From Social Influence to Social CRM

The death of organic – the re-birth of social CRM

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Zeroing In
on Facebook Zero

Facebook changed its algorithms a few times in 2014. As a consequence, organic reach for brands dropped to only a few percent. This means that if a brand has 5 million fans, only 50,000 to 100,000 see its posts. That number will likely continue to shrink to close to zero over the course of 2015. Twitter is expected to follow the same path.

There has been a healthy debate about Facebook's motives. Representatives at Facebook say they needed to create an algorithm that would curate people's Facebook feeds; otherwise those feeds would be spammed by all the content the average Facebook user's 500+ friends post every day. We can see why this was needed, as our own news feeds certainly get clogged up with trash we are not interested in. So we can only applaud Facebook's efforts to improve our experience as users by analyzing the incredible amounts of data it has in order to serve us only the content that is most relevant to us. Others disagree. They think Facebook's motives are pretty clear: Facebook doesn't care about the user experience; they just want to make money. It's fair to assume Facebook probably cares about both, however. They needed to fix the user experience, and they saw a way to monetize the Facebook news feed. The news feed is the most engaging place on Facebook. 90% of people read their news feed at least once a day and 63% check it several times a day.

The debate about Facebook's motives aside, Facebook Zero is not going away and is therefore something marketers will have to learn how to deal with. One way would be to abandon the platform entirely. We have spoken to companies that have vowed never to do business with Facebook again. That's an emotional reaction that makes little to no business sense. You can't give up a platform with 1.4 billion users around the world. Just think about this stunning statistic: people spend an average of 2 hours and 51 minutes on their mobile device per day, 29 minutes (or 17%) of which are spent on Facebook. Brands simply can't afford to ignore Facebook.

> **"Facebook has become the world's biggest, most sophisticated, most effective and most exciting CRM platform ever"**

Rather than complain about the limitations of Facebook's new algorithm, we should embrace the other technological advancements Facebook has made available to marketers. With these advancements, Facebook has become the world's biggest, most sophisticated, most effective and most exciting CRM platform ever. Twitter, Pinterest, Instagram and others are following Facebook's example.

CRM on steroids

There are four reasons to get excited about the new possibilities Facebook has offered us.

1. Hypertargeting

Facebook has **29** main targeting criteria, with thousands of categories and subcategories. There are hundreds of targeting options available on Twitter.

Say you're Harley-Davidson and you want to reach affluent, close-to-retirement, cigar-loving men who are experiencing a midlife crisis. You can find them on Facebook. You can find out which zip code they're in so you can drive them to seek out their nearest dealer through a contextualized post. Or maybe you include the ones who don't like cigars as a test to see if cigar loving makes a difference. If so, you may choose to go after all cigar smokers next time, regardless of their age. You get the idea. Or say you're Gerber and you're looking for new urban moms who love organic foods. You can find them. Maybe you won't be able to win over the ones in Park Slope, but you can try.

Whatever target you're after, no matter how precisely defined; you can find them on Facebook. And in most cases it's easier to find them on Facebook than in even the most sophisticated internal databases that companies have built over the years. Companies that don't have an internal marketing database can now do hypertargeted CRM without having to invest millions of dollars in an internal database.

2. Scale

Not only can you find people on Facebook – you can find lots of them. On Facebook, there is no trade-off between precision and scale. You can have both. The Facebook audience is enormous. So even if you have very narrow targets, chances are you're still going to end up with a significant audience.

For example, on Facebook and Twitter you have the ability to match your own database of email addresses and/or phone numbers to the network's audience, so you can deliver posts only to the people in your database. Called "custom audiences," this has gotten

"On Facebook, there is no trade-off between precision and scale."

direct marketers very excited, especially since most of them have spent years, and in many cases millions of dollars, building these internal databases. This gives you the ability to send different

messages to customers and prospects; for example, you can target only your high-value customers. It also allows you to measure the impact of targeted Facebook campaigns on offline sales.

Because of Facebook's and Twitter's so-called "lookalike" technology, you can identify your core audience and then expand it to people who are very similar. Finding your customers' "twins" has always been the key to CRM nirvana. Thanks to the unparalleled richness of social databases, we now can. This allows you to scale very quickly while maintaining the core of your audience definition. With lookalike modeling, you can find people who are the twins of existing Harley-Davidson clients on Facebook or on Twitter.

3. Real-time feedback

CRM has always been about testing – of new ideas, new formats, new audiences. On Facebook you can set up test cells and get real-time results on the performance of each cell. That allows you to optimize your audiences, formats, offers and creative executions on the spot. When you execute CRM campaigns on Facebook, the real work usually starts after the launch.

4. Omnichannel

Today we can use Facebook posts and Twitter tweets in the same way CRM practitioners have been using email and DM for the last three or four decades. CRM hasn't just been given another channel; it has been released from the shackles of DM and email. Today we're seeing the rebirth of CRM, as CRM skills and expertise are ready to shine on the big stage. And this is just the beginning.

