MIGRATING TO THE SOCIAL CRM: EXPLORING THE MOTIVES AND BARRIERS OF SOCIAL CRM SYSTEMS IMPLEMENTATION

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Abstract - Web 2.0 technologies provide new marketing tools and tactics to help businesses attract, convert, and retain customers. Today, firms are challenged by the rise of social media applications and these new technologies have become as a vital managerial requirement in customer relationship management (CRM). Social media and web 2.0 technology introduced social CRM as a new version of CRM strategy. Social CRM is still a relatively new domain in business context and it has considered as a strategic systems in marketing area leading to an innovative efficient approach. Despite the importance of social CRM systems adoption, there is no study which identify motives and barriers of social CRM implementation comprehensively.For fill this research gap, this study tries to analyze relative literature to extract important motives and barriers and also evaluate and prioritize them regarding experts' viewpoints. Therefore, the main contribution of this paper is to explore the drivers and barriers to Social CRM implementation.

Keywords - CRM, Social Media, Social CRM, System Implementation, Technology Adoption

I. INTRODUCTION

Timing a new market entry or the applying of new technological initiatives, such as the web 2.0 and social media applications, is an important strategic choice for businesses to meet customer's needs[1,2].Today, organizations stress the necessity of using social media in their customer interactionsmore competitive way [3,4,2] to gain customer knowledge.In knowledge-based economy, one of the most important success factor of the competition is knowledge related assets[5] and especially customer knowledge management. Customer knowledge help organizations to meet customer 'needs and expectations and also to find new market opportunities more rapidly than other competitors [6]. Social media can play substantial role in managing customer knowledge [7]. In fact, businesses face a changing environment where customers and employees have adopted social media on a massive scale[8,3]. Furthermore, competitive pressure forces companies towards a presence on various social media channels as customers expect them to be there [3,9]. Recognizing the increased availability of social media platforms has forced many firms to integrate these with their traditional CRM strategy [8] which introduces new domain namely social CRM. Social CRM strategy is a new version of CRM enable customer' interactions by socialmedia tools effectively [10]. This new initiatives providing both challenges and opportunities for businesses as it does [3].Social CRM has offered new customer-centric tools that facilitate customer's interactions with other customers and with businesses [11]. Executives are aware of strategic advantage of applying social media platform in customer interactions and therefore, investments on social CRM technologies rise increasingly in recent years. Social CRM technologies essentially capable businesses to exploit social network data for customer management purposes. Some of common Social CRM tools are conversation tools, RSS, blogs, widgets, podcast, wikis, and social networks [12]. Social CRM is considered the combination of CRM systems with social media technology and this new version of CRM provides more collaborative and customer-focused approach to incorporate with customer and manage customer interactions [11].According to TechnologyAdvice, some firms have predicted the overall market will be worth as much as $9 billion by 2018.

This trend has motivated many researchers and scholars to study the use of social media to communicate with customers and improvetheir experience[8]. Despite the increasingly attention toward implementation of these new technologies, high failure rate is reported. One of the important reason of this challenge is the lack of understanding adoption aspect comprehensively. The reminder of this paper is organized as follows: in section 2, related literature in area of social media, CRM and social CRM are reviewed. In section 3, research methodology is stated. In section 4, findings are discussed and in next section conclusion and discussion are stated.

II. LITERATURE REVIEW

2.1. The concept of social media
The advent of web 2.0 technology features provided the new forms of media mostly known as social media to emerge [13]. Reference [14] distinguishes between social media, web 2.0 and user generated content. They defined social media 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. Some researchers defined social media as the production, consumption and exchange of information through online social interactions and platforms[8]. Other considered social media as a group of web 2.0-based applications which allows users to create, update and exchange the user-generated content and enable them to interact virtually to other people and share information online [15].Regarding this trend of applying social media of people, researchers have conducted studies about social media applications. First, one stream of research has tried to define what social media applications are and classify types of social media applications based on their unique characteristics. Another stream of research has made a considerable contribution to explore which type of social media tools businesses are currently using and how these specific applications help firms to create and maintain the relationship with customers[2].

2.2.The concept of CRM and Social CRM

According to Bain & Company, customer relationship management (CRM) is at the top of management tools in 2015 and innovation is one of the management trends should be considered. CRM is as old as the business. CRM is a strategic approach to marketing and customer relationship [10]. CRM systems are a type of information systems that capable businesses to interact with their customers and gather, store and analyze customer data to provide a comprehensive insights of their customers [16]. Considering the increasing importance of social media tools, businesses heavily rely on social media data to analyze social customer's activities and behaviors to professionalize their relationship with them. By the growth of social media applications increasingly, the customers are not limited to a passive role in his/her relationship with a firms[4,9]. In this context, they have more information about alternative products available anywhere on mobile devices, they also can easily explain and share their opinions to large online communities, and on the other hand, it increasingly difficult to manage the vast messages that share in social networking site and applications by customers[2,4]. Social CRM is proposed on a foundation of insights that companies gain by analyzing huge amount of unstructured data about their customers, competitors and other players of competitive environment which are available by social media [4].The social CRM tries to leverage the social media technologies' features to expand and manage valuable relationships based on high customers' engagement [10].

