Project Dissertation

Use of Social Customer Relationship Management in Indian Retail Industry

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CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Report titled **Use of Social Customer Relationship Management in Indian Retail Industry** is a bonafide work carried out by Mr. Akash Gautam of MBA 2014-16 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42, in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide   Signature of Head (DSM)

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Date:

DECLARATION

I, Akash Gautam, student of MBA 2014-16 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42, declare that Project Dissertation Report on **Use of Social Customer Relationship Management in Indian Retail Industry** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

<div align="right">Akash Gautam</div>

Place:

Date:

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This is matter of great joy to extend my gratitude to those people who helped me in completion of my dissertation project.

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Akash Gautam

EXECUTIVE SUMMARY

It is evident that social media has become an important influencing factor in all major activities involving human interaction. Similar is the case of retailing, where retailers are developing news methods of engaging with customers and improving customer experiences which in turn result in better sales and satisfied customers. One can claim that social media has changed the way retail operations are being performed in the current day scenario.

The study aims to explore how various retailers in the Indian market are adopting to these changes and to what extent has social media penetrated into their routine operations. Customer Relationship Management (CRM) has been the most important business strategy function for any business and with the increase in social media usage; it was inevitable for these to meet. Social CRM or CRM 2.0 has evolved into an enhanced CRM version which harmoniously integrates the social media with CRM functions to provide valuable insights for better customer engagement.

The study involved gathering information from various retailers with the help of a questionnaire which was created in order to elicit responses clearly depicting the extent of adoption and use of social media and Social CRM by the retailers.

The objective was to understand that whether there is a homogeneity among the various retailers in terms of Social CRM usage or not; and what is the extent up to which Social CRM is in use.

The results clearly depicted that there is a significant disparity among the various retailers depending upon their retail segment, organization size and annual budget allocated for social media activities.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER – 1 INTRODUCTION

It is no secret that social media has changed the way individuals communicate, share information and create content. Overtime, social media has become more influential and this has caused a shift away from passive consumers, turning them into active co-creators and participants. As a result of increased diffusion of mobile smart phones and tablets, prevalence of social media has increased and individuals are spending more and more time on various social media platforms. With the increasing mobile device market's diffusion and fulminant social media adoption; these trends are expected to continue in the years to come.

Organizations have reacted to these technological and social changes by reallocating their budgets towards online platforms and away from traditional media. This is further emphasized by 92% of marketers who indicate that social media is important for their business, which implies that nearly all marketers place a high value on social media. Companies are initiating the utilization of social media in order to maintain and enhance lasting valuable customer relationships, build community based customer support platforms, market through electronic word of mouth, and for innovation and co-creation. Successively, companies integrated social media applications into their existing customer databases as an improvement of their customer relationship management (CRM) systems and this progress of social media adoption has come to be known as "social" CRM (SCRM). In marketing, SCRM embodies a vast set of activities and tools that are allowed through social media.

1.1 Distinction between CRM &Social CRM

While CRM is an enterprise approach aimed at understanding and influencing customer behavior by meaningful communication for improving customer acquisition, customer retention, customer loyalty, and customer profitability; Social CRM deals with the integration of Web 2.0 and social media into CRM. Social CRM is a rising phenomenon, leading to a new scientific paradigm.

It is defined as "a philosophy and a business strategy, supported by technology platform, business rules, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment".

1.2 The paradigm shift due to Social Media

The locus of control in the brand – consumer relationship is shifting from brands to consumers. Brand marketing is becoming less about pushing messages out to consumers within a static relationship, and more about the brand being part of the dynamic conversation, listening, serving relevant content / experiences to earn the trust of consumers. Clearly monitoring the buzz and intervening, when appropriate, has advantages to brand managers in any b2b or b2c environment. This monitoring can lead to a better understanding of consumer behavior and feelings of the mood in the market. It can lead to changes in strategy, services, products, promotions, pricing channels and so on. Brands are using SM in ways other than listening and innovating. Consumers of all ages interact with social media content on mobile devices, PCs, kiosks, at home, at play, at events, at work, on holiday or when travelling – in just about any situation – in much greater, and ever increasing numbers than before.

Brands that really understand how their consumers behave on and offline are taking advantage of an unprecedented opportunity to engage with their target consumers, sometimes in small groups, through content and online brand experiences. The currently accepted rule is that 90 per cent of social media users just view content, whereas 9 per cent edit it (for example, provide a comment or review) and 1 per cent create brand new content. This percentage profile is very different in some segments of the population. If the content engages the consumer, the consumer may do nothing, buy the product directly or interact in some way. The interaction may be via a comment on Facebook, which may not require a response or it may lead to a 1:1 exchange with the organization, through whatever channels are right for the

exchange. Traditional advertising combined with social media content and other response vehicles (for example, on pack) will generate interactions, which can be managed through a combination of social media and, for some consumers at some times, communications through more traditional CRM channels. Early pioneers have called this combination of social media and CRM, SCRM. SCRM supports the whole customer management strategy and lifecycle. It should lead to increased sales (through increased awareness and engagement) and decreased costs.

CHAPTER -2 SOCIAL CRM

2.1 Definition

Paul Greenberg, the godfather of CRM describes the phenomena of Social CRM as:
'A philosophy and a business strategy, supported by a technology platform, business rules, workflow, process, and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. Social CRM is the company's response to customer's ownership of the conversation'.

To a layperson, Social CRM might sound the same as CRM. However, there are many subtleties involved that warrant the need for Social CRM as a practice in its own right.

