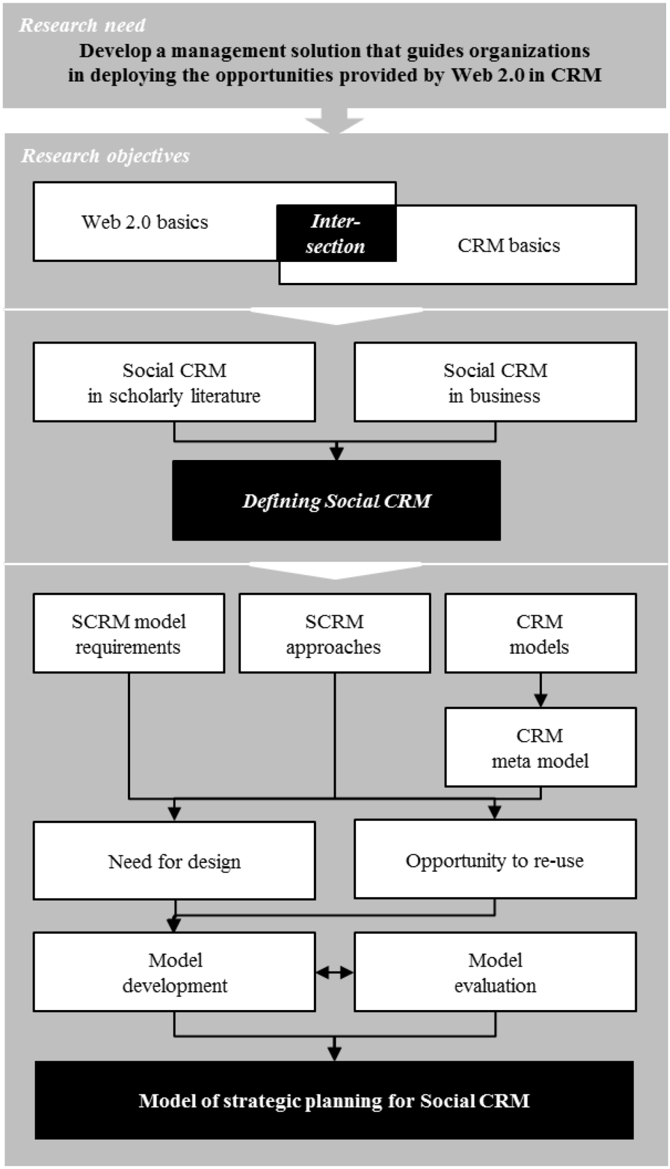

Figure 1 - Research objectives

Firstly, the intersection of common ground between *Web 2.0* and *CRM* is determined to reveal how the former may complement the latter. This research objective can be accomplished by examining the basic concepts and their characteristics.

Secondly, the novel *domain of SCRM is defined* by combining insights provided by both the academic literature and practice. Paying attention to both perspectives constitutes the basis for describing the scope and boundaries of SCRM.

Thirdly, there is the *development of a conceptual model*. Since the model addresses a practical problem, there are is an investigation of the model's requirements obtained through collaboration with practitioners. A review of SCRM approaches from scholarly literature provides an indication of proven practices and organizational determinants. A CRM Meta-model is deduced by consolidating relevant insights from previously developed CRM models. This Meta-model generalizes the findings at a higher level of abstraction and serves as reference for developing the SCRM model. The need for design and potential to re-use previous findings are identified by consolidating the three perspectives (model requirements, SCRM approaches, CRM models). This provides the basis for the model development, which is pursued through an iterative process. The development and evaluation go hand in hand in order to ensure a validated result.

To conclude, the ultimate research result is a conceptual model which is a blueprint for strategically deploying SCRM. It is derived from a conceptually sound basis which builds on prior research, adds novel aspects and is validated by feedback from practitioners. The expected contribution of the research is considered below.

1.5 Target audience and research contribution

Defining the target audience for research is a pre-requisite for determining its contribution. This is due to the fact that different interest groups have different informational needs and expectations.

With an emphasis on BISE science, scholars in this particular research domain are the primary target audience, in addition to academics from marketing, communication science or strategic management. These groups may derive new insights for research through the multidisciplinary nature of SCRM. The contribution of the research to these interests group is threefold:

Firstly, there is an elaboration on the novel domain of SCRM. Defining and scoping SCRM can serve as a basis for designing new management methods. Especially for applied research, it is vital to clarify the underlying concepts. “A definition is not merely semantic. It significantly affects the ways an entire organization accepts and practices (S)CRM[10] (Payne & Frow, 2005, p. 168).

Secondly, the developed model serves as a frame of reference for further conceptualizations of SCRM. This research is already a starting point for additional dissertations at the Institute for Information Management at St.Gallen University, Switzerland. The work defines a principal organizational frame for deploying Web 2.0 in CRM. The planned research projects concentrate on particular aspects of the model, such as SCRM performance assessment, or SCRM information management.

Thirdly, the research results contribute to the planned research program at the chair of Business Engineering (BE) at St.Gallen University. This program is motivated by demands to professionalize Web 2.0 management, and a general lack of ideas on how to accomplish this objective. The research results provide a point of departure and structure applied research with industry partners.

[10]The quote is given in a CRM context. It is reasonable to assume its fit also in a SCRM context. This is due to the concept’s novelty. Therefore, it is stated (S)CRM and not only CRM.

Given the demands for new management approaches, the group of affected business people forms the second target audience. This group includes individuals such as Web 2.0 or Social Media managers, employees concerned with digital marketing, customer support, CRM, SCRM project leaders, strategy consultants or business developers. With the strategic emphasis of the SCRM model, it is beyond the scope of single organizational functions. Target persons are those with decision-making capabilities, or who coordinate teams from different business functions or are concerned with strategic planning. This assertion is based on the fact that practitioners who have supported this dissertation research include - among others - the Director of Corporate Social Media (producer of household equipment), a managing Director for marketing and sales (consumer electronics), community managers (insurance and telecommunication industry), a team leader of Social Media and CRM (sports), a team leader of New Media (manufacturer of bicycles), an various consultants.

In summary, the dissertation provides a contribution to scholars and practitioners likewise. Having specified the contribution of the research to the relevant target audiences, the following section summarizes the chapter and presents the overall outline.

1.6 Chapter summary and dissertation outline

This chapter describes the research context, summarized in figure 2 on the next page. This context includes the *research background,* stating that organizations are confronted with the challenge of an efficient and effective Web 2.0 management. Meeting consumer demands and being able to differentiate in the market requires professionalizing the integration of Web 2.0 into CRM (*research problem*). Compelling solutions and structured guidance from science and practice are lacking (*research gap*). This motivates the development of a holistic management approach by means of applied research (*research motivation and scope*). A strategic perspective is chosen in order to develop a frame of reference which supports management in deploying the full potential of

Web 2.0 in CRM (*research question*). The three *research objectives* are derived from the research question.

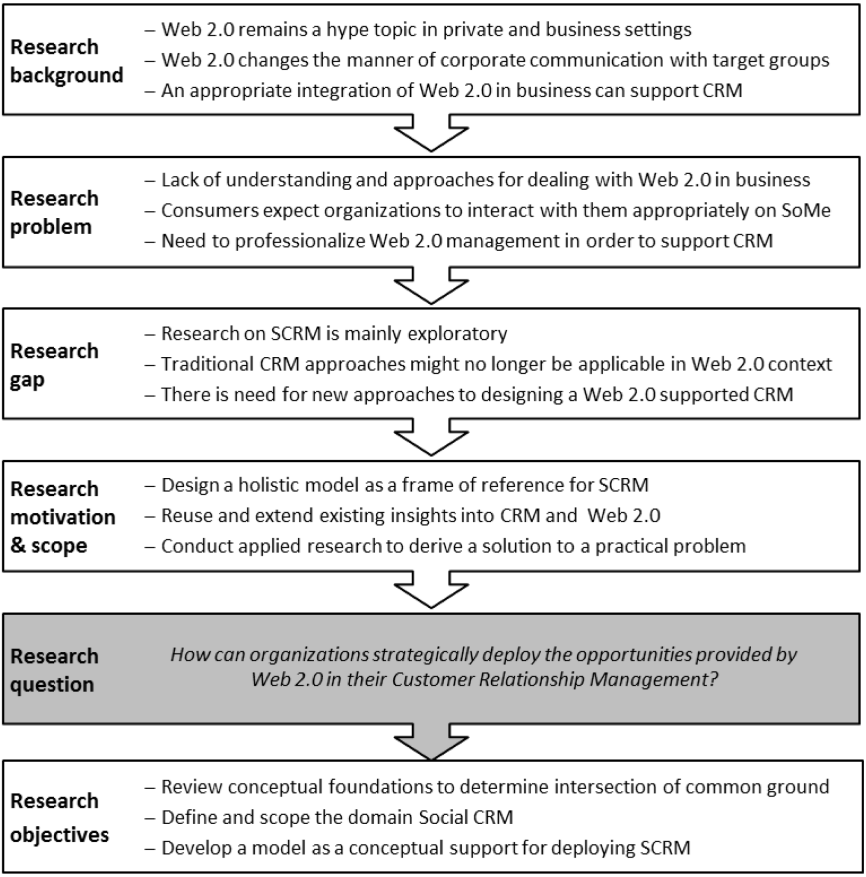

Figure 2 - Summary of the research context

The outline of the dissertation is as follows: The conceptual background is introduced in **Chapter 2**. In particular, the intersection of the two concepts of Web 2.0 and CRM are described and presented.

The research approach is explained in **Chapter 3**. This means setting the scientific background and the research methodology as well as the research process.

The definition of SCRM is presented in **Chapter 4**. This includes a formal definition of terms and an examination of its scope and boundaries.

The development and design of the SCRM model is documented in **Chapter 5**. There is also a demonstration of the model's present and potential practical application. This demonstration is based in the author's previous research on Nubert electronics, a producer of high-quality consumer electronics (cf. (Lehmkuhl & Jung, 2013b). More generally, throughout the dissertation there is reference made to the case of Nubert in order to exemplifying arguments and concepts. Appendix A provides the background information to the Nubert case including the research objectives and a description of the business model.

Chapter 6 is dedicated to evaluating the results. This evaluation is accomplished by adapting multiple perspectives to assessing the model's static qualities and perceived utility.

Chapter 7 is a reflection on the research and entails a review and discussion of the research project, deriving implications and generalizable findings, reflecting on the research process and the outcomes.

Chapter 8 concludes by answering the research question and summarizing the research.

2 Conceptual background

This chapter deals with the conceptual background and introduces the central terms and their characteristics to present their understanding for the research at hand. Section 2.1 elaborates on the novel domain Web 2.0 for research and business. The relevant notions related to the management of customer relationships are examined in section 2.2. Finally, there is a chapter summary given in section 2.3.

2.1 Web 2.0, Social Media and Co.

The tremendous interest from public, business and scholars in Web 2.0, Social Media, Facebook and related expressions results in different definitions, perceptions and understandings (D. Kim, Yue, Hall, & Gates, 2009, p. 38; O'Reilly, 2005; Walsh, Hass, & Kilian, 2011, p. 4). As a consequence, Web 2.0 remains often a buzzword. To provide a coherent understanding of these terms, there is a demonstration of Web 2.0 (Section 2.1.1), Social Media (Section 2.1.2) and User Generated Content (UGC) (Section 2.1.3). Section 2.1.4 combines and conceptualizes them in the context of this research.

2.1.1 Web 2.0

2.1.1.1 Definition

It is relevant reviewing the definitions of the domain due to different understandings. Two approaches are highlighted as they allow a good introduction. The first definition by DiNucci (1999, p. 32), who initially coined the term Web 2.0. The second is by Musser and O'Reilly (2006, p. 4), and commonly accepted within academia.

Back in 1999, DiNucci used the term Web 2.0 to describe the future of the Internet. From a technical perspective, she envisioned that the Internet would have a different front-end appearance and would become a transport mechanism by integrating different media formats. This would enable an Internet usage on a variety of devices such as computers, TVs, car dashboards, cell phones or microwaves. The major development is expected in the technological advancements which lead to a ubiquitous Internet usage because information could be pushed via different means towards a recipient.

Musser and O'Reilly's approximation to the term Web 2.0 starts from a macro perspective. In 2004, they differentiated the period before and after the burst of the dot-com bubble as Web 1.0 and Web 2.0 respectively in order to express the turning point for the Internet (O'Reilly, 2005). Successful organizations adapted to a change of web-user behavior which is characterized by an active participation and commitment. People are no longer only recipients of information as expected by DiNucci. They use the advancements of modern information and communication technology (ICT) to publicly create, modify and distribute information, to collaborate with others and to contribute globally regardless of their social status (Dearstyne, 2007, p. 26). This participation leads to a democratization of knowledge and information (Han, 2010, p. 201; Kietzmann, Hermkens, McCarthy, & Silvestre, 2011, p. 242). Compared to the traditional one-way communication over the Internet (e.g. e-mail), Web 2.0 changes "the perception and usage of the Internet. Web-user integration, participation, and collaboration are motivated in this context, i.e. social practices being integrated within a technological mediated environment" (Lehmkuhl & Jung, 2013b, p. 1).

Due to the difficulty to present a clear definition, O'Reilly formulated initially a set of principles to sketch the term (O'Reilly, 2005). The principles of relevance in this dissertation are *harnessing collective intelligence*, *data is the next Intel inside* and *rich user experience*.

Harnessing collective intelligence is about network effects[11] that result from an active participation. That is, the more people become involved in content creation, modification and dissemination, the better is the output and the higher is the reach of message. This is due to the fact that people add their own thoughts on existing information to add value (co-creation of value), link different content with each other and leverage the long tail through e.g. customer self-service. Organizations should build on this principle because the network effects from consumer contributions can drive competitiveness due to a cost-efficient production of credible content and rapid dissemination across consumers' social networks.

The principle *data is the next Intel inside* refers to the competences and capabilities of processing big volumes of unstructured data. Since Web 2.0 is very much data-driven there is a need for analytical capabilities to manage these data. Enhanced customer insights, better product feedback or a more comprehensive market understanding are expected which eventually impact performance.

The principle *rich user experience* refers to the simplicity of using Internet-based applications such as Social Media. It is reasonable to assume that web-users do not care about the underlying technology of the programs and applications they use. What matters to them are usability, simplicity, connectivity and security. These factors ensure a simple adoption and a positive user experience.

Building on these three principles, Musher and O'Reilly present a definition of Web 2.0 in 2006 stating that

> *"Web 2.0 is a set of economic, social, and technology trends that collectively form the basis for the next generation of the Internet—a more mature, distinctive medium characterized by user participation, openness, and network effects."* (Musser & O'Reilly, 2006, p. 4)

[11] Network effects describe the increase in the perceived value of a service when more people start to use it (Anderson, 2007).

Put differently, Web 2.0 has an extensive impact on business and society and can be understood as an evolution. Compared to DiNucci's envisioning of the future, it is O'Reilly's and Musser's ex post evaluation that recognizes the advancements in due time. To further conceptualize this domain in the context of the dissertation, there is an examination of the three trends (*economic, social, business*) (Section 2.1.1.2) and a clarification of the specific Web 2.0 communication characteristics (Section 2.1.1.3).

2.1.1.2 Web 2.0 trends

The definition of Web 2.0 implies that it is a multi-dimensional phenomenon. The three trends are dynamic, evolving and interlinked. A "systematic analysis of the broad characteristics and trends associated with Web 2.0" are lacking (Wirtz, Schilke, & Ullrich, 2010, p. 274). The conceptualization of Web 2.0 is therefore subject to each researcher and the research context.

In regard to the *social trend*, Web 2.0 allows satisfying people's sociological patterns (Chui et al., 2012, p. 6). By using the advancements of modern ICT, it extends the social life to the Internet (Figure 3).

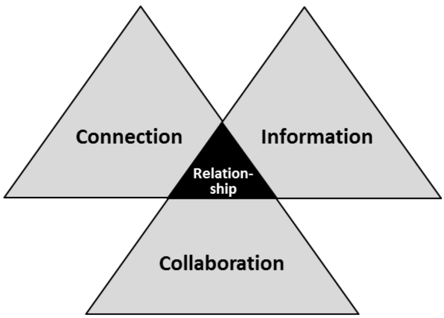

Figure 3 - Social dimension of Web 2.0

Firstly, people establish online profiles and virtual identities (e.g. a Facebook profile). They present themselves online by a conscious or unconscious revelation of personal information. The online profile is a requirement to establish *connections* with others. These connections can be either direct (1:1

connection) or indirect (connection in a group) (Kaplan & Haenlein, 2010, p. 62). By connecting with an object such as a person, a brand, a firm or a product, people represent their own selves in a manner which is consistent with the image they would like to give (Schmitt & Zarantonello, 2013, p. 33). Secondly, people communicate with others by exchanging *information* and experience based on their knowledge. Because of this exchange, online experiences tend to be tied to non-physical consumption and services which leads to a growing dematerialization of objects (Schmitt & Zarantonello, 2013, p. 33). Thirdly, people interact and *collaborate* with others which lead to the creation of knowledge and insights. The combination of these practices supports relationship building and bonding with the object of interest.

Depending on the situation, a person may take three different roles (*private person, the consumer, the customer*) with different motivations for interaction and collaboration. In the role as a *private person*, people care about the exchange of personal matters, leisure time activities and relationships with friends and acquaintances (Dholakia, Bagozzi, & Pearo, 2004, p. 244). In the role as a *consumer*, people aim at collecting consumption experiences of others to develop an own opinion. In the role as a *customer*, people have purchased a product/service already or have/had some relationship with a provider. In this context, they share their experiences and information to, e.g. confirm their social status (Dholakia et al., 2004, p. 244). They talk about themselves, their expectations or experience with an object but not about the object per se. The object is just the means to transport an image.

With regard to the *technological trend* of Web 2.0, it can be argued that the advancements of modern ICT are the means for online connections, exchange and collaboration. In particular, it is about the *access*, the *hardware* and the *software* that nurture the social dimensions. The *access* is about the increasing penetration of broadband Internet access. It enables people to exchange large amount of multimedia data. The diffusion of mobile devices (hardware) such as smart phones or tables facilitates this exchange so that the Internet becomes ubiquitous. The *software* is about user friendly applications that enable different activities such as the connection with others, the distribution of information or the collaboration with peers.

The *business trend* of Web 2.0 is about the professional integration of tools (application) and practices (e.g. collaboration) to create business value (e.g. Culnan et al., 2010; Derham, Cragg, & Morrish, 2011; Lehmkuhl & Jung, 2013a). McKinsey's Global institute expects that the largest opportunity for value creation is attributed to improving communication and collaboration because it could raise productivity by 20%-25%. New opportunities are also expected in terms of advanced consumer insights and market intelligence which are equivalent to between 15% - 30% of current spending on these activities (Chui et al., 2012, p. 3). A thorough implementation of Web 2.0 affects all parts of business and reshapes functional units (Kosalge & Olvi, 2010, p. 1). Yet, while studies envision a beneficial future from deploying Web 2.0 properly, there is a lack of a conceptual understanding and approaches to strategically plan and operationally implement it (Kietzmann et al., 2011, p. 202).

In summary, Web 2.0 represents a set of dynamic principles and practices that impacts society and business. It facilitates the active participation of web-user by satisfying basic sociological patterns like identity seeking through affiliation in groups, sharing experiences, and building relationships. Organizations need to understand the motives of people to express opinions and experiences as a basis for generating new insights. Facilitating an active web-user commitment asks for new communication strategies. A preliminary step herein is the awareness of changes in communication from a Web 1.0 to a Web 2.0 business environment.

2.1.1.3 Web 2.0 communication

Given the changes and development in the usage of the Internet, Web 2.0 leads to a revolution of communication in an organizational context (Lehmkuhl & Jung, 2013b). Customers become effectively involved in corporate communication which means a changes from a *one-directional* to a towards a *multidirectional* communication (Figure 4, based on Ballantyne & Varey, 2006, p. 226).

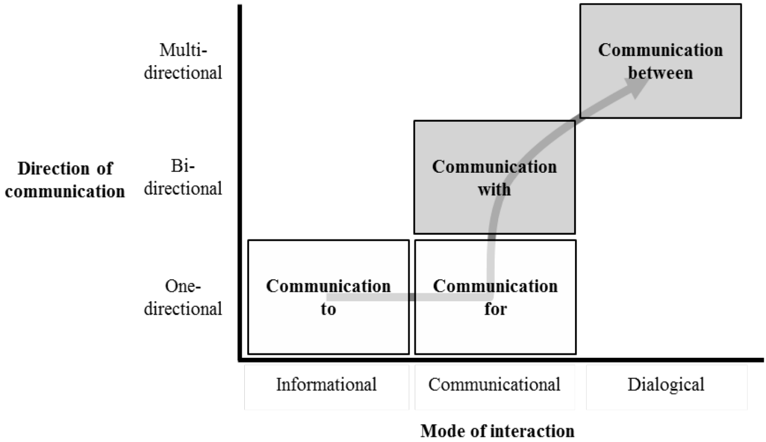

Figure 4 - Web 2.0 communication matrix

This change can be described as a shift from a transaction focused communication (*communication to and for*) towards a relational focused (*communication with and between)*. In particular, *communication to* the target groups is characterized by pushing persuasive messages of unique selling propositions towards a mass market in order to secure brand awareness (e.g. online ads). *Communication for* is a target group focused approach about product/service promises and guarantees, i.e. planned persuasive messages with augmented offerings (e.g. a discount due to a membership anniversary). *Communication with* rests on bi-directional interactions between an organization and its target groups and emphasizes an exchange of planned and spontaneous messages which is product and service focused. Communication *between* is person centric and emphasizes dialogue including an organization and multiple consumers. It aims at understanding each other's point of view, developing a common understanding or reducing cognitive dissonances (e.g. collaboration in a community of interest). With that said corporate Web 2.0 communication builds on planned and spontaneous messages to - ideally - stimulate dialogue between participants. The interaction gives prominence to informing and listening by means of sharing information and knowledge (*communicational* mode of interaction). It also emphasizes learning due to co-created outcomes which are based on trust, adaptations and commitment (*dialogical* model of interaction) (Ballantyne & Varey, 2006, pp. 226–229). As a consequence, integrating web-users into a dialogical based communication is one means for relationship building. It also empowers web-users because they can publicly portray opinions or express thoughts about any issue of relevance. Organizations must acknowledge this mode of communication because “web-users determine the extent of conversation with and about organizations. They expect transparency, authenticity, rapid responses and some value in return for their engagement. Moreover, web-users also generate value for themselves in discourses with their peers about organizations, products and brands. In conclusion, focal point of a Web 2.0 based interaction for organizations is the individual” (Lehmkuhl & Jung, 2013a, p. 192). Stimulating commitment is vital because Web 2.0 communication is about user participation, interaction, integration, and collaboration.

2.1.2 Social Media

As much remains to be explored in regard to Web 2.0 from conceptual (e.g. principles and practices), strategic (e.g. application scope) and operational perspective (e.g. mode of communication), there is a likelihood to use the term interchangeably with nearby expressions (Constantinides & Fountain, 2008, p. 233; D. Kim et al., 2009, p. 658). Among others, Social Media is a frequently used synonym. However, Social Media can be defined as

> *“a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content.”* (Kaplan & Haenlein, 2010, p. 61)

They are the technical enabler for an online-based exchange of digital contents and operationalize the principles and practices of Web 2.0. As the front-end to the user they represent something tangible compared to the intangible concept of Web 2.0. Facebook and Twitter are at present the most popular applications in terms of user-base and marketers' interests. Though, Social Media must not be reduced to these platforms because the application landscape is very dynamic and divers. The dynamic is explained by the development of new application areas (e.g. the "Meet & Seat" concept of the KLM[12]), the availability of new applications with little differentiation (e.g. social bookmarking services like reddit, delicious, Mister Wong[13]) and the termination of unsuccessful services (e.g. Schueler VZ[14]). Well-established applications like Facebook need to monetize their business models and stand the test against competitors such as Google+. This demands a high user-base, platform binding (i.e. lock-in effects), differentiations (i.e. added value), continuous enhancements of existing features, and the integration of additional functionalities. Nevertheless, a consolidation can be assumed in the long run due to an excess supply of similar applications and missing monetization opportunities (S. Georgi et al., 2011, p. 633).

Related to the dynamic of the Social Media landscape is the high diversity of applications. Scholarly literature is relatively scarce in structuring Social Media with the purpose of giving a consolidated perspective. Categorizations are not research objective and rather part of the conceptual background (Mall, 2012, pp. 50–51). Consequently, there are different approaches (e.g. theory based vs. conceptual reasoning vs. empirical testing), objectives (e.g. to reveal underlying social processes, major uses cases or the type of content created), categories (e.g. social networks, blogs) and corresponding characteristics (e.g. high vs. low degree of self-presentation). Since this dissertation does not concentrate on the adoption of a particular application, it is not expedient to elaborate on the different categorization approaches in detail.

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[12] In brief, the Dutch airline KLM offers flight passengers the option choose their seat after checking the interests of other passengers on the flight based on their Facebook and LinkedIn profile information.

[13] www.reddit.com; https://delicious.com; www.mister-wong.com

[14] www.schuelervz.de

An overview of the most popular categories is given in table 1[15]. Popularity hereby refers to the world-wide number of users and the focus of scientific literature (Mall, 2012, p. 30).

Major Social Media categories and examples					
Category	Social Networks	Micro Blogs	Blogs	Content sharing community	Collaboration community
Example	Facebook, LinkedIn	Twitter	WordPress	YouTube	nuForum
Characteristics					
Focus	user information	content	opinions	content	content/ knowledge
Degree of self-presentation	medium	low	high	high	low
Major media format	text	text	text	several	text
Information half-life	medium	short	long	long	long
Degree of association to defined Web 2.0 dimension					
Connection & Relationship	high	-	-	-	medium
Information & Experiences	medium	high	high	high	medium
Interaction & Collaboration	-	-	low	-	high

Table 1 - Characteristics of Social Media categories

As presented in the table, there are five major *categories.* These are social networks, microblogs, blogs, content sharing communities and collaboration communities. To remain focused there is merely a detailed presentation of the most popular Social Media category, *social networks,* and its characteristics. Typical applications in this category are Facebook, Google+, LinkedIn or Xing. Their primary *focus* of application is on connecting people and/or organizations with each other, usually based on reciprocity. Application users create profiles that can be accessed by connected friends, acquaintances or fans. The *degree of*

[15] Based on Alfaro, Bhattacharyya, Highlander, Sampath, & Watson-Manheim, 2012, pp. 8–9; Faase et al., 2011, p. 17; S. Georgi et al., 2011, pp. 633–634; Kaplan & Haenlein, 2010, pp. 60–64; Kietzmann et al., 2011, pp. 243–248; Mall, 2012, p. 30; Smith, Fischer, & Yongjian, 2012, p. 109; Weinberg & Pehlivan, 2011, pp. 279–280.

self-presentation depends on the platform, the visibility rights granted or the frequency of information created. Self-presentation describes a person's desire to control and to push an image on others as well as influence them to gain an advantage. This presentation is done through self-disclosure (Kaplan & Haenlein, 2010, p. 62). A low degree of self-presentation is given when only identity data (e.g. factual information like name or age) are provided. A high degree of self-presentation is achieved as soon as personality data (e.g. subjective information like a person's attitudes towards an object) are provided in addition and/or as soon as this information is updated frequently. The connection on social networks with web-users can be valuable for organizations. They may generate or enhance their insights about individual persons which allow designing tailored messages or offerings. Due to the enormous popularity of social networks, organizations favor these applications because of their large reach of message. The *major media format* is usually text based information. Though, most applications include additional media formats or link information from other platforms. For example, a detailed product review of a loudspeaker might be announced by a short message on Facebook including a web-link to an online community such as the nuForum. Finally, the *half-life of information* describes the information's timeliness, availability, appearance on the screen or interest of information (Weinberg & Pehlivan, 2011, p. 279). A lower half-life of information can be expected from a heavy Facebook user who has a lot of friends/followers. Over a short period of time, there is a lot of content provided so that only a fraction is actually presented to and read by the user. In comparison, there might be a rather long half-life of information at the social network LinkedIn. Since LinkedIn is about connecting people and presenting profile data (e.g. the job history), this data is rather static. This means there are less updates so that the information's timeliness and half-life is rather high.

In summary, organizations may use different applications to integrate their target groups into external communication. To realize the potential of leveraging network affects, they need a critical mass of connected and committed people. Deciding on the adoption of a particular application needs to be done mindfully. From an academic perspective, it may start from a diverse set of starting points such as organizational challenges (Kuikka & Äkkinen, 2011), implementation processes (Raeth, Urbach, Smolnik, Butler, & Königs, 2010), customer dialog (Gallaugher & Ransbotham, 2010), marketing strategies (Hanna et al., 2011), technology tools and usage (Nath & Singh, 2009; Patten & Keane, 2010) or cultural values (Schlagwein & Prasarnphanich, 2011). In practice, adoption decisions are often based on a platform's popularity.

2.1.3 User Generated Content

Drawing on the definition of Social Media, one purpose is the "creation and exchange of user generated content" (Kaplan & Haenlein, 2010, p. 61). Specifically, user generated content (UGC) is the information that is created, modified or exchanged and understood as the

> *"various forms of media content that are publicly available and created by end-users"* (Kaplan and Haenlein, 2010, p. 61).

Depending on the application, UGC is represented by several artifacts such as status messages, images, video clips or forms of appreciation such as a "like". In a B2C related communication, UGC is a freely created personal meaning that focuses on an object in an authentic manner (Burmann, 2010, p. 2). It might be stimulated by an organization or pro-actively created by a web-user. UGC is indicative of awareness, engagement and WoM towards the object (Hoffman & Fodor, 2010). In particular, WoM requires UGC as object of dissemination, while UGC needs WoM to reach awareness and influence in public (Arnhold, 2010, p. 83). Facilitating the creation of UGC in a B2C context is valuable because a higher trust is attributed to information from web-users than from organizations. Proper Social Media management strives for balancing the contributions of fans and the organization.

Traditional corporate communication material is usually based on one-way communication (e.g. e-mail newsletter). Contents are not suitable for an interactive Web 2.0 environment in which fans should comment, change, share or distribute the information. This demands setting up dedicated Social Media communication and content to facilitate web-users' commitment.

In summary, organizations should aim at facilitating the creation of UGC in scope of their Web 2.0 communication. The impact of UGC is manifold. Firstly, it may support the decision-making of a product purchase by reducing ambiguity. Secondly, it may create brand or product awareness when it is distributed by web-users to their peers. Lastly, it supports relationship management because it represents the engagement of customers with an organization.

2.1.4 Conceptualization of Web 2.0

When summarizing this section on Web 2.0, Social Media and UGC, it can be exposed that Web 2.0 fundamentally alters the mode of online communication towards a dialogue between organizations and their target groups. Among other things, Web 2.0 provide new opportunities for collaboration and value co-creation which supports customer-centric management (Lehmkuhl & Jung, 2013a, p. 190). Due to the novelty of the entire domain, there is a lack of systematic analyses related to the broad characteristics and trends associated with Web 2.0 (Wirtz et al., 2010, p. 276).

In this dissertation, Web 2.0 is conceptualized as multidimensional phenomenon addressing social, technology and business related trends (Figure 5 on the next page).

Social Media are the technical enablers for connecting people virtually, exchanging information or collaborating on joint matters. Important in a B2C context is that people mainly want to talk about their issues of interest (e.g. about themselves or their consumption experience) rather than about an organization per se. They have different preferences where, what and how to communicate about themselves, their consumption behaviors or experiences.

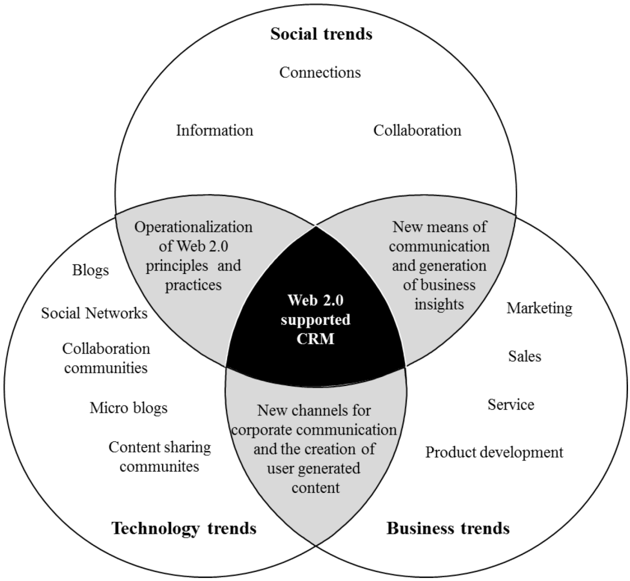

Figure 5 - Conceptualization of Web 2.0

Organizations need to understand these preferences and find adequate platforms and strategies to facilitate the creation of brand UGC. In a first step they need to understand the principles and practices of Web 2.0. Moreover, they should determine their objectives for using Social Media, e.g. as service platforms, as branding-platforms, in order to be able determining their added value on performance (Schulten, 2012, p. 372). Emphasis in the dissertation is put on Web 2.0 supported CRM. This means the integration of Web 2.0 principles (harnessing collective intelligence, data is the next Intel inside and rich user experience) and practices (connections, information exchange, collaboration) into consumer-oriented management as a means to manage the relationships with connected web-users on different Social Media. The scope and context of managing relationship is explained in the following section.

2.2 Customer Relationship Management

The concept of CRM is the second building block of the conceptual background. Outlining its understanding is done by a separation of the term into "relationship management" (RM) and "customer relationships management". The overarching concept of RM (Section 2.2.1) will be examined briefly because weight is put on an elaborate description of CRM (Section 2.2.2). In particular, there is an examination of its definition and scope, the underlying pre-requisite for CRM, the management of related activities and the assessment of outcomes. Section 2.2.2 also starts combining the common ground between CRM and Web 2.0 in order to provide an integrated perspective. The explanations given align on the insights from the inductive study on Nubert (Lehmkuhl & Jung, 2013b). Finally, section 2.2.3 summarizes the major aspects and provides the conceptualization of CRM.

2.2.1 Relationship Management

The continuous change of economic and competitive conditions requires organizational adaptations and occasional realignments of strategic and operative marketing approaches. In the 1990's, emphasis of corporate marketing turned from a transaction based perspective to a relationship based perspective. This paradigm shift towards a customer orientated management is based on the necessity to take the heterogeneity of customer expectations into account, to manage the manifold customer behaviors, to compete in mature market, as well as modern ICT that enable a data based customer management in mass markets (Bruhn, 2009, pp. 1–2; Kumar & Reinartz, 2012, p. 6). The extent of a RM can be explicated by describing its context (Figure 6, based on Leußer et al., 2011, p. 20)

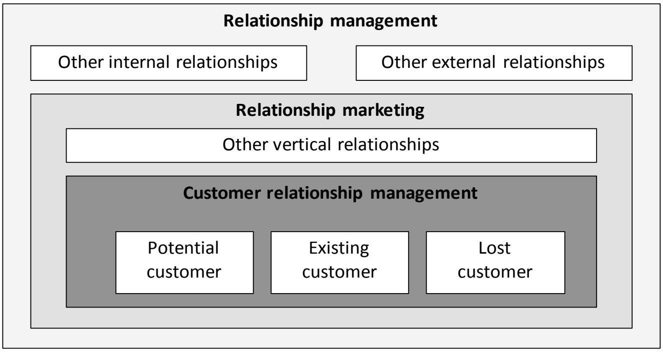

Figure 6 - Differentiation of relationship related concepts

As presented in the figure, RM is a holistic concept dealing with the

> "*active and systematic analysis, selection, planning, design and control of business relationships in terms of a comprehensive concept of goals, mission statements, single activities and systems.*" (Diller, 1995, p. 442)

In other words, RM is a targeted approach encompassing single activities (e.g. transactions) but also (long-term) relationships. There are various types of relationships including external relationships and internal relationship. External relationships are customer relationships, vertical relationships (e.g., supplier) or horizontal relationships (e.g., sales cooperation). Internal relationships deal with personal relationships between employees (Diller & Kusterer, 1988, p. 211). This implies that RM is about dealing with a network of different stakeholders and different relationships. Relationship marketing is a part of RM and is a strategic concept, which highlights the customer perspective but also incorporates the relationship to suppliers, i.e., a B2B and a B2C perspective (Berry, 1983, p. 25). Accordingly, today's maxim of relationship marketing management is a strong customer orientation (Wehrli, 1994, p. 193). In comparison, traditional marketing instruments (e.g., 4 P's[16]) have a product-oriented focus with an emphasis on facilitating single transactions. Relationship

[16] Product, Price, Promotion, Placement

marketing extends the product-oriented management. It fosters interaction with customers as a major part of the product/service provisioning. It also includes a systematically and continuously elaboration on the organizational potential to fulfill the expectations of individual consumers.

2.2.2 Customer Relationship Management

2.2.2.1 Definition and scope

With the focus on consumers, CRM has a narrower scope than relationship marketing. In principle it could be understood as the "strategic management of relationships with customers" (Frow & Payne, 2009, p. 10). Yet, this distinction is not that simple because there are numerous perceptions and definitions (Leußer et al., 2011, p. 19). Some scholars recognize CRM as a comprehensive concept which is in alignment with the aforementioned examinations. Others accentuate single aspects such as strategic issues, processes, organizational issues or technological matters (Wahlberg, Strandberg, Sundberg, & Sandberg, 2009, p. 193). Payne and Frow (2005, p. 168) portray this discourse in a continuum of three perspectives: The first defines CRM rather narrowly. CRM is meant as a project based approach about implementing a particular technological solution. The second perceives CRM somewhat broader by dealing with the implementation of customer-oriented technology solutions. Finally, CRM is understood as a customer-centric perspective that demands a broad and strategic management approach. Due to these different opinions, there is a lack of consensus on defining CRM, its scope of operations, and the acceptance in practice. Within the last years, there is a convergence in perceptions because CRM becomes more accepted as a strategic management approach. The review by Wahlberg et al. (2009, p. 197) exposes that the largest field of research takes a holistic position dealing with topics such as customer-centric management, a cross-functional integration of process and activities, change management, IT systems and success measures. Kumar & Reinartz (2012, p. 6) corroborate this emphasis: Organizations are advised to follow a strategic approach as a means to adopt to consumer trends related to demographic (e.g. increasing individualization) and behavioral changes (e.g. use of Social Media, rise of convenience and self-service, value consciousness). Accordingly, the understanding of CRM in the dissertation follows the definition by Frow & Payne (2009, p. 11), stating that

> *"CRM is a cross-functional strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. It typically involves identifying appropriate business and customer strategies, the acquisition and diffusion of customer knowledge, deciding appropriate segment granularity, managing the co-creation of customer value, developing integrated channel strategies and the intelligent use of data and technology solutions to create superior customer experience."*

Put differently, CRM includes two main design areas that are linked with each other: Firstly, a customer oriented strategic approach and secondly, the application of an integrated IT based CRM architecture. The former sets the basis for customer orientation and serves as a frame of reference (Grabner-Kraeuter et al., 2007, p. 150). As a strategic initiative CRM does not belong to a single corporate function and demands reinforcement from several functional units that collaborate (Payne & Frow, 2006, p. 139). It is a continuous process of adapting to changing customer needs rather than a one-time implementation of a technical solution (Kumar & Reinartz, 2012, p. 5). CRM systems as a subsequent design area consolidate data and interaction channels to enable a holistic perspective on individual customers. Of relevance are information *of-the-customer*, *for-the-customer* and *by-the customer* (Park & Kim, 2003, p. 654). The first group of information (*of-the-customer*) is about a personal and transactional data, which are used to understand and measure the customer value by means of profitability analysis or purchasing patterns. *For-the-customer* information refers to product, service, or organizational information that is pushed to target groups. *By-the-customer* information is about customer feedback including complaints, needs and suggestions. This group of information is of significance for expanding organizations' customer profiles and serving as an impetus to improve business. Since Web 2.0 facilitates direct interaction with unknown web-users and known customers, it presents a reliable, timely and cost effective manner to collect, disseminate and update all customer information types (Sigala, 2011, p. 656).

In summary, CRM is a strategic management approach, that is concerned with the co-creation of value, the use of data and technology, the acquisition and diffusion of customer knowledge and the integration of processes across different organizational functions (Boulding, Staelin, Ehret, & Johnston, 2005, p. 6). The two central design areas (strategy and systems) need to be considered when elaborating on the interplay of CRM with Social Media (i.e. some form of IT innovation) and Web 2.0 principles (i.e. the mode of interaction).

2.2.2.2 Prerequisites for CRM

One prerequisite for CRM is a solid justification for a RM approach. It is required that customers are willing to establish and maintain relationships but also that CRM is reasonable for an organization. From a consumer perspective it has to be clear what people expect from a relationship and which benefits (or value) they may derive. By consolidating previous studies, Danaher, Conroy and McColl-Kennedy (2008, pp. 44–45) reveal three relational benefits and three expectations (Table 2 on the next page).

Relational benefits are ascribed to Gwinner, Gremler, & Bitner (1998) who reveal *confidence benefits*, *social benefits* and *special treatment benefits*. Most important are *confidence benefits* referring to customer perceptions in terms of comfort and security. *Social benefits* describe the interpersonal interactions between a customer and an organization's employee. *Special treatment benefits* designate economic considerations such as monetary (e.g. price discounts) and non-monetary benefits (e.g. time saved in searching for another provider) (Gwinner et al., 1998, p. 109).

Attributes	Description	Application to a Web 2.0 context (Nubert)
Relational benefits		
Confidence benefits	Trust, confidence, uncertainty reduction	Reduce uncertainty prior or after a product purchase decision due to product experience reports on nuForum
Social benefits	Personal recognition, friendship, fraternization	Personal recognition received from nuForum community members in case of valuable contributions (e.g. report about consumption experience or the support provided to others)
Special treatment benefits	Discounts, better service, time saving	nuForum might be single point of contact in case of any questions related to loudspeakers so that no additional information source might be required (time saving benefit)
Customer expectations		
Service performance	Provide a satisfactory service level, reputation	The nuForum provides a high service level due to extensive C2C support
Convenience	Close proximity, availability upon request	Tapping the online community in case of requests outside regular office hours. The large number of community members and the supportive dialogue culture ensure that a request is answered quickly and in a decent manner.
Customization	Tailoring of offerings to customer needs	No tailored offers to meet customer needs in Web 2.0 due to standardized products

Table 2 - Attributes that impact on BC2 relationship formation

In terms of *customer expectations*, it is a minimum requirement that organizations are capable of providing a thorough customer service and support as well as to maintain a solid reputation (*service performance*). *Convenience* as second expectation attribute relates to the organization's proximity and availability related to customer requests or support. *Customization* refers to tailoring products or services to a customers' specifications (Danaher et al., 2008, p. 45).

From an organizational point of view, it depends on the industry and the offer whether a relationship focused management is preferable over a transactional focused (Dwyer, Schurr, & Oh, 1987, p. 12). Bruhn (2009, p. 17) conceptualizes this reasoning by highlighting two groups of attributes to assess the suitability of each approach (Table 3).

Attributes	Transaction focus	Relationship focus	Application to a Web 2.0 context (e.g. Nubert)
Offer and market related attributes			
Market saturation	Low	High	- Not applicable
Homogeneity of alternatives	High	Low	- Not applicable
Complexity of offer	Low	High	- Not applicable
Contact related attributes			
Degree of integration	Low	High	- *High* integration of community members in case of questions from the management
Degree of interaction	Low	High	- *High* interaction in nuForum, - *Low* interaction on Facebook
Information asymmetry	Low	High	- *High* information asymmetry can be reduced via extensive information exchange in Forum
Direct customer contact	Low	High	- *High* direct contact either via public post or via private message on nuForum
Anonymity of customer	High	Low	- *Low* anonymity due to high degree of self-presentation of nuForum members - *Higher* anonymity on Facebook
Importance of indiv. customer	Low	High	- Each fan has recommendation potential (positive WoM)

Table 3 - Attributes to assess the applicability of a RM approach

On the one hand, there are *offer and market related attributes.* They deal with different facets impacting on the purchasing behavior. On the other hand, there are *contact related attributes* dealing with the mode of B2C communication. In an interactive and dynamic online context, it can be expected that the largest contribution of Web 2.0 is on contact related attributes. For example, as soon as a web-user is connected to Nubert's Facebook Fanpage, there is a direct contact, a simple way to stimulate interaction and a possibility to identify followers' identities.

In summary, it must be recognized that relationships are two way: From a customer perspective, expectations need to be met and benefits to be realized. From an organizational perspective, the efforts from establishing a close customer orientation need to pay off. In other words, both stakeholder groups need to derive some value when entering a relationship (Danaher et al., 2008, p. 45). Especially in a Web 2.0 based context, there is a possibility for an intense B2C interaction compared to traditional one-way persuasions.

2.2.2.3 Customer relationship lifecycle

Adding to the previous contemplations, it is apparent that a B2C relationship develops and changes over time. The development is incremental, affected from all touch points and it impacts on experiences, preferences and perceptions (Dagger & O'Brien, 2010, p. 1529). Understanding the changes in a relationship's duration is necessary for building relational bonds and planning activities from an organizational perspective (Bell, Auh, & Smalley, 2005, p. 170). Hence, CRM has a long-term focus to develop positive and persistent customer perceptions (e.g. perceived relationship value, satisfaction, and commitment) and behaviors (e.g. re-purchases and recommendations). The customer relationship lifecycle is the central conceptual model to describe the theoretical development of a relationship along the distinct phases *acquisition, retention* and *recovery*. Following the concept enable a systematic analysis and guideline for corresponding relationship measures (Dwyer et al., 1987, pp. 15–19; Stauss, 2011, pp. 330–332) (Figure 7, based on Stauss and Seidel (2007, p. 31)).

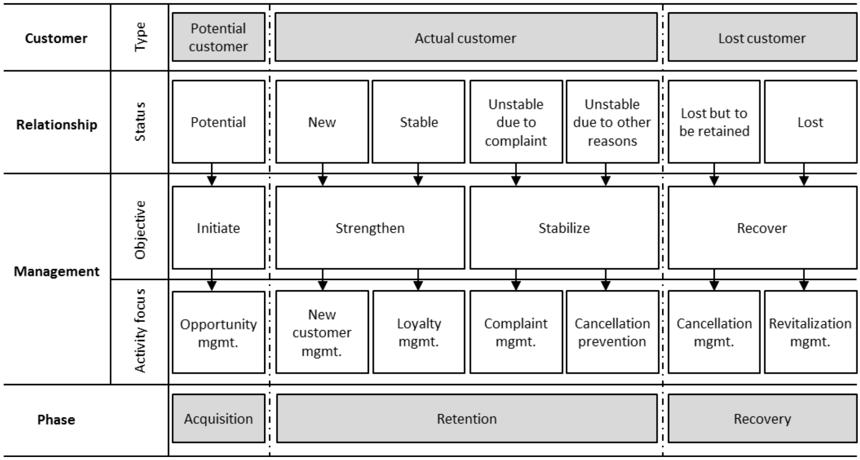

Figure 7 - Relationship status and activities

The first phase (*acquisition phase*) is characterized by activities that manage the awareness and interest of potential customers. There is merely an exchange of information to solve a buyer's problem but neither a business transaction nor a relationship. A direct interaction between buyer and seller is not a necessity, so there might be no personal interaction. Organizations have vital interest in the Social Media platforms which are frequently used by their target groups. This reasoning is due to the fact that all points of contact (direct and indirect) influence a customer's experience which is a decisive factor for managing relationships (Meyer & Schwager, 2007, p. 2; Verhoef et al., 2009, p. 32).

The intensity and strength of a relationship should increase after the first purchase. Beginning at this point (*retention phase*), organizations aim at achieving customer loyalty and positive customer experiences. Critical determinants are, among others, customer oriented service offerings (e.g. high quality products and services) and a customer friendly interaction behavior (e.g. transparent information structure, consequent after-sales marketing) (M Krafft & Götze, 2011, p. 227). Social Media may support retention management by maintaining an interactive exchange with customers to provide perceived benefits.

Despite continuous efforts to retain customer and manage churn, it is always the case that some customers get lost so that customer recovery (*recovery phase*) becomes an objective. On the one hand, organizations aim to recover customers that actively terminate a relationship (e.g. cancelling a mobile phone contract). On the other hand, customers are addressed that are inactive, yet able to be recovered. The integration of Web 2.0 and Social Media in this context is uncommon at present. Still, due to the informal and direct contact opportunities via Social Media (e.g. a private message on Facebook), a relationship might be reclaimed in combination with some personalized sales promotion (Greve, 2011a, p. 19).

In summary, CRM seeks to establish, maintain and enhance long-term relational exchanges. The opportunities provided through Web 2.0 facilitate this objective. The identification and allocation of individual customers into a specific relationship stage as well as its corresponding management becomes much more complex. For example, nuForum community members usually use nicknames. Their identification as potential or existing customers demands either a text mining of contributions (UGC) or a matching of community registration data with the customer database. Otherwise, the identity of a community member remains unclear. Corresponding relationship activities e.g. to increase loyalty are disregarded. In general, it is difficult to identify the identity and personality of followers on Social Media at present. There is also a lack of capabilities in facilitating a Web 2.0 based communication with and between fans in order to build relational bonds. Due to this, CRM becomes much more complex in a Web 2.0 affected business environment and demands management innovations and strategic adaptations aligned with transformative approaches (Chui et al., 2012, p. 134; Kumar & Reinartz, 2012, p. 362).

2.2.2.4 CRM success measures

Ultimate justification for CRM is its impact on performance outcomes. It has been proven that CRM has positive direct effects such as higher revenues and lower costs (Reichheld & Sasser, 1990, p. 108) and positive indirect effects such as influence on other relations (Boulding, Kalra, Staelin, & Zeithaml, 1993, p.

24). Moreover, customer acquisition is usually more costly than keeping existing ones, and long-term relationships are also more profitable than short-term ones (Reichheld & Sasser, 1990, p. 109).

Yet, there is little agreement which measures are most suitable to determine CRM's success (e.g. Manfred Krafft & Götz, 2011, pp. 229–230). Palmatier, Daunt, Grewal, & Evans (2006) address this issue and develop a meta-analytical framework. They synthesize empirical research by assessing the effectiveness of antecedents on specific outcomes which are affected by some mediators[17] (Figure 8, based on Palmatier et al., 2006, p. 137).

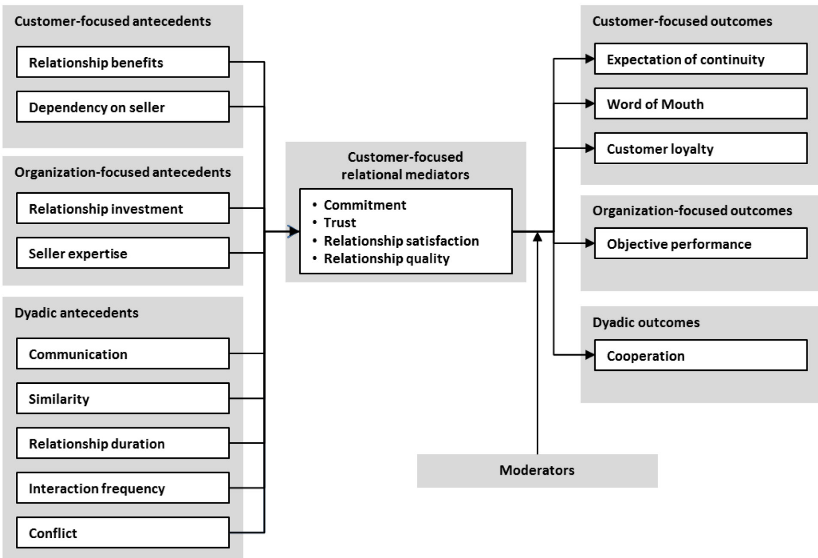

Figure 8 - Meta analytical assessment framework

The antecedents are divided into three categories and represent activities, capabilities or perceptions. In particular there are *customer-focused, organization-focused* and *dyadic antecedents*. *Customer-focused antecedents* are about the perceived value (e.g. the social benefit of being recognized as heavy

17 Please see Appendix C for a detailed description of all factors and common aliases.

user in the Nubert online community) customers receive so that they are willing to develop and maintain relational bonds. *Organization-focused antecedents* refer to the time, efforts, resources and overall competence/knowledge that an organization devotes to strengthening relationships (e.g. dedicated customer days at Nubert). *Dyadic antecedents* deal with joint activities of customers and organizations in the relational exchange (e.g. a competition of Nubert in which customers should take an image of their loudspeakers at home).

Among these antecedents, Palmatier et al. (2006, p. 150) reveal that *seller expertise* and *communication* are most effective for generating strong relationships. This fact allows the assumption that Web 2.0 supported CRM emphasizes these two levers. For example, it could be asserted that a branded C2C online community, such as the online forum of Nubert, provides a valuable complement to the awarded phone hotline (*seller expertise*), if customer requests are solved in time, with a high relevance and an appropriate amount of information. In this case, information seekers are able to find a credible answer quickly without looking for alternatives (e.g. another online community) which resolves ambiguity, is convenient and generates confidence (confidence benefits) (Adjei, Noble, & Noble, 2009, p. 637).

The relative effectiveness of distinct CRM activities on the outcomes depends on four relational mediators. For example, *relationship benefits*, *dependency on seller* and *similarity* are more effective for increasing *commitment* than for *building trust* (Palmatier et al., 2006, p. 149). While it is generally acknowledged that mediators affect outcomes, there is little agreement which individual or composite mediator is most capable to do so. Among the most studied constructs are *trust* and *commitment*. They are defined as "an enduring desire to maintain a valued relationship" (commitment) (Moorman, Zaltman, & Deshpande, 1992, p. 316), and the "confidence in an exchange partner's reliability and integrity" (trust) (Morgan & Hunt, 1994, p. 23). *Relationship satisfaction*, as third mediator, describes a customer's affective and emotional state towards the relationship. Last, *relationship quality* deals with the overall assessment of relationship strength. It captures different facets of an exchange relationship because no single relational construct can fully capture it in isolation (De Wulf, Odekerken-Schröder, & Iacobucci, 2001, p. 36).

The outcomes of the mediators are measured in three groups which either focus on a customer, the organization or their cooperation. Even though it is possible to determine the impact for each mediator on a defined performance outcome (i.e. *relationship quality* has the greatest influence on *objective performance*), no single mediator captures the full essence of a B2C relationship (Bowden, 2009, p. 592). Moreover, relationships between individual persons (employee and customer) are more effective than those that which build on customer-firm relationships with anonymous interaction partners on behalf of the organization (a moderating effect). This implies that a Social Media based B2C communication should be personal in which consumers should identify their dialogue partner. For example, Nubert may sign the messages with the name of its employees when publishing content on the Facebook Fanpage.

In summary, understanding the impact of CRM antecedents on the mediators and final outcomes is substantial in order to design effective CRM strategies. Otherwise, there might be CRM activities which do not lead to the expected effects. For the research at hand, it implies assessing how the peculiarities of Web 2.0 can enrich the different antecedents. This understanding gives indications, which activities should be prioritized to realize the largest impact on building, strengthening or revitalizing relationships.

2.2.3 Conceptualization of CRM

Linking the examined aspects of CRM (definition, prerequisites, activities and measures), it is conceptualized in this dissertation as a holistic management process (Bruhn, 2009, p. 91) (Figure 9 on the next page). It involves cross functional collaboration to adjust to changing consumer needs (e.g. customization) and environmental developments (e.g. rise of Social Media). It is inherently customer oriented meaning that it aims at providing an added-value to customers at all touch points.

