Department of Information and Computing Sciences

Master of Business Informatics

Utrecht University

The Netherlands

A Balanced Scorecard Approach to Social CRM Performance Measurement

---

Thesis

Fabio Kornek

Student Nr. 3548872

(day/month/year)

In Cooperation with NTT Data Germany

Utrecht University

Utrecht University advisors

Dr. ir. Remko Helms (1st Advisor)

Dr. Marco Spruit (2nd Advisor)

NTT Data supervisors

Dominik Lenarczyk

Christian Funk

NOTICE OF ORIGINALITY

I declare that this thesis is my own work and that information derived from published or unpublished work of others has been acknowledged in the text and has been explicitly referred to in the list of references. All citations are in the text between quotation marks (“ ”). I am fully aware that violation of these rules can have severe consequences for my study at Utrecht University.

Signed: Name: Fabio Kornek

Date: Place: Munich

Abstract

The use of social media by businesses to reach, engage and serve customers, called Social CRM (sCRM), has soared in recent years. The initial enthusiastiasm that preceded many of the quickly launched sCRM initiatives, however, often soon subsides in the face of management challenges emerging due to the lack of best practices and standard approaches. These process immaturities pertain as well to sCRM performance measurement activities, which unfavourably coincides with an increasing need to reliably measure the effectiveness and benefits of sCRM activities. Social media managers are currently methodologically ill-equipped to meet the demands of increased accountability. On the one hand are traditional performance measurement approaches ill-suited to social media environments. On the other hand exists an acute lack of appropriate measurement approaches and frameworks that provide structure and guidance on what exactly and how to measure in order to adequately assess performance of social media and sCRM activities. Although a limited number of vanguard firms have developed insular frameworks to address this issue, there are currently no satisfactory generic solutions on the market.

This thesis describes a measurement framework based on balanced scorecard (BSC) that seeks to incorporate the critical aspects and requirements for effective sCRM performance measurement. It was developed by thoroughly researching the specific design and practical requirements of sCRM measurement. The framework was validated by adopting case study methodology to examine the measurement processes of seven case organizations with superior social media practices. Interviews with key informants served as the primary method for the gathering of qualitative data. Additionally, publicly available data was collected and reviewed by the means of a web search. Based on this research process the presented sCRM scorecard outlines four key areas of sCRM performance. For each of these crucial performance areas, practitioners are provided with scorecard examples and groups of suitable metrics for evaluation.

Acknowledgements

There are a number of people who generously supported me in conducting this research. Without their help in solving the smaller and bigger obstacles that emerged along the way, this work would not have been possible. First of all, I would like to thank my supervisors and colleagues at NTT Data. I consider myself very lucky to have had the opportunity to work with such easy-going and pleasant people. The biggest praise, however, needs to go to Dominik Lenarczyk, who undoubtedly contributed the most to my supervision. It was amazing how you always managed to be there, despite your always busy schedule. Thank you for the interesting discussions and the good and timely feedback on my work. Further, I would like to express my gratitude to Christian Funk and Jan Haubrich. Christian, although you were not often at the office, I really enjoyed your company and competent advice on Fridays. Jan, without your support and the academic freedom you granted me in designing and conducting my research, writing this thesis would certainly have been a lot less fun. Apart from being nice colleagues and competent supervisors, it was great to work with you guys. Special thanks goes to Meike Leopold. Her help in getting access to key people and organizations was invaluable. Thanks as well to all the professionals, who so generously spend their scarce time to support me in my research.

On part of Utrecht University, I wish to thank my first and second advisors Remko Helms and Marco Spruit. Especially Remko merits credit for his indispensable advice on all matters of scientific work and research. Our bi-weekly meetings had been a priceless source of advice and inspiration. Although most of your requests translated into additional efforts, I never regretted to follow them, as they led to greatly improved quality of my work. Often I realized only at a later point how valuable and reasonable the advice had been. I also would like to thank Ca-binh Tran for his efforts in reviewing and correcting my work.

Last but not least, I would like to express my deep gratitude to Noemi. Thank you for encouraging me on this journey. Your constant support, understanding and patience are incredible.

Table of Contents

Index of Figures

Index of Tables

Index of Boxes

What is not measurable make measurable.

Galileo Galilei (1564-1642)

CHAPTER

1

Introduction

This first chapter starts by describing recent developments and trends in the field of social media in business. Next practical problems that evolve from these developments are explained. This includes analysis on underlying reasons and why it is important to resolve these issues. Consecutively the research questions and objectives are presented. The research approach section clarifies what is done to address the research questions and achieve the research goals. After a brief elaboration on how this work contributes to research and practice, the scope of this research is defined and some terminological issues are discussed. This first chapter concludes with an outline of the remaining contents of this thesis.

1.2 Background

Social media adoption and use in the private domain continues to expand at an exceedingly rapid rate. Facebook, the world's most popular social networking site, currently counts more than 900 million active users. 50% of these users login every day and spend an accumulated 740 billion minutes per month on the platform (Facebook, 2011). Micro-blogging service Twitter reports similarly impressive figures with 106 million accounts in September 2011, sending around 230 million tweeds (messages) per day, up 110% from beginning of 2011 (Twitter, 2011). At the same time do social media users increasingly expect companies and brands to have a presence on social media platforms. A study by Cone (2008) reports that 93% of American social media users think companies should have a social media presence and another 85% think that firms should interact with customers in social media.

Driven by consumer adoption and their described expectations, businesses increasingly get active in social media in an effort to avoid falling behind competition in the race after potential customers (IBM Institute for Business Value, 2010, IBM Marketing & Communications, 2011). Adoption rates are consequently continuously rising and more and more companies are beginning to investigate in how social media

could deliver value to their businesses (Sarner, Thompson, Dunne & Davies, 2010). The use of social media for customer related processes, referred to as Social Customer Relationship Management (sCRM), covers the by far largest part of social media use by businesses (IBM Institute for Business Value, 2011a). Moreover, since relations to customers are of utmost importance to almost all businesses, it is arguably the most important application area (French, LaBerge, Magill, 2011). The trend towards sCRM is consequently likely to continue in the future. Gartner forecasts the worldwide social sCRM market to reach 1 billion US$ by the end of 2012, up from 625 million US$ in 2010, making it the fastest growing segment of social media in business (Gartner, 2011, Hinchcliffe, 2011a).

1.3 Problem Definition

However, in order to evaluate the effectiveness and increase the accountability of sCRM activities there is growing need to assess the performance and business value of these activities in order to prove that social media investments pay off in the long term (IBM Marketing & Communications, 2011, Hoffmann & Fodor, 2010).

This assertion is supported by numerous blog posts, white papers and websites, which indicate that the ability to confidently assess and articulate the business value of social media is critical in regards to the successful adoption of these new technologies. A recent international survey among business executives conducted by the IBM consequently revealed 'establishment of a Return of Investment (ROI) strategy' as the most important challenge reported by executives responsible for sCRM initiatives (IBM Institute for Business Value, 2011b). Another global survey reports that many marketers struggle to find the right metrics to quantify the impact of sCRM (Davis & Freundt, 2011). In addition, Econsultancy's report 'The State of Social Media 2011' notes that 41% of the surveyed marketers do not have any ROI figures for money spent on social media (Econsultancy, 2011). This is a bad situation since means to determine quantifiable business benefits to assess the success of social media initiatives are crucial in order to justify investment (Murdough, 2009, Hoffman & Fodor, 2010). Performance measurement is furthermore a widely recognized necessity to competently manage and control not only social media, but processes of any kind (cp. section 3.6). Performance assessment should, however, not be restricted to financial metrics. A holistic assessment needs to take as well the wide range of non-financial benefits of social media, both quantitative and qualitative, into account (Ray, 2010, Hoffman & Fodor, 2010).

While there are literally hundreds of potential metrics and a multitude of measurement tools available on the market, the selection of the right metrics to suit specific sCRM contexts and goals is not straightforward. Companies commonly lack the conceptual means to confidently make this selection and implement a coherent and comprehensive measurement approach. It is not surprising then that the majority of social media using companies fail to effectively measure true business value generated by social media investments (Chief Marketer, 2011). A recent survey of 144 US firms conducted by Altimeter reveals an important reason for this ineffectiveness. Most of firms do not have measurement frameworks in place to systematically assess the performance and value of their social media activities. This is not only true for the majority of novice companies, but as well for more than half of the advanced firms (Owyang & Li, 2011). This should not come to a surprise. While literature suggests a number of performance measurement frameworks for traditional

CRM (see section 3.8), there is a blatant lack of best practice frameworks and approaches that provide guidance in regards to the assessment of sCRM performance. At the same time are traditional (CRM) performance measurement frameworks and approaches not congruent with the changed requirements and priorities of emerging social media environments. Because of the novelty of the phenomenon neither businesses nor the academic world have had enough time yet to develop appropriate new frameworks or adapt existing ones.

1.4 Research Objectives and Questions

Based on this complex of problems the goal of this research is to address the following overarching research question:

How can companies, in a systematic and holistic way, determine if their sCRM activities are effective and provide the anticipated business value?

This research question is addressed by developing and validating a generic performance measurement framework. This framework, called sCRM scorecard, is based on balanced scorecard principles, and is intended to be applicable across different business contexts and sCRM use cases[1]. It provides a conceptual, yet practical scheme to develop and implement comprehensive sCRM performance measurement. Systematic measurement is a necessary precondition for companies to further professionalize their sCRM activities and increase their social media maturity. It helps practitioners to make their sCRM activities more apprehensible, appraisable and transparent. The framework ensures effectiveness of measurement by directly aligning measurement to specific objectives, which in turn correspond to the firm's higher goals for the program. Comprehensiveness is achieved by holistically regarding both financial and non-financial, quantitative and qualitative aspects, of sCRM business value and performance. The scorecard was developed following a rigorous and iterative process based on a thorough formal analysis of literature combined with input from a multiple case study.

The research into organizations was necessary to validate the framework; to ensure that it reflects all critical aspects that practitioners regard as essential. Another objective was moreover that the framework should align well to current organizational practices. To achieve this, I collaborated with advanced firms from various industries to explore pertinent organizational contexts.

The exploration begins with the question of *why* firms use sCRM? What goals and objectives do they aim to achieve with sCRM? This question is important since appropriate performance measurement is fundamentally based on assessing achievements on goals and objectives. Concurrently do different goal groups ask for different assessment approaches for evaluation. Secondly, provides the multiple case study insights into *how* innovative companies approach sCRM performance measurement. What practices and procedures do they employ and what metrics do they consider important for performance measurement? This delivers insights into best practices and common key metrics which are subsequently analyzed in order to examine the scorecard and to revise, update and adjust it where necessary. Another important element of the case studies geared towards the validation of the initially developed sCRM scorecard are expert reviews conducted by the means of interviews

[1] Note that *use case* does not refer to the (UML) use case in software engineering.

with social media experts in investigated firms. This is done in order to obtain insights on the practical soundness and correctness of the framework.

These issues can be condensed into two sets of questions. Set D1 is concerned primarily with the analysis of literature and framework development. Set D2 guides the empirical investigation into pertinent organizational practices, goals measurements practices and metrics. Our main research question is consequently refined and complemented by the following sub-research questions:

D1a. *What is a suitable model framework for sCRM performance measurement?*

D1b. *What essential measurement perspectives and metrics need be considered for evaluating sCRM performance?*

D2a. *Which goals do companies aim to achieve when using social media for CRM purposes?*

D2b. *How do leading organizations approach sCRM performance measurement?*

1.5 Research Approach

This research is conducted by following a qualitative, deductive research process involving case study methods. First, it is investigated what is known about the knowledge domains relevant to this research. This is achieved by the means of a comprehensive literature review and analysis. This review includes literature on the following domains: Social media, CRM, sCRM and performance measurement, both in general organizational terms and in regards to the former specific domains. Based on these inputs a preliminary sCRM performance measurement framework is developed. The framework is then subjected to empirical scrutiny to evaluate its validity. For this purpose a multiple case study involving several highly advanced social media adopting organizations is conducted. The main goal here is to validate the framework. That is to evaluate its completeness, practical usefulness, relevancy and correctness, in order to make sure it meets the requirements and needs of businesses. The primary data gathering method were interviews with managers who account for the social media activities of their firms. This data was complemented by secondary information gathered through a web search, which included, for instance, PowerPoint presentations on Slideshare, blogs and other publicized interviews on similar topics. Following an in-depth analysis of the gathered data using qualitative data analysis methods and tools, the last step involved the revision of the framework to reflect the findings.

1.6 Theoretical and Practical Contribution

The creation of a sCRM performance measurement framework to theoretically advance the field of social media / sCRM performance measurement can be considered the main theoretical contribution of this work. In accordance with the three fundamental ingredients of a theoretical contribution outlined by Whetten (1989) this adaption and extension of theory includes the following steps: First, the conceptualization of a comprehensive, yet parsimonious set of fundamental measurement perspectives for sCRM. Having identified these fundamental perspectives inherent patterns are delineated by indicating some basic relationships between perspectives. Another theoretical contribution of this work is the creation of

a classification of metrics within the identified essential performance perspectives. Finally, I empirically examine the validity of the conceptualization by contrasting it against empirical findings derived from case study research.

Besides this contribution to theory the sCRM scorecard, provided templates and useful metrics, support practitioners by bestowing them with a conceptual scheme to make sCRM activities more transparent and appraisable. It equips them with a frame to develop and deploy a tailored performance measurement approach. Increased methodical knowledge in this important area is clearly needed in order to professionalize and advance business application of social media in general and in sCRM in particular.

1.7 Scope and Terminology

As pointed out earlier the use of social media for customer related processes is described the most prevalent, and in economic terms, the most important application area of social media by businesses. This the main reason why the focus of this research is on performance measurement of sCRM activities and process, rather than social media in general.

Social CRM processes are considered to involve all social media use cases or applications that are directed to the outside world, more specifically to the company's customers and prospects. This includes the utilization of (customer) communities for crowd sourced idea generation. Out of the scope are consequently social media use cases that do not focus on customer-related processes. For instance practices aimed at improving an organisations internal collaboration (e.g. internal social networking platforms, internal wikis, social media recruiting etc.). This is regardless of the possibility that the degree of social media use for internal collaboration might be an important influencing factor for successful external collaboration (Solis, 2010). More detailed information on what sCRM comprises and how it can be delineated from other social media applications in businesses is provided in section 3.5 ff. Performance in the context of this thesis refers in essence to business performance, not to any kind of technical (i.e. system/software) performance.

The multiple-case study included German companies and respondents from various industries. This does not necessarily mean that the companies *are* German, but that the interviewed managers and executives mostly bear responsibility for the German social media activities of their firms. In fact, most investigated firms are large multinationals, whose operations are not tied to any particular geographic area. Case organisations were carefully selected following the criteria outlined in chapter 2. The most important criterion was that the company needed to be *advanced* in their social media use. As a consequence companies that are social media novices or less advanced firms were out of scope.

The conducted case studies and interviews with practitioners have further shown that the term sCRM is not broadly used to denote customer related social media appliances, at least not in the Germany industry, where this study was conducted. Most of the respondents did not use the term sCRM, but just social media, when they referred to customer related use of social applications. Literature on social media as well as sCRM is likewise almost exclusively of North-American origin.

1.8 Thesis Composition

The remainder of this thesis is structured as follows:

Chapter 2 gives a comprehensive account on the research methodology. This includes the choice of research strategy and design that provide the structure to guide the research process. Next, the research methods, techniques and tools deemed appropriate for the data collection and analysis are presented. Chapter 2 further outlines how it was ensured that the research meets certain quality criteria, most notably validity and reliability. The chapter concludes with an discussion of the most important limitations of this study.

Chapter 3 represents the theoretical foundation of this thesis. Here relevant existent knowledge areas are explored and systematically analysed following a rigorous review process. This is done by taking into account the most influential literature in the investigated research fields. This process resulted in a solid understanding of theory and provided the basis that guided the development of the sCRM scorecard. Hence, this chapter essentially provides the answers to the sub-research question of set D1 (a and b).

Chapter 4 represents the core of this thesis. It builds on the previous chapter 3 and was revised on the basis of the case study results. It details the inductive process of developing the sCRM scorecard based on literature and inputs from the multiple case study. Further the framework and its measurement perspectives are defined and some hypothesized inherent relationships between perspectives are described. In addition the sCRM scorecard is operationalized by mapping commonly pursued goals and corresponding metrics to measurement perspectives. As a results chapter 4 mainly deals with answering the overarching research question.

Chapter 5 provides descriptions of the individual cases. This involves a general description of the case organization's background, its context, the sCRM goals it pursues, use cases, measurement practices and metrics. It further includes a summary of the main results from the expert review of the preliminary scorecard.

Chapter 6 synthesizes and aggregates the findings across cases. Chapter 6 is structured into four main sections. The first section evaluates and examines patterns relating to goals and objectives. The second section draws cross-case conclusions relating to performance measurement practices and metrics. Section three contains analysis and a categorization of investigated firm according to social media maturity. Chapter 6 concludes with a summary of the findings and how they influenced the revision of the sCRM scorecard. Chapter 5 and 6 further address the sub-research question of set D2 (a and b).

Chapter 7 concludes by summarizing the research results. The implications of the findings on our research questions and goals, to pertinent academic disciplines and business practices. Lastly we propose some fruitful areas of further research. The composition of this thesis is displayed in figure 1.

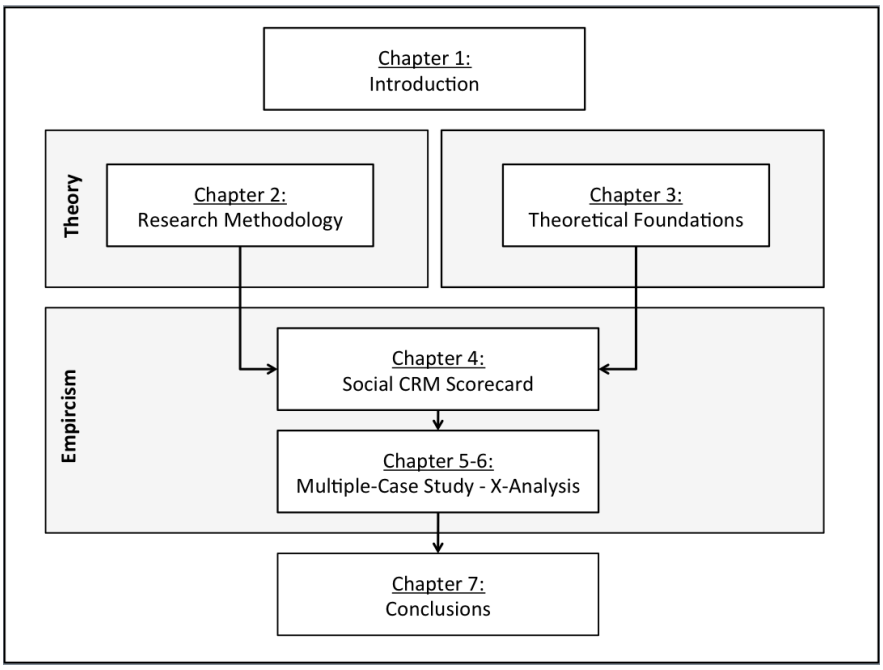


Figure 1 – Thesis composition

CHAPTER

2

Research Methodology

Chapter 2 motivates and describes the research methodology. The methodology is comprised by the research strategy, design, methods, tools and techniques that were used in carrying out the research process. This chapter thusly shows that the basic concepts and requirements of scientific work have been understood and are adhered to. In the following it is elaborated on the literature review process, the operationalization of concepts, data collection and analysis procedures, and how it was ensured that essential quality criteria, most importantly validity and reliability were met. Finally, some of the weaknesses of the primary data collection method used in this research are acknowledged.

2.2 Research Strategy

The main purpose of this section is to describe the chief considerations that affected the elementary building blocks of the adopted research strategy.

2.2.1 Qualitative and Quantitative Approachs

The most fundamental way in which research can be distinguished is according to the quantitative or qualitative paradigm. According to Wohlin, Runeson, Höst, Ohlsson, Regnell & Wesslen (2000) qualitative research aims to examine objects or phenomena in their natural settings. Interpretation is derived from (mostly verbal) explanations of relevant actors, which are in turn based on how these people understand and manage their day-to-day situations. Aim is to gain a comprehensive view of the context and phenomenon or object in question. At the same time it is accepted that different people can have different views and opinions and that, because of this, more than one interpretation is possible. Quantitative research is in contrast concerned with the gathering of larger amounts of (comparable) numerical data in order to conduct statistical analysis. Due to the emergent nature and expected diversity in sCRM goals and objectives it is further important to consider specific organisational contexts in

order to better understand why and how social technologies are used to connect with customers. Qualitative research is in this respect the most suitable paradigm as it allows to describe and illuminate context and conditions of the research environment (Cook & Campbell, 1979, Duchon, 1988). Finally, the expected relevance of social and behavioural considerations in sCRM performance asks for a qualitative approach. To summarize, the following requirements of this study justify a qualitative research strategy:

- High complexity and a multitude of variables affecting sCRM performance measurement.
- Importance of people aspects because *performance* is in sCRM to a large degree determined by what people (customers *and* employees) do or not do.
- Phenomenon is dependent on situational factors and is conducted in an organizational and therefore social context, influenced by people, relationships, corporate culture etc.
- Necessary data can only be gathered by investigating organizational contexts by querying people with an in-depth knowledge in the topic area and the processes of their organizations.

2.2.2 Explorative, Explanative and Deskriptive Research

There exist three different investigational approaches for empirical research. Bortz and Doering (2006) distinguish the following archetypal research types:

(1) *Explorative research* focuses on exploring how something works in order to develop appropriate theories and hypothesis.

(2) *Explanative research* tries to reveal cause-effect relationships and is used to devise and test theories and hypothesis.

(3) *Descriptive research* aims to explore and describe how something works.

Explorative research is best suited for new topic areas where hardly any previous research exists. Explorative research helps to formulate new hypothesis or to establish conceptual and theoretical fundamentals in order to enable the development of hypothesis. If already a considerable body of knowledge exists in a certain field that permits to build on existing theories, than explanatory research can be used to devise and test well-grounded hypothesis or theories. Descriptive research on the other hand does not necessarily try to explain certain phenomena with the help of theories or hypothesis, but to describe or classify phenomena (Earl, 1989). Descriptive research thusly, in general, precedes explanatory research. This basic distinction in three research types can further be applied to case study research (cp. Yin, 2009).

2.2.3 Bringing it all together

Let's begin with a brief review of the knowledge domains relevant to this thesis. There are three relevant areas of research with different levels of research depth. First, one can reasonably assume that the large body of research in the field of organisational performance measurement is to a significant degree as well relevant to sCRM performance measurement. This is because sCRM also *occurs* within the organisational context and performance can similarly be defined and measured as

other organizational processes using the concepts of efficiency and effectiveness. Second, CRM and CRM performance measurement is a closely related field. While substantial research exists in CRM, relatively little exists in the subtopic CRM performance measurement. Finally, social media and particularly sCRM performance measurement are the least researched areas of interest pertaining to this thesis. The tremendous interest in these topics in recent years, however, has resulted in numerous materials on the web, published by various interest groups (e.g. practitioner reports, consultants etc.). These initial domain circumstances call for a research process with both exploratory and explanatory characteristics. Explanatory since (a) theoretical knowledge from the field of performance measurement is used to subsequently identify a suitable best practice performance measurement framework. This model framework is then (b) customized to adequately reflect the requirements of sCRM performance by using research from both CRM and social media domains[2]. Especially the topic of social media performance measurement, however, requires some exploratory elements. To account for this required methodological principle of *openness* (Lamnek, 2005) the research design and data gathering processes were drafted in a way to permit as well unexpected information that may even contradict previous assumptions.

2.3 Research Design

Multiple-case study was chosen to investigate pertinent organizations. The case study methodology is especially suitable for this research as it allows to explore new topic areas and investigate contemporary practices within organisations (Yin, 2009, Eisenhardt, 1989). It provides a means to investigate complex phenomena that are influenced by multiple variables of potential importance (Yamagata-Lynch, 2010). Case study research is further deemed particularly appropriate to study information systems implementation and use within organisations (Benbasat, Goldstein & Mead, 1987, Myers, 2004). At the same time multiple-case designs are described to be more robust than single case designs, thusly leading to more compelling evidence (Herriott & Firestone, 1983, Yin, 2009). The main reason behind this assumption is that the investigation of multiple organisations allows for a direct comparison of practices in different contexts (Silverman, 2000). This, in principle, enables to reach more generalizable conclusions since researchers are in a better position to establish the circumstances in which a theory will or will not hold (Yin, 2009, Eisenhardt & Graebner, 2007).

The research design includes the following five steps (figure 2):

(1) *Comprehensive literature review*: A systematic review of literature related to sCRM performance measurement. Besides literature on sCRM this review includes the essential constituent areas of sCRM, social media and CRM. The investigation is further narrowed down to traditional CRM and social media measurement approaches. Finally, sCRM, social media and CRM performance measurement metrics are reviewed, collected and categorised.

(2) *Evaluation of performance measurement approaches*: A formal comparison and analysis of common performance measurement methods is conducted in order to evaluate the appropriateness of various approaches in regards to sCRM. Based on this evaluation the rationale for choosing BSC is described.

[2] This process of deriving and adapting theory is described in detail in chapter 3.

(3) *Design of a sCRM scorecard*: The conducted literature review provides the necessary inputs to identify essential scorecard perspectives that reflect the main areas of sCRM performance. For each perspective common generic sCRM objectives derived from literature are defined. Next are collected metrics classified and attributed to according performance perspectives. This includes the identification of sub-classes of metric within performance perspectives. Before starting the empirical investigation the constructed sCRM scorecard is reviewed for completeness and appropriateness with the help of subject matter experts.

(4) *Multiple-case study*: A case study involving multiple organisations is conducted in order to examine the constructed sCRM scorecard in terms of appropriateness and practical relevancy. This culminates in the modification of the scorecard where deemed necessary. The rationale and procedure are detailed in the next paragraph.

(5) *Conclusions and future work*: The research is concluded by presenting and discussing the results and implications for research and practice.

The research process is illustrated below.

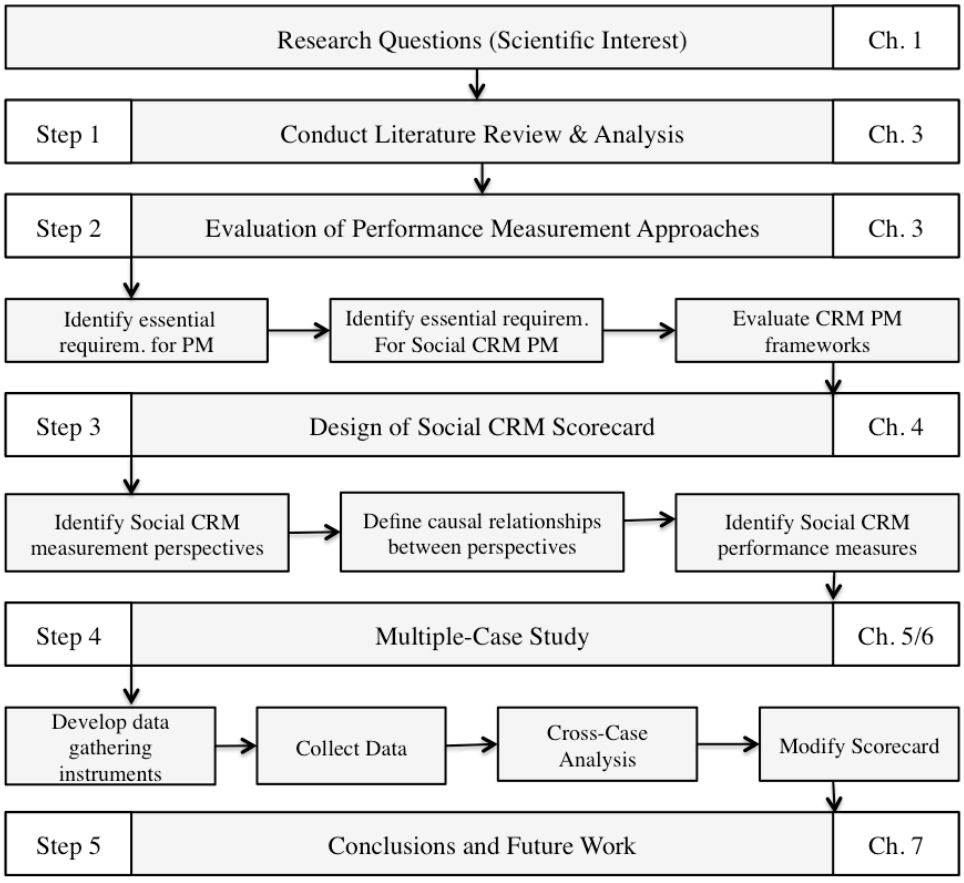


Figure 2 – Research process

2.4 Literature Review

The goal of the literature review is to provide an overview of the currently available pertinent and important literature and to integrate the research topic in the context of the existing body of acquired knowledge in the field (Glaeser & Laudel, 2004, Bortz & Doering, 2006). It is important note that the literature review in the context of this study is not just descriptive and passive as the word *review* implies. It goes in fact already one step further in that necessary framework requirements are investigated and determined. It is therefore imperative to thoroughly review all relevant research areas and works of previous researchers to learn about common approaches, presumptions and rules, while at the same time identify omissions and inconsistencies (Bryman & Bell, 2007). This approach ensures that the framework is built on the basis of existing acknowledged concepts and theories, without reinventing the wheel. The following broader topic areas are considered of significance to this research.

- *Social Media / sCRM*: What are accepted definitions and basic ideas behind these concepts? How can these concepts be distinguished and contrasted against related concepts? What are essential concepts throughout relevant literature that need to be considered when evaluating sCRM performance? How can measurement of these concepts be operationalized (i.e. what measures exist to denote achievement on these concepts)?
- *Customer Relationship Management:* What constitutes CRM processes? What are the theoretical and strategic origins and implications CRM? What constitutes CRM performance and what are common approaches to measure it? What can be learned and adapted from CRM performance measurement for purpose of this research?
- *Performance Measurement:* What are important theoretical and methodological approaches in this area? What are common denominators in performance measurement literature? What are important essential requirements for performance measurement frameworks?

Multiple databases were used to search and obtain scientific articles in the above listed fields. Among the most heavily used were Scopus, ACM Portal, IEEE Computer Society, Web of Science and Google Scholar. In terms of selecting articles, in general, the most influential authors and articles were selected based primarily on citation count and references in other influential works.

2.5 Multiple-Case Study

As motivated above multiple-case study design is considered the most appropriate approach to achieve the goals of this research. The initial, from literature derived, sCRM scorecard was therefore reviewed and validated in the light of empirical findings derived from multiple organisations with social media and sCRM practices. The intent was to include organizations in the study that have already experience with social media, respectively sCRM. Consequently organizations that are innovation leaders and early adopters of social technologies were considered suitable candidates. Such organizations can be assumed to have already reached a certain degree of maturity in their sCRM practices. The idea is that such companies could potentially serve as exemplary organisations in regards to their measurement practices. In contrast, it is assumed that organizations which currently experiment with sCRM or that are novices are unlikely to have defined sCRM measurement approaches, if any

at all. Innovation leaders on the other hand, often fulfil a pioneering task for the rest of the industry as they anticipate future developments. It is further focused on leading multinational organisations because research has shown that such firms are more likely to have reached higher levels of sCRM maturity and sophistication (Owyang & Li, 2011). The rationale is that large corporations, in general, have more financial resources and a larger pool of human skills to avail of, to initiate and run innovative projects such as sCRM. At the same time do large cooperation in general place a greater importance on measurement and most likely have experiences with performance measurement from traditional business areas. A last consideration relating to the selection of suitable cases is that the companies should represent a diverse set of different industries to achieve the envisioned cross-industry applicability of the developed framework. Table 1 presents the set of case study firms and some basic company information. Pseudonyms have been used to protect confidentiality.

Corporation	Business	Number of employees	Revenue	Area served
Softco	Software & Services	~ 100 000	~ 70 billion (2011)	Worldwide
Hardco	Hardware & Services	~ 100 000	~ 60 billion (2012)	Worldwide
Pharmco	Pharmaceuticals, Chemical & Cosmetics	~ 100 000	~ 40 billion (2011)	Worldwide
Foodco	Food & Beverage	~ 150 000	~ 50 billion (2010)	Worldwide
Transco	Transport	~ 300 000	~ 40 billion (2011)	Europe
Telco	Telecommunications	~ 250 000	~ 60 billion (2011)	Europe
Combank	Direct Banking	~ 50	~ 100 million (total assets, 2011)	Germany

Table 1 – Overview of investigated firms

Semi-structured interviews with managers of responsible for sCRM initiatives in these companies were conducted to gain insights into business specific sCRM objectives, common use-cases and measurement approaches. The multiple-case study process is depicted in figure 3. The process and its underlying logic is described in more detail in the section on external validity.

2.6 Data Collection and Analysis

Semi-structured interviews with key informants served as the primary method of data collection. One interview per company was considered sufficient since there usually exists only one social media team or department. It was therefore of particular importance to obtain an informant with a good overview and knowledge of the social media (measurement) activities. Most of the respondents are therefore in middle-management position reporting to top-management for their social media department's function (cp. table 2). The length of the interviews ranged between 45-75 minutes. Wherever possible the interviews were conducted face-to-face. In cases where geographical distance or other reasons prohibit a personal meeting, interviews were alternatively conducted by phone. To increase construct validity, the verbal data gathered through interviews was complemented by publicly available data gathered

by the means of a web search. This secondary data included information from the corporate website, publicized PowerPoint presentations and relevant blog posts. Table 2 gives an overview of the conducted interviews and the types of gathered secondary data. I prepared for each site visit by reviewing specific information about the investigated case (Yin, 2009). This review includes general information on the case company, specific information on social media / sCRM practices and, if available, according performance measurement procedures.

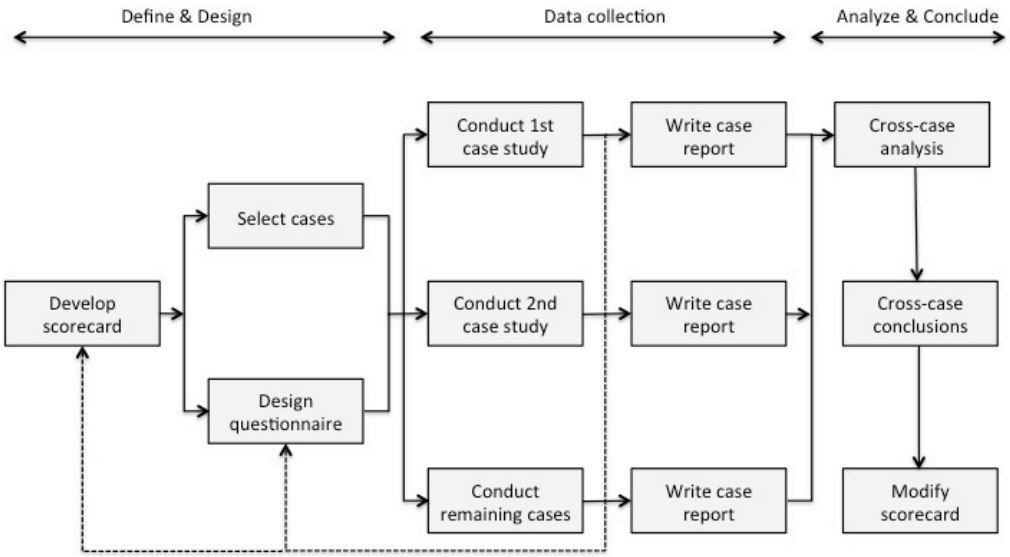


Figure 3 – Multiple-case study research process (adapted from Yin, 2009)

2.6.1 Development of Interview Guideline

An interview guideline was designed containing the battery of questions to be covered during the interviews. Content, order and the number of interview questions are aligned with the research questions to ensure the collected information is as complete as possible in regards to the initially defined objectives of the study (Atteslander, 2008). All interview questions were formulated openly to accommodate for the methodological principle of *openness* and allow for the explorative aspects of this research (Lamnek, 2005). This ensures that the research process allows and facilitates as well information which is, based on the initial understanding, not anticipated or even contradicts first assumptions (Glaeser & Laudel, 2009). A semi-structured interview moreover permits to ask questions out of sequence or to ask ad-hoc follow-up questions in order to satisfy the scientific interest. Although the interviews should enable a natural flow of conversation they are nonetheless centred on the research questions (Atteslander, 2008). The interview guideline serves the purpose to ensure that central issues are covered and all necessary information is collected (Mayring, 2002). Before the actual data gathering took place the interview guide was reviewed

independently by three subject matter experts. After this review and subsequent revision, a pre-test of the interview guideline was conducted to review the questions in terms of clarity and comprehensibility (Lamnek, 2005). The pre-test was conducted with a person in a similar position as the forthcoming respondents (i.e. responsible for corporate social media activities). The reviews and the pre-test resulted in valuable insights that subsequently led to the redesign of specific questions and some structural changes of the guideline in order to increase its overall comprehensibility. Below the choice of the interview questions is motivated.