2.2 Extent of adoption

A number of companies have successfully adopted this new paradigm, and proved that social CRM can have a very significant beneficial effect on each of the functional areas of a business. Social CRM applications encourage participation among various stakeholders in order to support sales, marketing, as well as customer and business processes. It engages customers in different scenarios, such as, ideas for innovation, development of new products and services, word-of-mouth marketing, price comparisons and product reviews.

Some of the largest brands have increased their digital spend and have started experimenting with social media to engage with the customer and provide an improved customer experience. Examples of companies using social media include Bank of America, which has been successfully running customer services via Twitter and Dell in the Hi Tech industry, which has used social media effectively to drive sales and increase revenue.

2.3 CRM and Social CRM Distinctions

Closed v/s Open Relationship

While traditional CRM solutions aggregate and analyze customer data and automate workflows for business process optimization, the new generation CRM engages customers on a real-time basis through social media channels, community platforms, enterprise feedback management, product review sites, and social monitoring tools. The focus has shifted from being a one-on-one relationship with the customer to a more collaborative experience involving multiple customers and networks talking to each other and the company or brand.

Customer Interaction

Social CRM also impacts a business' customer interaction channels. Traditional CRM works to incorporate a single view of the customer across channels such as phone, email, fax, call centers, chats; in essence, a somewhat controlled interaction with the customer which is captured in systems in an attempt to provide a complete picture of the customer. Social CRM has added more layers and complexity to this interaction. No longer is the customer directly interacting with the company in a controlled manner through the channels dictated by the company but is also expressing himself/herself on public forums such as blogs, wikis, discussion forums, social network sites, photo/video sites, and product/service review sites. Capturing this information effectively and creating a single view of the customer hence becomes more difficult to achieve.

Processes and Technology

Traditional CRM looks at the customer interaction lifecycle from a company's standpoint, that is, customer targeting, customer acquisition and customer retention –

something that is viewed as process centric, which needs to be formulated and reviewed to ensure smooth operations. This has meant that various stages in the sales and lead process or customer service have to be carefully managed and optimized for operational efficiency to ensure effective increase in sales or number of service cases closed to ensure meeting of service level agreements. Social CRM however shifts the focus to a customer and the dialogue with the customer, as the centerpiece, and the company has to align its operations around this to enable more customer centricity. This requires companies to adapt their operations and processes to facilitate the channel or medium the customer is communicating in and to create a relevant and meaningful conversation. A similar shift is noticed in the technology supporting the two approaches – while CRM enables the capturing of information and managing of the process more effectively, Social CRM enables the creation of an environment where customers can interact with each other (and with the company) to help each other, provide guidance and thought leadership and influence each other on behalf of a brand or a company. Adopting Social CRM means an evolution of the customer being at the center of the innovation cycle of company; either solving problems or creating ideas through crowd sourcing, which companies can effectively leverage to lead them to new heights. However, achieving this requires companies to be present in the social arena, where the customer is present – a starting point would be listening to the voice of the customer. Hence, Social CRM alleviates the shortfall in traditional CRM, from optimizing internal business process to adopting a collaborative approach and having the customer at the center of all actions.

2.4 Social CRM in India

According to the EY Social Media Marketing - India Trends Study 2014, "Social CRM in India may be in its early stages of evolution, but we have seen some Indian brands do some engaging and award winning creative work on the CRM front."

As per the study, when asked "What according to you is the next big thing that you would like to introduce to your Social Media Marketing capabilities in the near future?"; brands surveyed stated that they are looking to introduce Social CRM and Social Commerce as priority items on their social media agenda, followed by customized ads/campaigns. A little less than half of the brands surveyed earlier mentioned they were already integrating their social media data with their CRM systems.
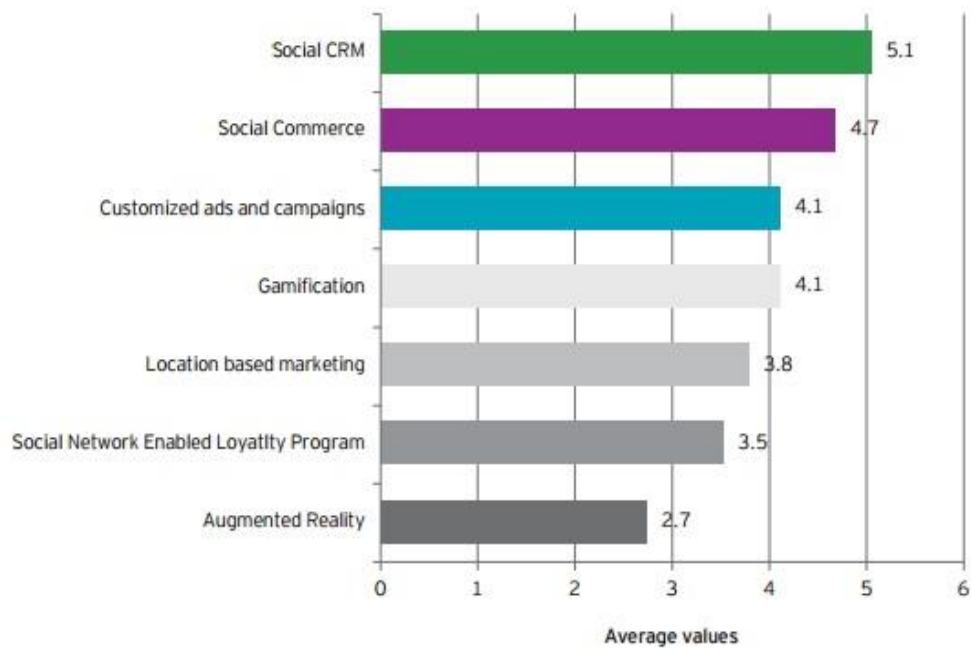
Figure 2.1: EY Social Media Marketing - India Trends Study 2014

The following figure illustrates the role Social CRM can play in supporting business functions like sales, marketing, customer service, and product development.