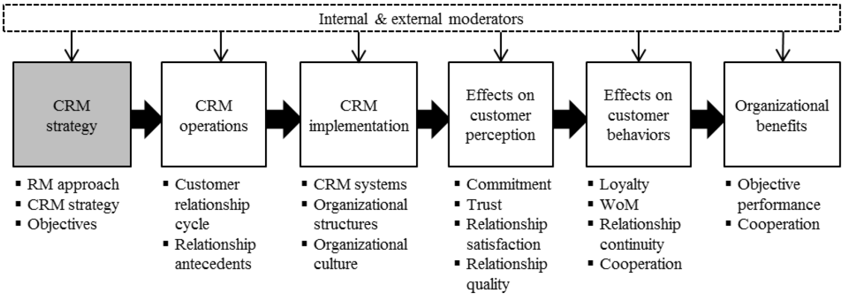

Figure 9 - Conceptualization of CRM

A *CRM strategy* sets the frame to ensure a customer orientation. This implies that CRM has a long-term focus on establishing, building and recovering customer relationships. The relationship lifecycle is the guiding concept to align management objectives and activities to the specific relationship phases (*CRM operations*). The *implementation* of CRM is a transformative endeavor because it affects the entire organization including IT infrastructure, organizational structure and culture. The outcomes of CRM activities affect customers' *perceptions* and *behaviors* of next to *organizational benefits*. Internal (e.g. switching barriers) and external (e.g. heterogeneity of customer expectations) *moderators* are influencing the different components from strategy formulation to organizational benefits.

CRM in an interactive Web 2.0 environment fundamentally alters the mode of managing customers. The speed, reliability, and spread of information through Social Media change CRM. It evolves from a predominantly database concept operating at the aggregate level to one that can be customized for individual customers (Kumar & Reinartz, 2012, p. 371). The distinct roles of buyer and seller may converge when there is collaboration in joint value creation (Prahalad & Ramaswamy, 2004, p. 8). Consequently, Web 2.0 principles and practices can facilitate value co-creation which supports relationship management.

Focus on the dissertation is on the first component of CRM – being CRM strategy (shaded box in Figure 9). This field of work adds to the calls from scholars and market analysts to design comprehensive approaches for integrating Web 2.0 in CRM. Due to the lack of conceptual, strategic and operational understanding of Web 2.0, it is required to provide a thorough conceptual basis. This means to specify the foundations of Web 2.0 supported CRM in a first place (cf. Chapter 4). After that - but out of research scope - there is an opportunity of scrutinizing the planning of implementation activities, IT infrastructure or structural changes.

2.3 Chapter summary

The conceptual background underlying the dissertation is introduced in this chapter by discussing the concepts of Web 2.0 and CRM. Following their descriptions, it can be summarized that Web 2.0 and CRM are linked to each other: Web 2.0 not only facilitates relationship building and management but also interaction and collaboration. CRM aims at developing strong relational B2C bonds by fostering customer centricity, integration and a direct contact with individual persons. At present, this linkage between Web 2.0 and CRM is difficult to exploit. On the one hand, there are different perceptions on the scope of CRM ranging from a technological solution up to a strategic management approach. On the other hand, there is a lack of understanding of Web 2.0. SCRM demands acknowledging the fundamental changes in corporate communication towards an ongoing dialogue with and between connected web-users. CRM strategies of control over products, customers and information have to be adapted which requires a clear specification of the domain and a dedicated organizational approach. The manner for developing such an approach rigorously is part of the following chapter.

3 Research approach

This chapter is devoted to elaborating the research approach. It starts by determining the scientific background which positions the dissertation in the design-oriented paradigm of BISE research (Section 3.1). In section 3.2, there is a specification of the envisaged research outcomes in terms of a construct (SCRM definition) and a model (SCRM model). The documentation of the research process is dealt with in section 3.3 and presents the different research steps including activities, their objectives and outcomes. Section 3.4 summarizes the chapter and visualizes the research procedure.

3.1 Scientific background

The first step in determining the research context is specifying the scientific background which serves as the theoretical basis and guides the research project in terms of methods, procedures and outputs. Setting this context is subjective and up to the researcher (Becker, Niehaves, Olbrich, & Pfeiffer, 2009, p. 4). Positioning this research in a specific research domain is done by reviewing the disciplines that address SCRM. Research on the subject matter is published from several realms such as IS research, management, marketing, psychology, service management, strategy, and even accounting and finance (Lehmkuhl & Jung, 2013a, p. 205). In order to take account of these different perspectives, the scientific positioning of the dissertation is attributed to BISE science. Scholars in this domain examine the application of innovative IS (e.g. Social Media applications), the characteristics of IS (e.g. contribution of information quality to generate new insights), and user behaviors (e.g. web-user collaboration and participation). With the intention of developing an artifact that provides instructions for a strategic SCRM planning, the research at hand can be situated to the paradigm of design science research (DSR) of BISE science.

"The design-science paradigm [...] is fundamentally a problem-solving paradigm. It seeks to create innovations that define the ideas, practices, technical capabilities, and products through which the analysis, design, implementation, management, and use of information systems can be effectively and efficiently accomplished" (Hevner et al., 2004, p. 76).

The methods and methodologies employed for designing DSR related innovations are manifold. They may be taken from business, social, computer, and engineering sciences. Deductive and inductive reasoning are equally applicable (Österle et al., 2010, p. 9). A common means is natural-language (i.e. argumentative) deduction based on existing theories and models. Inductive reasoning is about making inferences from single case studies such as Nubert.

Developing a theoretical artifact that extends existing capability limitations and solves a practical problem (Web 2.0 management) is assumed to fall within the application area of Hevner's et al. (2004, p. 87) guidelines for DSR. Following these guidelines in a research project warrants compliance with the requirements of DSR. Table 5 shows these guidelines including a description and its implementation in the dissertation.

Guidelines	Description	Implementation in the dissertation
Design as an artifact	DSR must produce a viable artifact.	- There is a construct designed in terms of defining SCRM (Chapter 4). - There is a (SCRM) model designed in order to explain the deployment of Web 2.0 in CRM (Chapter 5).
Problem relevance	Objective is to develop solutions to relevant business problems.	- Organizations face the challenge to deploy the opportunities provided by Web 2.0. The SCRM model proposes a structured approach to address this concern.
Design evaluation	The design artifact must be demonstrated rigorously.	- The artifact's evaluation is accomplished by means of a multi-perspective approach including the feedback from practice, a review of CRM factors and an elaboration on the solution objectives.

Research contributions	DSR provides clear and verifiable contributions.	- The model is a comprehensive and innovative artifact that contributes to solve a practical problem. - The model provides a frame for specific research in single dimensions of the model. - There is a structured representation on SCRM in terms of a thorough definition.
Research rigor	DSR relies upon the application of rigorous methods in both the construction and evaluation of the artifact.	- The SCRM model is constructed by means of deduction from existing CRM models and SCRM approaches. - It is complemented by inductive reasoning from the Nubert case study and collaboration with practitioners.
Design as a search process	Search for an artifact requires utilizing available means to reach desired ends.	- A differentiation of research phases with milestones allows for discourse and revision. - Findings are reflected by means of an iterative design and evaluation process from June-December 2013.
Communi-cation of research	DSR must be presented effectively to the target audience of research.	- The dissertation's publication makes the generated knowledge publicly available. - Publishing parts of the dissertation makes the insights available to the scientific community. - Discussing the research with practitioners allows for an effective presentation to the affected target audience from business.

Table 4 - Guidelines for Design Science Research

As shown in the table, guideline number one is about the outcome of DSR being a generic artifact. The specification of this artifact in scope of the research is given below.

3.2 Specification of the research artifact

In principle, outcomes of DSR are called artifacts. Since research in BISE science deals with organizational (human) and technical (software) components (Winter, 2008, p. 470), artifacts are manifested in different objects such as guidelines, frameworks, business models (Österle et al., 2010, p. 9). In fact, these objects represent one or several of the accepted artifact typologies being *constructs, models, methods and instantiations* (March & Smith, 1995, p. 256).

Constructs constitute the language to describe a problem and its solution within a specific domain. They are the building blocks to specify models and methods. In the research at hand, there are three major constructs: The conceptualizations of Web 2.0 and CRM which are derived in the conceptual background (Chapter 3) are two constructs, and the domain description of SCRM is the third one.

Methods describe the process of activities for solving problems and enabling the construction of instantiations. Methods and models focus on the same object from different perspectives, i.e., from an activity perspective (method) or a solution perspective (model) (Winter, Gericke, & Bucher, 2009, p. 12). Developing new methods such as a method to measure SCRM performance is not in focus of this research.

Models represent reality in a simplified and more easily accessible manner. They signify problems and solutions by using the given constructs. "They can range from formal, mathematical algorithms that explicitly define the search process to informal, textual descriptions of 'best practice' approaches, or some combination" (Hevner et al., 2004, p. 79). Generally, there are three basic types of models, being description, explanation or decision models. Description models describe an as-is situation by examining a model's components. Explanation models build on this and explain the relationship between different model components. Finally, decision models are directed to select specific measures from a set of options (Krallmann, 1996, p. 16). The actual or perceived usefulness of a model is upon the user who applies it (Krallmann, 1996, p. 12). In notion of DSR, a model's objective is its utility to support solving a business problem, not to declare truth. The SCRM model can be described as an explanation model: On the one hand, it describes the principles and practices for deploying the opportunities provided by Web 2.0 in CRM in a structured and coherent manner. On the other hand, it explains the relationships of the different model components and how they serve as input or output for different activities.

Finally, *instantiations* are the operationalization of the different artifact types. They demonstrate an artifact's feasibility in practice. An instantiation of the SCRM model would be its practical application and demonstration at Nubert.

In summary, the SCRM model can be attributed to more than just one artifact typology. In its entirety, it consists of several artifacts including language aspects and aspects referring to result recommendations: Based on the conceptual background of Web 2.0 & CRM (constructs), there is a definition of the concept of SCRM, which resembles a construct (Artifact 1). Building on this concept, there is the development of the SCRM model (Artifact 2) (Figure 10).

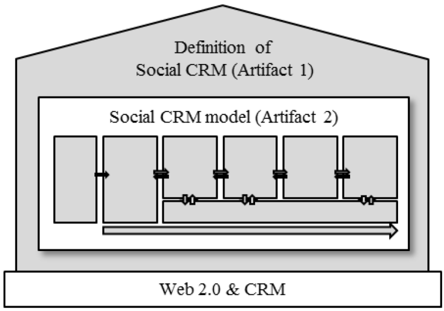

Figure 10 - The generic artifact

To ensure a rigorous development, there are different process models provided from DSR. These recommendations for pursuing research are subject of the next subsection.

3.3 Research process

Dedicated process models for DSR guide research that is dealing with the design of innovative artifacts. Despite the lack of a commonly accepted reference process model (Winter, 2008, p. 470), there is some agreement on the key elements for research such as identifying the research problem and required solution, pursuing an iterative artifact development, and presenting an evaluated solution to the scientific community (Peffers, Tuunanen, Rothenberger, & Chatterjee, 2007, p. 52).

This dissertation draws upon the approach of Peffers et al. (2007). It builds on the premises to provide a nominal process for the conduct of DSR, the integration of prior process models from DSR and reference disciplines, and aims at providing a mental model to structure research and outputs (Peffers et al., 2007, p. 50). The process model includes six research phases being *problem identification and motivation, define the objectives for a solution, design and development, demonstration, evaluation and communication* (Peffers et al., 2007, pp. 53–57). Figure 11 outlines this process and applies it to the research at hand.

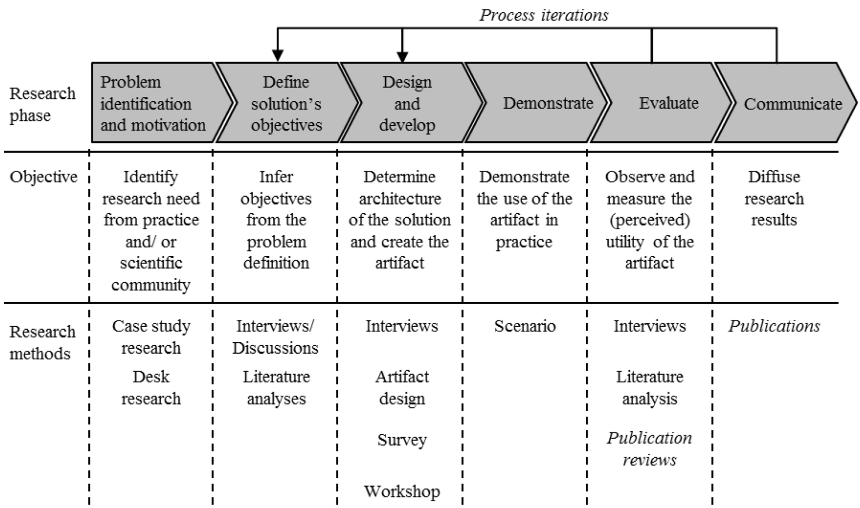

Figure 11 - Research process

The selection of *research methods* needs to fit the research objectives. Design-oriented research may not be based on literature reviews or quantitative-empirical research only due to its explanatory character of describing a status quo (Benbasat & Zmud, 1999, p. 5). Instead, there might be also qualitative methods to explore a business problem solution by means of interaction such as case study research, grounded research or participative action research (Gummesson, 2001, pp. 34–40, 2002b, pp. 345–346). The development of the SCRM model is based on a mix of quantitative (i.e. *survey*) and qualitative research methods (*case study, literature reviews, interviews, desk research, artifact design*). Emphasis is put on exploratory research due to the novelty of the domain for research and practice. The methods *publication reviews* and *publication* are neither qualitative nor quantitative methods. They do not contribute to generate new knowledge but rather to qualify the insights (publication review) or to disseminate them (*publication*). The objective of each method within the different research phases and its contribution is explained below.

3.3.1 Problem identification and motivation

The first phase of research deals with identifying the need for investigation. This need arises from and may be initiated by the scientific community, the practitioner community or both (Österle et al., 2010, p. 9). Table 5 outlines the approach for the research at hand.

Objective of the research phase Identify need for research from practitioner and/or scientific community		
Research method	**Objective**	**Contribution to research phase**
Case study	Show opportunities of Web 2.0 to create value for organizations and customers	- Revealing Web 2.0 as a promising lever to support CRM - Revealing that concept of Web 2.0 is not understood in practice
Desk research	Confirm opportunities for integrating Web 2.0 into CRM	- Generalizing the research need - Depicting expected benefits

Table 5 - Approach to identify the research problem and motivation

The research need for the dissertation stems mainly from a practitioner perspective. It is identified by means of the Nubert *case study* (cf. Appendix A). Such an inductive study is applicable to broaden the existing knowledge base if only little research is available or applicable to the scope of interest (Eisenhardt, 1989, p. 532; Flyvbjerg, 2006, p. 221). It allows for a thorough assessment of an organization in its given context to spot the problem's complexity (Eisenhardt, 1989, p. 534; Yin, 2003, p. 5). Even though the study follows a rather general research question, i.e. "how can SME integrate the opportunities of Web 2.0 to create value? (Lehmkuhl & Jung, 2013b, p. 2)", there is a strong link towards SCRM: On the one hand, there is the high consumer orientation of the organization in general. All activities at the consumer interface should provide some value. This includes the use of Web 2.0 in order to attract new customer, retain existing ones or encourage positive WoM. On the other hand, Web 2.0 related success factors can be linked to the benefits and expectation of a B2C relationship. In particular, the company's online community provides a platform for developing a feeling of belonging and some social identity (*social benefits*), cooperative value creation (*special treatment benefits*) and a direct communication to the management (*convenience benefit*). The cooperative support among nuForum members is also associated with a high *service performance,* a high *convenience* and *confidence benefits.* In summary, the study reveals Web 2.0 as a promising lever to support CRM. It also indicates the ambiguity related to Web 2.0 in terms of how it may support business.

Confirmation of these preliminary insights is received from *desk research* by examining market studies in order to generalize the proposition that Web 2.0 is a promising lever support CRM.

In summary, the inductive study and the market analyses motivate research and identify the corresponding problem. They also provide first propositions for the envisaged SCRM.

3.3.2 Define the objectives for a solution

The second research phase is about inferring the objectives of the artifact. The objectives should be deduced rationally from the problem specification. They should describe how the artifact will provide a solution to the identified research gap and need (Peffers et al., 2007, p. 55). Table 6 outlines the approach for the research at hand.

Objective of the research phase Infer the objectives of a solution from the problem definition		
Research method	**Objective**	**Contribution to research phase**
Interviews/ discussions	Identify and prioritize levers of Web 2.0 to support CRM	- Confirming that there is little understanding of Web 2.0 in practice - Disclosing objective of the solution
Literature analysis I	Examine current state of related scholarly research on SCRM	- Depicting research gap - Revealing the need to define SCRM - Presenting objectives of SCRM
Literature analysis II	Examine CRM models	- Deriving the CRM Meta-model

Table 6 - Approach to define the solution's objective

Comparable to the case study, a grounded theory approach is applicable for data collection by means of interviews and discussions with practitioners. This is due to the nascent domain that needs observation and exploration from practice (Glaser & Strauss, 1967; Martin, 1986, p. 172). The *interviews* and *discussions* add on prior insights to the research problem and disclose the objectives of the required solutions. To complement the practical perspective there is an examination of adjacent scholarly research (*literature analysis)*. Such an analysis demonstrates the current state of knowledge about a particular object of study (Randolph, 2009, p. 2). It collects, summarizes, assesses or interprets primary publications within a given domain (Cooper, 1988, p. 105). In particular, there are two literature analyses: The first one is about publication on SCRM (Section 3.3.2.1), the second one about CRM models (Section 3.3.2.2). Their corresponding research approaches are explained below.

3.3.2.1 Literature analysis on Social CRM

The documentation of the research procedure is taken from the author's publication *"Towards Social CRM - Scoping the concept and guiding research,* in short Lehmkuhl & Jung, 2013b. The analysis "aims to take stock of the situation by reviewing state-of-the-art scholarly literature that elaborates on the integration of Web 2.0 and Social Media in CRM. The review provides a consolidated view of the latest scholarly research. This endeavor attempts to better understand SCRM as a concept and should serve as foundation for designing SCRM models" (Lehmkuhl & Jung, 2013a, p. 191).

The approach by vom Brocke et al. (2009) structures the objective of identifying and analyzing the stock of literature that needs to be scrutinized. "Initially, the scope of research is examined by the constitutive characteristics of a review following Cooper's (1988, p. 109) taxonomy (see Table 7, focus of research highlighted). Emphasis is put on an *exhaustive and selective* review. To reconsider different perspectives of SCRM, there is an interest in research *outcomes* and *applications* of SCRM. A neutral perspective is taken because it allows for identifying and integrating central research issues from multiple research disciplines. A conceptual approach is applicable to organize the search process on known concepts. To account for the multiple disciplines in CRM research, core audiences are specialized and general scholars.

<table>
<tr><th>Characteristic</th><th colspan="12">Categories</th></tr>
<tr><td>Focus</td><td colspan="3">Outcomes</td><td colspan="3">Methods</td><td colspan="3">Theories</td><td colspan="3">Applications</td></tr>
<tr><td>Goal</td><td colspan="4">Integration</td><td colspan="4">Criticism</td><td colspan="4">Identify central issues</td></tr>
<tr><td>Organization</td><td colspan="4">Historical</td><td colspan="4">Conceptual</td><td colspan="4">Methodological</td></tr>
<tr><td>Perspective</td><td colspan="6">Neutral representation</td><td colspan="6">Espousal of position</td></tr>
<tr><td>Audience</td><td colspan="3">Specialized scholars</td><td colspan="3">General scholars</td><td colspan="3">Practitioners</td><td colspan="3">General public</td></tr>
<tr><td>Coverage</td><td colspan="3">Exhaustive</td><td colspan="3">Exhaustive and selective</td><td colspan="3">Representative</td><td colspan="3">Central / Pivotal</td></tr>
</table>

Table 7 - Scope of literature review

Next, we conceptualized the basic concepts and scrutinized corresponding terms. The actual search process needs to be traceable (vom Brocke et al., 2009). A concept-based search is suitable for developing the understanding of

SCRM. Keywords as selection criteria to search for in the documents' titles (TI), abstracts (AB) and keywords (KW) are a combination of "Web 2.0" or "Social Media" and "CRM" or "Customer Relationship Management" (Group A) as well as "Social CRM" or "SCRM" or "CRM 2.0" or "Social Customer Relationship Management" (Group B). Information sources are the databases "EBSCO Discovery service", „AISel", "ProQuest", "Science Direct", "Emerald" and "IEEE". This selection allows for an extensive coverage of publishers across different scientific disciplines. Following Webster & Watson (2002), publications of interest are limited to peer-reviewed articles or conference proceedings. The selected time span of investigation is 2005-2012 since Web 2.0 and Social Media are recent terms that have gained popularity in academia and practice only in recent years. The literature search was performed in August 2012 (see Table 8).

Data sources	**Search fields**	**Key words**		**Total publications**	
		Group A	**Group B**	**Initial**	**Evaluated**
EBSCO	TI, KW, AB	13	1	14	13
AISel	TI, KW, AB	5	1	6	3
ProQuest	All, but full text	17	0	17	1
ScienceDirect	TI, KW, AB	1	0	1	1
Emerald	All except full text	13	1	14	8
JSTOR	TI, AB	0	0	0	0
IEEE	TI, KW, AB	3	2	5	0
Forward search	TI	-	-	12	1
Backward search	TI	-	-	65	4
Total (without duplicates)		**52**	**5**	**134**	**31**

Table 8 - Results of keyword search I

The initial queries with the selected key words yielded 57 different articles. A subsequent forward and backward search identified 77 additional articles based on the documents' titles. This initial stock of documents (134 publications) was qualitatively assessed by reviewing the publications' introductions to ensure topic relevance. This assessment process eventually led to 31 articles which can contribute to the research objective (Lehmkuhl & Jung, 2013a, pp. 193–194)".

3.3.2.2 Literature analysis on CRM models

The literature analysis on CRM models follows a comparable approach like the first one on SCRM. The search and analysis is auxiliary to cover the scholarly knowledge base on CRM models.

Based on the insights of the first literature review, the keywords of interest are “CRM” or “Customer Relationship Management” and “Model” or “Framework”. These terms should appear in the publications’ titles. In particular, there is (1) a database search, (2) a forward and backward search based on the identified articles and (3) a search for academic books in the library of St.Gallen University. Including a library search is useful because many elaborate publications on CRM are in textbooks which are used for education purposes (e.g. (Bruhn, 2009; Kumar & Reinartz, 2012; Leußer et al., 2011)

Following this preparatory work, the actual literature search was performed in March 2013. The initial query yields 119 publications which were used for further examinations (Table 9).

Data sources	**Total publications**		
	Initial	**Examination 1**	**Examination 2**
EBSCO	42	7	
AISel	17	1	
ProQuest	15	2	
ScienceDirect	14	0	
Emerald	0	0	
JSTOR	0	0	
IEEE	0	0	
Forward search	0	0	
Backward search	26	8	
Library	3	1	
Discovered by chance	2	2	
Total (without duplicates)	**119**	**21**	**11**

Table 9 - Results of keyword search II

These examinations were threefold: Firstly, there was an evaluation on the publications' abstracts and introductions in order to verify a potential contribution for this research. This step reduced the number to 21 potential articles.

Secondly, there was an examination on the publications research approach. The majority of proposed frameworks are conceptual models. They were developed by means of some reasoned arguments. Only a few proposals were assessed with practice in terms of completeness, accuracy or importance. Therefore, emphasis was put on empirically validated models. It is perceived important for this research to emphasis on validated concepts if a novel solution should be applicable in practice. Moreover, including only validated CRM approaches is useful to base the SCRM model on a solid conceptual basis. Consequently, this second examination reduced the number of relevant publications to eleven (Table 10).

Thirdly, there is a forward search on these eleven publications to seek affirmation of their selection as final stock of literature. Table 10 indicates the number of citations on 26th of April 2012 as revealed by Google Scholar[18].

No.	Name of author and publication	Cited
1	Chalmeta (2006): Methodology for customer relationship management	124
2	Frow & Payne (2009): Customer Relationship Management: A Strategic Perspective	29
3	Greve (2011): Social CRM: Zielgruppenorientiertes Kundenmanagement mit Social Media	1
4	Kim (2004): A process model for successful CRM system development	23
5	Kim & Kim (2009): A CRM performance measurement framework: Its development process and application	92
6	Liu (2007): Development of a framework for CRM in the banking industry	18
7	Park & Kim (2003): A framework of dynamic CRM: linking marketing with information strategy	116

18 Following X. Chen (2010) and (Harzing, 2012), Google scholar is appropriate source for a literature search due to its extensive coverage of scholarly databases.

8	Payne & Frow (2005): A Strategic Framework for Customer Framework Relationship Management	776
9	Payne & Frow (2006): Customer Relationship Management: from Strategy to Implementation	130
10	Ryals & Payne (2001): Customer relationship management in financial services: towards information-enabled relationship marketing	220
11	Sohrabi, Haghighi, & Khanlari (2010): Customer relationship management maturity model (CRM3): A model for stepwise implementation	5

Table 10 - Final stock of publications on CRM models

Three remarks should be added to this final stock of literature. Firstly, is becomes apparent that the publication by Payne and Frow (2005) is a frequently cited article from the high ranked Journal of Marketing[19]. Since the article empirically develops a CRM framework, it serves as reference model for deriving the CRM Meta-model. Secondly, there are three additional articles by either Adrian Payne or Pennie Frow as authors that deal with conceptualizations of CRM by means of a model or framework. Since these articles build on each other, there are complementary insights when using the framework of Payne and Frow (2005) as reference model. Thirdly, the article by Greve (2011, in German) is not on CRM models but on SCRM. As it contributes to define SCRM, there is no reason to exclude it from the final stock of literature

In summary, scholarly publications form the conceptual basis to design the artifacts. The procedure of the design process is documented next.

3.3.3 Design and development

The design and development phase is about building the artifact. This includes determining its functionalities and architecture next to building the model. The methods for creation should be generally accepted methods and justified as

[19] The Journal is ranked as A+ according to VHB-Jourqual 2.1.

much as possible (Österle et al., 2010, p. 9). Table 11 outlines the approach for the research at hand.

Objective of the research phase Determine the architecture of the SCRM model and create the artifact		
Research method	**Objective**	**Contribution to research phase**
Artifact design	- Creation of the artifact	- Defining SCRM - Developing the SCRM model
Interviews	- Assess drafts of SCRM model	- Improving and validating the SCRM model
Survey	- Determine SCRM state-of-practices	- Revealing that SCRM is immature in practice
Workshop	- Discuss survey results - Review the SCRM model - Derive new insights	- Confirming the immaturity of SCRM in practice - Confirming the suitability of SCRM model

Table 11 - Approach to build the artifact

The *artifact design* combines and integrates the primary data derived from the case study, the interviews, the survey and the workshop. It also uses secondary data from prior research studies. Using prior literature as the basis for development is a common method of artifact design (Peffers et al., 2006, p. 94). To process these insights, there is alignment on the re-use-oriented concept of reference modeling. This means "taking part of one or more original models and adapting and extending them in the resulting model. That way, both efficiency and the effectiveness of the modeling process may be fostered" (vom Brocke, 2007, pp. 49–50). To facilitate the re-use of prior insights, there are five design principles called *configuration, instantiation, aggregation, specialization* and *analogy* (vom Brocke, 2007, pp. 52–68)[20]. Each principles provides rules to describe the way in which the content of a model is re-used, i.e. taken over, adapted or extended, to construct another. A thorough documentation of this modeling process is required to ensure comprehensiveness. This means a detailed elaboration and justification on the different components of the SCRM

[20] Please see Appendix D for an explanation of all design principles.

model. The design principles applied in the research at hand are *aggregation* and *analogy* (Table 12).

Design principle & explanation	Application in dissertation
Aggregation Combine one or more original models "p" that build "a" resulting model "T", with the models "p" forming complete parts of "T".	The CRM Meta-model is based on the framework by Payne and Frow (2005) and combined with parts of other CRM models.
Analogy: An original model "A" serves as a means of orientation for the construction of a resulting model "a". The relation between the models is based on a perceived similarity of both models regarding a certain aspect.	The SCRM model is derived by free-handedly adapting the CRM Meta-model adapted in terms of transferring certain patterns of it creatively.

Table 12 - Principles to design the SCRM model

Next to creating the artifact based on primary and secondary data, there are several touch points with practice to discuss different drafts of the artifact. Put differently, there is an iterative artifact development including several design and assessment cycles. The touch points mentioned are the interviews, the survey and the workshop, which support the artifact's evaluation and delivery of new insights for refining artifact components.

Summarizing this *design and development* phase can be illustrated by presenting the different activities over time in Figure 12 on the next page. As indicated in herein, the design of the SCRM model started very broad and became more and more specific. The models' initial draft (January 2013) was the result of a grounded research approach and consolidated the ideas, insights and solution objectives from the previous data collection activities. The second draft (May 2013) also included the material from the literature analyses and the survey. It was much more comprehensive and represents the high level model dimensions. The detailed design of the SCRM model took until August 2013. The inputs for this design phase were expert interviews and the workshop. After this, there was a final review of all model components, additional interviews, a review on related CRM success factors and the beginning of the model documentation (until January 2014).

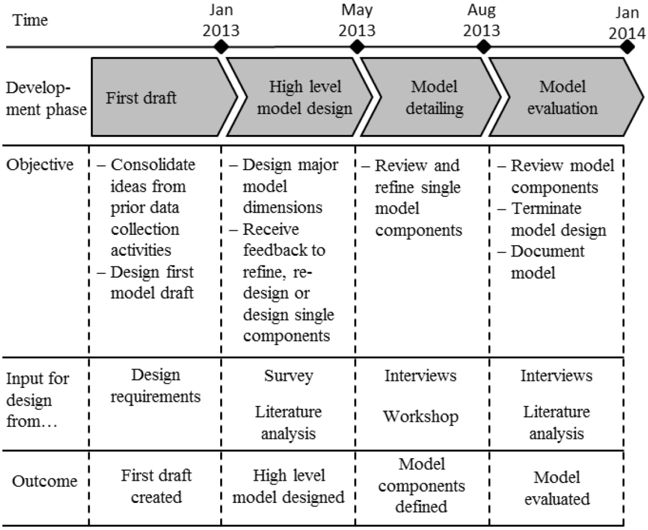

Figure 12 - Work progress in the design and development phase

Noteworthy at this point is that the research phase, in principle, does not terminate after the first finalization of the model. The artifact needs to demonstrate efficacy in practice. Additional insights during application or a change in business conditions may demand adaptations to the conceptual model. Yet, scope of the research is the initial artifact development. Due to the time available, it is out of scope assessing the model's utility over a longer period of time and refining the initial model. Target of the design and development phase is therefore a complete description and documentation of the SCRM model.

3.3.4 Demonstration

The artifact's demonstration indicates how it solves the identified problem. The means to do so are manifold and may involve experiments, simulations or case studies (Peffers et al., 2007, p. 55). The case of Nubert serves as reference case for this research whenever possible (cf. Appendix A and Lehmkuhl & Jung, 2013b). Its demonstration is integrated into the model description within

Chapter 5. By building on this case study, there is a retroactive application of the SCRM model which allows describing present activities and measures in reference to the SCRM model (as-is) and making recommendations for actions on how to complement the means for a comprehensive SCRM (to-be).

3.3.5 Evaluation

The model's evaluation is about observing "how well the artifacts supports a solution to the problem" (Peffers et al., 2007, p. 56). This validation is grounded in the need for scientific rigor and the practical usefulness. The evaluation can take several forms and may be based on different criteria (Hevner et al., 2004, p. 19). It can include any appropriate empirical evidence or logical proof (Peffers et al., 2007, p. 56). Pursuing an evaluation from multiple perspectives is recommended to ensure external validity (Fettke & Loos, 2004, p. 20). Since the generic artifact to be designed includes a construct (definition of SCRM) and a model (SCRM model), there are different evaluation methods (Table 13).

Objective of research phase Observe and measure the (perceived) utility of the artifact		
Evaluation methods	**Objective**	**Contribution to research phase**
Interviews & Workshop	- Evaluate the model's completeness and - Evaluate reasonableness and consistency of the SCRM definition	- Deriving confirmation of the artifact's static qualities
Literature analysis	- Evaluate model in terms of its fit with CRM success factors	- Building convincing arguments for the artifact's utility
Publication reviews	- Review the definition and objectives of SCRM - Reviews on selected parts of SCRM model	- Depicting confirmation of the artifact's static qualities
Gap analysis	- Assess the model's integration of the defined solution requirements/ objectives	- Deriving confirmation of the artifact's static qualities

Table 13 - Approach to evaluate the artifact

Expert interviews are applicable to evaluate the research results in terms of static qualities such as completeness, coherence, reasonableness and consistency (Hevner et al., 2004, p. 17; Pickel & Pickel, 2009, p. 445). The qualification of a person as an expert is aligned on the proposal by Meuser & Nagel (2009, p. 470) who demand that at least one of the following two criteria have to be met. Firstly, the person is involved in the design, the implementation or the control of a solution that is of relevance for the research. Secondly, the person has an access to information that is not available to outsiders, thus has an expert knowledge. In total there are eight experts identified and interviewed. The (phone & face to face) interviews took between 45-150 minutes. They were supported by a semi-structured interview with open questions as well as a short presentation on the background and objective of the dissertation research project. Appendix E includes the corresponding documentation. A transliteration of the interviews or reference to the names and companies of interviewees was not favored by most of the interviewees, so that anonymized notes were taken to record the key messages. These notes were sent to the interviewees for approval. By this means it is ensured that the opinions and statements are captured correctly. Moreover, the workshop accompanying the survey is considered as an additional evaluation means as it represents an expert panel.

An assessment of the model in comparison with CRM success factors from the adjacent *literature* is a second stream for evaluation. Due to the large failure rate of CRM projects in the past, there are numerous studies that discuss or accentuate success factors for designing and implementing CRM. An evaluation on the fit between these success factors and the SCRM model permits a theoretical qualification of the artifact based on an informed argument (Hevner et al., 2004, p. 18).

According to Österle et al. (2010, p. 9), an artifact's evaluation may also be accomplished by means of *reviews* prior to a scientific publication. Since parts of the generic artifact are already published in peer-reviewed outlets, there is a qualification from a scholarly perspective on selective parts of the artifact (static qualities). This includes the definition and objective of SCRM (cf. Lehmkuhl & Jung, 2013a) and parts of the SCRM model (cf. Lehmkuhl & Jung, 2013b).

Finally, there is a *gap analysis* that examines the integration of identified solution objectives/requirement in the model (Brown, Swartz, & Brown, 1989, p. 92). It evaluates the fit between the defined requirements and the SCRM model which permits a theoretical artifact qualification (Hevner et al. , 2004, p. 18).

In summary, the artifact's evaluation is based on analytical (static analyses) and descriptive methods (informed argument). Due to the novelty of the research domain and little experience in practice, it is reasonable to apply descriptive evaluation methods such as literature reviews and a case study (Hevner et al., 2004, p. 17). Otherwise there might be no detailed evaluation but merely an assessment of the model in terms of its static qualities.

3.3.6 Communication

The final research phase as proposed by Peffers et al. (2007) is about communicating the "problem and its importance, the artifact, its utility and novelty, the rigor of its design, and its effectiveness to researchers and other relevant audiences such as practicing professionals, when appropriate" (p.56). The publication of research results should expand the scientific knowledge base and diffuse the generated insights (Hevner et al., 2004, p. 87; Österle et al., 2010, p. 9). Due to the necessity to publish the dissertation, accessibility of research results can be guaranteed.

3.4 Chapter summary

The previous sections particularized the research approach. A starting point was to set the scientific background being the design-oriented research paradigm of BISE science (Section 3.1). The generic artifact to be developed consists of a construct (definition of SCRM) and a model (the SCRM model) (Section 3.2). Its development process follows the six steps approach by Peffers et al. (2007) (Section 3.3). Adhering to this process framework ensures a rigorous development process. The next chapter documents the definition of SCRM as the first artifact to be developed.

4 Defining Social CRM

This chapter presents the concept of SCRM being a novel domain for research and practice. Such an elaboration is appropriate to clarify the concept's scope, especially when interacting with practitioners. Since there is already ambiguity in regard to Web 2.0, it is necessary to elucidate the levers of SCRM as one application domain of Web 2.0. Also in the context of DSR it is indispensable to have a thorough specification of the underlying context.

The knowledge base for this chapter consists of primary and secondary data. The primary data were collected during the workshop, the survey and the interviews. Secondary data were collected from the literature review on SCRM[21] and the conceptual background. Accordingly, the chapter provides a consolidated view on related research which is enriched by insights from exploratory research.

The chapter's contribution to the dissertation is the first part of developing the artifact. It is the construct that constitutes the basis for the model. The mode of introducing SCRM is a description of its boundaries to traditional CRM. The attributes for differentiation emerged during the literature analyses and discussions with practitioners. Table 14 (next page) highlights these attributes and is the basis for the explanations within the following sections.

[21] Published as Lehmkuhl and Jung (2013): Toward Social CRM - Scoping the concept and guiding research, in Proceedings of the 26th Bled eConference.

Chapter section	Attributes	CRM	SCRM
4.1	Vision	Establish sustainable and mutually beneficial relationships	
	Approach	Strategic	Strategic
4.2	Type of relationships	Private 1:1 Relationships (B2C)	Public 1:n (B2C) and n:n (C2C;C2B) relationships
	Consumer behavior	Passive	Active
4.3	Target groups	Potential, present, lost customers	Same as CRM, but also customers networks
4.4	Management objective	Customer management	Consumer and community engagement
4.5	Business insights	Limited insights from and about customers	Detailed insights from and about consumer & community
4.6	Outcomes	Positive consumer experience and superior economic performance	

Table 14 - Differences between CRM and SCRM

4.1 Vision and approach

In principle, SCRM follows the same vision as traditional CRM. It intends building and maintaining sustainable and symbiotic relationships. The contribution of SCRM and CRM to corporate success should be achieved by a high degree of consumer orientation. In the context of Web 2.0, organizations "need to cope with a more intense and personal online communication aligning with principles such as openness and sincerity. Web-user integration and participation becomes critical to establish trust and commitment in buyer-seller relationships (Sashi, 2012, p. 260)" (Lehmkuhl & Jung, 2013a, p. 198). That is, one enabler for SCRM is a change in consumer behavior. Consumers are empowered through Web 2.0, self-determined and eager to participate in the creation of their own experience (Greenberg, 2010, p. 413).

The alignment to consumer needs in a Web 2.0 setting requires management innovations and transformative approaches (Chui et al., 2012, p. 134; Hennig-Thurau et al., 2010, p. 2). Organizations are asked "to adapt their mindsets towards collaboration and transparency (Acker, Gröne, Akkad, Pötscher, &

Yazbek, 2011, p. 4). "In its most extreme form it means developing a new proposition - indeed a new business - in which customers are the focal point of organizational activities (Stone, 2009, p. 110)" (Lehmkuhl & Jung, 2013a, p. 198). In other words, SCRM fosters an outside-in perspective and affects all parts of the business, be it strategy, technology, processes, governance and culture (Acker et al., 2011, p. 9). It is more than an extension of traditional CRM by means of new communication channels and about a new mode of managing relationships in a public environment that builds on and integrating the principles and practices of Web 2.0 (Greve, 2011b, p. 268). Askool and Nakata (2010, p. 6) describe SCRM to be even a new paradigm for creating high value relationships. To summarize, SCRM is defined as

a holistic and cross-functional approach supported by strategies, technologies, processes, corporate culture and social characteristics. It is designed to involve customers and other connected web-users in interactions on organizations' managed Social Media profiles and platforms as a means of providing mutually beneficial value[22].

Following this reasoning, three conclusions can be drawn: Firstly, the types of relationships to be managed differ in a Web 2.0 environment. Secondly, there are new target groups that could not be tapped in an offline or Web 1.0 environment (Greve, 2011a, p. 18). Thirdly, there is a different objective how these target groups should be dealt with. Hence, the levers for managing relationships differ considerably in SCRM compared to traditional CRM.

4.2 Type of relationships and consumer behavior

Traditional CRM seeks establishing a direct and *private 1:1 relationship* between an organization and a customer (B2C). Usually the customer can be identified, and depending on the segmentation and attributed value, there are

[22] This definition is an updated version of one stated in Lehmkuhl & Jung (2013a, p. 198).

more or less efforts for maintaining, intensifying or terminating the relationship (Haenlein & Kaplan, 2009, p. 89). Managing the relationship is taken care of by the organization. A customer takes a rather *passive role* and reacts upon an organization's activity, if at all. Communication in such a setting is one-directional and characterized by a push communication (cf. Section 2.1.1.3). The degree of interaction and exchange between the involved parties is rather low.

SCRM changes the type of relationship and stakeholder behavior. It could be assumed that consumers who connect and communicate with an organization via Social Media are interested in shaping the relationship. They are taking an *active role* by pushing forward their concerns or expressing their perceptions in return for personalized information or any form of appreciation (e.g. a like). As a central stakeholder in the interaction, they expect transparency, authenticity and some value in return for their engagement. The distinct roles of buyer and seller may converge when there is collaboration in joint value creation (Prahalad & Ramaswamy, 2004, p. 11). Hence, SCRM can satisfy consumer needs such as identity seeking through affiliation in groups, sharing experiences, telling stories or building relationships. This implies a shift from a product oriented way of B2C cooperation towards a management of personalized experiences. Products are just one part of an organization's value proposition and close interactions and collaborations to jointly solve consumer problems is of striking importance (Österle, 2001, p. 48; Prahalad & Ramaswamy, 2004, p. 8).

Due to the simplicity for web-users to connect with an organization on Social Media, the number of present customers within the group of connected web-users is very small (Ang, 2011a, p. 33) implying that SCRM is often about establishing relationships with "unknown" followers that actively connect themselves with an organization. A former private 1:1 relationship management becomes inevitably a management of *1:n* (B2C) *and n:n (C2Cs or B2Cs) relationships* in a public sphere. Whether followers are interested in becoming new customers cannot be detected. Accordingly, there is a need for new means to support creating relationships with customers but also with those followers that might or might not become customers in the future. Being aware of these different target groups is a pre-requisite for proper Web 2.0 management. The next section covers this aspect of SCRM's target groups in more detail.

4.3 Target groups

The specification of SCRM's target groups is neglected in contemporary research. Scholarly publications make an interchangeable use of several target groups such as customers (e.g. Greenberg (2010)), consumers (e.g. Baird & Parasnis (2012)), the community (e.g. Ang (2011b)) or the network (e.g. Ahuja & Medury (2010). Structuring these different groups is valuable before designing novel relationship strategies.

Figure 13 on the next page visualizes the different groups and their interrelations. SCRM is about the lower part of the figure dealing with a Web 2.0 based interaction between an *organization (O)*, and *customers (C), attached consumers (AC), the customers' networks (CN), the attached consumers' networks (ACN) and other web-users (OW). Customers (C)* are those web-users that can be identified as potential, present or even lost customers. This group of people might be served via traditional CRM measures due to their clear identification and segmentation opportunities. *Attached consumers (AC)* are the group of fans who are unknown. Persons within this group might be present customers that cannot be identified because they use e.g. a nickname. Another group of web-users in this group are those with an explicit motivation to receive or exchange information. For example, among the 5.8 million people that follow Porsche on Facebook[23] there is probably only a minority of present customers. Yet, the motivation to connect with the organization might be due to the fascination with Porsche or simply for self-disclosure reasons. The *customers' networks* and *attached consumers' networks* (CN/ACN) are the peers of C and AC (e.g. a Facebook friend). These groups of web-users are also unknown to an organization since there is no direct connection or communication. Finally,

[23] Retrieved on https://www.facebook.com/porsche/likes (August 22nd 2013).

other web-users (OW) are the group of people that have neither a direct nor an indirect connection (i.e. via peers) to an organization.

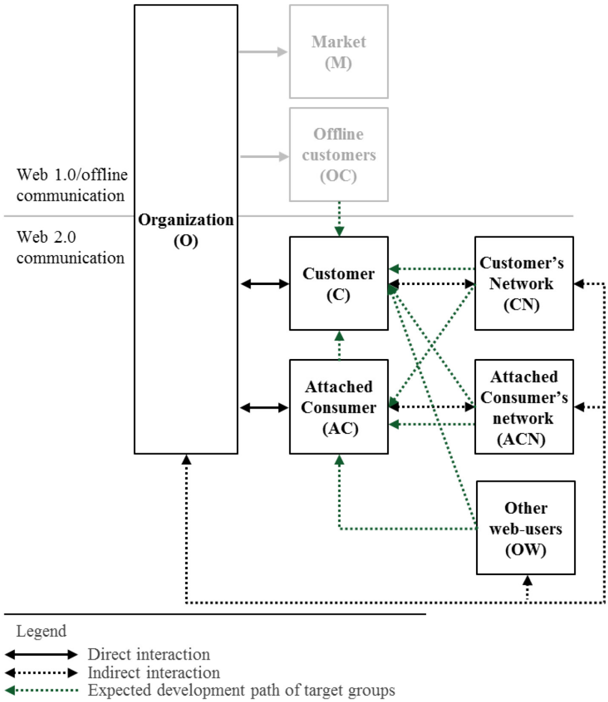

Figure 13 - Target groups

One way to differentiate between these target groups is the mode of interaction. In particular, interaction can be either *direct or indirect* (two sided arrow and dotted arrow respectively in Figure 13). There is a *direct* interaction between O and C/AC (information flow O ↔ C/AC) which means that people in these groups are connected via Social Media. A direct interaction implies that content published by any stakeholder is - theoretically - visible to any person that is connected with the community. An *indirect* interaction is given between an O and CN/ACN. Indirect in this context means two things: On the one hand, corporate content can only reach CN and ACN as long as connected web-users (i.e. C or AC) distribute this content (flow of information O → C/AC →

CN/ACN). On the other hand, there might be an indirect information exchange related to topics and themes from, to and between O ↔ C, AC, CN, ACN, OW by means of hashtags (e.g. #SCRM).

The goals of communication related to these target groups are threefold and include increasing *reach and awareness,* supporting the *generation of sales* and fostering *engagement.* Increasing *reach and awareness* is about establishing a direct communication with web-users by means of transforming CN, ACN, and OW into AC. This shift allows building immediate 1:1 (B2C or C2B) and 1:n (C2C or B2Cs) communication and, possibly, relationships even though future sales may not be expected. The rationale is that people in this group may have a large network or are heavy influencers on others. Getting access to their network or facilitating positive WoM and UGC can be a good opportunity for business. *Sales generation* is about transforming AC, CN, ACN or OW into C. It means proposing and providing credible benefits via Social Media in order to facilitate decision-making. Finally, fostering *engagement* is about creating content for distribution (information flow O → C/AC → CN/ACN), facilitating direct interaction (O ↔ C/AC → CN/CAN) or motivating the creation of brand-related UGC (C/AC→ O/CN/ACN). The motivation to encourage web-users' participation is fostering relatedness to an organization in terms of perception (e.g. trust, image) and behavioral attitudes (e.g. recommendation) (Arnhold, 2010, p. 40), which impacts on attracting, retaining or even recovering customers.

Since this dissertation is not about segmenting web-user groups, the two major target groups referred to hereafter are connected web-users (consisting of people in the groups C and AC) and "the network" (consisting of people in the groups AN and CAN). This simplification is feasible because the identification and differentiation between C and AC is difficult at present. AC might already be customers but are not identifiable as such. Due to this indistinctness, it is not sufficient to apply traditional CRM strategies and tactics based on the customer relationship lifecycle. A new target group management is needed, which takes the peculiarities of Web 2.0 into account (Szmigin et al., 2005, p. 481). Therefore, SCRM is no longer just about managing potential, present and lost customers. The new management objective and the corresponding means will be explained in the next section.

4.4 Management objectives

Following Greve (2011b, p. 268), there are five management objectives of SCRM being the participation of web-users in an interactive online conversation (communicate), the initiation of WoM (incentives), a C2C support (support), the involvement customers in the product development (participation) and the intelligent gathering of knowledge about connected web-users (observing). Summarizing these objectives underscores that SCRM "aims to intensify relationships by integrating individuals in mutual value creation on Social Media (Sashi, 2012; Sigala, 2011). Integration in this context means, e.g. connecting, collaborating or establishing conversations between organizations and their target groups (Ang, 2011a; Askool & Nakata, 2010)" (Lehmkuhl & Jung, 2013a, p. 195). Thus, ultimate objective is to positively impact on the perception and participation of web-users in regard to organization.

Comparably to the term web-user or consumer engagement as used in this dissertation is the expression customer engagement as used in the academic literature (Baird & Parasnis, 2011c; Faase, Helms, & Spruit, 2011; Greenberg, 2009). Customer engagement itself is an adjoining research field in relationship marketing science (Marketing Science Institute, 2010). Due to the concept's novelty, there is mainly exploratory research developing fundamental propositions, explaining the major characteristics or discussing potential outcomes. A proposal by Brodie, Hollebeek, Juric, & Ilic (2011) states that

> *"Customer engagement (CE) is a psychological state that occurs by virtue of interactive, cocreative customer experiences with a focal agent/object (e.g., a brand) in focal service relationships. It occurs under a specific set of context-dependent conditions generating differing CE levels; and exists as a dynamic, iterative process within service relationships that cocreate value. CE plays a central role in a nomological network governing service relationships in which other relational concepts (e.g., involvement, loyalty) are antecedents and/or consequences in iterative CE processes. It is a multidimensional concept subject to a context- and/or stakeholder-specific expression of relevant cognitive, emotional and/or behavioral dimensions" (p.9).*

In other words, CE is about a person's perceptions (i.e. involvement, satisfaction, trust, brand attachment, loyalty) and behaviors (i.e. participation) (Brodie et al., 2011, p. 11). Increasing this engagement in a Web 2.0 related commercial setting intends to positively intensify consumers' participation and emotional connection attached to an object. Research on web-user participation in online brand communities confirms the concept's applicability for promoting SCRM (Algesheimer, Borle, Dholakia, & Singh, 2010; Casaló, Flavián, & Guinalíu, 2010; Gummerus, Liljander, Weman, & Pihlström, 2012). Yet, there is no reference whether community members or any other dialogue partners are already customers or merely a fan/follower. Hence, it is reasonable to refer to web-user/consumer engagement as equivalent to customer engagement.

Sashi (2012) conceptualizes different engagement stages as an indicator how organizations are building trust and commitment by providing superior value than competitors (Table 15, next page).

Stage	Description
Connection	A web-user becomes a fan by connecting with an organization's Social Media profile
Interaction	A fan interacts with an organization by exchanging information
Satisfaction	A fan has a positive experience/emotions from the interaction and is likely to express his opinions upon request
Retention	A fan has an emotional bond or experiences positive satisfaction continuously
Commitment	A fan develops trust and loyalty in the organization
Advocacy	A fan communicates his delight to his connected peers on Social Media
Engagement	A fan becomes an advocate in interaction with peers and other connected followers and provides dedicated C2C support

Table 15 - Engagement stages

Regrettably, there is little insight in how to stimulate web-user engagement. In interaction with the supporting practitioners of this research, an engagement model was developed to differentiate several stages and corresponding communication measures (Figure 14, next page[24]). The model is structured along the dimensions *web-user engagement* and *communication*. The former adapts the engagement stages by Sashi (2012)[25]. The latter refers to the mode of Web 2.0 communication in terms of shifting from a one-way push communication (B2C) towards a dialogical/pull oriented approach (C2C, C2B). As indicated in the figure, a dialogical mode of interaction does not mean that new content is only provided by followers. Organizations still need to show a high activity level by commenting on followers' contributions and by providing new contents that further stimulate or initiate new interaction. That is, coordination and control are demanded so that communication initiatives are not disjointed (Jarvenpaa & Tuunainen, 2013, p. 127).

[24] To remain focused, there is a short presentation of the engagement model. Details on the research methodology and the different stages are given in Appendix F.

[25] A difference is that it consolidates the stages retention and commitment. The rationale is that positive experiences need to be reassured repeatedly in order to positively impact retention and commitment (Casaló et al., 2008, p. 32).

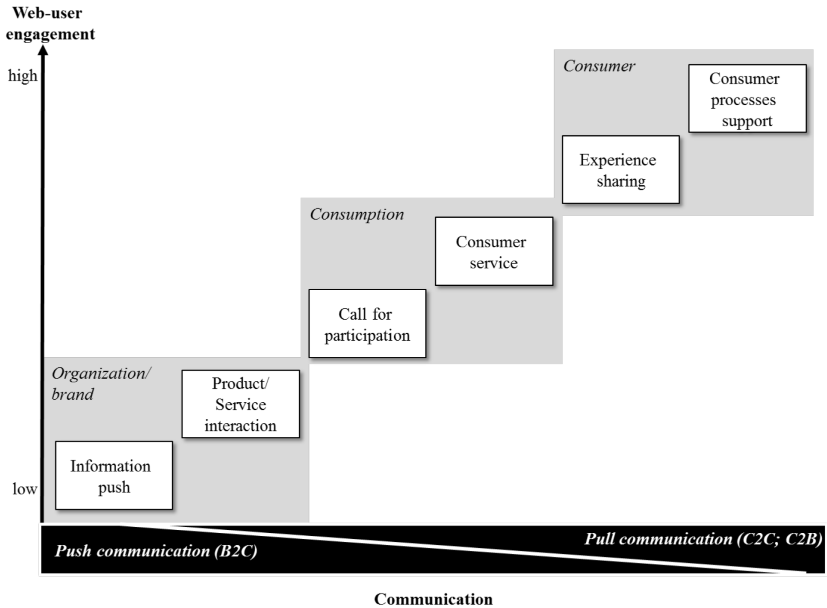

Figure 14 - Engagement model

Combining the two dimensions allows for a differentiation of stages which are *information push, product/service interaction, call for participation, consumer service, experience sharing* and *consumer processes support.*

The first stage (*information push)* is characterized by a one directional communication (B2C) of organizational content. The content is usually persuasive messages about unique selling propositions, about the organization, as well as directed towards a mass market. Social Media are considered as an additional communication channel to distribute information. Target group specific information that promotes the functionalities of Social Media such as sharing, commenting or rating is lacking. That is, an information push approach does not focus on stimulating web-user engagements. It might increase brand awareness if content is distributed (e.g. sharing, liking, re-tweeting) by fans to reach their peers. The Facebook fanpage and Twitter account of Credit Suisse[26] are representative examples in this context.

The second stage (*product/service interaction*) is observed as soon as there is some interaction on a company's Social Media profile. Communication is more target group specific and content is adapted to the functionalities of the platforms (e.g. use of a hashtag). Organizations in this stage acknowledge the need for interaction on Social Media and aim at stimulating an exchange related to their market offers and encourage feedback. Even though there is some interaction, communication is still product focused and likely to be of promotional nature. It not only aims at creating awareness and customer acquisition but also sets the basis for communication with target groups. A relationship oriented communication is no specific objective. The Facebook fanpage page of Nubert[27] is a representative example in this context. Contents are created for the fanpage, yet they represent merely product related information.

The third engagement stage (*call for participation*) is achieved when communication is directed at consumers who should provide brand-related UGC. Organizations may call for participation by asking for contributions which are beyond a simple rating or "like" of a statement. It is rather about requesting creative efforts in content production or providing a response to product/service related questions (e.g. "which kind of purpose do you use your loudspeakers for at home?"). The benefit for organizations is that this type of brand-related UGC is entertaining, reaches the network of connected web-users and creates trustworthy content. From a relationship management perspective it is a valuable marketing tool to acquire and retain customers (Arnhold, 2010, p. 8). For example, Canyon Bicycles[28] employs the theme "share the passion". It encourages followers to share images of their bicycles. Since uploading an

[26] twitter.com/CreditSuisse; facebook.com/creditsuisse

[27] www.facebook.com/Nubert.Lautsprecher

[28] facebook.com/canyon

image is quite simple, about 32.4% of all contents on the company's fan page are images[29].