Corporation	Respondent role	Date	Duration	Interview mode	Secondary data analysed
Softco	Social Media Manager	17. April 2012	55 min.	Personal	Presentations (ppt), Corporate website, third party websites, blogs, secondary interviews
Hardco	Executive Director Global Online Marketing	11. April 2012	45 min.	Phone	Presentations (ppt), Corporate website, third party websites, blogs
Pharmco	Head of Corporate Communications and Social Media	03. April 2012	50 min.	Phone	Corporate website, third party websites, blogs, secondary interviews
Foodco	Brand Manager Coffee division	17. April 2012	40 min.	Phone	Corporate website, third party websites, blogs, corporate press releases
Transco	Social Media Manager	04. April 2012	75 min.	Phone	Corporate website, third party websites, blogs, secondary interviews, corporate press releases
Telco	Head of Social Media Sales & Service	12. April 2012	55 min.	Phone	Presentations (ppt), Corporate website, third party websites, blogs, secondary interviews
Combank	Social Media Manager & Head of PR & Communication	16. April 2012	65 min.	Personal	Presentations (ppt), Corporate website, third party websites

Table 2 – Overview of conducted interviews

Company Background

In order to provide a meaningful basis for the subsequent cross-case analysis it is necessary to collect some basic information on the social media activities of the case organization. This information includes how the organizations rate themselves in regards to sCRM maturity and general innovativeness compared to their competitors. Further the actual reasons that lead to the introduction of sCRM in the first place are queried.

Company Background	• Since when does your organization use social media for customer facing processes? • What were the reasons for introducing Social CRM? • Which maturity level would you attest to your Social CRM activities compared to your competitors? [beginner | advanced | beginner | advanced | expert] • How innovative would you say your organization is in general, compared to other organizations in your line of business? [less innovative | comparably innovative | more innovative | far more innovative] (adapted from Chain Digitization Codebook, 2009)

Box 1 - Company background questions

Social CRM Goals & Objectives

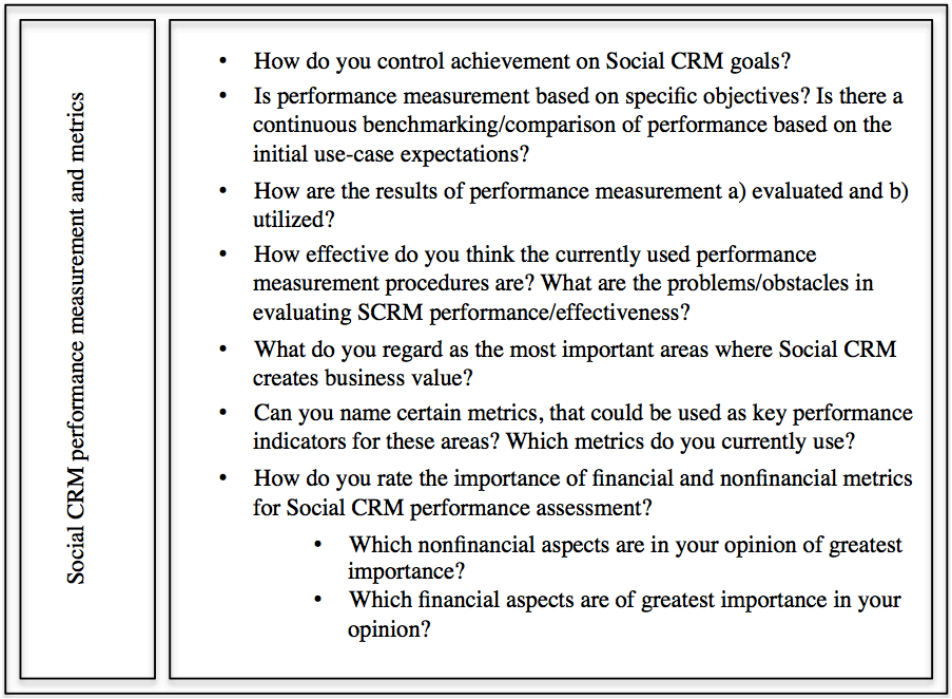
A second set of questions is devised to primarily gather necessary data to reveal in which ways organizations adopt social media for customer related processes and what they aim to achieve with it – at the corporate level and, more operationally, at the use case level. In this way information is acquired that helps to partly address sub-research questions D2a and D2b. Performance measurement literature pointed out the importance of linking operational objectives and metrics to corporate goals and strategy. It is therefore considered worthwhile to investigate in how far this link is established in practice in regards to sCRM objectives. The last question of this complex serves this purpose.

Social CRM goals & objectives	• What are historic, current and planned objectives your organization aims to achieve with Social CRM – at the level of business goals and at the use case level? • What corresponding Social CRM use cases do you employ achieve those goals? • In how far do these use cases help you to achieve these goals? • In what way do these use cases help you to achieve above mentioned goals? • To what extent do Social CRM objectives correspond with high-level business goals?

Box 2 - sCRM goals and objectives questions

Social CRM Performance Measurement and Metrics

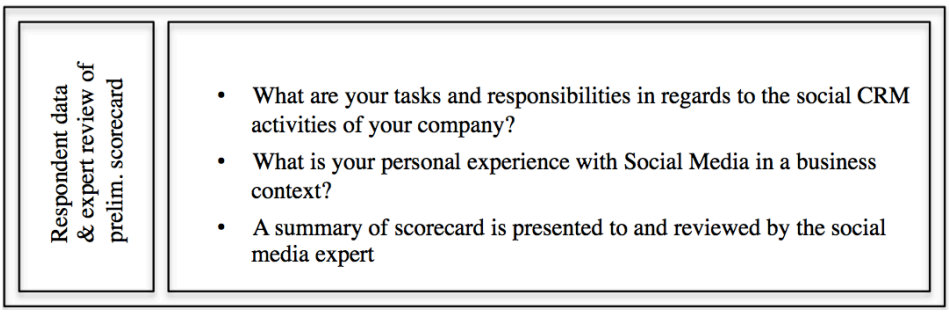
Primary objective of the questions on practices, procedures and metrics is to learn more about how the investigated organizations approach sCRM measurement. What do practitioners consider important and which obstacles and challenges do they experience? It is expected that this complex of questions will result in specific insights on the integrity and practical usefulness of the developed preliminary framework and its conceptual building blocks. Consequently the acquired information relates to sub-research question D1a and D1b.



Box 3 - sCRM performance measurement and metrics questions

Respondent Data and Review of Preliminary Scorecard

The last set of questions is targeted towards the respondent's personal experience, background and his or her tasks and responsibilities in regards to social media. After all interview questions are dealt with, a two-page summary of the preliminary scorecard is presented and the respondent is asked to review the framework. The summary contains a short description of the framework, the conceptualization of its main constituents along with the devised logic model showing hypothesized cause-effect relationships and patterns. Purpose of this exercise was to assess the framework and the predicted corresponding cause-effect relationships of its constituents to examine its completeness, plausibility and appropriateness.



Box 4 - Respondent data and expert review of preliminary scorecard

2.6.2 Analysis of Verbal Data

Interviews were conducted in German and recorded on a mobile recording device. In case the interview was conducted via phone, it was additionally recorded by the means of a propriety telephone conference tool. The recording files were subsequently transferred to a laptop computer for transcription and further processing.

For the transcription of audio files the freeware tool *Express Scribe* was used. Qualitative data analysis on the transcriptions was performed using the computer-assisted qualitative data analysis software (CAQDAS) *Nvivo 9* as suggested by (Bandara, Indulska, Chong, & Sadiq, 2007, Lange & Mendling, 2011). Patton (2002) describes the main activity of qualitative data analysis to be the systematic coding or categorising of mostly unstructured data. Its purpose is basically to glean insights from large amounts of data by condensing large volumes to easier manageable pieces and subsequently by revealing underlying patterns. Coding is an important means to structure and analyse interview data. In simple terms it involves the tagging or labelling of distinct text passages and mapping them to certain themes and categories. Nvivo 9 supports not only the process of coding, but beyond that provides various other options to analyse data and visualize the results. For the purpose of this thesis the following Nvivo 9 tools were utilized:

- *Coding for a source charts* are used for the exploration of individual cases (chapter 5). These charts show which themes are coded the most in a particular source. In particular bar charts are used to visualize the results of quantitative comparison.
- *Tree Maps* are used for cross-case analysis (chapter 6). They provide a visual representation of hierarchical data as a set of nested rectangles. The rectangles vary in size according to the amount of coding references across cases. Tree maps are therefore useful to indicate which themes are more heavily coded than others.
- *Cluster analysis* was as well performed for cross-case analysis. As an exploratory technique it is useful to visualize patterns in data by grouping themes that are similarly coded. Vertical dendrogram, a vertical branching diagram, was used. It clusters similarly coded themes together by applying Jaccard's similarity coefficient. The graphical representation allows exploring similarities and differences in coding themes. The informative value of the cluster dendrogram was further increased by manually mapping the occurrence of case firms in certain themes to clusters. This allowed to calculate the *relative cluster frequencies of firms* and subsequently attribute these figures to respective cluster. Thereby additional analysis and cross checks could be performed to corroborate or reject previously identified patterns.

For the actual coding a mix of bottom-up and top-down approaches was used. Top-down, first two superordinate categories were created, *Social Media Goals* and *Measurement and Metrics,* to reflect the two central question categories of my interview guide. For coding some of the earlier defined measurement perspectives of my preliminary sCRM scorecard were reused and modelled as sub-themes. In this way the perspectives *Interaction & Engagement* and *Satisfaction & Advocacy* were used as goal themes and as themes for respective metrics contents. Moreover the perspective *Monitoring & Analytics* was used in this way to denote a *Practices & Procedures* theme. Where units of meaning emerged that did not fit a priori concepts or that required a more differentiated view, new themes were created bottom-up, purely from data. Using this approach allowed to both:

1. Identify, mark and file contents that were accounted for by the preliminary framework and the previous understanding.

2. To account for the methodological principle of openness by identifying and capturing units of meaning that were not anticipated or even contradictory to previous understanding.

During the whole data analysis process the coding was continuously refined, for instance by recoding certain items, removing codes, merging or splitting certain themes. In a similar way the conducted cross-case analysis led to a deeper understanding that resulted in the creation of new concepts and the alteration of existing ones. This improvement process was done in an effort to increase the consistency and resolve discrepancies. The final results of this exercise are modelled in6. It represents the Nvivo coding theme classification containing all parent and child themes (i.e. called *nodes*) that have been used to structure and analyse the interview data.

2.6.3 Cross-Case Analysis

As pointed out earlier a major advantage of multiple-case designs is that they yield more generalizable results by enabling cross-case analysis (Benbasat et al. 1987). It is nonetheless recommended to initially treat each individual case within a multiple-case study as a separate study. This allows the investigator to analyse the unique patterns of each case before, in a next step, findings across cases are compared to draw more generalizable conclusions (Yin, 2009, Eisenhardt, 1989). I followed these recommendations and analysed and detailed each case separately before moving to cross-case analysis (chapter 6). Analysis of single cases proved to be worthwhile activity since it allowed becoming familiar with each case and to recognize and preconceive certain patterns, which, in turn benefited and accelerated cross-case analysis. Using the same basic categories as in the analysis of single cases, combined with the above described Nvivo 9 analytics tools, made it easy to explore and identify cross-case similarities and differences. The data analysis approach described in the previous section as well proved to be advantageous. It allowed dissecting the gathered raw data into parts supporting certain sCRM scorecard constituents, while revealing topics and items that were not covered by the framework and my previous understanding. Using these insights derived from data eventually the sCRM scorecard was revised and improved.

Parent node	Child node 1st degree	Child node 2nd degree
■ Social Media Goals		
	o Goal reach	
	o Goal branding & reputation	
	o Goal innovation & improvement	
	o Goal sales & conversation	
	o Goal interaction & engagement	
	o Goal satisfaction & advocacy	
■ Measurement & Metrics		
	■ Import. of measurement	
		o Depends
		o Very important
	■ Practices & procedures	
		o P&P Pragmatism ov. Idealism
		o P&P Systematization
		o P&P External Agency
		o P&P Steering
		o P&P Employee training
		o P&P Benchmarking
		o P&P Reporting
		o P&P Monitoring & Analytics
	■ Metrics	
		o Satisfaction & Adocacy Metrics
		o Volume, Quantity Metrics
		o Reach Metrics
		o Interac. & Engag. Metrics
		o Financial Metrics
	■ Deficiencies	
		o No corporate integration
		o No quant. objectives
		o No syst. measurement
		o No hard steering syst.
	■ Challenges	
		o Practical realization
		o Lack of tools
		o Measurement not representative
		o Sentiment not accurate
		o Rate of change
		o Lack of metrics, ROI

Table 3 – Nvivo coding theme classification

2.7 Validity Evaluation

Validity is frequently described as one of the key issues and most important quality criteria of qualitative research (Maxwell, 1992, Bortz & Doering, 2006, Lamnek, 1993). In regard to this research the question whether the empirical findings actually resemble relevant issues and, based on this, if the derived interpretations and conclusions are valid and address the purpose of this thesis, is indeed of great importance. Yin (2009) recognizes three types of validity that affect the integrity of conclusions generated from case study research.

2.7.1 Construct Validity

Construct validity, also referred to as measurement validity is especially challenging in case study research (Yin, 2009). In short it is concerned with the question whether or not the operationalized measures are indeed *operational*. That is if they actually do reflect the concepts that they are supposed to be denoting (Bryman & Bell, 2007). In order to increase construct validity the devised interview guideline has been subject to an independent review by three experts to ensure appropriateness, comprehensibility and relevancy of questions.

Yin (2009) suggests certain tactics to increase the construct validity of data gathering in case study research. An important means is to use *multiple sources of evidence*. I followed this tactic by collecting data from other sources besides interviews with key persons – my primary method of data collection. I systematically collected freely available data about the respective firm's social media activities and platforms on the web. To achieve this I followed a similar process as suggested by Culnan, McHugh and Zubillage (2010). For each case study firm:

- A web search was performed using the company name plus the term social media to investigate news and reports about the case companies' social media activities. A similar search was conducted using the name of the identified social media key informant of the firm plus the term social media.
- Next a web search was conducted using the names of the four most common social media platforms for customer related processes (i.e. Facebook, Twitter, forum and blog) and the company name (e.g. Facebook + "company name").
- Lastly, the corporate website was visited to identify to which social media applications they link.

Additionally, if possible, relevant internal documents provided by the respondent were reviewed, such as relevant PowerPoint presentations or communications. Another valuable source of secondary information resembled publicly available earlier interviews on the Social Media activities of the respective companies the respondents or other social media officials had given. These steps allowed to independently reviewing and evaluating sCRM use cases, the types of applications employed and how actively the firm uses them. This permitted to evaluate the convergence or non-convergence of evidence independent from the data gathered from key informants.

Another tactic used of for this research was to let the draft case study report to be reviewed by key informants to ensure its validity and to increase the overall quality of the report. This procedure has been identified as a way to corroborate the essential facts and evidence of the case study report (Yin, 2009). In this way it is an important means to validate the actual facts of the case.

2.7.2 Internal Validity

Internal validity is concerned with the validity of causal relationships. More specifically, whether a conclusion that incorporates a causal relationship between

variables is legitimate (Yin, 2006). Internal validity in multiple-case designs is difficult to achieve since it is hard to establish unambiguous causal inferences from cases (Bryman & Bell, 2007). This is, however, not a problem due to the partly explorative character of this research. The chief objective of exploratory research is to enhance understanding of a research problems. Especially when there is little understanding of a topic, explorative research helps to formulate hypothesis and to identify crucial variables and potential relationships (Crawford, 2006). In this sense, it is not our aim to test hypothesized causal relationships, but rather to support the creation of hypothetical causal relationships. The development of a logic model that explicates some assumed fundamental causal relationships between concepts before empirical fieldwork, nonetheless, proved to be a worthwhile activity. It was purposive to achieve a more comprehensive understanding of the conceptualization, and thus, in a broader sense, helped to examine if relationships, explanations and inferences are consistent and hold water. Since the conceptualization proved to bear up well against this examination, it further enhanced our confidence in the internal validity of our assumptions.

2.7.3 External Validity

External validity is concerned with the degree of generalizability, that is, the extent to which the results of a study can be generalized beyond the specific research context (Maxwell, 1992). External validity is the main reason why quantitative research, such as survey research, strives to generate representative samples (Bryman & Bell, 2007). Single case studies in contrast, inherently provide only a poor basis for generalization. Yin (2009), however, argues that such a comparison between quantitative studies and case study is incorrect. He distinguishes in between *statistical* generalization in quantitative research and *analytic* generalization in case studies. According to Yin (2009), the aim in analytic generalization is to generalize a particular set of results to some broader context. In other words, the case study researcher wants to obtain insights on the general circumstances in which a theory might hold and to which it could later be generalized.

In a multiple case study external validity is achieved by replicating findings resulting from theory testing to other cases (Yin, 2009). The underlying replication logic resembles the chief rationale behind conducting multiple-case analysis. A series of cases is used in a similar way like a series of experiments. Cases which confirm theoretical assumptions increase the confidence in the validity of the theory, whereas disconfirming cases provide an opportunity to refine or extent the theory (Eisenhardt, 1989). This enables researchers to better establish the circumstances in which a theory will or will not hold (Bryman & Bell, 2007). The replication approach as described by Yin (2009) is illustrated in section 2.6 (figure 2). The figure points out that the first step is the development of theory, followed by the selection of cases and the design and preparation of data collection procedures. An important element in the process is the feedback loop (dashed-line). This feedback loop represents a situation where important discoveries occur during the conduct of individual case studies, which may lead to a reconsideration and potentially even a redesign of theoretical propositions and/or data gathering instruments (Yin, 2009). Theory is ultimately revised again using the results of the ensuing final cross-case analysis. Sampling logic in case study research is likewise based on a quite different rationale than in quantitative research. While sampling in survey research uses the principle of contingency to achieve

representativeness, sampling in qualitative research is *purposeful,* that is, cases are carefully selected to permit analytic generalization (Patton, 2002, Maxwell, 1992, Yin, 2009).

2.7.4 Framework Validity

The validity of sCRM scorecard was achieved by conducting three main steps. The first two steps are geared towards ensuring construct validity (section 2.7.1) by establishing a proper foundation for the subsequent framework development. Step three on the other hand has the purpose to achieve external validity (described previous section).

1. Step one comprises a systematic and rigorous process of literature analysis that led to the identification of a suitable model framework and crucial functional design requirements.
2. In step two the identified criteria and requirements are then systematically and thoroughly translated into scorecard design (chapter 4, cp. figure 12; requirement capability match). This includes the specification of pertinent measurement perspectives and their operationalization.
3. In step three eventually this pre-specification is reviewed and revised using evidence from multiple case study (Eisenhardt, 1989). The multiple case study in this sense serves as a main means to achieve external validity. For this purpose the determination of sCRM goals and metrics of leading firms were elementary. These goals and according metrics were then contrasted against the preliminary scorecard to evaluate how well the predefined measurement perspectives and metrics are in line and reflect organizational realities. Another important activity during the case study conduct, geared towards external validity, was an expert review of the preliminary scorecard. For the expert review a two-page summary of the preliminary scorecard was presented and explained during case study interviews. The experts were then asked to assess the validity of framework. The results from this expert review were analysed for each case and then synthesized across cases (chapter 6).

2.8 Reliability

Reliability is a quality criterion for the repeatability of a research process and the reproducibility of research results (Bortz & Doering, 2006). Research is considered reliable if another researcher who would follow the same procedures as described by the earlier researcher would arrive at the same findings and results. A necessary requirement to ensure that other researchers are able to repeat a study is proper documentation and organization of the collected data and the research procedures (Bryman & Bell, 2007). Referring to this, Yin (2009) points out two specific practices for case study research, which were adopted for the present study in order to increase its reliability. First, a case study protocol was devised and used as a guide for case data collection (see Appendix A). A case study protocol is regarded essential in multiple-case studies. Our case study protocol consists of the following sections as suggested by Yin (2009):

(a) An introduction to case study and purpose of the protocol.

(b) A description of data gathering procedures.

(c) The case study questions (e.g. the interview guideline).

(d) Outline of the case study report.

Another way to increase the reliability of the data collection process is to use a case study database. The main objective is to have a properly structured, organized and presentable database, which other researcher could, in principle, use to review the evidence directly (Yin, 2009). The case study database used in this research was functional before the actual data collection commenced. The database is structured in files for each investigated case, while each case file is organized according to the above outlined contents of the case study protocol. It contained for example important review materials of each case, the digital interview recordings and respective transcriptions and data analysis documents and files.

2.9 Other Limitations

Besides the limitations in regards to validity, reliability and generalizability addressed above there some potential shortcomings associated with data gathering through interviews. Kromrey (2007) for instance objects that interviews can never be a completely neutral source of data. The interviewer may, intentionally or unintentionally, influence the respondent's statements. The respondent, on the other hand, may on his part use manipulative strategies. *Social Desirability* is one such strategy where the respondent tries to anticipate the desired answer to a question in order to meet the assumed expectations of the interviewer (Lamnek, 2005). I tried to minimize this issue by designing the interview questions as neutral as possible. This neutrality pertained as well to the way how interview questions where actually posed during the interviews. According to Glaeser and Laudel (2009) should interview questions never be phrased in a way that they lead the answer in a certain direction or suggest a certain reply. Efforts were further being made to construct simple and unambiguous questions. The earlier described pre-tests served the purpose to ensure that these basic requirements were met.

CHAPTER 3

Theoretical Background

Chapter 3 contains the results of our review of existing relevant literature. This review process is of focal importance to this research. One research objective to ground the sCRM measurement framework on acknowledged concepts, theories and methodological approaches. Drawing on established works enables to better understand key variables, contextual factors and relationships. This chapter starts by clarifying and defining social media and delineate it from the related concepts Web 2.0 and Enterprise 2.0. Next we present some recent efforts of researchers to conceptualize and structure social media applications. I continue by describing fundamentals of CRM and sCRM, as well as similarities and differences between both strategies. This is followed some theoretical background on performance measurement. In terms of performance measurement three research areas are considered to be of particular relevance to this research. First it can be assumed that core concepts of traditional CRM remain largely intact in the sCRM context (Greenberg, 2009). Therefore available research on CRM performance measurement is reviewed to explore common patterns in existing frameworks and approaches. Moreover it is decided to delve deeper into the established body of research on performance measurement to extract a parsimonious set of fundamental requirements that any performance measurement framework should possess. I continue by scanning the relatively young body of literature on social media measurement to likewise identify requirements (concepts) that most researchers regard as elementary for social media and sCRM measurement. This chapter concludes by presenting and motivating, based on the results of previous analysis, the selection of BSC as the most suitable model framework to adapt for sCRM performance measurement.

3.2 Web 2.0, Social Media and Enterprise 2.0

Social media is still a relatively recent phenomenon. The first blogs went online in the late 90s and all currently dominating platforms on the web, such as Facebook, Twitter, YouTube and others emerged shortly after the beginning of the new millennia (Kietzmann, Hermkens, McCarthy & Silvester, 2011, Kaplan & Haenlein, 2010).

Since then the proliferation of social media occurred at a speed, unprecedented by any other technology in history. However, despite its ubiquity in research and business there appears to be some confusion about what the term social media actually denotes. How should it be delineated from related concepts such as Web 2.0 and Enterprise 2.0? Is Web 2.0 the same as social media? Is social media just the new term to denote Web 2.0? Or is social media rather a subordinate concept of Web 2.0? How to classify the various social media platforms and applications? To provide some clarification we adopt the conceptualization, categorisation and definition of Kaplan and Haenlein (2009). They regard Web 2.0 as a platform for the evolution of social media in which applications and content *"are no longer created an published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion"* (Kaplan & Haenlein, 2010). It is further important to note that Web 2.0 was not driven by a single technological innovation of the Internet (O'Reilly, 2007). True participatory interoperability, information exchange and collaboration on the World Wide Web (WWW) were rather enabled by the combination of existing formats and technologies. Technologies such as Adobe Flash, RSS (Really Simple Syndication), XML (Extensible Mark-up Language), AJAX (Asynchronous Java Script) and Mashups (data from different sites pulled together) in combination with the widespread availability of hi-speed Internet connections constituted necessary preconditions to most of today's social media platforms. Based this distinction of Web 2.0 to primarily denote the technological underpinnings and social media as the "on top" software, Kaplan and Haenlein suggest the following definition, which we adopt for this thesis:

> *"Social media is a group of internet-based applications that build on the technological and ideological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content* (Kaplan & Haenlein, 2009)."

The term Enterprise 2.0, coined by Andrew McAfee, is described as "*the use of emergent social software platforms within companies, or between companies and their partners or customers*" (McAfee, 2006). Using this definition sCRM could be regarded as a subset of Enterprise 2.0. The question whether sCRM should be put in a separate category or generally regarded a subset of Enterprise 2.0, however, is still a matter of debate in the community. Well-known sCRM and CRM experts stress the point that Enterprise 2.0 primarily denotes the use of social software platforms within companies to improve practices, processes and the productivity of the workforce. It purpose is not generally – and this the main difference to sCRM – to enable and provide possibilities for customers to engage and interact with firms (cp. Hinchcliff & Greenberg, 2010). This can consequently be regarded as the primary goal of sCRM. Nonetheless are the two concepts inherently related and connected since the resulting improvements in productivity from Enterprise 2.0 in turn are likely to simultaneously as well increase the effectiveness of employee-customer relationships (Greenberg, 2009).

3.3 Social Media Classifications

A classification is a systematic arrangement in groups or categories according to established criteria (Merriam-Webster's online dictionary, 2012). Its purpose it to delineate boundaries and increase order. The diversity of the social media landscape and its rapid rate of change make it very difficult to create a systematic classification based on defined rules. Likewise every classification can, at this point of time, only

provide as a snapshot - out-dated shortly after its construction. Below we give a short account on some of the most prominent attempts to chart the waters of the social web.

3.3.1 Kaplan and Haeinlein Classification Scheme

Kaplan & Haenlein (2009) base their classification scheme (table 4) for social media applications on concepts of (a), media research (social presence, media richness) and (b), social processes (self-presentation, self-disclosure). The media-related components of the classification are characterized as follows:

- *Social presence* is defined as the intensity of the acoustic, visual, and physical contact that can be achieved through a certain social channel (Short, Williams & Christie, 1976). Social presence is assumed to be lower for mediated (e.g., telephone conversations) than interpersonal (e.g. face-to-face discussion) and asynchronous (e.g. email) than synchronous (e.g. live chat) communications.
- *Media richness* is closely related to the concept of social presence. It is based on the idea that the purpose of any communication is the resolution of ambiguity and the reduction of uncertainty (Daft & Lengel, 1986). As media differ in their degree of richness – that is the information that they allow to transmit in a given time interval – it can be inferred that certain types of media are more effective to resolve ambiguity and uncertainty than others (Kaplan & Haenlein, 2009).

Based on these two concepts, the authors assume that social media can be categorized according to the social presence and media richness they permit. A second classification is devised to serve for the social dimension of social media. Thereupon social media applications are categorised based on the degree of self-representation and self-disclosure they allow.

- *Self-presentation* states that in any social interaction people wish to control the impressions other people get from them (Goffmann, 1959). This concern is on the one hand driven by the objective to gain benefits and, on the other hand to create an image that is consistent with the individuals self-perceived identity (Kaplan & Haenlein, 2009).
- *Self-disclosure* is a means to achieve this self-presentation. It is the conscious or unconscious revelation of personal information (e.g. thoughts, feelings, opinions) and is regarded as an important step in developing close relationships.

		Social presence/media richness		
		Low	Medium	High
Self-presentation/ self-disclosure	High	Blogs	Social networking sites	Virtual social worlds
	Low	Collaborative projects	Content communities	Virtual game worlds

Table 4 – Social media classification scheme (Kaplan & Haenlein, 2009)

Using this classification scheme the authors distinguish six different types of social media (table 5). The conceptualization outlined above seems to provide a solid and relatively future proof scheme to classify social media. It can be argued, however, that the rather coarse distinction of only six social media types is not sufficient to reflect the diversity of today's social media universe. For example, (customer-) communities that are not based on content sharing and (product-) review sites or social bookmarking sites do not fit any of the categories. The conversation prism aims to resolve this issue by offering a broader set of categories for social media applications.

Collaborative projects e.g. Wikis, delicious	Blogs e.g. Blogger, Wordpress	Content communities e.g. Youtube, Picassa	Social networking e.g. Facebook, Google+, Xing	Virtual game worlds e.g. World of Warcraft	Virtual social worlds e.g. Second life
Enable the joined and simultaneous creation of content by many end-users. Distinction between wikis and social bookmarking sites.	Special websites usually displaying data-stamped entries in reverse chronological order. Social media equivalent to personal web pages.	Enable the sharing of media content between users. Exists for a wide range of different media types, including text, videos, photos, PowerPoint presentations.	Enable users to connect by creating personal profiles, inviting other people to have access to these profiles and exchange messages or other information among each other.	Platforms that provide virtual environments in which users can appear with personalized avatars and interact with each other.	Same essential characteristics as virtual game worlds, but allow users to choose their behaviour more freely and essentially life a life similar to a real life.

Table 5 – Distinction of social media applications (based on Kaplan & Haenlein, 2009)

3.3.2 The Conversation Prism

Solis and JESS3 (2010) made a more structured and fine-grained attempt to provide a comprehensive view of the social web. The so-called conversation prism, one of the most popular social media classifications on the web, provides a snapshot of the shifting social landscape at the time of its last update in 2010 (figure 4). The conversation prism attempts to visualise the diversity and immense quantity of social media applications beyond the dominating platforms such as Twitter and Facebook. It differentiates between 28 types of social media applications. The conversation prism is intended to help organisations, perceived to be in the middle of the prism, by providing them with orientation and guidance. The process of observation and

listening is regarded as essential for organizations to converse and engage intelligently in online conversations. Participation in online communications is important since it is the only possibility to actively influence those conversations. Conversations about firms *happen*, with or without the consent of the firm in question (Kietzmann et al., 2011). The prism is supposed to help organizations to identify where conversations in the social sphere are taking place, together with their scale and frequency. According to Solis this dialog can then be charted into a social map unique to the particular firm or brand (Solis, 2010).

Unfortunately, the theoretical and scientific underpinnings the conversation prism are rather weak. It is not based on related research and the categories seem to be constructed more or less arbitrarily without coherent concepts or consistent rules. Further it is not created following a rigorous research process. It is consequently primarily based on the author's personal opinions and perceptions. The main contribution of the conversation prism seen in the provision of a neat and colourful visual representation of various categories of social media applications. Above that, Solis (2010) gives a detailed account on how firms should use the prism and how a social map should be constructed.

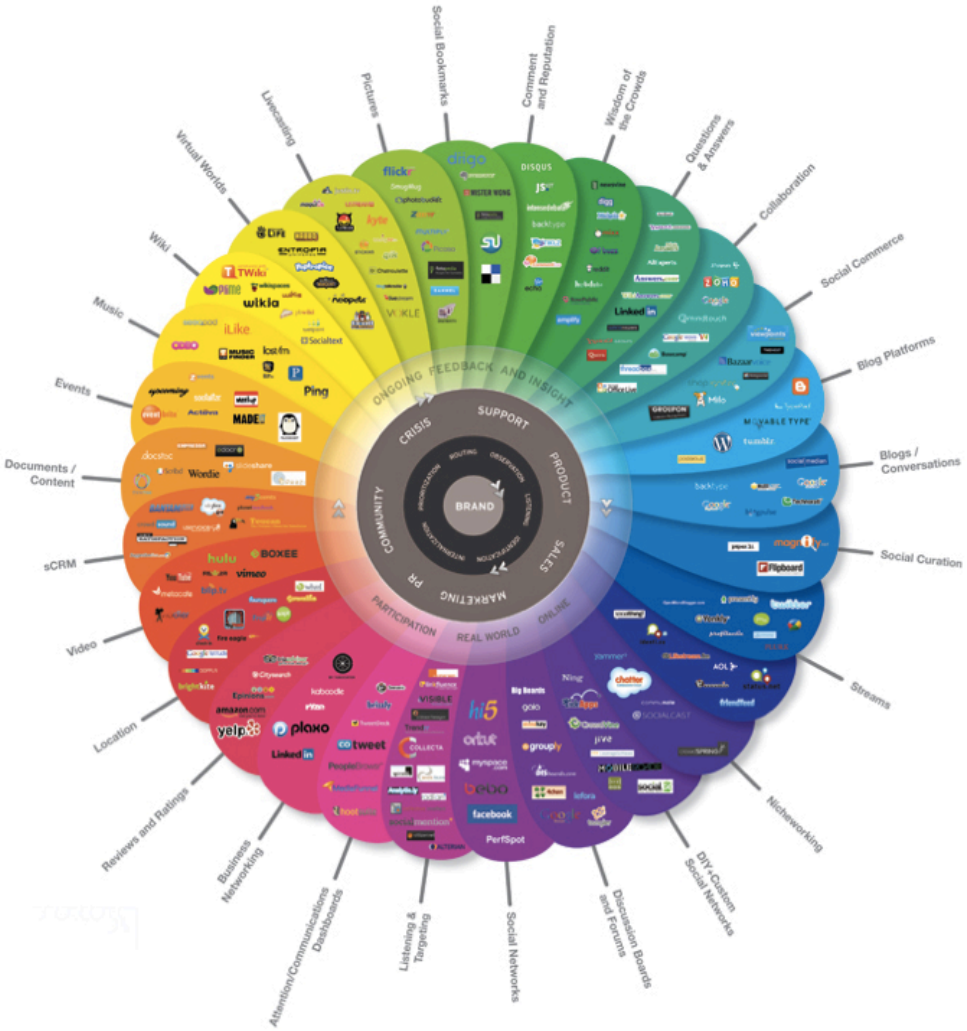


Figure 4 – The conversation prism (Solis & JESS3, 2010)

3.3.3 The Honeycomb Framework

Kietzmann et al. (2011) have developed the honeycomb framework to characterize social media by taking up and synthesizing ideas of various influential bloggers. It is grounded on the functional traits of different social media activities. The authors deduce seven functional building blocks of social media: identity, conversations, sharing, presence, relationships, reputation and groups. Figure 5 displays the honeycomb framework. The honeycomb on the left hand side briefly characterises the functionality of each building block, while the honeycomb on the right hand site suggests some implications of these functionalities. For the definition of some of these building blocks the authors draw on earlier research, such as social network theory (Granovetter, 1973) and industry dynamics (McCarthy, Lawrence, Wixted & Gordon, 2010). Although the honeycomb framework can be used to classify social media applications, it is not developed as a classification scheme in the first place. Declared purpose of the honeycomb framework is to help managers to understand the functional traits and implications of different social media activities. This is necessary to design a congruent social media strategy by analysing and balancing out the social media activities for their audiences.

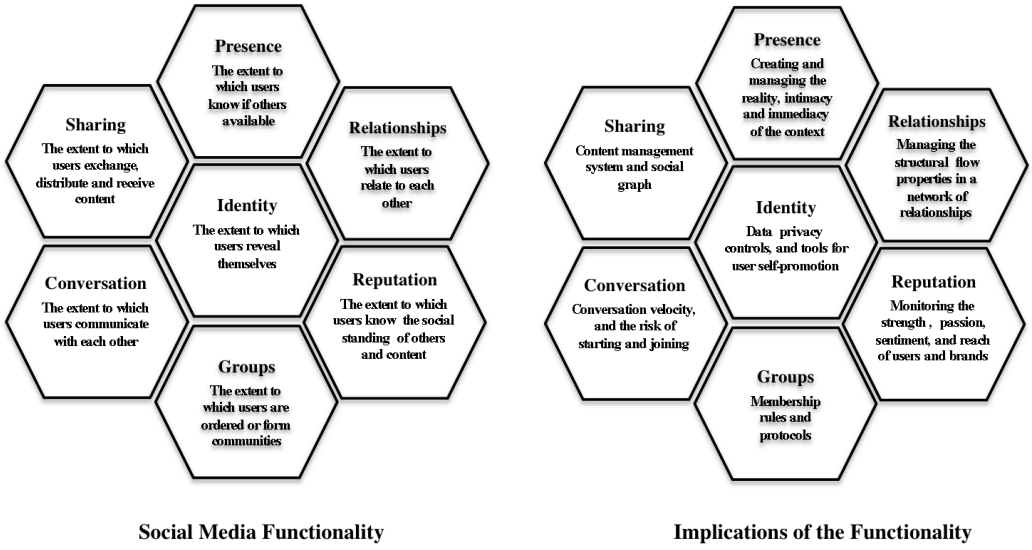


Figure 5 – The honeycomb framework (Kietzmann et al. 2011)

A main strength of the honeycomb model lies in its ability to examine specific facets of social media based on user experience. Companies can utilize the corresponding implications to better understand their audience(s) and create tailored engagement campaigns. A downside is that the authors hardly explain how exactly companies should use the honeycomb model to develop strategies based on it. The presented guidelines section, which is supposed to serve this purpose, does in fact provide only very little advice. A case study could have been an appropriate means to deliver more empirical insights on how this process needs to be conducted in practice.

3.3.4 Formal Comparison of Social Media Classifications

Table 6 compares the described social media classification schemes and frameworks according to their main characteristics. It is striking that although the conversation prism appears to be the most prolific on the web, it at the same time the least scientific of the three, since it is not based on any relevant theory or previous research. Kaplan and Haeinlein scheme, in contrast, appears to be the most scientifically sound of the three investigated classifications.