Figure 2.2 TCS White Paper - Social CRM – Possibilities and Challenges

Marketing

•	Social use cases for marketing include:

•	Campaign response management

•	Viral marketing and lead generation

•	Brand advocacy that can help build brand loyalty

•	Brand reputation management

•	Market research and analysis, including competitor tracking and threat tracking.

Marketers come up with engaging content, videos and applications which compel users to share with friends and other online users. This has a compounding effect and very soon reaches a very large number of people. A very popular case of viral marketing is Burger King, a fast food restaurant chain that teamed up with Simpsons to promote the movie with a site called 'Simpsonize Me'. The users could upload their own picture and create a Simpson character based on that picture. The application also allowed users to create a character based on them that was much older than their actual age. Users could Simpsonize themselves, add a pet, add backgrounds, email the picture to friends, download it and even make it their screen saver. Expectedly, users found this a fun tool to play with and the campaign was a huge success. With this campaign going viral, there were reports that Burger King had to increase the servers from 18 to 38 to cope with the increase in traffic.

Ford has similarly built a successful online brand awareness campaign targeted towards the youth. Normally, a marketing department would have to spend millions of dollars targeting and promoting the launch of a new car; in this case, it was successfully and cheaply achieved through social channels. Ford invited 100 "social agents" to try Fiesta for six months and share their experience with the world. Social agents promoted the car through different social media sites, including Twitter, YouTube and blogs.

Results showed that 38% of Gen Y heard about Ford Fiesta through social media before it launched in US. Most importantly, they had 50,000 requests for information about the car within the first six days of sale.

Sales

While companies traditionally push sales, the notion of social commerce is picking up actively as well. Cases include:

•   Effective lead capture and gauging of customer intent
•   Enabled conversion by providing timely information, guidance or   assistance

Dell successfully created a one-to-one interaction with customers making the experience so delightful that ultimately it was able to transform Twitter into a sales channel, increasing sales revenue by $6.5 million in the first year of engagement with customers.

Procter and Gamble's Old Spice campaign – 'Smell like a Man, Man' leveraged YouTube to create brand awareness and engagement, and was a huge success. These Old Spice commercials generated 1.8 billion impressions (, people who saw, read or heard about the commercials) and a 2,700 percent increase in Old Spice Twitter followers. This campaign also resulted in Procter and Gamble's sales of Old Spice growing in the double digits.

Customer Service and Support

Customer service and support has adopted social channels for:

- Online grievance management
- Soliciting customer feedback/comments
- Rapid response management

Apple has extensively leveraged digital media to improve its customer service. Apple provides comprehensive information and service options online, integrated with YouTube to provide service for existing products plus new product promotional information. To further strengthen the operation, the overall store and call centre information is integrated, providing flexibility to customers to select the channel they prefer.

They have seen a number of benefits with this approach, most notably the reduction of contact centre calls, thereby reducing cost of service and improving operational efficiency. In addition, they are able to provide more comprehensive service to the customer deflecting the service burden from stores and letting them focus on the customer experience aspect of product interaction and sales.

Along similar lines, Lenovo has launched a community website as a means to proactively engage with its customers and offer online service and support. Lenovo was able to reduce laptop service call volume by 20%.

<u>Product Development</u>

In the area of product development, social media can be leveraged for the following:

• New product ideas through crowd sourcing.

• Pricing and service idea generation.

• Competitive monitoring.

Starbucks created a consumer portal 'My Starbucks Idea', an initiative for consumers to share ideas or suggestions that would improve 'The Starbucks experience'. The ideas submitted by the consumers are commented on and voted by other consumers. Consumers can also check the status of the ideas submitted, whether they have been reviewed, in the works or launched. A leader board displays the top ten users based on the scores, that is, the number of ideas submitted and the corresponding comments and votes. According to Starbucks nearly 75,000 ideas were submitted in just six months, of which over 50 were implemented.

This has generated a huge amount of publicity and is a classic case of 'crowd sourcing', that is, a task which would normally have been done in house by the marketing team has now been outsourced to the user group in an open forum. Crowd sourcing not only helps consumers feel important and that they matter to business, but also helps business by generating new product ideas from the wisdom of the crowd.

Proctor & Gamble (P&G) launched the 'Connect + Develop' initiative, tapping into a global innovation network comprising a host of sources, from independent innovators to virtual innovator networks such as 'InnoCentive' (matching scientists to business research and development challenges). The company identifies promising

ideas from the network and applies its own research and development (R&D), manufacturing, marketing, and purchasing capabilities. In the open sourcing development through digital channels, P&G deepens the relationship with consumers and develops products closer to consumers' needs. More than 35% of P&G's new products have elements that originated from outside P&G. R&D productivity increased by nearly 60%, and R&D investment as a percentage of sales is down from 4.8% to 3.4%. P&G's average two-month cycle of generating physical prototypes and testing them with consumers has been reduced to around 24 to 48 hours.

Summarizing the value of Social CRM to business functions, we can say that engaging with customers on their preferred channels helps organizations to not only provide superior customer experience but also improve operational efficiency by reducing support calls. In addition, through collaboration, listening to consumers for latent needs and innovative campaigns has a potential to go viral thereby increasing the reach of a campaigns at a fraction of the cost for traditional media.