The fourth engagement stage (*consumer service*) implies providing a Social Media consumer service. Focus of interaction is the individual consumer that takes the initiative to contact an organization in need for information. Satisfying this need requires knowledge about the market offer and common consumer problems, short response times and a problem solving attitude. Providing a consumer service via Web 2.0 is a frequently observed approach among SCRM pioneer. The rationale is that a "social service" can solve the dilemma of permanent cost pressures on the one hand and meeting increasing customer demands for 24/7 support on the other hand. The Swiss health insurance company Helsana, for example, signs all messages on its Social Media platforms[30] with the employee's name that posts a message or response. The employee who is taking care of an inquiry has full responsibility in developing a solution. This single point of contact ensures a fast response as well as a positive and personalized service experience.

The fifth engagement stage (*share experiences*) can be asserted as soon as followers start expressing sentiments about consumption experiences. Focus of this engagement stage is the individual that follows his interests in telling stories. It meets the sociological need for recognition and ensures a high degree of self-presentation/disclosure. A direct relatedness to an organization is fostered due to the experiences with the organization's market offer. In effect, it supports strengthening relationships (Arnhold, 2010, p. 40). Thermomix, a producer of a high quality kitchen aid, is positioned in this engagement stage with its different Social Media profiles[31]. Fans tell their experiences in preparing dishes or trying new recipes. Major topic on the platforms is cooking and food, not the product. The different and frequent forms of appreciation (e.g. likes, high ratings or positive comments) by peers lead to self-confirmation and

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[29] Based on all Facebook posts between 01.03.2011-28.02.2012.

[30] twitter.com/Helsana_KD; facebook.com/helsana.ch; forum.helsana.ch

[31] rezeptwelt.de; facebook.com/ThermomixDeutschland

confidence of content contributors which results in strong brand/product advocacy.

The highest level of web-user engagement is conceded (*consumer processes support*) when followers provide peer-to-peer support related to consumer processes, i.e. all the decision steps a person goes through in order to satisfy his/her need (Österle, 2001, p. 46). Focus of interaction is the exchange between individual web-users who might be customers (share experiences) or experts in a distinct field of a consumer process (tell stories). Committed web-users are likely to invest time in supportive dialogues which cannot be provided cost-efficiently by support functions of organizations. From an organizational perspective it means renouncing a goods-dominant focus in favor of a service-dominant focus. Organizations are advised to continue providing compelling contents, giving feedback, clarifying misinformation as well as acknowledging the efforts of heavy contributors. Otherwise they risk losing commitment represented by membership duration, recommendation behavior, the creation of UGC as well as performance benefits (Algesheimer, Dholakia, & Herrmann, 2005, p. 21; Sussin, 2012, p. 2). The nuForum with its detailed C2C support represents this kind of high commitment. For example, purchasing a loudspeaker is only one part of the consumer process "home audio entertainment". To enjoy listening to music there are additional decisions to be made related to cables, receiver, replay devices, music, the means to increase room acoustics or even the hifi-furniture. While it is possible for Nubert to provide advice on complementary equipment (a form of service integration), it is beyond a reasonable consumer service to provide support in regard to consumer process steps dealing with hifi-furniture, room acoustics, loudspeakers' positioning or the kind of music. However, it is possible to support these process steps by means of the nuForum in which the active C2C community becomes literally a cooperation/business partner.

In principle, organizations aim at increasing consumer participation by progressing towards the upper right part of the model. The reasoning behind this is the value generated for all stakeholders involved. Organizations generate business insights from, about and with their connected web-users in regard to their utilization and purchasing behaviors (Österle, 2001, p. 49). Moreover, they can count on committed fans who promote the offerings or even argue in favor of the organization in case of criticism (Sashi, 2012, p. 264). In effect, the commitment may impact business performance in terms of increased revenues and cost efficiencies (Lehmkuhl & Jung, 2013b, p. 10). Web-users on the other hand derive value from joint interaction with an organization (C2B/B2C) or from sole activities among web-users on the organization's platform (C2C) (Grönroos & Voima, 2012, p. 142). Value in this context is a web-user's perception that originates not only from co-creation and content quality (intellectual value) but also from a high interactivity (social value) (Moeller, Ciuchita, Mahr, Odekerken-Schroder, & Fassnacht, 2013, p. 7; Seraj, 2012, p. 212).

In summary, SCRM's objective is to encourage engagement of connected web-users in interactive exchanges on Social Media. Such an engagement is the central means to establish and maintain symbiotic relationships between an organization and its target groups. Stimulating high levels of consumer engagement takes time, requires high efforts, experiments and a large active follower community. One output of high consumer participation is information from, about and by these persons. This information should be processed to generate new business insights. The following section will examine this aspect in more detail.

4.5 Business insights

The generation of more complete market and consumer insights is a general claim and expectation of SCRM. It is posited that detailed insights are a pre-requisite for building relationships and facilitating engagement (Lehmkuhl & Jung, 2013a, p. 196). Yet, there is usually no answer to the questions how these insights should be generated and which specific use cases are likely that require advanced insights.

The first question is understood in regard to organizational prerequisites[32]. The CRM literature stresses three antecedents to generate business insights being a relationship orientation, a customer-centric management system and the capabilities to manage relational information processes (Jayachandran, Sharma, Kaufman, & Raman, 2005, p. 180). A relationship orientation is meant as a collective mind or culture that considers customer relationships as an important asset. A customer-centric management system defines the structural aspects to ensure that all actions are driven by consumers' needs and by solving consumers' problems. Relational information processes encompass the routines to manage customer information in CRM. Being capable of managing these processes ensures that the information needed for building trust and commitment is developed, provided and used effectively. In particular, these processes are *information reciprocity, information capture, information integration, information access, information use* (Jayachandran et al., 2005, p. 178). CRM systems and technology perform a supportive role in that matter (Jayachandran et al., 2005, p. 189).

It can be assumed that the process of generating business insights remains the same in Social CRM. Yet, it becomes extended by additional activities (Table 16 on the next page).

[32] Answering this question in terms of the method(s) applied to generate these insights is out of scope and subject to dedicated research.

Processes		Explanation	Extensions due to SCRM
1.	Reciprocity	Enable web-users to interact, respond and share information with an organization and vice versa.	- Stimulate communication with target groups - Provide dedicated Social Media content - Stimulate C2C communication
2.	Capture	Acquire information from web-user interactions from various sources and channels.	- Social Media monitoring
3.	Integrate	Assimilate web-user information from all interactions to develop an interaction history and prevent loss of information.	- Data mining - Create social graph - Create more complete consumer profile
4.	Access	Provide employees with access to updated and integrated information.	- N/A
5.	Use	Use of information to understand needs and behaviors of web-users and to develop/offer customer-specific products and services.	- Social Media Marketing - Social Sales - Social Service & C2C Support - New product development

Table 16 - Relational information processes

Information reciprocity processes aim at stimulating ongoing interactions via multiple platforms. Social Media provide a good chance for these processes in addition to traditional communication channels. Acknowledging, stimulating and providing dedicated content for a communication with (B2C) and between (C2C) target groups is a critical extension of these processes. The extent of interaction depends on the engagement strategies and corresponding objectives. For example, the information push strategy of financial service providers such as Credit Suisse does not attract followers to become committed in conversations based on the information provided (see Appendix G for details[33]). It is not possible to write actively on the Facebook wall but merely to react to company postings. The integration of a celebrity (tennis player Roger Federer)

[33] This section builds on Credit Suisse as example to describe the different relational information processes. This is due to the fact that an analysis of company's Facebook fan page was discussed with company representatives. Comparable information about Nubert is not available.

raises followers' attention. 83% (41,792) of all likes, 88% (4,597) of all shares and 82% of all comments are attributed to Federer. These reactions have no association with the bank or its products but only with the person of Federer. Sharing the content does not raise brand awareness because the brand Federer is stronger than the bank's brand. Hence, this information push approach does not stimulate information reciprocity.

Information capturing processes in Web 2.0 includes Social Media monitoring to identify relevant B2C and C2C interactions (Trainor, 2012, p. 323). The sources to be examined are an organization's managed Social Media profiles and other external platforms that the target groups are using to interact. The information captured within these interactions might be of relevance in terms of content (e.g. key words, opinions), the Meta-data of a contribution/posting (e.g. author, topic), the provided data in the underlying profiles (e.g. hobbies, date of birth), the Meta-data of the underlying profiles (e.g. activities, other profiles) or the interconnection between postings and profiles (Reinhold & Alt, 2012, p. 158). Applied to the Credit Suisse example, data capturing of the Facebook fanpage as one Social Media channel reveals that only 3.3% (1,561 persons) of the 47,168 followers respond to posts by Credit Suisse[34]. Analyzing the followers' Meta data indicates 18 persons who have commented ten or more times on a Credit Suisse posting. The Facebook name of the most active follower is "I love Roger Federer", thus somebody using a nickname. The person with the second most contributions (21 comments) seems to use his/her real name (Gurjit Kaur Chana). This identification may lead to the decision to analyze the contributions' content. Unfortunately, these contributions have a low business value as they only include statements related to Roger Federer (e.g." <3 Congratulations Roger Federer And RF Fans <3 I Love U RF Forever <3"). Hence, the information capturing processes in the context of SCRM implies identifying and filtering the relevant contributions by means of data mining techniques.

[34] See Appendix G for details on the collected Facebook data from the Credit Suisse Fanpage.

Information integration processes are about the assimilation of relevant data from all interactions across different platforms. These processes appear to be a major challenge due to lacking analytical capabilities or tools that link Social Media data with customer data or CRM objects. At present, most information collected is about the conversations dealing with products and companies and not about the individual consumers (Reinhold & Alt, 2011, p. 236). This means that business insights generated so far are mainly about the marketplace, the company/brand or products/services. Being capable of linking dynamic Social Media data to static Meta-data of customers will be a strong lever for determining a web-user's value. This value includes his revenue potential and referral potential (Kumar & Reinartz, 2012, p. 123). Applied to the Credit Suisse example, data integration would require, among others, matching the names of the Facebook community with customer databases. Certainly, there is no match between a bank's customer database and the follower "I love Roger Federer". Still, it cannot be excluded that this person is already an existing customer, a prospect or even a heavy influencer with a large personal network. This last aspect of a large network means creating a social graph of followers in order to discovering the positioning and the structure of these networks (Pavičić, Alfirević, & Žnidar, 2011, p. 206).

Information access processes refer to an employee's access to stored customer data that are required to manage the relationship. Dedicated adaptations to these processes in the context of SCRM do not seem to be applicable.

Finally, *information use* processes deal with the second question to be answered, namely the cases which can be realized due to better insights. On the one hand, it is about knowledge-enhancing use cases meaning the internal use of information to develop a better understanding about the needs and behaviors of connected web-users. This may include a more comprehensive understanding of related consumer processes but also ideas for business model innovation. In fact, it is about understanding which consumer segments are connected via Social Media and which information and types of dialogues they are interested in. On the other hand, it is about action-oriented use which means the use of information for immediate interaction with web-users. This might include providing social benefits by means of publicly acknowledging the valuable contributions of a heavy-user/contributor. A statement from the organization that is visible to others provides a high degree of self-affirmation, self-disclosure and impacts on loyalty or positive WoM. Special treatment benefits could be provided by offering dedicated followers the opportunity for becoming a product tester, inviting them to events, providing incentives, making a very competitive offer etc. This kind of consumer treatment is likely to be personalized and private because it is dedicated to a small group of people only. What remains to be determined is how these special treatment benefits are perceived by the target persons. In fact, organizations face a dilemma. Even though they may have deeper consumer insights, these are difficult to use for pro-active communication. People “tend to eschew having anything commercial impinge on their social milieu” (Ang, 2011a, p. 32). For example, 64 percent of people surveyed by the Insight Strategy Group said they “hate” it when they are targeted via their profiles. Another, 58 percent consider marketing via Social Media to be invasive (Beauchamp, 2012, p. 91).

In summary, the generation of detailed market and consumer insights is a lever to promote SCRM. It must not be understood as simply the technological means to process a huge amount of unstructured data. Foremost, it requires the organizational context, engagement strategies, customer-centric business processes and human skills to develop advantage-generating capabilities (Trainor, Rapp, Beitelspacher, & Schillewaert, 2011, p. 172). In principle both types of uses cases (knowledge-enhancing and action-oriented) should result in a better consumer support, higher marketing and sales efficiency as well as social innovation (Acker et al., 2011, p. 9; Greve, 2011b, p. 268; Trainor, 2012, p. 324). In such cases, there are positive performance outcomes for organizations from SCRM. A more detailed elaboration on SCRM performance will be delineated below.

4.6 Social CRM performance outcomes

Comparable to traditional CRM, there is a need to demonstrate the impact of SCRM on performance outcomes. This means either disclosing a positive delta on traditional performance indicators or establishing novel controlling measures that reveal business success (Greve, 2011b, p. 278). The literature expresses mainly propositions or expectations that are based on reasoned arguments when talking about performance effects. Empirical scientific evidence on performance is lacking so far.

Publications addressing performance in some way reveal one of the following perspectives: an *organizational* one, a *dyadic* one, or an *individual's* one. "The *organizational* perspective is about economic and output related CRM measures. These measures refer to traditional objective performance indicators such as revenue uplift (Acker et al., 2011), cost reductions in terms of acquisition and cost-to-serve (Baird & Parasnis, 2011b; Woodcock, Green, & Starkey, 2011), market share gains and profitability improvements (Stone, 2009)" (Lehmkuhl & Jung, 2013a, p. 196). This emphasis on the standard measures of performance is shared by the practitioners that collaborated on the research of the dissertation. Justifying SCRM efforts needs a sound demonstration of its opportunities for monetization. Decision makers require an assessment of SCRM's success by means of performance indicators they are familiar with, i.e. financial performance indicators such as revenues or costs (Waite, 2013, p. 6). Yet, SCRM controlling demands additional measurement criteria to account for the peculiarities of Web 2.0. For example, to identify the topics of interest among followers, there needs to be a measurement of a trend rate, which is defined as the share of mentions related to a specific topic among all topics discussed (Greve, 2011b, pp. 279–280).

The *dyadic* perspective to measure SCRM's success is about the outcomes from cooperation, thus a co-created customer experience. SCRM in this context can be an enabler for both innovation management and consumer support. Firstly, innovations from SCRM are related to new product/service developments which are derived from a better understanding of consumer problems (Acker et al., 2011, p. 9; Askool & Nakata, 2010, p. 209; Greve, 2011b, p. 268; Trainor, 2012, p. 324). Even business model innovations might be achievable if there are strong analytical and visionary capabilities (Stone, 2009, p. 110). This means being capable of managing "big data[35]" as a basis for envisioning trends and new value propositions. Consumer support as a second dyadic success measure is about the rate and time of problem solving. It implies the efforts of community members to solve others' issues or provide advice on product usage and during the decision-making process of a product purchase.

The *individual's* perspective to measure SCRM's success is about a single web-user as a unit of analysis. Sigala (2011, p. 660) and Greve (2011b, p. 279) propose new measures that elaborate the social value of consumers. This means assessing the intangible business value of a community member that distributes positive WoM, a person's value to bond and retain others (expectation of continuity), and the intangible business value of a follower who is creating content and providing C2C support (web-user loyalty). More generally, a high consumer engagement is expected to result in a change of *perception* and *behavioral intentions*. *Behavioral intentions* are related to a higher level of activity, connectivity and interaction with others, i.e. a more intense communication and engagement (Greve, 2011b, p. 279). Measures of customer *perception* align on traditional relational mediators such as trust, benevolence, attitude, satisfaction and commitment (Coyle, Smith, & Platt, 2012, p. 27; Sashi, 2012, p. 264).

Integrating the mentions of the organizational, dyadic and individual perspective into the Meta-analytical framework by Palmatier et al. (2006) reveals a clear match (Table 17; differences highlighted in italic).

[35] Defined as "high volume, high velocity, and/or high variety information assets that require new forms of processing to enable enhanced decision making, insight discovery and process optimization" (Beyer & Laney, 2012).

CRM performance measures (Source: Palmatier et al. 2006)	**SCRM performance measures** (Source: Literature, practitioner insights)
Relational mediators	
- Commitment - Trust - Relational satisfaction - *Relationship quality*	- Commitment - Trust - Relational satisfaction
Consumer-focused outcomes	
- Expectation of continuity - Word of mouth - Customer loyalty	- Expectation of continuity - Word of mouth - *Web-user* loyalty - *Web-user's activity level* - *Web-user's degree of interaction* - *Web-user's degree of connectivity*
Organization-focused outcomes	
- Objective performance	- Objective performance - *Share of voice* - *Trend rate*
Dyadic outcomes	

- Cooperation	- *Innovation management*
	- Cooperation (C2C support) e.g.:
	  - Target group activity
	  - Supporters/advocates
	  - Problem solving rate/time

Legend
In *italic*: measures that are addressed in the literature as either as a CRM performance measure or as a SCRM performance indicator but not as both

Table 17 - CRM vs. SCRM performance measures

As shown in the table, no reference within the SCRM context is made in regard to the contribution on relationship quality. Additional and new measures are proposed in regard to consumer-focused outcomes. These measures pay attention to the peculiarities of Web 2.0 (e.g. intensity of interaction and communication) and aim at quantifying web-user engagement. A new dyadic outcome of SCRM is its contribution to corporate innovations.

In general, measuring effects of (S)CRM requires complementary approaches taking into account all three perspective (H.-S. Kim & Kim, 2009, p. 479). "Since customer engagement has been identified as a central objective of SCRM, particular attention should be paid to determine the impact of customer engagement on traditional performance indicators and customer relationships at all (Gummerus et al., 2012). A measurement of the individual/web-users' perspective is reasonable because SCRM is about a customer oriented way of working. Success measurement in this context is about engagement levels of the "anonymous" online community, the group of heavy influencers and those factors that address web-users' behaviors (e.g. (Coyle et al., 2012; Gummerus et al., 2012; Jahn & Kunz, 2012)" (Lehmkuhl & Jung, 2013a, p. 196). At present there is little indication on how to determine the dedicated contribution of SCRM in comparison to other organizational measures. Also, there is a lack of a comprehensive measurement concept that assesses SCRM efforts in its entirety. The examined publications mainly provide propositions on the selected performance measurement aspect.

In summary, the success of SCRM will be measured ultimately by its contribution to create and maintain successful relationships. There is an alignment of SCRM with traditional success measures in order to determine the impact on a positive consumer experience and economic performance (Schmitt & Zarantonello, 2013, p. 30). To reflect the principles and practices of Web 2.0 as well as web-user engagement, there is a need for new indicators and corresponding measurement approaches. Neither in the current literature nor in practices are many clues in this regard.

4.7 Chapter summary

Key enablers of SCRM are technological advancements and societal changes that lead to an empowered web-user. This web-user is engaged in a public and direct dialogue with organizations and peers in order to derive personal utilitarian value (related to solve a problem), affective value (related to the enjoyment/excitement) and social value (related to the perception of interactions) (Nambisan & Watt, 2011, p. 891). This behavioral pattern requires organizations to adapt their manner of managing relationships in Web 2.0.

SCRM deals with the integration of Web 2.0 principles and practices into CRM. It fosters web-user engagement as a means of deriving more comprehensive insights that support marketing, service, sales and innovation management. Establishing relational bonds via Social Media requires “unknown” web-users to pro-actively connect themselves with an organization. Due to the difficulty to identify these followers, it is not sufficient to apply traditional CRM strategies and tactics based on the customer relationship lifecycle. Instead, there is emphasis on facilitating exchange and collaboration which enables organizations to derive insights about a follower’s identity, personality and personal network. Some followers might have a high intangible value to an organization even though they are not a customer. A high value might be attributed to a large personal network, the influence on others or the contributions in a C2C online community. Consequently, SCRM can be described as an endeavor towards consumer centricity.

Establishing SCRM has a transformative impact on organizations because it affects all aspects of business. It requires adaptations in terms of strategies, value propositions, communication, culture and performance measurement. Empirical evidence on SCRM’s success is lacking. This is due to a low level of Web 2.0 maturity in practice, missing capabilities, project based approaches or a selective application (Lehmkuhl & Jung, 2013a, p. 190). Promising examples (e.g. Nubert, Helsana) reveal the commonality of shifting from a product-oriented push communication towards a consumer-oriented dialogue. An organization’s offer becomes just one value proposition to solve a consumer’s problem. In other words, there is an evolution noticed from Social Media Marketing towards SCRM.

Concatenating the different facets of promising examples from practice with the proposals from research as well as requirements from industry partners, provides the input to design the SCRM model. The documentation of this artifact is subject of the next chapter.

5 Model development and demonstration

This chapter presents the design and development of the solution artifact which builds on three streams of information sources (Figure 15): The conceptual foundations (Web 2.0, CRM, SCRM) determine the solution objectives that are complemented with the insights gained from an exchange with practice (interviews, discussions, and workshop). Related research on CRM and SCRM represents the basic model structure.

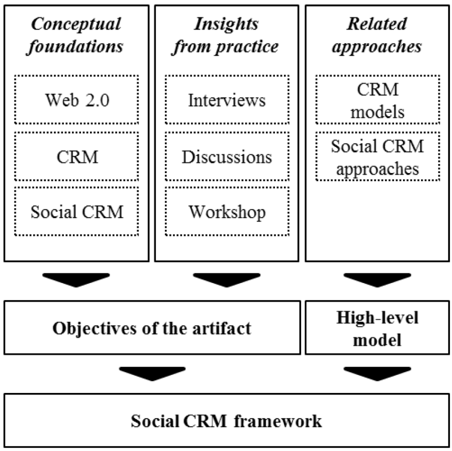

Figure 15 - Information sources for the model development

Section 5.1 deals with the artifact's solution objectives. The development of the CRM Meta-model is given in section 5.2. The SCRM model and its components are specified in section 5.3, followed by a chapter summary (Section 5.4).

5.1 Solution objectives

The artifact's objectives can be transferred into design requirements[36] that the SCRM model should take account of. Table 18 summarizes ten objectives of which objectives one to four are general ones related to Web 2.0 management issues. Objectives five to ten are related to the relevant Web 2.0 principles and practices. Incorporating all these objectives into the model ensures a conceptually sound artifact.[37]

General objectives (Section 5.1.1)
1. Assess Social CRM readiness
2. Ensure top-management commitment
3. Take an integrative perspective
4. Assess strategic partnerships
Web 2.0 integration objectives (Section 5.1.2)
5. Formulate a Social Media information management strategy
6. Formulate value drivers/propositions due to Social CRM
7. Frame Web 2.0 communication principles
8. Integrate web-users in innovation management
9. Assess necessity for an online brand community
10. Align and integrate Social Media channels

Table 18 - Objectives of the solution

5.1.1 General objectives

Objective 1: Assess Social CRM readiness

The model should include an initial assessment of the organizational readiness. Since SCRM adoption implies a business transformation, it has to be warranted that the general conditions are suitable. That is, the assessment should examine (1) the conceptual understanding of Web 2.0 and CRM, (2) the status quo of Web 2.0 management and (3) the general business conditions. Using this assessment as a starting point for SCRM provides an impression on the willingness and necessity for action, the level of maturity on related concepts

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36 The wording solution objectives and design requirements are used interchangeably.

37 cf. section 3.3.2. which explains the process of deriving the ten solution objectives.

and the scope of required activities. For example, Helsana started with a preliminary study (six weeks) for SCRM to assess, among others, the objectives, target groups, and added value to its customers.

Objective 2: Ensure top-management commitment

Aligned to the previous objective is the necessity for a committed top-management. Due to SCRM's widespread activities, there should be an involvement of senior executives to back-up decision-making and to serve as executive sponsors. A participant of the SCRM workshop stated analogously: "There is the need for exploration experimentation which requires a sponsor. You have to simply try different things".

Objective 3: Take an integrative perspective

A holistic and strategic management perspective should be chosen to serve as a frame of reference. SCRM should not be understood as an IT-project (e.g. Social Media data management) or the simple adoption of Social Media (e.g. C2C communities). An integrative approach implies a cross-functional approach (e.g. process perspective), a strategic planning, an alignment of SCRM with corporate objectives, and an awareness of senior management.

Objective 4: Assess strategic partnerships & cooperation opportunities

Already in a CRM setting, it was claimed that "with increased market complexity, customer demands for greater quality […], organizational access to new knowledge and capabilities is becoming the critical success factor [… The] only way for firms to produce this demanded added value is by using complimentary competencies found within alliance structures (Jutla, Craig, & Bodorik, 2001, p. 1). At present, Social Media partnerships are observed only in a few cases but they could be a powerful lever for differentiation. Strategic partnerships in the context of SCRM are meant as alliances with stakeholders beyond customers such as other organizations, knowledge experts or even celebrities. The scope of a partnership might be related to, e.g. new value propositions (exclusive contents, the special competences), service integration, a temporal project or even the joint management of Social Media profiles. For example, Helsana cooperated with Viktor Röthlin, a former professional runner. During this cooperation Röthlin provided exclusive information and competences in the area of endurance sports on Helsana's online community. The expert's knowledge could hardly be provided by the company. Even though the exchanged information is not directly related to Helsana's market offer, there is a relation to the consumer process of health prevention.

5.1.2 Web 2.0 integration objectives

The following six objectives (Table 19) are related to the principles and practices of Web 2.0 (cf. section 2.1.1.1).

Objective	**Principles**			**Practices**		
	1	**2**	**3**	**1**	**2**	**3**
5. Formulate a Social Media information management strategy		x				
6. Formulate value drivers/ propositions due to SCRM			x			
7. Frame Web 2.0 communication principles				x	x	x
8. Integrate web-users in innovation management	x					x
9. Assess necessity for an online brand community	x			x	x	x
10. Align and integrate Social Media channels			x			

Legend
x = principle and/or practice applicable to the objective
Principle 1 - harnessing collective intelligence;
Principle 2 - data is the next Intel inside
Principle 3 - providing a rich user experience
Practice 1 - connection
Practice 2 - information exchange
Practice 3 - collaboration

Table 19 - Web 2.0 integration objectives

Objective 5: Formulate a Social Media information management strategy
Advanced consumer and market insights are a major expectation of scholars and practitioners. By formulating a Social Media information management strategy, there is a compliance with Web 2.0 principle of *data is the next Intel inside*. In simple terms, it has to be worked out which type of information is required at which point in time to support business processes. This demands a thorough examination of the corporate information management strategy (strategy), the management and analytical capabilities (processes), the existing IT-landscape (systems) and the stakeholders to be involved (soft factors). The stakeholder involvement is of special importance. Workshop participants stressed cooperation between business functions and IT on this task. Otherwise there is no thorough information management and consequently little new insights and knowledge.

Objective 6: Formulate value drivers/ propositions due to Social CRM
The opportunities provided by Web 2.0 to creating business and consumer value are a strong argument for SCRM. The value propositions to be formulated should express the benefits consumers receive from connecting, interacting and collaborating with an organization. One objective is providing a *rich user experience* which demands an examination how Web 2.0 can support the attributes for relationship formation (i.e. relational benefits and relationship expectations) and in which ways Web 2.0 may satisfy sociological patterns (i.e. identity seeking through affiliation in groups, sharing experiences). In addition, there should be an investigation on how consumer processes can be supported by Web 2.0. This requires a profound understanding of consumer problems and needs. Equally important is the value to be extracted from a consumer oriented management. That is, there is a need to formulate uses cases for SCRM that are contributing to accomplish corporate objectives.

Objective 7: Frame Web 2.0 communication principles

This objective takes account of the three Web 2.0 practices. It implies that organizations should encourage interactions with and between followers. Such a dialogical approach of interaction is essential to stimulate high engagement because it generates UGC, leading to enhanced insights and, at best, impacting on loyalty. The prerequisites for this type of interaction are communication principles. These principles may align on (1) the topics to be addressed and (2) the degree of interpersonal communication. The former is about the type of content. For example, Thermomix stresses a dedicated topic (receipts) to initiate discussions which do not focus on the company, brand or a specific product. They are about the consumers who are using the product. The latter is about questioning who is initiating, moderating or participating in dialogues on behalf of the organization. This might be an individual employee who can be recognized by his name or his initials. Alternatively there might be somebody unknown who is writing behalf of the organization. A third option is a boundary spanner. This is a person that tells stories about himself such as idols (e.g. soccer stars, celebrities) or ordinary people. The Helsana family[38] initiative is one example to be observed in practice. The rationale to use boundary spanners is the difficulty of web-users to identify themselves with an organization and engage in dialogues. Yet, it is simple to identifying and developing an emotional attachment with people like oneself or idols. In conclusion, there is a need for communication principles that stress a targeted and consumer-oriented communication. Fans should have the possibility for self-presentation and disclosure.

Objective 8: Integrate web-users in innovation management

This objective is about the Web 2.0 practice *interaction* and the principle to *harness the collective intelligence.* Organizations should collaborate with web-users in regard to innovation management. Developing new ideas might be initiated by an organization or its followers. Even though this interaction is

[38] www.helsana-family.ch

rather organization or product centric, it positions connected web-users as valued business partners that support organizations in becoming more consumer-centric. One example is the product launch of an ice tea sold in PET-bottles by the Swiss retailer Migros. Initially, the company was wondering whether a new packaging would be a good opportunity of further developing the ice tea product. By asking this question within Migros' online community Migipedia, there was a tremendous feedback in addition to proposals how the product launch and communication should look like. Next to a revenue impact on this initiative, there was strong image win, since community members felt a high acknowledgment of their input and ideas.

Objective 9: Assess necessity for an online brand community

To further incorporate the three Web 2.0 practices and to account for *harnessing collective intelligence*, there should be a consideration of establishing an online brand community. Central to SCRM's success is an active community with a high number of connected members. This is due to the fact that community members received value "due to the co-creation and content quality (intellectual value), high interactivity (social value) and self-governed community (cultural value)" (Lehmkuhl & Jung, 2013b, p. 11). The benefits attributed to an organization are economic (e.g. cost reduction, revenue impact) and CRM (e.g. creation of brand awareness, retain customers) related ones (Lehmkuhl & Jung, 2013b). The opportunities of an online brand community might be related to collaboration platforms (e.g. Migipedia), support communities (e.g. Helsana Kundenforum), special interest communities (e.g. nuForum) or any other reasons for consumers to join the exchange with likeminded peers.

Objective 10: Align and integrate Social Media channels

The academic literature identified a multi-channel management as a big organizational challenge in a pre-Web 2.0 era (Neslin et al., 2006, p. 96). This challenge remains in the context of Web 2.0. Aligning and integrating Social Media should ensure a *rich user experience* and provide a unified view on a consumer (Awasthi & Sangle, 2012, p. 446). Most organizations are already maintaining several platforms. They should assess each platform's popularity and usage (consumer behavior), their manner of channel coordination, the contribution to providing the defined value propositions, and the opportunities of extracting information as a means to improving business. At a later stage there should be even a full alignment of all communication channels, i.e. online and offline channels. For example, Helsana aims at a full channel alignment to ensure a seamless consumer experience.

In summary, there are ten design requirements which should be incorporated in the SCRM model. Their integration ensures a high perceived utility of the solution artifact and warrants that the principles and the practice of Web 2.0 are deployed appropriately. The CRM and SCRM approaches, next to the solution objectives, are additional sources for guiding the artifact design. Their examination is subject matter of the following section.

5.2 Related approaches

The two literature analyses provide the stock of related work which represents the frame of the SCRM model. CRM models (Section 5.2.1) embody the basis of the CRM Meta-model and related SCRM approaches (Section 5.2.2) complement this Meta-model with proposals on a Web 2.0 support CRM.

5.2.1 CRM models and frameworks

Following Webster & Watson (2002, p. xvi), a concept-centric approach is chosen to synthesize the identified articles on CRM models. This means allocating the different approaches within a holistic model. The underlying framework for this purpose is the "*Strategic Framework for Customer Relationship Management*" by Payne and Frow (2005). In principle, it is a description model consisting of five generic[39] processes, hereafter also called dimensions, to position CRM at a strategic level. These processes are called *strategy development, value creation, multichannel integration* process*, performance assessment* and *information management.* The framework's selection is reasonable due to five reasons: Firstly, there is a high external validity measured in terms of citations. Secondly, the authors acknowledge CRM as a cross-functional and strategic management process. This process perspective is organized around a small set of horizontal processes. This implies an involvement of the entire organization, instead of selected organizational functions and represent a key means of linking customers with the organization (Payne & Frow, 2006, p. 139). The role of technology as a facilitator receives special attention (Chalmeta, 2006, p. 1017; Kale, 2004, p. 46). In other words, the process perspective fits the objective of an integrated and strategy oriented solution artifact. Thirdly, a CRM strategy development is considered as an iterative process in which some activities are executed concurrently while others need to be revisited as a consequence of later results. Fourthly, the framework is generic which makes its understandable for practice and applicable to a broad range of organizational settings. Fifthly, the authors employed an interaction research methodology which stresses collaboration with practitioners in the research process. This ensures validated outcomes, instead of conceptual propositions (Payne & Frow, 2005, p. 169).

A content analysis of the remaining articles indicates a high match with the dimensions of the model by Payne & Frow (2005, 2006) (see Table 20). Moreover, there are three additional dimensions which are common in the examined literature. They are dealing with a *CRM assessment, employee engagement,* and *project and change management*. Consequently, the CRM Meta-model consists of eight generic processes of which employee engagement and project and change management are implementation related ones. Even

[39]The processes are called "generic" by Payne & Frow (2005). It indicates that these are "the key (generic) processes relevant to CRM" (p.169), i.e. the most important ones at a high level of abstraction.

though CRM implementation is out of research scope, these processes are integrated into the CRM Meta-model due the expectation that SCRM approaches make a reference to these processes. The examination of this related work is accomplished below.

Authors	Generic CRM processes						
	CRM assessment	Strategy development	Value creation	Multi-channel integration	Information management	Performance assessment	Support
Chalmeta (2006)	X	X	X		X	X	X
Greve (2011)	X	X		X	X	X	
Kim (2004)	X	X			X	X	X
Kim & Kim (2009)		X			X	X	
Liu (2007)		X	X	X	X		
Park & Kim (2003)		X			X		
Payne & Frow (2005)		X	X	X	X	X	
Payne & Frow (2006)	X	X	X	X	X	X	X
Payne & Frow (2009)		X		X	X		
Ryals & Payne (2001)	X	X	X		X	X	X
Sohrabi, Haghighi & Khanlari (2010)	X	X			X	X	X
TOTAL	**6 (55%)**	**11 (100%)**	**5 (45%)**	**5 (45%)**	**11 (100%)**	**8 (73%)**	**5 (45%)**

Legend: 'X' indicates that the authors make reference to the generic CRM process as revealed by Payne and Frow (2005, 2006).

Table 20 - Coverage of the generic processes by the CRM literature

5.2.2 Social CRM approaches

Examining the identified stock of SCRM literature (31 publications) in regard to organizational approaches demands an investigation of 16 articles. These publications can be categorized into four groups with different research emphases on designing SCRM systems or components thereof (Table 21)[40]. The remaining articles are left out because they do not contribute to designing the SCRM model. They either focus on IT-tools, customer behaviors, the effects of SCRM, or a high level process perspective (analytical, operational, cooperative CRM).

Category	Publications
Organizational determinants	Ang, 2011a, 2011b; Askool & Nakata, 2010; Baird & Parasnis, 2011b, 2012; Pavičić et al., 2011; Stone, 2009
Information systems	Mohan, Choi, & Min, 2008; Reinhold & Alt, 2011
Relationship lifecycle	Greve, 2011a; Sigala, 2011
SCRM models	Acker et al., 2011; Faase et al., 2011; Hennig-Thurau et al., 2010; Reinhold & Alt, 2012; Woodcock et al., 2011

Table 21 - Research emphasis of Social CRM publications

The publications' contributions to design the SCRM model are revealed by their coverage of the CRM Meta-model (Table 22 on the next page). That is, each publication is analyzed in terms of its input to one of the eight generic processes. Following this allocation, it can be decided which insights can be re-used or need to be adapted.

[40] A detailed elaboration on each of these categories is not expedient at this point. For more details see Lehmkuhl & Jung, 2013a, p. 197.

	Generic CRM processes						
Publications by authors	CRM assessment	Strategy development	Value creation	Multi-channel integration	Information management	Performance assessment	Support
Acker et al. (2011)	**X**		**X**		**X**	**X**	**X**
Ang (2011)		**X**				**X**	
Ang (2011b)	**X**	**X**	**X**				
Askool & Nakata (2010)			**X**			**X**	
Baird & Parasnis (2011)				**X**			**X**
Baird & Parasnis (2012)		**X**					
Faase et al. (2011)	**X**	**X**	**X**			**X**	
Greve (2011)		**X**	**X**	**X**	**X**	**X**	**X**
Hennig-Thurau et al. (2010)		**X**	**X**				
Mohan, Choi, & Min (2008)					**X**		
Pavičić, Alfirević, & Žnidar (2011)	**X**				**X**		
Reinhold & Alt (2011)					**X**		
Reinhold & Alt (2012)				**X**	**X**		**X**
Stone (2009)		**X**	**X**	**X**			**X**
Sigala (2011)		**X**	**X**		**X**	**X**	
Woodcock, Green, Starkey (2011)		**X**	**X**			**X**	**X**
TOTAL	**5 (31%)**	**9 (56%)**	**9 (56%)**	**4 (25%)**	**7 (44%)**	**7 (44%)**	**6 (38%)**

‘X’ indicates that the authors refer to the principle CRM dimensions as revealed by Payne and Frow (2005, 2006).

Table 22 - Coverage of the CRM Meta-model by the Social CRM literature

The table shows that all dimensions of the CRM Meta-model are covered by the examined SCRM literature. There is no publication that completely covers the CRM Meta-model with all its dimensions.

The arguments and findings within these publications are often high-level propositions or claims. For example, Baird & Parasnis (2012) propose an integrated approach to SCRM including multi-channel integration. They state that “rather than being a discrete program, it [Social Media] needs to operate in tandem with other important customer touch-points. Nevertheless, organizations should still recognize how Social Media differ from other communication channels, not least because of the interaction they can generate” (Baird & Parasnis, 2012, p. 6). A conjecture for this generic reasoning is the conceptual nature of these publications. A consequence for the model design is that the research results can only provide a frame which requires further detailing and specification.

The generic processes covered most by the literature (56%) are the *strategy development* and *value creation.* This coverage appears plausible since SCRM is acknowledged as a management issue. While the strategy development process is supplemented with specific measures, there is hardly any guidance on the value creation process. The dimension *multi-channel management* is covered least by only four articles (25%) and the authors remain unspecific and simply propose a thorough channel understanding as a means to generate consumer value.

The publications by Reinhold & Alt (2011) and Mohan, Choi, & Min (2008) emphasize an *information management* perspective of SCRM. Both articles propose a conceptual blue-print for a SCRM infrastructure. Mohan, Choi, & Min (2008) put emphasis on the contribution of a SCRM system for sales. Reinhold & Alt (2011) draw attention to the role of analytical SCRM in integrated systems. They assess the maturity of existing solutions and derive an analytical SCRM system model. Its scope and level of detail is appropriate to be re-used in the SCRM model.

The publications by Acker et al. (2011), Faase et al. (2011), Hennig-Thurau et al. (2010), Reinhold & Alt (2012) and Woodcock et al. (2011) elaborate on SCRM models to explore new approaches to integrate Web 2.0 into CRM. “The models by Acker et al. (2011) and Woodcock et al. (2011) merely sketch the models’ outlines. Empirical evidence of the model’s development process and interconnection between different pillars is lacking. The proposal by Faase et al. (2011) and Reinhold & Alt (2012) provide thorough documentations in deriving the models’ building blocks. The former develops a framework when attempting to define SCRM. The latter pursues a state-of-practice research to identify the purposes of Social Media in CRM processes and the scope of SCRM activities. Hennig-Thurau et al. (2010) do not propose a dedicated framework. They summarize the challenges of new media for CRM and corresponding areas for further research. Common among all of these publications is the understanding that Web 2.0 changes CRM fundamentally. […] The acknowledged drawback among the models is a missing proof of concept. They also do not emphasize to present a conceptual framework to design a SCRM strategy. Moreover, none of those models aligned on existing CRM frameworks as reference frameworks that have been established in the past” (Lehmkuhl & Jung, 2013a, p. 198). They are rather built from scratch, instead of re-using prior research insights and proven approaches.

An additional aspect revealed is that 56% of the articles[41] emphasize the principles and practice of Web 2.0. Establishing SCRM should rest on the fundamentals of Web 2.0 and CRM. “If an organization wants to manage the connected community, it first needs to understand how SM [Social Media] facilitates the formation of relationships among users” Ang (2011a, p. 34). The pillars that form this understanding are connectivity, conversations, content creation and collaboration. An implication for the SCRM model is that it should paid attention to the basic principles of its underlying concepts. This means an

[41] i.e. Acker et al., 2011; Ang, 2011a, 2011b; Askool & Nakata, 2010; Baird & Parasnis, 2012; Faase et al., 2011; Hennig-Thurau et al., 2010; Reinhold & Alt, 2012; Woodcock et al., 2011.

evaluation of the current understanding and state-of-practice related to CRM and Web 2.0.

In summary, the synthesis of related SCRM literature is accomplished by clarifying each article's contribution to the generic processes of the CRM Meta-model. The results indicate a good coverage of the different processes by the extant literature which demonstrates the Meta-model's applicability to serve as a basis for designing the SCRM model. An extension to the CRM Meta-model is the integration of Web 2.0 and prior research provides only a slight contribution hereto. Emphasis is usually put on exploring the concept of SCRM buth there is little knowledge available from practical experience or best-practice. This results in a lack of specificity and detail. Most arguments are rather generic assertions that provide a reference for the SCRM model.

The next section combines the previous thoughts of the conceptual background, the solution objectives and related literature by presenting the SCRM model.

5.3 The Social CRM model

The SCRM model consists of eight generic processes (Figure 16). Six of them are the core processes dealing with the activities related to planning and setting up SCRM (grey shaded). The remaining processes are dedicated to SCRM implementation (white boxes).

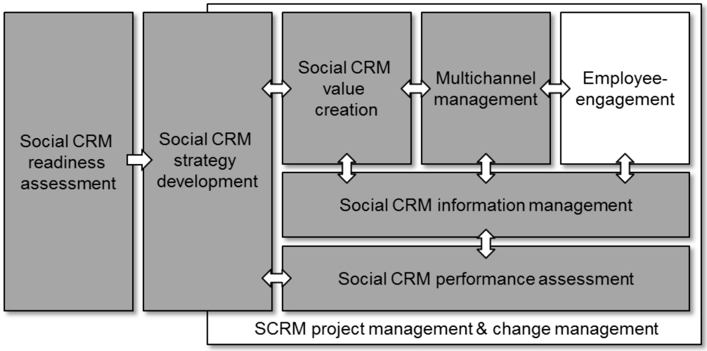

Figure 16 - The Social CRM model

The individual model dimensions will be examined in sections 5.3.1-5.3.7. Each section commences with a table that summarizes the major aspects. It includes the dimension's objective and outcomes but also the work packages including measures and results. Each work package is complemented by a demonstration of its application in practice. Whenever possible, there is reference to the case of Nubert by means of an "as-is" description of current practices or a "to-be" projection of suggested measures.

Scholarly literature usually describes the work packages within each dimension, i.e. what should be done or which concept might be valuable. Indications on the execution are usually lacking. Complementary measures and templates are therefore added to these work-packages (see Appendix H) in order to give suggestions how the activities could be executed for accomplishing the expected results.

A major, yet reasonable, assumption underlying the model is that organizations have some kind of RM and Web 2.0 management in place. This implies that a SCRM strategy does not start from scratch. It builds on and reviews current practices.

5.3.1 Social CRM readiness assessment

Objective of the process Assess the readiness for Social CRM		
Work package	**Measures**	**Outcomes**
1. Assess business conditions	- Business model analysis - SWOT analysis - Value creation identification	- Web 2.0 value creation spotted
2. Assess CRM approach	- Mission & strategy review - Relationship categorization	- CRM philosophy determined
3. Assess Web 2.0 approach	- Web 2.0 objectives - Social Media portfolio assessment - Target groups expectations	- Web 2.0 management approach determined
4. Assess SCRM opportunities	- Stakeholder analysis - SCRM mission - SCRM opportunities	- Levers for SCRM envisaged
Result Structural and organizational readiness defined		

Table 23 - Summary of the Social CRM readiness assessment

The examined CRM literature proposes to initially assess the level of maturity of each generic process in the context of CRM implementation. Yet, there is little guidance given on how to operationalize the assessment. The readiness assessment in the context of SCRM has another intention. Due to the uncertainty related to Web 2.0, there needs to be an apparent reason for SCRM. The assessment should not only expose the opportunities for SCRM, but also reveal the state-of-practice, capabilities and the perceptions of the underlying concepts. That is, it examines the routinized actions, which are orchestrated by, e.g. tools, know-how, systems or relevant actors (Storbacka, Frow, Nenonen, & Payne, 2012, p. 55). It is a preparatory step to support management's decision-making whether to invest and commit more resources in a SCRM strategy development (H.-W. Kim, 2004, p. 26). Consequently, there are four work packages dealing with assessing the *business conditions, the CRM approach, the Web 2.0 approach* and a *SCRM opportunity assessment*. The different work packages and means are complementary meaning that they build on each other but also overlap.

5.3.1.1 Assess business conditions

Organizations "should analyze the growth opportunities available within the business environment and make decisions about the nature of customer relationships that are appropriate for chosen customer segments" (Frow & Payne, 2009, p. 14). In other words, assessing the business conditions reveals the "big picture" and indicates the opportunities for and barriers of Web 2.0. The measures to operationalize this work package are a *business model (BM) analysis, SWOT analyses* and value *creation identification* (Figure 17). This proposed procedure was, in principle, developed and already applied in the inductive study on Nubert. This work package's demonstration can be looked up in "Lehmkuhl & Jung (2013), Value creation potential of Web 2.0 for SME - Insights and lessons learnt from a European producer of consumer electronics, International Journal of Cooperative Information Systems, 22(3), 1–22."

Assessment procedure	BM analysis	(Web 2.0) SWOT analyses	Value creation potential
Objective	– Develop general understanding of the organization	– Derive general success criteria and barriers of the organization – Perform SWOT analysis for Web 2.0 management	– Assess identified drivers in terms of value contribution
Conceptual support provided by	BM ontology	SWOT analysis framework	Theory on value creation in e-business
Outcome	Drivers and barriers for business success and Web 2.0 integration		Web 2.0 value driver spotted

Figure 17 - Assessment approach of business condition

The first assessment step is *BM analysis* which might either be accomplished on a corporate level, on a business level or any other unit of analysis that has a dedicated BM. Osterwalder's ontology (Osterwalder & Pigneur, 2010; Osterwalder, 2004) exhibits "a comprehensive and structured conceptualization of elements, relationships and semantics of a BM". The ontology represents a point in time description, is holistic, yet "simple in its presentation and applicable in interaction with practitioners. The BM is depicted in nine building blocks consisting of customer segments, value propositions, key resources, customer relationships, cost structure, key partnerships, revenue streams and distribution channels" (Lehmkuhl & Jung, 2013b, p. 3). Specific questions within each canvas guide the exploration process. Following the BM analysis, there is an examination of the BM dynamics, meaning specific BM characteristics and links across the canvases (Osterwalder & Pigneur, 2010, pp. 118–119). Ultimately, this BM analysis provides a profound understanding "how an organization creates, delivers and captures value" (Osterwalder & Pigneur, 2010, p. 14). This knowledge serves as a starting point for further examinations.

The second assessment step deals with *SWOT analyses*. As a standard tool of strategic management, there is an examination of internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors. These factors elicit success factors, potential improvement levers and organizational challenges. The analyses should be performed in two steps: Firstly, there should be an examination on the entire organization or applicable business unit. The preceding BM assessment provides input for this. For example, each factor identified within the different BM canvas could be scrutinized whether it is a particular strength. Secondly, there should be an SWOT analysis in regard to Web 2.0. Performing the analysis with an emphasis on Web 2.0 highlights the perceived state-of-operations.

The final assessment step is a qualitative judgment of the *value creation* potential due to Web 2.0. The assessment groups the envisaged drivers and opportunities for Web 2.0 into value driver categories and reveals qualitatively, which benefits should be received for both, the organization and the consumer. The theory of value creation in e-business by Amit & Zott (2001) is the conceptual foundation for this activity. The sources of value are defined as *efficiency gains, novelty, lock-in effects and complementarities*. *Efficiency* is understood "as enhancements of reduced search costs, comprehensive information and the simplicity of information transmission, eventually impacts brand awareness which results at best in customer acquisition. […] *Lock-in effects* are related to switching costs and positive network externalities [… and] contribute to maintain customer enthusiasm and loyalty which eventually should lead to positive recommendations. […] *Novelty* as a third driver is about connecting different components, satisfying consumer needs or offering innovative transaction methods. […It] is expressed by a comprehensive support of the entire consumer process. The possibility to receive competent support from a single source is a service integration that fosters differentiation and competitive advantage. […] *Complementarities* describe the additional benefit of a combination of different aspects in comparison to their independent values […]. The convenience of one-stop-shopping by offering complementary and compatible products ensures an optimal consumer experience during usage.

Hence, it supports customer acquisition and loyalty” (Lehmkuhl & Jung, 2013b, pp. 9–10).

5.3.1.2 Assess CRM approach

Assessing the CRM approach derives an understanding of the RM philosophy, meaning the underlying conditions whether, why and how customer relationships are managed (Faase et al., 2011, p. 15; Ryals & Payne, 2001, p. 17). Conceivable in this context are a review of *CRM mission & strategy* and a *categorization of customer relationships.*

Reviewing the *CRM mission & strategy* is prudent to understand whether (S)CRM appears feasible and how it is perceived and managed (Chalmeta, 2006, p. 1018). The applicability of SCRM can be examined along the attributes for a RM approach as introduced in section 2.2.2.2. To repeat, these attributes are related to the “offer and the market” (market saturation, homogeneity of alternatives complexity of offer) and the “contact between an organization and its target groups” (degree of integration, degree of interaction, information asymmetry, direct customer contact, anonymity of customer). The assessment scrutinizes each attribute and selects whether a transaction focus or a relationship focus appears to be more applicable. Hereafter, it is questioned whether there is a CRM in place and which targets should be accomplished. Indications for dedicated CRM efforts are a thorough documentation of a CRM mission, strategy or dedicated functional units. Conceptual support for analyzing the CRM approach is given by the meta-analytical framework of Palmatier et al. (2006). Using the framework allows assessing which emphasis is put on relationship antecedents (e.g. relationship investment), whether and how the objectives of CRM match with the mediators (e.g. trust), and which outcomes of CRM demonstrate success (e.g. cooperation). Eventually, there is transparency gained whether CRM appears applicable, how it is formalized, implemented, and which objectives should be pursued.

The second assessment step in this work package (*categorization of customer relationships)* is a systematic assessment of present customer relationships. The approach by Bendapudi & Berry (1997) provides the underlying concept by taking a customer perspective and examining the receptivity to relationship maintenance. Such an examination is reasonable because some customers or customer segments do not seek deep B2C relationships. The efforts for them associated with building and maintaining relationships (e.g. intensive dialogues) exceeds the benefits (e.g. personalized offers). That is, it should be clarified when and why customers are receptive to maintain a relationship. The identification of receptivity follows a contingency approach by categorizing relationships in terms of their *level of constraints* and their *level of dedication* (see Figure 18; based on Bendapudi & Berry, 1997, p. 32).

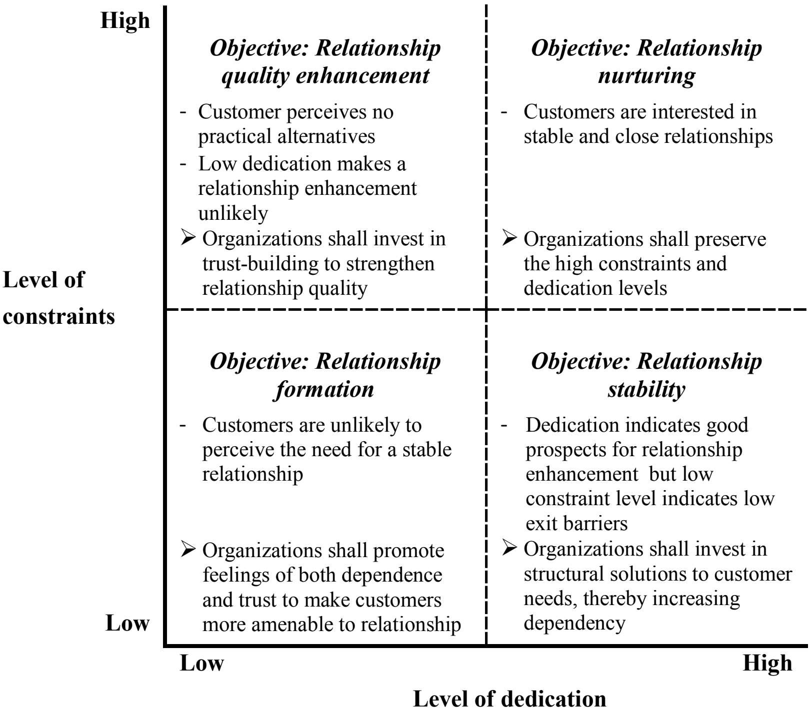

Figure 18 - Customer receptivity to relationship maintenance

*Constraint-based relationship*s are in place if there are high exit barriers due to economic, social or psychological costs. The strength of a constraint is a function of a perceived dependency on an organization. The dependency may result in an interest in alternatives or acquiescence[42]. Relationships characterized by these parameters lead, at best, to a preservation of the status-quo (Bendapudi & Berry, 1997, p. 31). In turn, there are relationships due to a desire for continuance (*dedication-based relationships*) which is based on the trust in the relationship partner. If managed adequately, these relationships lead to an interest in cooperation and relationship enhancement (lower level of dedication) or relationship identity and advocacy (higher level of dedication). Thus, dedication-based relationships facilitate relationship expansion and enhancement (Bendapudi & Berry, 1997, pp. 31–32).

In summary, this work package reveals the mode of dealing with customers. Due to the different perceptions of CRM within organizations, there should be an objective assessment of the CRM philosophy which examines the general applicability of a RM approach, the state of CRM practices and targets as well as the type of customer relationships. Being aware of the status-quo in managing customer relationships is essential to design novel measures that enhance current practices (e.g. to provide a customized service). The integration of Web 2.0 as a corresponding means is of interest in the context of this thesis.

Demonstration:
The *applicability of CRM* in case of Nubert is already demonstrated in Table 3. The company's philosophy and employee behaviors reveal a strong consumer orientation and intention to provide service excellence. Documentation related to a CRM mission, strategy is lacking. The customer orientation is observable in terms of selected CRM antecedents such as a *high seller expertise* and a *high relationship investment.* The former is given due to extensively trained support employees on the hotline. Each support agent has a high competence in regard to the entire consumer process of home audio entertainment. A latter can be demonstrated due to the comprehensive customer

[42]Acquiescence is the passive agreement with the partner in order to maintain the relationship. It is the adherences to another's specific request or policies. Customers in this situation are unlikely to jeopardize the relationship (Bendapudi & Berry, 1997, p. 29).

support given during the purchasing process. The numerous comments of the website's guest book exhibits this reasoning.

In terms of *relationship categorization*, there is a low level of constraints. This is due to the fragmented market for home entertainment products. The customer segments addressed by Nubert's different product lines have a high level of dedication. The solid product quality and the emotional attachment to the music experience ensure a positive customer perception over years. Recommendations are vital for success due to a low re-purchase frequency. Objective of CRM is therefore maintaining positive perceptions, a high loyalty, positive WoM, cooperation on the nuForum and interaction. This is accomplished by a newsletter, frequent product reviews, offering complementary equipment (e.g. wireless connectors to speakers) and novel products that extend the product lines and the usage (e.g. computer speakers).