	Number of Classes	Classes	Based on relevant theory	Theories used	Practical usage advice
Classification scheme, Kaplan & Haenlein (2009)	**5**	Social presence/media richness (low/medium/high) Self-presentation/ self-disclosure (high/low)	**++**	Social presence (Short et al. 1976); Media Richness (Daft & Langel, 1986); Self-Presentation, self-disclosure (Goffmann, 1956)	**++**
The conversation prism, Solis & JESS3 (2010)	**28**	Social bookmarks; Content & Reputation Wisdom oft the crowds; Questions & Answers; Collaboration, Social Commerce; Blog Platforms; Blogs / Conversations; Social Curation; Streams Networking; DIY + Custom social networks; Discussion Boards & Forums; Social Networks; Listening & Targeting; Attention/Communication Dashboards; Business Networking; Reviews and Ratings; Location; Video; sCRM; Documents & Content; Events; Music; Wiki; Virtual Worlds; Livecasting; Pictures	**x**	**x**	**++**
Honeycomb framework, Kietzmann et al. (2011)	**7**	Identity Conversations Sharing Presence Relationships Reputation Groups	**+**	Social Network Theory (Granovetter, 1973); Industry dynamics (McCarthy et al. 2010)	**o**

++	Extensive
+	Partly
o	Insufficiently
x	Neglected

Table 6 – Analysis of social media classifications

3.4 Customer Relationship Management

Customer relationship management (CRM) is today one of the most widely adopted business strategies to increase competitiveness by managing all processes related to the relationships with customers, clients and prospects in an integrated manner (Payne & Frow, 2005, Brewton & Schiemann, 2003). Software magazine's 2010 SPO study involving 2800 firms worldwide found that more than 75% of surveyed firms have implemented some kind of CRM system (Dickie, 2010).

The term CRM first emerged in the mid-1990s in the information technology (IT) community (Payne & Frow, 2005). Tremendous increases in the availability of customer-related data in the 1980s led to the demand for software and hardware solutions to collect and manage data emanating from these customer-firm relationships (Zablah, Bellenger, Johnston, 2004). Boulding, Staelin, Ehret and Johnston (2005) further stress that CRM is an offspring of marketing thinking. They regard CRM as the next logical next step in the evolution marketing ideas enabled by advances in IT. Based on this view they delineate CRM as follows (Boulding et al., 2005): "*CRM is the outcome of the continuing evolution and integration of marketing ideas and newly available data, technologies and organizational forms.*"

The emergence of CRM can further be attributed to changes in the economic structure in industrialized countries (Lindgreen, Palmer, Vanhamme & Wouters, 2005). In production-oriented organizations the dominant economic thinking has been for decades the concept of value maximization (Boulding et al. 2005). This concept of value maximization splits company and customer matters into a dyad. Firms maximize profits and customers maximize utility. The concept of CRM is considered to reconcile and integrate the two perspectives by emphasizing the duality between firm and customer value creation (Payne & Frow, 2005, Rogers, 2005). Capitalizing on new technological possibilities companies began to concentrate on acquiring, retaining and enhancing the profitability of existing customers by activities such as customer segmentation and cross-selling (Payne & Frow, 2005). Greenberg (2009) describes traditional CRM consequently as, "*an operational, transactional approach to customer management*" (Greenberg, 2009), dealt with in customer-facing department (i.e. sales, marketing, customer service).

This rather rigid view of CRM as a process of defined steps, which is further primarily associated with technology solutions was, however, soon called in question. As a response to studies showing that approximately 70% of CRM projects failed (e.g. Gartner, 2003), led researchers to believe that regarding CRM purely as a technology initiative might be a key reason for failure (Kale, 2004, King & Burgess, 2008). Payne and Frow (2005) support this view. They argue that firms should move away from a tactical and narrow technological definition of CRM. It is suggested that firms instead acknowledge CRM as a cross-functional, process-oriented approach that integrates processes, people, operations and marketing capabilities. Figure 6 visualizes three alternative definitional perspectives of CRM in research and practice in a continuum.

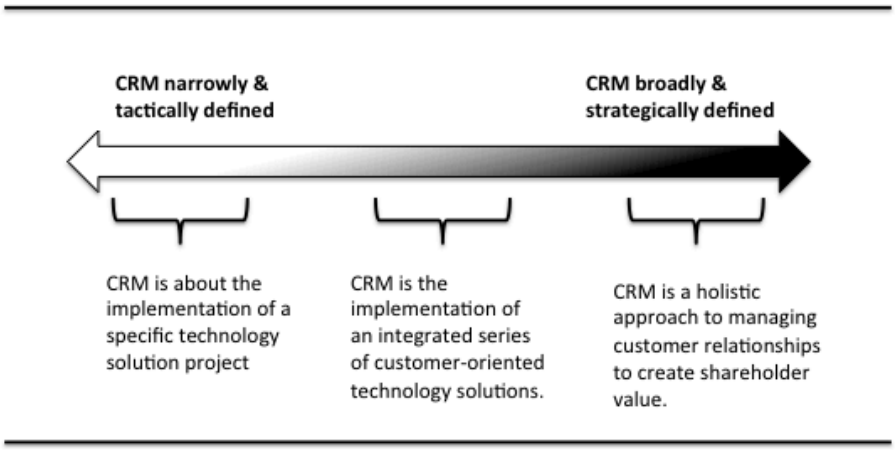


Figure 6 – Definitional perspectives of CRM in a continuum (Payne & Frow, 2005)

As an early influential author Winer (2001) describes CRM processes from the left site perspective of the continuum. According to him CRM ideally consists of seven components or activities: (1) creation of a database for customer activity, (2) analysis of the database, (3) decision-making about which customers to target, (4) targeting of customer with various marketing methods, (5) the establishment of relationships with targeted customers, (6) ensuring that privacy issues are met, and (7) developing and implementing metrics to measure the success of the CRM program.

Payne and Frow (2005) on the other hand identify five generic CRM processes to account for the more holistic and progressive strategic perspective on CRM which represents the right site of the continuum. First, the *strategy development process* reviews a firm's business and customer strategy with the aim of balancing and aligning the two. This results in a detailed view of an organization's strategy that provides the foundation for subsequent development and implementation of CRM activities. The *value creation process* builds on the previous step by transforming its outputs into concrete programs to create value. This includes determining both, the value the customer can provide to its customers and the value it can receive from its customers. The *multichannel integration process* is regarded as the most important CRM process as it utilizes the outputs from the former two processes and translates them into value-adding customer activities. Key issues are the most appropriate combination of channels; ensuring positive customer experiences in interacting with these channels; and how to present a single unified view to customers when many channels are involved. The *information management process* deals with the gathering of customer data from various touch points, the generation of customer insights from this data and the initiation of appropriate responses. Lastly, the *performance assessment process* is concerned with the task of controlling and monitoring the achievement of the organization's strategic objectives and induces processes improvements where necessary.

3.5 Social CRM

As with social media there is no single universally valid and accepted definition of sCRM. In practice, there is in fact often no distinction made between the two, or both

terms are used interchangeably. Paul Greenberg's in July 2009 publicized definition of sCRM is among the most frequently quoted. Similar to the view of CRM as a business strategy supported by technology Greenberg's defines sCRM as follows:

> *"sCRM is a philosophy and a business strategy, supported by a technology platform, business rules, workflow, 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. It's the company's response to the customer's ownership of the conversation (Greenberg, 2009)."*

This definition positions sCRM beyond questions of technology, platforms and applications. It is regarded as a response to fundamental changes in how communication takes place. Just like the widespread use of the telephone and email changed how people communicated, social media is seen to induce similar revolutionary changes. In correspondence to these changes within private communication, many experts today view sCRM as a paradigm shift in how companies connect and communicate to their customers (IBM Institute for Business Value, 2011a, Hoffman & Fodor, 2010, Askool & Nakata, 2010). A medium that allows connecting and engaging consumer that will sooner or later inevitably become part of the commercial aspect of business (Nair, 2011).

The last sentence of Greenberg's definition relates to the perhaps most fundamental change that sparked the need to move from transaction focused CRM to customer focused sCRM. Before the emergence of social media, firms communicated directly with customers or prospects. This interaction occurred either individually, for example as part of a purchase or a customer service issue (e.g. via phone call, face-to-face conversation, email), or by the means of mass communications (e.g. print or broadcast advertisement) (Gallaugher & Ransbotham, 2010). Regardless of which kind of interaction is involved, customers usually had limited possibilities to connect with or influence other customers of the firm. With social media customers are in an incomparably more powerful position. Customers can communicate and share opinions directly with each other, regardless if the firm approves or disapproves this communication. In principle every single customer can now reach a large audience by broadcasting his or her opinion about a company and their services on review sites or weblogs. Besides customer engagement another defining characteristic of sCRM is the recognition of the importance of customer advocacy (cp. section 3.7.3)

Analysis of IBM's Institute for Business Value shows that the use of social media to communicate and engage with customers is in fact the most prevalent type of business use of social technologies. In October 2010, 74% of firms used social media to communicate with customers, while 65% use it to respond to customer questions (IBM Institute for Business Value, 2011). The researchers conclude that these figures indicate that social media is emerging to become the primary channel to customer communication.

Despite the rapid speed of adoption the use of social applications by sales, marketing and customer service departments, business use of social media is still considerably lagging behind consumer adaption (Hinchcliffe, 2011b). This assertion is supported by Gartner's well-known hype cycle analysis on the topic. In the 2011 version of the *Hype Cycle for Business Use of Social Technologies* the researchers assert that there is no clear line that,

> "S*eparates general-purpose and business-specific social technologies. Providers adapt general-purpose technologies for specific uses, while technologies that start with a specific business use can become general purpose (Gartner, 2011).*"

Gartner positions the main use cases of sCRM, namely sales and marketing close to, and sCRM for peer-to-peer support right at the top of the *peak of inflated expectations*, underscoring the relative immaturity of the technology and the considerable risks involved with investments.

3.5.1 Social CRM Use Cases

According to Sarner, Thompson, Dunne and Davies (2010) actual sCRM use cases are diverse and unevenly distributed within customer-facing departments. The researchers report that for most of these use cases actual business value is not measured. As a consequence ROI remains elusive (IBM Corporation, 2010). Since use cases are continuously evolving initial experimental use is considered to be essential to identify metrics to support business value assessment at a later date (Sarner et al., 2010). Below I briefly describe some common use cases of sCRM to specific enterprise functions. Compiled from Sarner et al. (2010), table 7 summarizes use cases and corresponding application types and vendors.

Social CRM for Marketing

Marketing is described to be the most eager adopter of sCRM in any department (Sarner et al., 2010). The use case *idea management* focuses on engaging a community to share, capture and vote for ideas for the improvement of products and services. *Social campaigns* on the other hand utilize communities and relationships to target different segments of communities in real-time (e.g. viral campaigns using Facebook's like button). In *public relations* sCRM can be used to increase awareness, create reputation or manage and control (communication) crises damage.

Social CRM for Customer Service

The use of social software to enhance customer service management has, according to Gartner, the most potential for innovation. It is predicted that 30% of leading companies will adopt sCRM capabilities for their customer service function by 2013 (Gartner, 2011). One innovative use case is *community peer-to-peer support*, which focuses on communities to help customers engage to one another for customer support. *Service listen and respond* uses social media monitoring to detect and analyse potential support issues in social environments and react accordingly (Gartner, 2010).

Social CRM for Sales

According to Gartner the sales department has been the most conservative customer facing function in terms of sCRM testing and adoption. About 95% of sales sCRM initiatives in 2009/10 focused on aiding prospecting and internal collaboration (Sarner et al., 2010). Thusly, this application area is likely to remain the focus of sCRM in sales in the next years.

3.6 Performance Measurement

Performance measurement has attracted a lot of interest in academia in the last three decades. Especially during the peak of interest in the mid to late nineties of the last century numerous studies have been published on the topic (Folan & Brown, 2005). A conducted search for the purpose of this thesis in Google scholar resulted in more than four million publications. It is justifiable to say that performance measurement practices are deeply rooted in today's industry. According to a recent survey of Bain & Company (2010) the most prevalent performance measurement system, BSC, is implemented by about 50% of the surveyed firms. At the same time these firms report satisfaction rates of around 80%. These positive results reported by practitioners are underlined by research, which indicates that organisations using BSC systems outperform those that do not (Lingle & Schiemann, 1996). This suggests that performance measurement is a widely adopted and proven practice. Surprisingly enough the term performance measurement is rarely defined in literature. A reason for this might be that, despite its prevalence, performance measurement is not owned by academics of any particular field (Neely, 1999). Rather researchers from different functional silos have contributed often disparate results (Marr & Schiuma, 2003). This situation continues to date with the result that researchers from different functional backgrounds have produced an abundance of isolated performance measurement information, which is partly redundant or even contradictory in nature (Folan & Brown, 2005).

Neely (2005) conceptualizes the level of performance of business actions as a function of their efficiency and effectiveness. A central goal in marketing, for instance, is customer satisfaction. In this context the effectiveness refers to the extent to which customer requirements are met. Efficiency, on the other hand, signifies how economically resources are utilized to achieve a certain level of customer satisfaction. Based on this conceptualization Neely suggests the following definitions:

- *Performance measurement* is the process of quantifying the efficiency and effectiveness of an action.
- *A performance measure* is a metric used to quantify the efficiency and/or effectiveness of an action[3].
- *A performance measurement system* is the set of metrics used to quantify both the efficiency and effectiveness of actions[4].

[3] Such a measure can, according to Neely, either express the actual efficiency/effectiveness of an action, or the end result of that actions.

[4] Metrics should adhere to certain quality criteria. For an in-depth discussion refer to Neely (1994).

Enterprise Functions	Use Cases	Application Types
Social CRM for Marketing	▪ Idea management ▪ New product or service proposition & market research ▪ New product or service launch to market ▪ Social campaigns ▪ Social event networking ▪ Public relations (PR) ▪ Brand/reputation promotion and defence	▪ Social media monitoring (e.g., Nielson BuzzMetrics, Radion6, TNS Cymfony) ▪ Hosted community platforms (e.g., Communispace, Jive, LiveWorld, Mzinga & Pluck)
Social CRM for Customer Service	▪ Community peer-to-peer support ▪ Service customer feedback ▪ Service listen and respond ▪ Service process analysis	▪ Enterprise feedback management (e.g., Globalpark, MarketTools, Overtone) ▪ Hosted communities with search, integration tools, workflow and rule engines (e.g., Jive, Lithium, LiveWorld, Mzinga, Pluck & RightNow) ▪ Social media monitoring (e.g., Cisco SocialMiner, Radian6 & RightNow) ▪ Text mining (e.g., Attensity and Clarabridge)
Social CRM for Sales	▪ Social sales prospecting & research ▪ Sales social collaboration	▪ Social contact management, with data derived from community (e.g., InsideView, salesforce.com, Jigsaw & ZoomInfo) ▪ Lead management (e.g., CDC Pivotal Social CRM, InsideView, Hubbard One ContactNet, salesforce.com & Jigsaw) ▪ Call planning (e.g., Artesian Solutions & Oracle Social CRM Sales Prospector) ▪ Sales content management, with social software providing collaborative environment (e.g., iCentera, Oracle Social CRM Sales Library, salesforce.com, Chatter & Savo Group) ▪ Social media monitoring (e.g., Radian6 & Visible Technologies) ▪ Proposal management, with social software providing collaborative environment (e.g., Brightidea Switchboard) ▪ Social network analysis (e.g., 7 Degrees, Saba & Trampoline Systems)

Table 7 - Use cases and application types (compiled from Gartner, 2010)

Figure 6 highlights three different constituent parts of any performance measurement system: (1) individual performance measures to quantify the efficiency and effectiveness of actions or processes, (2) the performance measurement system as a set of measures to assess corporate performance, and (3) the relationship between the performance measurement system and its environments, the supporting infrastructure to enable the performance measurement process.

The definition of what performance means is further dependent on the organizational context. There are rich and extensive research streams of performance measurement in different organizational areas. Neely (2008) distinguishes four main functional streams of traditional performance measurement, accounting, marketing, operations- and supply chain management. Below we briefly discuss the two most relevant of these traditional performance measurement perspectives to this thesis, accounting and marketing.

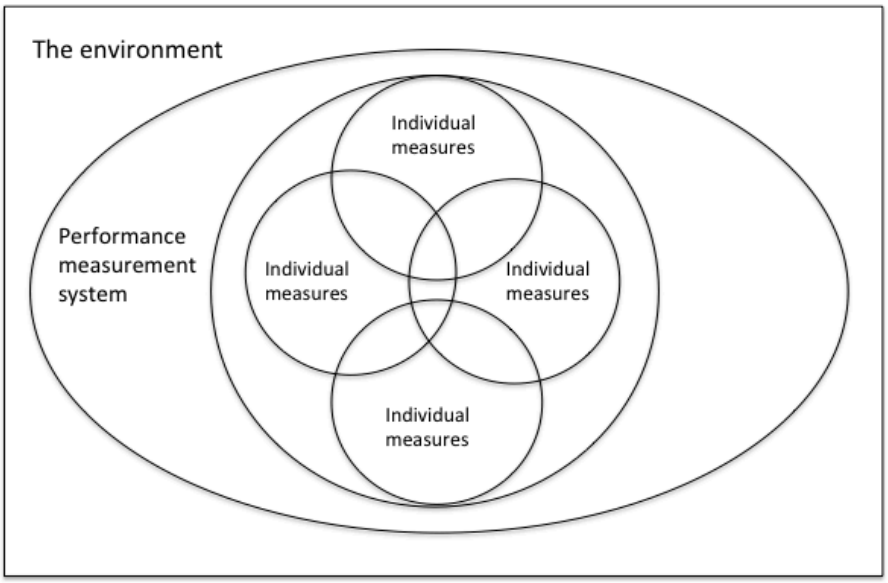


Figure 7 – Framework for performance measurement system design (Neely, 2005)

3.6.1 Accounting Perspective

Traditional performance measurement, based primarily on financial measures, originated from the management accounting domain (Ghalayini & Noble, 1996). During this period, which roughly lasted until the end of the 1980s, the focus was on performance measures primarily based on financial data (i.e. ROI, cash flow, sales, productivity etc.). This traditional performance measurement paradigm was challenged in the late 1980s and early 1990s when the limitations of traditional performance measurement became increasingly apparent. The inadequacies of traditional performance measurement and accounting systems have been discussed by many authors (e.g. Kaydos, 1991; Anderson et al, 1994; Otley, 1999; Medori & Steeple, 2000; Kaplan & Norton, 1992, Ghalayini & Noble, 1996; Ittner & Larcker, 1998, 2003; White, 1996; Chatterji & Levine 2006; McNair et al. 1989; Kaplan, 1990; Eccles, 1991; Fisher, 1992). Ghalayini & Noble (1996) summarize some of the most commonly cited limitations:

(1) *Changes in industry structure*. One a fundamental level traditional management accounting systems were developed to attribute total costs of manufacturing. In traditional accounting emphasis was put on traditional labor costs, which at the time represented the most important cost factor. All remaining costs were de-emphasized by summarizing them in one overhead category. Over time this distribution, however, went into reverse with overhead costs representing the biggest cost factor (Skinner, 1986). Because in this system overhead is allocated as the minor cost element of labor, the allocation approach is no longer valid. Kaplan and Norton remark: "*Traditional financial performance measures worked well for the industrial era, but they are out of step with the skills and competencies companies are trying to master today*." (Kaplan & Norton, 1992)

(2) *Past orientation*. Since financial metrics are usually reported on a monthly basis they can only represent results of past decisions. The reports therefore lag behind operational procedures and are often to old to be useful for operational

performance measurement. Non-financial metrics, in contrast, are able to predict future financial performance rather than simply report what has already happened (Kaplan & Norton, 2007).

(3) *No link to strategy*. With traditional metrics there is not connection to strategic goals. On that score, financial metrics give little indication if the strategy is working or not. Non-financial metrics, in contrast, can be linked to strategy via lower level objectives.

(4) *Customer requirements & intangible assets*. Traditional performance measures try to measure performance in monetary terms only. However, many areas of key importance to modern businesses (e.g. customer and employee satisfaction, loyalty, product and service quality) cannot be expressed in financial terms. They further do not reflect operational aspects of business and are therefore often ignored on factory shop-floor level. In the past decade more and more companies have therefore decided to measure before mentioned non-financial aspects of performance, which they believe will ultimately affect profitability (Ittner & Larcker, 2003)

(5) *Inflexible & expensive*. Financial reports are inflexible. They have a predetermined format, which is used across departments. But since characteristics and requirements differ between departments, performance measures from one department may not be applicable to another.

Nonetheless are financial measures of business performance, especially at the most senior management levels, indispensible since financial performance is a major, and perhaps the most important, ultimate objective of any business (Otley, 1999). The main role of the finance function is the management of financial resources within given financial constraints. Financial planning and control is hence an essential part of the management process. Another major function of accounting performance measurement is described controlling and motivating the internal activities of managers. Managers are supposed to increase shareholder value. Accounting measures can capture such financial aspects of performance. Financial indicators are used to represent the underlying activities in a common language (i.e. monetary measurement unit). Solely measuring outcomes may however, be insufficient to understand the actual drivers of performance, the activities necessary to achieve desired outcomes. For this purpose alternative approaches such as the BSC have been developed to provide for these insufficiencies of accounting performance measurement (Otley, 1999).

3.6.2 Marketing Perspective

It was described earlier that CRM evolved from marketing thinking. As a consequence many of the fundamental conditions and problems in assessing CRM performance, as well as common solution approaches, are closely related to marketing performance measurement. To put CRM and sCRM performance measurement in perspective, it is useful to discuss some basic ideas and historical developments of marketing performance measurement.

Assessing the performance aspects of marketing is a difficult task. A main reason for this is that the central measurement items in marketing, customers and competitors, are external and unequally harder to assess than internal measures of performance

(Clark, 1999). What adds to the complexity is that the outputs of marketing are typically lagging behind and are subject to a diverse set of influencing factors, which makes it hard to establish clear cause-effect relationships (Bonoma & Clark, 2006). In spite of these complexities is the assessment of marketing performance an important issue. Rust, Ambler, Carpenter, Kumar and Srivastava (2004) state in a drastic way :

> "*The perceived lack of accountability has undermined marketing's credibility, threatened marketing's standing in the firm, and even threatened marketing's existence as a distinct capability within the firm"* (Rust et al., 2004).

The increasing pressure for marketing accountability led to substantial research efforts in both industry and academia. The US based Marketing Science Institute, for instance, made research into marketing performance metrics their key research priority in four annual reports (Marketing Science Institute, 1998, 2000, 2002, 2004). More recently, research conducted by IBM shows that a lack of financial evidence, especially ROI, is still seen as the major challenge (IBM Marketing & Communications, 2011).

In the following section a brief outline of some important historical developments of marketing performance measurement and important concepts and approaches shall be given. Since CRM evolved from marketing it is further useful to discuss some theoretical basics of CRM performance measurement.

Historical Developments in Marketing Performance Measurement

One of the earliest approaches to assess marketing focused on marketing productivity. This is hardly surprising since performance measurement emerged from the economics and manufacturing domain and productivity was the dominant measure around that time (Bonoma & Clark, 1988)[5]. While in the beginning this assessment was conducted solely at an industry level, at a later stage firms began to measure productivity as well at the firm level. These efforts were aimed at maximizing financial returns by optimally allocating marketing resources. Specifically, it was attempted to integrate methods from the finance and accounting domain to evaluate marketing processes (Clark, 1999).

From the late 1970s to the late 1980s firms moved from purely financial output measures and began to consider as well non-financial measures. Especially market share attracted a lot of interest as it was considered a strong predictor of profitability (Buzzell & Gale, 1987). However, the link between market share and profitability was later discredited, and claims were made that a focus on market share measures could even lead to unprofitable decision-making (Szymanski, Bharadwaj & Varadarajan, 1993, Armstrong & Collopy, 1996). A third popular performance measure around that time was the innovativeness of the marketing department and its ability to adapt to changing environments (Clark, 1999, Walker & Ruekert, 1987). The basic idea behind measuring adaptability is that only firms that are able to adapt were thought to survive on the long-term. Firms can, for example, measure marketing innovations, new product sales or launches within a given period of time.

[5] Marketing productivity was assessed as the output per unit of input. Output measures for firm prodcutivity typically included sales, profit, market share. Frequently used input measures were marketing expense, investment and number of employees (Bonoma & Clark, 1988).

Move from Financial to Non-Financial Measures

Out of the many proposed concepts to signify marketing performance two can be considered the most significant to marketing in general and this thesis in particular. At the same time they represent the most enduring and established concepts. *Customer satisfaction* and *customer loyalty* account for the conception that focal marketing outcomes cannot be measured with purely quantitative or financial means. This view stems from the recognition that the central purpose of marketing should be aimed at building and maintaining long-term relationships with profitable customers. Below we briefly outline these two concepts.

Customer Satisfaction

Customer satisfaction as a measure for business performance has attracted tremendous attention in the last three decades. It can be considered a central concept in marketing and has become an important benchmark measure in many industries (Yi, 1990, Clark, 1999). It was further prominently suggested as a suitable KPI for the BSC (Kaplan & Norton, 1996).

There are many definitions of customer satisfaction. All of them essentially circle around the question of how well a certain product or service meets or even surpasses customer expectations. Depending on how well these expectations are met or not met customers are expected to be more or less satisfied (Gupta & Zeithaml, 2006). This conceptualization is often referred to as the confirmation/disconfirmation paradigm (Yi, 1990). A central definitional issue in literature is the question whether satisfaction is best conceived and evaluated at the transactional level (i.e. in relation to a particular purchase) or, more holistically, as an overall cumulative evaluation of all experiences a customer has made with a firm (Oliver, 1993, Anderson, Fornell & Lehmann, 1994). Earlier studies in applied marketing focused more on customer satisfaction at the transactional level. More recently, however, there is a trend to assess satisfaction as the sum of experiences with cumulative constructs (Gupta & Zeithaml, 2006). Surveys are the most common method to assess customer satisfaction. Some of the most scientific and comprehensive ones are the Swedish Customer Satisfaction Barometer (SCSB) or its US counterpart, the American Customer Satisfaction Index (Fornell, 1992, Fornell et al. 1996).

Research indicates positive correlations between satisfaction scores on those survey instruments and financial performance (Anderson, Fornell and Mazvancheryl, 2004). Having a large base of satisfied customer is therefore considered an important asset. In a review of research of the last two decades Gupta and Zeithaml confirm the strong positive correlation between customer satisfaction and profitability. The researchers generalize that, "*improvements in customer satisfaction has a significant and positive impact on firms' financial performance.*"(Gupta & Zeithaml, 2006)

Problems with Customer Satisfaction as a Measure

A problem with customer satisfaction is that although it is necessary condition, it is not always sufficient to achieve long-term profitability. Using the definitions above, studies have revealed, that in fact most customers seem to be satisfied (e.g. that the product or service meets their expectations). In a review of studies Peterson and Wilson (1992) found that most studies on customer satisfaction seemed to be biased

towards the positive. Clark (1999) argues that high satisfaction ratings may have little positive effects if customers are equally satisfied with competing products. From a managerial perspective not a satisfied customer has the most significant affect on the firm's profitability, but the one who continuous to buy the firms products. There are, both in practice and research, moreover some definitional problems involved. In regards to the described confirmation/disconfirmation paradigm, especially the definition of the concept expectations has proved to be problematic. There seem to be diverging views on what this concept actually means, which leads to different proposed definitions (Teas & Palan, 1997). There are moreover a number of competing frameworks and suggestions on how customer satisfaction should be measured. As a result business practitioners who want to implement customer satisfaction measurement, are unsure as to what exactly they should measure and how they should assess the actual effect on business profitability (Clark, 1999).

Customer Loyalty

Partly to reconcile some of the described problems with measuring customer satisfaction, customer loyalty measures have attracted increasing interest. Advocates of customer loyalty measures claim that it is pivotal for a firm's profitability that customers continue buying products over time. Frederick Reicheld is one of the most influential and vocal voices of the customer loyalty proponents. In various works he suggests that businesses should concentrate on retaining high-quality customer, (i.e. profitable ones) rather than devoting most of their efforts to attracting new customers (e.g. Reicheld, 1993, 1996, 2003). Other researchers suggest that customer loyalty should not just be regarded by its behavioral aspects (i.e. positive word-of-mouth[6], repeat purchases), but include as well psychological aspects (i.e. beliefs and attitudes). Oliver (2011) accordingly offers a comprehensive definition by characterizing Loyalty as:

> *"A deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand- set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior."* (Oliver, 2011)

Customer loyalty is widely considered vital to economic success and an important marketing asset (Dick and Basu, 1994). When companies achieve to win a large base of loyal customers, market share and revenues are expected to go up, while the cost of customer acquisition is expected to go down (Reichelt, 1993). It is further suggested that a whole chain of positive feedback evolves from increased loyalty (Reichelt, 1993). As a result of higher profitability a firm is able pay better wages. This may boost employee moral and commitment. Satisfied employees are in turn expected to be more productive and serve customers better. The positive loop closes again as more customers are inclined to stay loyal and improve the company's revenues. It is argued that loyal customers increase revenue as they buy more, are more willing to pay premium prices and serve as an effective extension to a firms marketing as they spread positive word-of-mouth (Reicheld, 1996).

[6] Following Bughin, Doogan and Vetvik (2010) we characterize word-of-mouth as consumer-to-consumer communication with no economic incentives. Social gratification or rewards are, however, not excluded.

Loyalty has been operationalized with behavioral measures such as repeat purchase, relative volume of purchase, intention to repurchase, intention to recommend to others, likelihood of switching and likelihood of buying more (Gupta & Zeithaml, 2006). Interestingly, Reicheld (2003) claims that an individual assessment of customer loyalty is not necessary. He suggests that a company only needs to evaluate a single metric. This metric, called *Net Promoter Score* (NPS) is defined as the intention of a customer to recommend the firm to others.

3.6.3 Need for Social CRM Performance Measurement

As we have pointed out in the beginning social media measurement is an increasing concern for organizations. Without being able to measure the effects of social media activities, organizations are in the dark about the ultimate business value of their activities. This further makes it difficult to align social media initiatives to overarching organizational goals and manage the processes adequately (Culnan et al. 2010). In contrast to the lack of recognized methods and valid and reliable measures the Internet hosts an abundance of analyst reports and white papers on questions of social media/sCRM measurement.

In line with findings of Gartner, marketing departments seem to be most avid adopters of sCRM (Sarner et al., 2010). Most research on the need of social media measurement consequently originates from the marketing or public relations domain. IBM's recent global CMO study, involving more than 1700 chief marketing officers, recognizes some unparalleled changes going on in the marketplace (IBM Marketing & Communications, 2011). As catalysts of these changes the researchers identify, on the one hand, increasingly empowered consumers. Consumers have more choices to obtain products and services than ever before. Another essential characteristic of this shift is that anyone can be a publisher of information with social media. Firms loose the degree the control they used to have over the communication process. On the other hand, the options for marketers to engage with customers and collect data from them increase simultaneously. While new technologies bring about unprecedented opportunities, the study shows that marketers concurrently seem to be technically and methodically ill prepared to utilize the vast quantities of data and respond to the complexities engendered by new digital channels and innovative technologies. To be seconded only by costs, the researchers identify '*lack of ROI certainty'* as one of the biggest barriers to the adoption of new technologies. The survey further finds that 63% of executives believe marketing ROI will become the most important measure of success over the next three to five years. As a major obstacle to informed decision making and the measurement marketing returns the researchers discern the lack of the right instruments and metrics for the analysis.

Another global survey among marketing executives conducted by McKinsey comes to similar conclusions as the study outlined above (Davis & Freundt, 2011). Ranked first, the largest share of executives report that generation and use of customer insights to drive sales and customer engagement to be the most important challenge. Almost half of respondents think that interaction and customer service on social-media sites and forums would be of help in achieving these goals. Whilst the access to customer data grew enormously in recent years there seems to be a widespread inability to leverage this data for the creation of true customer insights useful to decision making. The root cause for these shortcomings can be seen in concurrently reported difficulties in

developing the right metrics to measure the bottom-line impact of new online marketing channels. Not surprisingly, executives from companies that currently use social media (nearly three quarters), bemoan that existing metrics for these channels do not sufficiently quantify (financial) impact.

A third survey on the topic conducted by IBM's Institute for Business Value involved around 350 business executives from various industries and countries (IBM Institute for Business Value, 2011). The study finds that a majority of companies uses social media for customer related process such as customer communication and service. While customer and market intelligence, brand monitoring and the solicitation of new product or service ideas are some of the most promising application areas, most businesses do currently not use social channels for these objectives. As reason for this underutilization the researcher identify a lack of analytic capabilities. In regards to more general questions of success measurement, ROI determination is again seen as the crux of the matter. "*Establishment of an ROI strategy*" is ranked as the key social media challenge. At the same time it appears that for most executives, not the actual realization of ROI is the main concern, but questions as of what to measure and the right methodology to measure returns.

3.6.4 Research on Social Media Measurement

Despite the considerable interest in questions regarding the determination and measurement of business value derived from social media, there is an apparent scarcity in published research on the topic. Most researchers consecrate themselves to analysing the problem or to promote the theoretical understanding of contextual and influencing factors thought to have a bearing on the performance of social media in the organizational context. Larson and Watson (2011) conceptualize the social media ecosystem and focus in particular the social media enabled aspects of the customer-firm interaction – the "*customer-firm social media dyad*." The authors regard the understanding of the novel modes of interaction that social media has brought about as an important precondition to derive useful theory-based measurement to predict corporate performance. Russell (2009) pleads for more creativity in the development of new advertising metrics as an answer to the changes that new types of media in the Web 2.0 media ecosystem have induced. Russell believes that current advertising metrics are too simplistic to evaluate complex, multi-faceted and multi-dimensional concepts such as the effectiveness of engaging audiences in multi-media and multi-platform campaigns. To overcome these shortcomings Russell asks for a concerted effort of various groups of professionals and academicians to invent new metrics. According to Nair (2011), however, the question how to measure social media cannot be answered in general since it is strongly dependent on specific contextual factors. He regards measurement of social media nonetheless as a crucial activity. Experimentation and learning are described as instrumental in developing measurement approaches and metrics suitable to a firm's specific needs.

Hofmann and Fodor (2010) provide some concrete advice as to what sensible metrics in social media marketing could be, and on what premises measurement could or should be based. They suggest a new way of thinking in regards to social media measurement by first considering social investments made by customers as they engage with brands via social media. In this line of thinking, customer investments include apparent measures like the number of visits or the time spent on applications,

but also more active elements. For instance when customers leave a comment on a blog post or make a recommendation to a friend. The authors reason that it would be misguided to solely measure returns from social media investments in direct monetary terms as it, to a large degree, disregards long-term (non-monetary) returns. The inclusion of metrics on consumer behaviour is seen as a more realistic approach for the measurement of key marketing outcomes. They further content that most current marketing measurement approaches, typically driven by the *'reach and frequency'* paradigm, are ill-suited for the social media environment and its strong focus on collaboration and interaction. The authors continue to theorize that the traditional understanding of *returns* (i.e. short-term, financial) is inappropriate in a social media context. They suggest that firms should regard and measure customer engagement as a non-financial return.

In a similar way of thinking Weinberg and Pehlivan (2011) introduce the concept of *social currency* investments to provide for the special relationship-based nature of social media marketing objectives. Whereas investments in traditional media channels are mostly calculated as monetary costs to deliver a message, social currency investments are aimed at building and maintaining relationships. Three general approaches to using and measuring social media are distinguished. The first approach is based on traditional marketing thinking and the use of proven metrics and ROI to assess key marketing goals such as awareness, recall and purchase. The second approach is experimental in nature and involves a process of testing and learning to discover important social media outcomes or factors (e.g. engagement, brand evangelism). To guide decision-making this approach as well includes a form of ROI assessment. The ROI is different, however, and can best be characterized as a *social* ROI. A third, considered less common approach also entails experimentation to discover distinct social media factors. It deviates however from the former two in that these factors are not necessarily mapped to innovative marketing objectives. This approach may actually not involve any kind of success measurement. Organisations rather allow for social media practices to form new structures and processes, which at the same time shape and influence the corporate culture.

Besides academicians, technology research organizations like the Altimeter Group, Gartner and Forrester research provide advice on social media measurement. Interestingly, while in academic research the term sCRM is seldom used, these more practice oriented research firms widely use and distinguish the term from other social media activities. Notably Ray, Riley and Wise (2010) suggest a balanced marketing scorecard approach to measure short and long term benefits involving both quantitative and qualitative measures to assess social media marketing activities.

3.7 Evaluation of Requirements for sCRM Performance Measurement

Folan and Brown holistically define a performance measurement framework as follows:

> *"A performance measurement framework assists in the process of performance measurement system building, by clarifying performance measurement system boundaries, specifying performance dimensions or views and may also provide initial intuitions into relationships among performance measurement dimensions."* (Folan & Braun, 2005)

This basic definition can be considered valid in any performance measurement context. It provides guidance and serves as a useful frame for our initial conceptualization efforts. Below we give an account on the results of our review and analysis of research on performance measurement frameworks, social media and sCRM measurement literature.