2.5 The Taj Social CRM Initiative

In 2012, The Taj Group of Hotels, one of the leading hotel chains in the world, famous for quality, luxury and service; with an objective of creating a social media footprint for 26 luxury hotels across the globe starting from building their social presences including engagement, response management and listening, to the creation of an influencer outreach program, approached Customer Centria.

Targeting new consumer segments focus on incremental revenue and driving loyalty were the key goals. A seamless integration of online and offline consumer behavior was to be ensured for better consumer understanding and offering plans/offers accordingly.

Customer Centria developed a Social CRM solution, a global first for any hotel chain. The purpose was to map guest profiles with their social media footprint, and building communication plans around the same. Differentiated engagement strategies

were built across Facebook, YouTube, Flickr, Tripadvisor, Blogs etc. covering various campaigns like food and beverage, weddings, watersports, etc. across hotels. Innovative engagement vehicles like photo apps and QR code campaigns were integrated. A special application was conceived and created, allowing users to engage with 26 hotels in one place, either individually or collectively. Customized 'listening posts' were put in place for each of the 26 hotels to create buzz around that hotel, with built-in response management module. The social presence of the hotels was made as interactive and dynamic as possible, creating consumer experiences.

As a result, the brand moved from an inward facing to customer centric approach to the digital era with social presence of Taj online ensuring access to new user segments, thus improving the business. Social CRM helped achieve a clear picture of user profiles, hence creating marketing campaigns around specific scenarios. Prompt response management and higher engagement levels led to larger number and better quality leads. Thus, Taj became the world's first hotel chain to use social CRM.

CHAPTER – 3 RESEARCH METHODOLOGY

3.1 Significance of the Study

The focus of the study is to analyze the use of Social CRM by Indian retailers. It is of great interest from both academic perspective and managerial one to understand the importance of social media for various retail businesses. The research tries to analyze the prominent factors responsible for influencing use of social media and Social CRM by the respondents i.e. (retailers) using one-way ANOVA (Analysis of Variance) test to determine whether there are any significant differences in the means of three or more than three independent groups of industry segment, company size, and annual budget for social media.

3.2 Objective of the Study

The study was conducted to gather insights about the use of social media by various retailers, the importance of various social media platforms for these retailers and their usage & perception of Social CRM as a business strategy.

3.3 Scope of the Study

The focus of the study was confined to analyze the use of social media, social CRM by retailers and their prospective adoption intention. The respondents were suitably selected from the target audience and categorized as following:

1. Grocery & General Merchandise
2. Apparel & Fashion

3. Health & Wellness

4. Specialty Retail & Services

3.4 Research Design

In this descriptive study, quantitative research strategy is used by distributing an online questionnaire to address the questions at different levels and gain insight into different aspects of the phenomenon, namely the company's perspective of social media & its integration with CRM.

3.5 Data Collection & Research Tool

An online questionnaire survey was created and sent to various online communities of small & medium scale retailers and they were asked to forward the questionnaire to their peers in order to get a wider sample spread across the various retail segments.

The data collected in the form of responses was analyzed primarily by using MS Excel & statistical analysis software package, SPSS 16.0 (Statistical Package for the Social Sciences).

The one-way analysis of variance (ANOVA) test was performed to determine whether there are any significant differences in the means of three or more than three independent groups of industry segment, company size, and annual budget for social media.

3.6 Population & Sample Size

In this study, SMBs (small & medium businesses) in various segments of retail were targeted and the online questionnaire was sent to these retailers. Initially, 134 retailers filled out the questionnaire, out of which 60 responses were deemed to be fit to be analyzed.

3.7 Sampling Technique

A non-probability sampling technique i.e. snowball sampling technique was used as the online questionnaire was sent to various online communities of retailers and the respondents were asked to forward the questionnaire to their peers in the communities across India.

CHAPTER – 4 ANALYSIS & RESULTS

4.1 Quantitative Analysis

Number of Respondents: 60

Source of Data Collection: Questionnaire floated through online retail communities.

4.2 Demographic Information

- Most of the respondents belonged to the segment of grocery & general merchandise, followed by specialty retail & services.

Figure 4.1 Industry Segment Distribution
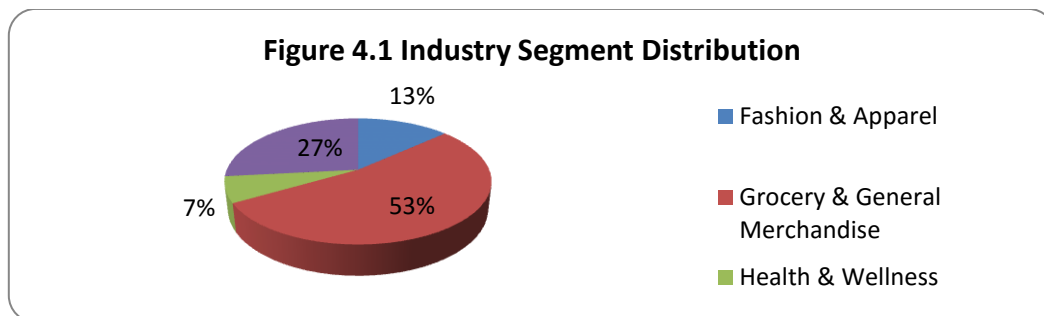
- The focus was on SMBs and majority of the respondents were small organizations having less than 100 employees.