5.3.1.3 Assess Web 2.0 approach

Assessing the understanding for and application of Web 2.0 is required due to the conceptual, strategic and operational uncertainty. Objective of the work package is derive an understanding of current Web 2.0 practices (Ang, 2011a, p. 34; Faase et al., 2011, p. 14). The insights from the previous examinations are the for assessing *Web 2.0 objectives*, the *Social Media portfolio* and the *target groups' expectations*. Dedicated assessment models and frameworks to be re-used from prior research are lacking. One explanation for this lack is a missing "systematic analysis of the broad characteristics and trends associated with the Web 2.0" (Wirtz et al., 2010, p. 275). Consequently, the proposed means are based on reasoned arguments and the author's experience gained during previous research.

The first step in this work package is an assessment of *Web 2.0 objectives.* Whenever available, there should be a review of the mission and strategy. Of particular interest are information in regard to the application scope and targets to be accomplished. The application scope determines the expected contribution of Web 2.0 for functional units such as marketing, sales or service. A guiding question for determining the scope of Web 2.0 is questioning "which goals should be pursued by means of Web 2.0 and Social Media?" The answer to this question can be allocated to affected corporate functions (Table 24, aligned on

Bernet & Keel, 2013, p. 10). Deriving an answer to this question is valuable since Web 2.0 strategies are not formulated within many organizations (Bernet & Keel, 2013, p. 7).

Which goals should be pursued by means of Web 2.0/Social Media?	
Goal	**Affected organizational function**
Provide product information	Marketing
Increase image & brand awareness	Marketing
Generate opinions and ideas	Operations
Joint product development	Operations
Appear as an innovative employer	Human Resources
Attract new employees	Human Resources
Contact with media representatives	Public relations/communication
Push corporate information	Public relations/communication
Discover crises	Public relations/communication
Increase sales	Sales
Acquire customers	Marketing/Sales/Service (CRM)
Retain customers	CRM
Win-back customers	CRM
Provide consumer support	Service
Facilitate dialog with consumers	Service/communication/sales
Facilitate dialog among consumers	Service/communication/sales
Others	…

Table 24 - Determination of Web 2.0 objectives

Having clarified the scope of application gives indication on the importance and integration of Web 2.0. The subsequent assessment step compares the identified Web 2.0 goals with their measurement approach, expected targets and their degree of fulfillment. Guiding questions are:

- Which specific targets should be achieved for each Web 2.0 goal?
- Which measures are used to monitor the achievement of Web 2.0 goals?
- How would you assess the degree of fulfillment (in %) between the targets and the current situation?

Deriving answers to these questions reveals, whether Web 2.0 goals are measures at all and whether current practices are successful. The rationale for this step is the ambiguity on the required efforts versus the earned benefits of Web 2.0 (Bernet & Keel, 2013, pp. 19–20).

The second measure in this work package is the *Social Media portfolio* assessment. It qualifies whether Social Media are not only perceived as additional push-communication channels but as a novel way for consumer interaction (B2C; C2C; C2B). The execution of this task can be accomplished by means of a Social Media portfolio assessment. This assessment qualifies all platforms identified in the BM analysis along the attributes objectives, reach, content published, challenges, and goal achievement (Table 25).

Assessment attributes	Guiding question
Objectives	What is the channel's intent/objective for the organization?
Reach	How many web-users are connected/ reached per month?
Contents published	Which type of content is published on the channel?
Challenges	What are the major challenges to improve the channel performance?
Goal achievement	What is the estimated degree (in %) how much the channel's objectives are accomplished?

Table 25 - Social Media portfolio qualification

The last assessment measure of this work package deals with the consumer perspective. The previous assessment steps reviewed an organization's objectives and intentions to use Web 2.0. To ensure consumer-centricity, there needs to be an examination on the *target groups' expectations*. Of particular interest for this assessment are the answers to the questions:

- What are consumer's expectations when connecting with the organization/ brand on Social Media?
- What is the added value provided by the organization to connected web-users?

Ideally, these questions are answered by followers in order to receive a credible answer. To ensure that the information retrieved has relevance for SCRM, answering options should be structured along the relational expectation and benefits as indicated in section 2.2.2.2.

In summary, the third work package discloses the state-of Web 2.0 practice. It addresses the objectives of integrating Web 2.0 into business and the mode of communication via Social Media. It also considers the followers' point of views which gives further indication on the conceptual understanding and strategic versus operational implementation.

Demonstration:

Web 2.0 is considered by Nubert's management as an experiment. There are no formulated *objectives and goals*. The major challenge is the creation of relevant content that motivates interaction and diffusion (Lehmkuhl & Jung, 2013b, p. 19).

Facebook and YouTube are used for marketing purposes to increase awareness in the mass market. Product related information is pushed to connected followers and the communication is a 100% BC2 with some interaction on Facebook. An active consumer posting is not possible on Facebook so that low engagement levels are observed. Customers' expectations on these platforms are information about the company (e.g. historical anecdotes), test results and reviews from professionals. Those who seek interaction and exchange are advised to use the online community or the service hotline.

The *nuForum* is used primarily for a communication between consumers (C2C) and it facilitates the dialogue between community members. There is a very high engagement level. People using this forum expect a comprehensive support on the consumer process home audio entertainment. Community members that give advice are likely to receive self-confirmation and social recognition. They are also interested in an intensive exchange with other specialists and connoisseurs. In effect, the community supports customer acquisition and retention.

The *guest book* (kind of blog) is a public feedback channel that provides opinions on the consumer experience. Consumers reading the contributions receive decision-making support due to the positive comments.

The category *customer images* (content sharing) are a means to receive feedback based on a rating system. The images can be posted on the company's webpage or on the nuForum. It is a pure C2C communication with a high degree of self-presentation and interest for self-affirmation. Consumers' interests in reviewing images are to obtain a better feeling how the speakers fit in, e.g. a living room. This type of information is relevant due to a lack of opportunities to see/listen to the speakers upfront at a retailer but the three outlet stores.

In conclusion, the direct sales model ensures that Nubert is aware of consumers' needs and demands. This awareness is complemented by experiences made from operating the nuForum since 2002. There is a mindful adoption of Social Media due to concerns on the added value for consumer, the efforts to maintain profiles, the information interests of target groups and the fit to the corporate image. It is still acknowledged that Web 2.0 may represent new opportunities to get access to the mass market, increase brand awareness and bond with consumers.

5.3.1.4 Assess Social CRM opportunities

The final work package consolidates of this dimension the results of the previous analyses. Objective is to derive hypotheses that reflect the levers for SCRM. The proposed measures for this assessment are threefold and include a *stakeholder analysis,* the formulation of a *SCRM mission,* and the description of expected *SCRM opportunities.*

The *stakeholder analysis* determines all relevant stakeholders within the organization that are or might be affected by SCRM. This means identifying individual persons - usually those with decision-making responsibility - and examining their potential contribution, needs, influence and interest in SCRM (Lehmkuhl et al., 2013, p. 1072). This activity is critical for the strategic planning because it reveals resistance, support, commitment, expectations and concerns of affected persons (Greve, 2011a, 2011b; Stone, 2009).

The abstraction of defined opportunities, levers to increase customer engagement or the means to derive new consumer insights are consolidated by formulating a *SCRM mission* statement. The mission depicts the future and helps management in communicating the objectives and targets. Common elements herein are a purpose and goals, values, competences, desired competitive position, identification of stakeholders (employees, consumers, shareholders) (Bart, 1997, p. 380).

The final step of the readiness assessment is a formal documentation of the expected SCRM *opportunities.* This documentation complements the mission statement and represents a first consolidated perspective of the identified chances derived in the different work packages (see Table 26 for a summarized representation).

		Opportunities for Web 2.0 supported CRM	
Work package	**Measure**	**Identified**	**Evaluated**
1. Assess business conditions with emphasis on Web 2.0	- Business model analysis	x	
	- SWOT analysis	x	
	- Value creation identification		x
2. Assess CRM approach	- Mission & strategy review	x	
	- Relationship categorization	x	
3. Assess Web 2.0 approach	- Web 2.0 objectives	x	
	- Social Media portfolio assessment	x	
	- Target groups expectations	x	(x)
4. Assess SCRM opportunities	- Stakeholder analysis		x
	- SCRM mission		x
	- SCRM opportunities		x

Table 26 - Summary of SCRM opportunity identification and evaluation

The documentation allows a qualification of the identified opportunities and is accomplished by means of developing hypotheses. They describe the levers for SCRM with an excepted cause and effect on CRM outcomes. Using hypotheses at this point is useful since it is not possible to quantify the identified opportunities at this point in time. It still denotes the antecedents of expected outcomes which need to be proven and specified.

Demonstration:

The *stakeholder analysis* in case of Nubert is simple. In general, it is the managing Director (responsible for marketing and sales) who takes care of the Social Media communication. The nuForum is monitored by two employees who escalate to the managing Directors and in case of problems or complaints. Technical questions and concerns are dealt with by product developers. Since Nubert is a SME, there is a flat hierarchy, fast internal communication and alignment.

Developing a *SCRM mission* statement could align on the value propositions and Nubert's philosophy as presented on the website. In particular, attributes that are highlighted are trustworthiness, high quality, outstanding price/performance ratio, customer proximity, fair, experienced, service excellence/competence, high customer convenience and safety, reliability and personal. A hypothetical proposal for a SCRM mission statement could be as follows: *The Nubert team, being supported by our online community, aims at providing all consumers a single point of contact via Social Media by means of personalized information, exchange and collaboration on any matters related to their home entertainment system".*

The related *documentation* of *SCRM opportunities* by means of hypotheses could be formalized as show in Table 27 (extracted and extended from Lehmkuhl & Jung, (2013b).

Opportunity	**Cause**	**Effect**
Offering an end-to-end support for the consumer process "home-audio entertainment" in the NuForum	…provides a positive consumer experience in terms of efficiency and convenience…	… leading to positive word-of-mouth
The different Social Media channels shall be referenced and integrate on the organization's website…	…to provide a convenient and comprehensive information gathering…	… which facilitates the interest in relationship continuity
Display consumers' home environment including their speakers on different Social Media platforms…	… generates content to be published from boundary spanners …increases the reach of message and brand awareness…	… which increases perceived proximity … which supports customer acquisition thus sales

Table 27 - Examples of SCRM hypotheses

In summary, SCRM should be motivated by a viable business need or convincing opportunities. Given this, there is a higher likelihood for commitment to invest time, and resources. The readiness assessment represents an overview audit which is structured along four work packages. Each work package is explicated by a set of measures (e.g. assess general conditions) and concrete methods (e.g. BM analysis). There is an integration of selected strategic management methods (e.g. SWOT analysis) due to a lack of dedicated assessment models. Ultimately, the work packages explore the willingness, feasibility and projected outcomes of SCRM. Based on this understanding, there is a formulation of strategic objectives which is subject matter of the next process.

5.3.2 Social CRM strategy development

Objective of the dimension Define strategic parameters for SCRM		
Work package	**Measures**	**Outcomes**
1. Business strategy analysis	- Review strategic objectives - Industry and competitive analysis - Network analysis - Technology review	- Web 2.0 industry maturity determined - Cooperation partners identified - Trends for an advanced consumer integration revealed
2. Consumer strategy definition	- Identification - Segmentation - Engagement strategies	- SCRM target segments specified - Web 2.0 contribution to consumer processes defined
3. Functional strategies analyses	- Strategy reviews	- Contribution of functional strategies to SCRM specified
4. Strategic alignment	- Stakeholder workshops	- SCRM governance defined - SCRM objectives defined
Result Strategic direction for Social CRM specified		

Table 28 - Summary of the SCRM strategy development process

Central objective of the process is defining the strategic parameters for SCRM. The strategy development is the process covered most by the examined literature in which an analysis of the *business strategy* and the development of *customer strategies* are accentuated. Following the feedback from practitioners and some indications from the literature, there are two additional work packages to be dealt with in the context of SCRM. These are a *functional strategy analysis* and a *strategic alignment*. These four work packages that are explained in the next sub-sections.

5.3.2.1 Business strategy analysis

The first work package is about analyzing the business strategy including a review of the *corporate vision and strategic objectives*, an examination of *industry and competitive dynamics*, the assessment of opportunities for co-opetition and partnerships (*network analysis*) and the assessment of disruptive technologies on business (*technology review*) (Frow & Payne, 2009, p. 15; Payne & Frow, 2005, p. 170, 2006, p. 144). Added to each of these measures is the potential contribution, impact or application of Web 2.0.

Reviewing the *corporate vision* and *strategic business objectives* sets the frame of reference for SCRM. Subsequent targets of SCRM must contribute to these objectives or, at best, drive these objectives (Greenberg, 2009, p. 414). An immediate reference to Web 2.0 within the vision and objectives is unlikely, but there might be indications on the importance of customer relationships, the call for consumer integration and interaction, the impact on media and technology usage, or the strategies for serving generation of “digital natives”.

With regard to the *industry and competitive dynamics*, there should be an examination on the state of Web 2.0 practices and a first validation of the identified SCRM opportunities. Being aware of competitors’ actions gives an impression on the industry maturity. Market and analyst reports can provide validation hereto and reveal opportunities for a temporary competitive advantage obtained from differentiation, new ideas for better Web 2.0

communication or the awareness to take immediate actions (Woodcock et al., 2011, p. 60).

Determining the opportunities for co-opetition and partnerships *(network analysis)* means a network analysis of partners within the organizational ecosystem. These partnerships might be, to name only a few, supportive to (re)-financing Social Media initiatives, creating and disseminating content, providing new competences, initiating a temporal project, or to jointly managing Social Media profiles. Ultimate goal of a partnership should be stimulating higher engagement levels, increasing the number of followers and developing enhanced consumer insights.

Finally, there should be a *technology review* to scrutinize the importance of disruptive technologies on CRM. This means to understand the impact of, e.g. the mobile Internet on the media usage and consumption. Location based services, mobile apps, and second screen information are just three examples in this context. In other words, the technology review spots the trends of technology evolution for advanced consumer integration and engagement.

In summary, the business strategy analysis in the context of SCRM is not fundamentally different from the approach in a traditional CRM setting. It extends the common analyses by emphasizing the impact of Web 2.0 for an advanced consumer communication.

Demonstration:
A review of Nubert's *strategic objectives* needs to rest on assumptions because there is no information available. With reference to the company's philosophy and success factors (Lehmkuhl & Jung, 2013b, p. 7), a reasonable objectives is differentiating in the market by award winning and high quality products that are complemented by an outstanding consumer experience due to a personalized communication on the hotline and the nuForum. Web 2.0 is therefore part of the strategic objectives even though not explicitly mentioned. This is due to the fact that the nuForum is already a common production factor since it is running since 2002.

Nubert's *industry and competitive environment* is highly fragmented. The market segment of (high) quality products is small but stable. The level of Web 2.0 market maturity is low because major use case is pushing product information. Initiatives to integrate followers are rare. A promising approach to increase awareness is seen at Canton because it uses the hashtag “#deincanton” on Facebook to consolidate related images from customers. Branded online communities besides the nuForum are not existent, thus a strong differentiator. More generally, the contributions in terms of UGC among the few initiatives indicate a high willingness, creativity and compelling information provided by consumers. Building on web-users’ interests in self-presentation is a viable opportunity of increasing reach, initiating interaction and establishing a connection.

A strategic partnership and cooperation (*network analysis)* on Social Media could be observed at Teufel. The company cooperated with THX[43] to provide information on the company’s blog on home video/audio entertainment. While the idea was promising, its implementation was truly bad since there was no customer integration at all. Additional opportunities for strategic partnerships are subject to creativity. For example, there could be cooperation with music recording studios on adjusting sound frequencies for a better music experience. Considering strategic partnerships for Nubert could be a promising lever to provide compelling content in order to increase awareness and to provide some form of learning and knowledge generation.

With respect to *technological trends* there is low impact of disruptive technologies. Location based services (e.g. in-store apps) might be an opportunity for following the trend for mobile devices and mobile apps. Wireless speaker and data connections are additional consumer demands that need to be met. Yet, a contribution of technological innovations - besides Social Media - to RM seems to be negligible.

5.3.2.2 Consumer strategy definition

Designing strategies for different consumer segments is this work package’s goal in a CRM context. In simple terms it means *identifying* the existing and potential customer base, *segmenting* them with an appropriate level of granularity and developing segment specific strategies (*engagement strategies*)

[43] THX is a company that provides certificates for high-fidelity reproduction standard in movie and home theaters, loudspeakers, gaming consoles, and car audio systems. A THX-certified product expresses a seal of quality.

(e.g. Payne & Frow, 2006, p. 145). This generic three step approach is also plausible in the context of SCRM but there are several hurdles to date.

The *identification* of followers is already a big challenge. Whether a follower is already a customer, a potential customer or just an interested person cannot be determined that easily. The *segmentation* of the follower community along traditional criteria (e.g. sales potential, customer lifetime value) is difficult without a match between virtual identities and real customer data. Segmentation criteria in Web 2.0 observed in practice are related to the platform being used, (semi-)static data such as the personal network size, life events or dynamic data such as interests. This information represents new segmentation criteria which were difficult to access in an offline or Web 1.0 environment. They allow a better consumer profiling due to insights generated about the personality and not just the purchase history. Accordingly, segmentation approaches mentioned by practitioners are related to the platform (*platform segmentation*), common patterns (*behavioral segmentation*) or the virtual profile of a consumer (*micro segmentation*). Additional segmentation approaches are likely but not mentioned by interlocutors of this research.

A *platform specific segmentation* is rather generic. This approach segments people according to the platform they us to connect with an organization. In the case of Nubert it means defining the consumer segments Facebook, YouTube and nuForum. The strategy to serve the different segments mainly depends on the functionalities and features of the platform. For example, the strategy in the nuForum would be to provide a thorough consumer process support. The Facebook strategy would be to generate a lot of awareness and content diffusion through likes or comments.

A segmentation according to common patterns is about clustering followers according to their, e.g. interests, behavioral response or active contributions (*behavioral segmentation*). Online competitions or other campaigns on Facebook are frequently used methods for this segmentation. Followers that are joining these campaigns (usually) agree that the organization is allowed to access a person’s profile data but also to track the click behavior. The consolidation of data is later used for e.g. product management, consumer service or campaign management. Stressed by practice is the claim to identify and segment at least the group of heavy users and opinion leaders. By relying on the experiences of community or Social Media managers, it is possible identifying these persons and segmenting them accordingly. It implies designing specific strategies for this segment in terms of providing special treatment benefits (e.g. being a first tester of a new product), social benefits (e.g. grant personal contact to employees) or even financial benefits (e.g. a very competitive offer). The rationale to recognize just a small group of people is their potential impact (e.g. reach of message) and contribution (e.g. provide C2C support) to organizations' objectives (e.g. increase loyalty or positive WoM).

A *micro segmentation* is most fine grained. It is proposed in the literature and practice and aims at creating comprehensive consumer profiles including static identity (e.g. name, date of birth), personality (behaviors and preferences) and social data (e.g. personal network). Their combinations should be mainly used in direct and personal communication (Faase et al., 2011, p. 3). In an aggregate form they are also used for public and segment specific communication.

To conclude, there are multiple segmentation methods of which only three were sketched. Proven approaches or best-practices in the context of Web 2.0 are lacking. More importantly, the conditions for a segment specific communication are fundamentally different. In traditional CRM, there is a passive consumer behavior with a more or less personalized push communication as the central means. In turn, SCRM is about the engagement of (unknown) consumers that are interested in shaping their own experiences. *Engagement strategies* are therefore fundamental for interaction and require pursuing a truly consumer-centric communication. It demands a thorough understanding of relevant consumer processes, i.e. all the steps a consumer goes through to solve a particular need or problem (Österle, 2001, p. 46). This knowledge allows for an evaluation whether and how Web 2.0 can assist the problem solving process. It also enables evaluating the identified SCRM opportunities in terms of customer interests. Given this, there could be new value propositions which represent apparent reasons for maintaining a Web 2.0 based relationship, receive satisfaction, produce UGC, distribute content or encourage peers to follow/participate (Chalmeta, 2006, p. 1019; Lehmkuhl & Jung, 2013b).

A generic model for the identification and planning of consumer processes is given in figure 19 (aligned on Kagermann, Österle, & Jordan, 2012, p. 48). Potential techniques for outlining the processes are process mapping (Shostack, 1984, 1987), service-blueprinting (Payne & Frow, 1999), customer activity cycles (Vandermerwe, 1993) and customer-firm touch point analysis (Sawhney, Balasubramanian, & Krishnan, 2004).

Assessment procedure	**Identify consumer processes**	**Model consumer processes**	**Assess consumer value contribution**	**Determine service in- & outsourcing**	**Evaluate contribution to Social CRM**
Tasks	– Identify consumer processes related to the market offer – Prioritize processes when necessary in terms of importance/ potential	– Detail all process steps that solve a consumer's problem – Identify all groups of products/ services within the process	– Determine key drivers of consumer value – Assess the added value of Web 2.0 for each process step	– Assess cooperation need with strategic partners – Assess the need for service integration – Assess need for BM adaptation	– Project the impact of Web 2.0 supported consumer processes in terms of CRM outcomes – Determine contribution to derive better insights
Outcome	Consumer processes landscape	Consumer requirements	Web 2.0 use cases	BM adaptation need	Business and consumer benefits

Figure 19 - Process model to elaborate consumer processes

Using the concept of consumer processes to formulate corresponding strategies ensures consumer-centric management which means renouncing from a goods-dominant focus to a service-dominant focus in which the market offer (e.g. product) is just one value proposition. It requires service integration to serve consumers from a single point of contact. Moreover, it provides specific opportunities to integrate Web 2.0 and stresses the importance of cooperation with external partners (service in- & outsourcing) or other consumers as business partners (Österle, 2001, p. 50). Yet, while the concept of consumer processes is quite simple, its implementation challenging[44] (Kagermann et al.,

[44] Since implementation related matters are out of scope, see a check-list of common barriers and enablers for consumer processes realization in Kagermann et al., 2012, pp. 45–48.

2012, p. 44). The rationale for this is the need to redesign business processes outside-in, meaning from a consumer's viewpoint (Liu, 2007, p. 17).

In summary, the traditional development of consumer strategies being based on clear segments is currently not feasible in a Web 2.0 context. It is required to satisfy each and every web-user that is interested in a Social Media based dialogue. Organizations are advised to design their consumer strategies along the major consumer processes. One example hereto is the Swiss ICT provider Swisscom. The company turned its product development unit into customer experience unit to stress the importance of an end-to-end consumer process orietation. Combined with the ability to solve consumer problems by means of Web 2.0 ensures that followers obtain credible benefits from connecting and interacting on Social Media.

Demonstration:

The *identity* identification of followers in the case of Nubert would be related to Facebook and the nuForum. Since most of the Facebook users use their real names, there should be a high match of virtual identities and customers' identities. The identification of customers in the nuForum is difficult because people use nicknames. Opportunities for identification would be to ask for the real-names during the registration procedure for the nuForum. The added value of identification could be envisaged by additional opportunities for lead generation.

The *segmentation* of followers is pursued somehow. Heavy contributors on the nuForum receive special treatment benefits such as invitations to events or the opportunities of testing new speakers. Additional segmentation opportunities are possible due to the full control of behavioral data in the nuForum. These criteria could be related to a consumer's status in terms potential customer, recently acquired customer, brand advocate or expert for a specific topic.

The support of *consumer processes* is a common practice in the NuForum. The community is structured along different themes (e.g. speakers, acoustics, technique), categories (e.g. hifi-stereo, surround) and specific topics (e.g. new product line, decisions support for purchase) within each category. Community members and visitors quickly find the topics of interest and comprehensive information/leaning opportunities. The relevance of each topic is ensured due to the fact that the community is consumer driven.

That is, the topics created and discussed are not initiated by the organization but the engaged community members.

5.3.2.3 *Functional strategy analyses*

Designing effective consumer strategies based on a consumer process modelling requires collaborative efforts of consumer-facing units such as sales, service, marketing or communication. Usually there are strategic objectives for each functional unit so that emphasis of this work package is put on the strategic objectives and targets of those units having a stake in Web 2.0. The objective is to determine the contribution of SCRM for reaching the targets of functional units.

Neither the CRM nor the SCRM literature pays attention to functional strategies next to the business and customer strategy. Merely Sohrabi et al. (2010, p. 11) mention that the strategic perspective to CRM should also take account of the value creation strategy, the brand strategy and the relational strategy. An explanation why and how these different strategies should be incorporated is missing. Hence, there is no direction from prior research on how to perform the strategy analyses.

The starting point of this work package is the previous stakeholder analysis which identified the function and persons being affected by Web 2.0. The subsequent strategy analyses follow two streams of investigation: On the one hand, it is required to receive specific information about the strategic objectives, how these should be accomplished and which targets should be achieved (pull of information). Possibly, there is already awareness, interest in, or formulated ideas on how to integrate Web 2.0 in this context. On the other hand, it is needed to discuss, evaluate and specify the identified SCRM opportunities and the consumer processes modeling (push of information). Ultimately, there is a common understanding established among stakeholders on the levers of SCRM, a better qualification of the different opportunities and additional requirements towards SCRM.

Demonstration:
The analysis of functional strategies in case of Nubert is not expedient because there are no formulated objectives. The case of Helsana is representative in this context. While the planning and launch of its online community was driven by the retention marketing and customer support units, there has been an increasing interest from other departments such as sales or branding. This is due to the platform's success and potential to attract new customers and enhance the corporate image. Being aware of the different strategic objectives is of relevance to ensure a positive consumer experience that is due to a professional customer support being aligned with marketing measures and promotions.

5.3.2.4 Strategic alignment

Strategic alignment is the final work package in the strategy development process. The extant literature acknowledges an alignment to avoid inefficiencies through double and conflicting structures (Reinhold & Alt, 2012, p. 60). It emphasizes aligning business functions with IT (Ryals & Payne, 2001, p. 18), marketing with IT (Park & Kim, 2003), marketing with customer service or processes with their governance (Baird & Parasnis, 2011b, p. 32). An implicit assumption by the authors is the willingness of all stakeholders to cooperate and change routines of actions. Yet, any alignment will hardly be realizable without prior examination of the different interests and expected benefits for each stakeholder.

Despite the recognition for strategic alignment by scholars, there is no indication how the outcome may look like. To add specificity in this regard, the expected outcomes are twofold and include the determination of SCRM *governance* and a description of *SCRM objectives.*

SCRM governance as a first alignment outcome describes the institutionalized mode of coordination. It is basically about "specifying the decision rights and accountability framework to encourage desirable behavior in the use of" Social

Media in CRM[45]. This includes specifying the roles and responsibilities of stakeholders, escalation rules in case of conflicts, the scheduling of feedback and (strategic) planning sessions, evaluating performance, or ownership issues in terms of budget, content, platforms or consumers. Social Media councils as a formal steering body represent one means for operationalizing the alignment. These kinds of councils are already established within larger organizations (e.g. Microsoft) and consists of representatives from relevant business functions such as public relations, marketing, human resources, legal, product development, and support) (Rossmann, 2013a, p. 39).

The final activity is a formal description of the *objectives of SCRM.* The documentation of these objectives demonstrates the seriousness for deploying Web 2.0 in CRM and exhibits the use cases to strive for. The objectives align with and complement those of functional strategies in order to underscore the importance of cross functional collaboration. Specific implementation measures have to be described for each objective to ensure applicability. Complementary targets supplement the description of objectives and enable a measurement of goal achievement[46]. In other words, there is a detailed and structured description of the previously identified and qualified SCRM opportunities (Table 29 on the next page).

[45] This specification is aligned on the definition of IT governance by Weill & Ross (2004, p. 8) stating that IT governance is “specifying the decision rights and accountability framework to encourage desirable behavior in the use of IT. The adaptation in the context of SCRM is suitable because Social Media can be considered as some kind of IT”.

[46] There is a template in Appendix H that supports the objectives’ documentation.

Work package	Measure	Opportunities for Web 2.0 supported CRM	
		Identified	Evaluated
Business strategy analysis	- Review strategic objectives	x	x
	- Industry & competitive analysis	x	x
	- Network analysis	x	x
	- Technology review		
Consumer strategy analysis	- Identification		
	- Segmentation		
	- Engagement strategies	x	x
Functional strategy analysis	- Strategic alignment	x	x
Strategic alignment	- SCRM governance		
	- SCRM objectives		x

Table 29 - Summary of the SCRM opportunity development

Demonstration:

Establishing dedicated SCRM *governance* in case of Nubert is of little value due to the company's size and the number of stakeholders being involved. The meaningfulness of an institutionalized body that takes care of Social Media or SCRM coordination in larger organizations is demonstrated by the use of Social Media councils at for example Microsoft or Deutsche Telekom.

A (proposed) *SCRM objective* of Nubert could be *"We want to offer our customers the same service and consumer experience on Social Media as on the hotline or our outlet stores"*. A potential measure to operationalize this objective could be to ensure a response from Nubert staff to consumer requests within two hours on work days if there is no response from other community members. Another measure could be to ensure that any consumer request will be discussed until there is a satisfactory solution.

In summary, the strategy development process defines the strategic directions for SCRM. These directions are aligned with business strategy and functional strategies. SCRM governance institutionalizes the coordination of stakeholders. Scrutinizing the consumer processes incorporates the consumer perspective and reveals specific opportunities of satisfying their needs. This ensures a targeted development of (new) value propositions which are due to the integration of Web 2.0. The corresponding process to explicate the value creation is subject of the next section.

5.3.3 Social CRM value creation

Objective of the dimension Translate the strategies into programs that both extract and deliver value		
Work package	**Measures**	**Outcomes**
1. Co-creation of value	- Web 2.0 interaction principles - Interaction partner identification	- Levers for value co-creation identified
2. Business value	- Customer lifetime value - SCRM opportunity qualification	- SCRM opportunities prioritized
3. Consumer value	- Consumer processes analysis - Engagement stage analysis - Relational benefits	- Value propositions formulated
4. Content strategy	- Engagement stories - Storyline	- Content strategy defined
Result Social CRM value creation potential determined and a content strategy defined		

Table 30 - Summary of the value creation process

The objective of this process is translating the defined strategies into formalized value proposition statements and a content strategy. The means to value creation in SCRM are the exchange of information and experiences as well as interaction and collaboration. In other words, a thorough integration of Web 2.0 practices into consumer communication facilitates a *co-creation of value* which can be attributed to the organization (*business value*) and connected web-users (*consumer value*). In other words, the business value to be extracted is highly dependent on a high web-user engagement which, in turn, requires the provisioning of a decent consumer value and engaging content by an organization (*content strategy).*

The content strategy perspective is an extension to the CRM Meta-model which addresses the co-creation of value, the business value and the consumer value. The content strategy work package is therefore designed from scratch.

5.3.3.1 Co-creation of value

The CRM literature does not pay attention to the perspective of value co-creation. Payne & Frow (2005, 2006) mention briefly that the benefits a customer receives can be subject to collaborative efforts. The SCRM literature admits the benefits for organizations and consumers when co-creation and co-learning are in place (Ang, 2011b; Sigala, 2011, p. 657; Stone, 2009, p. 113). Central prerequisite are intensive B2C or C2C interactions. Indications how the interaction should look like to create value are lacking.

Conceptual guidance in this regard is given by Jaworski & Kohli (2006, pp. 114–115) who describe seven factors characterizing the conditions for value co-creation. These factors can be grouped into two categories being the *characteristics of the interaction* and the *characteristics of the interaction partners.* The two groups are complementary, because the mode of interaction depends on the type of participants and vice versa (Figure 20).

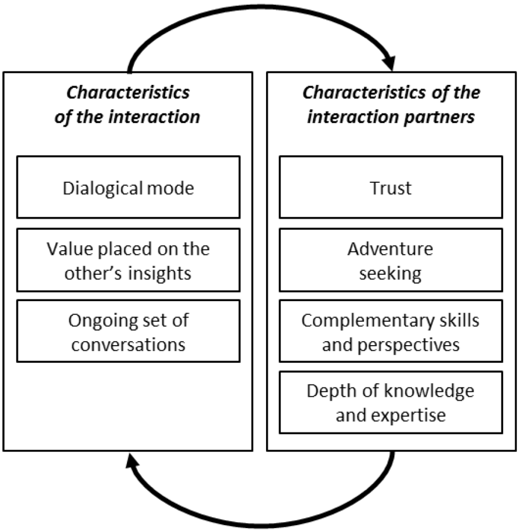

Figure 20 - Factors characterizing the conditions for a co-creation of value

The characteristics of interaction refer to a *dialogical mode of interaction*, the *value placed on the other's insights* and an *ongoing set of conversations.* A *dialogical mode of interaction* explains that there is knowledge generation and learning among the participants who are joining a conversation. Participants administer themselves to the needs and demands of others in order to develop appropriate solutions. Organizations are required to identify those topics or themes that consumers care about and are willing to discuss. This might be related to aspects of a consumer process (consumer perspective) or to improvement measures dealing with products or services that are eventually of benefit for consumers (organizational perspective).

The factor *value placed on the other's insights* says that there should be a series of back-and-forth processes for developing a co-created solution. This is due to the fact that the power of a conversation is only realized when one party builds on the ideas of the other. Organizations are advised to listen carefully to the demands of connected web-users. Providing answers to requests should be personalized and related to the subject matter.

In fact, value is not generated a one-time push and pull of information. There needs to be *an ongoing set of conversations*. Conversations (may) start vague and become more specific as ideas are developing. Organizations are asked to stimulate open ended discussions and guide the discourses in order to accomplish the expected ends (Jarvenpaa & Tuunainen, 2013, p. 134).

In sum, co-creation of value is only possible if there is a high interactivity and engagement which requires the capabilities and willingness to provide information and to support others. Organizations are asked to provide appropriate platforms allowing an intensive discourse with followers who are expressing themselves. Ultimately, a collaborative communication and high interaction frequency are two major antecedents that drive CRM related outcomes (cf. Appendix C).

Whether an interaction will lead to a co-creation of value also depends on the characteristics of the *interaction partners.* Ideally, these partners have *trust* in each other, show some *adventure seeking* behavior, possess *complementary skills and perspectives* and have *depth of knowledge and expertise*. The importance of *trust* as a mediator for successful relationships is well-explored in the scientific literature and should not be examined in more detail. Also in the context of value co-creation it is imperative that interaction partners can rely on the soundness of statement and ideas from others. An engaging communication and a high expertise are the two most important antecedents an organization should contribute to interactions (Palmatier et al., 2006, p. 144), that is, two antecedents which are easily transferable to a Web 2.0 related context.

An *adventure seeking* behavior describes a person's disposition to accept ambiguity. Dialogue partners should be interested in exploring unchartered ideas and opportunities when striving for a solution. The willingness to engage in an uncertain end implies that there is no standard solution for a problem and that the solution development is complex. The Web 2.0 principle "harnessing collective intelligence" finds applicability in such a context because also complicated questions can be solved by a large community in a timely manner. Though, it must be explored how far a community is interested in engaging in an uncertain output for a problem. For example, it makes little sense to integrate nuForum members in the new product development of loudspeakers. Since the development times are very long, the online community loses patience and interest in contributing to truly open-ended discourses.

Complementary skills and perspectives accentuate the need for diversity in knowledge among interaction partners because a different set of skills and capabilities increases the odds to derive optimal solutions. Related to this is the characteristic referring to a *depth of knowledge and expertise.* Dialogue partners should have expert knowledge in selected domains or areas which can be triggered by inputs from others. In the absence of this knowledge, it is difficult to rely on the input provided, thus placing appropriate value and trust on others insights. Organizations are required to demonstrate a high problem solving competence and expertise when interacting on Social Media.

In conclusion, it can be noted that organizations must create the conditions for productive Web 2.0 dialogues that are facilitating value co-creation. The rationale is the close link between these conditions and the antecedents for developing prosperous customer relationships, i.e. a collaborative communication and information exchange, a high (seller) expertise and a high level of interaction (cf. Appendix C). Still, organizations have little influence on the selection of their interaction partner. Although they may fulfill afore mentioned factors, they are always dependent on how far followers want to be engaged. In consequence, they can only set the frame for value creating dialogues. This may include the selection of appropriate platforms, the formulation of objectives or the provisioning of compelling benefits. Eventually, it is up to the adoption of consumers in how far they are really interested in value co–creation.

Demonstration:

Examinations of discussions on the nuForum indicate a high match with the three *characteristics of the interaction* and the characteristics of the interaction partners as determinants for a co-value creation. For example, in one of these discussions, there is a community member who is building his own home cinema and asking for advice on how to position the front-speakers in his new entertainment set-up (i.e. *intention to generate new knowledge*). Starting with this initial post, there is a collaborative exchange of ideas and recommendations (*value placed on other's insights*) with respect to the initial question but also related issues to be considered (*ongoing set of conversations & adventure seeking behavior).* The participants joining the discourse have *complementary skills* and a high *expertise*. The high rating of the different discussion participants ("newbies", "semis" or "profis") but also their qualified opinions provides confidence and *trust*.

5.3.3.2 Business value

The participation in dialogues generates asymmetric information for an organization that is not easily accessible by competitors or possible to be derived in a pre-Web 2.0 era. These insights can be one source for creating a competitive advantage which leads to a measurable business impact (Jaworski & Kohli, 2006, p. 116).

The CRM literature understands business value as profitability improvements of customer segments and enhanced acquisition or retention economics. Ultimate success measure is an increased customer (segment) lifetime value (CLV) (Payne & Frow, 2005, p. 172). The SCRM literature agrees to the lifetime value as decisive performance measure. How and whether this lifetime value should be calculated on an individual or customer segment unit of analysis is not specified. In practice, there is no emphasis on calculating the CLV yet. It therefore requires different approaches to determine the business value of SCRM.

One approach is the *qualification of* identified *SCRM opportunities*. The hypotheses developed in the readiness assessment have been further assessed in the SCRM strategy development process. If a quantification of selected SCRM opportunities is demanded, there might be approximations from best-practice examples that are publicly accessible. In the absence of appropriate quantitative data there should be an approximation on the efforts and benefits. A SCRM opportunity assessment matrix visualizes the different opportunities and lends support for prioritization (see Figure 21).

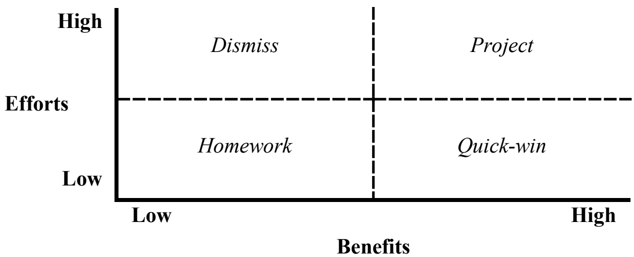

Figure 21 - Social CRM opportunity assessment matrix

Opportunities that score low in terms of efforts and benefits (*Homework*) deserve more attention to examine their contribution to SCRM's objectives. Opportunities that score high in terms of efforts but low in terms of benefits (*Dismiss*) should be dropped. From the gathered information it seems not valuable pursuing these activities. *Quick-wins* could be realized as soon as there are high expected benefits but required low efforts. Opportunities that score high on both criteria might be transferred into dedicated (champion) *projects* (H.-W. Kim, 2004, p. 26).

The second step for qualifying the SCRM opportunities is a consolidation of the classified *Projects*, *Quick wins* and *Homeworks.* Relevant initiatives are listed and grouped according to their contribution to the identified effects on CRM outcomes (see Table 31 as a demonstration in case of Nubert). From that list it is possible to infer the expected business value and predictions are possible which CRM outcomes require which kind of implementation measures (efforts) in order to be realized.

Opportunities (exemplarily)	**Class**	**CRM outcome**
Customers can upload images and a description of their entertainment systems that are ranked by others according to their popularity.	PR	Cooperation
Social Media channels are referenced and integrated on Nubert's website.	PR	Expect. of continuity
Sending birthday greeting from the managing Director to nuForum community members.	HW	Loyalty
Providing a C2C support.	PR	Performance
Providing end-to-end consumer processes support.	PR	WoM
Publishing images of customers' home entertainment systems across all Social Media platforms	QW	WoM

Legend:
QW = Quick win; PR = Project; HW = Homework
CRM outcome = Expected effect aligned with Palmatier et al. (2006)

Table 31 - Example of a SCRM opportunity classification

In summary, it can be concluded that the quantification of business value by means of the CLV is challenging to date. In order to get an estimate of the business value from SCRM, there should be a prioritization and classification of the identified opportunities for SCRM. This means providing a qualitative assessment on the expected benefits from SCRM.

5.3.3.3 Consumer value

To meet the premise of strong consumer centricity means judging the added value from SCRM for affected consumers. Payne & Frow (2005, p. 172) suggest to formulate value propositions for explicating the benefits a consumer receives. This approach is adapted for the context of SCRM.

A first step to consider is which aspects express the value a consumer receives. The literature emphasizes, rather generally, those factors that are "really important for customers" (Chalmeta, 2006, p. 1019). Payne & Frow (2005, p. 172) suggest to perform a value assessment in order to "quantify the relative importance customer did place on the various attributes of a product". In addition to this product-oriented evaluation, they emphasize the evaluation of a possible co-creation of value which implies a focus on firstly, the market offer and, secondly on the customer needs. The consumer processes modeling takes account of both aspects, i.e. the product and the consumer need perspective.

A complementary, yet generic approach to derive an approximation of the consumer value is by evaluating the different engagement stages that should be achieved with Social Media (Table 32).

Engagement stage	Value drivers	Benefit provided
Information push	Informative, entertaining, exclusive, timely information	Special treatment benefits
Product/service interaction	Same as above plus interactive multimedia	Special treatment and confidence benefits
Call for participation	Awards from participation	Special treatment benefits
Consumer service	Fast and convenient support to clarify issues of relevance	Confidence benefits
Experience sharing	Platform for self-expression and experience sharing	Social benefits
Consumer process support	Acknowledgment as business partner who pushes the organization	Social benefits

Table 32 - Consumer value per engagement stage

As shown in the table, the expected benefits shift from tangible to intangible ones. Tangible benefits are related to special treatment benefits due to exclusive information or awards. The higher the engagement level, the more intangible are the benefits. Connected web-users gain value from personal recognition and status confirmation which are factors that satisfy their sociological needs. One example is the case of engaged members in the nuForum who declined financial or material rewards as gratification for their contributions. Their intrinsic motivation for participation is based on to the social benefits they receive and their interest in supporting others (Lehmkuhl & Jung, 2013b, p. 8).

The identified value drivers from the consumer process modelling and the engagement stages serve as a basis for deriving specific value proposition. In simple terms, the propositions should answer the question "*why should consumers connect and interact with an organization on Social Media?*" To ensure reference to CRM when responding to this question, each value propositions should be assessed in terms of the relationship benefits (cf. Table 2) being provided through the connection and interaction of Social Media.

Demonstration:
Of value for consumers that are considering purchasing Nubert loudspeakers are positive experience reports, product images and advice in regard to related equipment. The value of this kind of information is attributed to reducing uncertainty related with a purchase being worth some hundred or even thousands of Euros (*confidence benefits*). The support in the nuForum increases the purchase confidence since there is a personalized and supportive communication (*special treatment benefits*).

A value proposition that underscores the special treatment benefit and aligns to the previously defined objective (i.e. We want to offer our customers the same service and consumer experience on Social Media as on the hotline or our outlet stores*)* could read as: The nuForum provides a 24/7 single point of contact to any question related to your audio experience with Nubert products or your home-audio entertainment system. It is *the* platform to exchange your experiences and knowledge with your peers. We ensure a response from Nubert your requests within 2 hours on work days if there is no previous response from other community members. Moreover, we ensure that any consumer request on the nuForum will be discussed until there is a satisfactory solution.

In summary, organizations must provide credible benefits to web-users to fostering connectivity and engagement. Whether the propositions have any value for connected web-users is due to perceptions of each individual. In any case, it has to be ensured that the value propositions offered are also delivered by means of a targeted content strategy. The measures for this are examined next.

5.3.3.4 Content strategy

The unified opinion of industry partners is that compelling content is the decisive factor to attract new followers, to enter into a discourse or to retain existing fans. However, this is only possible if the content published supports the defined value drivers/propositions. A content strategy as a related measure ensures a structured content provisioning and includes the topics and stories that create proximity, connection and that encourages participation and discussion, i.e. a co-creation of value (Jarvenpaa & Tuunainen, 2013).

The identification of relevant and discussion-promoting topics (*engagement stories*) is challenging. Companies are expected to continuously initiate new discussions or to reactivate older ones since compelling stories are developed in a conversational model. One option for content creation is the re-usage of existing material from other communication channels. This re-usage should be treated with caution because the content is usually product focused and likely to be used in a push-communication. In order to provoke a high virality and interactivity of content, there must be the production of explicit Social Media content. Since creativity is limited within an organization, it is mandatory to assess the contribution of external partners in content provisioning. External parties to be involved might be strategic partners or connected web-users. Certainly, the biggest lever for content creation is the integration of web-users. The (personal) stories of followers outnumber an organization's created stories and are also more credible than corporate messages which are likely to be perceived as marketing claims.

To ensure alignment of different content pieces with the value propositions and the overall communication objectives, there should be a *storyline* defined within the content strategy. This storyline directs the contributions provided by the organization but also the UGC from the connected consumer community (Jarvenpaa & Tuunainen, 2013, p. 134). The timeframe and themes of the storyline are coordinated with other online and offline measures in order to ensure consistency across channels (Rossmann, 2013b, p. 16). This consistency drives an outstanding consumer experience which leads to stronger relational bonds (Frow & Payne, 2007, p. 92).

In summary, the creation of compelling content should give consumers the motivation to connect with an organization as well as to motivate engagement. A critical role for this engagement is the communication via different Social Media. This channel-management is elaborated in the next section.

Demonstration

Engagement stories in case of Nubert should align on the consumer processes related to home entertainment. A potential storyline with corresponding objectives during the first half of a year is shown in table 33. A specification of each theme by the message to be provided and the media format to be chosen is the subsequent step.

Month & Theme	Content provided by Nubert	Relevant UGC or engagement
January: Thanks Santa Claus - present your new audio/video equipment	• Product or product-set reviews/tests • Ask for contributions	• Images & video clips of speakers in customer's environment
February: Unforgettable - Music & movies you should listen to	• Selection of best tracks by Mr. Nubert (CEO)	• Give recommendations (text) • Rate the best tracks/videos
March: Room acoustics & more - How to optimize music experience	• Explanatory clips on the effects of absorber, diffusors or furniture	• Approaches (images) of customers' solutions to optimize music experience
April: Home cinema – All you need to know for setting up your own home cinema	• Explanatory clips • Interviews with home cinema experts	• Home story from idea to implementation (text, images) • Rating of best home cinemas
May: The perfect match – complementary hifi products & room decoration for your Nubert speaker	• Proposed all-in one product sets • Decoration/Design tips	• Image's of customers' hifi-equipment
June: Summertime with Nubert and friends - Meet us & your peers at your private nuDay	• Motivate meetings with/among customers	• Coordination support (text)

Table 33 - Showcase storyline for Nubert

5.3.4 Multichannel management

Work package	Measures	Outcomes
Objective of the dimension Translate the results of the previous processes into value adding activities		
Work package	**Measures**	**Outcomes**
1. Channel options	- Channel selection - Online community assessment - Communication standards	- Social Media portfolio determined
2. Channel integration	- Channel alignment - Digital hub	- Channels integration conceptualized
3. Unified customer view	- Data requirements - Data privacy	- Social Media (consumer) data requirements defined
Result Alignment of communication channels and strategies		

Table 34 - Summary of the multichannel management process

The literature examined pays modest attention to the coordinated management of different communication channels (25% of CRM, 50% of SCRM literature) implying little support for the process design. In principle, objective of multichannel management is taking the outputs of the previous processes and translate them "into value-adding activities with customers" (Payne & Frow, 2005, p. 172). To guide this process, there are three central questions to be answered. These are:

- What are appropriate combinations of communication channels to deliver the content? (*channel options*)
- How to ensure a positive interaction experience? (*channel integration*)
- How to create a single unified view of the consumer? (*unified consumer view*)

5.3.4.1 Channel options

The selection of the best platforms (*channel selection*) for extending reach, facilitating interaction and enabling relational bonding provides the basis for *common standards,* being measures supporting the creation of a positive interaction experience. *Online communities* as a dedicated Social Media category deserve a special attention due to their contribution to building and maintaining relationships.

The selection of the most appropriate applications (*channel selection*) can be determined from a business and a consumer perspective. The former starts by analyzing the current Social Media portfolio from the insights of the readiness assessment (i.e. assess Web 2.0 approach). The analysis unveils limitations and guidelines whether and which content can be used for interaction. The value propositions and SCRM objectives contribute to this analysis and enable inferring:

- Which type and format of content is required (e.g. text, images)?
- Which importance is placed on the different Web 2.0 principles?
- Which data is required to improve business?

Decisive is clarity on the differences between the applications (Baird & Parasnis, 2011b, p. 36). Each application has a unique architecture, culture and norms. Followers are using these platforms with slightly different intentions, interacting in diverse ways and producing different types of content (Smith, Fischer, & Yongjian, 2012, p. 104). For example, to demonstrate the value proposition that both products and service are outstanding, there is a guestbook (a blog) on Nubert's homepage. It includes testimonials (media format text) in which product and services experiences are communicated (Web 2.0 principle information sharing). These testimonials are an immediate feedback on the decision-making support and music experiences (customer data). People visiting the guest book are interested in consuming the content provided so that interaction is not of interest.

From the perspective of consumers it is questioned, how their problems can be solved with respect to the need for interaction or the type of information. For example, a visual representation (i.e. images) is best to demonstrate the entertainment systems of Nubert customers compared to detailed text passages. Another option to identify the most suitable channels is asking target groups and followers by means of surveys or interviews. It is possible that existing customers do not express an interest in additional channels because they are used to or are satisfied with the status quo (Lehmkuhl & Jung, 2013b, pp. 17–18). Yet, this situation can be an opportunity to surprise this group of persons, next to those with an interest in higher information/interaction desire, with promising new value propositions.

Emphasis during the channel selection should be paid to the opportunities for a dedicated online community (*online community assessment*). This type of Social Media category contributes "to the thinking behind relationship marketing by ensuring the consumer is involved and can obtain meaning from the conversation that takes place within the community. […Online communities] allow and encourage conversations to happen that can be of value to the various parties involved […] such that some form of community bonding takes place" (Szmigin et al., 2005, p. 484). The consumer needs addressed in online communities are related to

- A transaction, i.e. the buying and selling process and deliver information related to this process,
- A common interest, i.e. interpersonal communication on specific topics in which there is a lot of UGC,
- Social bonding, i.e. participants bond with each other to share experiences and
- Storytelling, i.e. they allow to create new stories, personalities or new environments (Armstrong & Hagel, 1996, pp. 134–136).

In other words, online communities are a major lever to establishing and maintaining relationships. Quantitative validation for this proposition is given from market researchers. Forrester calculates a risk adjusted Net Present Value of USD 1.16 million from an online community over three-years with a payback time in less than one year (Petouhoff, Gliedman, Band, & Magarie, 2009, p. 17). Successful examples and show cases of SCRM solution providers underscore the usefulness of online communities[47].

[47] A set of positive examples from using an online community can be observed at http://lithium.com/customer-stories.

The final step in this work package is the formulation of *communication standards*. A documentation is advisable to formalize objectives, (measurable) targets, the mode of communication (e.g. tonality, response time) or the constraints imposed on certain topics. High communication standards are a condition to ensure a perfect consumer experience (Payne & Frow , 2005, p. 172). The consumer experience originates from a set of direct and indirect interactions between a consumer and an object. These interactions provoke cognitive, affective, emotional, social and physical responses. The experience encompasses the total consumer experience, including the anticipated consumption, the purchase, the consumption and the remembered consumption. It may involve multiple communication channels (Schmitt & Zarantonello, 2013, p. 30; Verhoef et al., 2009, p. 32). Incorporating the idea of a perfect customer experience within the channel standards can be accomplished by focusing on the following questions (Table 35, adapted from (Frow & Payne, 2007, pp. 98–100; Reinhold & Alt, 2012, p. 15).

Questions	**Solution examples**
Who is interacting on behalf of the organization with the connected web-users?	The organization, a dedicated employee, a boundary spanner
How should incoming web-user requests be dealt with and by whom?	By means of a C2C support, by a single point of contact, by a service agent that delegates the request down the organization
Which topics should be in focus of interaction?	Market offer, consumption experience, the consumer
Which opportunities do Social Media provide to enable value co-creation?	Direct C2C interaction on new product design
How can a Social Media communication arouse positive emotions among connected web-users?	Use positive images, use boundary spanners with a perceived positive attitude by web-user
How can Social Media solve common consumer problems?	Immediate feedback by peers
How can Social Media contribute to better	Increase convenience

fulfill the consumer processes?	
What are the appropriate metrics to measure the customer experience on Social Media?	Relationship quality, net promoter score
What are web-users expecting from connecting with Social Media and what is the intended purpose of the organization?	Experience sharing vs. consumer data
How can Social Media ensure the provisioning of the value propositions?	Need for an online community to provide C2C support

Table 35 - Guiding questions to ensure a perfect consumer experience

Demonstration:
The *channel selection* by Nubert was driven by the interest in offering the opportunity for interaction with and among customers (nuForum), increasing reach (Facebook), integrating videos easily across different channels (YouTube) and providing the opportunity for feedback (guestbook blog). The decision to establish an online community can be explained by the type of product offering. Loudspeakers are a complex and high involvement product. Consumers are interested in detailed information (images, opinions, reviews) before and after a purchase. The forum provides different opportunities of gathering information, asking questions or receiving confirmation for decision-making. Even though it is a branded online community, it is a platform dealing with all the different facets of the hobby home audio and hifi.

Communication standards are available for the nuForum. Since it is user-driven there are formulated guidelines explaining how community members should behave in order to ensure a positive interaction experience for everyone. Standards for other Social Media are not formulated because these channels are used for a push-communication. There is little interaction and if there is some kind of feedback, it is usually taken care of by the managing Director.

In summary, the first work package aims to increase the understanding which platforms seem to be best for supporting SCRM. This includes a critical assessment of existing practice and an evaluation of new options. The evaluation should identify whether an organization wants following its target groups (e.g. by using Facebook) or whether it also wants attracting target groups on an own platform (e.g. own online community such as nuForum). Based on defined standards for each platform there is an alignment of all of them. The measures for this procedure are described below.

5.3.4.2 Channel integration

Taking care of a decent channel integration ensures the provisioning of a seamless customer experience across channels (Baird & Parasnis, 2011c, p. 36). This demands coordination on how to tell the defined brand/consumer stories. It implies pushing different content pieces via different channels. The importance of channel integration is highlighted by Stone (2009, p. 108) stating that “customers often prefer different communication channels at different stages of their personal and professional lives, and may even combine channels for maximum effect”. In other words, an appropriate channel alignment can make the difference between an ongoing customer conversation and extended silence.

Defining engaging communication strategies and aligning them across channels is not addressed in the extant CRM or SCRM literature. A central annotation from Payne & Frow (2005, p. 172) and practice is that a multichannel integration must not only include virtual channels such as Social Media. It demands the alignment of any channels being virtual (e-mail, Social Media, mobile) and physical (e.g. outlet). Of importance is consistency in the information pushed across various channels (Frow & Payne, 2007, p. 92). The preferred methods or proven practices to perform the integration are neither provided by the literature nor in practice. Frequently observed[48], yet not empirically validated, in practice is a kind of digital hub-strategy (Figure 22).