3.7.1 Performance Measurement Frameworks

The objective of this section is to briefly describe and analyze some of the best-known and most influential performance measurement frameworks in order to explore their key characteristics. This practice is a worthwhile activity as it sensitizes for important aspects that these frameworks have in common. These insights serve as a foundation for conducting the subsequent analysis of elementary requirements for sCRM performance measurement. The purpose of this analysis is to motivate the choice of the output-framework and the necessary design requirements for the purposive adaption.

The Performance Pyramid

An important requirement of a performance measurement framework is that it should allow measurement of multiple dimensions and the connection of operational measures to high-level strategic objectives. The performance pyramid[7] (figure 8) developed by Lynch & Cross (1991) provides one example of how this can be achieved. The performance pyramid establishes a link between an organization's strategy and operational process outputs by cascading objectives top down and measures bottom up the pyramid. The pyramid covers four levels of objectives. Top down, starting with corporate vision, business units, business operating systems to departments and WorkCentre's. Across these objectives the framework integrates the organization's external effectiveness (left side of the pyramid) and its internal efficiency (right side of the pyramid).

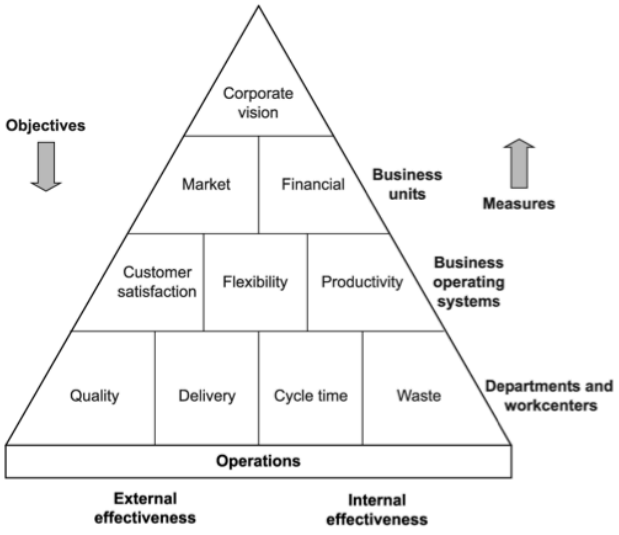


Figure 8 – The performance pyramid (Lynch & Cross, 1991)

[7] As well referred to as the SMART Pyramid.

The Performance Prism

The performance prism (Neely et al., 2001) is another approach to integrate and link different performance perspectives within a conceptual multi-dimensional framework. Neely and colleagues (2001) suggest that performance measurement should include five components ("facets") of performance.

(1) *Stakeholder satisfaction:* Who are the stakeholders and what do they want and need?

(2) *Strategies:* What are the strategies we require to ensure the wants and needs of our stakeholders?

(3) *Processes:* What are the processes we have to put in place in order to allow our strategies to be believed?

(4) *Capabilities:* What are the capabilities we require to operate our processes?

(5) *Stakeholder contributions:* What do we want and need from stakeholders to maintain and develop those capabilities?

These five components together form a three-dimensional framework (figure 9). Strategies, processes and capabilities represent the three interrelated core dimensions. As capabilities, Neely et al. (2001) summarize comprehensively the combination of people, practices, technology and infrastructure. These together enable the current and future execution of business processes. The same holistic view is adopted in terms of involved stakeholders, which include investors, customers, employees, regulators and suppliers. What distinguishes the performance prism from all other frameworks, however, is the special consideration that is suggested for an organization's relation to its stakeholders. This relationship is regarded as symbiotic – the wants and needs of stakeholders are regarded as paramount to strategy formulation and management conduct. Consequently stakeholder needs need to be clear before an adequate strategy can be devised.

Figure 9 – The performance prism (Neely et al. 2001)

Input-Process-Output-Outcome Framework

The input-process-output-outcome framework (figure 10) of Brown (1996) is a highly process-focused approach to performance measurement. The framework categorizes measures into four sequential classes: input, process, output or outcome. Brown uses the analogy of baking a cake to explain how the measure types are related. What makes the model so straightforward and simple can at the same time regarded as a shortcoming. The framework assumes a linear progression and relationship between measures categories where each previous factor determines the next. This however, can be considered an oversimplification of reality (Neely & Kennerley, 2002). Nonetheless is the clear distinction between input, output, process and outcome measures the model a useful and conceptually appealing way to classify measures.

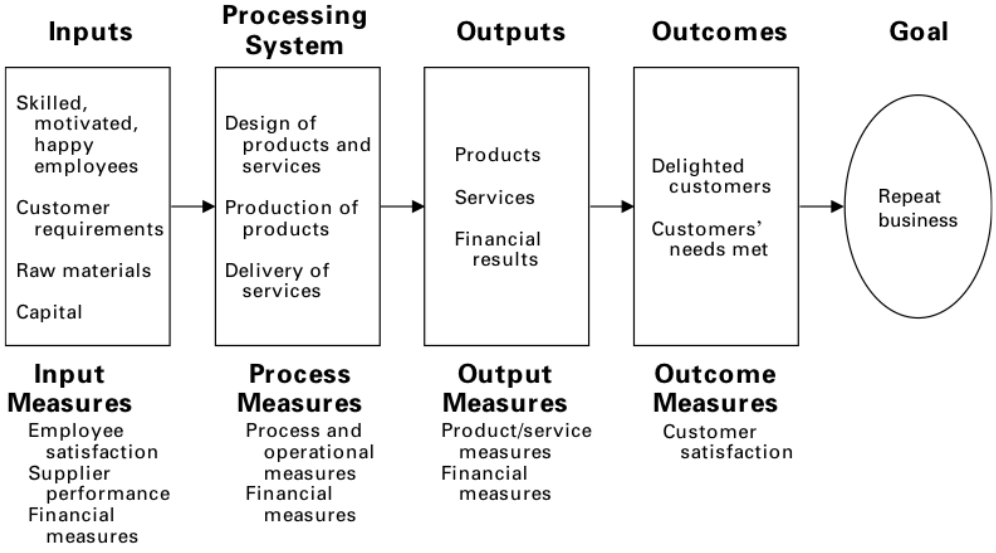


Figure 10 – Input-process-output-outcome framework (Brown, 1996)

3.7.2 Essential Requirements for Performance Measurement Framework

By reviewing the most influential works on performance measurement it is possible to extract a set of four fundamental properties that any performance measurement framework should include. Table 8 summarizes those identified necessary elementary characteristics and the identified literature sources that substantiate these choices.

Multi-Dimensionality

There is a consensus in literature that a framework for measuring business performance needs to incorporate a diverse set of multiple measurement dimensions or perspectives. Performance has been described as multi-dimensional in nature (Rouse & Putterill 2003). As a result the evaluation needs to appreciate the divers elements of business performance by embracing different viewpoints (Buglione & Abran, 2001). Kaplan & Norton's BSC (1992) was designed on the premise that a measurement system should provide a balanced picture of the business, while at the same time enable managers to view and understand performance interrelationships in several key areas at once. This multi-dimensional nature further complicates the

creation of performance measurement frameworks. This does not only involve the nontrivial task of selecting appropriate measures but as well their integration within the internal and external organizational environment (Neely, Mills, Platts, Gregory & Richards, 1996).

Adaptable, Dynamic, Permit Continuous Learning

What can be further regarded common ground in performance measurement literature is that performance measurement frameworks need to be designed to permit adoption to changing environments (Kennerley & Neely, 2002). Performance measurement frameworks need to be dynamic, so that the used performance measures progressively reflect the important issues of a business (Lynch & Cross, 1991). In order to ensure this relevancy, businesses need to implement a process of ongoing review and modification to keep the measurement system aligned to the changing context of the organization (Dixon, Nanni & Vollmann, 1990). Research suggests that around 50% of companies have significantly changed their measurement frameworks in the period from 1995 to 2000 (Frigo & Krumwiede, 1999). Nonetheless only few organizations seem to have appropriate processes in place for managing performance measurement framework evolution (Kennerley & Neely, 2002). Most of the implemented systems cannot be considered dynamic as they, "*do not allow any systematic revision of critical areas, performance measures, historical data, decisions and outcomes*" (Ghalayini & Noble, 1999). It is further stressed that the ability for ongoing and fast adoption and improvement is especially important for high-tech companies, in order to keep pace with changes in technology and markets (Eccles, 1991).

Measures According to Defined Objectives, Linked to Strategy

There has been a lot of research interest and discourse about the importance of strategic alignment between information systems and organizational processes (Henderson & Venkatraman 1999, Chan, Huff, Barclay & Copeland, 1997). Likewise numerous researchers in performance measurement domain have emphasized the need for measurement systems and operational measures to reflect the firm's strategy and objectives (e.g. Azzone, Maselle & Bertele, 1991, Wisner & Fawcett, 1991, Kaplan & Norton, 1992, Globerson, 1985, Medori & Steeple, 2000 Neely, Gregory & Platts, 1995). Medori and Steeple (2000) point out the rationale of selecting measures that are linked to strategic objectives. If measures do not relate to a firm's strategy, then they should not be measured in the first place as it can be assumed that they have no specific purpose. Kaplan & Norton's BSC (1992) can here again be cited as an appealing solution as it was specifically developed to translate an organizations vision and strategy into a coherent and linked set of performance measures. Kaplan and Norton (1996) stress that the link to corporate strategy is achieved by deriving financial and non-financial measures from individual business unit strategy.

Financial and Non-Financial Measures

Partly emanating from the earlier described limitations of traditional financial performance measures researcher and practitioners from the 1990s onwards increasingly began stressing the importance of non-financial measures (e.g. Globerson, 1985; Maskell, 1989, Kaplan & Norton, 1992, Kennerley & Neely, 2003, Ittner & Larcker, 2003). This "*changing basis of performance measurement*" (Ghalayini & Noble, 1996) led to efforts to develop new performance measures. In

parallel, an increasing number of companies began to adopt non-financial measures to appreciate aspects like before described customer satisfaction and loyalty that are believed to be at the core of a successful business strategy (Kim & Kim, 2009). While non-financial measures are crucial, it is still considered crucial to include financial measures in order to understand how improvements in non-financial areas affect bottom-line financial outcomes like cash flow and profitability (Kaplan & Norton, 1992). Although the various advantages of non-financial measures have been extensively described, research conducted by Ittner and Larcker (2003) shows that the majority of companies still do not realize their benefits to a full extent. They conclude that most businesses fail to identify and act on the right non-financial measures.

Essential requirements	Description	Supporting literature
Multi-dimensionality	Incorporate a diverse set of multiple measurement dimensions/perspectives	Kaplan & Norton, 1992; DeToni, Nassimbeni & Toncia, 1995; Medori & Steeple, 2000; Flapper, Fortuin & Stoop, 1996; White, 1996, Rouse & Putterill, 2003; Kennerley & Neely, 2003; Ghalayini & Noble, 1996, Buglione & Abran, 2001, Neely, Mills, Platts, Gregory & Richards, 1996
Adaptable, dynamic, permit continuous learning	Permit dynamic improvement and adoption to changing environment	Bitici, Carrie & McDevitt, 1997, Crawford, 1988; Fortuin, 1988; Eccles, 1991; Dixon et al. 1990; Lynch & Cross, 1991; Kennerley & Neely, 2003; Medori & Steeple, 2000; Kaplan & Norton, 1992; Neely et al. 1995, Friego & Krumwiede, 1999
Measures according to defined objectives, linked to strategy	Performance measurement framework and measures should reflect firm's strategic objectives	Kaydos, 1991; Anderson et al, 1989; Otley, 1999; Medori & Steeple, 2000; Kaplan & Norton, 1992, Ghalayini & Noble, 1996; Ittner & Larcker, 1998, 2003; White, 1996; Chatterji & Levine 2006; McNair et al. 1989; Kaplan, 1990; Eccles, 1991; Fisher, 1992; Globerson, 1985;
Financial and non-financial measures	Performance measurement framework should incorporate both financial and non-financial performance metrics	Azzone et al. 1991; Bitici et al. 1997; Eccles, 1991; Dixon et al. 1990; Grady, 1991; Kennerley & Neely, 2003; Kaplan & Norton, 1992; Neely et al. 1995; Otley, 1999, De Haas & Kleingeld, 1999; Medori & Steeple, 2000; Crawford, 1988; Ghalayini & Noble, 1996; Globerson, 1985; Maskell, 1989, Lynch & Cross, 1991, Wiesner & Fawcett, 1991, Ittner & Larcker, 2003)

Table 8 – Essential requirements for performance measurement

3.7.3 Essential Requirements of Social CRM Performance Measurement

After having identified the fundamental characteristics that any performance measurement framework should include, next the essential requirements for sCRM performance measurement are explored. Two concepts have been recognized, which appear throughout the wider social media literature: engagement and advocacy. Below the literature-based selection of these concepts is motivated. Table 9 summarizes these elementary sCRM performance measurement characteristics and the supporting literature.

Ability to Measure Customer Engagement

Social media is all about conversation, interaction, collaboration and sharing (Weinberg & Pehlivan, 2011, Hoffmann & Fodor, 2010, Kietzmann et al. 2011). A

crucial measure for success from a company's perspective is hence the degree to which a firm is able to trigger consumers to be active and interact with them in social media. These activities can be summarized with the concept engagement. There are many different definitions proposed for engagement[8].

One of the most appropriate stems from Vivek, Beatty, and Morgan (2010) who define customer engagement as *"the intensity of an individual's participation and connection with the organization's offerings and activities initiated by either the customer or the organization*" (Vivek et al. 2010). Customer engagement lies at the very heart of sCRM. As Paul Greenberg, one of the most influential CRM expert notes:

> "*The underlying principle for social CRM's success is very different from its predecessors… traditional CRM is based on an internal operational approach to manage customer relationship effectively. But social CRM is based on the ability of a company to meet the personal agendas of their customers, while at the same time meeting the objectives of their business plan. It's aimed at customer engagement rather than customer management."* (Greenberg, 2009)

Customer engagement is seen as a key success criterion in social media, which more and more becomes a critical source of competitive advantage (French et al., 2011). High levels of engagement are widely believed to drive customer commitment and reinforce loyalty and advocacy, which in turn result in the creation of business value and bottom-line rewards such as sales growth and profitability (e.g. Hoffmann & Fodor, 2010, Culnan, McHugh & Zubillaga, 2010, Haven, 2007, Etlinger, 2011, Brodie, Hollebeek, Juric & Ilic, 2011, Bowden, 2009, Sterne, 2010). The importance of customer engagement is however not restricted to social media environments. It has been described as imperative for enhanced corporate performance and as a source of competitive advantage (Voyles, 2007). Engagement can further be regarded as a means to create customer advocacy (Brodie et al. 2011), which is described next.

Ability to Measure Customer Advocacy

The encouragement of customer advocacy is a key objectives and essential differentiating factor between traditional and social media marketing (Weinberg & Pehlivan, 2011, Schau, Muniz & Arnould, 2009). Brand advocates are consumers who recommend a firm or its products to others. The concept advocacy can on that core be defined as the propensity of a customer to recommend a product. Urban (2005) stresses the positive feedback mechanisms of customer advocacy by characterising it as a, *"mutual dialogue and a partnership that assumes that if the company advocates for his customers, those customers will reciprocate with trust, purchases and enduring loyalty"* (Urban, 2005). It can be inferred that only a satisfied customer will advocate a product or firm. It is further reasonable to assume that loyalty[9] is closely linked to advocacy. This link is corroborated by Court, Elzinga, Mulder and Vetvik., (2009) who state that loyal consumers often not only stick to a brand but also recommend it. High levels of customer advocacy go along with an increase in effectiveness and reach of marketing activities at no charge. However, the

[8] For a comprehensive overview of definitions and conceptualizations refer to Brodie, Hollebeek, Juric & Ilic, 2011, Bowden, 2009

[9] In simple terms loyalty can be defined as the commitment to rebuy a product or service consistently over a certain period of time from the same brand (Oliver, 1997)

benefits of customer advocacy go beyond the distribution of brand related messages. Research shows that advocacy and loyalty strongly correlate with profits. Based on a large survey involving German, Japanese and US consumers Court et al. (2009) reveal advocacy as the single most influential factor in consumer buying decisions. Research on word-of-mouth found it to be "*the primary factor behind 20 to 50 percent of all purchasing decisions*" and able to "*generate more than twice the sales of paid advertising*" over wide range of products (Bughin et al. 2010). The enhancement of customer loyalty and advocacy is thusly a top priority of CMOs (IBM Marketing & Communications, 2011). Besides, growth in sales profitability may also increase as loyal customers are less price sensitive and more willing to pay premium prices for the perceived added value (Reichheld, 1997). Customer acquisition costs are further likely to decrease. At the same time companies can easier sell ancillary products (cross-selling) to advocates and their referrals.

Essential requirements	Description	Supporting literature
Ability to measure customer engagement	Appreciation of customer actions as they interact with firms on social media	Hoffmann & Fodor, 2010; Weinberg & Pehlivan, 2011; Russell, 2009; Paine, 2011; Murdough, 2009; Muller, Freyne, Dugan, Millen & Tom-Santelli, 2009; Larson & Watson, 2011; Schau et al, 2009; Algesheimer, Dholakia & Herrmann, 2005; Sterne, 2010; Mangold & Faulds, 2009; Gallaugher & Ransbotham, 2010; Nair, 2011; Culnan et al. 2010; Greenberg, 2009; Brodie, Hollebeek, Juric & Ilic, 2011; Bowden 2009
Ability to measure customer advocacy	Appreciation of positive consumer-to-consumer communications without economic incentives	Weinberg & Pehlivan, 2011; Russell, 2009; Murdough, 2009; Moe & Trusov, 2009; Larson & Watson, 2011; Godes & Mayzlin, 2009; Kozinets, Valck, Wojnicki & Wilner, 2010; Hung & Li, 2007; Schau et al. 2009; Algesheimer et al., 2005, Sterne, 2010; Mangold & Faulds, 2009; Bughin et al., 2010)

Table 9 – Essential requirements for Social CRM performance measurement

3.8 Evaluation of CRM Performance Measurement Frameworks

In contrast to marketing performance measurement there are only few studies addressing the topic of CRM performance measurement. A reason may be partly because CRM is still a relatively recent topic compared to the long history of marketing. Still, there are numerous studies on other CRM topics, such as CRM strategy and implementation questions. As a result, the literature search resulted in just nine papers on the topic of CRM performance measurement (e.g. Kim & Kim, 2008, Kim, Suh & Hwang, 2003, Lindgreen, Palmer, Vahamme & Wouters, 2006, Zabla, Bellenger & Johnston, 2004, Grabner-Kraeuter, Moedritscher, Waiguny & Mussnig, 2007, Brewton & Schiemann, 2003, Kimiloglu & Zarali, 2009, Chang, 2007). From these nine studies four adopt approaches closely related to BSC (i.e. Kim & Kim, 2008, Kim et al., 2003, Brewton & Schiemann, 2003, Kimiloglu & Zarali, 2009). Two more studies include as well some aspects of BSC (i.e. Grabner-Kraeuter et al., 2007, Chang, 2007). Although the analyzed CRM frameworks differ substantially in their conceptualization, respectively the importance they place on certain CRM aspects, literature still indicates a general suitability of BSC for CRM performance measurement (cp. section 3.9). Table 10 presents some key data and compares the four analyzed CRM frameworks by the degree to which they comply to certain defined criteria. Below we give a short account on each of the four BSC based frameworks.

3.8.1 Kim, Suh & Hwang's Scorecard

Kim et al. (2003) propose a BSC based CRM measurement framework. In contrast to the traditional corporate BSC as suggested by Kaplan and Norton (1992), they designed a customer-centric scorecard consisting of the four perspectives, *customer knowledge, customer interaction, customer satisfaction* and *customer value*. Each perspective is comprised by a set of suggested key evaluation metrics. According to the authors the four perspectives are chosen based on their suitability to reflect the fundamental cause-effect relationships of the CRM process. The researchers particularly concentrate on evaluating the intangible aspects of CRM business value to indicate the effectiveness of CRM.

Conclusion

By spearheading the application of BSC concepts to CRM the Kim et al.'s proposed multi-dimensional evaluation framework represents a valuable contribution to CRM research. In particular to overcome some of the drawbacks of financially oriented performance measurement. However, Kim and colleagues do not give a sufficiently detailed account on how non-financial measures are related to financial measures. This aspect is nonetheless very important since ultimately non-financial measures lack justification if credible links to long-term financial benefits are not demonstrated (Srivastava, Shervani & Fahey, 1998, Anderson, Fornell and Rust, 1997).

3.8.2 Kim and Kim's Scorecard

Kim and Kim (2008) likewise developed a scorecard method to assess CRM performance. Their CRM scorecard is in contrast to Kim et al.'s (2003) framework closer to the traditional BSC as it features a distinct process and customer perspective. The organizational performance perspective contains financial aspects and the customer perspective important non-financial aspects (e.g. customer loyalty, satisfaction). Notably, the authors regard it necessary to additionally include an infrastructure perspective. This perspective is used as a consolidated container to summarize such divers and wide topics as IT, human capital, organizational alignment and organizational culture. Rather complex feasibility tests are conducted to assess the measurability of selected KPIs. They continue to assess the relative importance of each perspective and corresponding KPIs by the means of a prioritization based on Analytic Hierarchy Process (AHP) (Saaty, 1980). While the analysis itself appears to have produced a reliable result the practical value seems to be arguable. Not surprisingly, this prioritization points to the customer perspective as the most important one. The other three perspectives achieve comparable scores.

Conclusion

The study as a whole can be regarded as an extraordinary detailed and relevant extension to the earlier developed scorecard framework of Kim et al. (2003). The downside is that the level of detail increases simultaneously the complexity, making it harder for practitioners to understand the process and adopt it to their needs. Another shortcoming is that some KPIs of to the infrastructure perspective (i.e. employee satisfaction, management attitude, explicit goal) are according to the authors immeasurable. If these items are indeed immeasurable and no clear objective can be

defined then the question arises why they should be part of the measurement framework in the first place.

3.8.3 Brewton and Schiemann's Scorecard

Brewton and Schiemann (2003) regard the degree of alignment between CRM strategy, overall corporate strategy and stakeholders a factor of focal importance to CRM performance. To achieve this alignment the authors recommend the implementation of a strategic CRM scorecard. They propose an implementation process consisting of five steps. First, a strategy map needs to be developed that links CRM to corporate strategy. This is considered necessary in order to reach cross-departmental consensus. Second, appropriate measures need to be selected that best reflect achievement on CRM performance goals. In a third step the strategic measures are cascaded throughout the organization. This ensures that strategic CRM measures and goals are incorporated in processes at every level of the organization. After these steps are executed the authors lastly advice to continuously monitor and report on performance progress.

Conclusion

Brewton and Schiemann (2003) approach CRM measurement from a largely managerial perspective. Although they describe the high-level implementation steps of their CRM scorecard, they give little concrete procedural advice as to what evaluative elements (i.e. selection of measures) this scorecard could or should include and how they ought to be implemented. The contribution of the paper can therefore largely be confined to the managerial practice of strategy definition and execution rather than actual realization from a practitioner's perspective.

	# of Pers-pectives	Perspectives	Exemplary scorecard presented	Exemplary Objectives/ Measures suggested	Customer-centric measure ment	Financial/ non-financial factors
Brewton & Schienemann (2003)	**6**	Segment Finance Customer Operations/Channels People/Channels Supplier/Partner	**x**	**o**	**+**	**o**
Kim et al. (2003)	**4**	Customer Value Customer Interaction Customer Knowledge Customer Satisfaction	**++**	**+**	**++**	**+**
Kim & Kim (2008)	**4**	Org. Performance Customer Process Infrastructure	**++**	**+**	**+**	**+**
Kimiloglu & Zarali (2009)	**4**	Customer Perspective Internal Business Perspective Financial Perspective Innovation & Learning Perspective	**o**	**x**	**+**	**+**

++	Extensive
+	Partly
o	Insufficiently
x	Neglected

Table 10 – Analysis of BSC based CRM measurement frameworks

3.8.4 Kimiloglu and Zarali's Scorecard

Kimiloglu and Zarali (2009) adopted BSC to create a performance measurement tool for evaluating success criteria for e-CRM[10] implementations The researchers use identical perspective nominations as Kaplan and Norton (1992). Through the means of a literature review they summarize criteria for each perspective deemed suitable to signify improvements that Internet business experienced as a result of their e-CRM implementations. Of the overall 42 success criteria, 24 items address the customer perspective, eight the internal business perspective, two the innovations and learning perspective and eight the financial perspective. This distribution is supposed to ensure a customer-oriented assessment. They survey a total of 72 Internet businesses on these criteria, which leads them to conclude that "*companies with higher levels of perceived e-CRM claimed significantly higher levels of improvements"* (Kimiloglu & Zarali, 2009) in various investigated areas of performance.

Conclusion

The developed assessments tool appears to show a valid correlation between assessed success criteria and perceived success. While the developed tool seems indicate whether e-CRM implementations are successful or not, it tells nothing about why and how this is the case. In this sense performance is merely verified or falsified. It does not help Internet businesses in identifying the reasons why they are successful or not, and what they need to change in order to improve.

3.9 Balanced Scorecard as a Model Framework

Based on our analysis of performance measurement literature BSC appears to be the most advantageous model framework to adopt for sCRM performance measurement. First, it is essentially a *multi-dimensional* approach as it is based on four diverging perspectives (i.e. first essential performance measurement criterion). Besides a perspective to measure financial performance BSC integrates three areas of *non-financial* performance the the authors regard crucial for managers to consider (i.e. fourth essential performance measurement criterion). It suggests that a company should further pay attention to the relationships with its customers, its key internal processes (internal business perspective) and its ability to *continuously innovate, improve and learn* (i.e. second essential performance measurement criterion). Four perspectives are supposed to equip manager with the necessary information to address four basic questions:

[10] e-CRM refers in this context to CRM in an e-business environment.

- How do our customers see us? *(Customer perspective)*
- What must we excel at? *(Internal business perspective)*
- How do we look to our shareholders? *(Financial perspective)*
- Can we continue to improve and create value? *(Innovation and learning perspective)*

For each of those four perspectives specific objectives and corresponding measures are chosen that directly relate to higher-level business goals (i.e. third essential performance measurement criterion). The two main strengths of BSC can be summarized as follows (Ghalayini & Noble, 1996): First, it enables manager to epitomize seemingly disparate, but essential areas of performance in one management report. Second, it forces managers to concentrate on key areas and measures of performance instead of trying to consider too many operational measures at the same time.

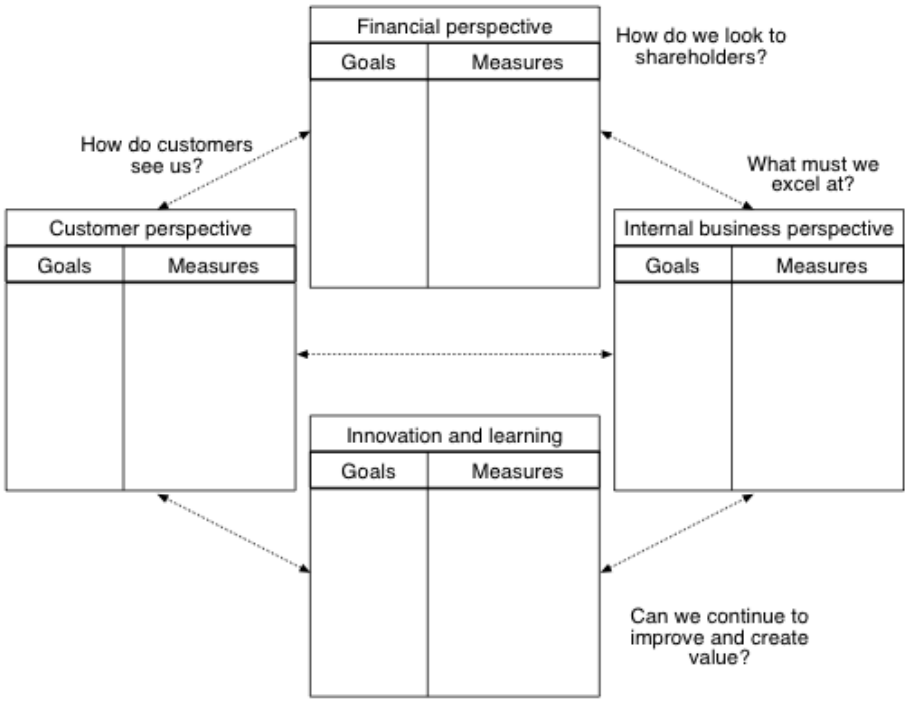


Figure 11 – The balanced scorecard (Kaplan & Norton, 1992)

Besides complying with our identified essential requirement for performance measurement some more advantages speak for BSC. It is commonly regarded the best known and most widely implemented performance measurement framework. A sCRM measurement framework based on BSC concepts may therefore, in companies that have already BSC in place, easier to integrate into existing scorecard measurement systems. Moreover so since people are already accustomed to this

approach. It moreover can easily be adopted to suit different competitive environments, market situations and business units (i.e. one objective of this thesis is to create a generic framework). The evaluation of CRM measurement frameworks furthermore revealed that multiple researchers adopted BSC concepts. It is considered an *"excellent tool for evaluating CRM"* (Kim et al. 2003), BSC has further been successfully adopted to evaluate various other IS/IT related topics[11]. Since BSC is a goal-oriented, goals or objectives of CRM can be considered for evaluation (Olve, Roy and Wetter (1999). In addition Grembergen and Amelinckx (2002) consider BSC suitable to evaluate business and technology domains in an integrated manner.

[11] For an overview BSC in IT refer to Sedera, Gable & Rosemann (2001)

CHAPTER 4

Development of a Social CRM Scorecard

This chapter details the development process and structure of the sCRM scorecard. The basic structure fundamentally builds on the outputs of the previous chapter. For each scorecard perspective typical goals and objectives together with subgroups of pertinent metrics are presented. Each measurement perspective sub-section concludes with a scorecard example that maps strategic goals and objectives to according metrics for assessment. The chapter concludes with the presentation of a logic model that visualizes how the performance perspectives interrelate and work together by depicting the chronological sequence of events progressing from inputs to outcomes.

4.2 Scorecard Design

The original BSC was developed to holistically assess the central aspects, both financial and non-financial, of corporate performance (Kaplan & Norton, 1992). This requires to look at the whole organisation from a bird's eye view. The customer perspective is in this view just one among four measurement perspectives, each of equal value or importance. However, in sCRM the evaluation needs to be focused on customer related processes, namely those related to marketing, sales and customer service. In order to construct pertinent measurement perspectives we therefore follow a similar approach as Kim et al. (2003)[12]. The evaluation of sCRM is similarly broken down into four customer-centric perspectives characterised in table 11. Figure 12 visualizes how the sCRM scorecard is tailored to reflect the elicited essential requirements for effective (sCRM) performance measurement (figure requirement-capability match). First, as described in last section of the previous chapter, is BSC a suitable approach that provides for the identified essential requirements of general performance measurement. In the illustration in figure 11 this is shown by the connectors between the first grey circle on the left hand site (representing the sCRM scorecard characteristics) and the first four grey circles on the right hand site (representing elicited requirements).

[12] See section 1.6.1 for a detailed description of the framework.

Social CRM scorecard perspective	Short Description
Customer costs and returns	Reflects those aspects of Social CRM performance that can be expressed in financial terms (direct revenue, costs, cost reductions) with financial metrics.
Customer interaction and engagement	Denotes to what extent the Social CRM activities are successful in leveraging customer contributions in social media and engaging the customer in a collaborative way. Interaction and engagement metrics capture customer behaviours and activities.
Customer satisfaction and advocacy	Reflects how successful a firm's Social CRM activities are in increasing customer satisfaction and the number of customers who actively advocate the firm.
Customer analysis & learning	Describes the degree to which a firm possesses the necessary technological, human and process capabilities to learn and benefit from the data and information derived from social media channels.

Table 11 – sCRM scorecard perspectives

The use of BSC governs, at the same time, the definition of two sCRM scorecard perspectives. The cost & returns perspective and the analysis & learning perspective correspond to the financial and the innovation and learning perspective respectively of Kaplan and Norton's original BSC. The two perspectives interaction & engagement and satisfaction & advocacy on the other hand provide for the two most essential sCRM performance aspects (depicted by red circles). These two perspectives simultaneously represent the two most important categories for sCRM related non-financial metrics. In the following each perspective is described in more detail. This includes the operationalization of perspectives with typical objectives and appropriate metrics for assessment.

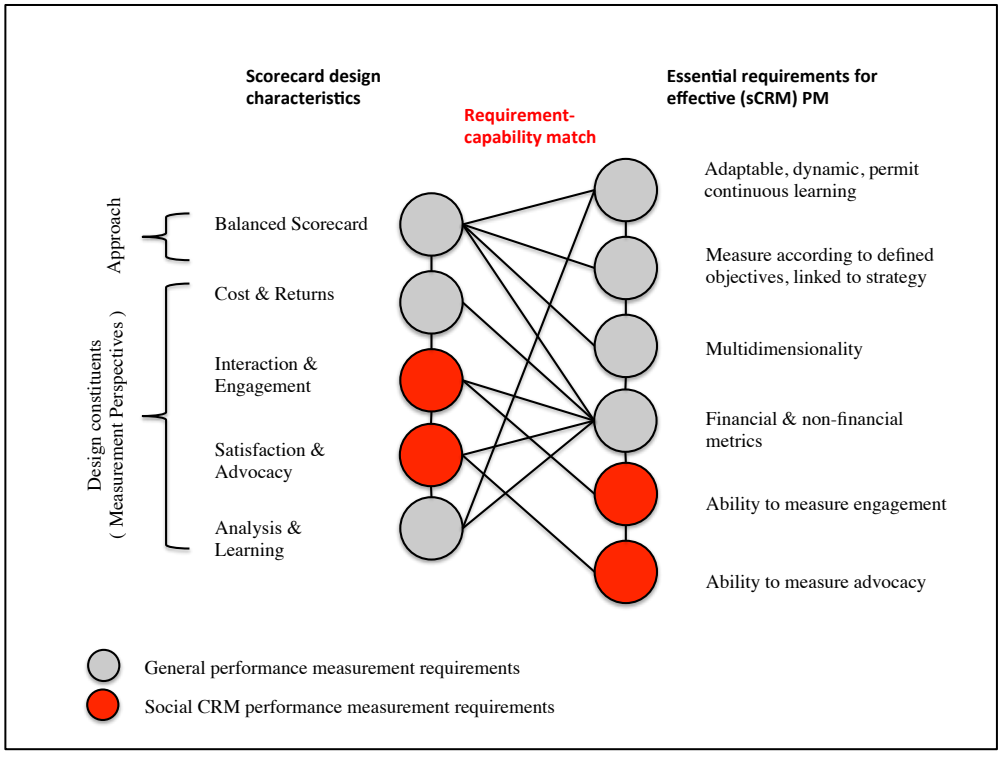


Figure 12 – sCRM scorecard requirement-capability match

4.2.1 Customer Costs & Returns Perspective

The customer costs & returns perspective (CCR) reflects mainly those aspects of sCRM performance that can be expressed in financial terms. The CCR perspective hence indicates whether and to what extent the sCRM activities contribute to a company's economic performance or bottom-line results. The results of this perspective are therefore directly linked to corporate financial outcomes (cash flow, profit, ROI). The CCR perspective is in this respect similar to Kaplan and Norton's financial perspective. Metrics within CCR can be divided into three categories: Direct returns, costs, cost reductions / avoided costs. These metric categories are populated with metrics in table 12. Table 13 presents and example CCR scorecard, which links an common strategic goal to operational objectives and appropriate metrics.

Customer Costs & Return
Goal *Realize financial benefits through social media*
Objectives • Generate/increase revenue through social channels • Decrease costs of operation/ increase operational efficiency and effectiveness

Box 5 - Costs and returns goals & objectives

Return Metrics

Measuring direct or attributable returns from social media such as conversions and sales seems to be what most managers want to be able to do. However, a main problem for determining the actual returns of sCRM on sales or corporate financial performance is that most of the time there are many different internal and external contributing factors (Gallaugher & Ransbotham, 2010). In most cases it is on that account more realistic to try to establish a positive correlation and try to compare social media activities to sales trends (Sterne, 2010). Directly attributable social media sales (direct response sales) are those that can unambiguously be attributed to a certain social media channel[13]. This is one of the few examples where monetary returns can be clearly correlated to financial investments in social media (Paine, 2011).

Apart from the above described there are a number of other areas where sCRM likely impacts on financial returns in a positive way. By engaging customers and thereby possibly increasing customer advocacy and loyalty, sCRM can have a positive influence on *customer lifetime value* (CLV). CLV is a proven and established financial metric for overall marketing success. Gupta & Zeithaml (2006) define CLV as a composite metrics derived from *customer acquisition* (i.e. first time purchase by new or lapsed customer), *customer retention* (i.e. probability that a customer is active) and *cross-selling* (i.e. sales of related products to current customer). The metric *customer equity* (CE) further aggregates CLV to be more suitable for high-level

[13] For example by the means of promotional codes distributed via social media channels.

decision making. It is defined as the combined lifetime value of all current and future customers (Blattberg, Getz & Thomas, 2001, Rust, Lemon & Zeithaml, 2004). Research shows that community members are more satisfied customers, are more likely to recommend products and are less likely to defect to competitors (Petouhoff, 2009). In addition, they are found to spend more and more often than non-community users (Bradner, Favier, Cokeh & Bresciani, 2008). All factors that likely impact CLV and CE.