Figure 4.2 Size of Companies (No. of employees)

13%

20%

67%

- >1000
- 0-100
- 100-1000
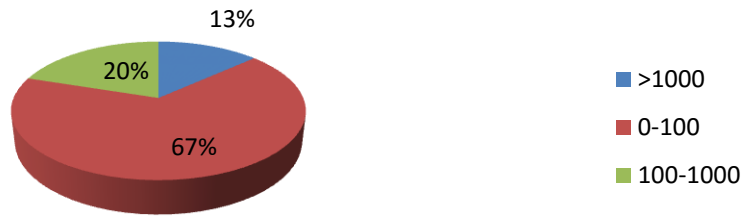
- While most of the respondents had a dedicated budget for their social media activities, some did prefer not to allocate funds specifically to social media.

Figure 4.3 Annual Budget Allocation for social media

0-₹100,000
47%

₹100,000-
₹500,000
20%

>₹500,000
33%
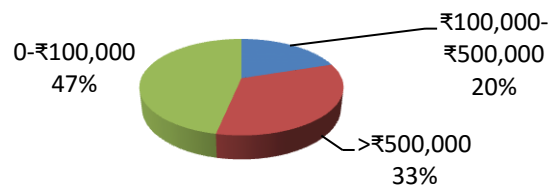
4.3 Descriptive Analysis

After an extensive literature review, three major factors were identified which may impact the use of social media for customer engagement and use of integrated Social CRM solutions by retailers:

1. Industry Segment
2. Size of company
3. Annual budget for social media

An attempt is made to check whether the various retailers have a different approach towards   use of social media & Social CRM or not. These retailers have been differentiated on the basis of the above mentioned factors and divided into sub-categories which are unrelated (independent) in nature, thus requiring the need for using a one-way ANOVA (Analysis of Variance) test.

4.4 Hypothesis Testing

The following hypotheses were tested using one-way ANOVA test in SPSS:

1. H_O (null hypothesis): There is no significant difference in use of social media for customer engagement by retail businesses based on the retail industry segment they are in.

   H_A (alternate hypothesis): There is a significant difference in use of social media for customer engagement by retail businesses based on the retail industry segment they are in.

Descriptives

Table 4.1 : Use of social media for customer engagement w.r.t. Segment

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Grocery & General Merchandise	32	2.66	.743	.131	2.39	2.93	2	4
Fashion & Apparel	8	2.71	.458	.162	2.33	3.10	2	3
Health & Wellness Speciality	4	5.00	.000	.000	5.00	5.00	5	5
Retail & Services	16	2.86	1.043	.261	2.30	3.41	2	4
Total	60	2.88	.963	.124	2.63	3.12	2	5

ANOVA

Table 4.2 : Use of social media for customer engagement w.r.t. Segment

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	19.744	3	6.581	10.551	.000
Within Groups	34.929	56	.624		
Total	54.672	59			

Results:

One-way ANOVA Test here compares the means of the ratings given by each set of population. Since the P value is less than the significance level of 0.05, there is a significant difference in the means of the ratings. Based on the above results, it can be said that use social media for customer engagement varies between retailers belonging to different segments.

2. H_O (null hypothesis): There is no significant difference in use of social media for customer engagement by retail businesses based on the size of the organization.

H_A (alternate hypothesis): There is a significant difference in use of social media for customer engagement by retail businesses based on the size of the

organization.

Descriptives

Table 4.3 : Use of social media for customer engagement w.r.t. Size

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0-100	40	3.26	.894	.141	2.97	3.54	2	5
100-1000	12	2.43	.531	.153	2.09	2.77	2	3
>1000	8	1.64	.076	.027	1.58	1.71	2	2
Total	60	2.88	.963	.124	2.63	3.12	2	5

ANOVA

Table 4.4 : Use of social media for customer engagement w.r.t. Size

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	20.378	2	10.189	16.935	.000
Within Groups	34.294	57	.602		
Total	54.672	59			

Results:

One-way ANOVA Test here compares the means of the ratings given by each set of population. Since the P value is less than the significance level of 0.05, there is a significant difference in the means of the ratings. Based on the above results, it can be said that use social media for customer engagement varies between retailers as per the size of the organization.

3. H_O (null hypothesis): There is no significant difference in use of social media for customer engagement by retail businesses based on annual budget allocated for social media activities.

   H_A (alternate hypothesis): There is a significant difference in use of social media for customer engagement by retail businesses based on annual budget allocated for social media activities.

Descriptives

Table 4.5 : Use of social media for customer engagement w.r.t. Budget

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0-100,000	28	3.35	1.001	.189	2.96	3.74	2	5
100,000-500,000	12	2.81	.946	.273	2.21	3.41	2	4
>500,000	20	2.26	.448	.100	2.05	2.47	2	3
Total	60	2.88	.963	.124	2.63	3.12	2	5

ANOVA

Table 4.6 : Use of social media for customer engagement w.r.t. Budget

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.923	2	6.961	9.737	.000
Within Groups	40.749	57	.715		
Total	54.672	59			

Results:

One-way ANOVA Test here compares the means of the ratings given by each set of population. Since the P value is less than the significance level of 0.05, there is a significant difference in the means of the ratings. Based on the above results, it can be said that use social media for customer engagement varies between retailers as per their annual budget for social media activities.

4. H_O (null hypothesis): There is no significant difference in use of integrated Social CRM solution by retail businesses based on the retail industry segment they are in.

H_A (alternate hypothesis): There is a significant difference in use of integrated Social CRM solution by retail businesses based on the retail industry segment they are in.