2.3. Social CRM motives and barriers

Reference [4]conceptualized social CRM as being composed of two dimensions: a CRM dimension and a social media dimension. Through an examination of the related social literature, some related studies in these field identified the key drivers or organizational benefits gained from migration to social CRM and on the other hand, despite its growing popularity, several concerns surround the social media application and especially social CRM are mentioned by some researchers as stated below. Reference [17] identified some factors like perceived ease-of-use, perceived usefulness, and satisfaction with timeliness of information, satisfaction with system operations/capabilities that motivate firms to implement CRM systems. Reference [18]cited that customer relationship orientation, social media support, data capture and use through social media, customer engagement, and information processes are key motives for small and medium companies to shift toward social CRM. Some factors such as management's perception of CRM, employee involvement, the firm's size, and perceived market position are important to motivate firms toward social CRM [10]. Reference [10] examined the factor motivate organizations to adopt social CRM. They identified four main factors regarding social CRM adoption including technological factors (cost of adoption, relative advantage, Complexity and Compatibility), organizational factors (Top management support and IS Knowledge of employee), information processing factors (Information sharing, Information Capture and Customer Information use) and environmental factors (Customer pressure, Competitive pressure, Government support).Reference [8]found that organizational competence, organizational commitment with social media and individual commitment are key determinants and drivers of social media usage in sales.

Reference [19]summarizes 27 factors of barriers in adoption of social media tools by firms. These factors categorized in seven dimensionssuch as usage barriers (never used social media, do not understand the use of social media and negative experience), value barriers (difficulty in using communication tools, difficulty in clearly conveying knowledge, would entail greater effort to convey knowledge, difficulty in establishing a good interaction, difficulty in obtaining a response), physical risks (worried that media may be faulty, worried about network security issues, worried about legal disputes), trust risks (spend a lot of time costs, difficulty in modifying the release message, do not trust the social media, do not trust the virtual media, do not trust the Internet), security belief barriers (Potentially receive negative evaluation of high-profile, Potentially receive negative evaluation of pride, Potentially attached by others), mutual benefit belief barriers (concern that inaccurate knowledge is shared, believe that no benefits are associated with knowledge sharing, difficulty in identifying the benefits of knowledge sharing), and image barriers (fear of being teased by others, fear of losing power and position, fear of

lowering self-reputation, fear of not being acknowledged in the community).

By investigating related researches, it reveals that there is no study about social CRM motives and barriers which integrates most important inhibitors and drivers of these new projects.

III. RESEARCH METHODOLOGY

One of the prerequisite of any system implementation is comprehensively understanding the main drivers and barriers of its adoption which is vital for defining strategies and guidelines. The goal of this paper is to identify and highlight most important drivers and barriers of social CRM systems adoption which must be considered when intend to implement social CRM. Therefore, the main three questions of the research are: What are the key barriers and challenges of applying social CRM? What are the main and important motives and drivers of social CRM adoption?

To obtain mentioned research goal, in the first stage, systematic literature review of social media, CRM and especially social CRM are conducted to extract motives and barriers of social CRM implementation. In the next step, for evaluating and prioritizing extracted motives and barriers, a questionnaire was developed and distributed among experts in the fields of social media, marketing, CRM. Selected experts were asked to circle level of importance of each indicator on a 5-pointLikert scale with 'Not Important' at the one extreme and' Very Important' at the other. After continuous contact, 56 questionnaire were gathered and analyzed. To ensure of instrument reliability, Cronbach's alpha of total questionnaire was calculated and it was0.82 the conventional acceptable level of 0.7. For analyzing expert' opinion regarding the importance of extracted motives and barriers ,on-sample t-test is used and for prioritizing motives and barriers, Friedman's test was used.

IV. FINDING

Motives/barriers	categories	Measures	Ref.	Rank in its category
	External	Competitive pressure	[10], [17], [20]	1
		Customer pressure	[11], [10], [20]	2
		Customer' perceived ease of use about social CRM systems	[17], [19], [21]	6
		Existence the strong and qualified vendors	[11]	4
Motives		Customer ' perceived usefulness of social CRM	[17], [21], [22]	3
		Enhancement of customer engagement and experience	[23]	5
	Internal	Top management support	[10], [17]	2
		Receptive culture for change	[24]	3
		Financial advantages of social CRM implementation	[10], [23], [25], [26]	1
		Increase effectiveness of marketing activities	[27]	4
		Enhancement of customer knowledge management (CKM)	[7]	6
		Better recognizing target customers behavior	[17]	5
Barriers	External	Lack of customer' trust toward social media	[22], [28], [29]	4
		Lack of government support and regulation in social media adoption	[10], [27]	2
		Privacy concerns of customers	[30], [4], [29]	1
		Lack of appropriate local social CRM vendors	[11]	3
	Internal	Employee resistance regarding the change	[31]	1
		Lack of employee awareness about social CRM benefits	[32]	6
		Rigid and inflexible structure	[31], [33]	8
		Lack of appropriate technical infrastructure	[34], [21], [32]	7
		Lack of necessity resource for adoption	[35], [20], [31]	4
		Lack of positive top management attitude regarding social media tools	[21]	3
		Lack of qualified experts in social CRM	[10], [30]	5
		Difficulty of integrating with legacy systems	[10], [20]	9
		High required investment for implementation	[10], [26]	2

