SOCIAL CRM FRAMEWORK FOR A TELECOMMUNICATION COMPANY IN MALAYSIA

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SOCIAL CRM FRAMEWORK FOR A TELECOMMUNICATION COMPANY IN
MALAYSIA

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A dissertation submitted in partial fulfillment of the

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I declare that this thesis entitled "Social *CRM Framework For A Telecommunication in Company In Malaysia*" is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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To my beloved family, wonderful friends and amazing lecturers.

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ABSTRAK

Penyelidikan ini adalah mengenai rangka kerja sistem pengurusan hubungan pelanggan sosial untuk sebuah syarikat telekomunikasi di Malaysia. Ini disebabkan organisasi telah menggunakan media sosial sebagai salah satu ruang untuk berkomunikasi dengan pelanggannya. Malahan, beberapa bahagian dalam organisasi juga telah menggunakan media sosial untuk berinteraksi dengan pelanggannya. Bagaimanapun, tiada rangka kerja untuk memantau kesemua initiasif yang telah dijalankan. Banyak maklumat seperti aduan, pendapat dan maklum balas yang diterima tidak diguna pakai secara optimum kerana tiada kolaborasi antara bahagian-bahagian ini. Ada banyak kebarangkalian yang timbul terhadap aplikasi sistem pengurusan hubungan pelanggan sosial. Objektif utama penyelidikan ini untuk menyediakan rangka kerja sistem engurusan hubungan pelanggan sosial bagi organisasi ini selain mengaji impaknya kepada organisasi.Seterusnya, beberapa kajian kes yang berkaitan dengan sistem pengurusan hubungan pelanggan sosial dianalisa dan juga untuk mengesahkan rangka kerja yang dicadangkan. Penyelidikan ini dibuat di sebuah organisasi telekomunisasi terulung di Malaysia. Analisa kuantitatif dipilih bagi menjalakan penyelidikan ini. Maklumat dikumpulkan melalui kajian dan temu duga terarah. Hasil kajian menunjukkan bahawa sistem pengurusan hubungan pelanggan sosial ada memberikan kesan positif kepada organisasi ini terhadap kepuasan, kepercayaan dan komitmen pelanggan. Hasil penyelidikan ini boleh menjadi garis panduan kepada organisasi lain yang bercadang untuk melaksanakan sistem pengurusan hubungan pelanggan sosial.

ABSTRACT

This research is regarding a Social CRM framework for a telecommunication company in Malaysia. This is because of the current trend where the organization is extending the communication channels by using social media such as Twitter and Facebook. The divisions in the organization are already using social media to communicate with the customer but unfortunately there is no framework to govern these initiatives. The information such as complaints, opinions, feedbacks and inquiries are not properly optimized since there is no collaboration between the divisions. There are few doubts about Social CRM and its implementation. The objective of the research is to propose a suitable Social CRM framework for a telecommunication organization. Then, to analyze the Social CRM case studies which are related to Social CRM framework as part of the process to construct the Social CRM framework for the telecommunication organization and also to validate the constructed framework. The study was conducted in a leading telecommunication organization in Malaysia. Quantitative method is chosen. Data were collected from survey and structured interview. The result of study shows that Social CRM has positive impact to the organization towards the satisfaction, trust and commitment of the customer. This can be a guideline to the organization that is planning to implement Social CRM.

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LIST OF ABBREVIATIONS

CRM   -   Customer Relationship Management

PR   -   Public Relation

B2B   -   Business to Business

SCRM   -   Social Customer Relationship Management

GCC   -   Group Corporate Communication

IS   -   Information System

ISP   -   Internet Service Provider

CHAPTER 1

RESEARCH OVERVIEW

1.1. Introduction

Social media is booming recently and is becoming a trend for the organizations to adopt it as a medium to communicate with the customers. Social media websites such as Twitter, Facebook, and YouTube no longer serve as mere sites used by teenagers to perform "networking". Nowadays, organizations have discovered a way to use these social media to their advantage. Sharma (2011) mentioned that in order to achieve success in this wired world, the organization will need to adapt their business strategy, use new technology, expand their marketing and PR efforts, and alter and change their organization culture.

It is no longer uncommon to see the latest brands or gadgets being displayed and paraded around in Twitter or Facebook. It is also possible to create a buzz surrounding a new product or release even before the actual product or service reaches the shelves.

The biggest visible advantage is that for the first time, there is a possibility of two way communication between the organizations and the customers. This is made possible as customers are able to express their feelings, leave comments, vote online,

or propose their ingenious ideas towards current or upcoming products. Social networking has given rise to the "social consumer", who now has the rights to share their thoughts virtually about every kind of product and service and as a result, the days of the one-to-one relationship between companies and their customers are ended (Acker et al., 2011). This gives the organizations an option to alter or re-design their products and services to suite the market's wants and needs which may result in the generation of greater acceptability and higher demands for the products or services.