Descriptives

Table 4.7 : Use of integrated Social CRM Solution w.r.t. Segment

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Grocery & General Merchandise	32	2.65	.811	.143	2.36	2.94	2	5
Fashion & Apparel	8	2.70	.000	.000	2.70	2.70	3	3
Health & Wellness	4	5.00	.000	.000	5.00	5.00	5	5
Speciality Retail & Services	16	2.60	.372	.093	2.40	2.80	2	3
Total	60	2.80	.856	.111	2.58	3.02	2	5

ANOVA

Table 4.8 : Use of integrated Social CRM Solution w.r.t. Segment

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	20.800	3	6.933	17.272	.000
Within Groups	22.480	56	.401		
Total	43.280	59			

Results:

One-way ANOVA Test here compares the means of the ratings given by each set of population. Since the P value is less than the significance level of 0.05, there is a significant difference in the means of the ratings. Based on the above results, it can be said that use of integrated Social CRM solution varies between retailers belonging to different segments.

5. H_O (null hypothesis): There is no significant difference in use of integrated Social CRM solution by retail businesses based on the size of the organization.

H_A (alternate hypothesis): There is a significant difference in use of integrated Social CRM solution by retail businesses based on the size of the organization.

Descriptives

Table 4.9 : Use of integrated Social CRM Solution w.r.t. Size

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0-100	40	2.97	.981	.155	2.66	3.28	2	5
100-1000	12	2.73	.049	.014	2.70	2.76	3	3
>1000	8	2.05	.053	.019	2.01	2.09	2	2
Total	60	2.80	.856	.111	2.58	3.02	2	5

ANOVA

Table 4.10 : Use of integrated Social CRM Solution w.r.t. Size

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.709	2	2.855	4.331	.018
Within Groups	37.571	57	.659		
Total	43.280	59			

Results:

One-way ANOVA Test here compares the means of the ratings given by each set of population. Since the P value is less than the significance level of 0.05, there is a significant difference in the means of the ratings. Based on the above results, it can be said that use of integrated Social CRM solution varies between retailers as per the size of the organization.

6. H_O (null hypothesis): There is no significant difference in use of integrated Social CRM solution by retail businesses based on annual budget allocated for social media activities.

   H_A (alternate hypothesis): There is a significant difference in use of integrated Social CRM solution by retail businesses based on annual budget allocated for social media activities.

Descriptives

Table 4.11 : Use of integrated Social CRM Solution w.r.t. Budget

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0-100,000	28	3.09	1.132	.214	2.65	3.52	2	5
100,000-500,000	12	2.60	.475	.137	2.30	2.90	2	3
>500,000	20	2.52	.314	.070	2.37	2.67	2	3
Total	60	2.80	.856	.111	2.58	3.02	2	5

ANOVA

Table 4.12 : Use of integrated Social CRM Solution w.r.t. Budget

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.334	2	2.167	3.171	.049
Within Groups	38.946	57	.683		
Total	43.280	59			

Results:

One-way ANOVA Test here compares the means of the ratings given by each set of population. Since the P value is less than the significance level of 0.05, there is a significant difference in the means of the ratings. Based on the above results, it can be said that use of integrated Social CRM solution varies between retailers as per their annual budget for social media activities.

4.5 Other Key Results

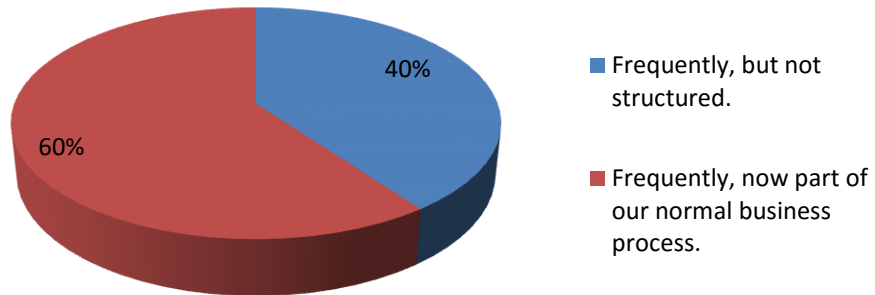## Figure 4.4 Extent of social media usage to engage with customers

40%

60%

■ Frequently, but not structured.

■ Frequently, now part of our normal business process.

Figure 4.5 Extent of running marketing campaigns using social media

7%

20%

33%

40%

■ No

■ Planning to

■ Yes, frequently

■ Yes, intermittently
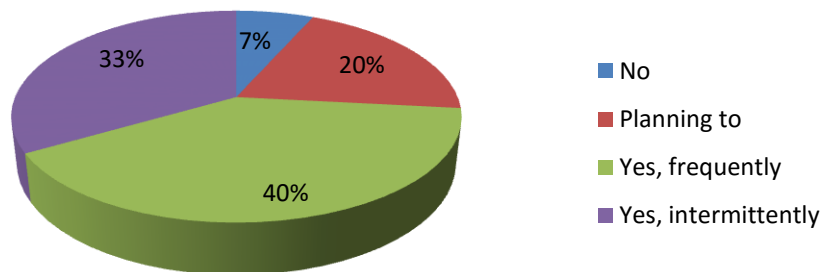
Figure 4.6 Perceived change in importance of social media for the company

- No, decrease
- Stay the same
- Yes, in 1 year
- Yes, in 3 years
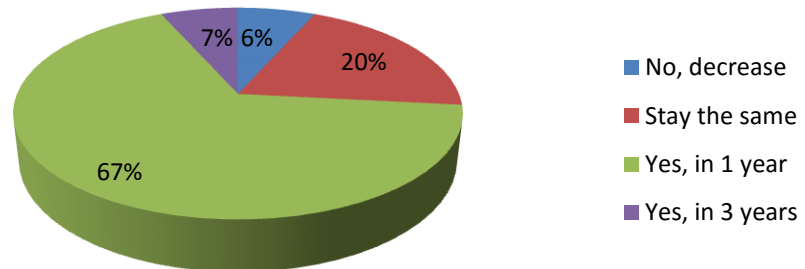
Figure 4.7 Use of CRM Software