[48] e.g. FC Bayern München, Helsana, Mammut, Thermomix, Nubert

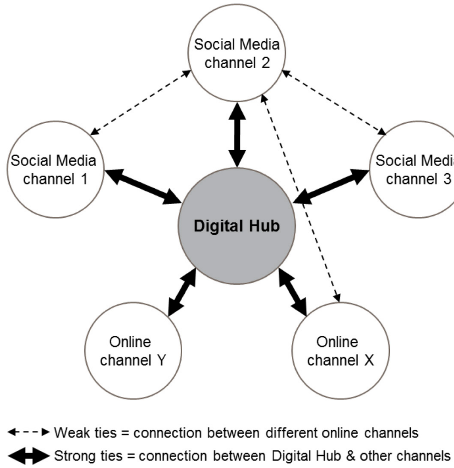

Figure 22 - Multichannel management with a digital hub

Hereby, there is a central communication platform (the digital hub) being the focal point of information provisioning. The different channels serve as satellites intending to route consumers to the digital hub. The satellites are linked (visualized by means of dotted lines) in order to promote each other. They publish fragments of the information that is provided on the digital hub. Objective is increasing the user base on the hub, or connecting with one and the same web-user via several platforms. The digital hub is likely to be a dedicated online brand community (e.g. nuForum). Web-user usually need an initial registration in order to join the community, access all content and contribute to content creation. The organization operating the online community has control over consumer and interaction data, all the information required to generate detailed consumer insights.

In summary, the channel integration should provide consistent brand stories via different platforms. That channel management is therefore mainly related to information provisioning (push communication). The common platform standards defined in the previous work package ensure consistency and a positive interaction experience in case of C2B interactions (pull communication). Any interaction with or between an organization and its followers provides the opportunity to gather information. Processing that information properly should lead a unified consumer view. The following section elaborates that aspect in more detail.

Demonstration:

A representative example for the channel alignment in case of Nubert has not been observed yet. A compelling alternative for the multichannel integration is the case of FC Bayern München. The club used multiple platforms to distribute the information when publishing the contract with a new player named Javier Martinez (Figure 23[49]).

Figure 23 - Multichannel management example

Before releasing the news on August 29th 2012, there was a story lining that explained which content (including media format and type of information) will be posted at which point in time via which channel. Remarkable is that Social Media channels were used to distribute the information before an official press release via traditional media. In particular, Twitter was the first distribution channel because it is the fastest medium to disseminate information. Within this tweet, there was reference to other information channels which would publish additional information soon. The following publications provided different details on the transfer. Most information was accessible on FCB.tv, the club's owned pay TV channel. That is, the different channels were used as teasers to attract web-users paying for exclusive information. In order to receive the information as soon as possible it is necessary to follow the club on different Social Media platforms.

[49] Information retrieved on that example during a presentation of Mr. Mennerich (Director new media, media rights and IT of FC Bayern München) on March, 14th 2013.

5.3.4.3 Unified consumer view

A successful multichannel integration includes the capabilities to gather relevant information from different channels and to integrate it (Payne & Frow, 2005, p. 173). Objective of this last work package is specifying and qualifying the Social Media data requirements from seamlessly merging disparate data sources. A statement is required, which information is needed and how it can support the management of customer relations. Central questions to be answered are:

- What are the uses cases that need Social Media data in order to be realizable?
- Is there a need to gather consumer specific data or are an aggregate of opinions, meanings and expressions already sufficient?
- What is the specific need that requires an integration of Social Media data with customer master data?
- What are requirements that consumers do not perceive the generated insights from a Social Media data management as inappropriate?
- What are regulatory constraints or requirements in terms of data access, processing and storage?

Answering these questions adds specificity in terms of which data are required (*data requirements*) and how SCRM should be operationalized. In other words, there is a specification which type of identity (e.g. name), personality (e.g. preferences), social (e.g. social network, group memberships) or interaction data (e.g. conversations) should be captured. This specification is also needed for assessing the efforts to fulfilling these requirements from an IT perspective. This data assessment can be pursued by means of a gap analysis. It matches the data requirements (to-be) with the accessible data from the selected platforms, the traditional communication channels or customer databases (as-is). The analysis indicates which information can be captured at all, whether it can be captured directly (structured data) or indirectly (unstructured data). It also gives indication on the efforts required to fulfill these data requirements. Put differently, it allows for validating which information and insights are required in order to improve business versus the information which would be nice to have.

Complementary to the gap analysis is the task of clarifying on how to deal with *data privacy* concerns. Industry partners agree unanimously that data protection and privacy are barriers for SCRM to become mainstream. As long as there is, among others, no resolution from a regulatory perspective, or compelling use cases from business, data integration and a unified consumer view are unlikely.

Demonstration:
The data requirement by Nubert can be derived from the objectives of the different platforms. Since Facebook is used to increase awareness, data required from followers might be related to their social graph and their interaction behaviors. Identifying heavy contributors and persons with a very large network can support the objective of increasing the reach of message. Data requirements from the guest book might be related to the sentiments of a post. In case of a negative contribution, there is a response from the company. Due to a few comments per week, there is a manual monitoring, thus no tool support required. Data requirements from the nuForum can be related to an individual unit of analysis and an aggregate level of analysis. The individual's perspective is about classifying community members according to their status and behavior such as potential customer, new customer, brand advocate, topic expert, dormant community member or heavy contributor. Based on these insights, there can engagement measures in terms of personalized messages and public campaigns. Whether community members are already customers or a potential customer has to be identified via text mining. Since the majority of members use nicknames, there is no name matching possible with the customer master database. Data requirements on an aggregate level could be to the identification of most discussed topics or common problems. These insights could be used for a better customer support or even during product development.

In summary, the multichannel management intends providing web-users a consistent and satisfying interaction experience among and across communication channels. If done properly, it can be a source of competitive advantage because only a minority of organizations (about 2%) has the technologies and processes in place to provide a consistent customer experience at present (Alvarez 2013, p. 11). That is, reaping the benefits of a channel and data alignment requires not only compelling content, an appropriate channel selection procedure and data integration, it also demands complementary processes and a dedicated infrastructure. This infrastructure management is subject matter of the next section dealing with the process of SCRM information management.

5.3.5 Social CRM information management

Objective of the dimension Collection, collation and use of information from relevant Social Media		
Work package	**Measures**	**Outcomes**
1. Relational information processes	- Processes definition and integration	- Social Media data integration concept designed
2. SCRM infrastructure	- Analytical CRM capability assessment	- Technical capabilities for SCRM information management determined
Result Ensure better business insights that can be used to improve business and performance		

Table 36 - Summary of the information management process

A professional information management gains even more significance in SCRM due to the plentiful consumer touch points on Social Media which generate an incomparable amount of data. Objective of the generic process is the collection, collocation and use of consumer related Social Media information which should result in better market, product and consumer insights. These insights are operationalized by means of value propositions and measures for enhancing the consumer experience (Greve, 2011b, p. 281; Payne & Frow, 2006, p. 148). The knowledge should also contribute to a better understanding of market characteristics, thus impacting the strategy development process (Iriana & Buttle, 2007, p. 28). For example, support agents may actively provide assistance if Nubert’s information management would identify consumers who are wondering on how to upgrade the home-audio entertainment system.

The examined literature confirms the importance of information management and the need to upgrade existing IT infrastructure. Reinhold & Alt (2011) specifically elaborate on the information management in the context of SCRM. By following a DSR approach, they develop a blueprint of an analytical SCRM system. Their premises of SCRM are in line with the conceptual understanding of this thesis: SCRM is about discovering opinions, using different Social Media for a bi-directional interaction and integrating Social Media content with consumer oriented processes and systems (Reinhold & Alt, 2011, p. 229). Against this background, it is expedient re-using the concept of an integrated SCRM system in this thesis. This means there is no development of specific model components to complement or extend the existing solution. There is also no dedicated demonstration, as it is already subject of the research by Reinhold & Alt (2011). To highlight the key aspects, there is an extended summary. It points out the proposed manner to manage the vast amount of unstructured Social Media information (*relational information processes*) and how it should be integrated within the *CRM infrastructure*.

5.3.5.1 Relational information processes

The major functional element of the SCRM infrastructure is the analytical SCRM. It generates insights from different Social Media sources through data capture, aggregation, transformation, analysis and integration into CRM processes (Iriana & Buttle, 2007, p. 25; Reinhold & Alt, 2011, pp. 229–230).

The process model of knowledge generation in SCRM is comparable to a CRM context and aligns on the relational information processes (Table 37 on the next page).

Relational information processes… in CRM	in SCRM	Description
Reciprocity	n/a	- n/a
Capture	1. Collection and harvesting	- Collecting information from CRM systems, Social Media monitoring and storing these data in local databases/data warehouses
Integration	2. Content processing	- Analyzing data through analytics, entity extraction and classification to deriving information about the content (topics, themes) or the document (key words, authors, relevance)
Integration & Access	3. Content structuring and mining	- Unveiling semi-automatically and manually the content's meaning in terms of semantic orientation, context, ontology, sentiment
Integration	4. Connect into information logistics	- Connecting information into the internal logistics and workflows by mapping Social Media content with CRM data
Integration	5. Integrated search	- Deriving knowledge in terms of trends, origin of events or the correlation between themes over time from an integrated CRM and Social Media search
Use	6. Distribute insights	- Distributing information in relevant processes, keeping it accessible for further analysis and using it to generate new inputs for SCRM

Table 37 - Relational information processes in SCRM

Noticeable is that the process "reciprocity" is not mentioned by Reinhold & Alt (2011). The rationale is that it is not considered to be a part of the analytical CRM but subject matter of the collaborative CRM, i.e. all the aspects dealing with the interfaces to consumers (e.g. the Facebook fanpage). Yet, it is imperative for SCRM because it describes both the information access from a company and a consumer perspective. From a consumer's point of view, data access and information gathering has to be as simple as possible. Otherwise there is a perceived barrier which leads to renouncing from the Social Media profile. Single sign-on[50] (SSO) possibilities and mobile device optimized content are two examples for granting a convenient information access.

The need for and usage of these consumer data stem from the data requirements defined in the multichannel management dimension. These requirements have to be integrated within the different processes. A thorough specification is of importance to ensure a goal-oriented information extraction. Due to an increasing volume of data, different types of data and decreasing half-life periods, it is difficult to derive insights with a high explanatory power. Overcoming the challenges of a high information granularity (during content processing) and veracity (during content structuring and mining) comes at a cost and refers to the technical capabilities in terms of IT infrastructure to be set-up. The next section pinpoints this aspect by merging the relational information processes with an IT-system perspective.

5.3.5.2 Social CRM infrastructure

Generating better consumer insights by managing relational information processes in Web 2.0 context requires upgrading CRM systems. Organizations have started investing in resources that integrate Social Media data into existing consumer databases (VanBoskirk, Soivey Overby, & Takvorian, 2011). This is due to the fact because Social Media are truly consumer-centric and support outside-in processes that connect the firm to the external environment. Traditional CRM systems are internally focused and sales or marketing-centric. Integrating both technologies creates a more complete view of consumers and their networks (Trainor, 2012, p. 320).

The “underlying infrastructure handles different profiles, sources, interactions and events that are connected with existing CRM objects such as contact, person, opportunity, request, activity or campaign. […] The main characteristics […] are, firstly, the integration of Social Media content and CRM data through

[50] SSO is a property that facilitates the access to different and independent software systems with one log-in such as the Facebook account.

metadata and semantic analysis and, secondly, the integration of automated semantic analysis with human capabilities through an integration of discovery and use phase" (Reinhold & Alt, 2011, pp. 236–237).

Organizations that are considering the upgrade of their systems can start with an analytical CRM capability assessment. Reference for this assessment is provided by the requirements of integrating the relational information processes (numbered 1-6 in Table 37) by means of analytical architecture components as show in Figure 24 (adapted from Reinhold & Alt, 2011, p. 236).

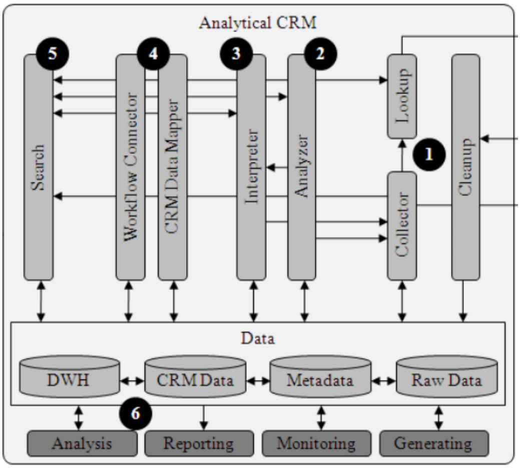

Figure 24 - Blueprint of an analytical SCRM system

The data *collector* and *lookup component* (1) (semi-)automatically orchestrate and gather CRM data and Social Media content for new sources. The *analyzer component* (2) extracts specific CRM metadata based on statistical functions and text-based algorithms. The *interpreter component* (3) complements the information analysis by revealing the contents sentiments and meanings. CRM *data mapper* and *workflow connector* (4) integrate different data sources. The data mapper uses rules, semantic search and manual linking to merge Social Media postings and objects (e.g. product, person, and campaign). It provides the basis for further workflows that are marking use of the integrated information. A *search function* (5) enables an integrated search of all data and supports the creation of reports which reveal trends, correlations or origins of events. The final blueprint element of the analytical SCRM system encapsulates *business intelligence functionalities* (6) and includes “ad-hoc analysis, online analytical processing, reporting, alerting and dashboard based real-time monitoring as well as mechanisms that generate new CRM” measures (Reinhold & Alt, 2011, p. 235).

A concern with respect to the functional components of the infrastructure is the difficulty in identifying web-users appropriately which implies that a central pre-requisite for SCRM is a bottleneck. This flaw can be explained by three reasons. Firstly, the statistical methods for data analysis can only provide generic insights at present. Manual efforts are required to validate, sort out and enrich the data. A real-time data usage is therefore not advantageous due to missing information specificity (Reinhold & Alt, 2011, p. 237). Secondly, there is a lack of granularity of consumer feedback to glean better market insights or to provide dedicated support to individual consumers. Unless an organization is able to uncover the reason of a complaint, it cannot react appropriately but needs to ask for details (e.g. stimulate engagement) in order to capture a more comprehensive view on the issue (Alvarez, 2013, p. 30). Thirdly, the tools available on the market lack the integration of Social Media data with CRM data and processes. The solutions retrieve data primarily “by keywords, index them and extract a pre-determined set of metadata” used for reporting or monitoring purposes (Reinhold & Alt, 2011, p. 237). A comprehensive transformation of Social Media content into CRM related activities is therefore not given.

Consequently, if the technical conditions are not in place to generate better insights, it is critical to establish SCRM which is based on the premise to improve business due to better insights (technical approach towards SCRM). Instead, it is reasonable to start building SCRM on compelling content, consumer stories and consumer processes support and integrating data in a later step (consumer oriented approach towards SCRM). Among the more mature companies examined in scope of this research, this second approach appears more practicable and realizable.

In summary, Reinhold & Alt's (2011) conceptual model for the SCRM information management process serves as a frame of reference. Generating better business insights from Social Media based interactions is a central objective of SCRM but challenging due to a functional immaturity of existing solution and a lack of specificity of available information. It implies that the full potential of SCRM cannot be exploited. One consequence is that an integrated performance measurement is hardly feasible. The corresponding process on SCRM performance assessment is examined below.

5.3.6 Social CRM performance assessment

Objective of the dimension Monitor the delivery of SCRM objectives and identify improvement opportunities		
Work package	**Measures**	**Outcomes**
1. Measurement system	- Stakeholder definition - Selection of measurement system - Selection of measurement construct	- Measurement approach determined
2. Performance monitoring	- Performance metrics - Measurement items - Measurement methods - Performance standards	- Performance targets and measures defined
3. Performance evaluation	- Performance review - Performance communication	- Assessment procedure determined
Result SCRM controlling concept in place		

Table 38 - Summary of the performance assessment process

The performance assessment takes care of observing the delivery of SCRM objectives and identifying improvement opportunities. The process is operationalized by three work packages, which ultimately lead to a SCRM controlling concept. These work packages deal with the *measurement system*, the *performance monitoring* and the *performance review*.

5.3.6.1 Measurement system

The first work package defines the measurement system which is about determining what value or performance means for the different stakeholder groups and how it is linked to each other. The *stakeholder groups* as beneficiaries of SCRM are defined by Payne & Frow (2005, p. 174) as an organization's management or shareholders (called organization), the employees and the consumers.

The *measurement system* should take an integrated perspective to exploit the linkages among employees, consumers and the organization (H.-S. Kim & Kim, 2009, p. 478; Payne & Frow, 2005, p. 174). A proposed framework is the service profit chain by Heskett, Jones, Loveman, Sasser, & Schlesinger (1994). It provides an understanding how an organization's "investments into service operations are related to customer perceptions and behaviors, and how these translate into profits" (Kamakura, Mittal, de Rosa, & Mazzon, 2002, p. 297). It is about cross-functional measures that shift the focus from a sealed off business function perspective. Figure 25 visualizes the framework and combines it with the different stakeholder groups (employees, consumers, organization) and the CRM performance model by Palmatier et al. (2006).

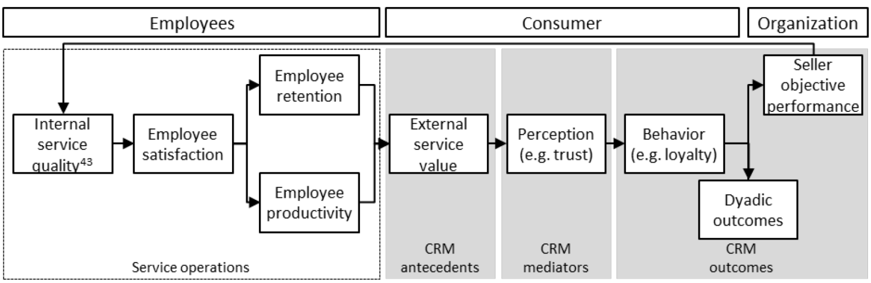

Figure 25 - The service profit chain

It is reasonable to apply the concept also in the context of SCRM. To be emphasized in the design of the measurement system are the antecedents for prosperous relationships because Social Media based activities can be attributed to the different CRM antecedents. Table 39 points out assumptions of each antecedent and indicates a substantial impact of Web 2.0 on the relationship antecedents

Antecedents	Is there an impact of Web 2.0 on the antecedent?
Customer-focused	
Relationship benefits	Yes, because of the opportunities to provide confidence benefits, social benefits and special treatment benefits (cf. Table 2)
Dependency on seller	No, because Web 2.0 increases the opportunities for information exchange, relationship building or collaboration
Organization-focused	
Relationship investment	Yes, because it takes a significant amount of resources to manage Social Media properly
Seller expertise	Yes, an indirect impact because consumer insights can be used to provide a tailored service/offer which the consumer perceives as a higher expertise/knowledge
Dyadic-focused	
Communication	Yes, because there can be a more frequent and qualitatively better (personalized) information exchange
Similarity	Yes, because boundary spanners can establish an emotional/ personal connection between organization and web-users
Relationship duration	No, because Web 2.0 does not change the length a relationship between the exchange partners has existed
Interaction frequency	Yes, because there might be an increasing frequency of business contact and interaction intensity
Conflict	No, because Web 2.0 does not reduce the level of disagreement between a web-user and an organization per se

Table 39 - Impact of Web 2.0 on relationship antecedents

With regard to the service profit chain it implies that the antecedents are influenced by the daily work of employees (service operations) and also impact on CRM mediators. Organizations should prioritize the *measurement constructs* that represent SCRM performance along the entire service chain. These constructs are either related to the results of an action (e.g. CRM outcomes) or to factors that address the determinants of results (e.g. CRM antecedents, mediators) (Neely, Gregory, & Platts, 1995, p. 96). To be clarified is whether and how SCRM objectives can be measured by means of traditional performance measurement constructs. Since SCRM extends traditional CRM, performance targets are likely to be related to those constructs that are used at present such as WoM. Maintaining reference to known success constructs is rationale due to the management's familiarity and understanding (Waite, 2013, p. 6). Yet, it can be questioned whether, e.g. "communication" is an appropriate CRM construct (cf. Appendix C) to reflect SCRM's objective of web-user engagement. It is therefore worthwhile scrutinizing whether new and separate performance construct are needed to accentuate the characteristics of SCRM. The means to measure performance is subject matter of a performance monitoring.

Demonstration:

In general, organizational maturity of SCRM performance measurement is fairly low (Baird & Parasnis, 2011a, p. 2) An indication for the applicability of the service profit chain approach is provided by Helsana, the Swiss insurance company. The organization envisions better customer relationships due to Web 2.0 by considering the triangular relation between the engagement of employees (i.e. service operations), the provisioning of operational excellence (CRM antecedent/external service value) and the generation of a positive customer experience (i.e. a CRM mediator)[51]. Detailed insights into the measurement criteria to quantify SCRM performance and objectives are not available. Still, the "Helsana family" campaign give reasons to assume that the factors similarity and relationship satisfaction might be of importance. This is due to the fact that the use of a family as boundary spanner between Helsana and the customer intends to establish proximity and attachment.

5.3.6.2 Performance monitoring

The macro-view on performance from a shareholder perspective is completed by a micro-view in terms of a performance monitoring. This monitoring ensures an effective planning and practicing of CRM. It deals with *performance metrics*, *measurement items*, *measurement methods* and *performance standards* (Payne & Frow, 2006, p. 149). In other words, the performance monitoring takes care of the question how performance should be measured.

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[51] Indicated by M. Nierlich (Community manager at Helsana) during several presentations in 2013 on Helsana's approach toward Social CRM and accessible via http://de.slideshare.net/mani74.

Performance metrics used specify the measurement constructs defined in the previous work package by quantifying the efficiency and/or effectiveness of an action (Neely et al., 1995, p. 80). For example, the indicators related to the performance construct relationship benefits are "special treatment benefits", "social benefits" and "confidence benefits". Obviously, if entirely new performance constructs required to measure performance, there is also the need to design new performance indicators.

The *measurement items* operationalize the performance metrics by means of specific measurement scales. For example, if Nubert's management considers "special treatment benefits" as a relevant SCRM performance metric, it can measure its success on a Likert-scale along four items assessing the degree of consumer agreement (Figure 26 based on Bruner, 2009, p. 900).

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1. *Nubert* will go out their way to search for a special deal for me.					
2. *Nubert* will always search for the most reasonably priced solution.					
3. *Nubert* will more likely help me if something goes wrong.					
4. *Nubert* will more likely to do what I want.					

Figure 26 - Measurement items for special treatment benefits

To account for Web 2.0 in this measurement may demand adaptations in the formulation of each statement. For example, statement three of figure 26 might be reformulated as "Nubert will more likely help me on Facebook if something goes wrong". Depending on the selected measurement construct and related metrics, it is not possible to simply change statement's or question's formulation. If the interactive Web 2.0 context is perceived as too different from the conventional situation for asking the questions, there need to be new measurement items and scales, at least from a scientific perspective (Moore & Benbasat, 1991, p. 199).

The *measurement method* is about the manner of data collection. This includes any appropriate and efficient means to derive the required information such as surveys, polls or interviews.

The definition of *performance standards* is the last measure of a SCRM performance monitoring. It is about setting (quantifiable) goals for the performance criteria to be accomplished within a pre-defined time frame. These targets are already defined in the strategic objectives, implicitly mentioned in the value propositions but also noted in the communication standards. For example, if Nubert claims to ensure a response to consumer requests within two hours (value proposition), it could measure the average response time in the nuForum. To control for the same service and consumer experience across all relevant communication platforms (SCRM objective), it may determine the service satisfaction from the hotline as a reference value for the service satisfaction on the nuForum.

A general concern for the performance measurement is a lack of data specificity and quality because quantitative performance measures are not meaningful in these cases. Ryals & Payne (2001, p. 21) indicate that a deficient performance measurement can be a barrier for (S)CRM which implies a demand for complementary qualitative measures (Payne & Frow, 2006, p. 149). For example, monitoring the success of a dialogical mode of interaction (a determinant for the co-creation of value), demands a qualitative assessment to grasp the degree of knowledge generation. An approximation for this could be a conversation characterized by several back-and-fourth interactions that have led to a satisfactory solution. In case of Nubert, a high degree of knowledge generation is assumed if there are several recommendations on the nuForum on how customers optimize their room acoustics (e.g. using absorber, carpets, positioning of speakers) despite several constraints (e.g. small budget, reverberant room).

In summary, the performance monitoring deals with planning the measurement of SCRM's efficiency and effectiveness. It builds on the performance criteria (e.g. CRM antecedents) and selects complementary measurement constructs (e.g. relationship benefits). These constructs are specified by performance indicators (e.g. special treatment benefits) which are operationalized through different methods (e.g. assessing the degree of agreement). The performance standards set the benchmark to be achieved. The interpretation of actual performance versus this benchmark is part of the performance evaluation.

5.3.6.3 Performance evaluation

The performance evaluation is about planning a regular *performance review* and a subsequent *performance communication*. The need to accentuate the performance communication is based on two reasons: Firstly, there is likely to be a lack of awareness and understanding among senior managers with respect to (S)CRM performance and metrics. Secondly, there is the need for transparency when initiating SCRM improvement activities that affect the workforce (Payne & Frow, 2005, p. 174). A formalized evaluation and communication can address both aspects and trigger better decision making and acceptance (Chalmeta, 2006, p. 1023). Without doubt, review session and an outcome communication are common within organizations. Detailed explanations on the manner and means of such reviews are therefore not needed.

The *performance review* is an institutionalized assessment of SCRM activities (e.g. a Jour Fix) in which the participation of senior management is desirable for ensuring decision-making competence. In short, there is a documented review of past activities and their corresponding results on CRM outcomes. The projection of the future as a second part of such a review session is about specific improvement initiatives contributing to the achievement of strategic SCRM goals (Acker et al., 2011, p. 8; Ryals & Payne, 2001, p. 20).

A dedicated *performance communication* is required if the review outcome is setting the basis for improvement activities and organizational learning (Payne & Frow, 2006, p. 149). Comprehensibility is important when communicating the review results due to the novelty of Web 2.0 and SCRM. This implies a clear statement why the conclusions are drawn from the (quantitative/ qualitative) results and why/how they should be implemented in the organization. In fact, this communication is closely related to the project and change management. These activities are a part of the generic SCRM support processes.

Demonstration:
The SCRM performance assessment at Nubert may align on the observations from larger organizations with a more comprehensive Web 2.0 management approach. That is, comparable to Microsoft's Social Media council, a SCRM performance evaluation should be integrated in to the overall Web 2.0 performance assessment. It implies regular meetings to review the past, discuss the timetable for the coming weeks or elaborate new objectives and initiatives (Rossmann, 2013a, p. 39)

In summary, the SCRM performance assessment is about three major aspects that control the delivery of SCRM objectives and the opportunities to improve current practices. Firstly, it determines the SCRM measurement approach including performance constructs for relevant stakeholders (organization, employees and consumers). Secondly, it sets metrics and items for monitoring performance. Finally, it evaluates performance, develops improvement opportunities and communicates these outcomes within the organization.

After finishing the SCRM controlling concept, there is a completion of the strategic planning for Web 2.0 supported CRM. The subsequent steps are concerned with the implementation of the defined concepts. A short elaboration on the related processes is given below.

5.3.7 Social CRM support processes

It is unquestionable that a implementation planning of (S)CRM is of relevance, as it has a decisive influence on the future success (cf. Greve, 2006). At this point there is just an outline on the major building blocks for (S)CRM implementation dealing with a SCRM *project management, change management* and *employee engagement*.

5.3.7.1 Project management

An effective project management is essential for tracking, controlling and adjusting project budgets, timescales and the delivery results (Payne & Frow, 2006, p. 154). There is a broad knowledge base from scholars and practitioners dealing with project management, management standards and project management trainings. This wealth of information provides guidance and support for structuring and implementing complex (CRM) programs (e.g. Henneberg, 2006).

Nevertheless, the characteristics of Web 2.0 are a new dimension for research and practice. “These applications and their deployment differ from typical enterprise IT systems because they are rather basic from a technical point of view and easily used by employees due to private experiences. Further, they are to be implemented as supporting tools, which are only valuable if their users – that is consumers and organizations – create, exchange and modify user generated contents. Often they are not embraced by top management (top-down) but rather used and implemented by employees (bottom-up)” (Lehmkuhl et al., 2013, p. 3068). In consequence, SCRM project management needs to take care of these specificities and state-of-practices. For example, if there is priority on data integration and analytical capabilities there is a *hard implementation* approach chosen. This hard implementation approach subsume elements of an integrated customer database with data-marts, data models, marketing analysis and data-mining tools “[…] centralized CRM […] functions, the integration of all touch-points/channels with feed-back-loops to the centralized database, a standardization of customer interaction and service processes via treatment strategies. The main implementation activities are software adaptation and integration, process redefinition, organizational integration, and analytical campaign management capabilities. This [approach] is counter to the conceptual core of CRM as a cross-functional orientation, and constitutes one of the theoretical problems with this implementation construct” (Henneberg, 2006, p. 92). In turn, a *soft implementation* is advisable if priority is put on customer experience, interaction and collaboration. It encompasses aspects of a direct interaction management, is decentralized and stresses interaction skills and strategies, a deep consumer understanding, new consumer touch-points "and the ability to use the customer information to foster relationships". The main implementation activities are skill advancement, process and positioning development definition, exchange of lessons learned in test pilots, and the development of ways of how to capture" (Henneberg, 2006, p. 93).

Irrespective of the implementation approach (hard vs. soft), there is an iterative planning and implementation process. Experiences made are input for further planning and adjustments, which are then controlled and assessed.

5.3.7.2 Change management

The implementation of Web 2.0 in organizational practices is acknowledged as a business transformation. "Moving from Web 1.0 to Web 2.0 is not just a matter of allowing a bit more customer feedback, a bit more customer control of data, and indeed a bit more customer control of any of the attributes of customer management. In its most extreme form, it means developing a new proposition – indeed a new business" (Stone, 2009, p. 110). SCRM in this context is just one part of the transformation process but is dealing with one of the critical resources to ensure business success – the customers. Consequently, organizations "must develop a new corporate mindset that goes far beyond the traditional one-sided, product-centric, transactional thinking. Companies must now be much more transparent in their dealings with consumers, understanding that by creating an ongoing conversation with customers they can build a better, longer-lasting, and ultimately more valuable relationship with them" (Acker et al., 2011, p. 4).

The change management process is concerned with the strategic aspects of this transformation by emphasizing organizational and cultural change (Payne & Frow, 2006, p. 152). Recurrent issues among critical measures for change are senior management's sponsorship, understanding and leadership, a vision to create shared values, customer focus, and cross-functional collaboration (Chalmeta, 2006, p. 1018; D. Georgi & Mink, 2011, p. 83; H.-W. Kim, 2004, p.

26; Payne & Frow, 2006, p. 158; Ryals & Payne, 2001, p. 18; Sohrabi et al., 2010, p. 15).

Despite its importance, change management remains an under-emphasized element in business. Robust analytical frameworks (e.g. Business Engineering (Baumöl, 2005; Österle & Winter, 2003)) are therefore required to assist the change process (Payne & Frow, 2006, p. 152).

5.3.7.3 Employee engagement

While a change management is related to strategic implementation aspects, employees engagement is regarded as the operationally-oriented set of transformation measures (Payne & Frow, 2006, p. 152). Both, practice and science emphasize that the biggest success factor for CRM is not the technology but employees who are implementing strategies. "Ensuring the delivery of a super customer experience […] requires the active engagement and commitment of all customer-facing staff and is a hallmark of a well-planned CRM implementation. […] Employees are instrumental in implementing processes […]" (Payne & Frow, 2006, p. 156).

Employee engagement gains more importance in the context of SCRM when, for example, employees are enabled to provide consumer service via Social Media. The simplicity to communicate with companies via Social Media requires and will require a high degree of scalability for processing web-user requests in a fast and decent manner. One example is Dell, which has trained more than 10,000 employees to offer a Social Media consumer service. „Each employee may qualify for the right to speak in the name of Dell within social networks […] Through this intense presence in social networks Dell raises a strong community that takes up the position of Dell in discussions, independently provides advice or support to customers and supplies Dell with real-time feedback" (Reinhold & Alt, 2013, p. 213). A concern in this context is whether and how the employee engagement impacts on the regular job responsibilities. Also, how do organizations have to deal with overtime or employee engagement during weekends? That is, there are questions raised dealing with contractual issues, the right to communicate in the name of the company or roles and responsibilities.

A central pre-requisite derived from these examples is that employees need information, skills and competence for using Web 2.0 tools (Sigala, 2011, p. 660). This implies a thorough understanding of Web 2.0 principles and practices, training, tool acceptance and confident employees. Otherwise there are low service levels or a high degree of frustration among customer. Hence, an employee qualification and engagement sets the basis for a superior performance. For example, Helsana expects that the employee engagement can be a lever for employee retention and satisfaction.

In summary, the support processes complement the SCRM planning process. They examine a strategic change management, a structuring project management and an operationally-oriented employee engagement. Emphasis of these processes is on the activity planning and the critical role is subject to the "human" factor. That is, "data and technology processes and systems are critical for CRM activities, but without appropriate human interaction with these processes and systems, the returns to investments in the areas are at risk" (Boulding et al., 2005, p. 23).

5.4 Chapter summary

This chapter covers the principle phase of DSR, being the development of the solution artifact. The process to derive this artifact begins with an elaboration of the solution objectives (Section 5.1) which are classified into four general objectives being related to management issues and six additional ones being related to the integration of Web 2.0 principles and practices. Incorporating these design requirements in the model ensures a conceptually sound solution artifact.

The examination of related work is subject matter of section 5.2. Prior publications on CRM models and SCRM approaches provide the basis to frame the generic artifact. In particular, there is the development of a CRM Meta-model which is complemented with SCRM specific insights.

Section 5.3 combines the thoughts from previous chapters. The SCRM model is explained along eight generic processes (cf. Figure 16). Six of them deal with the activities to plan SCRM and represent the model's core processes. The remaining are support processes dealing with to implementation elements. Each core process is detailed by work packages, measures, outputs and results. The work packages' applicability in practice is demonstrated by the case of Nubert and other representative companies.

The *SCRM readiness assessment* reveals the structural and organizational readiness for SCRM (Table 40). It includes an assessment of the business conditions in order to develop a comprehensive understanding for the organization. Assessing the CRM and Web 2.0 philosophy reveals the status-quo of existing strategies, processes and practices (Chalmeta, 2006, p. 1018; Payne & Frow, 2006, p. 143; Ryals & Payne, 2001, p. 19; Sohrabi et al., 2010, p. 15). A consolidated perspective on the analyses is given when explicating the levers for SCRM.

Work package	Outcomes	Demonstration (examples)
1. Assess business conditions	- Web 2.0 value creation spotted	- Using Web 2.0 as a means to manage growth properly and alleviating resource constraints - Creating awareness in mass market due to Social Media
2. Assess CRM approach	- CRM philosophy determined	- Striving for service excellence & positive WoM
3. Assess Web 2.0 approach	- Web 2.0 management approach determined	- Web 2.0 is an experiment but more than ten years of experience with online community
4. Assess SCRM opportunities	- Levers for SCRM envisaged	- Creating awareness by means of WoM on popular platforms - Providing consumer service due to C2C support - Using a community as socialization measure for bonding with peers and the company

Table 40 - SCRM readiness assessment outcomes and demonstration

The *SCRM strategy development* process deals with the guiding principles for SCRM in regard to the overall objectives (Payne & Frow, 2006, p. 144) (Table 41). It addresses the business strategy, the customer strategy, functional strategies and strategic alignment. The business strategy analysis examines the business objectives, the business model, the industry and competitive characteristics. The work package consumer strategy definition emphasizes the identification and segmentation approach as well as corresponding engagement strategies. Reviewing related functional strategies aims at getting commitment and support from affected stakeholders. Aligning different strategies is essential in order to develop common goals (Payne & Frow, 2005, p. 170).

Work package	Outcomes	Demonstration (exemplarily)
1. Business strategy analysis	- Web 2.0 industry maturity determined - Cooperation partners identified - Trends for an advanced consumer integration revealed	- Low industry maturity with a focus on product promotion/sales - Cooperation with music recording studios on adjusting sound frequencies for a better music experience
2. Consumer strategy definition	- SCRM target segments specified - Web 2.0 contribution to consumer processes defined	- 18-20 year old people in mass market that develop audio affinity - Any audio affine persons that wants to interact with like-minded persons in regard to audio and hifi topics - Provide end-to-end support for the consumer process “home entertainment”
3. Functional strategies analyses	- Contribution of functional strategies to SCRM specified	- n/a
4. Strategic alignment	- SCRM governance defined - SCRM objectives defined	- No governance needed - Offering the same service and consumer experience via Social Media as on other online and offline channels

Table 41 - SCRM strategy development outcomes and demonstration

The *SCRM value creation* process translates defined strategic objectives into programs that both extract and deliver value (Table 42). Extracting value is about the value an organization receives from a customer. Delivering value is about the value propositions an organization offers and the information being provided. Collaborative efforts ultimately result in a co-creation of value which is attributed to receiving and providing value from a corporate perspective (Payne & Frow, 2005, p. 172).

Work package	Outcomes	Demonstration (exemplarily)
1. Co-creation of value	- Levers for value co-creation identified	- Providing C2C support - Providing a platform to discuss and learn about a hobby
2. Business value	- SCRM opportunities prioritized	- Managing an increasing volume of consumer requests by means of the supportive online community
3. Consumer value	- Value propositions formulated	- "The nuForum is a single point of contact to questions related to your home entertainment" - "Receive support within 2 hours" - "All requests will be solved satisfactory"
4. Content strategies	- Content strategy defined	- Content stories on music experience or setting up a home-cinema

Table 42 - SCRM value creation outcomes and demonstration

The *multichannel integration* process takes care of operationalizing the value propositions in activities that a consumer can experience (Table 43). This process deals with the selection and coordination of the most suitable communication channels. Consumers should gain a positive interaction experience at each touch point. At the same time, organizations should be able to gather and deploy information from each interaction to derive better insights about and from individual consumers (Liu, 2007, p. 17; Payne & Frow, 2005, p. 172).

Work package	Outcomes	Demonstration (exemplarily)
1. Channel options	- Social Media portfolio determined	- nuForum used for interaction - Facebook used to create awareness - YouTube used to link/integrate clips - Guest book used as feedback channel
2. Channel integration	- Channels integration conceptualized	- Website is the digital hub for information - nuForum is used for interaction - Facebook is used to create awareness
3. Unified customer view	- Social Media data requirements defined	- Aggregating data on frequently asked question on nuForum - Gather individual data on social graph of Facebook followers

Table 43 - SCRM multichannel management outcomes and demonstration

The *SCRM information management* process deals with the relational information processes (Table 44). It takes care of the collection and management of relevant data from different Social Media sources. The information retrieved from the data management serve as an input for an organization's functional units such as product development. A requirement for managing Social Media data is a high functionality, integration and system design of the material elements that support these processes (e.g. data repository, IT systems, office and back office application) (H.-W. Kim, 2004, p. 27; Payne & Frow, 2005, p. 174). The blueprint of an analytical SCRM and the corresponding infrastructure is re-used from the proposal by Reinhold & Alt (2011).

Work package	Outcomes	Demonstration (exemplarily)
1. Relational information processes	- Social Media data integration concept designed	- Link nuForum community names with customer database or ensure - Registration in nuForum with real name
2. SCRM infrastructure	- Technical capabilities for SCRM information management determined	- SSO on nuForum with e.g. Facebook account

Table 44 - SCRM information management outcomes and demonstration

The *SCRM performance assessment* process covers monitoring the delivery of strategic objectives as well as identifying opportunities to improve operations (Table 45). Performance is measured along two dimensions. On the one hand, there is a macro-level measurement in terms of stakeholder results. This means assessing the value created for stakeholders such as employees (e.g. employee satisfaction), customers (e.g. loyalty) and the organization (e.g. revenues and costs). On the other hand, there is a performance monitoring which provides a micro-view of metrics and performance criteria. These measures assess the standards across the generic processes. They are monitoring the activities to ensure that they are planned and practiced effectively. A feedback loop for reflecting and learning about the outcomes is given by means of a performance review (Payne & Frow, 2005, p. 174; Sohrabi et al., 2010, p. 15).

SCRM performance assessment		
Work package	**Outcomes**	**Demonstration (exemplarily)**
1. Shareholder results	- Measurement system determined	- Measure (S)CRM antecedents in terms of B2C/C2C communication
2. Performance monitoring	- Performance targets and measures defined	- Two hours response time on nuForum - Comparable service satisfaction on nuForum vs. hotline
3. Performance assessment	- Assessment procedure determined	- Monthly performance review

Table 45 - SCRM performance assessment outcomes and demonstration

The *support* processes refer to implementation related measures such as change management, project management and employee engagement. These measures are closely interlinked. The success of any change and project management depends on the engagement and motivation of employees. Their involvement is vital for implementing the processes and therefore the single most important factor (Chalmeta, 2006, p. 1018; D. Georgi & Mink, 2011, p. 83; H.-W. Kim, 2004, p. 26; Payne & Frow, 2006, p. 158; Ryals & Payne, 2001, p. 18; Sohrabi et al., 2010, p. 15)

To conclude, the eight generic processes build on each other. An output of one process is as an input for a subsequent one. Given these linkages between the processes leads to the conclusion that the model is holistic and conceptually sound. For example, the levers of Web 2.0 for CRM (e.g. use C2C support to provide service in an online setting) are a basis to derive strategic directives that differentiate the organization in the market (e.g. offer the same service and consumer experience on Social Media on the hotline or in stores). The strategic directives serve as an input to derive value propositions being delivered via Social Media (e.g. "The nuForum is a single point of contact to questions related to your home entertainment"). The information management takes care of tracking consumer and interaction data (e.g. identify question) in order to generate new insights (e.g. frequently asked questions). Whether the value propositions are fulfilled is revealed by monitoring their delivery (e.g. comparable service satisfaction on nuForum vs. hotline). Depending on this performance measurement there need to be adjustments within one or several of the previous process dimensions.

Whether the SCRM models fulfill the objective of supporting a strategic SCRM planning in practice, demands a thorough artifact assessment. The corresponding evaluation procedure is covered in the next chapter.

6 Model evaluation

This chapter evaluates the designed artifacts, i.e. the construct (definition of SCRM) and the (SCRM) model. DSR scholars concede freedom in selecting the methods because an "evaluation could include any appropriate empirical evidence or logical proof" (Peffers et al., 2007, p. 56). Taking different perspectives (analytical and descriptive) ensures external validity for evaluating the model's static qualities and perceived utility.

An evaluation of the construct is accomplished by reviews of the article Lehmkuhl & Jung (2013): Towards Social CRM - Scoping the concept and guiding research. The reviews prior to the publication demonstrate coherence of the definition and the description of SCRM's scope.

Emphasis at this stage is put on the evaluation of the SCRM model. The methods applied are analytical ones in terms of interviews, the workshop and the degree of integrating the solution's objectives into the model (Figure 27). A descriptive method is applied by means of informed arguments in which inferences are derived from a review of related work on CRM success factors.

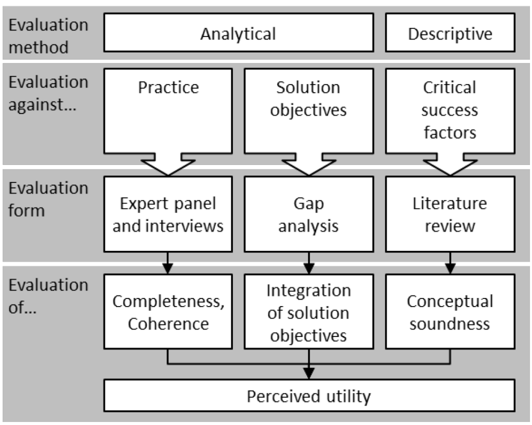

Figure 27 - Evaluation approach

This chapter's contribution is a validation that the artifact provides a useful frame to plan the integration of Web 2.0 into CRM. This demonstration starts with the evaluation against practice (Section 6.1). Complementary material hereto is given in Appendix E and includes the hand-out given to interviewees and the interview notes. The review of related work on CRM success factors is given in section 6.2. The evaluation against the solution objectives (Section 6.3) completes the evaluation. Concluding remarks are presented in section 6.4.

6.1 Evaluation against practice

The research motivation is to develop a solution that supports management in the strategic planning of SCRM. Whether this requirement is met can be examined by scrutinizing the model's coherence and completeness. Evidence for these attributes is provided by the expert panel (Section 6.1.1) and the expert interviews (Section 6.1.2)[52].

6.1.1 Expert panel

The expert panel served as a first evaluation measure. The workshop could be used to elicit perceptions, expectations and experiences with SCRM. All participants are dealing with Social Media in their organizations and are concerned with adapting business processes to professionalize Web 2.0 management.

The insights derived from the panelists confirm the model's coherence, i.e. the artifact's static qualities. Participants' statements underscore that SCRM is more than an extension of CRM by Web 2.0. It requires a structured transformation that affects the entire organization. The approaches for that transformation are deemed different. Firstly, some expect the strongest lever for SCRM in regard to an IT perspective. Data integration, analytical capabilities and new insights are

[52] cf. Section 3.2.5

in focus of this approach. Cross-functional collaboration becomes a central requirement, in which business functions need to define the requirements that the IT function has to implement. Secondly, other participants expect SCRM to gain significance due to a new mode of communication which is characterized by active consumer participation. This approach requires compelling content and a seamless consumer experience across all channels. It builds on the experience of Social Media marketing and extends communication by facilitating interactivity and engagement.

Irrespective of the point of departure for SCRM, there is affirmation of related processes. The model's strength is that it enables a strategic planning from different staring points. In principle, it is proposed to perform the readiness assessment, develop the strategy and become more and more specific. The procedure in practice is likely to depend on the person in charge (e.g. marketing, strategy or IT). In general, there is agreement among workshop participants that SCRM needs a strategic perspective due to its enterprise-wide impact on organizational practices. Fragmented strategies and operations need alignment or consolidation in order to develop common goals. Exploration and experimentation should be granted due to lacking Social Media experiences. Realizing all these requirements requires senior management commitment. Otherwise there is no credibility to change existing processes and practices.

In summary, there is a confidence that the model covers the relevant elements to integrate the opportunities provided by Web 2.0 into CRM. The generic processes provide a coherent frame for strategic planning.

6.1.2 Expert interviews

The expert interviews aimed at providing further support in the model's static qualities. Despite a careful selection of interview partners, it was necessary to clarify the understanding of SCRM. Initially it was asked "what means SCRM to you?" and "what are the differences between SCRM and Web 2.0?" The discourse on these questions was essential to develop a common basis for discussion. It also gave an indication on the interviewee's proficiency and experiences with the topic. Based on this, it was possible to either discuss individual model aspects (i.e. single measures) or the model's overall completeness and coherence (i.e. the generic processes and work packages). Since Payne & Frow (2005) already elaborated the major CRM processes (which are therefore also called generic processes), it was out of focus to challenge these generic processes again when discussing the case of SCRM and evaluating the SCRM model. It is a reasonable assumption that these processes remain crucial in a Web 2.0 enabled CRM. Therefore, it was questioned which activities or measures are relevant to be pursued within the proposed generic processes (e.g. "What strategic aspects should be considered when dealing with Social CRM?").

In principle, it can be concluded that the model is perceived as complete (Table 46, next page). This is due to two reasons: On the one hand, the generic processes are considered reasonable for deploying Web 2.0 in CRM. The work packages and individual measures are acknowledged as coherent to structure the planning process. On the other hand, there are no additional dimensions disclosed that should be covered by the model. This conclusion is inferred from the answers given to the questions "Which additional aspects/dimensions should be considered when talking about SCRM?" and "What are the major barriers towards a better SCRM?"

With respect the individual work packages, critical measures to be conducted are summarized as explained below:

For an *SCRM readiness assessment,* it is emphasized to assess target groups' expectations. This requires, among others, knowledge on the information needs, preferred platforms (own communities vs. 3rd party platforms) or the interest in interaction and collaborative tasks. Importance should be also put on reviewing the CRM approach and strategy to provide an understanding of the CRM philosophy. A critical activity is deemed to be the stakeholder analysis which is due to the cross-functional nature of SCRM, thus the involvement and commitment from different people within an organization.

		Interviewee							
Work package	**Measures**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
SCRM readiness assessment		**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
Assess business conditions	- Business model analysis					x		x	x
	- SWOT analysis								x
	- Value creation identification								x
Assess CRM approach	- Mission & strategy review	x				x	x		x
	- Customer relationship categorization			x				x	x
Assess Web 2.0 approach	- Web 2.0 objectives					x			x
	- Social Media portfolio assessment							x	x
	- Target groups expectations	x	x		x			x	x
Assess SCRM opportunities	- Stakeholder analysis	x			x		x		x
	- SCRM mission						x		x
	- SCRM opportunities				x	x	x		x
SCRM strategy development		**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
Business strategy analysis	- Review strategic objectives	x	x	x	x		x	x	x
	- Industry and competitive analysis		x		x			x	
	- Network analysis	x	x		x		x		
	- Technology review	x			x				x
Consumer strategy definition	- Identification	x	x		x		x		
	- Segmentation	x	x				x	x	
	- Engagement strategies		x	x			x	x	
Functional strategies analyses	- Strategy reviews	x			x		x		
Strategic alignment	- SCRM governance defined	x			x		x		
	- SCRM objectives defined	x	x	x	x	x	x	x	
SCRM value creation		**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
Co-creation of value	- Web 2.0 interaction principles	x		x			x		
	- Interaction partner identification	x						x	
Business value	- Customer lifetime value								
	- SCRM opportunity qualification		x			x			
Consumer value	- Consumer processes analysis		x		x		x		
	- Engagement stage analysis						x		
	- Relational benefits		x		x				
Content strategy	- Engagement stories	x			x			x	
	- Storyline	x			x			x	

Multichannel management		**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
Channel options	- Channel selection	x		x	x		x		
	- Online community assessment	x		x	x			x	
	- Communication standards		x	x	x		x		
Channel integration	- Channel alignment	x	x	x	x		x		
	- Digital hub			x	x				
Unified customer view	- Data requirements		x	x	x	x	x		x
	- Data privacy	x		x		x	x	x	x
SCRM information management		**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
Relational info. processes	- Processes definition and integration								
SCRM infrastructure	- Analytical CRM capability assessment								
SCRM performance assessment		**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
Measurement system	- Stakeholder definition								
	- Selection of measurement system	x							
	- Selection of measurement constructs	x		x					
Performance monitoring	- Performance metrics	x		x	x		x		
	- Performance items								
	- Measurement methods								
	- Performance standards								
Performance evaluation	- Performance review	x					x	x	
	- Performance communication								

Table 46 - Feedback from practitioners per SCRM measure

The *strategy development* process is the central prerequisite for successful SCRM. All work packages in this process find support during the interviews. Most emphasis receives the alignment of SCRM on corporate strategy (review strategic directives). In order to make a contribution hereto, there is the need to specify strategic objectives which reflect the use cases that justify required business adaptation.

The *value creation* due to Social Media and SCRM is a big challenge. There is agreement that consumers and organizations should benefit from SCRM. The levers to create value are a likely to be unknown. A formulated vision is, that the right consumer should receive the right information at the right time on the right channel. The means to do so remain vague. It is perceived that web-users tend to have an aversion when organization's incurs their social space on Social Media. Organizations are advised to apply interactive and collaborative measures for a subtle promotion of their offerings. Two examples in terms of a "call for participation" are crowdsourcing and gamification initiatives. In fact, value co-creation gains importance as soon as experiences are made. In contrast to the literature, none of the interview partners mentioned the CLV as a determinant for value creation. This might be due to the low SCRM maturity. These days, central objective is increasing reach and stimulating participation. The creation of compelling content is vital for stimulating web-user participation. An aligned content creation in terms of engagement stories and a storyline is therefore confirmed.

Related to the creation of engaging and interactive content is its distribution on the most suitable platforms (*multichannel management).* A hypothesis from the interviews is that the multichannel management is undervalued at present. There seems to be no critical discourse among organizations which platforms serve their interests best. The platforms chosen have the highest awareness among target groups. The popularity is - indisputably - a central selection criterion. Yet, each platform has its own culture, architecture and norms (Smith et al., 2012, p. 104). These characteristics need to match the corporate objective for using the platform. Hence, it is asked for a more deliberate adoption and selection procedure.

Another challenge in SCRM is the *unified customer view*. Interviewees relativized scholars' claim that SCRM enables better customer and market insights. It is admitted that Social Media monitoring can detect trends or discussion topics. This type of information is used in form of aggregate data. The creation of a unified customer view from connecting disparate sources remains an expectation. Privacy issues and data protection concerns are central barriers. For example, it is questioned which attributes need to be fulfilled to decide on whether personal information is public, semi-public or private. Depending on that classification there might be different actions such as pro-active contacting or further data collection and processing.

The SCRM *information management* process as related topic is difficult to evaluate. Interlocutors stressed the importance of dealing with big data which demands new capabilities, competences (e.g. data scientists) and systems to ensure an effective management. Upgrading and extending current systems is a prerequisite for performance measurement and a justification for SCRM. In fact, interlocutors working in an IT function argued that SCRM is about data integration. Web 2.0 communications would be marketing and service related but no CRM. From this point of view organizational maturity is low. Reasons for this are data protection issues, a lack of strategies, use cases or financial concerns.

Measuring the success of *SCRM performance* is burdensome. A thorough assessment can only be accomplished if the previous processes are defined and somehow implemented. Otherwise there is no targeted assessment to control for efficiency and effectiveness. The feedback from practitioners reflects a fairly low level of process maturity. Performance criteria are usually related to traditional matrices (e.g. revenues and costs) or Web 2.0 related marketing measures (e.g. reach, the virality of content).

To conclude, the interviews confirm the completeness of the SCRM model and give indications on the critical activities. The strategic and multichannel processes appear to have a moderate level of maturity. Yet, a complete analysis and formalization of details is lacking. The value creation dimension is acknowledged as a big lever to justify higher commitments, but the little confirmation for proposed measures is explained by the lack of experience. Difficult to grasp is the mode of dealing with Social Media data because organizational practices and routines are fairly low. This might be explained by the fact that only a few organizations have started to upgrade their IT infrastructure yet. An integrated performance measurement is also lacking.

In the absence of thorough SCRM experience in practice, there is an additional evaluation advisable that takes a different, possibly more mature, stance. The model's evaluation against CRM success factors is the chosen approach and subject matter of the next section.

6.2 Evaluation against CRM success factors

The expectations on corporate success due to RM are contrasted with a high failure rate of CRM initiatives which, depending on the study, are between 18% and 70% (Woodcock et al., 2011, p. 59). The scientific literature addresses this area of tension between success and failure by exploring and explaining critical success factors (CSF). CSFs can be defined as

> *"areas where things must go right for the business to flourish [...] In terms of CRM, they can be viewed as those activities and practices that should be addressed in order to ensure its successful implementation. These practices would need to be nurtured if they already existed or be developed if they were still not in place" (Eid, 2007, p. 1024).*

Based on this definition, it is plausible to match the coverage of CSFs in the SCRM model. This allows for a theoretical qualification whether and how far the model incorporates critical practices for CRM success. There is a focus on pivotal literature due to the numerous studies on CSF for CRM (Cooper, 1988, p. 111). The identification of scientific literature follows a stepwise approach (Figure 28 on the next page): Firstly, the analysis approach is determined which means emphasizing on pivotal scientific journal publications as well as defining critical success factors.

Secondly, there is a backward search on the 42 publications from the previous literature reviews (cf. 3.3.2). Based on their titles and abstract, there is a selection of eleven potential publications for further examination[53].