Costs for Managing Social Channels Metrics

While participation and analytic tools offered by platforms are in many cases free of charge, costs still incur for proprietary software such as licence costs for social media monitoring and (web) analytics tools. Another cost factor is expenses for advertising campaigns on social media platforms. Last not least, there are staff expenses like salaries for social media marketing staff, community platform support agents and training costs to make employees social media proficient. All these cost factors can be condensed for management by an aggregated metric like *total costs for managing social channels*. As cost metrics of higher granularity *cost per issue resolution*, *average costs per conversation* or *average cost per visit/visitor* can be taken into account.

Customer Costs & Returns Metrics
Return metrics Conversions, value per order (Reinartz et al. 2004), average consumer spend (Ray, 2010), average revenue per visitor (Peterson, 2006), average order value (Peterson, 2006), direct response sales, cross/up-sell ratio (Reinartz et al. 2004), customer lifetime value (CLV) (Gupta & Zeithaml (2006), customer equity (CE) (Kumar & Shah, 2009), Share of Wallet (Reinartz et al. 2004)
Cost for managing social channels metrics *Staff costs* - Salaries for social media support/management staff; costs for employee training *Technology costs* - License costs for social media and web monitoring/analytic tools *Other costs* – Average cost per conversion (adopted from cases), per fan, per referral, per engagement, per action (adopted from cases), per visit/visitor; costs for advertising campaigns; cost per issue resolution
Cost reductions / avoided costs metrics *Customer service* - Costs per issue resolution; (decrease in) support calls, agent assisted interaction, agent-assisted email; (decrease in); (decreased) return rates from reviewed products; increase in agent productivity, cost/service volume ratio (adopted from cases), *Marketing* – Costs saved for not spending on traditional research/marketing; decreased customer acquisition/retention costs; cost savings in generating sales leads, increased marketing effectiveness/efficiency

Table 12 – Costs and returns metrics

Cost Reductions/Avoided Costs Metrics

sCRM activities can as well lead to significant cost reductions and positively impact efficiencies. An area where efficiency gains are most profound is customer service. In customer service most companies have a clear picture about involved costs (i.e. human and technical resources) to resolve a single customer service issue. If issues are partly resolved via social channels than costs that would occur in traditional support channels are reduced. These cost savings can be approximated in financial values. Social media may as well save costs by generating sales leads at a lower cost than traditional marketing activities. Research of Ray et al. (2010) moreover suggests that reviewed products have significant lower return rates than non-reviewed products (up to 45%), leading to further savings in customer service and other involved areas. Costs may further be saved or reduced in marketing. Through better targeting possibilities investments in social media can be more efficient or, in some cases, may even substitute traditional channels. More satisfied and engaged customers can concurrently be assumed to be more loyal (cp. satisfaction & advocacy perspective), which in turn decreases customer acquisition and retention costs.

Goal	**Objectives**	**Suitable metrics to assess objectives**	**Target / Actual**							
Realize financial benefits through social media			Q1		Q1		Q2		Q3	
	Generate / increase revenue through social channels	Conversions; value per order; average consumer spend; average revenue per visitor; average order value; direct response sales; cross/up-sell ratio								
	Decrease costs of operation	Costs per issue resolution; decrease in support calls, agent assisted interaction, agent-assisted email; customer acquisition/retention costs; average cost per conversion, per fan, per referral, per engagement, per action, per visit/visitor etc.								
	Increase operational effectiveness & efficiency	Agent productivity; marketing effectiveness / efficiency; average issue resolution time/rate, cost/service volume ratio								

Table 13 – Example customer costs and returns scorecard

4.2.2 Customer Interaction & Engagement Perspective

The customer interaction and engagement (CIE) perspective describes the mostly intangible benefits derived from sCRM to leverage consumer contributions and engage the customer in a collaborative way. The creation of customer engagement can be considered as one of the building blocks of social media (Culnan et al. 2010, Hoffmann & Fodor, 2010, Brodie et al. 2011). At the same time is the ability to

engage customers more and more seen as a decisive factor for successful customer relations. A recent global survey reports that social media is regarded the key channel for customer engagement and top priority of CMOs (IBM Marketing & Communications, 2011). The CIE perspective likewise accommodates for the new, considerably more customer-centric focus that social media has brought about in comparison to traditional CRM. Greenberg (2009) correspondingly considers the new possibilities to interact with and engage customers next evolutionary step in CRM (Greenberg, 2009). Away from one-way communication and operationally oriented customer management to dialogue and the establishment of true customers relationships (IBM Institute for Business Value, 2011, Court et al. 2009). It is important to note that the concept of engagement includes firm-customer as well as customer-customer exchange. Forums, blogs, tweets and Facebook wall posts provide a variety of mechanisms for firms to initiate and catalyse customer-customer engagement (Gallaugher & Ransbotham, 2010).

Customer Interaction & Engagement
Goal Use social media effectively as the key engagement channel
Objectives • Attract more customers and increase the frequency & duration of interaction with these customers • Increase customers to responses and contributions • Increase the sphere of influence in social media (reach)

Box 6 - Interaction and engagement goal & objectives

Unfortunately, like other concepts in marketing or social media, engagement is perceived and defined differently by academics and practitioners (Russell, 2009, Peterson, 2009, Etlinger, 2011). The question is how to concretely define and calculate engagement. Haven (2007), for instance, suggests that companies start by identifying individual key metrics and choose a social media measurement provider that best reflects those metrics. Peterson (2007), on the other hand, attempts to measure engagement by the means of a composite metric based on the following definition: "*Engagement is an estimate of the degree and depth of visitor interaction on the site against a clearly defined set of goals*." Following this line of thinking, Etlinger (2011) suggests that companies need to clearly define what engagement means for them based individual business objectives.

In order to approximate CIE firms consequently need to focus on metrics that signify consumer responses and actions as they engage with brands/firms or with each other on the web or with social software. These customer activities, often tied to a particular social media platform, can be measured. Many social media platforms provide a range of metrics on user behaviour for business customers essentially free of charge. The two social network platforms Facebook and Google+ for instance offer an abundance of metrics for businesses of which many focus user behaviour and interaction.

Input from the multiple-case study has further shown that another important factor for most companies is the amount of people they are possibly able to reach with their

communication efforts. The equivalent concept, *reach*, is an indicator for this ability. Firms naturally aim to maximize the amount of people they are able to reach because it potentiates the possible impact of their campaigns. As a result, the CIE perspective is composed by three metric categories: *Root, activity* and *reach* metrics. Each of this category is explained in more detail below. Table 14 shows appropriate metrics for each category, while the CIE scorecard example in table 15 maps these metrics categories to generic objectives that in turn correspond to strategy (goal).

Customer Interaction & Engagement Metrics
Root metrics Duration, recency, frequency of visit; view-throughts; clicks; likes; # of participants, followers, members, subscribers, contributors, friends, fans; time spend with distributed content; number of interactions; social bookmarks; RSS feed subscriptions
Activity metrics Quantity/frequency of comments, individual replies, reblogs, retweets, shares, product reviews, downloads/uploads, content resyndication; amount of user generated content; impressions-to-interation ratio (Hoffman & Fodor, 2010); # of conversations (on topic) (adopted from case study); frequency of interactions per customer; engagement index (Nr) (adopted from case study); Facebook's *Daily Active Users* (#) (adopted from case study), (Facebook's *People Talking About This* (#) (adopted from case study), audience engagement (%) (Owyang & Lovett, 2010)
Reach metrics Actual/potential reach; # of friends/followers/members, friends of friends; Twitter's *Accounts reached* (#); impressions; Facebook's *People Talking About This* (#); Social Share of Voice (sSoV) (Etlinger, 2011); / (Social) Share of Conversation (sSoV)(adapted from LeBrun, 2009); page views; unique visits/visitors, # referrals from brand/product website (adopted from case study)

Table 14 – Interaction and engagement metrics

Root Metrics

Root metrics reflect the most basic measurable aspects of customer-company interaction and engagement. Metrics within this category signify actions such as the duration, frequency and recency of visit. Other root metrics relate closer to social media environments and include the number of platform/community participants, fans, followers, content subscribers or contributors. Root metrics are important because they often represent the first point of customer interaction with a firm and they serve as a foundation to establish connections to other metrics (Haven, 2007).

Activity Metrics

The second engagement measurement category comprises *activity metrics*. Activity and action metrics focus on more deliberately initiated customer actions and contributions. For instance when customers leave comments on a blog post, make recommendations, write a product review, create user-generate content or share content on social software. Another metric to obtain insights on the degree of

customer interaction is the *impressions-to-interactions ratio* (Hoffman & Fodor, 2010). This metric measures the total number of interactions in relation to the total number of impressions (number of times a post etc. is shown to users). The case company Softco uses a composite metric to evaluate engagement called *Engagement Index* (for a description cp. chapter 5). Input from cases further showed that almost all firms make use of some platform dependent activity metrics such as the Facebook's *Daily Active Users* (DAU) or the *People Talking About This* (PTAT) metric. Whereas the former comprises activities such as visits, views, likes and comments, the latter is calculated by a variety of interactions on Facebook that occurred over the last seven days.[14] Owyang & Lovett (2010) propose a specific audience engagement metric, which they define as the proportion of visitors who participate in a specific initiative by performing various actions like comments, sharing or linking back:

$$Audience\ Engagement = \frac{Comments + Shares\ + Trackbacks}{Total\ Views}$$

Reach Metrics

As pointed out earlier, it is not only important for firms to increase the degree of interaction and engagement. At the same time firms strive to do so with as many people as possible to increase their scope of influence. When talking about reach it is important to distinguish between *actual* and *potential reach* (cp. Radian6, 2010). Actual reach presumes that a company knows, at given point of time, how many friends, fans or followers are locked in and view the content. In reality, however, this is rarely the case. It is suggested that firms need to regard potential reach instead. Potential reach is an estimation of how many people are likely to be reached based on daily or monthly volume statistics of various platforms/sites[15]. Potential reach can in this way as well be aggregated across multiple channels. Some reach measures that can be taken into account for this calculation are the total volumes of fans, impressions and number of friends of friends that might be able to see the content. Facebook's PTAT and Twitter's *accounts reached* metric similarly give an indication of achievement of reach. Another reach concept often used in advertising is *Share of Voice* (SoV), which is defined as the relative proportion a firm is able to reach within a defined market and time period (Google, 2007). Adapted to the sCRM context it reflects They permit deeper insights into the social media environment Social SoV (sSoV) it can be expressed in the following formula (Etlinger, 2011):

$$Social\ SoV = \frac{Brand\ Mentions}{Total\ Competitive\ Mentions\ in\ Social\ Channels\ [Brand + Competitor\ A + Competitor\ B + \cdots\ n]}$$

[14] For a detailed description of each metric see:
http://www.facebook.com/note.php?note_id=10150311749766398 (PTAT)
http://www.facebook.com/help/?faq=219375581424410 (DAU)

[15] In other words, what percentage of people are estimated to be logged in and are able to view the content at a given point or period of time.

According to this formula sSoV can be defined as the percentage of brand mentions that a brand evokes compared to the competitors or the industry averages in social channels. *Share of Conversation* (SoC), another concept that can easily be adopted to social the social context, is more granular and measures how often a brand is mentioned relative to a topic of a certain pertinent topic. LeBrun (2009) defines SoC as the quotient out of the *total number of conversation on a certain topic* and the related topic or keyword *associated with a brand* divided through the *total number of conversation on a certain topic*.

$$Share\ of\ Conversation = \frac{Total\ \#\ of\ conversations\ on\ topic\ x\ AND\ Keyword\ a}{Total\ \#\ of\ conversations\ discussing\ topic\ x}$$

Another reach metric is suggested by Owyang & Lovett (2010), who propose to evaluate conversation reach as a function of unique visitors who participate in a specific brand/issue/topic across one or more channels and the total audience exposure.

$$Conversation\ reach = \frac{Total\ people\ participating}{Total\ audience\ exposure}$$

Goal	**Objectives**	**Suitable metrics to assess objectives**	**Target / Actual**							
Use social media effectively as the key engagement channel			Q1		Q1		Q2		Q3	
	Attract more customers and increase the frequency & duration of interaction with these customers	Duration/recency/frequency of visit; view-throughts; clicks; likes # of participants, followers, members, subscribers, contributors								
	Increase customers responses and contributions	Quantity/frequency of comments & individual replies, reblogs, re-tweets, product reviews; amount of user generated content; impressions-to-interactions ratio, engagement index (Nr.), audience engagement (%)								
	Increase the sphere of influence in social media (reach)	Facebook's *People Talking About This* (Nr.); Social Share of Voice / Social Share of conversation (%); page views, unique visits/visitors, Twitter's accounts reached (#), friends of friends, # referrals from brand/product website								

Table 15 – Example customer interaction & engagement scorecard

4.2.3 Customer Satisfaction & Advocacy Perspective

The customer satisfaction and advocacy (CSA) measurement perspective indicates the level of customer satisfaction with a firm's services or products and how inclined customers are to recommend the firm or its products to others. Customer satisfaction and a vivid and strong relationship can be considered necessary antecedents to turn customers into active advocates. By engaging customers across various conventional and social media touch points superior relationships are created, which in turn bring about increased customer satisfaction and advocacy. This corroborates the close link to the CIA perspective. The CSA perspective can be considered the most important of the four perspectives as it is strongly correlated to profits (cp. chapter 3, subsection 3.7.3). Word-of-mouth is moreover regarded as the most effective form of promotion (Kumar, Peterson & Leone, 2007). At the same time is social media regarded as the ideal medium to initiate and cultivate word-of-mouth or advocacy (Gallaugher & Ransbotham, 2010)

Customer Satisfaction & Advocacy
Goal *Turn customers into active advocates*
Objectives • Improve customer satisfaction & retention • Increase customer advocacy

Box 7 - Exemplary satisfaction and advocacy goal & objectives

The concepts customer satisfaction and advocacy have been recognised as important marketing and CRM goals long before the advent of social media. It is nonetheless important to note that social software applications like online communities or review and recommendation platforms have dramatically changed their potential effects in terms of impact and reach (Bughin et al. 2010, Kane, Fichman, Gallaugher & Glaser, 2009). To obtain a more comprehensive picture traditional marketing metrics should thus be augmented by social media metrics.

Despite inherent problems in measuring such complex and multi-faceted concepts like satisfaction or advocacy, insights emanating from social media can still provide valuable additional perspectives. To account or these complexities researchers have developed compound metrics that try to indirectly [16] approximate such multi-dimensional concepts. Some of them are described below. For the CSA perspective it is distinguished between satisfaction and advocacy metrics categories. Table 16 display key metrics from literature for each category. The CSA scorecard in table 17 links a typical strategic goal to objectives that in turn can be assessed by the presented suitable metrics.

[16] It is hardly possible measure multi-dimensional concepts such as customer satisfaction directly as they are ambiguous and abstract concepts which depend on a number of variables.

Satisfaction Metrics

A typical means to assess customer satisfaction is by questioning customers directly with questionnaires or surveys (cp. section 3.5.2 ff.). Thereby an overall customer satisfaction score can be calculated. Owyang and Lovett (2010) provide a simple example of how satisfaction can be calculated and expressed by an index score:

$$Satisfaction\ Score = \frac{Customer\ feedback\ (input\ A, B, C \ldots n)}{All\ customer\ feedback}$$

Practical problems in assessing customer satisfaction that emerged during the case studies, however, include that it can be difficult to sharply separate between customer service in social media and traditional channels. Moreover it appears to be difficult to launch tailored surveys on Facebook. Lastly, social media service volumes are often not representative (cp. chapter 5/6 for an in-depth discussion of these issues and possible solutions). Sentiment analysis can as well help to obtain insights on what customers and communities think about companies, how satisfied they appear to be, and how perceptions change over time or in correspondence to specific events. Although calculated based on different premises and procedures, many social media monitoring platforms include the capability to conduct sentiment analysis. By the means of text recognition specific keywords and phrases in posts or documents are analysed to automatically determine a sentiment probability. Sentiments can then be aggregated into ratios and trends and benchmarked over time. A sentiment ratio can be calculated as follows (Hoffman & Fodor, 2010):

$$Sentiment\ Ratio = \frac{Positive : Neutral : Negative\ (brand\ mentions)}{All\ brand\ mentions}$$

It needs to be stressed, however, that results from sentiment analysis, at the current state of text analytics technology, can only indicate rather than accurately assess sentiment. To achieve high quality results often manual revisions are required.

Finally, it is decided to additionally include measures for service quality since they likely exert a considerable impact on customer satisfaction. Metrics include for example the number of customer complaints and issue resolution and response times. As suggested by Kim et al. (2003) and Gupta & Zeithaml (2006) the SERQUAL framework (Parasuraman, Zeithaml & Berry, 1998) enables to holistically assess service quality. The framework evaluates CRM activities along five perspectives: reliability, responsiveness, empathy, tangibles, and assurance. These five perspectives are comprised by 22 items, which the authors declare to be used by customers to evaluate any type of service.

Advocacy Metrics

Uniform advocacy metrics include, for instance, the number of active advocates (per period) and/or the number of received recommendations / referrals or conversely the number or dissuasions. Simply counting recommendation/dissuasions, however, does not differentiate between variable impacts that different kinds of recommendations may have. In this respect Bughin et al. (2010) demonstrate that high-impact

recommendations, for example by family members or close friends, are far more likely to actually trigger a purchase compared to low-impact recommendations. To assess the impact of different kinds of word-of-mouth recommendations the researchers propose a metrics called *word-of-mouth equity*. Word-of-mouth equity is defined as a function of *volume* (few/many messages) and *Impact*. Four factors that influence impact are distinguished that influence the impact of word-of-mouth: Network, message content, sender and message source[17]. Owyang and Lovett (2010) too propose three useful advocacy metrics listed below:

$$Active\ Advocates = \frac{\#\ of\ Active\ advocates\ (in\ past\ 30\ days)}{Total\ advocates}$$

$$Advocate\ Influence = \frac{Unique\ advocate's\ influence}{Total\ advocate\ influence}$$

$$Advocate\ Impact = \frac{\#\ of\ advocacy\ driven\ conversations}{Total\ number\ of\ advocacy\ traffic}$$

Reichelt (2003) argues that an individual assessment of customer loyalty is not necessary. He suggests that a company only needs to evaluate a single metric. This metric, called *Net Promoter Score* (() is defined as the intention of a customer to recommend. This definition is in line with the common understanding of customer advocacy and can therefore considered a customer advocacy metric. For the calculation of the net promoter score Reichelt proposes to survey a statistically valid sample of customers using a 10-point willingness-to-recommend scale. Based on their answers respondents are grouped into three categories, promoters (9-10 rating), passively satisfied (7-8 rating), and detractors (0-6 rating). The percentage of detractors is then subtracted from the percentage of promoters. The resulting ratio finally resembles the NPS. NPS is one of the few metrics that can be considered industry standard for measuring word-of-mouth or advocacy. NPS and related satisfaction based concepts can be assessed with traditional instruments such as surveys and customer service calls.

IBM's *Customer Focused Insight Quotient* (CFiq) is a combined metrics similar to NPS. CFiq is supposed to capture key indicators of customer relationship health (IBM Corporation, 2006). Besides querying customer about their propensity to recommend the CFiq metric includes two more questions. First, whether customers would turn to the firm in question first if future needs emerge. Second, whether customers would stick to the firm even if offered a competitively priced alternative.

[17] For a more detailed explanation of the calculation of word-of-mouth equity see Bughin et al. 2010

Customer Satisfaction & Advocacy Metrics
Satisfaction metrics Score on customer satisfaction surveys (online/phone); Satisfaction score (%) (Owyang & Lovett, 2010) # of customer complaints/resolutions; service quality (SERQUAL score) (Parasuraman et al., 1998); sentiment ratio (Pos:Neg) (adopted from cases); brand perception (Ray, 2010); satisfied customer ratio (Fornell, 1992) **Advocacy metrics** # of recommendation & referrals received; rate of referrals; # of Active Advocates (per period) (%), Advocacy Influence (%), Advocacy Impact (%) (Owyang & Lovett. 2010); (Net-Promoter-Score (NPS) (Scale 1-10) (Reichhelt, 2003); Customer Focused Insight Quotient (CFiq) (IBM Corporation, 2006); Word-of-mouth equity (Bughin et al. 2010); Online Promoter Score (OPS) (MotiveQuest, 2005); Advocacy impact / influence; Brand Advocacy Quotient (BAQ) (Nielson Online, 2008); # of external referrals (adopted from case study)

Table 16 – Interaction and engagement metrics

The *Brand Advocacy Quotient* (BAQ) developed by Nielsen Online represents a refinement of advocacy measurement based on a combination of both, online survey data and consumer experiences, captured from social media (Nielson Online, 2008). Nielsen does, however, not provide details on how BAQ is actually constructed and calculated. Another often mentioned advocacy metric on the web is *Online Promoter Score* (OPS) developed by MotiveQuest's in conjunction with researchers from Northwestern University in 2005. It measures the frequency of online recommendations of individuals. OPS is further claimed to be capable of showing correlations between online brand advocacy and real-world sales (O'Brian, 2008). A strong correlation between sales and advocacy aligned marketing initiatives was found during a study completed in cooperation with the American division of BMWs brand Mini (Carr, 2011).

Goal	Objectives	Suitable metrics to assess objectives	Target / Actual							
			Q1		Q1		Q2		Q3	
Turn customers into active advocates	*Improve customer satisfaction and retention*	Score on customer satisfaction surveys (online/phone); satisfaction score (%); # of customer complaints/resolutions; service quality (SERQUAL score); sentiment ratio (Pos:Neg); brand perception; satisfied customer ratio (Fornell, 1992)								
	Increase customer advocacy	# of recommendation & referrals received; rate of referrals; # of Active Advocates (per period); Advocacy Impact (%), Advocay Influence (%), Net-Promoter-Score (NPS) (Scale 1-10); Customer Focused Insight Quotient (CFiq); Word-of-mouth equity; Online Promoter Score (OPS); Advocacy impact / influence, Brand Advocacy Quotient (BAQ), # of external referrals								

Table 17 – Example customer satisfaction and advocacy scorecard

4.2.4 Customer Analysis & Learning Perspective

The ability to design, build and establish new customer-engagement approaches and make them work is a necessary, but not sufficient criterion for sCRM effectiveness and sustained success. To exploit the possibilities of sCRM to a full extent firms must develop capabilities to learn and benefit from the data created through social media interactions (Culnan et al. 2010, French et al. 2011). The ability to produce and properly use customer insights from social media is found to be one of the most pressing competitive challenges of practitioners (Davis & Freundt, 2011, IBM Marketing & Communications, 2011). Taking into account the speed of change in online environments organizations need to continuously monitor all sectors of the social sphere relevant to its operations and adapt and renew sCRM and core business processes. Constant listening to customers at social media touch points allows to revealing patterns in behaviour and respond quickly to signs of changing needs (French et al. 2011).

The mere provision of technological capabilities like monitoring tools, however, is not sufficient. The customer analysis and learning (CAL) perspective thusly needs to include the assessment of fundamental technological, human skill, process and social innovation capabilities and requirements to reach social media proficiency. Customer information from social media needs to be interpreted and translated into appropriate (improvement) actions by humans. Therefore appropriate expert knowledge and analytical skills are a necessity in order to analyse and report key findings and draw the right conclusion from derived information. Another important aspect is the capacity to competently mediate the dialogue and respond to messages created by

users in social media (Gallaugher & Ransbotham, 2010, Culnan et al. 2010).

Mediation of customer dialog in social media can, for instance, include correcting inaccuracies or replying to critique, giving kudos for creditable contributions or promoting offerings (Gallaugher & Ransbotham, 2010). In addition, there need to be formal processes and rules, as well as training, for employees to teach them how to appropriately conduct and behave in social media (Culnan et al. 2010). This includes policies and guidelines that define what acceptable customer-generated content is and how employees should behave in social media. What eventually emerged to be an important aspect from my research is that CAL should as well include means to assess how effectively a firm uses customer derived information for innovations. That is to improve processes, create new products/services or enhance existing ones.

Four main metric classes can be derived from the above where companies need to assess performance and invest in the developing appropriate learning capabilities:

- Technology proficiency metrics
- Employee proficiency metrics
- Process efficiency metrics
- Social innovation metrics

Customer Analysis & Learning
Goal Develop internal capabilities to learn and innovate from social data
Objectives • Develop necessary technological capabilities & human skills • Increase product, service and process innovation from social data • Increase sCRM process efficiency

Box 8 - Analysis and learning goal & objectives

Technology Proficiency Metrics

Technological proficiency includes appropriate social media and web monitoring and analytics tools. These tools enable to perform social media analytics, "*to collect, monitor, summarize, and visualize social media data*" in order to facilitate conversations and interactions and extract useful patterns (Zeng, Chen, Lusch & Lee, 2010). Some key functions include sentiment analysis, trend or emerging crisis discovery, customer identification (e.g. demographics, geography etc.), identification and determination of influential influencers, and the monitoring of topics, terms, names of interest. Some commercial social media monitoring platforms like radian6 already offer an integration of web analytics and sCRM to provide for their complementing qualities. The degree of technological proficiency can be determined

by an *IT-sufficiency* assessment as suggested by Kim & Kim (2009). Similar to a gap analysis firms can, based on their existing sCRM functions, assess the required functions according to defined sCRM objectives. Thereby contingent insufficiencies can be determined and resolved in a target oriented manner. The result could for instance be expressed with an percentual IT proficiency score. Kaplan and Norton (1996) describe the measurement concept *strategic information availability ratio* to evaluate the performance of information systems. This ratio assesses the current information availability relative to expected needs and can easily adapted to reflect customer specific social information in the sCRM context. A metric for strategic social information availability could be the coverage of actually currently available social customer information items as a percentage of ideally available customer information items.

Employee Proficiency Metrics

Besides necessary specialist knowledge, ideally all customer-facing employees should to be trained to become what the computer hardware firm Dell calls *social experts*. Dell can in many respects be regarded as a role model in terms of social media employee training. Besides Dell has launched a large-scale training program to turn employees into brand ambassadors. For this purpose Dell has established a social media university. Alumni are awarded with "*Social Media & Community Professional*" certificates (Swallow, 2010). Employee skills evaluation should include the determination of specialized analytical knowledge as well as the general degree of social media proficiency and customer centricity of all customer-facing employees of the organisation. In order to holistically assess relevant social media skills and identify contingent skill gaps an analysis similar to one described in the previous section could be carried out. Kaplan and Norton (1996) suggest another measurement concept, the *strategic job coverage ratio*, which can likewise be used in a sCRM context. This ratio tracks the number qualified for specific jobs according to projected organizational needs. If the ratio reveals a gap between future needs and present capacities, efforts can be made to close the human resource gap (Kaplan & Norton, 1996).

Process Efficiency Metrics

Several metrics developed by Kim & Kim (2009) for CRM performance measurement can be adapted similarly to evaluate the efficiency and effectiveness of sCRM processes. For social media customer service, job efficiency metrics like the *time per service job* or the *number of service cases handled by customer service staff* can be used. While job efficiency is important, the evaluation should appreciate as well the quality of the service to avoid dissatisfied customers. The *rate of satisfied serviced customers* described by Donovan, Brown and Mowen (2004) is a suitable metric for this purpose. *Customer acquisition rate*, on the other hand gives an indication of how successful the sCRM activities are in attracting new customers. Other concepts adapted from Kim & Kim (2009) to assess sCRM processes are the efficiency of *customer knowledge creation* and *customer information integration*. The former relates to the efficiency of customer knowledge generation, defined as the number of registered customer knowledge items by customer facing employees. The latter denotes how effectively customer knowledge is integrated within the firm. *Social media issue resolution rate* is another key metrics that can be used to assess the performance of support processes. Owyang and Lovett (2010) define it as the

percentage of satisfactorily resolved social media customer service inquiries. The *average issue resolution time*, proposed by the same authors, is another measure that can be possitively influenced by social media customer service.

$$Issue\ Resolution\ Rate = \frac{Total\ \#\ of\ satisfactorily\ resolved\ issues}{Total\ Number\ of\ service\ issues}$$

$$Resolution\ Time = \frac{Total\ inquiry\ response\ time}{Total\ Number\ of\ service\ inquiries}$$

Social Innovation Metrics

As with many other social media topics there is currently a lack of generic metrics to measure the degree of achievement in customer derived idea generation or process improvements / innovations. Obvious metrics to quantify the output of customer ideation could be the *number ideas* harvested from customers or the *number of actually realized process improvements*. The problem with such simple metrics is that they tell little about the quality and usefulness of the raised ideas or changes. A huge amount of ideas may further simply overstrain an organisation's review and processing capacities. Engineering literature suggests the use of the effectiveness metrics, *novelty, variety, quality* and *quantity* of generated ideas to evaluate the overall effectiveness of the ideation process (for a more in-depth discussion refer to Shah & Vargas-Hernandez, 2003). *Patents* are an established traditional output metrics for degree of firm innovativeness (Kleinknecht, Van Montfort & Brouwer, 2003). If patents originating from customer ideas are tracked back set in relation to the total amount of gathered customer ideas, they could be used as a metrics for the effectiveness of the customer ideation process. Three more output metric for social innovation could be *revenue per idea created, sales/revenue of innovative products* originating from customer ideas.

Customer Analysis & Learning Metrics
Technology proficiency metrics IT sufficiency (%): current # of sCRM supporting function / necessary # of sCRM supporting functions (adopted from Kim & Kim, 2009) - Monitoring functions: emerging crisis identification; trend discovery/analysis; customer opinions & attitudes; social media mentions; buzz analysis; topic trends; brands/products/firm names. - Analytics functions: sentiment analysis; identification of key influencers; market/competitor analysis; frequent words analysis; customer identification (demographics, geography); topic categorization; incident analysis; customer segmentation. Strategic customer information availability ratio (%) (adapted from Kaplan & Norton, 1996): currently available social customer information items / ideally available social customer information items **Employee proficiency metrics** Skills assessment (specialist skills & general social media proficiency) (%); # of employees trained in social media; training days/employee (Reinartz et al. 2004); strategic job coverage ratio (Kaplan & Norton, 1996) **Process efficiency metrics** Job efficiency metrics: agent productivity; time per service job; service cases handled per customer service staff (Kim & Kim, 2009); average handling time (adopted from cases); issue resolution rate/time (Owyang & Lovett, 2010); rate of satisfied serviced-customers (%) (Donovan et al. 2004); acquisition rate: new customer / total customer (per year) (Kim & Kim, 2009); social customer knowledge creation: # of registered social customer knowledge by customer-facing employees (adapted from Kim & Kim, 2009); social customer info. integration (%) (adapted from Kim & Kim, 2009), # of service cases/resolved service case ratio (adapted from case study) **Social innovation metrics** # of received product or service ideas; revenue per idea created; number/sales of innovative products; successfully realized product/services or process from customer ideation (adapted from Kleinknecht et al. 2002); # of patents resulting from customer ideas (adapted from Kleinknecht et al. 2002); # of successful process changes; revenue from new products (from customer ideation) (adapted from Kaplan & Norton, 1996)

Table 18 – Customer analysis and learning metrics

Goal	Objectives	Suitable metrics to assess objectives	Target / Actual							
			Q1		Q1		Q2		Q3	
Develop internal capabilities to learn & innovate from social data	*Develop necessary technological capabilities*	IT sufficiency (%); Strategic customer information availability ratio (%)								
	Develop necessary human skills	Skills assessment (%); # of employees trained in social media; training days/employee; strategic job coverage ratio (%)								
	Increase sCRM process efficiency	Job efficiency metrics; rate of satisfied serviced-customers (%), acquisition rate; issue resolution rate/time; social customer knowledge creation: # of registered social customer knowledge by customer-facing employees; social customer info. integration (%)								
	Increase product, service and process innovation from social data	# of received product or service ideas; revenue per idea created; sales/revenue from new products; successfully realized product/services or process from customer ideation; # of patents resulting from customer ideas; # of successful process changes								

Table 19 – Example customer analysis and learning scorecard

4.3 Social CRM Scorecard Logic Model

The devised logic model illustrated in figure 13 visualizes the underlying interdependencies of the sCRM scorecard perspectives by illustrating the chronological sequence of events progressing from inputs to outcomes. As such, the logic model provides a clear framework for developing the case study protocol (Appendix A), for comparing theoretical assumptions with case study findings, and ultimately for conducting cross-case analysis (Yin, 2009). The sCRM performance logic model incorporates and illustrates:

- The overarching sCRM measurement perspectives, which at the same time denote the key performance areas of sCRM.
- Hypothesized Interrelationships between performance perspectives.
- The logical sequence by which performance perspectives work together to produce a certain result. More specifically which areas represent:
  a) Investments of resources (inputs).
  b) Sectors where the main activities are performed (processes).
  c) Sectors that reflect what is produced by the activities in b (outputs).
  d) Sectors where the (economic) benefits by of the results in c accrue (outcomes).

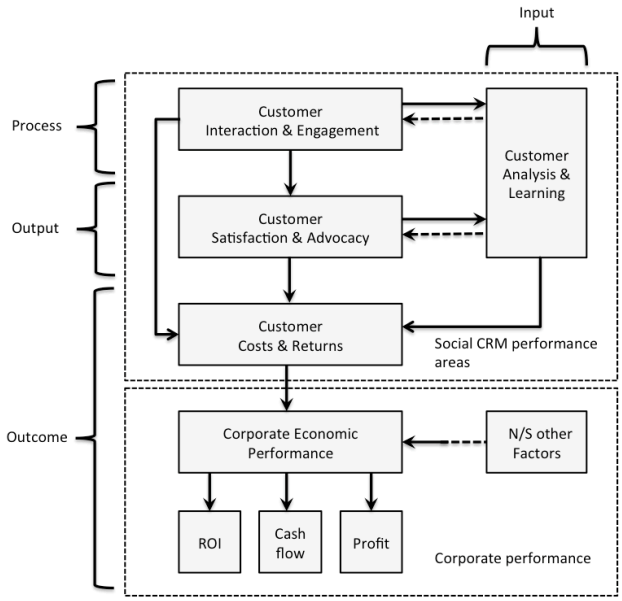


Figure 13 – Social CRM scorecard logic model

Interrelationships Between Social CRM Performance Perspectives

The creation of interaction and engagement can be regarded as the basic activity (process) by which sCRM creates value, for both the firm and its customers. The fundamental mechanism behind this value creation chain is that increased customer interaction and engagement are expected to produces more satisfied customers, which at the same time are more likely to be active advocates (output). Both satisfied customers and even more so customer advocates are found to be the most profitable customers (outcome). These relationships have received extensive research corroborating described mechanisms between engagement, loyalty or advocacy and bottom-line benefits (e.g. Dorn, Lemon, Mittal, Nass, Pick, Pirner & Verhoef, 2010, Algesheimer et al. 2005, Vivek et al. 2010, Schau et al. 2009, Etlinger, 2011). Social media engagement may as well lead to increased revenues directly, detouring the satisfaction and advocacy area, for instance by the intensified acquisition of new customers. The analysis and learning performance area represents the human skills, technological requirements, combined with process and innovation capacities, that a company needs to invest resources (inputs). The customer analysis and learning perspective gleans data from social activities, transforms them into insights, and ideally uses this information again to optimize processes. In this way a feedback loop is created. While all these activities contribute to value creation, they at the same time all involve certain costs. sCRM performance areas are link to the area corporate economic performance via the costs and returns area, where all arrows converge.

Combined View of sCRM Scorecard Perspectives

Table 20 provides a combined view of all four measurement perspectives. In addition, there is a typical strategically oriented goal defined for each perspective. These goals represent the overarching outcome the organization aims to achieve with the according perspective.