We can expect social platforms to continue to innovate, not only with new targeting techniques but also with new formats – which will unleash the creative power of CRM, social and media specialists. We'll be able to target individuals with highly personalized digital experiences.

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Video takes an increasing role in this since it autoplays in the Facebook news feed. Because of its growing number of autoplay videos, as of August 2014 Facebook surpassed YouTube in total number of videos viewed. Video posting moved away from YouTube towards Facebook in 2014. Twitter launched the same functionality in the beginning of 2015.

Every quarter, Facebook hits another milestone in its shift to mobile. Currently, 65% of video views happen on mobile and 526 million of Facebook's monthly active users access the platform solely from their mobile devices. Mobile today represents 69% of Facebook's annual $3.59 billion in ad revenue.

And we should think about this beyond the social networks we know today. Addressable TV is already a reality. Imagine using Facebook's current targeting criteria for TV.

Moving Beyond Social
Influence and Social Reach

If the potential is so obvious, why aren't more companies using Facebook or Twitter this way? Why aren't marketers more excited about the targeting and personalization possibilities of the new Facebook? We believe it's because most marketers who are active on Facebook haven't yet evolved their mindset. In our opinion they need to evolve beyond today's predominant social influence and social reach mindsets.

Social influence

A lot of brands today are still stuck in the "social influence" model. They create content and manage conversations. They focus mainly on growing their fan base and rely on organic reach they are getting from Facebook or Twitter. This model is outdated for all the reasons mentioned above.

Content

SOCIAL INFLUENCE

Conversation Management

Growing Fans & Followers
Organic Reach

Social reach

Some brands have evolved to a "social reach" model. They understand the limitations of organic reach and that they can only reach their audiences with paid media.

**Maximizing Impressions
Generating Earned Media**

They focus on reach and measure likes, comments, shares, retweets or mentions. Reach can be a very important marketing objective, and the social reach approach can be a powerful tool in attaining that objective. But reach alone is not sufficient. Ultimately we want to grow customer value, and that is done through a combination of reach and conversion.

The New Social
CRM Opportunity

So what does it take to move from social influence and social reach to real social CRM? What is needed is an integrated approach that focuses on acquiring and retaining customers, growing their value and increasing their advocacy. It is a customer-centric approach that leverages the full capabilities of today's social platforms – an approach that starts with an in-depth understanding of the customer and uses engaging content and highly targeted amplification to drive not only conversations but also conversions and customer value.

Content

Targeted
Amplification

SOCIAL
CRM

Customer

Conversation
+ Conversion
Management

Grow Customer Value

1. Customer: Build and manage a library of audiences

Everything starts with an in-depth understanding of the customer. Segmentation is key here. As mentioned earlier, the advanced targeting options provided by today's social platforms allow us to define audiences with both precision and scale. But marketers need to evolve their approach to segmentation. In social CRM, the game is no longer only about building your own database of customers, segmenting it and matching it to social platforms. Rather, it is now also about creating and managing a library of audiences on social platforms. Every book in that library is a very specific collection of Facebook or Twitter IDs we can engage with in a highly personalized way. Your own database, with personally identifiable customers and

prospects, may be one of the books in that library. Your database can be matched to Facebook, for example, through custom audiences. But there will be many other books in your library that may not be personally identifiable. These audiences can still be reached with highly personalized content. They can still be retargeted and managed along their purchase path.

2. Content: Embed CTAs in your content

Content is still key in social CRM, but we can now make it work harder. Actions speak louder than likes, comments, shares, retweets or mentions. The best way to get users to act is by embedding a call to action (CTA) in your content wherever appropriate. When users click on a CTA, they reveal their interest to spend more time with the brand, to discover more about it, and to consider or act upon an offer. By adding a CTA to your content, you can substantially deepen engagement beyond likes, comments and shares.

You can also reengage someone who clicked on a CTA. You can't do this with someone who merely endorsed your content (liked, commented, shared, retweeted or mentioned it). Reengaging users based on the actions they took allows you to manage them along their journey to purchase.

"Reengaging users based on the actions they took allows you to manage them along their journey to purchase."

Very few brands today include CTAs in their posts, which is like seeding without harvesting. Many brands still rely largely on photo-based posts. When a user clicks on the photo, they see a larger picture and a more exhaustive list of comments. These clicks can't be tracked and used for retargeting, and there is also very limited interaction beyond that initial click. That's a missed opportunity.

Page post link ads (involving paid media), on the other hand, are more powerful. They allow brands to track the user's actions and retarget them. Page post link ads feature large, clickable images, and any photo, text box and call-to-action button links to the website. With video posts, you can even retarget users based on their interaction with the content. You can target users who have seen three seconds of the video, or 95% of it; or those who clicked the CTA at the end of the video.