Thirdly, there is a query for *CRM "success factors*" on Google scholar. The search results are examined according to their relevance and date of publication. The relevance is measured by the number of citations. It is assumed that the higher the number of citations, the higher is an article's relevance. Examining the date of publication is useful to check for a potential reference to Web 2.0

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[53]In particular, Almotairi, 2008; Alt & Puschmann, 2004; Chalmeta, 2006; Q. Chen & Chen, 2004; Croteau & Li, 2009; Jutla et al., 2001; Kale, 2004; King & Burgess, 2008; Mendoza, Marius, Pérez, & Grimán, 2007; Wilson et al., 2002.

among recently published articles. It also qualifies the most frequently cited studies, because it can be expected that the latest publications summarize pivotal

Working procedure	Determining the analysis approach	Reviewing the literature at hand	Validating search result	Selecting final stock of literature	Analyzing success factors
Activities	– Defining the type of review – Setting criteria for success factors and literature	– Performing a backward search on 42 publications from previous literature reviews	– Performing search on Google scholar – Evaluating results based on title and abstract	– Qualifying publications against defined criteria	– Identifying success factors – Describing success factors
Outcome	Analysis scope defined	– 11 articles identified for further examination	– 6 of the 11 identified publications among most relevant ones – 4 additional publication for review	7 publications selected	Success factors classified
Publications		Almotairi (2008)	yes	no	
		Alt, Puschmann (2004)	no	yes	
		Chalmeta (2006)	no	no	
		Chen, Chen (2004)	yes	yes	
		Croteau, Li (2009)	yes	no	
		Eid (2007)	no	yes	
		Jutla, Craig, Bodorik (2001)	no	no	
		Kale (2004)	no	no	
		King, Burgess (2008)	yes	yes	
		Mendoza et al. (2007)	yes	yes	
		Wilson, McDonald (2002)	yes	yes	
			Kim, Lee, Pan (2002)	yes	
			Kamalian, Ya'ghoubi, Baharvand (2013)	no	
			Padilla-Meléndez, Garrido-Moreno (2013)	no	
			Tekin, M. (2013)	no	

Legend:

Yes (no) in column *result validation* means that the previously identified reference was also (not) discovered during the Google search.

Yes (no) in column *final stock of literature* means that the reference is (not) used for the analysis of the CSF.

Figure 28 - Process of identifying CSFs for CRM

work. Ultimately, this step led to ten publication results. Six of them were already discovered in the backward search[54].

Finally, there is the selection of the central/pivotal publications among the identified articles. This step determined seven publications as the final stock for examination.

The content analysis of selected publications reveals eight factors that are most frequently mentioned. These can be grouped into four categories (Figure 29). The first is about a strategic perspective including *top management involvement* and a *CRM strategy* formulation. The second is about processes dealing with a *cross-functional collaboration* and *process re-engineering*. The third category is about a systems perspective including a *knowledge management* and *IT landscape*. The fourth includes soft factors dealing with the *employee involvement* and *change management.*

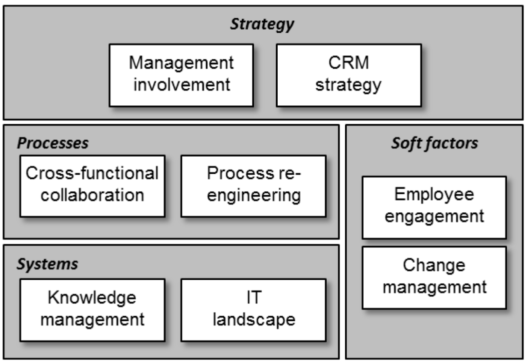


Figure 29 - CRM success factors and their classification

[54]The four additional publications are: Kamalian, Ya'ghoubi, & Baharvand, 2013; H. Kim et al., 2002; Padilla-Meléndez & Garrido-Moreno, 2013; Tekin, 2013.

6.2.1 Success factors related to strategy

The success factors *top management involvement* and *CRM strategy* ensure that the general conditions for CRM are in place and that a consumer oriented management is a business objective.

The *management involvement* is the most frequently named CSF for CRM. In principle, it is about the support and commitment of key decision-makers to initiate and promote CRM. “To achieve strategic advantages, top management should also be personally knowledgeable about the potential of CRM and be proactively involved in its internal diffusion in order to manage it effectively” (Eid, 2007, p. 1035). It implies developing and communicating a vision and strategy for CRM but also driving change by enabling transformation in terms of processes and culture. A commitment for experimentation is required as well as setting and evaluating performance goals and criteria. In fact, an active involvement of senior management is demanded to credibly demonstrate the initiative’s importance for business (Alt & Puschmann, 2004, p. 7; Wilson, Daniel, & McDonald, 2002, p. 202). This CSF is also mentioned as one of the solution objectives for the SCRM model. A model cannot ensure management involvement and commitment per se. It can only provide the means to integrate senior management in decision- making, strategy formulation/review, releasing budgets or assessing performance assessment. That is, depending on the importance of SCRM for business, there might be a higher management commitment. A minimum involvement is required when deciding on strategic and business relevant issues after the readiness assessment (cf. 5.3.1.4), when passing SCRM objectives at the end of the strategy development process (cf. 0), when communicating organizational changes (cf. 5.3.7.2), or when approving IT infrastructure upgrades (cf. 5.3.5.2).

The second CSF is closely related to the management involvement. It addresses the development of a *CRM strategy*. This strategy defines the understanding of CRM and sets the frame of operations. It includes, among others, a strategic perspective on CRM, benchmarks against competitors and activities aligned on consumers’ needs (Alt & Puschmann, 2004, p. 7; Eid, 2007, p. 1030; Wilson et al., 2002, p. 108). The SCRM model covers this CSF by aligning strategic objectives on different strategies (cf. 5.3.2). Since SCRM will complement traditional CRM, there is a case by case decision needed whether a dedicated SCRM strategy is required. Possibly, there are directives for SCRM which are derived from and contribute to functional strategies.

6.2.2 Success factors related to processes

The CSFs *cross-functional collaboration* and *process (re-)engineering* translate the defined strategies into practices.

Cross-functional collaboration should be institutionalized for ensuring the flow of and access to information. This implies collaborative efforts of both customer facing units (e.g. marketing, sales, service) and back-office units (e.g. product development, IT) (Q. Chen & Chen, 2004, p. 339). The SCRM model pays attention to this CSF by integrating relevant stakeholders in the SCRM strategy development process (cf. 0). Special attention to a business-IT alignment is paid during multi-channel management when deciding on a unified customer view (cf. 5.3.4.3).

The CSF *process re-(engineering)* includes the practices and routines of serving customers. This means a strict orientation of business activities on customer needs, the mode of segmentation or the procedures to serve them at each point of interaction. Process re-engineering also implies structural issues such as the management of responsibilities and authorities (Alt & Puschmann, 2004, p. 4). Re-(engineering) processes in SCRM are focal points when elaborating the consumer strategy (cf. 0) and defining related consumer processes (cf. 5.3.3.3). The communication standards (cf. 5.3.4.1), a dedicated performance measurement system (cf. 5.3.6.1) and the SCRM governance (cf. 0) are these aspects of the SCRM model that take care of the structural concerns of a process (re-)engineering.

6.2.3 Success factors related to IT systems

The CSFs *knowledge management* and *IT landscape* are about supporting management and knowledge workers with reliable (quantified) information.

The CSF *knowledge management* refers to the capabilities and practices of managing information. That is, all the activities to acquire and convert consumer data into usable knowledge (Q. Chen & Chen, 2004, p. 339; King & Burgess, 2008, p. 423). The SCRM model has a good coverage of that success factor due to the definition of a unified customer view (cf. 5.3.4.3) and by dealing with the relational information processes (cf. 5.3.5.1).

The CSF *IT landscape* is understood as one enabler for CRM and implies the selection of a CRM system and the integration of adjacent systems. The landscape should have low complexity but high compatibility and flexibility (Alt & Puschmann, 2004, p. 7; Q. Chen & Chen, 2004, p. 339; Eid, 2007, p. 1035; H. Kim, Lee, & Pan, 2002, p. 889). The SCRM model pays attention to this aspect by describing the blueprint of an analytical SCRM system (cf. 5.3.5.2). A qualification of the landscape is hardly feasible. At present, there are neither proven insights nor best-practices of SCRM systems that are fully integrated within a corporate IT-architecture.

6.2.4 Success factors related to soft factors

The success factors *employee engagement* and *change management* cover the soft factors of organizational transformation. The description of these factors in the examined literature is comparable to the understanding in this thesis. They can be linked to the model's support processes. Additional elaborations of the two CSF do not add insights at this point.

6.2.5 Conclusions

In brief, *the SCRM model covers each of the CSFs by one or multiple aspects meaning a generic process, a work package or a proposed measure (Table 47). This allows for the conclusion that the model is conceptually sound and that it should be a useful frame to strategically plan SCRM.*

	Generic SCRM processes						
CRM success factors	Readiness assess.	Strategy develop.	Value creation	Multi-channel	Inform. mgmt.	Perform. assess.	Support processes
Management involvement	x	x			x	x	x
CRM strategy		x					
Cross-functional collaboration		x		x			
Process (re-) engineering		x	x	x		x	
Knowledge management					x		
IT landscape					x		
Employee engagement							x
Change management							x

Legend
"x" indicates a match between a CRM success factor and one/several generic SCRM processes
The support processes include the generic processes employee engagement, change management and project management

Table 47 - Match of CSFs with the SCRM model dimensions

Beyond, it can be noted that the success factors are linked (H. Kim et al., 2002, p. 888; King & Burgess, 2008, p. 426). The strategic factors determine the frame, which is operationalized in processes. IT systems support these processes by providing relevant data and information. Ultimately, it requires employees to implement a consumer orientation in daily routines. The SCRM model takes account of these interrelations and gradually specifies the planning of SCRM which ensures an integrated perspective.

Yet, it must not be forgotten, that the CSF are explored in a general context. There is no reference to Web 2.0. It is reasonable to assume that the CSFs remain valid in the context of SCRM because they are quite generic. An elaboration on how the peculiarities of Web 2.0 are addressed in the model is done by evaluating it against the solution objectives. The documentation of this approach is presented next.

6.3 Evaluation against the solution objectives

Evaluating the artifact against the solution objectives permits a theoretical qualification. A gap analysis is applied to reveal the match between the ten defined requirements (to-be) and the SCRM model (as-is). Table 48 on the next page depicts the match of each work package with one or multiple solution requirements.

A full match is noted with regard to the requirement *assess SCRM readiness*. The first generic process accentuates this design requirement by scrutinizing business conditions, current practices and formulating SCRM opportunities.

The objective of *ensuring top-management commitment* is already discussed in the previous section on CRM success factors. The model integrates the design requirement at different stages. Involvement is usually required at the end of a work package because there are decisions to be made.

The call for an *integrative perspective* is met by the modular set-up and linkages of the model dimensions. Moreover, the strategy development process ensures an enterprise-wide and cross-functional attitude towards SCRM. Finally, the model's premise is that SCRM is a strategic approach dealing with consumer-centric management and not an IT implementation project.

The need to *assess strategic partnerships and cooperation* opportunities is taken care of in the network analysis, the industry analysis (work package business strategy analysis) and during the elaboration on consumer processes (consumer strategy definition).

Work package	Solution objectives 1	2	3	4	5	6	7	8	9	10
SCRM readiness assessment										
Assess business conditions	x									
Assess CRM approach	x									
Assess Web 2.0 approach	x						x		x	
Assess SCRM opportunities	x	x		x				x	x	
SCRM strategy development										
Business strategy analysis		x	x	x						
Consumer strategy definition			x	x			x			
Functional strategies analyses			x							
Strategic alignment		x	x					x	x	
SCRM value creation										
Co-creation of value						x	x	x	x	
Business value						x				
Consumer value		x				x				
Content strategy							x		x	x
Multichannel management										
Channel options							x		x	x
Channel integration			x				x			x
Unified customer view			x		x					x
SCRM information management										
Relational information processes					x					
SCRM infrastructure			x		x					
SCRM performance assessment										
Measurement system										
Performance monitoring										
Performance evaluation			x							

Legend
'X' indicates the integration of an objective within the model's work package(s)
1 = *Assess Social CRM readiness*
2 = *Ensure top-management commitment*
3 = *Take an integrative perspective*
4 = *Assess strategic partnerships and cooperation opportunities*
5 = *Develop a Social Media information management strategy*
6 = *Formulate value drivers/ propositions due to Social CRM*
7 = *Frame Web 2.0 communication principle*
8 = *Integrate web-users in innovation management*
9 = *Assess necessity for an online brand community*
10= *Align and integrate Social Media channels*

Table 48 - Representation of the solution objectives in the artifact

A dedicated *Social Media information management strategy* is not part of the model. The information management process takes care of implementing the data requirements and ensuring the provisioning of new insights and knowledge. The design of a functional strategy underlying this data management is subject matter of the IT-function or corporate data management. It is therefore out of research scope.

The necessity to specify the value contribution of SCRM (*formulate value drivers/propositions due to Social CRM*) is taken care of by the process SCRM value creation. In particular, the value perspective is addressed from a corporate, a consumer and a dyadic perspective. Its operationalization is further dealt with in the content strategy development.

A framing of *Web 2.0 communication principles* is taken care of at different stages in the model being the elaboration on consumer processes and the examination of success factors for co-creation of value. These two measures give indications on the required communication with consumers on Social Media. The multichannel management pays additional attention to this requirement within all work packages. Finally, a formalized documentation of communication principles is given by determining channel standards that define a “perfect” consumer experience.

Reference to the call for *integrating consumer in innovation management* is not included in the model explicitly. This is due to the fact that an organization set the scope of its SCRM activities during the readiness assessment and the strategy development process. Possibly, there is no weight put on collaborative innovations due to, e.g. long development cycles in which an ongoing interaction is difficult to maintain. An implicit reference to innovation management is made by the co-creation of value. Since value co-creation is based on a dialogical mode of interaction, there is a generation of new knowledge (Ballantyne & Varey, 2006, p. 226). Depending on the subjects discussed, there is a close link to innovation management.

The call to *assess the necessity for an online brand community* must not be understood in terms of a Social Media platform such as the nuForum. The

SCRM readiness assessment reveals consumer dedication and constraints of maintaining a relationship. The opportunities and, ultimately strategic objective for SCRM specify the approach on how to engage with consumers. Depending on the envisaged level of commitment, it can be decided whether a dedicated online brand community in terms of a platform is the most suitable solution.

Finally, the objective of *aligning and integrating Social Media channels* is integrated comprehensively in the dimension multichannel management. The model even extends the call for an aligned Social Media channel management by advising to integrate the entire portfolio of communication channels including online and offline channels. The rationale to include all means of communication is providing consistency and, at best, a perfect consumer experience across all touch-points that can be controlled by an organization.

In summary, there is a decent integration of the solution requirements in the SCRM model. Some of them are covered implicitly (e.g. readiness assessment, formulate value propositions), others more explicitly (e.g. frame Web 2.0 communication principles). Most solution objectives are not only addressed within one work package but in several which underscores the model's integrated set-up. Consolidating the different evaluation measures and corresponding perspective allows for concluding remarks which is subject matter of the next section.

6.4 Chapter summary

The model's evaluation by means of different approaches (analytical and descriptive) aims at demonstrating the artifact's external validity and perceived utility.

The feedback from practitioners (Section 6.1) shows that the model is perceived as complete and coherent. It covers the relevant processes to strategically deploy Web 2.0 in CRM. The modular set-up by means of eight generic processes allows flexibility in the planning process, meaning different starting points. A detailed assessment of each work package and measure is difficult to perform. The proposed measures are deemed as valuable but the statements are often based on expectations and hypotheses but practical experiences.

The artifact's evaluation against CRM success factors (Section 6.2) addresses the lacking experience. It reviews the factors that are explored by previous studies as important to successfully plan and implement CRM. The corresponding gap analysis reveals a clear match between the eight CSFs and the generic processes. All CSFs are covered by the model, either implicitly or explicitly, which leads to the conclusion that the model is conceptually.

The artifact's evaluation against the solution objectives (Section 6.3) demonstrates a good coverage of the objectives in the generic processes and work packages. This provides confidences for a good Web 2.0 integration and also gives reason to assert that the Meta-model is instantiated appropriately for making it applicable in a Web 2.0 context.

To conclude, the SCRM model seems to be a valuable extension of the CRM framework by Payne & Frow (2005, 2006) in the context of Web 2.0. Its practical demonstration is given by the case of Nubert. Its evaluation is accomplished from three perspectives and the results lend support for arguing that the model is perceived as useful to strategically deploy the opportunities provided by Web 2.0 in CRM.

7 Reflection

This chapter reviews and discusses the dissertation project. Implications are derived to generalize the findings, reflect on the process and discuss the outcomes (Rossi & Sein, 2003, p. 10)

Firstly, there is a reflection on the research approach (Section 7.1). Section 7.2 contains a discussion of the research results, summarizing the major outcomes, placing them in a broader context and deriving implications. The research limitations are covered in section 7.3. The outlook for further research is considered in section 7.4. Section 7.5 presents concluding remarks on the chapter. Figure 30 displays a consolidated picture of the main issues from each section.

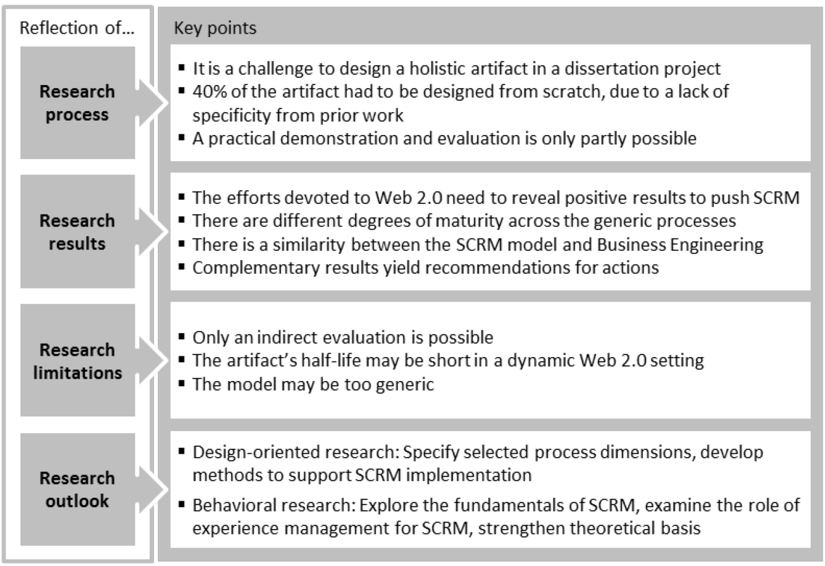


Figure 30 - Consolidation of the research reflection

7.1 Research process

Reflection on the research process is conducted by reviewing the different research steps that align the process model of Peffers et al. (2007).

Reflection on the first research phase (*problem identification and motivation*) is about reviewing the underlying rationale for pursuing the research. In the case at hand, Web 2.0 supported CRM seems to a promising area for professionalizing Web 2.0 management. Given the absence of valid approaches, there is a clear need for comprehensive management solutions. In retrospect, designing a holistic frame of reference is a considerable challenge for a dissertation project. This is due to the constant trade-off between maintaining an overall perspective ("big picture") and being specific enough to provide hands-on guidance and accomplish the research objective within a reasonable period of time.

The research phase "*define objectives for a solution"* emerges from the problem identification and the ten solution objectives. An explanatory model is chosen as a generic artifact to be designed. A challenge was that the solution objectives are quite different in terms of specificity. In retrospect, it is evident that this is due to the uncertainty in dealing with Web 2.0. There is limited experience, yet high expectations and some specific ideas. This leads to different requirements of an artifact that should provide conceptual guidance for strategic SCRM planning.

The phase *"design and develop the artifact"* is the centerpiece of this research. The model's structure is based on primary and secondary data, the former being derived from interactions with industry partners who deal with Web 2.0 in their business activities. Their insights are used to formulate requirements on the solution artifact or provide insights into good practice and on actual experiences made. Due to the topic's novelty it was difficult to find interlocutors that can provide specific feedback on using Web 2.0 for managing customer relationships. Even then, experiences are rather limited. Also, a variety of industries (e.g. insurance, sports, telecommunication, automotive, industry) are represented, implying that adaptations in work packages or measures are likely to be made, depending on the specific application.

The secondary data provide the conceptual backbone of the artifact. There is a combination of sources from re-using previous CRM research and (mainly) exploratory insights from the SCRM literature. The challenge was whether proven CRM concepts could be re-used if their applicability is questionable in the context of Web 2.0 (Szmigin et al., 2005, p. 481). In particular, none of the collaborators from practice mentioned the CLV as a measure for determining consumer value. The solutions to this challenge were either reference to these CRM constructs from practitioners or to the SCRM literature. Such references indicated that re-using a proven concept is appropriate.

A related challenge was that the literature is very general, mainly addressing the generic model dimensions (e.g. formulate a strategy) or proposing specific measures selectively (e.g. perform a product value assessment). This implies a lack of precision and coverage of the model's work packages. Consequently, there was the need to design eight out of twenty (i.e. 40%) work packages from scratch, including the entire generic process readiness (referred ti as *Designed* in Table 49, next page). Re-using prior insight in terms of work packages and measures was possible in 25% of the packages (*Re-used*) including the process SCRM information management. Building on existing insights and extending them with new or complementary ideas was possible in 35% of the cases (*Re-used/Designed*).

In order to add precision to each work package, it was necessary to propose corresponding measures. These originate from a strategic management domain and should be understood as propositions. While some of them were mentioned in the examined literature, others were raised by practitioners or are based on the author's experiences of previous consulting projects. In consequence, further validation of each is required, but this is beyond the scope of the present research.

Work packages	Development approach
SCRM readiness assessment	
Assess business conditions	Designed
Assess CRM approach	Designed
Assess Web 2.0 approach	Designed
Assess SCRM opportunities	Designed
SCRM strategy development	
Business strategy analysis	Re-used
Consumer strategy definition	Re-used/Designed
Functional strategies analyses	Designed
Strategic alignment	Designed
SCRM value creation	
Co-creation of value	Designed
Business value	Re-used/Designed
Consumer value	Re-used/Designed
Content strategy	Designed
Multichannel management	
Channel options	Re-used/Designed
Channel integration	Re-used/Designed
Unified customer view	Re-used/Designed
SCRM information management	
Relational information processes	Re-used
SCRM infrastructure	Re-used
SCRM performance assessment	
Measurement system	Re-used
Performance monitoring	Re-used
Performance evaluation	Re-used/Designed

Legend
Designed: The work package is designed from scratch and was not part of the CRM Meta-model nor mentioned in the SCRM literature.
Re-used: Contents are re-used from prior (S)CRM literature.
Re-used/Designed: Contents are re-used from the CRM Meta-model, but extended to reflect a Web 2.0 context or to add specificity.

Table 49 - Development approach per work package

The artifact's *demonstration* is usually done with the case of Nubert. This includes a retrospective demonstration of current practices (e.g. consumer processes support) or a projection of proposed initiatives (e.g. definition of value propositions). An end-to-end demonstration is not possible. This is due to two reasons. Firstly, there were no research partner(s) that supported this research. The insights generated from and about Nubert are based on another research project (i.e. Lehmkuhl & Jung, 2013b) and further observations. A research project that would have revealed corresponding insights could not be realized. While the topic of SCRM has been of interest among those practitioners who were involved in this research (e.g. the interviews or the workshop), there are generally restrains on spending resources and effort. A reasonable assumption is that the added value of SCRM and of Web 2.0 is still questioned. The second limiting factor for a full demonstration is the time available for conducting this research. Due to the topic's novelty, time was needed to discuss the concept and to evaluate the model's requirements and structure. Yet, this time was essential to ensuring that the model is perceived as useful. A deeper understanding of SCRM, which could be used for better explaining the construct, is also warranted. The drawback is that the model's final structure was set at the end of quarter in 2013. A full demonstration in the time remaining for this research was not possible.

When reflecting on the artifact evaluation it is considered sufficient to terminate the evaluation after eight interviews. Increasing the number of expert interviews would not yield additional insights. The rationale is that SCRM is likely to depict the future of Web 2.0 management. The statements that reflect past experiences deal with a Social Media marketing or Web 2.0 customer service. When asked about SCRM, respondents mainly reveal expectations and hypotheses. Detailed concepts are not in place. Due to little experiences, a detailed model assessment including all work packages or measures was hardly feasible. Discussants expressed their ideas and thoughts on each generic process. Occasionally, there reference was made to some work packages, but an examination of the measures was usually beyond their experience. That is, in the absence of detailed concepts and structure SCRM approaches, it appeared reasonable to guide the interview partners instead of letting them elaborate freely on the different initiatives and activities they might have done or would like do in the future. To mitigate the possibility of a self-reflective model confirmation by this manner of questioning, it was not asked whether a specific measure (e.g. business strategy review) should be pursued within a generic process (e.g. strategy development). That is, the questions remained rather open and asked for relevant activities within the different generic processes (e.g. “What strategic aspects should be considered when dealing with Social CRM?”). This ensured that interlocutors remained focused in their answers, yet could express themselves thoroughly (Pickel & Pickel, 2009, p.446/447).

Finally, an important aspect of *communication* is about how the results are made accessible to the target audiences. Due to the need to publish this dissertation, the accessibility of research results can be guaranteed. Moreover, there are additional publications of selected research parts prior to that of the dissertation (see Table 50). Also, there have been presentations given to different company representatives. These presentations usually introduced the concept of SCRM and the generic model. The presentation contents are mainly based on the figures and tables within this dissertation. That is, there has been and will be a diffusion of research results.

Publication title	**Type of publication**	**Contribution**
Lehmkuhl & Jung (2013), Value creation potential of Web 2.0 for SME - Insights and lessons learnt from a European producer of consumer electronics Status: Published	Journal paper	Identifying the problem and research need
Lehmkuhl & Jung (2013), Towards Social CRM - Scoping the concept and guiding research Status: Published	Conference article	Defining the concept of SCRM
Jung, Küpper, Lehmkuhl, Nierlich, & Rosenberger (2014), Social Customer Relationship Management Status: to be published	Book section	Presenting conceptual of SCRM including the SCRM model

Table 50 - Publications communicating the research results

7.2 Research results

The analysis of the research results entails a reviewing the central artifacts designed in this dissertation. This refers to the construct that defines SCRM (Section 7.2.1) and the SCRM model (Section 7.2.2).

7.2.1 Definition and scope of Social CRM

Due to the diverse understanding and perceptions of Web 2.0 and CRM, there is a need to define SCRM for both scholars and practitioners (Payne & Frow, 2005, p. 186). Such a specification is paramount for designing new models and methods for Web 2.0 support CRM. It sets the basis for understanding. This includes reflection on goals or description of differences between traditional CRM versus SCRM context. Without a common definition, it is difficult to formulate a vision, strategy and success criteria.

An elaborate analysis of this construct from a scholarly perspective is given in Lehmkuhl & Jung (2013): “Towards Social CRM - Scoping the concept and guiding research”. Herein, it is shown that there is little scientific research so far, and academics have just started to explore the concept or organizational determinants. SCRM is evidently a holistic management approach that affects all aspects of business, thus requiring a strategic perspective to (re-)engineering processes for an integration of Web 2.0 into CRM.

A reflection on the conceptual understanding and scope of SCRM in practice indicates a low level of maturity. The claims from market analysts that SCRM is approaching maturity and common practice (e.g. Band & Petouhoff, 2010) cannot be supported on the basis of this research. There are several reasons for this as explained below:

Firstly, organizations struggle to achieve an effective and efficient use of Web 2.0 in general. Web 2.0 is usually integrated separately within corporate functions. Cross-functional collaboration is lacking and even resistance to change can be detected. Overcoming such practices and perceptions requires strong leadership and compelling arguments. That is, there needs to be a traceable organizational justification for the required business adaptation. These might be related to a need for reaction or some opportunities for action. The former is likely to be the case if competitors take the lead, through being well positioned due to their Web 2.0 initiatives. In such a situation, it is necessary to react and at least match competitors' actions (follower tactic). The latter is characterized by opportunities due to SCRM. It may be possible to gain a competitive advantage (pioneer tactic) obtained from differentiation or cost efficiencies. Since any reasoning in this case of likely to be a prediction rather than a fact, it is vital to underscore it with comparable best-practices and quantitative data. This is essential, since organizations tend to encounter difficulties with their efforts, investments and the outcomes of Web 2.0 commitment (Bernet & Keel, 2013, pp. 19–20). To conclude, in order to push SCRM, there need to be convincing arguments that clearly demonstrate the scope and potential of competitive advantages obtained from to Web 2.0. A SCRM readiness assessment is a suitable first step for assessing the potential and preparing management for decision-making.

Secondly, SCRM pioneers mainly offer a social service and seek the next step in SCRM. Good customer service is just a basic consumer expectation for establishing a bond or to increase switching costs (Danaher et al., 2008, p. 45). It merely gains relevance when a consumer needs to solve a distinct problem. A challenge among the group of pioneers is about taking the next steps in SCRM. One idea is to achieve a better linkage of online and offline activities (e.g. use hashtags on banners) in terms of multichannel management. Another idea is Social Media data integration into a customer master database, but the concepts and procedures for operationalizing these ideas are not yet developed.

Thirdly, only a minority of connected web-users can be motivated to interact or collaborate. That is, a low percentage of followers create the majority of content. Most people who connect with an organization are lurkers, meaning only content consumers or even non-active members (Nielsen, 2006). Figure 31 on the next page demonstrates this phenomenon with an analysis of Nubert's online community[55].

As shown in the figure, 1% of all community members contribute 60% of the content. This is the group of heavy users and numbering approximately 200. An additional 9% of intermittent users provide 25% of all content. In turn, the remaining 90% of registered members create only 15% of total content.

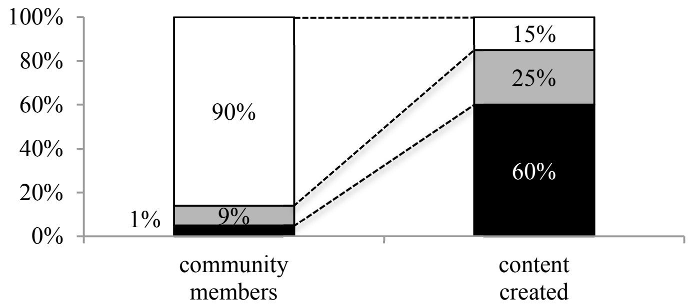


Figure 31 - Participation inequality

The problem from this participation inequality is that it does not enable drawing general conclusions. The feedback received or the content provided is usually "from the same 1% of users, who almost certainly differ from the 90% you never hear from" (Nielsen, 2006). Overcoming this participation inequality is also not possible. Organizations are advised to identify the heavy contributors and ensure that they provide high quality content. This can be accomplished by providing them with relevant and useful knowledge or other special benefits.

[55] Data collection on May, 23rd 2013.

The rationale for a special treatment is that these individuals act as boundary spanners. Their UGC is perceived as credible by other users and eventually impacts on brand loyalty and relationship satisfaction (Lehmkuhl & Jung, 2013b, p. 10)

Another implication is that organizations should develop engagement strategies for intermittent consumers. Favorable conditions are (supposed to be) given if this group of people has an emotional attachment with the object of interest, develop self-identification or is entertained particularly well. In these cases, there is a higher likelihood that they will be interested in sharing their ideas with likeminded people or support others. Organizations are recommended to identify, plan and measure the potential of converting intermittent consumers into heavy contributors. That is, it is necessary to determine whether people in this group can be activated by means of corporate initiatives or whether there is only an intrinsic motivation for participation. Also, it can be questioned whether such engagement initiatives are merely regarded as expedient or even counterproductive for this group of people.

A final implication is the need to raise the number of connected users continuously. This ensures (at least some) content production and possibly adds new heavy contributors. New opinions and perspectives may be added to discussions, which supports the co-creation of value and possibly leads to positive network effects.

In other words, organizations should define follower categories/segments based on a person’s status, such as a new follower, intermittent supporter, heavy contributors or passive lurker. Based on this classification, there can be a deeper analysis of the groups’ characteristics and the levers for facilitating content creation, content improvement or content diffusion. Being aware of these characteristics allows for designing specific communication strategies which – ideally – lead to higher consumer engagement. SCRM software solutions (e.g. Lithium) support this consumer categorization and analysis task.

Fourthly, there is only temporary consumer participation, but no ongoing engagement. Comparable to traditional CRM, there are cycles of changing consumer interest in receiving or providing information. Before a purchase decision, there is a need for information or opinions. Immediately after a purchase decision, there is willingness to share information or opinions. In between purchasing situations, there is likely to be a moderate to low information demand. Special offers or other product-promoting initiatives might even be perceived as annoying.

The same situation should prove true in the context of Web 2.0. On assumption is that there is also only a temporary engagement on Social Media before or after a purchase. Business leaders' expectations need to be managed, in that there is usually no demand for a more intense interaction, simply because of Social Media. Most people merely want to solve their problem/question, thus receiving utilitarian value. Few people receive affective value being related to enjoyment/excitement and social value being related to perceptions of interactions (Nambisan & Watt, 2011, p. 891). However, this group of heavy contributors creates its own experience from interaction with others, not necessarily with the organization. They become brand advocates and provide a cost-efficient way to manage customers in Web 2.0.

Moreover, the potential for using Social Media to motivate ongoing participation in phases after or between purchase decisions is manifold and has not yet been exploited comprehensively. Organizations wishing to push SCRM should explore the drivers and triggered of customer engagement. This means identifying the trigger points that maintain or re-activate participation. One means of achieving this goal is determining the type of content (e.g. images, movies, or exclusive information) that is regarded as valuable. Valuable in this context relates to attributes such as complementary information, high virality or the degree of interaction. The insights obtained from this analysis can serve as a basis for designing content strategies that (re-)activate followers, positively impact on relationship satisfaction, or create an interest in relationship continuity.

Fifthly, the claims of an improved relationship management due to detailed consumer insights remain only an expectation. Scholars, market analysts and practitioners stress the development of capabilities for managing relational information processes that deal with Social Media data. However, there are usually no clear answers as to which data is required to improve operations and performance. There is also a lack of answers on the specific (new) uses that justify an extensive integration of Social Media data into processes and systems.

Additional challenges are regulatory concerns, dealing with the storage of personal information. Related to this are data management obstacles such as creating meaningful information from a large volume of unstructured data. Finally, technical challenges need to be solved in terms of system upgrades, system interfaces or a harmonization of data structures.

Given these challenges, it is understandable that organizations are cautious about launching comprehensive SCRM programs, including adaptations of IT. The high failure rate of past CRM implementation projects are often a barrier for SCRM. A proposed first step is to establish a thorough Social Media monitoring to detect, topics, trends or highly engaged web-users. This information would provide some initial understanding which relevant topics and themes are discussed. Possibly, this information is already sufficient to derive implications and create new communication initiatives.

To conclude, the integration of Web 2.0 into CRM remains challenging. Web 2.0 is revolutionizing online communication and therefore also CRM. Scholars recognize SCRM as a strategic approach or management philosophy, but there is little maturity in practice. The novelty of Web 2.0 implies high uncertainty. There is little experience out there and disappointed expectations or simply too little awareness of what needs to be done. An effective and efficient use of Web 2.0 is admittedly burdensome. It cannot be integrated simply into existing structures and processes so that a deep integration of Web 2.0 into business practices is currently lacking. Applied research can contribute to this challenge by providing innovative solution artifacts. The SCRM model is such and is analyzed in the next section.

7.2.2 Social CRM Model

The SCRM model is reviewed in three respects. The first was obtained from the model's evaluation with experts, which emphasizes the *critical activities* within each generic process (cf. section 6.1.1). The second is about a more general reflection of each *generic process* and the final is about the *model's general structure*.

The analysis of the *eight generic processes* starts with a short discussion on the *SCRM readiness assessments*. Among the reviewed organizations, there are mixed indications on dedicated assessments for Social Media. In general, it can be assumed that explicit assessments have usually not taken place to determine the potential of Social Media or SCRM. This is inferred from the fact that only 55%[56] of organizations had formulated strategies by 2013 (Bernet & Keel, 2013, p. 7). In addition, there was a bandwagon effect in the recent past. Companies followed the hype and prematurely created Social Media profiles without a structured planning process. Given this situation, it is evident why expectations placed on Web 2.0 are not met (Bernet & Keel, 2013, pp. 19–20). Nevertheless, performing an explicit assessment can avoid such a situation, as it provides hypotheses for detailed planning.

SCRM *strategy development* is usually not undertaken among the reviewed organizations. This tendency is supported by market studies stating that only about half of the organizations have formulated a Social Media strategy. It is therefore not surprising that strategic objectives for SCRM are available in a few cases only. Strategic objectives for Social Media may be integrated within

[56] This figure should be understood as an approximation and not as hard fact. It merely expresses that Social Media is perceived by half the organizations as a means of supporting business objectives and therefore requires a strategic objective. The other half (probably) continues to explore the platforms contribution to business.

different functional strategies. This assumption is reasonable, because Social Media are usually managed within specific business functions. If there were a more coordinated manner of planning and practicing, there would be a high likelihood for efficiency and effectiveness gains.

The need to *create value* for organizations and consumers is undisputable. The process maturity is fairly low and an evaluation of the generic process was hardly feasible. A general understanding is that the content being provided is the key to value creation. Fostering brand-related UGC is therefore a central objective. A necessary pre-requisite is the continuous provisioning of information that is relevant, interactive, exclusive, entertaining or current. Social Media and Community managers are being put under pressure, given this demand to continuously create compelling content. In the absence of experiences as to what type of content attracts interest, it is likely that expectations remain unfulfilled or that the efforts exceed the perceived benefits.

Most experiences relate to *multi-channel management*. For example, Facebook is used for marketing purposes, due to its enormous reach and large user base. Twitter is more likely support a consumer service. LinkedIn or Xing apply well to Human Resources management. In other words, there are a variety of experiences with different platforms in different business functions. Regrettably, there is a lack of exchange of experiences. Facilitating this could tap additional potential to increase the efficiency and effectiveness of each platform and Web 2.0 management in general.

Less developed is the generic process dealing with *SCRM information management*. Comparable to the interviewed organizations, there is usually a Social Media monitoring to be observed in the market. 53% of companies take care to identify trends and sentiment (Bernet & Keel, 2013, p. 17). This is a first step to developing new insights and knowledge. Even so, most information collected is about conversations dealing with products and companies, instead of individual consumers (Reinhold & Alt, 2011, p. 236). Being capable of performing such analysis requires new analytical capabilities, tools and systems.

Measuring *SCRM performance* in the manner proposed in this thesis is not likely to occur soon. Market studies and the survey conducted indicate that organizations focus on measuring web-site traffic, the size of online communities, or the virality of content (Bernet & Keel, 2012, p. 18, Appendix B). At best, there is a measurement of outcome-related measures such a satisfaction, the number of recommendations or improvements in call deflection. A structured evaluation of employee related measures, CRM antecedents or mediators is not common practice. At least in larger organizations (e.g. Deutsche Telekom, Microsoft Deutschland) some kind of council which reviews performance and initiates improvement activities is already observable.

The analysis of the *model's general structure* deals with its understanding in practice. In brief, the eight generic processes are recognized as reasonable, coherent and complete for a holistic perspective of SCRM. It was understandable why the defined processes build on each other and that they are linked. However, there was discourse with interlocutors on how to further consolidate the model in order to make its representation as simple as possible. The result of these discussions is to classify the eight processes into four main categories. These are a strategy dimension (readiness assessment, strategy development), a processes dimension (value creation, multichannel management, and employee engagement), a systems dimension (information management and performance management) and a transformation management dimension (project management and change management).

Given this consolidated perspective, there is some similarity to the St.Gallen Business Engineering (BE) concept (Österle & Winter, 2003). This scientifically based and business proven concept is about business transformations that are enabled by IT innovations (such as Social Media). The transformation process is structured along four building blocks of strategy, processes, systems, and soft factors (Österle & Winter, 2003, p. 12). Due to this presumed similarity between the SCRM model and the BE concept, it is appropriate to review and match the applicability of proposed methods in both concepts. The rationale is that it could clarify, substitute or extend the proposed methods within the SCRM model.

7.2.3 Complementary results

Complementary conclusions on the SCRM model evolved in the phases of artifact design and evaluation. The following three statements are recommendations which deserve attention when applying the model in practice.

Integrate different stakeholders at an early planning stage

There should be an integration of different stakeholders in the early stages of a SCRM planning. This means inviting different interest groups for brainstorming, idea-gathering or a discussion of opportunities and practical cases. In particular, there should be an integration of front-office employees who have regular contact to consumers. This group of people is aware of common problems, frequently asked questions and the concerns of consumers. Secondly, there must be an integration of existing customers, both satisfied and disappointed ones. This group of people has different perceptions and ideas in terms of further information needs or their interest in connecting, interacting and collaborating with others. Finally, there need to be meetings with representatives of the organizational network, which includes partners, suppliers or collaborators who can support an end-to-end fulfillment of consumer processes. The pooling of all these perspectives can be a strong lever for identifying new platforms, contents or mechanisms needed to serve consumers more effectively via Social Media.

Install a strategic channel management

A revision of channel management is suggested to ensure an aligned and consumer-centric communication across all communication channels, not only for Social Media. The simplicity of establishing a Social Media profile has resulted in a proliferation of company managed accounts. Reasons for this situation are at least threefold. Firstly, there is a perceived need to have a presence on those platforms the target groups use. The more platforms are offered, the higher the likelihood of fulfilling consumer information needs. Secondly, it is expected that different platforms complement one another. Consumers are interested in receiving different, but complementary information from different platforms at different points in time. Thirdly, there is an opportunity for differentiation. As soon as new platforms reveal potential to attract a large number of users, they should be used. Being a first mover allows one to gain experiences and professionalize the platform management before competitors enter the arena.

A sound adoption seems to be lacking in terms of which platforms to adopt, how to use them, assigning responsibilities for governance, identifying metrics to measure success and procedures for managing risks (Culnan et al., 2010, p. 247). The result is that a satisfactory consumer experience may not be offered. This is due to managing a variety of platforms for the same purpose, with only a few resources, and different standards among functional units which work in isolation. A Social Media based customer service is a specific case of this situation. To respond to consumer requests, multiple platforms are used such as Facebook, Twitter, support communities, online chats and so on. Offering a set of different platforms is required in order to meet consumer demands. Yet, there must be an orchestration of different platforms' content to ensure a better consumer experience. It is necessary to know which type of media format and information is best for solving consumers' problems. In such a situation, there could be a positive service experience and the avoidance of a repeated consumer contact.

An additional aspect to be considered is the trend towards mobile devices and the mobile Internet. User behaviors are different on mobile devices compared to stationary desktops or laptops. Providing a perfect consumer experience requires taking account of these differences. This implies not only providing content tailored to mobile devices. It also includes offering mobile apps or the simultaneous use of Social Media and other media (e.g. using Twitter during TV shows or commercials). Consequently, there needs to be further alignment, as the use of Social Media might differ, depending on the situational context or the device being used.

Establish a comprehensive Social Media controlling

From a performance measurement perspective, there could be a better Social Media controlling. This means assessing the effects of Social Media compared to traditional channels in terms of channel substitution, growth of reach or other correlations between any channel and Social Media. Transparent channel monitoring demonstrates Social Media's impact and importance. This can support budgets and resource use, raise awareness among senior managers and meet expectations. Two important prerequisites for such channel governance are coherent controlling concept and a cross-functional cooperation in terms of information sharing.

7.3 Research limitations

Discussing the research limitations is a vital part of any research. The limitations of this research are threefold:

Firstly, there is only an indirect evaluation of the solution artifact. The different evaluation methods only indicate that the model has perceived utility. A practical model application could not be performed to demonstrate the artifact's actual utility. An industry partner could not be acquired to support the research. This is mainly due to the fact that SCRM in practice has not attracted much senior management attention. Spending resources and releasing a budget for related activities is rare. Moreover, an end-to-end application was beyond the scope this research for time-constraint reasons. A comprehensive model application will only be possible when the entire structure of the model of finalized. The model's design, evaluation and reflection took until the end of

2013. An end-to-end application was not possible in the remaining time until thesis submission.

Secondly, the artifact's half-time might be perceived as short in a dynamic Web 2.0 environment. At present, SCRM is a contemporary phenomenon. Little is known in the practical and scientific community about the concept in general, its levers for success or performance outcomes. Experiences with Web 2.0 are however, gained quickly. These might and should question the validity and applicability of the proposed measures, the generic processes may well remain valid. The eight processes provide a frame of reference, i.e. the "big picture" for SCRM. Changes, adaptations and enhancements are welcome in order to improve the model.

Finally, the model can be criticized as too generic. This is a general problem of generic artifacts such as models. They abstract reality, emphasize specific aspects or focus on a specific application (Stachowiak, 1973, p. 131). This concern is addressed by thoroughly explaining the research context, application domain and research objectives. This provides a perspective for evaluating and judging the research results. In particular, this dissertation positions the artifact within the research realm of DSR within BISE science. The definition of the underlying concepts and the solution's objectives further set the context in which the model is developed. Also, given the intention of designing a holistic and strategic approach to SCRM, there is a need to stress the big-picture perspective.

7.4 Research outlook

The designed artifacts (construct and model) can be considered as a basis for additional research that complements and challenges the results. The outlook for further research is structured into *design-oriented research* and *behavioral research.*

Design-oriented research should elaborate selected generic processes or even aspects thereof. Specification is needed to increase the model's usefulness. The following examples highlight those aspects that could be derived from industry partners:

Firstly, the readiness assessment could be extended into a maturity model. A structured as-is assessment would reveal a clear picture on the current practices. This is helpful for understanding the need for additional planning, to perform implementation planning or to identify opportunities for improvement. That is, there could be a more elaborate understanding of SCRM's contribution to business objectives.

Secondly, there is need and demand to quantify the expected benefits when assessing or, at the latest, when designing a SCRM strategy. A SCRM business case is called for, which specifies the added value from SCRM, thus allowing for a better qualification of SCRM as a new opportunity for consumer-centric management.

Thirdly, research should explore dedicated SCRM governance in order to push SCRM. Current practices are characterized by "solo" attempts by functional units. The full potential of SCRM can only be leveraged when there is a transparent and ongoing exchange. Cross-functional collaboration is vital to increase internal efficiency and effectiveness, and to ensure a perfect consumer experience. SCRM governance supported by corresponding contents should facilitate these objectives.

In general, developing methods as solution artifacts is of relevance for SCRM in practice. This is due to problems in implementing novel concepts, which calls for action and design-oriented research (Iivari & Venable, 2009). Both approaches could contribute to providing dedicated procedures for better SCRM planning and implementation.

Behavioral research in the context of SCRM could start from different perspectives, such as organizational, consumer and theoretical perspectives. Research that takes organizations as the unit of analysis is needed to systematically explore the antecedents, success factors or organizational determinants for SCRM. A differentiation between industries, types of market offers (goods vs. services), or brands (utilitarian vs. hedonic brands) is worthwhile, so as to better understand differences between pioneers and laggards. It is also meaningful to empirically test the validity of CRM-related theoretical concepts. (Dis-)proving their applicability could underscore the need for novel approaches or to adapt known concepts. In any case, a better understanding of how SCRM can be promoted is possible.

Behavioral research from a consumer perspective may be used to explore the intersection of SCRM with the concept of experience management. “As a sphere of influence, the social media ecosystem centers on the consumer experience” (Hanna et al., 2011, p. 267). Research in this realm is about the “digital experiences on mobile devices and social-media platforms” (Schmitt & Zarantonello, 2013, p. 37). The (S)CRM domain provides the conceptual frame for customer experience management. The creation of a positive customer experience has to be considered from the perspective of the entire customer relationship lifecycle (Bruhn & Hartwich, 2012, p. 23). Within this context, there are different types of experiences made by consumers, including purchasing, consumption experience or the service experience (Schmitt & Zarantonello, 2013, p. 29). All these experience types contribute to consumers’ perceptions and behaviors. Understanding these aspects better enhances SCRM in terms of potential value provisioning and extraction for the organization and its target groups.

Finally, research taking a theoretical perspective can strengthen the conceptual foundation of SCRM. The examined literature offers little theoretical grounding. Yet, there is a clear match between the conceptual understanding of (customer) relationship management and service-dominance (SD) logic (e.g. Vargo & Akaka, 2009; Vargo & Lusch, 2004, 2008). For example, a service-centered view claims that “the focus is shifting away from tangibles and towards intangibles, such as skills, information, and knowledge, and towards interactivity and connectivity and ongoing relationships. The orientation has shifted from the producer to the consumer” (Vargo & Lusch, 2004, p. 15). Also, one of the logic's central propositions is that value is created through participation and interaction – two fundamental principles of Web 2.0 and CRM. This "emphasizes the role of customers in the co-creation of value (Baron & Harris, 2008) throughout the design, production, delivery and consumption processes (Payne, Storbacka, Frow, & Knox, 2009) as they exchange knowledge, skills, processes and core competences with suppliers and other partners" (Tynan & McKechnie, 2009, p. 507).

To conclude, there are multiple opportunities for further research. Since SCRM is driven by practice, there is good reason for design-oriented research for developing innovative artifacts. Behavioral research is relevant to extending the conceptual and theoretical basis, and also helps in further explaining the novel phenomenon. Both research strategies are complementary to pushing SCRM, both from an academic and from a practitioner perspective. DSR provides new solutions which behavioral research may scrutinize. The corresponding results should reveal opportunities for new artifacts to be designed by DSR.

7.5 Chapter summary

Objective of the chapter is to review the research by discussing the *approach* (Section 7.1), generalizing the *results* (Section 7.2), reflecting on the *limitations* (Section 7.3) and presenting implications for *further research* (Section 7.4).

The review of the *research approach* demonstrates the novelty of SCRM for science and practice. Web 2.0 is a contemporary phenomenon and SCRM has hardly been explored (Lehmkuhl & Jung, 2013a). This situation which is characterized by high expectations and high uncertainty has to be taken into account when designing a generic artifact and gauging its contribution. That is, there is a fairly small knowledge base upon which an innovative artifact (SCRM Model) is developed that should take a holistic perspective towards SCRM.

In order to provide a thorough analysis of the *research results,* three different perspectives are taken: The first is about reviewing the conceptual understanding and definition of SCRM. Emphasis is put on the understanding and scope of SCRM from a business point of view. Even though SCRM is perceived as a strategy or philosophy for dealing with consumers, it still envisions the future. This conclusion is based on five reasons. Firstly, organizations generally struggle to achieve an effective and efficient use of Web 2.0. Secondly, SCRM pioneers offer mainly a social service. Thirdly, only a minority of connected web-users can be motivated to interact or collaborate. Fourthly, there is only temporary consumer participation, but no ongoing engagement. Fifthly, the claims of improved relationship management due to detailed consumer insights remain an expectation.

A reflection on the SCRM model is the second perspective to reviewing the research results. Regarding the model structure, it is evident that there is a similarity to the conceptual foundations of Business Engineering. This similarity is reasonable, since both concepts are about business transformation enabled by IT-innovations. The BE concept is just much more generic and not dedicated to one application case, such as SCRM.

A reflection on the model's dimensions exposes different maturity levels. Past experiences are the point of departure for SCRM. Experiences gained using Social Media originate from customer-facing functions, especially marketing. Staff (e.g. strategy) or back office units (e.g. IT) have been left out of the loop in the past. A major lever for pushing SCRM would be to centralize activities. Building on well-grounded SCRM governance could facilitate initiatives to use Web 2.0 explicitly for building, maintaining or reviving relationships. An assessment of current practices could reveal the status quo and maturity of each generic process. Current practices are based on a "just do it" mentality. This leads to a lack of focus on projecting the added value of Web 2.0 and SCRM. A benefit from prior Social Media experiments is that at least some multichannel experiences are in place. SCRM information management and SCRM performance assessment are in their early stages. Social Media monitoring and basic success criteria are the basis for advancing insight generation and performance assessment.

The final discussion of the research outcomes is about complementary results that evolved during the course of research. They are formulated as recommendations and stated as follows: integrate different stakeholders at an early planning stage, revise Social Media channel management and establish a comprehensive Social Media controlling.

Consideration of the *research limitations* shows that model needs to be proven in practice. An end-to-end application should not only establish the validity of planning SCRM alongside the model's dimensions, but could also indicate the applicability of the proposed measures.

In the outlook for *further research,* it is noted that the dissertation serves as a basis for additional research in the young research domain. Design-oriented research may focus on selected aspects of the SCRM model. Behavioral research can contribute by means of theory development and testing. Both research strategies are complementary and choosing one approach over the other needs to consider the situational context of research.

Having completed the analysis of research yields conclusions and a summary, which are provided in the next chapter.

8 Summary and conclusion

This last chapter summarizes the research and answers the research question. In order to provide a comprehensive response, there is a summary of the ***research context***, the ***research approach*** and the ***research results***.

The ***research context*** represents the underlying rationale for pursuing the research. It begins with the *research background* and the observation that Web 2.0 remains essentially a hype topic. Some companies differentiate themselves due to inspiring initiatives, but the bulk of organizations remain cautious about their efforts and resources spent. Experimentation is likely to remain a source of temporary competitive advantage, due to the fact that novelty is a source of value creation for both marketers and consumers (Amit & Zott, 2001, p. 508). In other words, smart engagement strategies of customer-facing units are only the beginning. Reaping the full potential of Web 2.0 demands a deeper integration into organizational practices.

First and foremost, this integration requires a common understanding of the major concepts. Since Web 2.0 is a contemporary phenomenon, there are different understandings and perceptions (*research problem*). The same holds true for the concept of CRM. While scholars tend to acknowledge CRM as a strategic approach, there are different perceptions among the industry partners of this research.

Since SCRM is very much a nascent topic and driven by practice, there is little research so far (*research gap).* Moreover, "the validity of academic concepts and management tools associated with relationship marketing has been called into question" (Szmigin et al., 2005, p. 481). Fresh approaches to SCRM are needed that (can) re-use known concepts and combine them with new ideas (Kumar & Reinartz, 2012, p. 362).

The *scope of research* is derived from the above mentioned practical problem. Strategic concepts in terms of frameworks and explanatory models are proposed by scholars and market researchers. There is a common perception that such blueprints are most appropriate for deploying Web 2.0 appropriately in CRM.

Combining the previous thoughts leads to the *research question*, namely *how can organizations strategically deploy the opportunities provided by Web 2.0 in their CRM?* Splitting this question into three *research objectives* is the basis for answering the question. That is, the objectives are met by scrutinizing the conceptual background of SCRM, defining and scoping the concept of SCRM and, finally by developing an explanatory model.

Setting the scientific research background and ***research approach*** give direction on how to accomplish the objectives. In particular, the design-oriented paradigm of BISE science is chosen. DSR aims at developing innovative artifacts that propose a solution to a practical problem. The guidelines for DSR by Hevner et al. (2004) and the process model by Peffers et al. (2007) serve as the basis for structuring activities, selecting appropriate methods and ensuring rigorousness. Figure 32 summarizes the research process including objectives for each phase and methods applied.

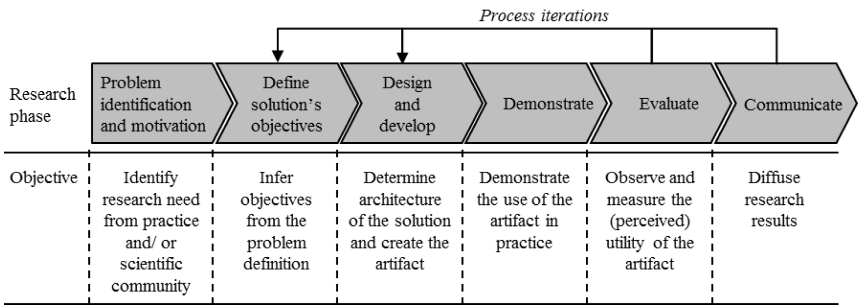


Figure 32 - Research process

The summary of ***research results*** aligns the research objectives. The first (*review conceptual background*) is auxiliary to the two others and implies an examination on the common grounds between Web 2.0 and CRM. Combining the different perspectives on both concepts reveals a substation intersection. In simple terms, Web 2.0 can be deployed in CRM in order to facilitate a direct connection with consumers. This connection is the basis for more intense interaction. The provision and exchange of relevant content should confirm the connection and motivate higher participation. Based on repeated interactions, there is a development of relational bonds and mutually beneficial outcomes (Szmigin et al., 2005, p. 481). Nonetheless, the integration in practice remains challenging. Even though CRM emphasizes interaction and collaboration, it is not comparable to a dynamic Web 2.0 environment. Consumers expect a transparent, authentic, personal and real-time interaction. That is, Web 2.0 revolutionizes both online communication and CRM.