Table 1: motives and barriers of social CRM adoption

This paper provides insight into identifying areas that help or hinder social CRM adoption. For reviewing literature, top scientific journals were reviewed by the following keyword phrases: motives and barriers of social media, CRM, social CRM. The main motives and barriers of social CRM which extracted from literature are shown in table 1.

In the next step, the validity and priority of motives and barriers are examined by considering CRM and social media experts. Data gathered from survey was analyzed by on-sample t-test to determine whether proposed motives and barriers of social CRM are important (mean ≥3). Results show that all measures and dimensions are confirmed by participants. Table 2 show result of t-test for the "external motives" dimension for example.

Criteria	Mean	S.D	t	Sig.(α=0 .05, test value=3)
Competitive pressure	4.375	.702	14.652	.000
Customer pressure	4.250	.639	14.625	.000
Customer' perceived ease of use about social CRM systems	3.643	.796	6.043	.000
Existence the strong and qualified vendors	4.161	.733	11.849	.000
Customer' perceived usefulness of social CRM	4.250	.792	11.811	.000
Enhancement of customer engagement and experience	3.768	.934	6.152	.000

External motives (Mean= 4.0744)

Table 2: Mean, SD and t-test result of "external motives" category

Priority of motives and barriers in each their own categories are analyzed by Friedman's test. The results are shown in table 1. Significant differences (Sig<0.05) are found among these factors. Table 3 show result of Friedman's test for the "external barriers" category for example.

Variables	Mean Rank	Rank
Lack of customer' trust toward social media	2.32	4
Lack of government support and regulation in social media adoption	2.54	2
Privacy concerns of customers	2.81	1
Lack of appropriate local social CRM vendors	2.33	3
N Chi-Square df Asymp. Sig.	56 14.165 3 .003	

Table 3: the result of Friedman's test for the "external barriers" category

V. DISCUSSION AND CONCLUSIONS

Social media applications is growing rapidly [2, 3].Customers have interested to use social media applications such as Facebook, LinkedIn, Twitter and so on to interaction with other customers and companies [11]. Despite the huge research in social media and CRM literature, there is no study that provide comprehensive insight regarding motives and barriers of these new initiative. The aim of this paper is to determine the most important drivers and barriers to social CRM. Data were obtained from systematically reviewing literature and finally the executives were asked to describe whether these extracted factors hinder or enable social CRM implementation. The results indicate that certain factors can assist in the implementation of social CRM while others are clearly barriers. The findings show that motives and barriers can be categorized in two main group namely internal and external.

External motives include competitive pressure, customer pressure, customer 'perceived usefulness of social CRM, existence the strong and qualified vendors, enhancement of customer engagement and experience and customer' perceived ease of use about social CRM systems respectively. This study like previous studies [10], [17] & [20]found that competitive pressure is on of the most important driver to adopt technological innovations. Internal motives comprise benefits and drivers internally influence social CRM adoption. They include financial advantages of social CRM implementation, top management support, receptive culture for change, Increase effectiveness of marketing activities, better recognizing target customer's behavior, and enhancement of customer knowledge management (CKM). In this category, financial driver is the most important motive toward adoption which cited in studies of [10], [25], [23], and [26]. External barriers comprise barriers like privacy concerns of customers, lack of government support and regulation in social media adoption, lack of appropriate local social CRM vendors and lack of customer' trust toward social media. As… stated privacy concern is one of the most important barrier to adopt social technology initiatives. Internal barriers is final category which include employee resistance regarding the change, high required investment for implementation, lack of positive top management attitude regarding social media tools, lack of necessity resource for adoption, lack of qualified experts in social CRM, lack of employee awareness about social CRM benefits, lack of appropriate technical infrastructure, rigid and inflexible structure and difficulty of integrating with legacy systems.

This study provides several contributions to the CRM literature and provides managerial insight related to the adoption of social CRM technology. First, this study is the first study that identify motives and barriers of social CRM adoption. Second, it prioritized the motives and barriers regarding CRM and social media experts. This help managers to adopt appropriate strategies to reduce risk of social CRM implementation and finally make these projects beneficial for businesses.

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