3. Targeted amplification: Don't count who you reach – reach who counts

No marketer has all the money in the world to amplify each piece of its content at scale. To fully leverage your paid media investment, you have to prioritize the audiences to maximize the results of each message. In social CRM, this means that once you have built a rich library of thousands of audiences, you have to select the right ones to target.

Here is how that could work for a furniture retailer. A post showing a new range of bed accessories can be targeted at an audience made up of the following "books" in your library:

AUDIENCE DESCRIPTION	TARGETING FEATURE (FB/TW)
Customers who already buy bedroom accessories or the broader range of Bedroom Products.	Custom audiences of clients
Visitors of parts of your website related to bedroom products or the broader range of Bedroom Products.	Custom audiences of site visitors (on a specific list of pages)
Users of your App or only those who visited the pages in your App related to Bedroom Products.	Custom audiences of App visitors (on a specific list of pages)
People who engaged with your Posts/Tweets about bedrooms.	Custom audiences of people who acted on the CTA of those posts/tweets
Viewers of bedroom related videos (or only those who watched more than 3 seconds or completed 95% or only the ones who clicked at the CTA at end of video).	Custom audiences of people who viewed a video about bedrooms
People who have a similar profile than users included in one or more audiences above.	Lookalikes

This is how you can define your target audience, using all possible indicators that someone may be interested in your products or services.

4. Conversation and conversion management: Engage your customers along their journey to purchase

Once you have built your library of audiences, created your content, embedded powerful CTAs and amplified the content to very specific key audiences, you need to continue to manage your audiences along their path to purchase. This is what we call conversion management.

In conversion management, you first map the customer journey for your key segments. This will show what stages a customer or prospect goes through, from initial exposure all the way to purchase and postpurchase.

Once you have identified the stages of the customer journey, you need to establish the audience definitions that will help you determine where someone is along that journey. The rich targeting criteria described earlier can be very powerful here.

Then you need to map your content to each stage of the journey. This will help determine what content is most appropriate at which stage.

These steps are very similar to how one would manage conversion in the traditional world. On social platforms, we just have more data, more scale and more opportunities for dynamic optimization.

Conversation management is still important in all of this. No action should go unnoticed, and responding to comments or questions from customers is a great way to move them further along the path to purchase.

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Breaking Down the silos

Organizational silos are often the main obstacle for implementing social CRM. The responsibility for Facebook and other social platforms in most organizations lies within the social media department. Most social media experts have grown up in the "social influence" world. They are experts in building audiences and managing communities. These are still very valuable skills, but they are insufficient if you want to capture the full potential of social CRM. Most social media experts aren't trained to run hypertargeted CRM campaigns and optimize them in real time. These skills usually reside within the CRM, loyalty or direct acquisition teams.

The budgets for paid social, as sponsored posts are most often called, are usually controlled by the media departments. Media experts have been buying sponsored posts on Facebook for years. But buying five to ten audiences on Facebook or Twitter is very different from running a proper CRM campaign on these platforms. There is an art and science to defining and constantly refining new target audiences; testing new creative, messaging and offers; and optimizing all of this in close collaboration with analytics and creative teams in real time. Like most social media experts, most traditional (and even digital) media experts aren't trained in this approach. They also usually don't have the time or staff to do this work.

Then you have the direct marketing teams that tend to be solely focused on traditional direct channels such as email, phone and direct mail. They should treat Facebook and Twitter with equal (if not higher) importance than email and DM." Not: "They should treat Facebook and Twitter with equal (if not higher) importance as email and DM. They should develop a Facebook equivalent for every direct activity they currently manage, and experiment on social platforms to come up with new direct activities that can be rolled out equally across Facebook and more traditional direct channels. They should train their staff and manage Facebook and Twitter budgets for direct marketing purposes. But they don't. They are stuck in the traditional DM world.

Agencies often reflect client silos. CRM agencies can provide most of the skills required to run a CRM campaign on Facebook, but their CRM experts haven't been trained on the ins and outs of the Facebook platform. Their clients are the direct marketing departments that don't ask them for these services for the reasons mentioned above. Media and social media agencies suffer the same issues as their counterparts on the client side.

This is why a new model is required to help companies make the most of the incredible potential of social CRM. In this model, direct marketing strategists and creatives are joined at the hip with digital and social media planners and buyers. They sit together physically so they can make real-time optimization decisions better and faster. This model also breeds hybrid

talent like creative strategists who know the ins and outs of the platform-targeting capabilities.

Social CRM forces us to break down the silos between social media, paid media and direct marketing / CRM. Real social CRM will only happen when social media professionals move from social influence to social reach and social CRM. Their paid media counterparts move from social mass and programmatic buying to the hyper targeted world of social CRM. And direct marketers join the party by seeing social channels as a viable option. Only through integrating these groups will we truly unlock the revenue potential of social CRM.

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