Given that SCRM represents a new way to deal with consumers in the Internet, as well as the need to apply new management approaches, it is essential to *define the concept and its boundaries* (Payne & Frow, 2005, p. 168). An appropriate outline of SCRM is therefore a pre-requisite for designing and implementing novel consumer-centric management. To repeat, SCRM is defined as *a holistic and cross-functional approach supported by strategies, technologies, processes, corporate culture and social characteristics. It is designed to involve customers and other connected web-users in interactions on organizations' managed Social Media profiles and platforms as a means of providing mutually beneficial value.*

The definition can be complemented by explaining the similarities and differences between CRM and SCRM (Table 51, next page). As shown in the figure, SCRM and CRM share the same vision of establishing sustainable and symbiotic relationships. The central difference is the routine of how relationships are established and maintained. CRM is about managing customers, implying mainly passive customers. SCRM is about customer engagement, implying active participation. The focus of communication in SCRM is on consumers as individuals and their membership in communities. These people have relationships with others and talk about their experiences, tell stories or present themselves. SCRM aims at motivating people to talk about consumption experiences, giving recommendations or collaborating with others. Implicit in this context is the reference to an object of interest, such as a brand.

Attributes	CRM	SCRM
Vision	Establish sustainable and mutually beneficial relationships	
Approach	Strategic	Strategic
Type of relationships	Private 1:1 Relationships (B2C)	Public 1:n (B2C) and n:n (C2C;C2B) relationships
Consumer behavior	Passive	Active
Target groups	Potential, present, lost customers	Same as CRM, but also customers networks
Management objective	Customer management	Consumer and community engagement
Business insights	Limited insights from and about customers	Detailed insights from and about consumer & community
Outcomes	Positive consumer experience and superior economic performance	

Table 51 - Differences between CRM and SCRM

In other words, consumers should be encouraged to actively shape their relationship with an organization. This is done by group building and facilitating the creation and exchange of brand-related UGC. Online brand communities of likeminded people can be cost-efficient for managing relationships. A large proportion of the management is done among and between community members through to collaborative exchanges. Nevertheless, it is of striking importance for organizations to continuously provide relevant content and join interactions when appropriate, thus demonstrating a high level of activity. Maintaining a high level of consumer participation is challenging. Most people simply seek information to solve their own problems and are not interested in an ongoing dialogue. Organizations have to identify the levers that motivate an enduring participation and thereby increase positive perceptions. In simple terms, this means interlinked engagement strategies and ongoing initiatives across all communication channels.

“SCRM adoption in practice requires management innovations and transformative approaches to integrating Social Media and Web 2.0 mechanisms (Chui et al., 2012). This demands adaptation in mindsets towards collaboration and transparency (Acker et al., 2011) […] In its most extreme form, the move to Web 2.0 means developing a new proposition - indeed a whole new business -

in which customers are the focal point of organizational activities (Stone, 2009)" (Lehmkuhl & Jung, 2013a, p. 198). In other words, structured planning is required to orchestrate all activities and ultimately contribute to the achievement of corporate goals. The SCRM model (*third research objective*) addresses this objective, presenting a holistic solution to planning the integration of Web 2.0 into CRM. The model describes and explains this procedure by means of eight generic processes (Figure 33). Six of them deal with strategic planning (shaded grey), while the others are dedicated to implementation planning (white boxes). The emphasis in this thesis is on the six planning processes.

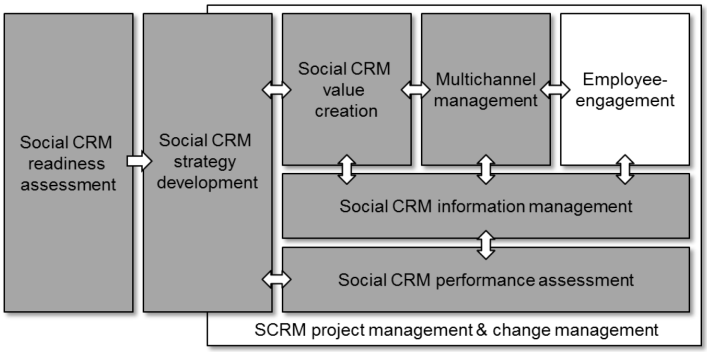


Figure 33 - The SCRM model

The activities in the *SCRM readiness assessment process* deal with determining structural and organizational readiness. There is an examination of the general business conditions and an assessment of the CRM philosophy and Web 2.0 approach. Building on these insights, SCRM opportunities are projected.

The activities in *SCRM strategy development* process refer to setting strategic parameters for SCRM. This includes an analysis of business and relevant functional strategies but also defining a consumer strategy and stressing strategic alignment. Outcome is a specification of strategic directives for SCRM.

The activities in the *SCRM value creation* process are about determining the value creation potential. The objective is to translate the defined strategies into programs that both extract and deliver value. The work packages to be addressed identify the levers for value co-creation, prioritize the SCRM opportunities/use cases, formulate value propositions and define the content strategies to promote consumer engagement.

The activities in *multichannel management* translate the results of the previous two processes into value-adding activities. These determine the most suitable Social Media channels, conceptualize the channel integration and define Social Media data requirements. Ultimately, there is an alignment of all communication channels and strategies.

The activities in *SCRM information management* deal with the collection, collation and use of Social Media information. This means designing a data integration concept based on relational information processes. The technical infrastructure is the basis for determining technical capabilities and requirements for information management. The expected outcome is to deliver better market, product and consumer insights that can be used to improve business and performance.

The activities in *SCRM performance assessment* deal with establishing a control concept through monitoring the delivery of objectives and identifying improvement opportunities. This includes determining a SCRM measurement system, designing a performance monitoring concept and establishing routines for evaluating performance.

Finally, the *support processes* include employee engagement, project management and change management. These all stress distinct activities related to SCRM implementation. Their importance is due to the emphasis on the "human" factor. Any planning is unlikely to be successful if the strategies are not implemented in daily employee practices.

SCRM pioneers have started with advanced consumer integration by means of Social Media for innovation (e.g. crowd-source ideas), marketing (sharing content and spreading WoM), service (C2C support communities) and sales (peer reviews and advice). The Customer-facing activities and routines are already established, and also provide an active Social Media monitoring which supports market research. A deep integration of Web 2.0 into in business practices is lacking. There is usually little cross-functional collaboration, but instead a selective application of Web 2.0 in functional units. More generally, there is limited awareness of Web 2.0 among senior executives. It is unquestionable that Web 2.0 is just one means of supporting business. Yet, if there is only limited understanding of its levers for improving performance, there will be a failure to push SCRM as a decisive differentiation factor.

To conclude, the triggers of SCRM are technological advancements and societal changes, leading to empowered web-users who are engaged in public and direct dialogues with organizations and peers in order to derive personal value. SCRM adds by facilitating consumer engagement as a means of establishing mutually beneficial relationships. It is a holistic organizational approach supported by strategies, technology platforms, processes, corporate culture and social characteristics (Lehmkuhl & Jung, 2013a, p. 199). Organizations that wish to strategically deploy the opportunities provided by Web 2.0 in CRM need to take account of the following three aspects:

Firstly, organizations must develop and formalize a thorough understanding of Web 2.0 and CRM as the underlying concepts. Prior to any integration of Web 2.0 into CRM, it is necessary to clarify the applicability, opportunities, scope and objectives of both concepts. A review of current practices is useful in order to grasp the degree of implementation. Conceptwise, there is a close match, but Web 2.0 is about active consumer participation. User empowerment, immediate communication and higher involvement are new to CRM. The traditional concept also emphasizes interaction and a direct connection. A central difference is that there has so far been a one-way interaction. Due to Web 2.0, there is now an intense two-way interaction and consumers have ownership of the dialogue (Greenberg, 2010, p. 413).

Secondly, setting the basis for SCRM requires defining the concept and its boundaries. This means explaining the vision, goals and measurable targets. Since SCRM is just one part of a general CRM, it requires elaborating on the similarities, intersections and differences. In this thesis, SCRM is understood as a management approach and philosophy. The objective is to facilitate consumer engagement, i.e. positive perceptions and an active role in shaping experiences. Any means should be used to increase the proximity to and interaction with/among consumers. This requires connection, interaction and collaboration via Social Media. The ultimate goal is to create value for all parties involved. This serves as a basis for establishing mutually beneficial relationships.

Thirdly, organizations should follow a structured and holistic approach to planning SCRM. A solid integration of Web 2.0 into CRM requires an integrative and process-oriented management solution. The developed model builds on this premise. The strategic planning focuses on six dimensions, which are SCRM readiness assessment, SCRM strategy development, SCRM value creation, multichannel management, SCRM information management and SCRM performance assessment. Complementary support processes dealing with implementation issues include employee engagement as well as project and change management.

Aligning the integration of Web 2.0 into CRM with respect to these three aspects supports consumer-centric management. This means renouncing from a goods-dominant focus in favor of a service-dominant focus. The market offer becomes just one value proposition that supports solving consumer problems (Österle, 2001, p. 50). In such a situation, there is a response provided to the cluetrain manifesto stating that "companies need to come down from their Ivory Towers and talk to the people with whom they hope to create relationships" (Levine, Locke, Searls, & Weinberger, 2001, p. xxiv). Yet, organizations are only beginning to use the opportunities provided by Web 2.0, a process which this dissertation is intended to support.

Appendices

Overview

Appendix A - Introduction to the Nubert case

The research project and its corresponding publication (Lehmkuhl & Jung, 2013b) about the Nubert electronics is used throughout this dissertation to motivate the research, to exemplify arguments and to demonstrate the SCRM model's practical applicability. A more elaborate introduction to the case is given in this Appendix. In particular, reference is made to the introduction of the publication (page 1-2) and the business model description (pages 13-20).

Introduction

"Web 2.0 as a contemporary phenomenon receives considerable attention by IS scholars as it changes the perception and usage of the Internet. User integration, engagement, experience and collaboration are motivated in this context, i.e. social mechanisms being integrated within a technological-mediated environment. Eventually, these mechanisms revolutionize communication of organizations since their target groups become effectively involved in the corporate communication.[1] The simplicity for web-users to recommend, tag, share, score or comment on organizational contents possibly leads to a high reach of company messages. This user empowerment therefore impacts organizational value creation which should be explored and exploited[2].

Yet, there is still uncertainty how companies should integrate the opportunities of Web 2.0 to generate sustainable business value[3]. While it is claimed that Web 2.0 provides opportunities especially for SMEs to overcome difficulties in adopting new technologies[4], there is a slower adoption to be noticed compared to large organizations[5,6]. To address Web 2.0 and value creation challenges for SMEs, it is our objective to elaborate on the value creation potential of Web 2.0 as a key for organizational success. In an inductive study we apply the business model construct and value creation theory to identify how SME can exploit Web 2.0 as well as which factors are difficult to be replaced by these mechanisms. Put differently, we aim at developing an answer to the question: How can SME integrate the opportunities of Web 2.0 to create value?

We begin by reviewing the conceptual background underlying this research. Hereafter we present the methodology that this paper employs. In succession we perform the case analysis followed by a discussion of our findings. We conclude with the observation that SMEs can effectively use Web 2.0 as a means to support customer acquisition, alleviate resource limitations and to maintain customer enthusiasm. No potential for using Web 2.0 mechanisms is observed in case that high customer convenience is required which is based on the involvement of different parties or on personal service support." (Lehmkuhl & Jung, 2013b, p.1-2)

Business Modell description

"The BM ontology developed by Osterwalder[28,29] presents the logic of intend to generate profits. We use these nine building blocks as a framework to develop the understanding of our case company

Customer segments

The case company focuses on the niche market of audiophile people. This target group is interested in audio entertainment, values high quality products and is willing to spend some money on respective components. To meet the diversity of needs and financial potential, there are five distinct product lines. It is perceived by management and its community members' that the current target group (30 years +) has little affinity towards Web 2.0 platforms and that the company's image may not fit in such a setting. Information retrieval for a purchase would still rely on online and offline magazines for audio, video and hifi, not on Web 2.0 platforms. Correspondingly, the managing director states:

"In addition we see our target group rather in a segment where Facebook and Twitter not necessarily belong to the most important means of communication."

However, for getting access to the mass market as well as to increase brand awareness, it is recognized that there is a need to maintain some presence on the most popular social networks such as Facebook.

Value propositions

The central means to attract customers is the extraordinary and award winning service quality at the customer hotline. Six sales agents support customers not only in regards to the company's products but more and more also in regards to the entire consumer process of home-entertainment, i.e., bundling of all customer needs in terms of products and information.

"People demand a personal contact and are not willing to solve problems on their own. […] Our extensive support is not possible in a written form and we also do not have the capacities and capabilities for that."

Next to this, there are frequently requests for support within the forum of which the employees are not aware of. In these cases, there is an extensive and supportive dialogue between community members about all kinds of details related to the audio experience at home. As a consequence, the high service quality can be attributed to the hotline as well as the forum.

An additional value proposition is the product quality represented by the label "Made in Germany", numerous product awards and a long durability of about 30 years.

Reliability is thought to be a further value proposition. This relates to the speed in terms of product delivery, honesty of support agents, value stability of products and a long product guarantee.

Key resources

To leverage the value propositions requires mainly human resources. As main face to the customer there is a need for knowledgeable experts on the hotline that can explain, consult and convince. Outsourcing this task is no option since the direct customer interaction is at the heart of business.

Furthermore, being able to offer loudspeakers with the latest technology demands a high degree of technical expertise. Since the company's owner is responsible and dedicated to the product development, it could be ensured that there are product innovations which can generate market impact. This is important since the overall market for home entertainment is declining while customer demands are still increasing. In particular, product design, wireless connections and mobility are trends that have to be taken care of. The sales director stated in reference to product development and design:

"The living room is usually the playground of a women and full of accessories. A loudspeaker has to subordinate in such an environment."

Hence, it is a challenge to develop design oriented loudspeakers that meet the demands for a high quality consumption experience.

Customer relationships

The personal assistance is the most vital type of relationship. Since the purchasing process for durable goods is quite intense there is a need for much information. With the complexity of the products, it is considered as most customer friendly (convenience), effective (due to a high up-selling potential) and efficient (quick problem solving) to have a personal exchange on the phone within the pre-sales phases. After a product purchase and some after-sales questions, there is usually no more interaction between the customers and the company. Hence, it is important to collect as much customer information as possible at the few touch points (usually two times before a purchase and two times after a purchase). From a customer perspective, this personal relationship is also expected. Since the products are sold over the Internet, there is no possibility for a physical product experience (e.g. touching, listening) during the purchasing process. Customers therefore expect a high convenience during support, payment and delivery to be confident that the purchase (average shopping basket of close to EUR 1000) matches their individual needs as much as possible.

The online forum as another key interaction point and aspect to manage the customer relationships is self-managed by its users and not driven the company's involvement.

"The forum serves in the first places the exchange of experiences between customers and interested people. […] There are many specialists, connoisseurs

and experts that are willing to provide their expertise as well as to share their enthusiasm about the wonderful hobby "music and movie playback."

Therefore, the forum contributes significantly to acquiring and retaining customers.. Requests for support are discussed in a supportive dialogue between members providing detailed answers to all kinds of topics related to the audio experience and the audio/video/hifi-consumer process. To maintain the positive dialogue culture within this forum, there are principles for a fair communication. In addition, there are two employees that review newly established contents and serve as kind of passive moderators. In case of problems, questions or complaints, they escalate to the managing director that takes care of solving the issue within about twelve hours.

Cost structure

Considering the intensive relationship management, it is evident that the business model is very much value driven due to the personalized service and overall customer orientation.

"We are ready to help and spend quite some money to offer the service. [...] We listen a lot to our customers and therefore we accomplish our growth."

As it is as an owner-managed business there is a high cost consciousness. Outsourcing cost drivers like the service hotline or product assembly, i.e., high fixed costs, are no viable options due to control and quality concerns as well as traditional reasons of the business.

Key partnerships

Ensuring high quality products requires close ties to local suppliers. Long term collaborations allow for flexibility in the production process of different loudspeaker components in case of problems or short-term adaptation needs. Collaboration with the service provider for product delivery is also critical to warrant a fast transportation of goods. Smooth operations with financial institutions are further in scope to offer a high convenience and security during the customer's payment process. Paying via PayPal Express is the latest option within a multitude of payment possibilities in this context since 20% of orders are dropped during the last step before the order is placed. The reduced efforts with this payment method should reduce dropout rate, increase customer's convenience and indicate customer orientation due to multiple requests for that payment option. The opportunity to sell products in the future via a Facebook store is no viable option as it is regarded as insecure.

Revenue streams

Revenues stem from product sales on the Internet and the two stores. Within the last years, the share of online revenues is continuously increasing and make up already more than 70% of total sales. While only loudspeakers and related accessories are offered on the website with fixed prices, there is some rebate potential for additional equipment which can be used to temp a customer within the sales process.

"*We do not enforce that [price reduction for additional equipment] because it is a critical area. If we want to compete against Amazon and Co., we will fail.*"

That is, there is no emphasis on complementary products because the complex support and customer service could no longer be financed for products with lower margins such as DVD players.

Channels

The interfaces between company and customers during the customer's buying process are presented in Table 6.

Table 6. Customer touch points during the purchasing process

	Channel phase				
Channel type	Awareness	Evaluation	Purchase	Delivery	After-sales
Stores	x	x	x	x	x
Website	x	x	x		
Amazon	x		x		
YouTube	x	x			
Online forum	x	x			x
Facebook	x				
Hotline	x	x	x		x

x = Support of a channel type within a dedicated channel phase

Two stores originate from the company's beginnings about 35 years ago and offer a full product range of consumer electronics. With about 20 employees they are the tradition of the company and kept as long as they are somehow economically justified.

The most important source of information is the website including product descriptions and videos, customer and expert reviews, a guest book, customer images of their entertainment equipment, contact numbers, a product configurator, a C2C market for used products and the integrated e-shop. The guestbook as a means to publish customer reviews was established in 1998. The sentiment of comments is in the majority of posts very positive and provides excellent word-of-mouth recommendation for products and service. Particular positive and especially the few negative comments are commented by the company. In case of negative comments it can be observed that there are other customers that start arguing in favor of the company. Making these comments public to a large audience, i.e. on the wall of a popular social network or an online rating platform, could facilitate to increase brand awareness and brand image.

Amazon is used as placement platform to increase product reach and awareness due to high number of visitors. Only a selected range of loudspeakers are offered with only little information describing the products. Interested web-users should be motivated to navigate to the company's website for detailed information, products and complementary equipment as well as to perform the actual purchase on the online shop.

The YouTube channel was established in 2008 due to the simplicity to integrate product videos on the website. It also enables Apple device users to watch the clips since these devices do not support the flash technology which is used by the website. The potential of YouTube as a means of integrating customer-generated information seems to be underestimated. There are currently 33 video clips uploaded by the company and 98.000 visitors. Most of these videos are product related clips. Only a few of them provide supportive content which is valuable when setting up the home audio system. Providing more of these supportive clips could be used as additional service for the after-sales phase. The 1.650 related video published by customers (to be identified when using the company name as search term in YouTube) could be a valuable source for these support tips. Alternatively, they might be referred to on the company's website. The rationale for pushing YouTube clips is to influence customer experience due to music, movement, a customer's home environment when considering a purchase.

The online forum as a major company asset counts about 19.500 registered users and about 640.000 posts. In scope of this study we analyzed the discussion threat whether the company should increase its Web 2.0 footprint. Within this threat, there are in total 125 comments. We classify the sentiment of these comments into positive, neutral, negative or not related to the subject matter. The results do not indicate a clear tendency (Table 7).

Table 7. Forum analysis

Sentiment	Count of answers	Comment
Positive	36 (29%)	Comments are in favor but still skeptical
Negative	28 (22%)	Strong position against increasing a Web 2.0 footprint
Neutral	17 (14%)	No clear positioning due to ambivalent opinions
Not related	44 (35%)	At the end of discussion, when there were no more new arguments

Even though it was intended to discuss the Web 2.0 footprint in general, the discussion quickly developed in to a discussion about Facebook. Based on the arguments there is evidence that contributors have little familiarity with Web 2.0 applications beyond this popular social network. Those that argue in favor of Facebook consider the benefits related to enhancing brand awareness within the mass market. Especially younger people that become potential customers in the future can be attracted by this means. The concerns within this group of people are related to the availability of relevant contents and the possibility to initiate and engage in a dialogue on that platform. These concerns are shared by management. While the forum is mainly self-managed and developed without enforcement over time, there will be significant efforts to be spent for establishing a large Facebook community, pushing proper content and adequately responding to requests. Moreover, Facebook is perceived as a platform for interaction among friends not between an organization and its followers.

"There is no such thing as friendship on Facebook between producer and its customers […] "If we are doing it, it has to look good and there needs to be a large community."

Those comments that indicate a negative sentiment take a clear position: Existing communication channels are sufficient, target customers do no use this communication channel and Facebook might be only a contemporary phenomenon. Moreover, Facebook would not fit the company's image of being personal, serious, credible, customer centric, autochthonous. The large numbers of comments without a relevant contribution to the topic evolve at the end of the discussion. The assertions herein are mainly related to Facebook in general, privacy concerns and company examples that maintain a poor Facebook presence.

Despite these critical sentiments of current customers as well as the management's considerations, there is a Facebook fan page since mid-2012. It is considered as an experiment and currently used as a push communication channel.

"We cannot neglect Facebook but it is not sure what is going to happen in two years because everything is so dynamic. […] One or two posts per week have to be sufficient because I [the managing director] do not want to spend more time and also do not have relevant contents."

The company postings are marketing messages about new products or positive product reviews of some magazines. There is little interaction in terms of comments or link sharing from followers. Moreover, there is little knowledge how to stimulate an online dialog or engage followers in content creation. As a consequence, there is a huge potential to foster interaction and web-user participation as a means to increase reach and thereby facilitate customer acquisition.

The hotline as a last communication channel should be touched upon only briefly as it has been explained already before. Mentionable in this context is that it is the central point of contact for all customer matters and the fasted source for question and complaint handling.

The linkage of the different online channels – especially the YouTube channel – is not intended and considered as of no assistance. The management argues that all information is supposed to be available on the website, including the product videos. It is also considered that visitors of the YouTube channel are attracted by other videos or advertisement of competitors and therefore leave the website.

Key activities

A central activity is the management of organizational growth. Since there are no growth targets to be accomplished and conservative prediction about future product demand, it is acknowledged that preparing the company for further growth has been somewhat neglected. Managing growth poses challenges related to increasing supplier and production capacities, storage space, availability of qualified human resources and general management capabilities.

Customer acquisition is the second central task to be pursued since emphasis needs to be put on generating awareness in the mass market. Of special interest are those people that buy audio products at a wholesaler in the age of 18-20 and develop increasing expectations when they turn older. With an increasing penetration of mobile devices and table computer there are advertisements in e-paper and Ipad magazines next to regular online and offline magazine. The Facebook profile is recognized as most suitable in this context despite the above mentioned concerns and questions related to value contribution and sustainability. A pre-requisite for customer acquisition is to maintain service excellence. The combination of product quality and service excellence drives the most significant aspect for acquisition i.e.

"Recommendations are very important. We only receive recommendations if we offer good quality and a satisfying service… [as well as] only if the customer is completely enthused." (Lehmkuhl & Jung, 2013b, p.13-20)*"*

Appendix B - Social CRM survey

The survey "Social CRM – state of practice" examined the status quo of SCRM within organizations in Germany Austria and Switzerland by means of an online questionnaire. The survey was online between 05.01.2013-18.03.2013 and in German language only.

The questionnaire was draws on prior publications that are assessing CRM by means of surveys. In particular, reference was made to the articles by Reinartz, Krafft, & Hoyer (2004) and J. Chen, Yen, Li, & Ching (2009). In total there were twenty questions which were grouped into the categories (1) general questions, (2) the use of Social Media in the organization and (3) the use of Social Media in CRM. The questionnaire was pre-tested with two Social Media Managers to examine its coherence and comprehensibility.

318 persons were asked for participation via Xing and E-Mail. To be selected as potential participant, there was a query on Xing using a selection of the criteria country, person offers, position (at present) and keyword (Table 51).

Selection criteria	Attributes
Country	Austria, Germany, Switzerland
Person offers	CRM, Customer service, Social CRM, Social Media
Position (at present)	Social Media, Communication, New Media, CEO
Key words	Social Media

Table 52 - Selection criteria for survey participants

77 of the 318 contacted persons participated in a survey implying a response rate of 24.2%. Among these answers, 51 were complete (66%) and served as final dataset for examination.

The survey's results were presented and discussed with 17 persons (13 company representatives, 4 researchers (research assistants/chair member) from St.Gallen University) during the workshop "Social CRM & Advanced Consumer integration" on 22.05.2013. The workshop also served as first evaluation of the high level SCRM model.

Online Questionnaire (including answers)

Social CRM

Dear survey participant

We are grateful that you participate in the survey „Social CRM“ of St.Gallen University. Our intention is to determine the state-of-the art in using Social Media for the Customer Relationship Management. „Social CRM“ describes the usage of digital media (e.g. Facebook) and the communication principles of Web 2.0 to establish, retain or even terminate customer relationships.

The survey is clustered into three sections:

(1) General questions

(2) The use of Social Media in general

(3) The use of Social Media for CRM

The survey takes about 10-12 minutes. Your information will be treated confidentially and anonymously.

Thanks a lot for your support

Prof. Dr. Reinhard Jung

Torben Küpper

Tobias Lehmkuhl (tobias.lehmkuhl@unisg.ch)

General questions

This first section is about general information about you and your organization

1.	In which industry sector do you work?
Public sector	1.30%
Education	2.60%
Heath	2.60%
Financial services	7.79%
Manufacturing	10.39%
Insurance	10.39%
Retail/Wholesale	16.88%
Information and Communication	18.18%
Others	24.68%
No answer	5.19%

2.	How many employees are employed in your organization?
>5000	17.11%
1000-5000	30.26%
10-49	6.58%
200-499	11.84%
500-999	6.58%
50-199	18.42%
No answer	9.21%

3.	In which business function do you work?
HR	2.63%
Communication	5.26%
Product-/Service development	6.58%
Sales	10.53%
Others	13.16%
IT	14.47%
Marketing	42.11%
No answer	5.26%

4.	**Which position do you have in your organization?**
Head of business unit	7.89%
Member of the board	10.53%
Others	10.53%
Head of department	14.47%
Team lead	22.37%
Knowledge worker	28.95%
No answer	5.26%

The use of Social Media in general

The following five questions are about the usage of Social Media in the external corporate communication. Please indicate the current use of Social Media in your organization, not the expected use within the future.

5.	**Which Social Media does your organization use for the external online communication?** Please select all applicable answers:
Social Networks	100%
Video sharing communities	70.59%
Blogs	52.94%
Micro blogs	64.71%
Collaboration communities	39.22%
Content sharing communities	31.37%
Social bookmarking	9.80%

6.	**Since how many years does your organization use Social Media for the external communication?** Please select one of the following answers:
1-2 years	47.06%
3-4 years	25.49%
>4 years	15.69%
Not at all	3.92%
No answer	7.84%

7.	**How many FTEs (Full Time Equivalents) are employed to manage Social Media for the external communication?** Please select one of the following answers:
1-2 FTEs	47.06%
3-4 FTEs	11.76%
5-10 FTEs	11.76%
>10 FTEs	5.88%
No FTE	23.53%

8.	**For which application scope does your organization use Social Media?** Please select all applicable answers:
Marketing	96%
Customer service	63%
Product- and service innovation	45%
Recruiting	45%
Sales	37%
Product- und service development	24%
Others	18%

9.	**Which business function is in charge of Social Media at your organization?** Please select all applicable answers
Marketing	67%
Communication	49%
Dedicated Social Media unit	18%
Customer support	14%
IT	12%
Product/Service development	6 %
HR	6 %
Others	12%

The use of Social Media for relationship management

The last section deals with the use of Social Media in CRM. Please indicate the current usage of Social Media not the expected or projected usage in the future.

Please indicate your degree of confirmation along the Likert scale:
(1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

10. To what extent do Social Media contribute to customer relationship management in your company?
Please select the appropriate answer for each statement.

		Average
-	Our ability to acquire new customers is better than our competitors due to Social Media.	2.90
-	Our customer retention capability is better than our competitors due to Social Media.	3.20
-	We offer friendly and personalized service to our customers due to Social Media.	3.43
-	Our customers are satisfied with our service processes on Social Media.	3.06

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

11. To what extent do Social Media contribute to a customer-oriented IT?
Please select the appropriate answer for each statement.

		Average
-	Customer information collected on Social Media can be transferred and utilized among departments	2.88
-	We can handle mass interactive data from Social Media automatically	1.61
-	Conducting customer transactions via Social Media correctly and rapidly is very common for us	2.55
-	We regularly use our customer information collected from Social Media to provide customized products to our customers	2.61

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

12. To what extent do Social Media contribute to a customer oriented culture within your organization?
Please select the appropriate answer for each statement.

	Average
- Our employees are committed to providing superior service to our customers via Social Media	2.98
- Customers are truly valued via Social Media	3.41
- We pay close attention via Social Media to after-sales service	2.71
- Departments cooperate to effectively and efficiently complete jobs on Social Media	2.86

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

13. To what extent do Social Media contribute to customer acquisition?
Please select the appropriate answer for each statement:

	Average
- We use Social Media for identifying potential customers	2.96
- We use Social Media for identifying which of the potential customers are more valuable	2.65
- We made attempts to attract prospects in order to coordinate messages across Social Media	3.29
- We use Social Media for reestablishing a relationship with inactive customers	2.24

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

14. To what extent do Social Media contribute to customer retention?
Please select the appropriate answer for each statement:

	Average
- We use Social Media for determining which of our current customers are of the highest value	2.02
- We use Social Media to track the status of the relationship during the entire customer life cycle	2.20
- We use Social Media to provide current customers with incentives for acquiring new potential customers	2.59
- We use Social Media for maintaining an interactive two-way communication with our customers	3.75

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

15.	**To what extent do Social Media contribute to the resolution of customer relationships?** Please select the appropriate answer for each statement:	
		Average
-	We use Social Media for identifying non-profitable or low-value customers	1.29
-	We use Social Media for actively discontinuing relationships with low-value or problem customers	1.24
-	We use Social Media to passively discontinue relationships with low-value or problem customers	1.25
-	We use Social Media for offering disincentives to low-value customers for terminating their relationships	1.18

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

16.	**To what extent do Social Media contribute to a consumer centric management?** Please select the appropriate answer for each statement:	
		Average
-	We have systematic Social Media training procedures for helping employees deal differently with high- and low-value customers	2.24
-	We reward employees for building and deepening relationships with high-value customers on Social Media	1.41
-	Our Social Media activities are organized in a way to optimally respond to customer groups with different profitability	2.45
-	Organizing people to deliver differentiated treatment and products to different customer segments via Social Media presents a strengths for our organization	2.41

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

17. To what extend are Social Media integrated into CRM-systems?
Please select the appropriate answer for each statement:

		Average
-	Social Media information is used for CRM	2.22
-	Social Media is used for collecting and managing real-time customer information and feedback	2.00
-	We have a dedicated SCRM technology in place	1.65
-	Social Media enable a 1:1-relationship with potential customers	2.75
-	The quality of Social Media data quality is higher relative to our competitors	2.16

Scale: (1) not at all; (2) hardly; (3) somehow; (4) mainly; (5) completely

18. Would you like to receive a summary of the survey results?
Please select one of the following answers:

- I am interested in a benchmark between the results of my organization and the others
- I am interested in a general summary of the results

19. Please indicate your e-Mail

-

20. Please note additional information in the field below

-

Appendix C - Relationship measurement constructs

Antecedents	Explanation	Common Aliases
Customer-focused antecedents		
Relationship benefits	Benefits received, including time saving, convenience, companionship, and improved decision making	Social benefits, confidence benefits, special treatment benefits, functional benefits, rewards
Dependency on seller	Customer's evaluation of the value of seller-provided resources for which few alternatives are available from other sellers	Relative and asymmetric dependence, switching costs, imbalance of power
Seller-focused antecedents		
Relationship investment	Seller's investment of time, effort, spending, and resources focused on building a stronger relationship	Support, gifts, resources, investments, loyalty programs
Seller expertise	Knowledge, experience, and overall competency of seller	Competence, skill, knowledge, ability
Dyadic antecedents		
Communication	Amount, frequency, and quality of information shared between exchange partners	Bilateral or collaborative communication, information exchange, sharing
Similarity	Commonality in appearance, lifestyle, and status between individual boundary spanners or similar cultures, values, and goals between buying and selling organizations	Salespersons or cultural similarity, shared values, compatibility
Relationship duration	Length of time that the relationship between the exchange partners has existed	Relationship age or length, continuity, duration with firm/salesperson
Interaction frequency	Number of interactions or number of interactions per unit of time between exchange partners	Frequency of business contacts and interaction intensity
Conflict	Overall level of disagreement between exchange partners	Manifest and perceived conflict or level of conflict, but not functional conflict

Customer focused mediator	Explanation	Common Aliases
Commitment	An enduring desire to maintain a valued relationship	Affective, behavioral, obligation, normative commitment
Trust	Confidence in an exchange partner's reliability and integrity	Trustworthiness, credibility, benevolence, honesty
Relationship satisfaction	Customer's affective or emotional state towards a relationship, typically evaluated cumulatively over the history of the exchange	Satisfaction with relationship, but not overall satisfaction
Relationship quality	Overall assessment of the strength of a relationship, conceptualized as a composite or multidimensional construct capturing the different but related facets of a relationship	Relationship closeness and strength

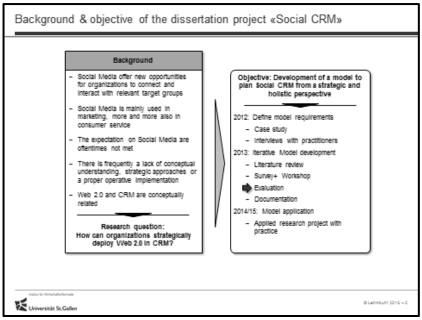
Outcomes	Explanation	Common Aliases
Customer-focused outcomes		
Expectation of continuity	Customer's intention to maintain the relationship in the future, which captures the likelihood of continued purchases from the seller	Purchase intentions, likelihood to leave (reverse), relationship continuity
Word of Mouth (WoM)	Likelihood of a customer positively referring the seller to another potential customer	Referrals and customer referrals
Customer loyalty	Composite or multidimensional construct combining different groupings of intentions, attitudes, and seller performance indicators	Behavioral loyalty and loyalty
Seller-focused outcomes		
Seller objective performance	Actual seller performance enhancements including sales, share of wallet, profit performance, and other measurable changes to the seller's business	Sales, share, sales effectiveness, profit and sales performance
Dyadic outcomes		
Cooperation	Coordinated and complementary actions between exchange partners to achieve mutual goals	Coordination and joint actions

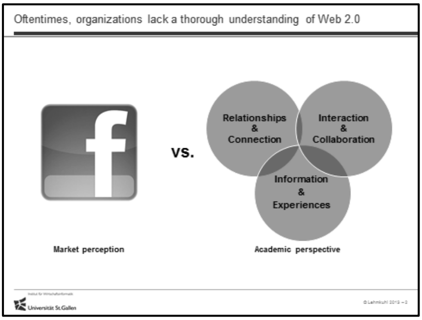
Appendix D - Design principles

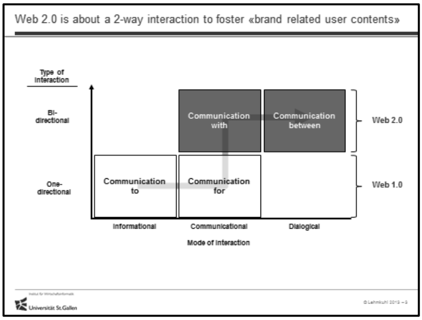
Design principle & explanation	Application in dissertation
Configuration Derive a configured model "c" out of a configurative model "C" by means of making choices from a greater variety of alternatives offered in "C".	Not applied
Instantiation Create a resulting model "I" by integrating one or multiple original models "e" into generic place holders of the original model "G". The model "I" incorporates the integrated construction results of "e" in "G".	Not applied
Aggregation Combine of one or more original models "p" that build "a" resulting model "T", with the models "p" forming complete parts of "T".	The CRM Meta-model is based on the model by Payne and Frow (2005) and combined with parts of other CRM models.
Specialization Design a resulting model "S" from a general model "G". All statements in "G" are taken over in "S" and can either be changed or extended.	Not applied
Analogy: An original model "A" serves as a means of orientation for the construction of a resulting model "a". The relation between the models is based on a perceived similarity of both models regarding a certain aspect.	The SCRM model is derived by free-handedly adapting the CRM Meta-model adapted in terms of transferring certain patterns of it creatively

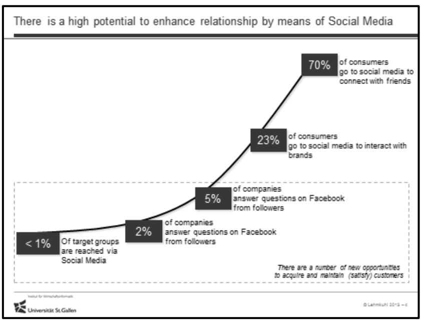
Appendix E - Evaluation documentation

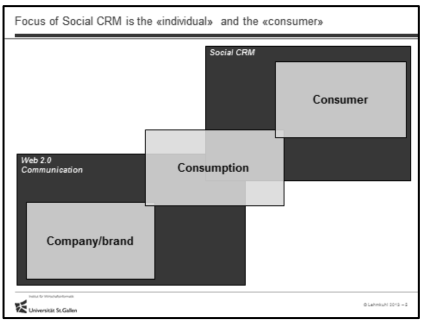
Hand-out to interviewees



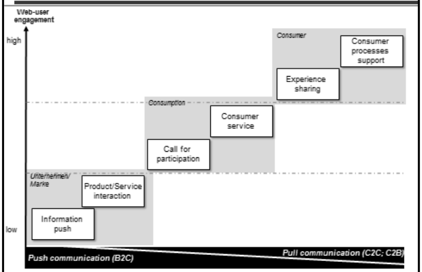








There are different approaches to stimulate web-user engagement

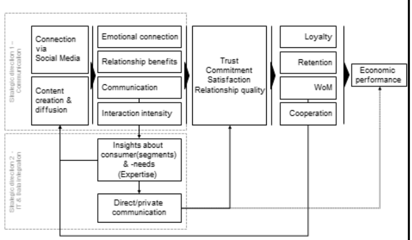


Conceptual understanding & definition of SCRM

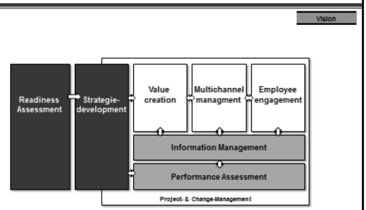
SCRM is a holistic and cross-functional organizational approach supported by strategies, technologies, processes, corporate culture and social characteristics. It is designed to engage customers and other connected web-users on organizations' managed Social Media profiles in interactions as a means to providing mutually beneficial value.

Attributes	CRM	Social CRM
Vision	Establishing sustainable and profitable relationships	
Approach	Strategic	Strategic
Type of relationships	Private 1:1 Relationships (B2C)	Public 1:1 (B2C & C2B) & 1:n (C2C) Relationships
Consumer behavior	Passive	Active
Target groups	Potential, actual, lost customers	Same as CRM but also customers' networks
Management objective	Customer management	Web-user engagement
Business insights	Limited insights from and about customers	Detailed insights from and about consumer & community
Outcomes	Positive consumer experience and superior economic performance	

The SCRM success chain



Social CRM is an holistic and strategic approach



The «Readiness Assessment» examines the current state of practices

Objective of the process Assess organizational readiness to Social CRM		
Work package	**Measures**	**Results**
Assess business conditions	- Business model analysis - SWOT analysis - Business Model adaptation assessment - Value creation identification	- Web 2.0 value creation spotted
Assess CRM approach	- Mission & strategy review - Customer relationship categorization	- CRM philosophy determined
Assess Web 2.0 approach	- Web 2.0 objectives - Web 2.0 communication - Engagement assessment - Target groups expectations	- Web 2.0 management approach determined
Assess Social CRM opportunities	- Stakeholder analysis - Social CRM mission - Social CRM opportunities	- Levers for Social CRM envisaged
Outcome Structural and organizational readiness defined		

The «strategy development» determine strategic objective for SCRM

Objective of the dimension Define strategic parameters for Social CRM		
Work package	**Measures**	**Outcomes**
Business strategy analysis	- Review strategic objectives - Industry and competitive analysis - Network analysis - Technology review	- Web 2.0 industry maturity determined - Cooperation partners identified - Trends for an advanced consumer integration revealed
Consumer strategy definition	- Segmentation - Consumer processes modeling	- Social CRM target segments specified - Contribution to consumer processes defined
Functional strategies analyses	- Strategy reviews	- Contribution of functional strategies to Social CRM specified
Strategic alignment	- Stakeholder workshops	- Governance framework defined - Social CRM objectives defined
Result Strategic direction for Social CRM specified		

The SCRM «value creation» is define from three interlinked perspectives

Objective of the dimension Translate the strategies into programs that both extract and deliver value		
Work package	**Measures**	**Outcomes**
Co-creation of value	- Web 2.0 interaction principles - Interaction partner identification	- Levers for value co-creation identified
Business value	- Customer lifetime value - SCRM opportunity qualification	- Social CRM opportunities prioritized
Consumer value	- Consumer processes analysis - Relational benefits	- Value propositions formulated
Result Social CRM value propositions determined		

The «mutlichannel management» ensures a consistent consumer experience

Objective of the dimension Translate results of strategy and value creation processes into value adding activities		
Work package	**Measures**	**Outcomes**
Content strategies	- Engagement stories - Storyline	- Content strategy defined
Channel options	- Channel selection - Online community assessment - Communication standards	- Social Media portfolio determined
Channel integration	- Channel alignment - Digital hub	- Channels integration conceptualized
Unified customer view	- Data requirements - Data source gap analysis - Data privacy	- Social Media (consumer) data requirements defined
Result Alignment of communication channels and strategies		

The «information management» takes care of the Social Media data management

Objective of the dimension		
Collection, collation and use of information from relevant Social Media		
Work package	**Measures**	**Outcomes**
Relational information processes	- Processes definition and integration	- Social Media data integration concept designed
SCRM infrastructure	- Analytical CRM capability assessment	- Technical capabilities for SCRM information management determined
Result		
New and better business insights that can be used to improve business and performance		

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The «performance assessment» takes care of controlling the achievement of goals

Objective of the dimension		
Monitor delivery of SCRM objectives and identify improvement opportunities		
Work package	**Measures**	**Outcomes**
Shareholder results	- SCRM shareholder metrics - Performance standards	- Measurement approach determined
Performance monitoring	- Performance metrics per process - Measurement methods	- KPI cockpit designed
Performance assessment	- Performance review - Performance communication	- Assessment procedure determined
Result		
SCRM controlling concept in place		

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Interview notes

Interview 1

Meeting information	
Date and time	June 5th 2013; 14:00h-16:30h
Type of Meeting	Personal Meeting
Meeting participants	Interviewee and T. Lehmkuhl
Supporting material	Short presentation to introduce the topic Social CRM

Interviewee information	
Name	Anonymized
Position/Function	Community manager
Qualification for being selected as interviewee	Engaged in Social CRM; set-up Social CRM at his company from the initial planning until implementation.

Company information	
Company	Anonymized
Industry	Insurance

PART 1 - Use of Web 2.0 and Social Media

1. **Please complete the following sentence according to the importance of Social Media:**
   – Not addressed during interview

2. **What is the application focus of Web 2.0 & Social Media in your organization?**
   (e.g. Marketing, Sales, Service, CRM, product development)
   – Customer Service
   – Marketing

3. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media**
   – There was the need to do something on Social Media but little understanding among top management on how to do it and what to do
   – Establish an online community for providing operational excellence, employee engagement and customer experience

4. What kind of Social Media information is relevant for organizations to improve business?

- Not addressed during interview

PART 2 - Approach towards Social CRM

5. What means Social CRM to you?

- Not addressed during interview

6. What is the difference between Social CRM & Web 2.0?

- Not addressed during interview

7. Which (new) target groups could be addressed by means of Social CRM?

- Not addressed during interview

8. What _strategic aspects**_ should be considered when dealing with Social CRM?**

- Perform a readiness assessment
  - Obtain commitment for experimentation
  - Start with a pilot project
  - Determine how and why consumers identify themselves with the brand
  - Determine the expectations of target groups
  - Ensure strategic alignment (esp. Business / IT)
  - Review strategic objectives of business strategy & unique selling propositions
- Strategy development
  - Establish an online community and invite consumers joining that community. Build the community not only for the 1% of heavy contributors but also intermittent consumer and lurkers
  - Perform market analyses of adjacent markets/industries and other countries
  - Perform network analysis and assess strategic partnerships
  - Design engagement strategies to promote an ongoing community involvement
  - Define common objectives and targets across different functional units (a strategic alignment)
  - Propose the objectives to functional strategies. Yet, be assured that there is a resistance to change.
  - The online community is an open platform that could be used by

medical doctors or medical consultants.

9. Which (new) *value propositions* could you provide to your target groups by means of Social CRM?

– Identify consumer processes
– Define new value propositions (provide value via community platform when people are healthy, try to differentiate in the market not by means of prices but by means of content)
– Assess impact on acquisition and retention economics
– Assess impact on revenue and cost reduction (e.g. due to C2C management)
– Identify the group of heavy users and offer special treatment benefits
– Do not talk about the market offer but the topics the customers are interested in → use boundary spanners

10. Which aspects should be considered in regard to *multi-channel management*?

– There is a need for a seamless consumer experience across all channels (offline & online)
– Activate people to join community by means of announcements on hotlines, supplements, competitions
– Determine functionality & purpose of each channel
– Assess importance of mobile communication devices and their impact
– Assess whether a single person, mascot, or boundary spanner should be the face to the customer. In any case, there should be a personal communication, i.e. from a natural person who is communicating with a follower
– Follow a digital hub strategy, implying an aggregator platform

11. How could/would you *measure the success of Social CRM & what should be measures*?

– Establish SCRM governance (body)
– Measure loyalty & customer satisfaction
– Measure competitive positioning
– Reveal the causes and effects of Social Media contributions or initiatives

12. Which role does the *Information Management* play in regard to Social CRM (IT-Systems, Analytics, Data)?

– Use of the Lithium SCRM community software
– Clarify platform ownership
– A thorough performance measurement is only possible as soon as IT

systems are integrated

13. Which *additional aspects/dimensions* should be considered when talking about Social CRM?

– SCRM is a maturity process that starts with exploration and experimentation. There is also a need for specific targets. You need to start with the issues that are of relevance to accomplish the targets

PART 3 – Outlook

14. What are the major barriers towards a better Social CRM?

– Not addressed during interview

Interview 2

Meeting information	
Date and time	June 26th .2013, 15:00h-16:00h
Type of Meeting	Phone interview
Meeting participants	Interviewee and T. Lehmkuhl
Supporting material	Short presentation to introduce the topic Social CRM

Interviewee information	
Name	Anonymized
Position/Function	CRM Consultant
Qualification for being selected as interviewee	Expert knowledge and insights from various companies; i.e. several years of experience in consulting projects dealing with the design and implementation of CRM

Company information	
Company	Anonymized
Industry	Consulting, IT-Services, Outsourcing

PART 1 - Use of Web 2.0 and Social Media

1. **Please complete the following sentence according to the importance of Social Media:**
   - Not addressed during interview

2. **What is the application focus of Web 2.0 & Social Media in your organization?**
   (e.g. Marketing, Sales, Service, CRM, product development)
   - Customer Service
   - Marketing

3. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media?**
   - Not addressed during interview

4. **What kind of Social Media information is relevant for organizations to improve business?**
   - Not addressed during interview

PART 2 - Approach towards Social CRM

5. What means Social CRM to you?

- It is not a sales funnel; it means a 24/7 presence that provides a good „experience“ to the consumer

6. What is the difference between Social CRM & Web 2.0?

- It is more than Facebook and more than only focusing on the existing customer
- It is about all potential consumers of a company

7. Which (new) target groups could be addressed by means of Social CRM?

- It is about all potential consumers of a company that are active on Social Media

8. What _strategic aspects**_ should be considered when dealing with Social CRM?**

- Identify who are the customer/consumer groups that can be addressed via Social CRM. Which platforms do they use and when are they active (who, when, how)?
- Define the objective of Social CRM (e.g. sales, service, marketing,)
- Consider potential partnerships to accomplish strategic objectives and to satisfy the consumer.
- Reconsider segmentation approach to focus not only on current customer segments but on the consumer *per se*
- It has to be identified how Social CRM is organized in the organization, which organizational functions need to participate and whether all employees can become engaged –> *readiness assessment*
- It needs to become clear who (e.g. organizational function) is going to benefit from Social CRM and who (e.g. organizational function) is going to pay for the investment in Social CRM –> stakeholder analysis and effects

9. Which (new) _value propositions**_ could you provide to your target groups by means of Social CRM?**

- The consumer might be identified by an organization due to his behavior and interests. That is, an organization can identify those consumers that are really interested in a purchase (discovery phase) and may contact that person by providing valuable content which is relevant to the person at that moment in time
- Provide service by means of a community that can be found simply via

Google search
- There might be a new value proposition for each phase of a consumer's experience cycle (discover, consider, evaluate, purchase, use)
- There is a need for a seamless consumer experience across all channels

10. Which aspects should be considered in regard to *multi-channel management*?
- „One voice and message“ in the communication between different channels (i.e. type of message style)
- Consistency of contents across all communication channels (offline & online) (i.e. type of contents)
- A thorough integration of Social Media in traditional CRM communication mix

11. How could/would you *measure the success of Social CRM & what should be measures*?
- Measure performance against competition
- What is the impact on the bottom line? That is, what is the impact on revenues and on costs
- Measure performance of each phase of the experience model (discover, consider, evaluate, purchase, use)

12. Which role does the *Information Management* play in regard to Social CRM (IT-Systems, Analytics, Data)?
- Information Management needs alignment of Business & IT. That is, define requirements from business perspective towards IT and assess, what can be done in the short term and which adaptations are needed
- Ensure that the Information management is aligned on the strategic objectives
- Provide information about performance of competition
- Identify new trends (e.g. platforms, how to use them, new contents).

13. Which *additional aspects/dimensions* should be considered when talking about Social CRM?
- It has to be identified how Social CRM is organized in the organization, which organizational functions need to participate and whether all employees can become engaged –> *readiness assessment*
- It needs to become clear who (e.g. organizational function) is going to benefit from Social CRM and who (e.g. organizational function) is going to pay for the investment in Social CRM –> stakeholder analysis and effects

PART 3 – Outlook

14. What are the major barriers towards a better Social CRM?

- The (business) potential of SCRM is not known or cannot be assessed properly.
- A business case is missing because there are costs involved. Yet, it can be questioned whether there is really a necessity to calculate a business case
- Most organizations have a very narrow perspective on their target groups and focus on their customers but not on (their) consumers.
- IT & Business Alignment is difficult. It has to be define who is going to take the lead for pushing Social CRM
- Organizational change

Interview 3

Meeting information	
Date and time	June 24th 2013, 11:00h-12:30h
Type of Meeting	Phone interview
Meeting participants	Interviewee and T. Lehmkuhl
Supporting material	Short presentation to introduce the topic Social CRM

Interviewee information	
Name	Anonymized
Position/Function	Solution/Pre-sales consultant
Qualification for being selected as interviewee	Expert knowledge and insights from various companies, i.e. several year of experience in examining needs, opportunities and requirements (from a technical as well as business perspective) for Social CRM software as well as providing implementation support of corresponding software for customers

Company information	
Company	Anonymized
Industry	ICT (Social CRM software provider)

PART 1 - Use of Web 2.0 and Social Media

1. **Please complete the following sentence according to the importance of Social Media:**
   Today, Social Media is ….. & will become in 5 years….

   – Not addressed during interview

2. **What is the application focus of Web 2.0 & Social Media in your organization?**
   (e.g. Marketing, Sales, Service, CRM, product development)
   – Not addressed during interview

3. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media?**

(e.g. word of mouth, revenue increase, cost reduction, customer loyalty)

– Not addressed during interview

4. What kind of Social Media information is relevant for organizations to improve business?

– The type of information depends on the strategy and the SoMe platforms used
– Key questions to be answered are:
  - What is going on? (i.e. how does the interaction look like)
  - Where does the conversation happen? (i.e. platforms used)
  - What are the topics of interest to connected web-users?
  - Who is the participating web-user and in which context is he/she relevant for the organization. That is, what are his/her behavioral patterns and how can an organization integrate this person into co-value creation
  - Feedback to products/service offerings
  - The value of personal data (e.g. birth) is hard to determine. Sometimes it is questionable whether organizations should use personal information for a targeted 1:1 communication because connected web-users have privacy concerns (i.e. how did the organization got access to personal information such as birth date)

PART 2 - Approach towards Social CRM

5. What means Social CRM to you?

– Social CRM is a sustainable approach that impacts all areas of business (e.g. product development, service, new acquisition strategies).
– On the one hand, SCRM objectives should be derived from business objectives in the first place. On the other hand, SCRM might drive business objectives and, in its most extreme form, even drives business strategy (e.g. the British virtual mobile network operator giffgaff)
– Social CRM needs to start with strategic objectives and is an integrated and holistic approach

6. What is the difference between Social CRM & Web 2.0?

– Social CRM builds on a proper online community in which there is a sufficient numbers of community members and interaction
– Social Media and Social CRM are some first steps for organizations to become more open towards their target groups
– Social CRM seems more applicable for organizations that offer

products/services that are complex and manifold. Those offerings need more support so that a community seems plausible
- In situations in which Marketing reach is a central objective, it is more difficult to establish an online brand community and a sustainable web-user engagement
- Social CRM often starts with customer support and service. Later on, it spills over to marketing and other functional areas such as product development.