- Microsoft
- None
- Salesforce.com
- SAP
- Siebel
- SugarCRM
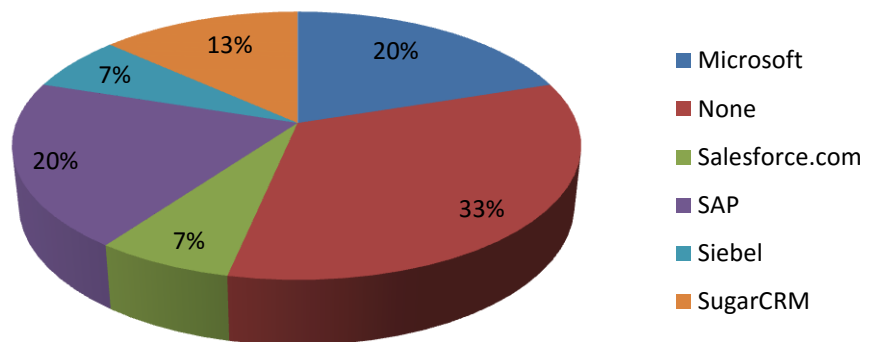
Figure 4.8 Tools used to support social media usage

- Excel
- Generic
- NA

7%
6%
87%
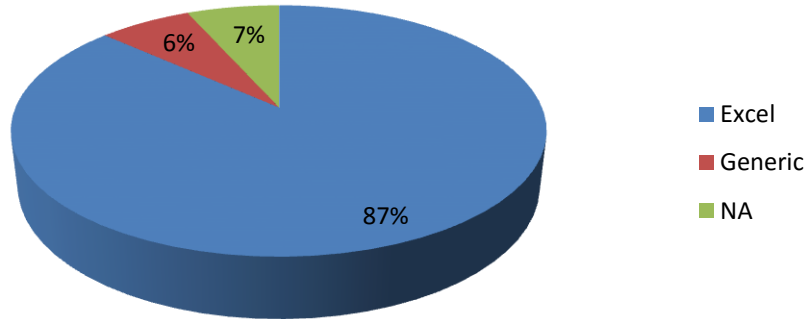
Figure 4.9 Extent of social media integration with CRM

- No
- Yes, customized solution
- Yes, manual process
- Yes, used a product

20%
13%
13%
54%
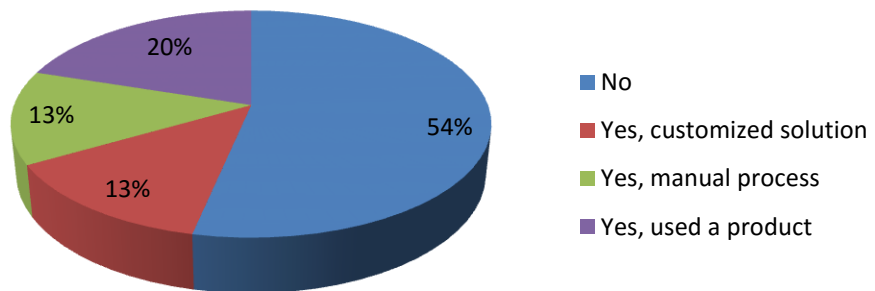
Figure 4.10 Intention to integrate social media with CRM

Legend:
- In 3-6 months
- In 6-12 months
- In future
- No, unlikely
- Yes, now!
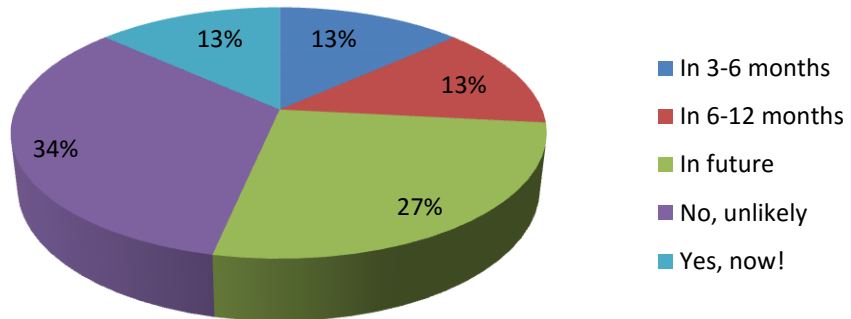
4.6 Findings

In this study, it was found that the use social media for customer engagement and use of an integrated Social CRM solution varies as per the retail segment, the size of the organization and the annual budget it has allocated for social media activities. This is in congruence with the premise that not all the retailers have yet adopted Social CRM solutions and use social media differently. 66.7% retailers believe that the importance of social media for their organization will increase in the next one year.

While all of them have adopted social media for customer engagement, only 60% use it in a structured manner as a part of their normal business. 73.3% run marketing campaigns using social media with 40% doing it on a frequent basis.

Facebook and Twitter were reported to be the most preferred social media platforms among all the retailers.

Following up new leads and people's reaction towards the company, its product and messages on social media are the most critical focus areas for all of the retailers.

While only 66.7% of the respondents currently use a CRM solution, all of them use MS Excel for supporting their use of social media. Microsoft Dynamics and SAP were found to be the most used CRM solutions used by 40% of the respondents.

Sales, followed by marketing communications and service were reported to be the most important focus areas for using an integrated Social CRM solution.

While 53.3% are yet to integrate their CRM solution, 43% of those who have, used a standard product while others used a customized solution or integrated manually.