COSTS & RETURNS	**SATISFACTION & ADVOCACY**
Goal: Realize financial benefits like profit increase or cost savings	***Goal: Turn customers into active advocates***
Objectives **A.** Generate / increase revenue through social channels **B.** Decrease costs of operation **C.** Increase operational effectiveness & efficiency	***Objectives*** **A.** Improve customer satisfaction & retention **B.** Increase customer advocacy
Dedicated Metrics **A.** Conversions; value per order; average consumer spend; average revenue per visitor; average order value; direct response sales; cross/up-sell ratio **B.** Costs per issue resolution; decrease in support calls, agent assisted interaction, agent-assisted email; customer acquisition/retention costs **C.** Agent productivity; marketing effectiveness / efficiency; average issue resolution time	***Dedicated Metrics*** **A.** Score on customer satisfaction surveys (online/phone); # of customer complaints/resolutions; service quality (SERQUAL score); sentiment metrics/ratios; brand perception; satisfied customer ratio **B.** # of recommendation & referrals received; rate of referrals; # of active advocates per period; Net-Promoter-Score (NPS) (Scale 1-10); Customer Focused Insight Quotient (CFiq); Word-of-mouth equity; Online Promoter Score (OPS); Advocacy impact / influence
INTERACTION & ENGAGEMENT	**ANALYSIS & LEARNING**
Goal: Use social media effectively as the key engagement channel	***Goal: Develop internal capabilities to learn and innovate from social data***
Objectives **A.** Attract more customers and increase the frequency & duration of interaction with these customers **B.** Increase customers responses and contributions **C.** Increase the sphere of influence in social media (reach)	***Objectives*** **A.** Develop necessary technological capabilities **B.** Develop necessary human skills **C.** Increase product, service and process innovation from social data **D.** Increase sCRM process efficiency
Dedicated Metrics **A.** Duration/recency/frequency of visit; view-throughts; clicks; likes # of participants, followers, members, subscribers, contributors, etc. **B.** Quantity/frequency of comments & individual replies, reblogs, retweets, product reviews; amount of user generated content; impressions-to-interactions ratio, etc. **C.** Facebook's *People Talking About This* (#); Share of Voice / Share of conversation (%); page views, unique visits/visitors, Twitter's accounts reached (#), friends of friends	***Dedicated Metrics*** **A.** IT sufficiency (%); Strategic customer information availability ratio (%) **B.** Skills assessment (%); # of employees trained in social media; training days/employee; strategic job coverage ratio (%) **C.** Job efficiency metrics; rate of satisfied serviced-customers (%), acquisition rate; social customer knowledge creation: # of registered social customer knowledge by customer-facing employees; social customer info. integration (%) **D.** # of received product or service ideas; revenue per idea created; sales/revenue from new products; successfully realized product/services or process from customer ideation; # of patents resulting from customer ideas; # of successful process changes

Table 20 – Combined view of sCRM scorecard perspectives

CHAPTER 5

Multiple-Case Study

This chapter presents the individual reports on each of the seven investigated case organizations. Each report starts with a general description on the organization's background, its social media / sCRM activities and pursued goals and objectives. The second part of the analysis deals with the used performance measurement practices and metrics. The third and concluding part of each case report presents the results from the expert reviews of the preliminary sCRM scorecard by the interviewed social media experts from each firm. Each single case study includes a bar chart on the prevailing coding themes and a short explanation of how the graphical representation corroborates the findings. To protect the confidentiality of firms, pseudonyms are used instead of real names. Concurrently, data that would reveal the identity of firms is omitted.

5.2 Softco

General Description

Softco is a large multinational corporation that develops, produces, licences, distributes and supports computing related products and services through various product divisions worldwide.

Due to its industry position as a technology pioneer and leader, Softco was on the forefront of companies who developed and used social media technologies. In fact, the company applied and used early *social* software applications, such as blogs, online communities, forums or newsgroups, long before the term social media was born. This dates back to the late eighties to early nineties. Today the corporation is active across all major social media platforms and channels. Only in Germany it currently maintains 23 Facebook fan sites and 15 groups on the German business-related social networking sites Xing. Additionally there are almost 40 different German Twitter accounts and literally hundreds of official forums and blogs dedicated to serve the multitude of its different products, services and stakeholders. Social Media technologies are today deeply engrained within the company and

permeate almost every aspect of its business. Internally, in regards to work processes and practices. Externally, in regards to the relations it maintains to the outside world, to its customers and a diverse set of other stakeholders. The respondent attributes the high degree of adoption and integration mainly to the distinct corporate and working culture of the organization. Flat hierarchies throughout the organization and employees who are described to be exceptionally social media savvy and affine proved to be a highly conductive environment for the perfusion of social media. Employees began to use social media privately on their own initiative to talk about Softco topics long before a corporate policy and guidelines for social media use were officially introduced. While the adoption is consequently described as highly bottom-up, it was nonetheless from the start picked-up and supported by top management. As a result there is a strong link between social media objectives and business goals (i.e. strategy) via scorecard objectives. Although the beginnings can be described as messy, the corporation made significant efforts in the last years to "professionalize" their use of social software.

Performance Measurement and Metrics

A major step in this professionalization was the establishment and positioning of a new model that views social media as a distinct digital marketing category or discipline. This discipline is regarded to be independent from Softco's own media channels (e.g. corporate website, corporate blogs, communities etc.) and paid third party channels (e.g. display advertisement, search engine marketing). Fundamental goal of this redesign was to achieve comparability with other communication disciplines in order to be able to appropriately evaluate the added value of social media. To achieve this the approach to measuring social media objectives had to be conceptually realigned to actually make social media activities appraisable. Similar to scorecard approach developed in this thesis three overarching and goal and measurement categories were devised that summarise metrics to denote achievement on those main objectives. These categories are believed to be generic enough to cover any communication activity performed with social media. The first category *Exposure/Awareness* collects reach metrics, such as reach[18], # of fans, friends of fans, impressions and referrals from brand/product website. The second category, *Engagement* designates user activities and behaviours. Metrics include, among others, # of likes, # of comments, # of shares, video views etc. Specifically for Facebook a so-called *engagement index* was developed to merge multiple single metrics to one, more appraisable figure. The engagement index is calculated in the following way:

$$Engagement\ index = \frac{0.1 * \#likes + 0.3 * \#comments + 0.6 * \#shares}{page\ posts\ impressions\ (unique)}$$

The denominator in this formula, *page post impressions,* is a measure to denote how many times an individual post has been seen throughout Facebook Baekdal (2010). Engagement index enables to appreciate the assumed varying value of different engagement metrics. Comments and shares are thought to be a more valuable form of engagement and are on that score higher weighted. Finally there is a *Conversion*

[18] There are different ways to define and calculate reach. How exactly reach is calculated at Softco is not known.

category to signify actual results of performed actions of users. A conversion could for example be a completed sales process. However, there is currently no focus on generating sales through social media. Due to the diverse product portfolio of Softco conversions can be anything from engaged users, downloads, shop referrals or received job applications by the Human Resources department. While advocacy is not explicitly covered in a separate category, this aspect is, according to the respondent, rather regarded implicitly. Although there had been considerations to create a separate category, this thought was eventually abandoned since it was believed that if the organization performs well in the other categories, advocacy would follow rather automatically as a result. Advocacy metrics such as external referrals, shares and brand/product recommendations are nonetheless evaluated.

The above described large amount individual sites and groups on different social media channels and platforms required an automated tool to capture and report on the scorecard objective categories. For this purpose a social dashboard reporting tool that directly connects via Application Programming Interface (API) to various evaluated social media platforms was created for internal use. The social dashboard displays the clustered results of the exposure, engagement and conversion categories and thereby enables to weight and compare the performance of certain sites, accounts or groups on platforms. Besides this benchmarking based on corporate owned social media there are as well comparisons made to major competitors. However, competitor benchmarking is based on more simple metrics such as fans or other publicly available platform specific metrics. Besides the social dashboard a classical web monitoring tool of an external service provider is used. This tool covers the whole German-speaking web and enables to filter for various (social media) channels, topics or campaigns. The tool provides, among other things, as well information on the total share of conversion, analysis on trends and sentiments, as well as data on influencers.

Although Softco currently still relies to a large degree on non-financial metrics to evaluate its social media activities, the organization has come to the conclusion that non-financial outcomes can only be used to help optimizing social media activities. The ultimate goal is to be able to tell how much money they actually make with social media investments. More specifically the corporation strives to calculate the ROI in terms of financial gains. While at the moment the ROI of social media is unknown, Softco tries to approximate that goal with the calculation of *opportunity costs*. The economic concept opportunity costs is used to make the best selection among various investment options and consequently focuses on the best spend of money. The main problem they face in terms of opportunity cost calculation is that, in most cases, it proved to be difficult to estimate the value of a social activity as the next best alternative. Not surprisingly, in terms of ROI, it is unclear how exactly the actual gain of a social media investment should be evaluated. Softco further developed cost-based metrics for each overarching measurement category in an effort to transition from non-financial metrics to financial metrics. In this way the following metrics were developed:

Exposure:

$$Cost\ per\ fan = \frac{Total\ invest\ in\ SoMe\ platform}{\#\ of new\ fans\ in\ campaign\ timeframe}$$

Engagement:

$$Cost\ per\ engagement = \frac{Total\ invest\ in\ SoMe\ platform}{\#\ of comments\ +\ \#\ of\ likes\ in\ c.\ timeframe}$$

Conversation:

$$Cost\ per\ action = \frac{Total\ invest\ in\ SoMe\ platform}{i.e.\ \#\ of downloads\ in\ campaign\ timeframe}$$

Figure 14 shows the 10 most prevailing themes from the interview derived from coding in Nvivo 9[19]. The graphic give an indication on the importance of certain themes to the respondent and the corporation. The results appear to be in line with the results of the analysis. It can be seen that the theme *Lack of metrics, ROI* of the parent note *Challenges* appears most often. Accordingly high importance is given to the *Financial Metrics.* In parent node *Practices & Procedures* (P&P) the themes *Systematization* and *Reporting* appear often. These themes are indeed most relevant to Softco and are reflected in the analysis above.

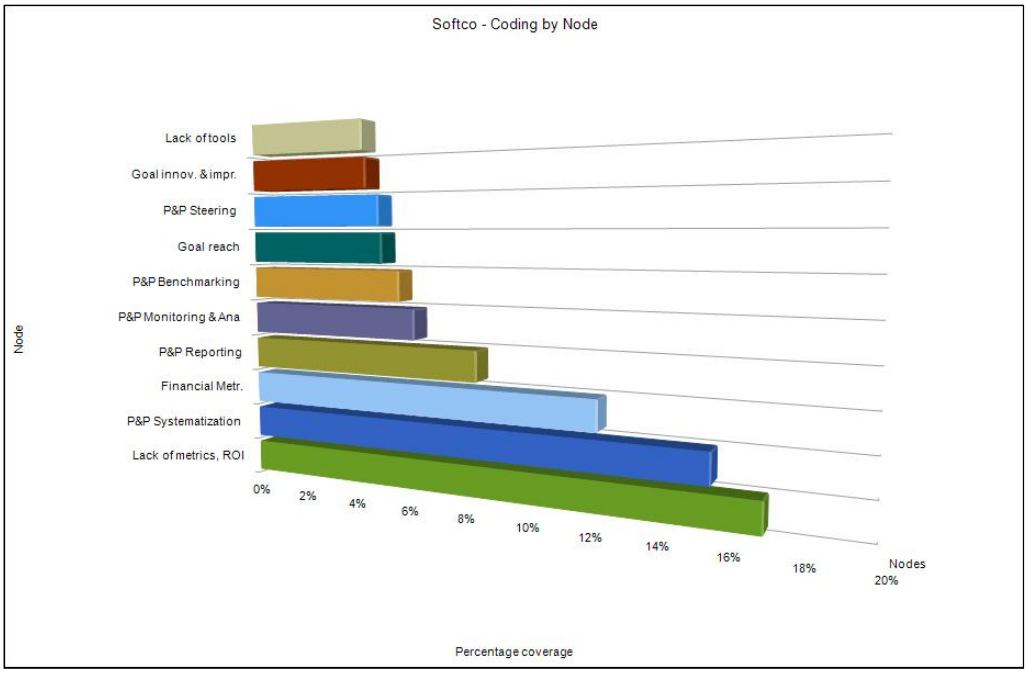


Figure 14 – Softo's most prevailing coding themes

Expert review of preliminary sCRM scorecard

A main concern of the Softco expert pertained to the lack of possibilities present in the preliminary framework to assess the concept reach. This remark is not surprising considering the fact that the concept reach represents one of the three overarching

[19] An overview of the complete Nvivo coding theme and node structure can be found in chapter 2, table 3 – NVIVO coding theme classification.

goal and measurement categories at Softco (denoted as exposure/awareness). Reach is according to the respondent a fundamental goal of any corporate communication, therefore relevant as well in the social media context. The basic idea is that the more people are exposed to a communication, the more people get to know the firms and dialogue offerings and communicated topics. As a result the potential impact of communication in terms of engagement possibilities or possibly sales/downloads increases. In regards to the customer analysis and learning perspective the respondent pointed to importance to establish defined processes for crowd sourced innovation management. Gathered ideas should be translated into actionable items in order to enable to track the actual implementation. The respondent reasons that the actual tracking of implemented changes might be difficult to achieve in practice. Approved crowd sourced derived ideas could, however, easily measured with quantitative metrics to assess the productivity of the crowd sourced innovation process.

5.3 Hardco

General Description

Hardco is a multinational technology solutions corporation that develops, sells and supports computers and related equipment and services. Its product portfolio ranges from PC's, notebooks, storage systems, monitors, printers, servers to entertainment technology and smart phones. Hardco is active in both, B2C (Business to Consumer) and B2B (Business to Business) markets, as well as B2G (Business to Government) markets. It predominantly sells its products through direct distribution.

Just like Softco, Hardco fulfils a pioneering role in its industry by being one of the first firms to leverage social media to provide better customer service. In contrast to many other companies, Hardco followed a top-down-approach initiated by top management. At the same time the corporate culture and philosophy is described to be in line and supportive to social media principles. Its success in social media made Hardco a frequently cited best practice example of business use of social media.

Hardco's first use of social technologies, mainly community platforms, date back long before the dawn of social media. Before 2006, these communities were however mostly closed and not open to the public. A Facebook presence was set up in early 2009. The social media activities began as a response to the blogosphere. Back then bloggers broach their negative experiences with Hardco's customer support on the web. The bad publicity eventually began to encroach upon mainstream media and continued to a point where sales and reputation began to deteriorate. Hardco realized that the only way to counter the negative sentiment and publicity on the web is by actively listening, participating and reacting to online conversations. As a result, the corporation changed its corporate communication strategy in order to incorporate social media channels on a broad basis. The percentage of negative online conversations soon began to abate significantly. Since then the organization began to continuingly widen and accelerate its social media engagement.

Today a wide range of social media applications are used, which is strongly integrated across all areas of internal and external operations. Accordingly, there is a wide spectrum of social media use cases. The predominant goal was initially to deliver better customer service. For this purpose a plethora of different forums, blogs and twitter accounts were used. Over time, social media for customer service was extended by other use cases, as for instance community enabled crowd sourced

innovation management and product development. Social media is further used extensively for the launch of new products. For this purpose videos and presentations of new products appear on platforms such as Slideshare, YouTube, Facebook and other sites, where the target audience is believed to be. The firms is moreover successfully facilitating user-generated product reviews and comments on its corporate website. Social commerce on platforms like Facebook is regarded to be still a long way of. With some success, however, the firm provides sales links to customers via a specialized Twitter account that redirects users to Hardco's outlet.

At present the primary goal Hardco aims to achieve with social media is "to get better" – to improve its products, services and processes – by listening, gathering feedback and interacting with customers. Secondary objectives, although not explicitly defined, are more monetary, such as cost savings, increases in new customer acquisition or improved marketing efficiency.

Performance Measurement and Metrics

Hardco internally differentiates between three categories of social media applications. Its corporate website, corporate communities and external communities (e.g. Facebook, Twitter). The corporate website serves as the primary hub for user generated content (i.e. reviews, ratings and comments). Corporate communities enable to communicate and engage with different stakeholder groups like prospects, customers and distribution partners. External communities like Facebook, Twitter, LinkedIn are used to generate leads and provide opportunities to interact and engage with external stakeholders. According to the respondent, the organization attaches fundamental importance to its social media performance measurement. Aligned to the social media categories, there are highly structured management reports. These measure for instance the efficiency of marketing investments and efficiencies of maintained platforms. The general (non-financial) social media report in table 21 depicts some of the collected and tracked KPIs. Besides the tracked figures some of the KPIs include an arrow symbol to show the trend as compared to earlier results. It can be seen that the concept of engagement across all sources is considered of pivotal importance. Quantitative KPIs include community members, support app submissions, total followers and some activity or interaction based quantitative metrics (posts and replies). A number of reach KPIs (e.g. total outreach) and qualitative sentiment metric can be found across all categories.

	KPIs	***Q1***	***Q2***	***Q3***	***Q4***
Engagement	Total Intake – All Sources Total Outreach Avg. Total Reach (Days) Initial Sentiment (Pos : Neg) Post-outreach sentiment (Pos : Neg)				
Our Communities	Community Members Hardco Posts + Replies Accepted Answers Total Outreach Initial Sentiment (Pos : Neg) Post-outreach sentiment (Pos : Neg)				
Facebook	Support App Submissions Total Outreach Initial Sentiment (Pos : Neg) Post-outreach sentiment (Pos : Neg)				

Twitter	Total followers Hardco_help Outreach Initial Sentiment (Pos : Neg) Post-outreach sentiment (Pos : Neg)				
Properties (summary)	Total Outreach Initial Sentiment (Pos : Neg) Post-outreach sentiment (Pos : Neg)				

Table 21 – Basic structure of social media report of Hardco

The respondent describes financial metrics as "extremely important". This is mainly because financial metrics are needed to convince budget holders to free investments in social media. At the same time it is believed that social media can in many cases save considerable costs as compared to traditional marketing activities and further lead to financially measurable gains as a result of increased effectiveness and efficiencies in various business areas.

As a direct distributor Hardco has the advantage of being able to establish a direct link between actual customers and their identities of those customers on the social sphere[20]. Since customers need to authorize themselves when making a purchase at Hardco the firm has the opportunity to bring together shopping histories with user behaviours and activities in the social sphere. This enables Hardco to gather social insights into customer lifecycles, loyalty and satisfaction, which represents considerable added value to the firm. Concurrently a link can be established between social data and increased revenues or increased satisfaction rates. It was, for instance, revealed that a Hardco customer, who is at the same time a Facebook fan of Hardco, on average spends a high two percentage amount more at each purchase than customers who are not Facebook fans. These measurement abilities increase the comparability to other activities and make social media more accountable. The topic of social media ROI is however, not at the centre of attention. Instead the business value derived from interaction and resulting information is regarded as most important. Another core area of social media derived business value is increased customer loyalty and satisfaction through improved service and superior products. In regards to social commerce the biggest lever is currently not considered to be direct sales, but the realization of social marketing, to get fans or followers to buy something. Besides the already mentioned ratings and product reviews to assess customer satisfaction Hardco uses as well the NPS metric every quarter to track customer advocacy.

Against the background of its primary goal, to get better, social media monitoring plays an important role for Hardco. For this purpose the firm has set up a specialized social media monitoring department. The office uses the social media monitoring tool Radian6 to gather and analyse data on topics and subjects of conversations, sentiment, share of voice, geography and trends. Another element described as pivotal to Hardco's success in social media is a systematic and comprehensive training that covers all parts of the organization. There are around ten different classes aimed at training employees in the specific skills and knowledge required to interact with customers in an appropriate and responsible way.

[20] Prerequisite is naturally that the customers are registered with their real names in social media platforms. Further the customer needs to be a uniquely identifiable by their name or other demographic data. This is not always possible since not all users are registered in social media platforms with their real names.

The most prevailing coding themes (figure 15) show that Hardco attaches great importance to *Financial metrics* and to the practice of monitoring and deriving insight from social media interaction (*P&P Monitoring & Analytics*). Metrics for measuring *satisfaction & advocacy* further receive considerable attention. Notable coverage on the *Goal innovation & improvement* are consistent with Hardco primary goal of continuous improvement.

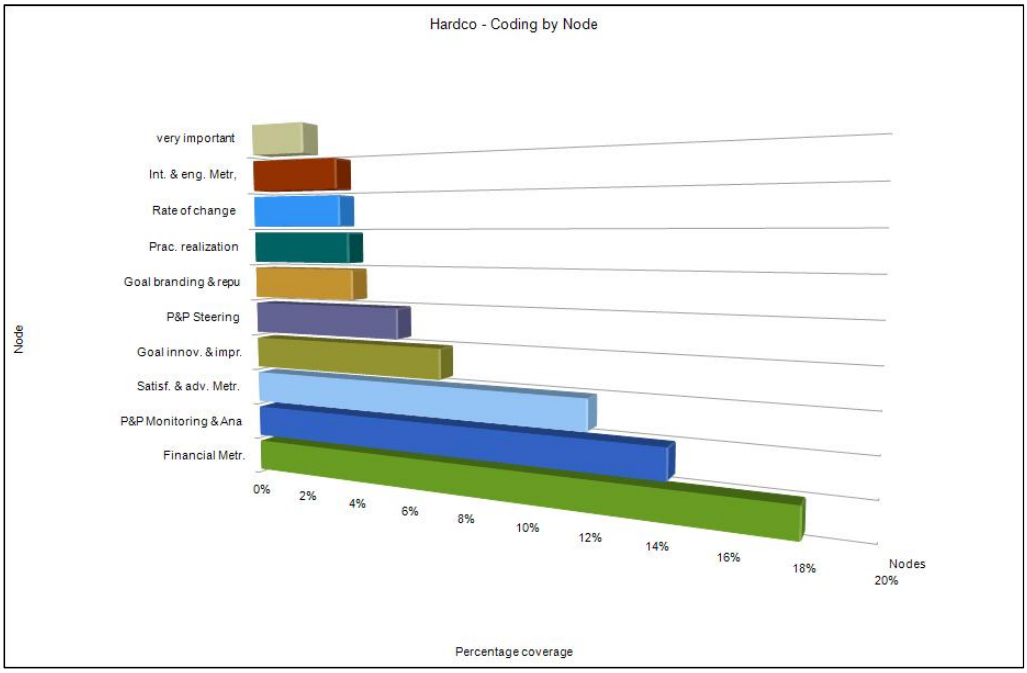


Figure 15 – Hardco's most prevailing coding themes

Expert review of preliminary sCRM scorecard

The Hardco expert regarded the chosen measurement perspectives to be highly relevant and important for the assessment of sCRM performance. An important aspect that the respondent would like to be more clearly present in the framework, however, is brand development. The respondent claims that the brand is the most important asset of a company. The brand would in this respect be even superordinate to customer satisfaction and advocacy in terms of importance. The respondent discerned that in the current configuration of the scorecard this aspect is somehow implicitly covered in the CIE and CSA perspective. Nonetheless does he regard the development of the brand, and how sCRM exerts an influence on that, as so fundamental that it should ideally be covered with a distinct measurement perspective. Such a perspective could incorporate a discrete set of metrics geared towards assessing brand development. Another point made was that while the framework appeared to be theoretically consistent the biggest challenge for firms are of practical nature. According to his experience most firms actually do not have access to required data. Furthermore would they not have the means and capabilities to make the link between their customers in the system and customer in the social sphere.

5.4 Combank

General Description

Combank is a German online retail bank, which business model is essentially based on community banking and the use of social media platforms and principles. Born out of the disturbances of the global financial crisis Combank aspires to provide an answer to the wide spread loss of trust in banks and the financial sector. It strives to do so by following a fundamentally different approach to client counselling compared to traditional retail banks. Counselling that is claimed to be based on objectivity, transparency and focused on the interest of the customer instead that of the bank. The core means by which Combank aims to achieve this value proposition is community banking. In fact, the firm started off as a pure online finance community and only later turned into a full-fledged bank. The bank enhances traditional banking services and products such as savings, transactional accounts, loans, and debit or credit cards by the added value of a banking community. The currently around 100 000 community members can interact and share relevant information, opinions and experiences related to finance topics and use this information to make more informed decisions. Combank fosters the dialogue and keeps the community alive by providing incentives using a bonus system for contributions to the community and other activities. Thereby acquired bonus points can in return be exchanged into stocks of Combank. In regards to credit services, users of the Combank community can decide if they want to loan directly from Combank, third party providers respectively or via a peer-to-peer mechanism from other community users. Besides the internal community, Combank is present on all major social media platforms like Facebook, Xing, Twitter and YouTube among others.

Combank's core social media use case, community banking, comprises several sub use cases. The banking community enables at the same time community based support, peer-to-peer lending and crowd funding respectively. The community further supports user-generated content such as reviews and recommendations of finance related products and services. Combank uses its community moreover to gather ideas for new products or let community members vote for new product ideas. This crowd-sourced and supported new product development process already resulted in the successful creation of financial products.

The greater goal Combank aims to achieve is to prove that social media can be successfully used to propel sales for banking related products and services. This goal includes reaching profitability as a community bank in 2012. Another goal is to continuously improve services and products based on inputs from the community. Besides these rather strategic goals there are no operational objectives defined.

Performance Measurement and Metrics

Although the respondents acknowledge its importance, Combank currently does not have a systematic approach to performance measurement. Since its operations are still rather small-scale, performance is evaluated in a more informal, qualitative approach. Since customer service staff is constantly involved in the community, there is a clear picture about the sentiment within the community and changes are noticed almost in "real-time". Customer complaints or other issues are picked up in a similar way and

dealt with promptly on an individual case-to-case basis. There is no dedicated complaint management process or tools in place. While this approach currently appears to work, Combank is aware that is way of doing things does not scale well, and likely needs to be abandoned once the community grows significantly.

In regards to the launch of new products, community responses in the form of discussions or opened or clicked newsletters, are monitored. Combank as well analyses what actions or campaigns lead to significant increase of new community member registrations. Furthermore it is looked at how many conversations actually revolve around financial topics, since increases in interaction and conversion volume outside the subject area are considered undesirable. As an indicator for the quality of community contribution, money related questions to money answer relation is considered important. Since a main source of revenues comes from transaction fees, important financial outcome performance indicators are the amount and number of financial transactions by community members. Besides community related analyses employees regularly monitor conversations and sentiment on the web using freeware tools such as Google alerts. Up until now there were no countermeasures required since sentiment and conversions on the web are reported to be, without exception, positive. On external platforms like Facebook, the team monitors and tracks the statistics and metrics offered by these platforms.

A described, a major obstacle to the development of a more systematic measurement approach at Combank is that basic criteria for measurement are often changing. While last year the focus was more on achieving quantity, i.e. more users, likes, followers, this year the focus shifted to increasing dialog and transactions via incentives and other means. Investments in proprietary social media measurement, reporting and monitoring solutions are currently not considered to deliver a considerable added value as compared to freeware tools. At the same time, however, one respondent acknowledges that the firm lacks possibilities to identify and properly address key influencers, an issue where the market already provides a number of software solutions. In terms of return of social media investments the view prevails that, at this point of time, ROI can just not be determined since fundamental variables and measures are unknown.

Analysis of coding themes (figure 16) confirms that achievement on the goals *interaction and engagement* and *innovation and improvement* appears to be important for Hardco. To measure achievement on the former various quantitative metrics are used. Accordingly, in regards to qualitative assessment the theme *Interaction and engagement metrics* received considerable attention.

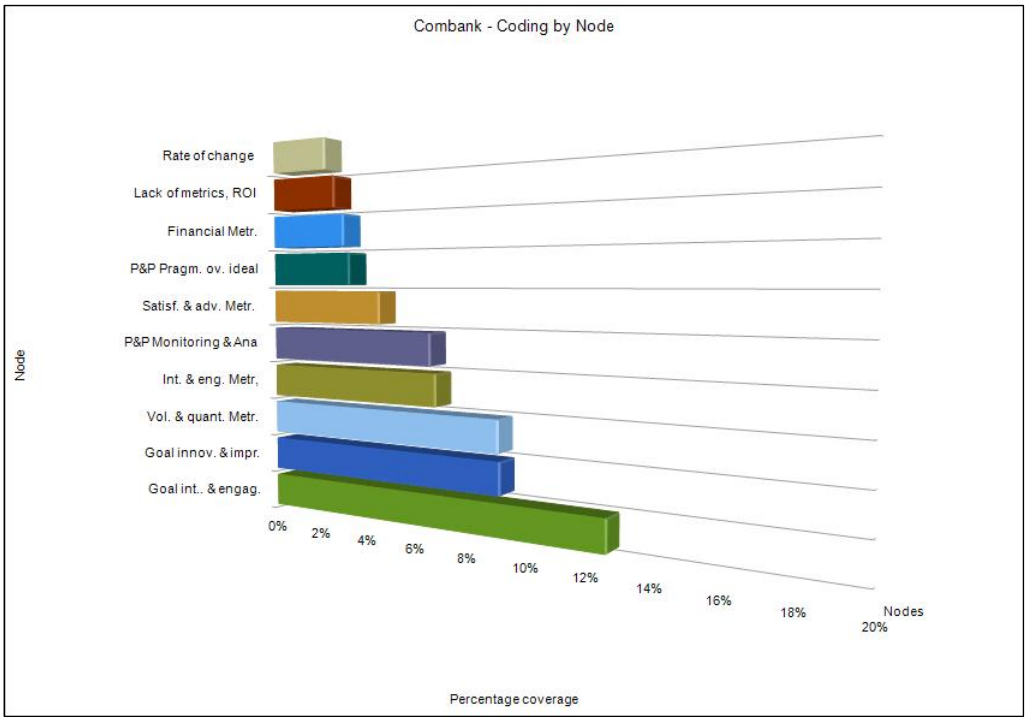


Figure 16 – Combank's most prevailing coding themes

Expert review of preliminary sCRM scorecard

The experts confirm that the framework captures all crucial aspects of sCRM performance. There were no major objections or suggestions in regard to the basic composition or structure of the framework. In their opinion the real challenges would lie in practical issues like the gathering of social data and the actual implementation of the framework. In contrast to bigger firms, Combank could not free the necessary resources to implement such a comprehensive approach without neglecting crucial aspects of day-to-day business. It was furthermore stressed that any framework would need to be highly flexible to allow for necessary changes that the fast-changing social media landscape brings about. The framework would need to enable regular updates, not only as an answer to exogenous changes, but as well to changes to internal performance premises. For instance to changed basic priorities in terms of how organizational performance is defined.

5.5 Pharmco

General Description

Pharmco is a globally operating pharmaceuticals and chemicals company. Its operations are divided in three independent subgroups, pharmaceuticals and medical products, crop protection chemicals and synthetic materials.

Pharmco regards social media primarily as an extension to its corporate communication and PR. The strategic goals it aims to achieve are likewise mostly related to branding, transporting a positive image and increasing reputation with social media. This includes activities and campaigns that focus on presenting Pharmco as an environmentally sustainable, innovative and ethically responsible corporation. Social media is used in a similar way for employer branding in order to

support recruitment and increase Pharmco's attractiveness as an employer. Besides corporate communications, social media is utilized for marketing purposes for certain consumer products[21]. These activities are, however, still executed locally by the marketing departments of the respective subgroups. The first social media activities date back to 2008 when the corporation used YouTube, primarily to improve its search engine ranking. Step by step other platforms were added. At present, Pharmco maintains seven different Facebook sites and five Twitter accounts to communicate on specific topics. In addition Google+, Xing, Flickr and Slideshare are used. Worldwide around 50 employees are concerned exclusively with Facebook and social media. Pharmco regards the creation of dialogue and interaction with its stakeholder groups as critical to the success of its social media strategy. Social media is seen as chance to enter into dialogue with stakeholders. Social media platforms were chosen accordingly to the perceived best "return on engagement". The level of general engagement is consequently regarded to be more important than mere quantitative figures like number of fans.

Performance Measurement and Metrics

Queried about the general importance of social media performance measurement the Pharmco respondent emphasizes differences between product marketing and corporate communications. Whereas performance measurement and ROI is deemed to be of great importance in product marketing, the respondent regards it less critical to corporate communication. This is claimed to be mainly because success in the latter is hard to define and to measure. Nonetheless employs Pharmo certain procedures to control and assess performance. The main method used is to compare Pharmco's social media activities to those of its competitors. In accordance with the perceived importance of interaction and engagement this comparison is primarily conducted using the PTAT metric of the Facebook Page Insights Tool. This composite metric combines various user activity and behaviour related individual measures that signify how users reacted on a post. This includes sharing, liking, commenting on a post, answering a question or responding to an event (Facebook, 2011). Facebook Page Insights allows comparing this interaction metric to a target group of competitors. This comparison is performed sporadically, and used primarily to inform and provide success parameters to the management board. There are currently no other procedures or metrics used to assess performance.

The monitoring of blogs and communities is outsourced to a specialized provider. Pharmco especially hopes to gain valuable insights from consumer and patient experience reports. Systematically blogs and forums are scrutinized and periodically delivered report are analysed by a designated department. Monitoring includes as well expressions of negative opinions on Pharmco on the (social) web.

An issue considered "extremely important" at Pharmco is employee training in proper corporate use of social media. Initially, the firm strictly banned the use of social media at work by employees. While professionally oriented social networking sites were already excluded from this prohibition, Pharmco soon began to realize that this rigidity was not appropriate anymore and began to significantly liberalize its policy.

[21] The marketing of drugs, prescription and partly over-the-counter, is in Germany prohibited by law. This limits the possibilities to communicate about and market pharmaceutical medical products in Germany.

Well aware of the potential risks of employee misconduct several waves of employee trainings were conducted, all with the aim to sensitize employees for the new medium. Since Pharmco regards all of its more than 100 000 employees as brand representatives, it is currently about to roll out a corporate wide social media training. Achievement on this training is assessed by the means of a self-administered online test.

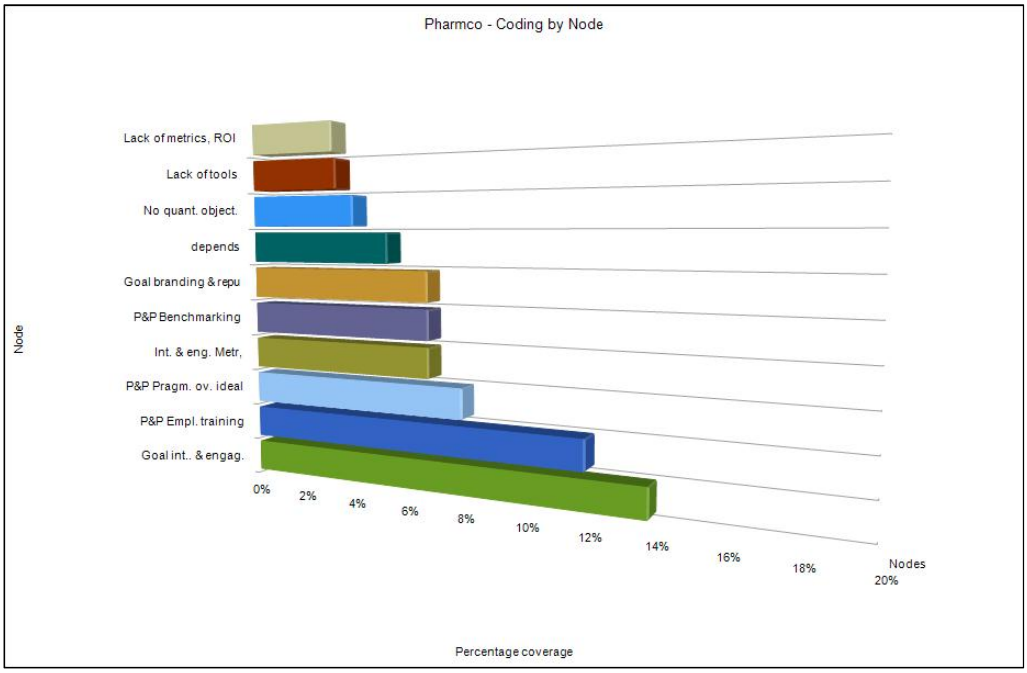


Figure 17 – Pharmco's most prevailing coding themes

Analysis of the coding (figure 17) corroborates the importance of the *interaction and engagement* goal and respective metrics. Proper *employee training* is regarded essential. The theme *pragmatism over idealism* indicates that Pharmco is aware that more sophisticated measurement and analysis could be performed, but believes that the additional costs would not justify the added value.

Expert review of preliminary sCRM scorecard

With respect to the presented framework the expert considers the aspect of customer advocacy of superior importance to sCRM success. The assessment of actual returns from social media on the other hand should, in his opinion, not be a focus of performance measurement for firms in the industrial sector. While it could be of interest for firms that are closer to consumers, for a pharmaceutical company like Pharmco, social media performance and corporate performance would be rather unrelated. In regards to the CAL perspective the respondent considers employee training and skills far more important than technological capabilities. Self-administered computer tests are seen as a sufficient training and assessment method for this purpose.

5.6 Telco

General Description

Telco is a large German telecommunications company, which operates technical networks for the use of information- and communications services such as fixed and mobile telephones, broadband internet and IT services, network solutions and digital TV.

In correspondence to the other two investigated original technology corporations, Softco and Hardco, Telco started very early to use clearly forms of social software like classical communities and service forums. Telco introduced social media from the start, when the topic came up around 2008. Telco, as a telecommunications company that is at the core concerned with communication, more specifically with the provision of the necessary technical infrastructure and services, began to regard social media from the start as part of its core competencies. Social media is above that perceived as an integral part of the corporate strategy. There is close co-ordination between different departments to continuously refine the social media strategy to ensure that it feeds in on corporate business goals. While telecommunication companies in general are described to be early adopters of social media, Telco regards itself nonetheless as more innovative and advanced in social media than its competitors. Specifically in the service area, Telco regards its own social media activities to set the benchmark for the industry.

Telco pursues a multi-channel strategy in social media, which allows them to reach and address certain target audiences more systematically. The channels are divided in four categories: corporate communication, marketing, customer service and HR. The offerings provided in these four categories are extended by certain “special interest” offerings, aimed at specifically targeting certain communities. Like other big corporations, Telco decided to focus on the big platforms Facebook, Twitter and Youtube. These are however, used extensively. Currently there exist 8 Facebook pages, around 50 Twitter and 4 Youtube channels, just in Germany. Several corporate forums and blogs supplement these three platforms. Worldwide there are around 90 Facebook pages and 20 Youtube channels. To increase facility of inspection the firm has set up a website that summarizes and continuously updates all German-speaking recent posts and news published on the three platforms.