7. Which (new) target groups could be addressed by means of Social CRM?
- All people that are interested in a brand/company

8. What *strategic aspects* should be considered when dealing with Social CRM?
- Strategic objectives have to be determined in the first place because Social CRM is more than just marketing, sales and service
- The objectives and targets of Social CRM have to be connected and linked to dedicated measures that reveal the success of all efforts
- The number of “Likes” and “followers” are not a strategy
- Ensure that the impact of the community engagement is reflected in the strategy
- Understand the behavioral (engagement) patterns of web-user when developing a SCRM strategy

9. Which (new) *value propositions* could you provide to your target groups by means of Social CRM?
- A C2C community is key because UGC is much more credible than corporate messages
- Provide “insider” or exclusive information and content to connected web-users
- Apply the concept of “gamification” as a means for support. Ensure that the support deals with relevant and interesting topics as well as that there is sufficient 3rd party information available (i.e. user generated contents)
- Apply the concept of “crowdsourcing” to truly integrate web-users in co-value creation

10. Which aspects should be considered in regard to *multi-channel management*?

- Facebook is not sufficient to establish and maintain a high web-user engagement. It is rather an extension of other platforms (e.g. community). It can provide the links to relevant topics and enables to increase the reach of messages
- SEO is important because contents of an online community need to be found when doing a simple search query on e.g. Google. This is because social contents (i.e. UGC) are much more credible than corporate messages even
- External platforms like Twitter and Facebook ensure a high reach of message. However, they do no facilitate a thorough engagement or exchange of opinions/information. A social hub/community is the central means to stimulate engagement and peer-to-peer exchange

11. How could/would you *<u>measure the success of Social CRM & what should be measures</u>*?

- Determine and assess the impact of Word-of-mouth (e.g. the community recommends)
- Fluffy measures are engagement and reach.
- In the end it boils down to traditional performance measures as determinant of "added value" from a community engagement:
  - Call deflection rate (e.g. amount of support from C2C community)
  - Upselling
  - Net promoter score
  - Retention rate
  - Determine impact of crowd sourcing (e.g. less development costs and impact on revenues (e.g. Migros ice tea)
- Success measures are somewhat more difficult in:
  - a marketing focused environment in which "an information push" is central to keep brand awareness high
  - a consumer goods context because products are not complex and in which there is little engagement
- If product related and purchase relate information is key measure e.g.
  - the conversion rate of a SoMe to promotion
  - the uplift of selling due to community push
  - the amount of UGC

12. Which role does the *<u>Information Management</u>* play in regard to Social CRM (IT-Systems, Analytics, Data)?

- Information Management and performance measuring/monitoring are closely interrelated.

13. Which *<u>additional aspects/dimensions</u>* should be considered when talking about Social CRM?

– Social CRM assessment is an important step to determine the need/impact of a community

PART 3 – Outlook

14. What are the major barriers towards a better Social CRM?

– Not addressed during the interview

15. Imagine we are in the year 2020. How does Social CRM look like in your company?

– Not addressed during the interview

Interview 4

Meeting information	
Date and time	October 18th 2013, 15:00h-16:30h
Type of Meeting	Personal meeting
Meeting participants	Interviewee and T. Lehmkuhl
Supporting material	Short presentation to introduce the topic Social CRM

Interviewee information	
Name	Anonymized
Position/Function	Head of Social Media and CRM
Qualification for being selected as interviewee	Engaged in SCRM, i.e. in charge of setting-up a Web 2.0 strategy, implementing that strategy and managing its expansion towards Social CRM.

Company information	
Company	Anonymized
Industry	Sports

PART 1 - Use of Web 2.0 and Social Media

1. **What is the application focus of Web 2.0 & Social Media in your organization?**
   (e.g. Marketing, Sales, Service, CRM, product development)
   – Marketing & Communication
   – Sales
   – CRM

2. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media?**
   (e.g. word of mouth, revenue increase, cost reduction, customer loyalty)

   – Increase reach
   – Revenue
   – Branding

3. **What kind of Social Media information is relevant for organizations to improve business?**
– Not addressed during the interview

PART 2 - Approach towards Social CRM

4. **What means Social CRM to you?**
– Social CRM is holistic in nature. It has to be addressed by an integrate approach that addresses the dimensions of the Social CRM model.
– Most important is a strategy and clear value proposition. Only if there is some value for web-users, there can be any value for the organization
– Content is king to fulfill the strategic objectives

5. **What is the difference between Social CRM & Web 2.0?**
– Not addressed during interview

6. **Which (new) target groups could be addressed by means of Social CRM?**
– Not addressed during interview

7. **What should be considered when doing the readiness assessment?**
– Ensure that it reduces uncertainty among management
– Identify an apparent reason to deal with the topic (e.g. because of competition; web-users interest)
– Assess trends (technology, web-user behavior)
– Assess potential contribution to business objectives

8. **What *strategic aspects* should be considered when dealing with Social CRM?**
– Corporate or business unit objectives
– Strategies/targets of functional units (e.g. media targets)
– Find an answer to the question "how can Web 2.0 contribute to our targets". Develop hypothesis on the contribution and its expected effects
– Social network analysis & social graph of opinion leaders/heavy influencers
– Competitor analysis,
– Stakeholder analysis (internally)
– Network analysis (externally)
– Assess strategic partnerships (e.g. with sponsors) in order to (re-)finance

activities
- Understand needs and demands of web-users to create compelling content that provides value to the different target groups (e.g. latest news information; exclusive information; background information; polls; lotteries)

  Design communication principles dealing with the manner of communication but also the information to be published (i.e. what can be published)
- Design an engagement strategy that fits to different platforms characteristics and that ensures interactivity.
- Be aware of opinion leaders
- Designing the strategy shall be done from a web-user's point of view (i.e. what's in for the web-user)

9. Which (new) *<u>value propositions</u>* could you provide to your target groups by means of Social CRM?
- Value propositions depend on the preferences of the different target groups. Each group needs to be satisfied by providing good content. Content is king.
- The value generated from Social Media needs to support fulfilling the strategic objectives. E.g.
  - Good content supports increasing reach (in terms of connected web-users)
  - Increasing number of connected web-users support increasing brand awareness
  - Interaction with web-users support community building
  - Integrating sponsors support revenue generation
  - Merchandising supports revenue generation AND consumer information

10. Which aspects should be considered in regard to *<u>multi-channel management</u>*?
- Content is the trigger point to create value.
- Multi-channel management is about all communication platforms
- Multi-channel management is part of the strategy to support the objective of "increasing reach"
- Assess the content that is already available and that might be re-used.
- The more channels are managed the more return is accomplished (multiplier effect). Use the platforms to promote the others.
- Offer different contents per platform (between 30%-50%). Yet, the overall strategic objective have to be met (e.g. reach and revenue)

- Be aware of the (technology, user behavior, platform) trends. E.g. join new and promising platforms early. Collect experiences and be one step ahead of competition as soon as they become mainstream.
- Design a hub strategy. Web-users are teased with free content on third party platforms (e.g. Facebook) but should be motivated to join the organization's online community and possibly consume paid content
- Be aware of the platform's principles and mechanisms
  - e.g. Twitter = speed of distribution; identification of opinion leaders because initial source that posted a tweet can be identified if re-tweeted; e.g. journalists; media format = text
  - e.g. Facebook = reach of message; difficult to identify opinion leader among hundreds of comments; media format = images
  - User structure (e.g. understand preferences measured in terms of virality/interactivity; sentiment)
  - There are different strategies and value contributions per channel
- Use of "hashtags" as a means to increase reach.

11. How could/would you *measure the success of Social CRM & what should be measures*?

- Measure success of content produced in terms of
  - negative/positive sentiment (done manually)
  - degree of interactivity
  - revenue
- Measurement on aggregate level not on individual level. i.e. measure overall interactivity/virality not of just one single person.

12. Which role does the *Information Management* play in regard to Social CRM (IT-Systems, Analytics, Data)?

- Initially objective shall be to increase reach and create awareness
- Data integration gains importance as soon as there is a proper level of reach and virality. Data integration supports monetization due to personalized offers
- Social network analysis & social graph of opinion leaders/heavy influencers (difficult at present)
- Information management is linked to strategy because it may indicate that contents are not of interests for web-users (value) which means that strategic objectives cannot be achieved.

13. Which *additional aspects/dimensions* should be considered when talking

about Social CRM?

- Change management is very important because there will be some resistance

PART 3 – Outlook

14. What are the major barriers towards a better Social CRM?

- Fear of experimentation and trial & error
- Necessity to calculate a business case upfront.

15. Imagine we are in the year 2020. How does Social CRM look like in your company?

- The entire business model will be digital and Web 2.0 is a fully integrated part of it.

Interview 5

Meeting information	
Date and time	November 21st 2013; 14:00h - 15:00h
Type of Meeting	Phone interview
Meeting participants	Interviewee, two employees working in CRM and T. Lehmkuhl
Supporting material	Short presentation to introduce the topic

Interviewee information	
Name	Anonymized
Position/Function	Central IT
Qualification for being selected as interviewee	Engaged in SCRM, i.e. leads the SCRM initiative from IT perspective

Company information	
Company	Anonymized
Industry	Global supplier of technology and services

Part 1 - Use of Web 2.0 and Social Media

1. **What is the application focus of Web 2.0 & Social Media in your organization?**
   (e.g. Marketing, Sales, Service, CRM, product development)
   – Social Media are likely to be used for Marketing push communication
   – Social Media are also used for interaction in case that fans/followers raise questions
   – Social Media is used for Innovation Management (idea communities)
   – Social Media usage for CRM not yet in place. Requirements from business are not formulated. Focus on SCRM stems from a technical perspective; Central IT addresses the topic to be ready whenever business defines requirements

2. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media?**
   (e.g. word of mouth, revenue increase, cost reduction, customer loyalty)

   – Social Media (Facebook, online forum, etc.) have a transaction focus and no relation to CRM. Traditional CRM is about collecting data to establish a master database. The step from the transactional perspective to master data is a challenge in Web 2.0 because it connects online (virtual) and offline. There needs to be a compelling use case to address this challenge

3. **What kind of Social Media information is relevant for your organization to improve business?**
   (consumer feedback, profile data, identity data)
   – Identity data would be good to establish a comprehensive customer profile
   – Consumer feedback/input for idea generation

PART 2 - Approach towards Social CRM

4. **What means Social CRM to you?**

– Social CRM means being able to better serve customers due to comprehensive customer insights that are generated from the different customer touch points. A central requirement is the link between virtual and real identities of a person
– At present CRM is not integrating information/ a consolidated perspective of the interaction history via SoMe.

5. **What is the difference between Social CRM & Web 2.0?**

– Social Media/Web 2.0 are new tool for customer communication and subject to the marketing function. Social Media management can also work without data integration especially for marketing or customer acquisition purposes where individual customer data are not required
– Web 2.0/Social Media management becomes SCRM as soon as it is possible to identify the identities of the followers/customers

6. **Which (new) target groups could be addressed by means of Social CRM?**

– Segment specific marketing might be an opportunity due to Social Media if data could be consolidated and IF specific customer segments could be identified. Yet, this communication is not possible via Social Media because any communication is public and visible to all followers. Hence, there is no need to define new customer segments on local databases. The segment is the group of followers on each platform.

7. **What *strategic aspects* should be considered when dealing with Social CRM?**

– Big lever for Social CRM is in regard to provide a better customer service. If there are detailed customer insights they can be used to better serve the

customer in case of questions.
- There need to be dedicated use cases (processes) & objectives for SCRM that require detailed Social Media customer insight

8. Which (new) *value propositions* could you provide to your target groups by means of Social CRM?
- The use cases for SCRM need to be developed.
- The use cases which are derived from enhanced insights need to be valuable for followers.

9. Which aspects should be considered in regard to *multi-channel management*?
- There shall be a unified view on the customer to ensure "one voice to the customer" by providing an aligned answer via different communication/interaction channels. To realize this one voice, demands a data integration based on the interaction history

10. How could/would you *measure the success of Social CRM & what should be measures*?
- Success measurement done from a marketing perspective

11. Which role does the *Information Management* play in regard to Social CRM (IT-Systems, Analytics, Data)?
- Data security is a major concern. A declaration of consent is required before storage of meta-data is allowed. As soon as there is an incoming request ("ticket"; e.g. through a question), data storage is possible.
- Data requirements need to be defined up-front by business to ensure a targeted data management. These requirements are - at present - lacking.
- Social Media data shall link the virtual and real identity of a person. Yet, this is challenging because an identity is likely to be discovered if there is a warranty claim or other unique identifier that links the Social Media profile to a customer profile
- There is no need for Social Media data integration if there are product requests because Marketing has no use of it.

12. Which *additional aspects/dimensions* should be considered when talking about Social CRM?
- n/a

PART 3 – Outlook

13. What are the major barriers towards a better Social CRM?
- Data protection & security
- Identification of compelling use cases and application scenarios for SCRM

14. Imagine we are in the year 2020. How does Social CRM look like in your company?
- Not addressed during interview

Interview 6

Meeting information	
Date and time	December, 6th 2013; 15:00h-15:45h
Type of Meeting	Phone interview
Meeting participants	Interviewee and T. Lehmkuhl
Supporting material	Short presentation

Interviewee information	
Name	Anonymized
Position/Function	Online Marketing & Social Media
Qualification for being selected as interviewee	Engaged in SCRM, i.e. designed the organization's Social CRM strategy

Company information	
Company	Anonymized
Industry	Telecommunication

Part 1 - Use of Web 2.0 and Social Media

1. **What is the application focus of Web 2.0 & Social Media in your organization?**
   (e.g. Marketing, Sales, Service, CRM, product development)
   - Marketing, Sales, Service
   - Innovation Management
   - Community Management
   - Product development
   - Operations improvement (e.g. process improvement)
   - HR
   - PR

2. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media?**
   (e.g. word of mouth, revenue increase, cost reduction, customer loyalty)

   - In the end it is about the traditional corporate performance targets - Cost efficiencies & revenue impacts.

PART 2 - Approach towards Social CRM

3. **What means Social CRM to you?**

– A strategic approach affecting all parts of the business. It aligns on the business strategy.
– It acknowledges that the online communication has changed and that consumers are empowered
– IT is an enabler for SCRM.
– SCRM has a direct impact on the entire value chain of an organization.

4. What is the difference between Social CRM & Web 2.0?
– Web 2.0 is a communication phenomenon.
– Social CRM is the response of organizations to react on the changes in online communication. The traditional perspective of segmentation & push communication is no longer valid.

5. Which (new) target groups could be addressed by means of Social CRM?
– It is not clear who is involved in the interaction. It can be an existing customer, any consumer interest in a dialogue or a potential customer.

6. What *strategic aspects* should be considered when dealing with Social CRM?
– There needs to be an assessment up-front to determine the as-is situation and to define a pre-scope. It includes an answer to the questions:
  - What should be accomplished?
  - What is the objective?
  - Which stakeholders need to be involved and how can they participate?
  - What can be realized eventually
  - How can SCRM be implemented (e.g. soft implementation with a pilot vs. hard implementation with a centralized roll-out)?
– A strategy should include the vision, mission, goals/objectives (e.g. use the Pyramid Principle by Minto) which are transformed into a roadmap with specific measures. All the elements herein have to be MECE (i.e. mutually exclusive and collectively exhaustive).

7. Which (new) *value propositions* could you provide to your target groups by means of Social CRM?
– Efficiency gains due to a fast and positive service experience from C2C or B2C support.
– A pro-active communication in case of consumer issues is perceived positively in some countries (e.g. USA). In Germany, there is usually a re-

active communication to be applied. It means that the consumer initiates a conversation and asks for support from the community/organization. Also, a pro-active communication requires permission from consumers and is not perceived as favorable.

- The added value for consumers from Social Media is an open communication and dialogue, better market offers and fast response times in case of questions and problems.
- The traditional CRM push-communication is an "artificial" communication. Human communication is about interaction and dialogue. Social Media based customer communication is closer to this "natural" interaction and dialogue. It is therefore much more customer friendly/centric.

- In general, it is difficult to determine the added value for an organization due to SCRM. The different value drivers are very fragmented across the organizational value chain.
- Value for the organization is due to a more targeted (brand) communication because it is much more target segment specific. This means the right communication at the right point in time in the right channel directed to the right person. This requires a proper community building.
- The customer segmentation becomes better due to Social Media. There can be a micro-segmentation.

8. Which aspects should be considered in regard to *multi-channel management*?

- Channel alignment.
- Content differentiation between channels
- Dedicated trainings and standards for employees using SoMe for external communication

9. How could/would you *measure the success of Social CRM & what should be measures*?

- Common Social Media KPI (e.g. engagement, interactivity)
- Efficiency and Revenue are major KPI.
- It is very difficult to determine the impact of SCRM initiatives.

10. Which role does the *Information Management* play in regard to Social CRM (IT-Systems, Analytics, Data)?

- All people have demands and needs that they express. Organizations need to identify these expressions and decide if it is of relevance from them. In such a case, there shall be a dialogue to solve the need. Possibly, it results in a new lead generation.

- IT and information management becomes the enabler in a mass market for a better CRM.
- Data need to be managed in order to derive new insights that can be used for new and segment specific campaigns.
- Data collection, data management and data management are major challenges. For example data generation always requires an opt-in (i.e. permission) to ensure compliant with data protection and communication act. There is a need for data scientists and big data managers that can deal with the volume of unstructured data. Without these capabilities there is no proper data integration of disparate sources.
- The type of data being required are threefold:
  - Anonymized data: easily accessible but with a little impact for CRM. Used for market research, trend scouting, (product)satisfaction analyses
  - Semi-anonymized data: can be used to create profiles/persona with different patterns (e.g. affinity score) and serve them with tailored offerings
  - Personal data: have the biggest impact on CRM because they enable a personalized offer/communication.

11. Which _additional aspects/dimensions_ should be considered when talking about Social CRM?

- n/a

PART 3 – Outlook

12. What are the major barriers towards a better Social CRM?

- Cultural change: Senior management needs to understand that consumers are empowered due to Social Media and that organizations need to adapt their manner of dealing with their target groups
- There is a need for an SCRM strategy.
- Value creation is key. That is, there needs to be a good answer to the question “what’s in it for the company” but also “what is the perceived value for the consumer”?
- There is the need to determine the use cases for SCRM and how it results in new solutions, products/services, processes, strategies (i.e. vision & mission)
- How to deal with data protection and regulatory constraints/restriction?

Interview 7

Meeting information	
Date and time	28.11.2013, 17:00-18:10h 11.12.2013, 16:30-17:20h
Type of Meeting	Phone interview
Meeting participants	Interviewee and T. Lehmkuhl
Supporting material	Short presentation on background & objectives

Interviewee information	
Name	<anonymized>
Position/Function	Head of Online, Social Media and CRM
Qualification for being selected as interviewee	Engaged in SCRM, i.e. has built the Social Media Portfolio from scratch and is responsible for CRM

Company information	
Company	Anonymized
Industry	Automotive

PART 1 - Use of Web 2.0 and Social Media

1. **Please rank the communication channels of your company according to their importance for your company.** (not only Social Media)

– Social Media are the “entry-channel” for a general communication. Data protection & privacy concerns are an inhibitor
– Direct mailings (postal)
– Supplements in magazines
– Newsletter
– Website
– Facebook, due to reach
– YouTube, due to recommendations received about related interesting clips; Clips in general are a good tool for automotive companies on Social Media
– Google+: becomes more important due to SEO; a question is how to integrate it into processes
– Twitter: only for PR, not possible to tell stories, not relevant for end-consumer communication
– Xing/LinkedIn: used to position as employee, somehow managed by HR

2. **Please complete the following sentence according to the importance of Social Media:**
   Today, Social Media is ….. & will become in 5 years….

- At present, Social Media is not in focus of management. There are not guidelines/rules. This ensures flexibility and the opportunities for trial & error.
- Management’s perception is that Social Media does not contribute to sales. There is no dedicated budget attributed to Social Media
- With respect to the company’s market share, there is a saturation of Social Media to be expected soon; With a Social Media budget there might be an option to increase reach from 20k Fans @ Facebook to 40k/50k, but not more
- Social Media is mainly used for private purposes. People receive so many information every day that there needs to be compelling Social Media content from an organization in order to connect and interact with them.
- Nobody knows what is happening. The landscape is very dynamic and people’s preferences/behaviors change

3. **What is the application focus of Web 2.0 & Social Media in your organization?**

- Marketing (create awareness)
- Services (solve customer problem)
- In the future, use APP for social sales and more service

4. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media?**
   Translated from German: "Together, we are the ONLINERS at <company name>. We do not just simply be official Heralds at this point, but our concern is to connect with our fans in a dialogue and to keep in touch. All questions can and we will not be able to answer, but we like to help as much as possible. Because we take care of this account in-house without any agency, it may take a little longer at peak times until we will respond. We are trying to be fair to our fans and are reluctant to hand over the account to an agency. In addition to the direct dialogue with you we want to give an insight into the activities of the brand, disseminate important messages quickly and gladly share funny stories. Enjoy your virtual visit to our various channels."

5. **What kind of Social Media information is relevant for your organization to improve business?**

- not consumer related information is needed

– general information

PART 2 - Approach towards Social CRM

6. What means Social CRM to you?

– At present, there is no relevance for a Social Media supported CRM due to a B2B business model. The company's customers are its dealers not the final consumer.
– CRM in general is an essential sales and marketing instrument.

7. What is the difference between Social CRM & Web 2.0?

– Web 2.0 in a company context is about a brand/product related interaction. SCRM is about consumer talking about themselves (compare engagement stages)

8. Which (new) target groups could be addressed by means of Social CRM?

– Existing customers
– "Hard core fans" and persons engaged in fan-clubs
– Bloggers dealing with the automotive industry (managed/taken care of by PR department)
– The average age of a person buying a new car from the company is about 54 yrs. old. This group of people is not involved on Social Media. The groups of people to be reached via Social Media are younger ones that purchase a used car. These younger ones are not the company's primary target groups.
– People that have an affinity to "Rally". This is due to the company's engagement in this segment
– Those that are interested in E-Mobility. This is due to the pioneer role of the company; there is even a dedicated FB Page, yet not promoted on official site. This is due to the very small target group. There are also many unsolved questions.
– Ideally also future customers, yet quite difficult
– There is the need to know the heavy contributors (from 20k FB users about 500)

9. What *strategic aspects* should be considered when dealing with Social CRM?

- The model is coherent. You should start with a strategy and find the ways to implement it. The model can support that planning process.
- How to create awareness or at least maintain awareness
- Cross-functional collaboration required to e.g. solve consumer requests (call center), to clarify technical problems (pre-sales = product management, after sales = technical department), ensure alignment with regulation (legal department); ensure alignment with data protection (data security); ensure alignment with dealers (dealer coordination); ensure alignment with HR (e.g. employment law due to a 24/7 availability) In fact, SCRM requires a business transformation
- There might be strategic partnerships/cooperation with dealers
- There might be strategic partnerships to push the topic e-mobility
- There might be partnerships with boundary spanners that act as brand advocates and talk on behalf of the organization. Yet, it would imply a dependency and would need a thorough control mechanism to ensure that content causes no problems with liability claims.
- As soon as there is a sufficient reach, there needs to be geographical targeting and a regionalization of campaigns/activities
- There is a need for some budget to e.g. extend campaigns on Social Media, to offer exclusive content, provide event related information
- In principle, there shall be some guidelines and directions on the proper use of Social Media
- Due to the increasing scale of requests, there need to be adaptations in the consumer support processes. Ideally, there is a pro-active monitoring of issues/topic and therefore a pro-active consumer support. Yet, there are regulatory constraints related to it
- Possibly, there is the need to integrate online sales, as soon as there is some social/app sales of accessories, winter tires or the scheduling of service

10. Which (new) *value propositions* could you provide to your target groups by means of Social CRM?

- Provide a thorough customer service
- In the future, provide social sales, by selling accessories via Social Media
- There is no short-term value for a consumer because there is not short term shopping experience
- Provide information, that is exclusive
- Accompany the consumer and show him the development process from concept until the final launch = experience the development process
- There might be an app (soon) to schedule a service meeting, purchase winter

tires
- Need for a personal communication, the provisioning of proximity/reach
- There needs to be a direct and personalized communication.

11. Which aspects should be considered in regard to *multi-channel management*?
- There is rough plan on content stories in a year which are repetitive each year. Those relate to inspections and car checks: In spring there is the car-check season after the winter, in autumn there is a light-check season, in the summer time there is a holiday-check. These initiatives shall create interaction and a touch-point with the dealer. Additional (repeating) content stories are due to motor shows , exhibitions (e.g. IAA). Contents produced are images to present the new cars. Stories related to special days can be created as well e.g. mother's day, father's day, day during the advent season.
- In fact, the car is a very emotional topic and the second most expensive investment in a household. People have a high involvement and emotional attachment. Content created needs to align on this matters.
- Need for an aligned content diffusion across channels
- Content needs always a relation to the brand
- Re-usage of existing content not always possible, yet it provides at least some content.
- Need for alignment across all communication channels.
- High dynamic in Social Media landscape. There is a need to be at those platforms that the customers use but, it is questionable what is going to happen.
- Mobile usage is a big challenge. Question to be addresses is how to reach and entertain consumers via mobile content.

12. How could/would you *measure the success of Social CRM & what should be measures*?
- Reach
- Interaction
- Brand awareness
- At present no objectives/targets formulated

13. Which role does the *Information Management* play in regard to Social CRM (IT-Systems, Analytics, Data)?
- Data integration between Social Media and CRM data not required
- All customer data are at the dealer. The consumer has a contractual relationship with the dealer not the manufacturer.

- Consumer data access is necessary - yet restricted - if consumer approaches the manufacturer directly (e.g. via Social Media). Otherwise there is consumer data access necessary. There is only the need for a database but no full CRM system
- PR department takes care of monitoring fan club pages & engages with them
- In case of problems, consumers approach the company directly. This is due to the high loyalty of those people
- There is no dedicated/automated monitoring of Social Media channels
- In the future use Social Media can be used for market research. At present, Social Media it is an option to get feedback quickly on general matters

14. Which *<u>additional aspects/dimensions</u>* should be considered when talking about Social CRM?

- There needs to be a cultural change in the organization to make it fit to the digital business environment.
- Success of SCRM depends on commitment and willingness of management as well as employees

PART 3 – Outlook

15. What are the major barriers towards a better Social CRM?

- Data protection and privacy sphere
- Regulatory constraints
- Access to content. This is because Social Media is not management priority

16. How does Social CRM look like in your company in the future?

- Need to follow the consumer. “The consumer is always right” and his needs have to be met. This implies overcoming regulatory constraints if the consumer wants to purchase a car online
- Major driver for SCRM is the increasing reach of online community. We have to face that aspect and develop new structures/processes

Interview 8

Meeting information	
Date and time	December, 20th 2013; 15:00h-15:45h
Type of Meeting	Phone interview
Meeting participants	Interviewee and T. Lehmkuhl
Supporting material	Short presentation

Interviewee information	
Name	Anonymized
Position/Function	Strategy consultant
Qualification for being selected as interviewee	Expert knowledge and insights from various companies; i.e. several years of strategy consulting and doing as-is analyses, status-quo assessments, strategic planning and implementation projects

Company information	
Company	Anonymized
Industry	Telecommunication

PART 1 - Use of Web 2.0 and Social Media

1. **Please rank the communication channels of your company according to their importance for your company.** (not only Social Media)
   - Prio 1 Traditional channels Print, TV (offline)
   - Prio 2 Online (website)
   - Prio 3 Social Media

2. **Please complete the following sentence according to the importance of Social Media:**
   Today, Social Media is ….. & will become in 5 years….

   - Supports the corporate's vision 2018 dealing with advanced consumer integration; plug & play; e-company (web-portal)
   - There is a higher integration of Social Media into the channel mix

3. **What is the application focus of Web 2.0 & Social Media in your organization?**
   (e.g. Marketing, Sales, Service, CRM, product development)
   - HR

- Marketing
- Sales
- Service
- Innovation management (connected car, health, energy; App design = in combination with competitions)

4. **Which objectives/targets do you pursue by means of Web 2.0 & Social Media?**
   (e.g. word of mouth, revenue increase, cost reduction, customer loyalty)

   - n/a

5. **What kind of Social Media information is relevant for your organization to improve business?**
   (consumer feedback, profile data, identity data)
   - consumer/product feedback (due to C2C support communities)

PART 2 - Approach Towards Social CRM

6. **What means Social CRM to you?**
- Strategic approach to manage customer relationships in Web 2.0

7. **What is the difference between Social CRM & Web 2.0?**
- Web 2.0 is expression to describe the features, functionalities, tool of the Internet
- Social CRM is a business strategy/philosophy that makes use of Web 2.0

8. **Which (new) target groups could be addressed by means of Social CRM?**
- Company already addresses all kinds of target groups (e.g. mobile contracts with individuals; triple play for households; offers for younger people, families, silver surfers,…)
- There is a better connection to and understanding of these target groups due to SCRM

9. **What *strategic aspects* should be considered when dealing with Social CRM?**
- There is a good start to perform a readiness assessment in order to discover/reveal the opportunities for SCRM. This includes the proposed work packages and measures

- You might want to call target group strategies
- Consider different time horizons. That is, long-term focus with a roadmap (3-5 year) and short-term focus (i.e. quick wins)

10. Which (new) *value propositions* could you provide to your target groups by means of Social CRM?

- Consumers have an aversion to an organization's invasion of their social space (i.e. a proactive communication)
- Offer an advanced consumer integration by means of:
  - o "Crowdsourcing" for ideation purposes (i.e. call for participation)
  - o "Crowdsourcing" for new product funding/initiatives and therefore to raise awareness/participation
  - o "Gamification" initiatives in order to ensure participation (i.e. call for participation)

11. Which aspects should be considered in regard to *multi-channel management*?

- Social Media monitoring can detect trends or central discussion topics, this type of information is used in form of aggregate data. The creation of a unified customer view from connecting disparate sources remains an expectation.

12. How could/would you *measure the success of Social CRM & what should be measures*?

- possibly measure a ROMI = Return on marketing invest
- Measure effectiveness of your campaigns to compare it with traditional effects on campaigns; But SCRM is not only about selected campaigns but an ongoing approach to interact with customers
- Customer satisfaction offline & online
- Impact of SoMe on churn rate, call avoidance (due to a higher high solution rate) but also additional call volume (as a positive response on Social Media campaigns)

13. Which role does the *Information Management* play in regard to Social CRM (IT-Systems, Analytics, Data)?

- The information management should be detailed (bottom-up) after there are strategic directives and a thorough content management (top-down)
- Upgrading and extending current systems is a pre-requisite for a thorough performance measurement. Due to the investment needed, it is a strong proof to comprehensively deal with SCRM.

– Possibly, there is a good/innovative middleware available from start-ups that are a good alternative to complex systems.
– A high investment is needed to thoroughly integrated Web 2.0 in IT systems. If there are no compelling arguments, quantifiable opportunities and clear use cases, there will be no investment decision.

14. Which *additional aspects/dimensions* should be considered when talking about Social CRM?
– Change management is critical to ensure employee commitment and to stimulate a cultural change. That cultural change takes many years. That is, SCRM needs to be considered as a long-term initiative.

PART 3 – Outlook

15. What are the major barriers towards a better Social CRM?
– Use cases for SCRM to develop new products/service, to integrate it in processes
– Question is how to deal with data protection and regulatory constraints
– There is the perceived added value

16. Imagine we are in the year 2020. How does Social CRM look like in your company?
– SCRM is just one cross-functional approach, that integrates different functional units and is organized efficiently and effectiveness

Appendix F - Social CRM engagement model

Research approach

An interaction research methodology was chosen to design the SCRM engagement model because it emphasizes interaction and communication between researchers and practitioners in the research process and implies an iterative approach in designing, evaluating and refining the artifact (Gummesson, 2002a).

In a first step, we identified relevant literature to define the conceptual background and ideas to stimulate web-users' engagement. We examined Social Media communication approaches of our research partners as well as "best-practices" that are mentioned in scientific literature or other media. This grounded approach enabled developing a first draft of the engagement model.

Secondly, we presented the initial model to eleven company representatives during the SCRM workshop which allowed confirming the model's coherence and enabled collecting first insights and requirements to integrate the model into a comprehensive SCRM approach (i.e. a SCRM readiness assessment). The industries covered by the participants included banking, insurance, media, public transport, telecommunications and home furnishing. Participants had not yet cooperated with the research team so that we considered them as objective when presenting the model.

After the workshop, we refined the model by integrating the newly generated ideas and insights.

Finally, we performed interviews with three Social Media managers (insurance, convenience food, sports industry) to verify the adapted model.

Stage 1 - Information push

Organizations that are basing their Social Media activities on an “information push approach” are rather skeptical about the value contribution potential of Web 2.0 and Social Media. Reasons for such a conservative Social Media management are “me-too” moves out of fear to miss the hype, missing cost-benefit analysis and the fear to lose control (Lehmkuhl et al., 2013, p. 3068). In consequence, they allocate few resources to manage platform(s) and reuse existing marketing or communication content to be pushed via Social Media. Communication is rather one directional and focuses on the organization, brand or products. Target group specific information that promotes the functionalities of Social Media platforms such as sharing, commenting or rating is missing. Provided information is usually objective, misses personal attachment or an involving messaging style. Connected web-users are mainly passive information consumers.

Examples of an information push approach can be observed from financial service providers, such as Credit Suisse[57]. Connected web-users are not attracted to share or comment the information provided. Moreover, it is not possible to write on the Facebook wall but merely to react to company postings. While the integration of a celebrity (tennis player Roger Federer) creates attention – measured in terms of likes or comments – there is little value to be gained for the bank. Comments related to Federer have no association with the bank, its products but only with the person. Still, it might be possible to track whether followers are also customers. In that case, they might be incentivized (e.g. get free tennis tickets) as a means to strengthen relationship and to create a positive customer experience. Nonetheless, an information push approach does not focus on stimulating web-users’ engagement. It might increase brand awareness if content is distributed (e.g. sharing, liking, re-tweeting) by fans to reach their peers. This requires content to be at least informative, suitable at that time or even exclusive.

[57] twitter.com/CreditSuisse; facebook.com/creditsuisse

Stage 2 - Product/service interactions

The second engagement stage is asserted as soon as there is some interaction on a company's Social Media profile. Communication seems to be more target group specific. Content is adapted to the functionalities of the platform. For example, there is a use of hashtags to label the content into a category. By that means, there is a direct communication for connected web-users as well as an indirect communication for other web-users that follow some specific topics. In particular, the soccer club FC Bayern München[58] makes extensive use of hashtags such as #FCBayern across different platforms. Nonaffiliated web-users might find the club's postings due to their interest in soccer. Hence, in a product/service interaction, most content is pushed by the platform provider/profile owner and interaction with connected web-users is related to the posted content. Based on the insights of this research, we perceive that most organizations are situated in this engagement stage at present. They acknowledge the need for interaction on Social Media, aim at stimulating an exchange related to their market offerings or encouraging feedback. Communication is still product focused and likely appears to be of promotional nature even though there is some interaction. Social Media management is mainly in the responsibility of the marketing or communication function. While basic enquiries related to products and services might be answered, there is not yet an alignment with customer support functions. In these cases, web-users are requested to contact service centers or traditional customer touch points. So while the service experience fails, content provisioning needs to be of thorough value to web-users in order to keep them as followers. Put differently, content provided should be - next to being informative, suitable at that time or exclusive - interactive, entertaining and multimedia (e.g. images, short video clips). In such a case, a product/service interaction based approach contributes to acquisition and sales generation as well as sets the basis for a communication of organizations *with* its target groups.

[58] facebook.com/FCBayern; plus.google.com/u/0/+fcbayern

Stage 3 - Call for participation

Developing proper and sufficient Social Media content is one of the major challenges. Traditional communication material is based on a one-way communication and not always suitable for an interactive Web 2.0 environment. The integration of web-users in content provision in such a situation becomes a valuable opportunity. Organizations may call for participation of their followers by asking for contributions which are beyond a simple rating or “like” of a statement. It is about requesting some creative efforts in content production or providing a response to product/service related question (e.g. “which kind of purpose do you use your loudspeakers for at home?”). Focus of that communication approach is the consumer that provides some brand-related UGC. Comparable to prior research, we observe that web-users are likely to show an engagement when asked for participation as soon they have any incentives (Zhang, Sung, & Lee, 2010).

For example, Canyon Bicycles[59] follows the theme “share the passion” and encourages its followers to share images of their bicycles. Since uploading an image is quite simple, about 32.4% of all contents on the company’s fan page are images. The advantage of this approach is its simplicity. It does not require much explanation to express an image’s meaning compared to a written message that needs more efforts and some linguistic capabilities. Contributions by web-users are frequently commented, shared and have decent numbers of “likes” which shows the appreciation of others. In turn, content creators experience positive emotions, self-affirmation and satisfaction. The benefits for organizations are that this type of brand-related UGC is entertaining, reaches the network of connected web-users and creates solid content. From a relationship management perspective it is a valuable marketing tool to acquire and retain customers (Arnhold, 2010).

[59] facebook.com/canyon

Stage 4 - Consumer service

Organizations providing thorough consumer service are positioned properly to generate positive emotions, experiences and trust through interaction. Focus of this stage is no longer a company's offerings but the individual consumer that takes the initiative to contact an organization in need for information. Satisfying this need requires sophisticated knowledge about service offerings, the integration of the customer support function and short response times. The perceived customer experience is very personal and holistic in nature. It involves the customer's cognitive, affective, emotional and social responses to the interaction with the organization or even other web-users (Verhoef et al., 2009). Moreover, positive experiences need to be reassured repeatedly in order to positively impact retention and commitment (Casaló, Flavián, & Guinalíu, 2008). In consequence, organizations are advised to provide personalized messages that clearly identify the employee by web-users.

The Swiss health insurance company Helsana, for example, signs all messages on the company's managed Social Media profiles[60] with the employee's name that posts a message or response. The employee that takes care of an inquiry has full responsibility to find a solution. This may imply to contact different business functions or even external experts. This single point of contact ensures a fast response and a positive web-user service experience. It is a first step for Social Media based service because it is customer oriented and does not require new or aligned support processes. For high volumes of service requests, more sophisticated approaches are needed. One example in this context is Dell, which has trained more than 10,000 employees to offer a Social Media consumer service in terms of taking up the position of Dell in discussions, independently providing advice or supporting customers and supplies with real-time feedback" (Reinhold & Alt, 2013, p. 213). The information gathered through these interactions can be used as input for product development, campaign management or service improvements.

[60] twitter.com/Helsana_KD; facebook.com/helsana.ch; forum.helsana.ch

Stage 5 - Experience sharing

The sociological pattern of people to share experiences represents a powerful but at the same time challenging lever for organizations' Social Media communication. The satisfaction a person gains from a product/service depends on its usage and on the purchasing process (Czepiel & Rosenberg, 1977). If these experiences are negative, customers are likely to express dissatisfaction and publicly share their discomfort. A fast and suitable response to those contributions is key to safeguard brand image, perception and loyalty. In turn, if web-user experiences are positive, it is up to a company to motivate the expression of delight, because it enjoys a high credibility and satisfies the desire for self-presentation (Smith et al., 2012). With that said, the sentiments provided are primarily about the experiences of a private person. Hence, focus of that engagement stage is the individual as private person that follows his/her interests in telling stories. It fosters direct relatedness to an organization in terms of perception (e.g. trust, image) and indirectly in terms of behaviors attitudes (e.g. recommendation and purchase behavior) (Arnhold, 2010, p. 40).

Such an experience-centric communication can be observed on Social Media profiles[61] of Thermomix, a producer of a high quality kitchen aid. The very active fans contribute their experiences in preparing dishes or trying new receipts. Major theme on the platforms is the topic cooking and food, not the product. The different and frequent forms of appreciation (e.g. likes, high ratings or positive comments) by peers lead to self-confirmation and confidence of content contributors which results in strong brand/product advocacy.

Stage 6 - Consumer processes support

The highest level of engagement can be asserted as soon as connected web-users provide support for others regarding the company's offerings and, more importantly, related to the adjacent consumer processes. The consumer process

[61] rezeptwelt.de; facebook.com/ThermomixDeutschland

of home audio entertainment for example does not only include the speakers (the product), but also the related equipment such as receivers, playback devices, sound absorbers, furniture or the positioning of speakers to enhance acoustics. In such a setting, engaged web-users become co-creators of value and advocates in interaction with his peers and others (Sashi, 2012). Focus of interaction is the interaction between individual web-users who might be customers (share experiences) or experts in a distinct field of a consumer process (tell stories). Engaged web-users are likely to invest time in supportive dialogues about consumer processes which cannot be provided cost-efficiently by support functions of organizations. The motivation for web-users' participation is usually intrinsic. Organizations benefit from engaged web-users in two ways: First, there is an impact on costs due to, e.g., a reduction of inbound calls at a service center. Second, there is a revenue impact due to the decision support for a product purchases or adjacent products/services. Organizations are advised to continue providing compelling contents, give feedback, clarify misinformation as well as acknowledge the efforts of heavy contributors. Otherwise they risk to lose engagement represented by membership duration, recommendation behavior, the creation of UGC as well as performance benefits (Algesheimer et al., 2005, p. 21; Sussin, 2012, p. 2).

A persuasive example of this consumer processes support can be observed in the company owned online community of Nubert. The community is self-managed by its members yet monitored by the organization. Topics discussed cover the consumer processes "home and audio entertainment". Existing customers receive information to enhance their music experience (e.g. how to use acoustic absorbers) while new members receive a comprehensive support regarding their issues interest (e.g. which product series fits the requirements). Developing new leads from incoming requests is not possible because of a lack of resources. Thus, the community supports revenue generation and at the same time enables the company to alleviate resource constraints. In other words, there is an effect on customer acquisition and retention.

Appendix G - Facebook analysis Credit Suisse

Profile name of fanpage: creditsuisse

Time span of analysis 01.04.2012-08.10.2012

Date of data retrieval: 09.10.2012

Typ Posts	∑	Likes	Answers	Shares	Comments	Total	Ø
Link	52	2.245	-	77	166	2,488	48
Image	27	41,792	-	4,597	2,563	48,952	1,813
Question	3	-	2.463	-	-	2,463	821
Status	1	223	-	1	26	250	250
Video	65	6,004	-	536	352	6,892	106
	148	**50.264**	**2.463**	**5.211**	**3.107**	**61.045**	

No. of comments	No. of people	Name of persons that have commented at least 10 times
30	1 person	I love Roger Federer
21	**1 person**	**Gurjit Kaur Chana**
17	1 person	Miriam Klingerg Cohn
16	1 person	Candy Mak
14	4 persons	Debora Davis, Erica Ng, Olga Wolf, Rita Romano)
13	2 persons	Baya Gvamichava, Dianna Sutherland Bensch
12	1 person	Mani Zarrin
11	2 persons	Mench Edwards, Calypsos Seadfood Grille
10	5 persons	Rose Trachsler-Acosta, Ric Govea, Markus Zellner, Kim Labor, Carol Devine
6-9	78 persons	-
5	81 persons	-
4	32 persons	-
3	54 persons	-
2	221 persons	-
1	1077 persons	-

Comments by follower „Gurjit Kaur Chana“ on post by Credit Suisse

1. Roger Federer <3 <3 <3 <3 <3 <3 <3
2. Roger Federer <3 <3 <3 <3 <3 <3 <3
3. Good luck Roger Federer <3
4. Roger Federer “The King of Tennis" <3 Cool Album <3
5. <3 Congratulations Roger Federer And RF Fans <3 I Love U RF Forever <3
6. COME ONNNN Roger Federer <3
7. Congratulations Roger Federer And RF Fans <3 I Love U RF Forever <3
8. Roger Federer "The King of Tennis" <3
9. Roger Federer "The King of Tennis" <3 Cool Album <3
10. Roger Federer "The King of Tennis" <3 Cool Album <3
11. Roger Federer "The King of Tennis" <3 Cool Album <3
12. Roger Federer "The King of Tennis" <3 Cool Album <3
13. Me and my friends are so excited to see RF at Wimbledon <3 The King Forever <3
14. Good Luck Roger Federer <3
15. Roger Federer Is The King of Tennis <3
16. Roger Federer Very Hottt And Sexy <3
17. Roger Federer Very Hottt And Sexy <3
18. Roger Federer Is The True Legend Forever <3
19. Roger Federer Very Hottt And Sexy <3
20. Roger Federer Very Hottt And Sexy <3
21. Roger Federer is so cool and perfect <3

Appendix H - Templates

Overview

No	Template	Sources
1	Business Model Ontology	(Osterwalder & Pigneur, 2010)
2	SWOT Analyses (general / Web 2.0 related)	n/a
3	Applicability assessment of a RM approach	(Bruhn, 2009, p. 17)
4	Assessment of CRM objectives	(Palmatier et al., 2006)
5	Relationship categorization	(Bendapudi & Berry, 1997; Frow & Payne, 2009)
6	Web 2.0 application scope	(Bernet & Keel, 2013)
7	Web-user engagement assessment	(Sashi, 2012)
8	Social Media portfolio assessment	n/a
9	Consumers' Web 2.0 expectations & provided benefits	(Danaher et al., 2008, pp. 44–45)
10	Functional strategy review	n/a
11	Social CRM objectives	n/a
12	Social Media portfolio assessment	n/a

Note: The proposed method of performing the assessment is "third party assisted" meaning a guided assessment by a researcher and company representatives. This procedure guarantees that all assessment items are understood properly and that information is collected in a consistent manner.

1. Business Model ontology

The Business Model Canvas (Osterwalder & Pingeur 201)				
Key partners • Who are our key partners? • Who are our key suppliers? • Which key resources are we acquiring from partners? • Which key activities do partners perform?	**Key activities** • What key activities do our value propositions require? Our Distribution channels? Customer Relationships? Revenue streams?	**Value propositions** • What value do we deliver to the customer? • Which one of our customer's problems are we helping to solve? • What bundles of products and services are we offering to each customer segment? • Which customer needs are we satisfying?	**Customer Relationships** • What type of relationship does each of our Customer Segments expect us to establish and maintain with them? • Which ones have we established? • How are they integrated with the rest of our business model? • How costly are they?	**Customer segments** • For whom are we creating value? • Who are our most important customers?
	Key resources • What key resources do our value propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?		**Channels** • Through which Channels do our Customer Segments want to be reached? • How are we reaching them now? • How are our Channels integrated? • Which ones work best? • Which ones are most cost-efficient? • How are we integrating them with customer routines?	
Cost Structure • What are the most important costs inherent in our business model? • Which Key Resources are most expensive? • Which Key Activities are most expensive?		**Revenue streams** • For what value are our customers really willing to pay? • For what do they currently pay? • How are they currently paying? • How would they prefer to pay? • How much does each revenue stream contribute to overall revenues?		

2. SWOT Analyses

SWOT Analysis (general)	
Strength	**Weaknesses**
- What characteristics of the business (model) provide an advantage? - What are core competences that differentiate the business from competition?	- Which aspects of the business are harmful to achieve the objectives? - Which business characteristics impede a better (business) performance?
Opportunities	**Threats**
- Which external factors in the market could be exploited to accomplish a benefit? - Which trends and developments (e.g. technology, consumer behavior, and competition) pose an opportunity to business?	- Which external factors in the market could cause trouble? - Which trends and developments pose a threat to business?

Web 2.0 state of practice SWOT analysis	
Strength	**Weaknesses**
- What are the strength of Web 2.0 and Social Media Management? - Which characteristics of Web 2.0 and Social Media management differentiate the business from competition?	- What are the weaknesses of Web 2.0 and Social Media Management? - Which factors impede business to become “best in class” in Web 2.0 among relevant competitors?
Opportunities	**Threats**
- Which opportunities are given by Web 2.0 to improve business performance? - Which opportunities are given by Web 2.0 to improve CRM? - Which Web 2.0 trends should be exploited to differentiate business from competition?	- What are the weaknesses of Web 2.0 and Social Media Management? - Which factors impede business to become “best in class” in Web 2.0 among relevant competitors?

3. Applicability assessment of a Relationship Management approach

Please assess the occurrence (either high or low) of each attribute with regard to your business		
Offer and market related attributes		
Market saturation	Low	High
Homogeneity of alternatives	High	Low
Complexity of offer	Low	High
Contact related attributes		
Degree of integration	Low	High
Degree of interaction	Low	High
Information asymmetry	Low	High
Direct customer contact	Low	High
Anonymity of customer	High	Low
Importance of individual customer	Low	High
	Transaction focus	**Relationship focus**

4. Assessment of CRM objectives

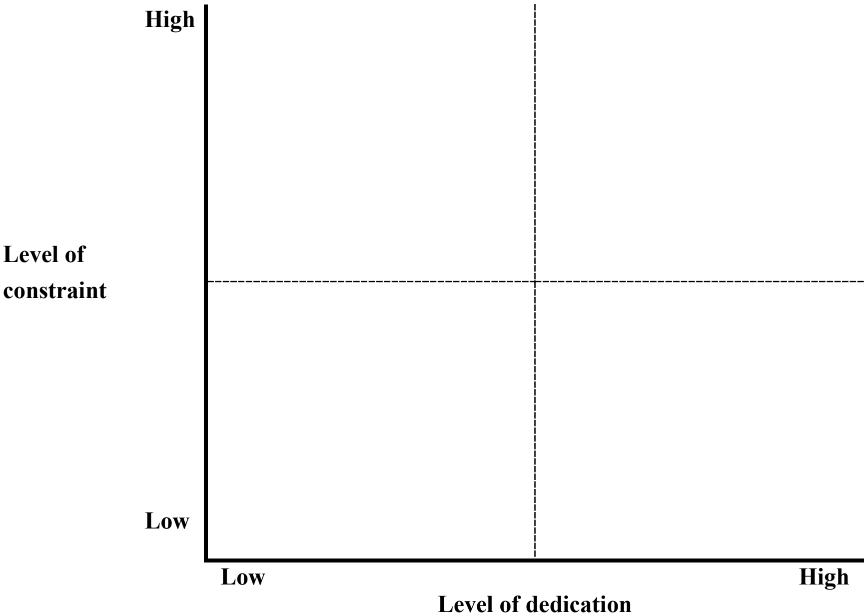
Please indicate which of the following antecedents you emphasize in order to establish & maintain a customer relationship.		
Factor	**Emphasis**	
	no	**yes**
Provide relationship benefits		
Establish a dependency on the seller		
Invest in relationship		
Provide a high seller expertise		
Emphasize communication		
Foster similarity		
Foster relationship duration		
Increase interaction frequency		
Reduce conflict		

Please rate following mediators in terms of importance (no, low, medium high) for your relationship with customers.				
Mediators	**Importance**			
	no	**low**	**medium**	**high**
Commitment				
Trust				
Relationship satisfaction				
Relationship quality				

Please rate the following outcomes of your CRM efforts in terms of importance.				
Outcome	**Importance**			
	no	**low**	**medium**	**high**
Expectation of continuity				
Word of Mouth (WoM)				
Customer loyalty				
Seller objective performance				
Cooperation				

5. Relationship categorization

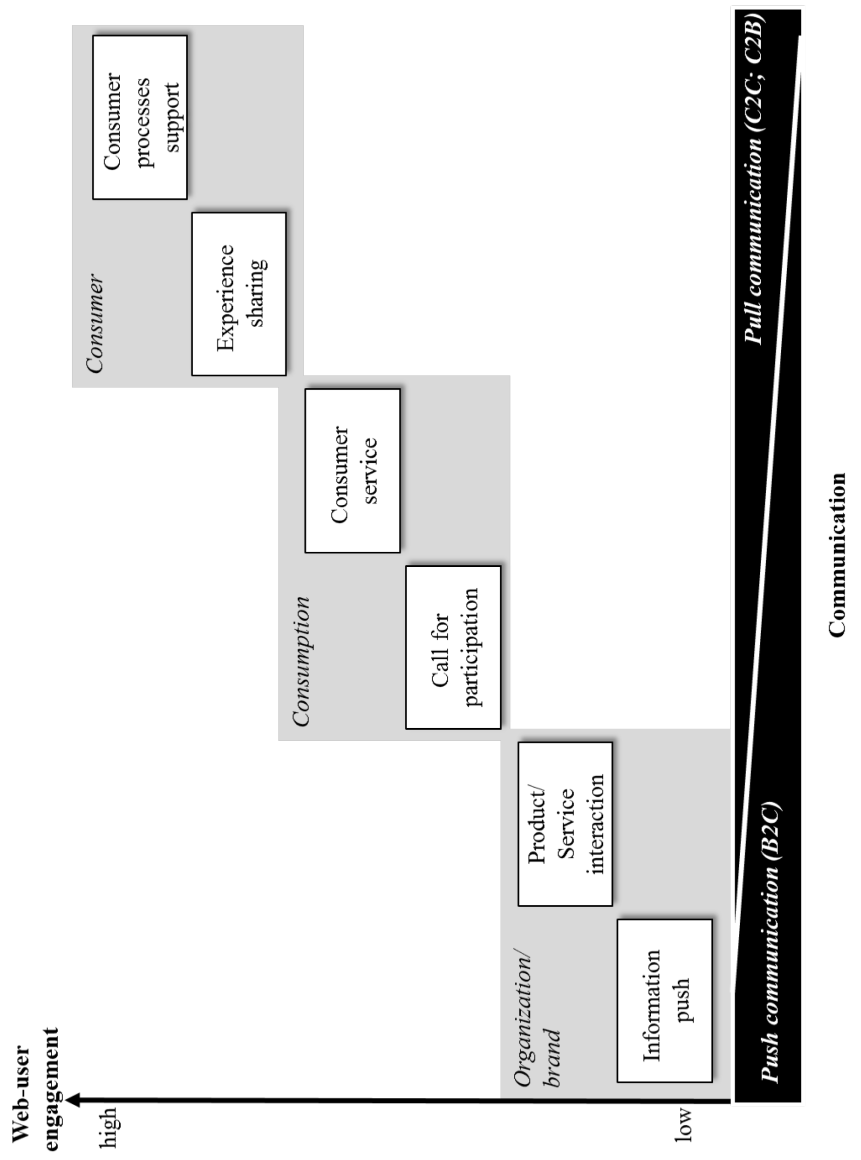
- ***Please indicate the degree to which customers (customer segments) are constraint to remain in the relationship with the organization.***
- ***Please indicate the degree to which customers (customer segments) are dedicated to maintain a relationship with the organization.***



6. Application scope of Web 2.0

Please mark the goals of your Web 2.0/Social Media Management.	
Provide product information	
Increase image & brand awareness	
Generate opinions and ideas	
Joint product development	
Appear as an innovative employer	
Attract new employees	
Contact with media representatives	
Push corporate information	
Discover crises	
Increase sales	
Acquire customers	
Retain customers	
Win-back customers	
Provide consumer support	
Facilitate dialog with consumers	
Facilitate dialog among consumers	
Others	

7. Web-user engagement assessment



8. Social Media portfolio assessment

Social Media	Objectives	Reach	Contents published	Challenges	Goal achievement
Please list the different platforms that are managed by your organization/business unit/unit of analysis	What is the channel's intent/objective for the organization?	How many web-users are connected/ reached per month?	Which type of content is published on the channel from the organization/from connected web-users?	What are the major challenges to improve the channel performance?	To which degree (in%) are the channel objectives being accomplished?
Facebook (EXAMPLE)	Distribute information	3.729	Product information with text and images / Comments	Initiate and maintain a dialogue	n/a

9. Consumers' Web 2.0 expectations & provided benefits

Please indicate consumer's expectations when connecting with the organization/ brand on Social Media.

Expectations	Examples	
Service performance	Provide satisfactory service level, reputation	
Convenience	Close proximity, availability upon request	
Customization	Tailoring of offerings to customer needs	

Please indicated the (expected) benefits which can be provided by the organization to connected web-users.

Benefits	Examples	
Confidence benefits	Trust, confidence, uncertainty reduction	
Social benefits	Personal recognition, friendship, fraternization	
Special treatment benefits	Discounts, better service, time saving	

10. Functional strategy review

Functional strategy:				
Objectives	**Implementation measures**	**Targets**	**Contribution of Web 2.0**	**Relevance for customer relationship?**
What are the strategic objectives/ building blocks of the functional strategy?	How are the strategic objectives operationalized and implemented in daily practices?	What are the (measureable) targets to be achieved?	What is/could be contribution of Web 2.0 to accomplish the targets?	What is the objective's impact on the customer relationship?
1.				
2.				
3.				
4.				
5.				
6.				

11. (Strategic) objectives of Social CRM

Objectives	Aligned with….	Targets	Complementary measures	Implementation measures
What are the strategic objectives/ building blocks of Social CRM?	With which functional strategy is the Social CRM objective aligned?	What are the (measureable) targets to be achieved?	Which complementary online/offline measures are executive to accomplish the objective?	How are the objectives operationalized and implemented in daily practices?
1.				
2.				
3.				
4.				
5.				
6.				

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