4.7 Limitations

This limitation of the study lies with the retail format of the respondents which is non-store based i.e. e-commerce in most cases and the division of segments as there are further sub-categories among the identified retail segments. An in depth analysis in the variability of adoption and use of social media and Social CRM by each of these individual sub-categories could not be performed wing to the time and resource constraints.

4.8 Conclusion

The study majorly focused upon whether social media usage among retailers differ or not, and if it does then by which factors. It was found that as per the retail segment, the use of social media and Social CRM differed, with respondents from health & wellness and speciality retail services reporting to be leaders.

It was evident from the results that small-sized organizations which lack other resources were found to be using social media extensively for customer engagement and using an integrated CRM solution for strengthening their customer relationship management practices.

While the adoption and use has not been uniform across various segments of retailers, it can be concluded that social media has surely become an important platform to engage with customers and gather insights to improve customer experience and increase the sales.

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ADHERENCE SHEET

Sr. No.	Phases	Expected date to finish the task	Actual date to finish the task
I	Proposal discussion	5th April 2016	
II	Data Collection and Analysis	12th April 2016	
III	First draft	19th April 2016	
IV	Final report submission	26th April 2016	

Social CRM Survey

Social media such as Facebook, Twitter and YouTube is impacting everyone and changing the way enterprises and organizations interact with customers.

This questionnaire should take only 510 minutes to complete and is to help us understand the importance of social media to your organization and your experiences in adapting to Social CRM.

We are interested in your thoughts and appreciate any input you can provide to help guide our research.

Any information provided is treated as strictly confidential.

* Required

Adoption of social media

1. Industry *
   Please mention which business you are into.

   ....

2. Size of company (e.g. number of staff) *

   ....

3. To what extent does your company use social media to engage with your customers? Please mark the box that best describes your use. *
   Mark only one oval.

   ◯ Not at all.

   ◯ Planning to in the next six months.

   ◯ Frequently, but not structured.

   ◯ Frequently, now part of our normal business process.

   ◯ Other: ....

4. What is (or would be) the MAIN purpose for your organization to engage in social media? *

5. Does your organization have an annual budget for social media? Please indicate level in ₹: *
Mark only one oval.

- ◯ NIL
- ◯ <100,000
- ◯ 100,000500,000
- ◯ 500,0001,000,000
- ◯ >1,000,000

6. What are you using or planning to use social media for? Please rank the importance. *
Mark only one oval per row.

	Not Important	Slightly Important	Moderately Important	Very Important	Critical
To generate new leads or sales	◯	◯	◯	◯	◯
To connect with people who didn't become customers	◯	◯	◯	◯	◯
To maintain/grow customer loyalty	◯	◯	◯	◯	◯
To enhance knowledge of your customer	◯	◯	◯	◯	◯
	◯	◯	◯	◯	◯
To improve product development	◯	◯	◯	◯	◯
	◯	◯	◯	◯	◯

Use of Social Media for CRM activities

7. Do you actively run marketing campaigns via social media? *

◯ No

◯ Planning to

◯ Yes, intermittently

◯ Yes, frequently

8. Please indicate the importance of these social media channels to your business. *

	Not Important	Somewhat Important	Very Important	Critical
	◯	◯	◯	◯
	◯	◯	◯	◯
	◯	◯	◯	◯
	◯	◯	◯	◯
	◯	◯	◯	◯
	◯	◯	◯	◯
Dedicated social communities	◯	◯	◯	◯
	◯	◯	◯	◯

9. Still thinking about social media channels in general, do you think importance of social media to your organization will increase? *

◯ No, decrease

◯ Stay the same

◯ Yes, in 1 year

◯ Yes, in 3 years

10. Thinking about the use of social media in your organization, please indicate the importance of the following problems: *

	Not Important	Slightly Important	Moderately Important	Very Important	Critical
Following up new leads?					

(from social media)	◯	◯	◯	◯	◯
How are people reacting? (to my company, messages & products)	◯	◯	◯	◯	◯
We want to connect with customers via social media, but don't know what to do...	◯	◯	◯	◯	◯
How to integrate social media into marketing?	◯	◯	◯	◯	◯
How to integrate social media into sales?	◯	◯	◯	◯	◯
How to integrate social media into customer service?	◯	◯	◯	◯	◯
How to integrate social media into product development?	◯	◯	◯	◯	◯
How to measure and improve customer loyalty?	◯	◯	◯	◯	◯
Risk by internal staff use of social media	◯	◯	◯	◯	◯
	◯	◯	◯	◯	◯

11. What tools or products do you use to support your business use of social media, if any?(For example proprietary tools, such as TweetDeck, or generic tools, such as Excel.) *

....

Use of Social CRM

12. Which CRM software do you use? *

Mark only one oval.

◯ Microsoft

○ Oracle CRMOnDemand

○ SAP

○ Salesforce.com

○ SugarCRM

○ Siebel

○ Sage

○ None

○ Other: ....

13. Has your organization integrated social media with your CRM? *
Mark only one oval.

○ Yes, used a product

○ Yes, customized solution

○ Yes, manual process

○ No

14. If Social media were/is already connected to your CRM system, which of the following areas would/are be important to your organization? *
Mark only one oval per row.

	Not Important	Slightly Important	Moderately Important	Very Important	Critical
Marketing Communications	○	○	○	○	○
	○	○	○	○	○
Service (including product support)	○	○	○	○	○
	○	○	○	○	○

15. Are you looking for a solution to connect your CRM to social media? *
Mark only one oval.

○ Yes, now!

○ In 36 months

○ In 612 months

○ In future

◯ No, unlikely

16. Please tell us your name (optional), role and company *

....

....

....

....

....