Within its multi-channel strategy the use of social media for customer service was considerably pushed forward in 2010. While the goals different divisions pursue with social media vary, the service division of Telco has the ambition to be the most reputable social media service company in its industry. To reach this strategic goal, the firm aims to establish social media as a new main customer touch point, besides hotline and Point of Sale. For this purpose the firm has set up two distinct social media service channels, one each on Facebook and Twitter. The take up of these channels by customers has so far exceeded expectations. Currently, there are around 20 000 Followers on the Twitter service channel and more than 30 000 Fans on the Facebook. Telco strives to further extent its social media online customer service. Additionally, although with disappointing results, the firm has tested to use Facebook for tailored sales campaigns.

HR is another field where social media is employed for various objectives, such as employer branding and recruitment. Telco uses social media channels, especially social networks, systematically and aligned to promote the image of Telco as an attractive employer in order to facilitate the hiring of suitable candidates for open job positions.

Performance Measurement and Metrics

Telco's social media goals are described to be identical with higher corporate goals. For the service department such goals are for instance service innovation, increasing customer satisfaction and loyalty. In addition leveraging cross- and upselling potential[22] in order to increase customer lifetime value is a desirable outcome of Telco's (social media) customer service activities. Broken down into specific social media activities, there are no quantified objectives defined. The respondent attributes this to Telco's still on-going state of exploration in regards to social media: "We first need to better understand the world around us, increase the reliability of the data, and only then, over time, define reasonable objectives and integrate this knowledge in processes and systems. Currently it is not our primary aim achieve (operational) objectives." Telco nonetheless collects data on a broad set of reports to assess and track developments. The reported KPIs are described to be a continuous work stream. Certain areas are continuously revised and optimized. At the same time Telco seeks to establish corporate wide measurement and reporting standards. While there is a lot of experimentation, core KPIs remain mostly stable. The top management customer service report includes four main categories. Firstly, basic quantitative metrics like fans and followers on Facebook and Twitter are reported. Second, customer satisfaction rate is included, which is assessed with survey questionnaires. The firm thirdly measures interactivity on both platforms with a specific focus on the interaction that takes place between Telco's service staff and customers. Interaction measurement involves aspects like comments, posts and likes. This data mainly comes from generic Facebook and Twitter reports via API. The report finally includes data on productivity aspects such as # of (resolved) service cases, resolution rate, average handling time, and how are these service cases classified among other things. The report includes both generic data from platforms as well as data derived from internal measurement. Table 22 depicts summarizes the core areas and KPIs of Telco's customer service social media report.

	KPIs
Basic quantitative metrics	e.g. # of Fans/Followers
Interaction metrics	e.g. # comments/posts/likes/re-tweeds
Productivity & efficiency metrics	e.g. # of services cases/ resolved service cases, average handling time, resolution rate, classification of services cases
Customer satisfaction	Survey data, questionnaires

Table 22 – Core areas and KPIs of Telco

The respondent acknowledges the limited explanatory power of volume metrics like number of fans/followers. These figures are nonetheless included since they are

[22] i.e. selling additional more expensive products or services, upgrades, add-ons and the like to existing customers.

described to be useful to perform some straightforward comparisons to competitors. The interactivity-based metrics are in contrast described to be the most interesting in regards to sCRM performance.

Telco deliberately chose to implement only a parsimonious set of KPIs. An important consideration in this respect has been the informative value and the interpretability of certain concepts and KPIs. Sentiment analysis, for instance, is at times conducted on a project-specific basis. Often, however, it is recognized that such analysis lacks reliability or significance. In a similar instance the service department realized that the aspect *reach* is of some relevance to customer service too and should perhaps be included into service specific reporting. The team nevertheless decided against it, because it was unclear as to what exactly to consider as reach. It turned out, that a consensus could not be reached in regards to the definition. Another consideration in favour for a simple set of KPIs was that the report needed to be concise and easy to comprehend by managers.

A major obstacle in regards to the utilization of social media derived data is further seen in its lack of reliability and representativeness. Results from measurement regularly exhibit remarkable customer satisfaction and issue solution rates. Often, however, these results are generated with makeshift or unsound methodological methods, that result from workarounds due to the limited possibilities to launch tailored customer satisfaction surveys directly on Facebook or Twitter. An issue that further negatively affects representativeness is that the overall volume of service transactions through social media is, at present, still "microscopic" compared to traditional service channel volumes. While there are on average a couple of thousand service cases on social media, there are several million service calls per year. Although reasons for changes in customer satisfaction rates are investigated and corrective actions are taken there is currently, for the described reasons, no hard steering involved on the basis of measurement results.

Whereas many available metrics appear to be of limited usefulness, others are considered to be missing altogether. This pertains for example to call or contact avoidance. This can be expected as a result of customers helping each other on corporate or external communities. A similar mechanism likely to result in cost savings applies to information published in forums and communities. Often generic solutions to frequently occurring problems are documented in communities. Customers with a problem increasingly search for solutions to certain issues on the web. Once they retrieve this information, customer may be able to help themselves, and, as a result do not call service hotlines or write service emails. In spite of this there are currently no possibilities to confidently and adequately quantify and measured such cost savings.

Financial metrics are nonetheless considered to be fundamentally more important than nonfinancial metrics. This is for the reason that financial indicators are described to be quintessential and indispensable for management decision-making. Nonfinancial metrics, on the other hand, mainly serve the purpose to bridge the gap in the transition to financial metrics. They are seen as symptomatic for the immature state of knowledge in social media performance measurement - the current as is. The respondent regards the main purpose of non-financial metrics to do things well and improve social media practices in a target-oriented manner.

Referring to figure 18, the coding density endorses the significance the respondent attaches to *financial metrics*. *Reporting* is shown to be of focal importance to Telco, although useful reference values are missing or not defined. The next three prevalent themes, *lack of metrics - ROI*, *no hard steering system* and *measurement not representative* are reflective to the problems and insufficiencies described above.

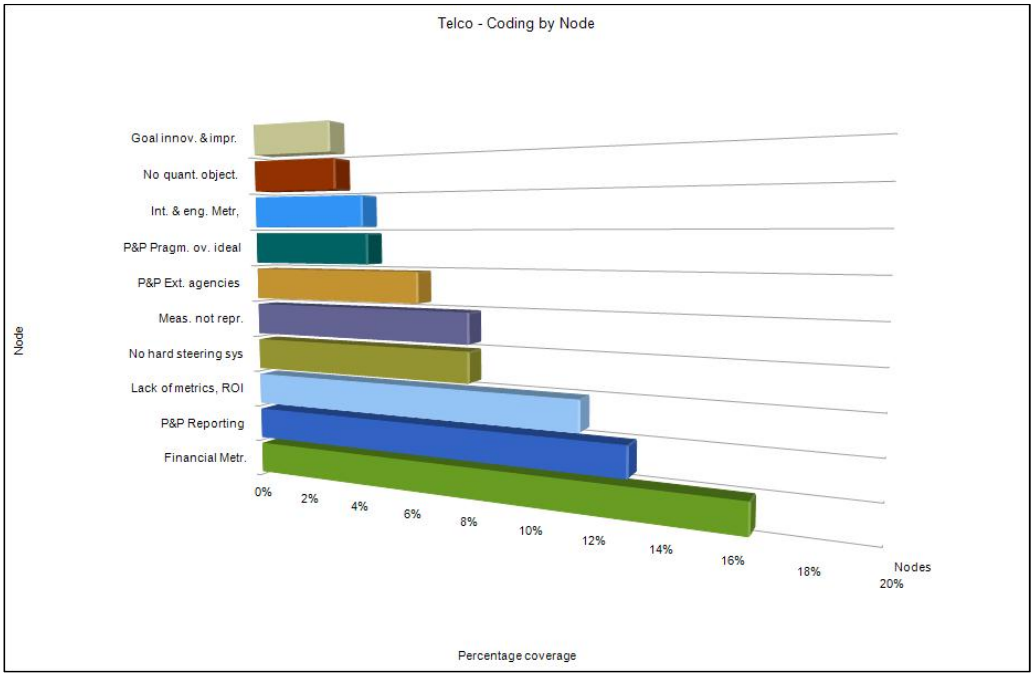


Figure 18 – Telco's most prevailing coding themes

Expert review of preliminary sCRM scorecard

The Telco expert considers the preliminary scorecard to be logically clear and easily graspable. He additionally considers the framework an instrument he could imagine to work with. In terms of interrelationships between perspectives as depicted in the logic model the respondent beliefs that the CSA perspective should be regarded as both, a process as well as an output. This is motivated by the notion that the translation of satisfied customers into advocates, who then in turn get active on behalf of the firm, could as well be considered a process. Moreover so, since the interaction and engagement activity does not stop, but continuous into this step. In this view the generation of advocates is not an end point. Rather will the company continue to invest efforts into advocates. To keep them engaged and satisfied, to incentivise them for friendship recruitment, or to find new ways for advocate cross/up-selling.

5.7 Foodco

General Description

Foodco is a multinational food and beverage corporation. Serving customers in more than 170 countries the company's core businesses are beverage, dairy foods, convenience, and snack foods.

The respondent is brand manager for the German coffee division of Foodco. Foodco's coffee division is, according to the respondent, leading the way and uses social media most heavily in comparison to other divisions. The vantage point of the coffee division is therefore a suitable perspective to give an account on Foodco's general Germany social media practices.

Foodco's coffee division began using Facebook in September 2009 to market a specific new coffee product. During the course of time this site was transformed into a general Foodco coffee site. In parallel, a Facebook site for another coffee brand was launched. While some YouTube videos are created from time to time, the focus is primarily on Facebook. The crucial factor for the adoption of social media is described to be the recognition that consumer communication began to change as a result of the wide spread use of social media. This change is characterised as a development away from unidirectional communication to more personal interactions with consumers. Another big topic was word-of-mouth. In 2010 a big word-of-mouth campaign was developed in connection with the launch of a new product line. The main goals of the campaign were threefold:

- Increasing awareness for the new product.
- Creating and perpetuating consumer passion for the Foodco's coffee products, by demonstrating its diversity and by syndicating product news.
- Creating unique experiences and passion with the new coffee products by providing test opportunities.

Prospects could apply in Facebook to be product testers. Form thousands of applicants 1000 testers were selected based on different criteria (e.g. availability, coffee drinking behaviour, online affinity). During the course of the project the product testers were asked to complete different assignments, intended get to know the product better and post experience reports on a project blog and via their personal online and offline channels. The project was in parallel continued on Foodco's Facebook coffee site to keep the community up to data with news from the project and the product.

The ultimate goal of word-of-mouth campaigns at Foodco, like the one just described above, is to increase and accelerate sales. The indirect mechanisms by which social media is thought to support this goal is, on the one hand, the creation of brand advocates. Brand advocates on Facebook are cultivated by passing on promotional benefits, communicating news and product advantages to delineate Foodco's coffee products from those of its competitors. A second mechanism is to stay in the mind of the consumer, to increase repeat purchase and decrease consumer price sensitivity in the face of tempting competitor offers.

Performance Measurement and Metrics

An important practice by which the coffee team assesses the performance of specific social media campaigns is by conducting comparative analysis to other current or previous campaigns. Both of the coffee division, as well as those of other divisions. The main metrics used for comparison are typically the number of fans, page impressions or the generic Facebook Insights metric *Daily Active Users* (DAU). Especially the DAU metric has proven to be a good indicator to reflect changes in user activity due to campaign related circumstances. Because of this, it is further used to set benchmarks and track campaign success. On the one hand there is an average DAU rate defined which is supposed to be sustained over time. On the other hand it is defined how this rate is supposed to change in response to campaigns and activities. Concerning the number of fans, there is target value defined for the whole year. Reports are released on a monthly and quarterly basis. Besides, comparisons to single important competitors, Foodco further assesses how well it performs versus the whole food and beverage industry. For this purpose the internally gathered data is complemented by data from a specialized external agency. Although the agency does not provide data on particular competitors, it offers average values that can give an indication of campaign success.

Cost-per-click ads, which are sporadically launched on Facebook, allow for a more detailed analysis of costs and certain influencing factors. For instance which key words or banner texts exhibit the best click rates. With the primary aim of creating reach, one of such ad campaigns for a certain coffee product on Facebook enabled users to send greeting messages to friends. Performance figures of ad campaigns are likewise gathered and tracked by the agency. The coffee team then brings this data together on a monthly basis with the internally collected data and decides if any factors need to be changed.

While the respondent is not completely satisfied with the measurement possibilities, the team has over time developed a certain "gut feeling" in regards to performance, based on observations of user behaviours and activities. Because of the lack of available financial metrics, nonfinancial or qualitative metrics are currently considered more important. In particular the respondent expressed interest in data corroborating the link between campaigns and sales. In contrast to traditional rebate coupon campaigns or loyalty programs, which allow tracking sales, social media would not offer possibilities to measure sales. Foodco itself, conducting agencies and the retail market are described to be currently not mature enough for coupon campaigns on social media.

Coding corroborates that *benchmarking* is a focal measurement procedure for Foodco's coffee division (figure 20). Most important goal appears to be the generation of sales via the *customer satisfaction & advocacy* route.

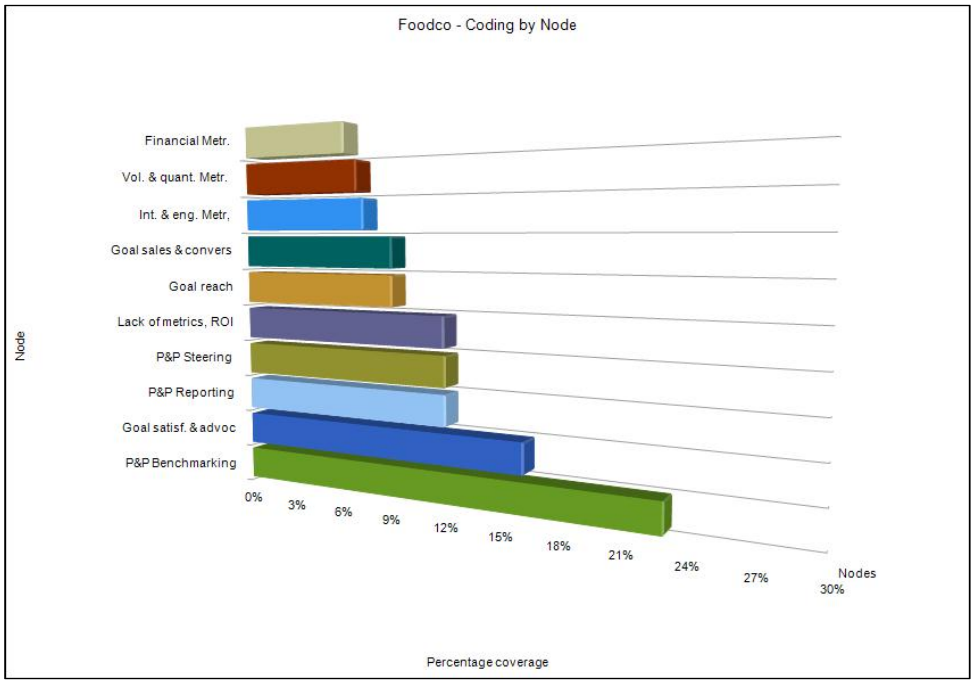


Figure 20 – Foodco's most prevailing coding themes

Expert review of preliminary sCRM scorecard

The Foodco expert considers the preliminary scorecard to be a rather complete representation of the essential performance aspects. Taking into account to the measurement practices at Foodco, an aspect that would not receive the necessary attention, however, are reach metrics. It was suggested to include this aspect in the CSA perspective. According to the respondent there should, in general. be an emphasis on advocacy and word-of-mouth in performance measurement. While the CCR perspective would theoretically be the most significant performance perspective, practically however, there are very few hard financial metrics available. This is a reason why qualitative metrics, like those related to CIE and CSA, are currently more relevant. While a shift to more quantitative, financial metrics would be desirable, the respondent can not see how this situation could change in the foreseeable future.

5.8 Transco

General Description

Transco is a large German transport company, which main business is the transportation of passengers and cargo, the operation of transport infrastructure and various logistics services. While active in most European countries, most its business is conducted in Germany.

Transco uses social media primarily for customer service, corporate communication, employer branding, recruitment, marketing, and reputation management. The company started to use Twitter in 2010, initially only as a fast push service to communicate up-to-date transport disturbances and special offers. Since late 2011 Transco has significantly extended its social media activities to increasingly enable personal dialog with customers. In addition to the initial Twitter information channel, there was a second channel introduced to provide customers with an opportunity to

directly ask questions. The Twitter service channel is particularly targeted at travellers with short questions that require quick responses. The team handles about 80 of such inquiries per day. Besides these two Twitter accounts for passenger transport, there exists another channel for employer branding and recruitment specifically targeted at students and Young Professionals.

At the core of Transco's social media customer service strategy are two central Facebook sites. According to the respondent allows Facebook, in contrast to Twitter, to better deal with more complex customer service issues. In Facebook customers can, for instance, pose additional questions and other customers can join the conversation. The aim of the first Facebook site is to present the corporation as a whole. It is primarily concerned with corporate communication and PR. Aim is to publish news from Transco and its business areas with a focus on infrastructure, technology and sustainability topics. Gathering feedback and clarifying user questions through personal dialogue is considered an essential success criterion. The second Facebook site has a clear customer service focus. Goal here is to improve customer service, increase customer focus and thereby ultimately increase customer satisfaction and loyalty. Transco's social media customer service team aims to provide quick support in all issues regarding travelling with Transco. Most customer service inquiries revolve around ticket prices, offers or alternative travel connections. In case of customer critique the team is trained to reply appropriately by apologizing and possibly giving reasons why a certain problem had occurred. If deemed necessary, the critique is documented and forwarded to the respective business area. A third Facebook site deals with employer branding and recruitment. Aim here is to present Transco's diverse career possibilities and business areas and to strengthen the employer brand.

The Facebook service site alone has currently more than 100 000 Fans. The whole social media customer service team currently consists of around 20 full-time employees. These employees have received special training on how communication in social media works and how they are supposed to communicate in the name of Transco. Social media is regarded as a complement to traditional service channels, letter, phone, E-Mail, which still represent the bulk of all service inquiries. Transco has nonetheless a long-term commitment to social media and expects it to soon become an established service channel. Transco's social media strategy is implemented and managed by a special task force. This task force works in close cooperation with operational departments and is as well responsible for the development and steering of all future social media activities.

Performance Measurement and Metrics

All collected metrics are combined into a monthly report, which serves as a basis for management decision-making within Transco. In alignment with the overriding customer satisfaction and loyalty goals, overall customer satisfaction is the determining metric. In Twitter, Transco measures customer satisfaction with a survey that is directed towards customers that had posted a service inquiry. The team projects to roll out a similar survey based procedure later on this year in Facebook. Customer satisfaction rates are described to exceed expectations and measure up well to satisfaction rates achieved in traditional service channel.

The central volume related metric that is considered important and pushed by management is the number of fans. Other quantitative metrics include mostly generic measures delivered by Facebook or Twitter. While there is no concrete target value defined, the Facebook PTAT metric is carefully monitored and the team pursues to increase this metrics or at least keep it stable. Closely monitored are further the costs incurred by social media activities. To put them in perspective and track the development of costs, they are set in relation to incoming and processed service instance volume.

Monitoring is conducted by the means of a cloud based monitoring solution that Transco's social media team can use autonomously to perform various analysis. This includes for instance topic and sentiment analysis on conversations concerned with Transco. Comparative values of competitors are used in particular to evaluate sentiment and the number of fans. Further the activities and contents of competitor sites are reviewed and analysed. Competitor analysis involves other European transport companies from the same sector, as well as transport companies from other sectors. Attempts are moreover made to predict service volumes based on certain externalities, like service peaks linked to exceptional weather conditions. The analysis of the causes of such service volume peaks is thought to possibly lead to more efficient and cost effective staffing in the future.

An aspect described to function only insufficiently is the actual utilization of gathered customer complaints and improvement suggestions. Although feedback and suggestions are frequently forwarded to respective operational departments, in most cases, this does not result in actual changes. After issues are forwarded no check back signal comes from contacted departments. This is described to be especially disappointing since customer initiated improvements could be a powerful lever to increase customer satisfaction. This is in spite of the fact that Transco maintains, independent from its social media activities, a central complaint management and utilization department. However, due to the lack of corporate integration of social media derived feedback utilization and improvement processes, this important potential appears to be largely untapped at the moment. The respondent attributes the reasons for this lack of integration to the newness of the social media practices within Transco. Analogous, the respondent describes the implementation of the new social media strategy introduced late in 2011 to be still work in progress.

Figure 21 shows that coding density is particularly strong for the measurement practices and procedures theme monitoring and analytics together with the deficiency theme *lack of corporate integration*.

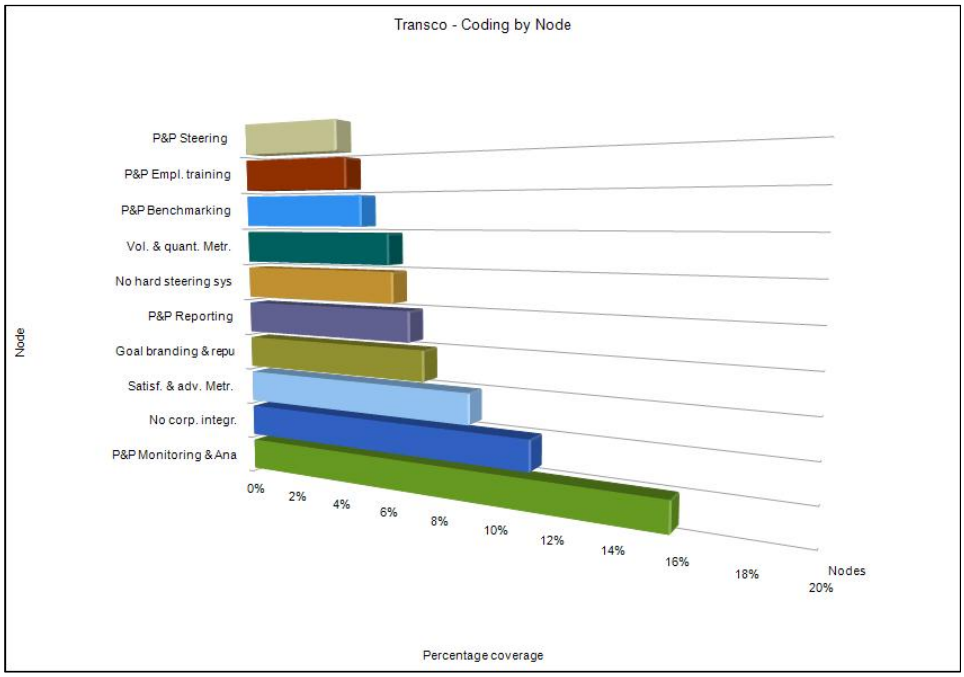


Figure 21 – Transco's most prevailing coding themes

Expert review of preliminary sCRM scorecard

A missing point in the presented preliminary framework recognized by the practitioner was the lack of a distinct measurement subsection for process aspects. Especially in large corporations this would be a very important point. The appropriate design of intersections between adjacent functional areas would in this respect be a crucial, but in practice often neglected requirement for the smooth execution of business processes. This could be especially worthwhile for beginner firms. To thoroughly review the effected areas and identify which measurement categories and metrics exist and should be chosen to assess process performance.

CHAPTER

6

Cross-Case Analysis

This chapter provides a summary of the main findings from cross-case analysis. Cross-case analysis serves as a means to achieve the main purpose of the multiple case study: to validate the sCRM scorecard by evaluating and contrasting it against common sCRM goals, performance measurement practices and metrics of investigated firms. Further, the results from the expert reviews are aggregated and translated into framework improvements. Additionally this chapter features an analysis of certain salient patterns encountered in firms in regards to social media / sCRM maturity. While an analysis on sCRM maturity was not an explicit goal of this study, it does nonetheless provide insights into how preconditions and differences in certain industries potentially affect sCRM maturity.

6.2 Social CRM Goals

A main area of interest in studying organizations are the goals and objectives companies aim to achieve when using social media for customer related purposes. As pointed out earlier, the actually pursued goals by firms represent valuable data that can be used in order to assess the devised sCRM scorecard perspectives in terms of completeness, correctness and relevancy. It thereby provides insights into how well the scorecard perspectives serve the purpose to assess these most common goals and where contingent adjustment might be necessary.

In addition it is of interest of how firms adopt and use social technologies to achieve these objectives. In line with literature findings, sCRM is adopted most pervasively for marketing, public relations or corporate communications and customer service (cp. section 1.4.1). Four of the investigated organizations, Hardco, Softco, Transco and Telco have, or still do experiment with social commerce (i.e. sales on social media).

Most of these experiments, however, lead to rather disappointing results. Reasons given by the respondents include:

a) Many products or services appear to be unsuitable for online distribution (for example complex products or services that require advice).
b) Platform providers and (IT) infrastructure are described to be currently not mature enough.
c) The medium itself is described to be inept as a sales channel.

Despite the lack of sCRM sales use cases, the generation of sales and conversations is considered an important social media goal (cp. tree map diagram, figure 22). An explanation for this might be the expectation that increases in sales manifest only indirectly as a result of improved customer satisfaction and advocacy. In addition, for many firms conversations do not necessarily have to be sales, but can be anything from downloads, newsletter subscriptions, sales leads or any other desirable outcome. The lack of sales opportunities and the relative immaturity of platform providers could be a reason why none of the examined firms currently or in the near future plan to generate significant revenues through social media.

The tree map diagram below hierarchically displays the six most prevalent generic goal categories that the reviewed case companies pursue. Each rectangle represents a goal category, with the size of the rectangle indicating the number of coding references across all cases.

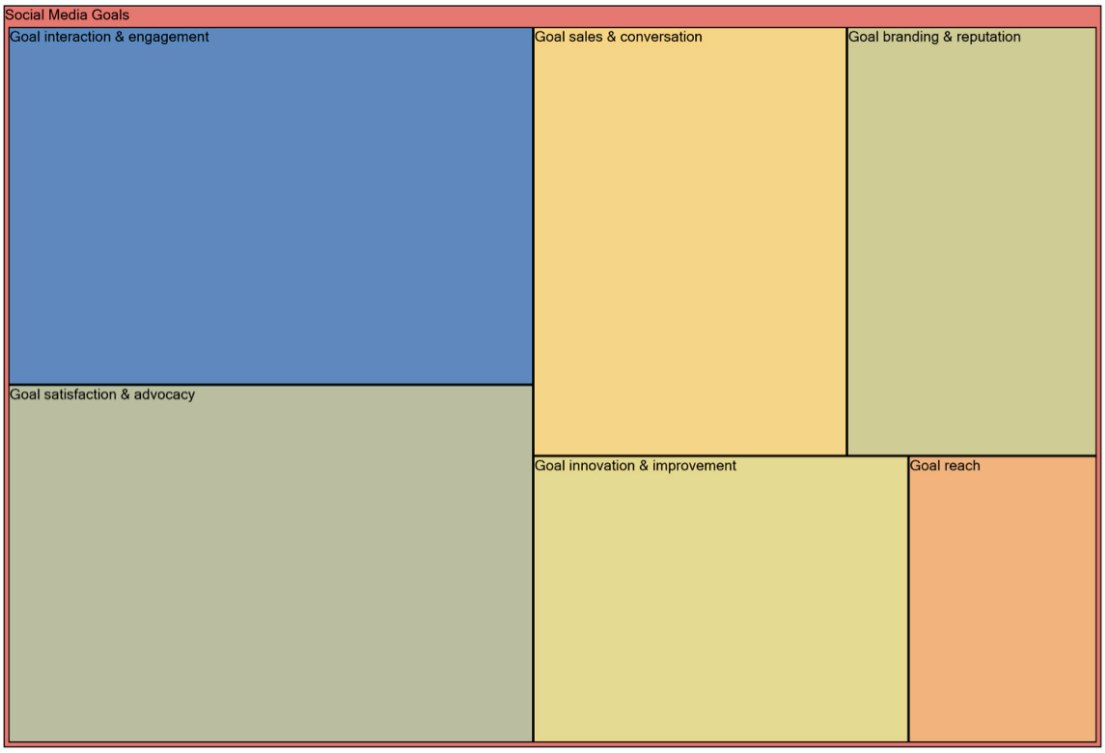


Figure 22 – Tree map diagram social media goals

Constrasting elicited Goal Themes to Scorecard Perspectives

The elicited goal themes are to a large degree in line with the literature derived essential requirements for sCRM performance measurement (cp. section 3.7.3) and

the accordingly developed scorecard perspectives. Table 23 lists the identified goal themes downwards according to prevalence in investigated firms. On the left hand side of the table are the according sCRM scorecard measurement perspectives that contain appropriate metrics to assess the goal groups of the left hand site. The scorecard measurement perspectives CSA and CIE can be used to assess the first two most common homonymous goal themes. The third and fourth salremost prevalent goal categories, *sales & conversation* and *innovation & improvement*, in contrast, can be evaluated with the CCR and CAL measurement perspective respectively. The goal category *reach* is likewise covered by metrics within the CIE perspective. While there are no specific metrics defined for *branding & reputation* goals, they are implicitly covered by CSA and to a lesser degree by the CIA perspective. Taken together, the sCRM scorecard provides an appropriate means to assess all of the identified goals themes encountered in investigated set of firms which provides evidence for the construct validity of the scorecard.

Prev-alence	**Identified most prevalent goal themes**	**According sCRM scorecard perspective for evaluation**
1	Satisfaction & advocacy goals	Customer Satisfaction & Advocacy
2	Interaction & engagement goals	Customer Interaction & Engagement
3	Sales & conversation goals	Customer Costs & Returns
4	Innovation & improvement goals	Customer Analysis & Learning
5	Branding & reputation goals	Customer Interaction & Engagement / Satisfaction & Advocacy
6	Reach goals	Customer Interaction & Engagement

Table 23 – Common goal themes and according sCRM scorecard perspectives

Table 24 displays the occurrence of selected generic goal themes in cases. The listing corroborates the tree map diagram results by indicating that the most significant goal themes not only feature the largest amount of coding references across all sources, but are further associated by code occurrence in the majority of cases. The goal themes *customer satisfaction & advocacy* and *interaction & engagement* appear in all seven cases. Five firms consider *sales & conversation* essential, while four firms each *innovation & improvement* and *branding & reputation*. *Innovation & improvement* still can be considered more important since, according to the tree map, significantly more coding references are attributed to this goal theme. The goal theme *reach* is somewhat behind with only two occurrences.

Coded in / Goal theme	Softco	Hardco	Combank	Transco	Pharmco	Foodco	Telco
Satisfaction & advocacy	x	x	x	x	x	x	x
Interaction & engagement	x	x	x	x	x	x	x
Sales & conversation	x	-	x	x	-	x	x
Innovation & improvement	x	x	x	-	-	-	x
Branding & reputation	-	x	-	x	x	x	-
Reach	x	-	-	-	-	x	-

Table 24 – Goal themes coded in particular sources

Cluster Analysis of Social Media Goal Themes

Results from cluster analysis are depicted in the horizontal dendrogram[23] (figure 23). The dendrogram provides a graphical representation on coding similarity of the six goal themes. Internal evaluation was performed using Jaccard's similarity coefficient, which is defined by the size of the intersection divided by the size of the union of coding themes:

$$J(A, B) = \frac{|A \cap B|}{|A \cup B|}$$

Themes that are coded similarly are clustered closer together in the dendrogram. In contrast, themes that are coded differently are displayed further apart.

Cluster analysis reveals two distinct groups. CL1 includes the two most common goal themes across cases, *satisfaction & advocacy* and *Interaction & engagement.* These two themes, exhibiting the highest degree of similarity, are clustered together with *sales & conversations* and *innovation & improvement.* The other distinct cluster CL2 summarizes two typical marketing goal themes *reach* and *branding & reputation.* CL1 goal themes can be considered relevant in particular to firms who aim to provide added value with social media to both the firm and their customers. *Innovation & improvement* is an outlier in this cluster. This is because mostly firms with a high level of social media maturity pursue such goals (i.e. Softco, Hardco, Telco). CL2 goals, in contrast, have a more passive orientation. Pharmco and Foodco as firms that use social media primarily to bolster traditional PR respectively marketing activities, therefore pursue to a lesser degree CL1 goals (Pharmco) and to a larger degree CL2 goals (Foodco) as the relative cluster frequency of these firms shows. As the two fundamentally different goal themes *reach* and *innovation & improvement* appear farthest apart, the clustering algorithm appears to have produced valid results.

[23] Note that the colors used in the dendrogram have no specific meaning and are only used to distinguish themes.

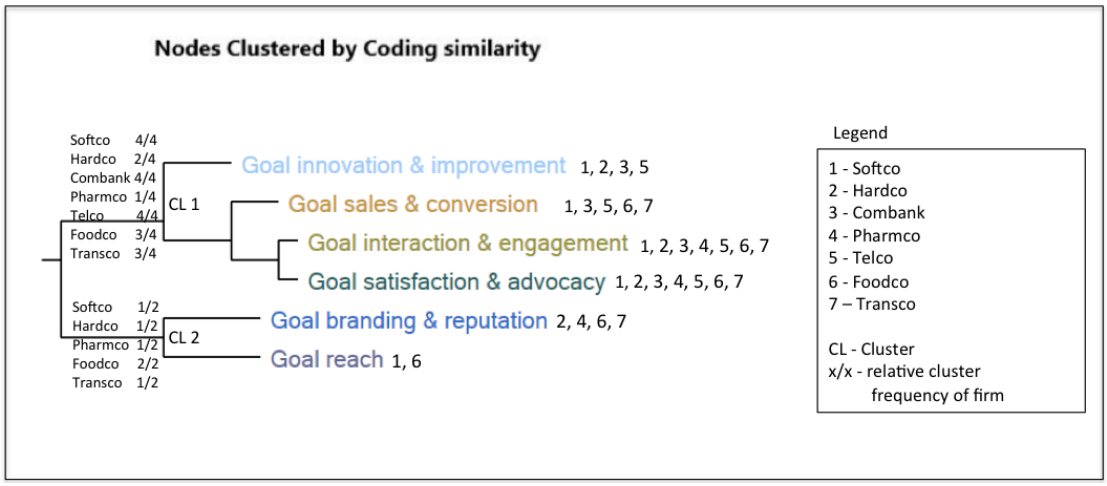


Figure 23 – Goal themes cluster analysis and relative cluster frequencies of firms

6.3 Performance Measurement and Metrics

The actual sCRM performance measurement practices and metrics of leading firms are an important area of interest to this study. Aim here is to identify the most important measurement practices and metrics across advanced firms from different industries. The investigated measurement practices help to increase the understanding on basic premises and conditions by which sCRM performance measurement is conducted by advanced firms. These practices and procedures of advanced firms furthermore provide valuable information on best practices in regards to sCRM performance measurement. This concerns, for instance, commonly used supporting tools, how reporting of measurement results is carried out, or comparative methods like benchmarking that make measurement more effective. The elicited metrics on the other hand are reviewed in order to validate and where necessary complement the initial set of literature derived metrics.

Below we summarize the main performance measurement practices and analyse common practices and characteristics of the researched firms. We do so by adhering to the theme classification displayed in table 3, section 2.6.3. The respective *Measurement & Metrics* section has five child themes: *Practices & Procedures*, *Metrics, Challenges, Deficiencies,* and *Importance of Measurement.* These five themes are further comprised by subthemes. The tree map below (figure 24) visualizes the relative importance of each *Practices & Procedures* theme. The size of the rectangle again resembles the number of coding references, thereby indicating the relative significance of each theme.

Figure 24 – Tree map diagram practices & procedure themes

6.3.1 Practices & Procedures

This section describes the analysis of performance measurement practices and procedure. The most three most prevalent practices and procedures themes present in firms are *Monitoring & Analytics, Reporting*, *Benchmarking, Steering & Employee training.* These are briefly described below.

Monitoring & Analytics

The theme *Monitoring & Analytics* represents the technology aspects of the according sCRM scorecard analysis & learning perspective detailed in chapter 4. This includes the use of various supporting tools for monitoring, reporting and data evaluation. In contrast to the respective measurement perspective, however, it was deemed more appropriate to create a separate coding theme for human skill aspects.

All investigated firms, in one way or the other, conduct social media monitoring. Further all firms, except Combank, employ proprietary solutions of specialized providers for this purpose. In most cases these tools are cloud-based solutions that can be accessed and used through web browsers. These solutions include or combine classical web monitoring, as well as distinct social media monitoring and analytic tools. The early adopters, Softco, Hardco and Telco, use as well self-developed software solutions for certain tasks. This is partly because of their software development expertise, partly owing to the fact that specialized tools became only later available in the marketplace. Especially Hardco with its distinct monitoring department that uses state-of-the-art technologies, appears to be far ahead compared to most other firms. In addition, organizations across the board make use of the analytic information provided by platforms such as Facebook Insights. It is interesting to note that two of three firms that have outsourced the monitoring function to

external agencies are non-tech firms (Pharmco and Foodco). A likely explanation is that these firms lack the required internal expertise to use cloud-based solutions and therefore require more prefab and easier interpretable information. Nonetheless does as well Telco use external agencies and consultants or partly outsources processes where it lacks expertise in certain areas.