The traditional Customer Relationship Management (CRM) was defined by Greenberg (2009) as an operational, transactional approach to customer management that was focused on the customer facing divisions such as sales, marketing and customer service, culture change, automation through technology and the use of data for customer insight support the management of customers. Then, CRM is also defined as methods and technologies that support the planning, execution and monitoring of coordinated customer, distributor and influencer interactions through all channels (Wilson et al., 2002).

Besides that, Social CRM is the process of integrating the social consumer into the existing CRM efforts which is gathering sentimental insights from the customers' activities on social media sites and then integrating relevant information directly into the CRM customer profile (Goldernberg, 2011). Allen (2012) described that social consumer is someone who consults those that they trust through social networks before making a buying decision as they use their social channels to study about latest products, expect the brand to answer questions or address issues, search online for product ratings and also want the ability to easily communicate with a brand. Due to this, Social CRM is not just a set of technologies, but rather a

company-specific plan for creating customer participation and building stronger customer relationships (Faase et al., 2011).

The Chief Executive Officer of Eptica stated that, for too long organization have embraced a unorganized and an uncoordinated approach to social media where it does not benefit the organization or the customer; and so by putting social media at the core of its approach to customer service the organization is redefining best practice for customer interaction management (Kumar, 2011). The traditional CRM used by most of the organizations does not include this social media scope due to the fact that it only focuses on managing solutions via defined channels such as call centers and through organization's corporate websites and this is a one way communication between the brands and the customers where customer acceptance is expected rather than earned (Holland, n.d.). Hence, this study will produce a framework of Social CRM for the organization to cater the social needs and to be competitive continuously.

1.2.   Background of the Problem

At this moment, there are a few divisions in the Malaysia's leading telecommunication organization which are already using social media as a medium to engage with customers to promote the brands and services. For instance, Group Corporate Communication, Marketing, and Education are the divisions that are currently using social media to connect with their customers. They operate their social media programs individually, which causes lack of communication and

common goals between the departments. These social media accounts are overwhelmed with various comments, suggestions, ideas, and complaints from the customers. As customers are from assorted backgrounds and cultures, thus their needs also vary. The information gained from the social media is not integrated and not properly optimize since there is no collaboration between the divisions.

At the same time, customers are also mentioning many things about the organization which is beyond the official social media control. This blind spot needs to be explored, observed and studied in order to sustain the relationship with the customers. At this time, organization is unable to engage the customer with regards to the former and this is where the requirements of Social CRM are emerging. An author and leading authority on Social CRM, Paul Greenberg, stated that Social CRM is designed to engage customers in a collaborative conversation in order to provide a mutually beneficial value in a trusted and transparent business environment (Peterson, 2011).

In addition, Peterson (2011) also stated that Michael Fauschette's mentioned, "Social CRM is the methods that boost better, more effective customer communication and influence broader customer community with the projected result of increasing relationship between an organization and its prospects and customers. The goal is to accomplish closer relationship with the customer and tied to the company by building a public network to understand what they want and how they interact with the various company touch points."

1.3.   Problem Statement

Many local organizations are starting to adopt Social CRM into their businesses. There are many uncertainties about Social CRM and its implementation is being treated as a series of experiments, especially within the large organizations. The intention of this research is to construct a framework in order to manage the information from social media between the divisions in the organizations by using Social CRM. The organization is using Twitter to extend its customer service and basically there is no specified framework to operate the customer service via micro blogging site. Then, is to identify and analyze the blind spot of implementing social media initiative in order to maintain the relationship with the customer.

1.4.   Research Questions

The questions of the research are as following:

    (i)   Have there any Social CRM case studies which are related with Social CRM framework?

    (ii)   What are the propose framework to implement Social CRM in this telecommunication organization?

    (iii)   Does the proposed Social CRM framework for this telecommunication organization is valid?

1.5.   Research Objectives

The objectives of the research are as following:

(i)   To analyze the Social CRM case studies which are related to Social CRM framework as part of the process to construct the Social CRM framework for the telecommunication organization.

(ii)   To propose a suitable Social CRM framework for a telecommunication organization.

(iii)   To validate the constructed Social CRM framework for the telecommunication organization.

1.6.   Research Scope

The scope for this study focuses on a leading telecommunication organization that provides Malaysia the communication services and solutions in broadband, data and fixed-line. The study will be conducted in Klang Valley area only. The research data is collected from this organization via survey which involved the people in the organization and its customer. More, the study is focusing on one social media in the organization which is Twitter for customer service.

1.7. Significance of the Study

The main contribution of the study is to develop a Social CRM framework for the telecommunication organization so that the organization is aware of its challenges and benefits so it can be used to extend the current CRM to the next level and to fulfill the expectation of the social customers.

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