Reporting

All but one firm utilize the results form performance measurement to create condensed reports. Most companies report on a monthly basis. Monthly reports are by some companies supplemented by quarterly and/or biannual reports. Moreover Transco and Pharmco for example have a more long-term view on certain topics such as number of Fans, which are evaluated on a yearly basis. Metrics can be considered to turn into KPIs once they have made it into management reports. While some metrics are transferred unchanged into reports, others may be aggregated to denote more complex concepts, such as engagement. Typically reports only contain a parsimonious set of KPIs, which mainly appear to be chosen rather conservatively and which furthermore remain fairly stable over time. Basic requirements for these reports are that they need to be concise and understandable by management. Depending on context and purpose they typically include a selection of:

- Basic volume/quantitative figures like fans/followers, members, clicks, conversation etc.
- Interaction or engagement related KPIs
- Customer satisfaction and/or advocacy KPIs
- KPIs to denote productivity and efficiency
- Cost-related KPIs
- Data on reach, influencers, and/or sentiment (developments).

This shows the link to monitoring as key results, like for instance sentiment, may be included in management reports. Besides very condensed management reports, there are reports generated by reporting tools from monitoring providers, reports from external agencies and sometimes self-devised reporting dashboards (platform API feeded). All these sources summarize data for more operational decision-making purposes.

Benchmarking

Benchmarking is another often employed practice. Benchmarks are used to a) assess performance by comparing current activities or campaigns to former ones, and b) assess performance by comparing own activities to those of competitors or to industry benchmarks. Especially the non-IT firms seem to rely on competitor benchmarks for orientation. Pharmco basically uses only few Facebook metrics for this purpose. Foodco additionally receives general information on its performance compared to common industry figures by the agency that conducts monitoring for them. Transco appears to be the most on the go in terms of benchmarking. It compares sentiment against other transport firms, both in Germany and Europe, and analyses the contents of competitor sites. Softco has an eye on competitors too. From time to time it uses a specialised social media analytics tool for this purpose. Yet, most important to Softco are comparative analysis of its own various social media presences, using, for instance, the engagement index of various Facebook sites.

Steering & Employee Training

The theme *Steering* summarizes topics that describe how the results from performance measurement are used to induce changes. As earlier described, the steering activities seem to be the least defined or standardized. In most cases it is difficult to speak of an actual process here, as most interventions are apparently decided on an ad hoc basis. Across the firms respondents describe themselves to be still in an experimentation mode. Using a trial and error method, it often appears to be unclear what the actual causes for success or failure were. Quoting the Hardco respondent:

> *"I wouldn't talk of actual failures, but of course, you have to give five things a trial and then you see three things do not work and two do … it shows that there is no panacea … When you work in an innovation area, not every program can be a success."* (Hardco respondent)

If things do not work like projected causes are analysed on the individual case basis:

> *"If something is below expectations there will be a debrief, where we discuss why this happened. What the reasons were, so that colleagues can learn from their mistakes… But this is something that is more part of our culture and there are no defined social media processes for this purpose. This is basically done for every project we conduct."* (Softco respondent)

Foodco evaluates campaign results in a similar manner as Softco and Hardco, conducting team meetings to decides upon appropriate changes. As described earlier Telco has no defined quantifiable objectives and consequently there is no purposeful steering involved. A main problem for Telco in using results from performance measurement for changing processes, especially those beyond social media, is that results lack representativeness. For Transco, on the other hand, the lack of appropriate corporate integration prohibits effective steering mechanisms.

Employee training is a topic that is taken seriously by most firms regardless of industry. Pharmco is well aware of the potential harm that improper social media use by employees could do to the organization. It perceives all of its employees as brand representatives and is about to roll out social media training to all its more than 100 000 employees worldwide. Hardco too requires all employees who want to engage on its behalf on social media, regardless of position or business unit, to conduct social media training. However, not every firm considers it necessary to train all employees. Transco for instance only trains its dedicated social media service team members. Other employees are not expected or supposed to be active on social media on behalf of the company. Most firms, even those who consider their employees to be especially social media savvy, like Softco and Telco, have devised social media guidelines for their employees.

6.3.2 Metrics

This subsection deals with the analysis of metrics themes and individual metrics used by explored firm to assess sCRM performance. Figure 25 visualizes the most prolific metric themes across companies. An overview of all elicited individual metrics of case firms and how they are reflected in scorecard perspectives is provided in table 27 (section 6.5). Naturally do the elicited metric themes strongly correspond to the earlier elicited goal groups. The characteristics of these important metric themes across cases are discussed below.

Financial Metrics

Financial metrics are used and considered of focal importance across the board. The lack of hard financial metrics on the revenue site, however, is a major point of concern (cp. section 6.3.3. on the most important challenge, *Lack of metrics, ROI)*. In correspondence to results from the literature review, case firms need financial metrics for the following main two reasons:

- To demonstrate accountability and justify (further/increased) investments in social media.
- As an ultimate measure of social media success.

Combank is particularly vulnerable to ROI questions as its very existence depends on its success, not only to create interaction and customer satisfaction, but to create actual revenues with social media. Although not in sight at this point of time, Foodco would like to acquire valid data on the link between social media and sales. Softco tries to compensate the lack of ROI by the development of various cost based metrics to enhance the effectiveness of investments. Like Softco, Telco too considers financial metrics superior to non-financial metrics, but at the same time lacks the former. Both firms regard non-financial metrics to be in the first place useful to improve social media activities. Owing to its special position as a direct seller and its superior analytical capabilities, Hardco appears to be the furthest in backing up lofty expectations with solid financial data. They are able to do what most firms would like to be able to do: to establish a link between their customer's sales data and purchase cycles to corresponding social media identities. The only firm that is not interested in ROI and financial figures is Pharmco, believing that success parameters in PR and corporate communication can hardly be assess with financial metrics.

Interaction & Engagement Metrics

Case firms generally consider interaction and engagement related metrics to be more meaningful to assess performance than mere volume metrics like the number of users, fans or followers. Combank changed its focus from quantity to quality, away from just acquiring more and more community member to the increase of finance dialogue and quality of content in its customer base. The non-IT firms generally rely on Facebook's interaction and engagement metrics. Interestingly, while Facebook Insights offers a variety of interaction and engagement metrics, the most condensed composite metrics, namely the PTAT and DAU metric, appear to be the most favoured ones (named by Pharmco, Transco, Combank, Foodco). The IT firms check

these Facebook Insights metrics too, but gather as well data on additional metrics themselves, like for instance Softco's engagement index.

Figure 25 – Tree map diagram metrics themes

Satisfaction & Advocacy Metrics

The assessment of customer satisfaction in social media is, as anticipated, consistently deemed important and measured in some way by most firms. Combank apparently relies more on the "gut feeling" of its employees to evaluate the perceived sentiment and satisfaction of their customers. As can be expected large companies naturally employ more structured and scalable approaches to assess customer satisfaction. For this purpose typically customer satisfaction surveys, launched on social media platforms, are used. Sentiment analysis is often used to provide additional satisfaction related insights. Advocacy metrics appear to be only assessed by the two most advanced firms in the set, Softco and Hardco. Hardco here again leads the way, besides referrals, recommendations and product reviews, further the NPS metric is utilized on a quarterly basis to assess customer advocacy.

Volume, Quantitative & Reach Metrics

Volume metrics related to community and channel growth are collected to perform basic competitor comparison. It was further frequently remarked that management is keen to see growth in fan/follower and similar numbers. Many respondents, however, are sceptical when it comes to the sole amount of fans/followers etc., since these numbers can easily be manipulated, for instance by attractive competitions. Collecting data on the classical marketing metric reach is deemed important by four firms. As shown earlier Hardco reports on various reach metrics in each channel and Softco has dedicated a distinct category to reach related metrics named awareness/exposure. Telco even deemed the concept to be relevant for its service activities. However, since the measurement of reach can be approached from many different angles and there are no clear cut definitions, Telco decided against including reach metrics in its assessment.

Coded in / Metric themes	Softco	Hardco	Combank	Transco	Pharmco	Foodco	Telco
Interaction & Engagement	x	x	x	x	x	x	x
Satisfaction & Advocacy	x	x	x	x	-	x	x
Financial	x	x	x	x	x	x	x
Volume, Quantity & Reach	x	x	x	x	-	x	x

Table 25 –Metrics themes coded in particular sources

6.3.3 Importance of Measurement, Challenges and Deficiencies

All firms consider the measurement of social media activities to be very important. Only the Pharmco respondent relativizes that it would, due to measurement limitations, not be central for firms that use social media solely for PR. He still regards it important to all other application areas. Hardco and Foodco stress the importance of measurement to enable and justify investments. Softco considers measurement as an important step forward in its pursuit of professionalization. While Telco, for the earlier mentioned reasons, does currently not use measurement results for steering, the Telco respondent states steering as the main reason why firms should be measure. Combank acknowledges the importance of measurement, but at the same time recognizes that it still has a long way to go to develop a more systematic measurement approach.

Lack of metrics, ROI is the by far most prominent challenge in regards to performance measurement. Five out of seven firms consider this to be the major challenge. Telco and Transco with the bulk of their customer service transactions still processed by traditional service channels, struggle with the lack of representativeness due to small numbers. Besides appropriate metrics the Pharmco respondent believes the market lacks suitable tools for its purpose. Softco too believes that the market does not offer the right systems and tools for their specific issues, but has the advance to be able to develop and implement tailored solutions where necessary.

The most frequently occurred performance measurement deficiency across investigated firms is that in most cases there is no defined process for decision-making and the implementation of changes from measurement results. The reasons given for this are versatile. Pharmco has *no quantified objectives* and Telco moreover considers measurement *results to lack validity*. At Transco change requests are not implemented due to a *lack of corporate integration* of steering processes. On the other hand, if measurement is not performed in a systematic way (Pharmco and Combank), innately, there will not be any structured steering mechanism.

6.4 Social CRM Maturity by Industry

In analysing case data it became clear that although all firms represent examples of advanced sCRM use in their respective industries, there were still significant differences between firms in regards to process maturity. Below an attempt is made to explain these differences by drawing inferences based on the degree to which social media potentially affects their core business. The resulting categorization in three major groups appears to be congruent to the specific set of investigated firms in this study. Further research, however, would need to confirm if this categorization scalable to a broader set of firms beyond the here investigated ones.

Group 1 - Small Effect of Social Media on Core Business

The mainstay of the first group, comprised by non-IT companies, is, at least for the time being, only affected relatively little by social software. This group, comprised by Pharmco and Foodco consider and use social media primarily as an extension to their marketing and corporate communications / PR activities. Fundamental social media goals to these firms are to strengthen the brand, increase reputation and awareness or to create and maximize reach. Although these organizations discern social media as a valuable and useful tool for the before mentioned purposes, it is not perceived as a technology with the ability to fundamentally change, neither in a good nor bad a way, the way they do business. As a consequence it is not deemed imperative or advantageous to considerably intensify or extent social media activities.

Group 2 - Medium Effect of Social Media on Core Business

The second group, comprised by Transco and Combank, similarly utilize social media primarily for marketing, branding and public relations. For in this case financial institutions and transport companies social media does, in general, neither have a critical effect on their core business. Social media can still have a significant impact in one or more secondary areas of their business, other than just marketing or PR. On that account, these two firms take a more differentiated approach to social media adoption. For Transco this secondary area is customer service. With hundreds of millions of customers yearly, potential cost savings and efficiency improvements in customer service could be enormous. Moreover does social customer service offer a compelling leverage for customer satisfaction. Combank occupies a special position in this second group. In spite of the fact that it is a licensed bank, it can, in many respects, be perceived as an IT company, or at least a highly IT driven company/bank. Combank, which started as a finance community, and only later became a full-fledged bank, aims to revolutionize its (non-IT) industry with social media (IT). While social media has led only a niche existence in the banking industry, Combank is, at least in Germany, the first Bank which business model is completely social media oriented. To summarize, Transco essentially tries to provide better customer service, whereas Combank's main value proposition is the provision of added value through its banking community.

Group 3 - Large Effect of Social Media on Core Business

The third group, eventually, are original IT companies. These firms use social media in the most comprehensive and advanced way. This is not surprising since social media can, simultaneously, have the most profound impact on the core business of these firms. Especially Softco and Telco moreover regard social media as part of their

core competence. They partly develop and offer social media related technologies and services themselves. These firms cover the broadest spectrum of sCRM and social media use cases. While they naturally use social media for similar purposes as group one and two, they do so in a more advanced way by covering more channels and by achieving a higher degree of penetration within these channels. In contrast to firms of group one and two, where social media departments are in most cases isolated, there further is not one central department but many, at the level of divisions or functional areas. In addition exhibit firms of group three a high degree of integration of social media practices and procedures throughout the organization. When comparing the two goal themes *innovation & improvement* and *branding & reputation* in table 24, it is in this respect interesting to note that *branding & reputation* is connected to three of four non-IT firms (Foodco, Transco, Pharmco) and only one IT firm (Hardco). On the contrary, three of the four firms that aim at *innovation & improvement* by social media are pure IT firms (Telco, Hardco, Softco), and the fourth, Combank, being a quasi-IT-firm. This fact supports the conclusion that IT firms are considerably more advanced in their social media activities as compared to non-IT firms. It can reasonably be assumed that the objective to innovate and improve from social media derived data is far more complex in terms of required technological and human capabilities than to just advertise or communicate in social media. It further requires a high degree of organizational and process related integration. As the single case analysis substantiates, these are all topics in which the explored IT firms are by far better equipped than their non-IT counterparts.

The presence of a comprehensive corporate wide model or framework to structure all social media activities is another maturity indicator which all three IT firms, and none of the investigated none-IT, exhibit. Softco even created to new category for social media within its established marketing categories. Telco distinguishes four functional social media channels, while Hardco differentiates between three categories of social media applications. As explained in the forthcoming section they apply, more structured, fine-grained and sophisticated approaches to performance measurement too.

Comparison of Case Companies on Social CRM Maturity Criteria

Table 26 summarizes how the case organization scores on certain key criteria. The colour coding reflects the categorization of firms according previously presented maturity groups. Green colour are firms from group 3 with a large effect of social media on core business. Yellow, are firms of group 2 with medium effect of on core business. Orange group 1 firms with little effect. Notably the group 3 firms in the set began to use social media significantly earlier than other firms. Concurrently they achieve the highest degree of social media integration.

	Years active in SM / sCRM	Dedicated SM team in place	SM training throughout org.	Quant. object. defined	Syst. reporting impl.	Ext. agencies involved	Corp.-wide SM model in place	Degree of org. SM integration
Softco	5	Yes	Yes	Yes	Yes	Yes	Yes	High
Hardco	5	Yes	Yes	Yes	Yes	Yes	Yes	High
Pharmco	3	Yes	Yes	No	Yes	Yes	No	Low
Foodco	3	No	No	Yes	Yes	Yes	No	Low
Transco	2	Yes	No	Yes	Yes	Yes	No	Low
Telco	5	Yes	No	No	Yes	Yes	Yes	Medium
Combank	3	n/a	n/a	No	No	No	No	n/a

Table 26 – Overview maturity criteria of case firms

6.5 Revision of Preliminary sCRM Scorecard

Although the basic structure of the sCRM scorecard appeared to be remarkably consistent and complete, a number of small changes to the initial configuration of the scorecard were required. These changes were primarily based on the results of the expert review of the preliminary scorecard. A topic that the preliminary scorecard did not address, but which two experts considered essential, is the assessment of reach. After discussing this issue with the Softco respondent, it was decided to include a sub-section with reach metrics in the CIE perspective. In a similar way it was decided to complement the CLA perspective by a *process efficiency metric* and an *innovation efficiency metric* sub-section. The process efficiency metric section was introduced to account for measurable aspects of sCRM related process performance. The efficiency of innovation relevant social web information gathering and use, such as those gleaned from customer communities or idea competitions, evolved as another important aspect that was not considered in the preliminary scorecard. While the practical measurement of innovation is a challenging task in itself (cp. Kleinknecht et al. 2002), firms should nonetheless work towards the development of metrics and means to assess innovation achievement. Apart from this, the configuration and operationalization of perspectives with metrics were subject of some changes. These are detailed below.

Review of sCRM Scorecard Using Collected Metrics from Cases

Table 27 lists all elicited metrics derived from investigated companies and how these metrics were used for the revision of the scorecard. All collected metrics could, without difficulty, be categorized according to the four sCRM scorecard perspectives. The fact that this categorization could be made without any conflict in terms of unfitting metrics can be conceived as another indicator confirming the completeness and validity of the developed scorecard perspectives. It still needs to be noted that the collected metrics do not represent all sCRM performance metrics used by investigated firms, but rather an important subset. This is, however, not a problem to this research. As a matter of fact, it was not the objective to gather all possible used metrics, but a selection of the most important ones.

Satisfaction & Advocacy	**Part of prelim. scorecard**	**Added to final scorecard**
# of external referrals		x
# of likes/fans	x	
sentiment ratio (Pos:Neg)		x
# of customer complaints	x	
# of negative opinions		(not added: part of sentiment ratio)
Customer satisfaction rate	x	
Net promoter score (NPS)	x	
Interaction & Engagement	**Part of prelim. scorecard**	**Added to final scorecard**
Engagement Index (Nr)		x
# of shares, comments, video views, posts, replies, responses, re-tweeds, downloads, impressions	x	
# (new) community members/followers	x	
# support app submissions		(not added: too case specific)
# opened/clicked newsletters, click-rates	x	
# of conversations on specific topic		x
money question/money answer ratio		(not added: too case specific)
# of transactions per community member		(not added: too case specific)
FB People Talking About This (PTAT)		x
FB Daily Active Users (DAU)		x
# of referral from brand/product website		x
Costs & Returns ($)	**Part of prelim. scorecard**	**Added to final scorecard**
Cost per Fan		x
Cost per engagement		x
Cost per action		x
Total costs for managing social channels	x	
Customer Lifetime Value (CLV)	x	
Cross/up-selling	x	
Sales through social channels	x	
Analysis & Learning	**Part of prelim. scorecard**	**Added to final scorecard**
# of employees completed SM training	x	
Geography analysis	x	
Trend analysis	x	
Sentiment analysis	x	
# of service cases/resolved service case ratio		x
Average handling time		x
Issue resolution rate	x	
Cost/service volume ratio		x

Table 27 – Key metrics used by case organizations

6.6 Cross-Case Summary

The conducted thorough elicitation and analysis of goals and metrics combined with expert reviews made it possible to examine the sCRM scorecard with regard to various validity criteria. The outcomes of this cross-case evaluation, presented in this chapter strongly support the principle structure and design of the sCRM scorecard.

First, does the sCRM scorecard provide an appropriate means to assess the six most common goal groups encountered in advanced firms from different industries. Another indicator of the validity of the scorecard is the fact that all collected key metrics from firms could easily be categorized into one of the four devised measurement perspectives. These findings provide support for the construct validity of the framework. The review conducted by seven independent industry experts eliminated remaining inconsistencies and shortcomings of the scorecard, and, in doing so aiding in achieving external validity. The identified issues though, were rather minor and the framework was from the start considered rated by experts as fairly complete and logically consistent. What further strengthens confidence in the developed scorecard is that one of the most advanced of the investigated firms, Softco, successfully uses a remarkably similar scorecard based approach as the one presented here. Congruent with the identified great importance attached for sCRM performance measurement, there was overall a strong interest by practitioners in the outcomes of this research. Although *Social Desirability* issues can not be fully ruled out (cp. section 2.9), the majority of respondents considered the scorecard to reflect the essential aspects of sCRM performance. The Telco expert even indicated that the could imagine to work which such a scheme.

In line with the previous understanding is the generation of revenues through social media, at least at this point of time, not a determining goal. However, what has emerged as perhaps one of the most unifying issues from cross-case analysis is the significance attached to financial metrics. It is telling that the *Lack of Metrics, ROI* theme is at the same time regarded the biggest challenge topic. The lack of metrics refers in this case clearly to a lack of financial metrics. The group of financial metrics that most firms can assess and make use of are cost based financial metrics. The metrics shortage is clearly on the revenue side.

In terms of sCRM (performance measurement) maturity a distinction can be made between IT firms which appear to be more advanced and mature in their activities and non-IT firms which somewhat lag behind. Particularly salient is the fact that all of the IT firms use some form of framework to structure their social media activities. Apart from frameworks, all explored firms use some monitoring and/or analytics tools to support performance measurement, while especially non-IT firms tend to make use of external advice. Employee training and reporting furthermore emerged as practices of great importance.

CHAPTER

7

Conclusions and Future Work

The previous chapters of this thesis presented an approach to address some important problems in the field of sCRM performance measurement. A multiple-case study was conducted with the purpose of acquiring practical inputs in order to validate the developed framework. In this last chapter the overall results and conclusions of this thesis are presented, together with some possible directions for further research.

7.2 Results and Conclusions

The systematic measurement of performance and business value is crucial in order to make social media more accountable; a necessary precondition to substantiate the benefits of (increased) social media investments. At the same time, performance measurement is necessary to both: confidently assess achievement on goals and objectives, and to competently manage and improve social media and sCRM processes. Nonetheless does neither academic literature nor the industry offer appropriate solutions that help practitioners to holistically assess all areas of sCRM value and performance. Based on this gap in research and practice the following overall research question was defined:

How can companies, in a systematic and holistic way, determine if their sCRM activities are effective and provide the anticipated business value?

Due to the complexities of the topic there is no simple, straightforward answer to this question. The present thesis addresses this question by presenting a sCRM performance measurement framework based on BSC principles, called sCRM scorecard. In order to explore the preconditions of effective performance measurement and to identify required framework features a systematic analysis of pertinent literature was conducted. This activity was performed with the purpose to find answers to two sub-research questions.

Results to sub-research question D1a

What is a suitable model framework for sCRM performance measurement?

To answer this question, two types of evaluations were performed. First, a comprehensive analysis of influential performance measurement literature was conducted to identify essential requirements that any performance measurement framework should comply with. This resulted in the identification of four essential characteristics described in section 3.7.2. The second literature evaluation further narrowed down the focus of inquiry to existing CRM performance measurement frameworks (section 3.8). What emerged as a common pattern was that the majority of researchers adopted BSC in their CRM performance measurement frameworks. Based on these findings it was decided to use BSC as a best practice model to adopt for sCRM performance measurement. After the basic framework characteristics and a suitable model framework had been identified, attention was shifted to the exact configuration and operationalization of the scorecard. This leads to sub-research question D1b.

Results to sub-research question D1b

What essential measurement perspectives and metrics need to be considered for evaluating sCRM performance?

For this purpose literature on social media and sCRM was analyzed. The analysis resulted in the identification of two essential concepts required for sCRM performance measurement. These two concepts, customer engagement and customer advocacy (section 3.7.3), were then incorporated in the sCRM scorecard design. The complete configuration of the sCRM scorecard consisting of devised measurement perspectives and exemplary metrics is motivated and described in chapter 4. In order to validate the sCRM scorecard and account for the practical dimension case study methodology and expert interviews were used to examine a carefully chosen set of seven organizations. The case studies incorporated organizations that are in the vanguard of social media use and measurement in their respective industries. Based on the overall objective of this research the investigation of organizations was conducted to deliver insights primarily into *why* organizations use sCRM (goals and objectives). This topic is covered by the research question D2a.

Results to sub-research question D2a

Which goals do companies aim to achieve when using social media for CRM purposes?

The multiple-case study has uncovered a broad spectrum of goals. Nonetheless can all the pursued goals of investigated firms be subsumed under a small set of six goal categories. In accordance with the devised scorecard *interaction & engagement* and *satisfaction & advocacy* goals appear to be the most pervasive sCRM goal categories. Another pattern that emerged from cross-case analysis was that IT firms displayed a higher degree of maturity in their use social media compared to non-IT firms[24]. This was evident as well in regard to the (advanced) goal category *innovation & improvement* that was almost exclusively pursued by the more advanced IT firms. On the other hand do firms that use social media purely for marketing and PR purposes pursue

[24] compare section „Analysis of use patterns by industry“.

relatively less difficult to achieve goals (*branding & reputation, reach*). Next, the investigation was focused on the measurement practices and metrics firms use to assess achievement on goals and how measurement results are utilized. This leads to sub-research question D2b.

Results to sub-research question D2b

How do leading organizations approach sCRM performance measurement?

The higher social media maturity use in IT firms is as well reflected in superior performance measurement practices. Although all firms, except Combank, systematically report on their social media activities and use monitoring and measurement tools, IT firms track performance in a more systematic and advanced way. The most advanced firms notably have frameworks implemented to structure their social media activities. Only one firm, however, appears to have an underpinning performance measurement framework in place which links goal themes to according performance measures (Softco). Interestingly, this framework features strikingly similar characteristics as the one presented here. It is hardly surprising that IT firms make more extensive use of IT solutions and moreover often use self-developed tools and metrics, where the market does not offer sufficient solutions. This allows them to better tailor measurement to their specific needs. In terms of performance metrics, all firms utilize metrics that can be categorized into one of the four scorecard measurement perspectives.

A particularly salient point in terms of metrics is that all firms, except Pharmco, regard *financial metrics* to be of primary importance. This is in spite of the fact that currently, in most cases, only social media spending can confidently be assessed. The lack of revenue side financial metrics is likewise considered the focal challenge. Finally, for the reasons discussed earlier, the utilization of measurement results is rather performed on an ad hoc basis and the least underlayed with formalized processes. While here again, IT firms are more effective in utilizing measurement results. This is partly due to higher degree of corporate integration of social media processes. Superior know-how and experience with IT processes is likely to play a decisive role in this respect as well.

7.3 Discussion

The investigation into large organizations revealed a picture that echo's the findings of previous researchers (e.g. Owyang & Li, 2011). Even the investigated organizations, that can be regarded as examples of superior social media practices within their industries, rarely have frameworks in place to systematically and in a holistic way assess performance and business value of sCRM activities. The majority of organizations follow a rather experimental and incremental approach to sCRM performance measurement. While respondents affirm that their social media activities correspond to business strategy and goals, there is little evidence that the actual contribution of social media to higher business goals is systematically assessed and cross checked. With exception of the outliers of the study, Softco, Hardco and to a lesser degree Telco, little efforts are being made to compile and develop actual portfolios of performance metrics to assess pertinent social media / sCRM goal or business value categories. Firms predominantly just get on with using easily available platform metrics or adopting what they are offered by social media platforms, external agencies or proprietary measurement and monitoring tools.

In terms of using measurement results, there is, in most cases, hardly any steering involved. In some firms measurement appears to be rather a formality, primarily conducted because it is prescribed to do so. In other cases measurement is conducted to experiment, learn and gain experiences in order to be prepared if social media becomes more important at a later point.

Despite the fact that performance measurement is recognized to be of great importance across the board, the majority of case organization appeared to be reluctant to considerably revise their performance measurement approaches. The used set of existing key metrics, as a result, remains fairly stable. New metrics are seldom introduced, let alone completely new ones developed or existing ones tailored to specific needs. There is a lot of scepticism whether increased investments in performance measurement would be justifiable and actually pay off. Considering the unpredictable environment of social media and its still emergent nature this tentativeness is understandable. Even more so, since social media transaction volumes, not to mention directly attributable revenues, are often still relatively small. Under these circumstances it is only reasonable to be wary of disproportionate financial and resource investments in performance measurement.

However, the results of the analysis clearly show that, although use cases vary considerably, the pursued strategic goals can be summarized to a rather small set of six overall goal groups. This makes the field of social media in general and sCRM in particular amendable for a generic performance measurement framework like the one presented here. It suggests that the performance of sCRM processes can indeed be assessed with metrics based on a small set of four elementary performance perspectives.

The framework presented here provides a structured view of those essential performance perspectives and metrics categories that can be used for assessment. The sCRM scorecard conceptualizes four essential sCRM performance areas in a balanced and transparent way. Combined with the provided templates and classified sub-groups of useful metrics the sCRM scorecard represents an appropriate and practical tool for effective sCRM performance measurement.

7.4 Future Research

The conducted case studies in this thesis have increased the understanding of social media and sCRM performance measurement issues. The results point to the validity and practical usefulness of the develop sCRM scorecard within the investigated organizational contexts. There is, however, a need to carry out further research in this important area. In particular future research needs to investigate an even broader set of firms from different industries to test whether the identified performance perspectives apply as well to other organizations. A viable route to achieve this would be to explore if the identified goal categories are as well relevant to other organizational contexts, or whether other goal classes come into play. These insights would be valuable since goal categories correspond to performance perspectives and metrics. This could, as a result, generate more evidence on the generalizability of the sCRM framework.

Further research would as well be needed to further validate the presented sCRM scorecard. This work would ideally involve one or more case studies, where the sCRM scorecard is implemented in exemplary organizations to empirically examine

whether it holds water in practical application. Particularly interesting would be to explore how well the sCRM scorecard could be integrated in organizations that already use BSC for performance measurement. Although not focus of this study, it became clear that Softco uses scorecards throughout the organization. Likewise Softco uses a scorecard system as well for social media performance measurement. However, considering the perceived reluctance among practitioners to embark on major overhauls of their performance measurement practices, it would be an especially challenging endeavour to convince practitioners, who have already become accustomed with their self-developed practices, to adopt an unproven academic approach. However theoretically sound such an approach may be.

References

Algesheimer, R., Dholakia, U. M., & Herrmann, A. (2005). The Social Influence of Brand Community: Evidence from European Car Clubs. *Journal of Marketing*, *69*(3), 19-34. Am Marketing Assoc. doi:10.1509/jmkg.69.3.19.66363

Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer Satisfaction, Market Share, and Profitability: Findings from Sweden. *Journal of Marketing*, *58*(3), 53-66. American Marketing Association. doi:10.2307/1252310

Anderson, E. W., Fornell, C., & Rust, R. T. (1997). Customer Satisfaction, Productivity, and Profitability: Differences between Goods and Services. *Marketing Science*, *16*(2), 129-145. INFORMS. doi:10.1287/mksc.16.2.129

Anderson, E.W., Fornell, C., and Mazvancheryl, S.K. (2004). Customer satisfaction and shareholder value. *Journal of Marketing, 68*(4), 172–85.

Andersson, P., Aronsson, H., & Storhagen, N. G. (1989). Measuring Logistics Performance. *Engineering costs and production economics*, *17*(1-4), 253-262.

Armstrong, J. S., & Collopy, F. (1996). Competitor Orientation: Effects of Objectives and Information on Managerial Decisions and Profitability. *Journal of Marketing Research*, *33*(2), 188-199. American Marketing Association. doi:10.2307/3152146

Askool, S., & Nakata, K. (2010). A conceptual model for acceptance of social CRM systems based on a scoping study. *Ai & Society*, *26*(3), 205-220. doi:10.1007/s00146-010-0311-5

Atteslander, P. (2008). *Methoden der empirischen Sozialforschung*. Erich Schmidt Verlag. Berlin.

Azzone, G., Masella, C., & Bertelè, U. (1991). Design of Performance Measures for Time-based Companies. *International Journal of Operations & Production Management*, *11*(3), 77-85. doi:10.1108/01443579110143412

Baekdal, T. (2010). *What Per Post Impression on Facebook Really Mean*. Retrieved from: http://www.baekdal.com/insights/what-per-post-impressions-on-facebook-really-mean/

Bain & Company (2010). *Balanced Scorecard*. Retrieved from http://www.bain.com/publications/articles/management-tools-2011-balanced-scorecard.aspx

Bandara, W., Indulska, M., Chong, S., & Sadiq, S. (2007). Major issues in business process management: an expert perspective. In H. Österle, J. Schelp, & R. Winter (Eds.), *Corporate Governance* (1240-1251). University of St. Gallen.

Bartholomew, D. (1999). Process Is Back. *IndustryWeek*, *November*(20), 31. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=2464049&site=ehost-live

Bell, L. (2011). *Social Media University*. Retrieved from: http://www.radian6.com/blog/2011/05/social-media-university/

Benbasat, I., Goldstein, D. K., & Mead, M. (1987). The Case Research Strategy in Studies of Information Systems. *MIS Quarterly*, *11*(3), 369-386. JSTOR. doi:10.2307/248684

Bititci, U., Carrie, A., & McDevitt, L. (1997). Integrated performance measurement systems: an audit and development guide. *The TQM Magazine,* Vol. 9, No. 1.

Blattberg, R., Getz, G., Thomas, J.S. (2001). Customer Equity: Building and Managing Relationships as Valuable Assets. Harvard Business School Press, Boston, MA.

Bonoma, T. V., Clark, B. H., & Administration, H. U. G. S. O. B. (2006). Marketing performance assessment. *Ratio*, (c). Harvard Business School Press.

Bortz, J., & Döring, N. (2006). *Forschungsmethoden und Evaluation für Human-und Sozialwissenschaftler*. *Text* (Vol. 4, p. 897). Springer. doi:10.1007/978-3-540-33306-7

Boulding, W., Staelin, R., Ehret, M., & Johnston, W. J. (2005). A Customer Relationship Management Roadmap: What Is Known, Potential Pitfalls, and Where to Go. *Journal of Marketing*, *69*(4), 155-166. American Marketing Association. doi:10.1509/jmkg.2005.69.4.155

Bowden, J.L.H. (2009). The process of customer engagement: A conceptual framework, *Journal of Marketing Theory and Practice*. 17 (1), 63-74.

Bradner, L., Favier, J., Cokeh., E., & Bresciani., A. (2008). *How to find, create, and nurture brand advocates*. Forrester. Retrieved from http://www.forrester.com/Social+Loyalty/fulltext/-/E-RES45292?docid=45292

Brewton, J., & Schiemann,W. (2003). Measurement: The missing ingredient in today's CRM strategy. *Cost Management, 17*(1), 514.

Brodie, R. J., Hollebeek, L. D., Juric, B., & Ilic, A. (2011). Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research. *Journal of Service Research*, *14*(3), 252-271. doi:10.1177/1094670511411703

Brown, M.G. (1996). Keeping Score: Using the Right Metrics to Drive World-Class Performance. New York: *Quality Resources*.

Bryman, A., & Bell, E. (2007). *Business Research Methods*. (D. R. Cooper & P. S. Schindler, Eds.) *Library* (Vol. 2nd, p. 786). Oxford University Press.

Bughin, J., Doogan, J., Vetvik, O.J. (2010). A new way to measure word-of-mouth marketing. *McKinsey Quarterly*, (1). McKinsey & Company. Retrieved from https://www.mckinseyquarterly.com/A_new_way_to_measure_word-of-mouth_marketing_2567

Buglione, L., & Abran, A. (2002). QEST nD: n-dimensional extension and generalisation of a software performance measurement model. *Advances in Engineering Software*, *33*(1), 1-7. Elsevier. doi:10.1016/S0965-9978(01)00050-3

Buzzell, R. D., & Gale, B. T. (1987). *The PIMS Principles: Linking Strategy to Performance*. *Journal of Marketing* (Vol. 53, pp. 126-129). The Free Press. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=4999486&site=ehost-live

Carr, D. F. (2011). *MotiveQuest Takes Social Analytics Beyond Dashboards*. Retrieved from: http://www.informationweek.com/thebrainyard/news/social_crm/230500252

Chan, Y. E., Huff, S. L., Barclay, D. W., & Copeland, D. G. (1997). Business Strategic Orientation, Information Systems Strategic Orientation, and Strategic Alignment. *Information Systems Research*, *8*(2), 125-150. INFORMS: Institute for Operations Research. doi:10.1287/isre.8.2.125

Chang, H. H. (2007). Critical Factors and Benefits in the Implementation of Customer Relationship Management. *Total Quality Management Business Excellence*, *18*(5), 483-508. Routledge. doi:10.1080/14783360701239941

Chatterji, A. K. & Levine, D. I. (2006). Irresponsibility in Measuring Corporate Responsibility. [Working paper]. University of California at Berkeley.

Clark, B. H. (1999). Marketing Performance Measures: History and Interrelationships. *Journal of Marketing Management*, *15*(8), 711-732. Routledge. doi:10.1362/026725799784772594

Classification. 2011. In *Merriam-Webster.com*. Retrieved from http://www.merriamwebster.com/dictionary/classification

Cone (2008). *Business in social media study*. Retrieved from http://onesocialmedia.com/wp-content/uploads/2010/03/2008_business_in_social_media_fact_sheet.pdf

Chief Marketer (2011). *2011 Social Media Marketing Survey*. Retrieved from http://chiefmarketer.com/research/cm-social-marketing-survey-2011

Cook, T. D., & Campbell, D. T. (1979). *Quasi-Experimentation: Design and Analysis Issues for Field Settings*. *QuasiExperimentation Design and Analysis Issues for Field Settings* (pp. 37-95). Rand McNally College Publishing Company.

Court, D., Elzinga D., Mulder, S., Vetvik, O.J. (2009). The consumer decision journey. *McKinsey Quarterly*, (3). McKinsey & Company. Retrieved from https://www.mckinseyquarterly.com/The_consumer_decision_journey_2373

Crawford, K. (1988). *An analysis of performance measurement systems in selected just-in-time operations*. (Ph.D. Thesis), University of Georgia.

Crawford, I. M. (2006). Marketing Research and Information Systems. *Marketing Research*, 1-4.

Cross, K. F., & Lynch, R. L. (1988). The "SMART" way to define and sustain success. *National Productivity Review*, *8*(1), 23-33.

Culnan, M. J., McHugh, P. J., & Zubillaga, J. I. (2010). How large US companies can use Twitter and other social media to gain business value. *MIS Quarterly*, *9*(4), 243-260.

Daft, R. L., & Lengel, R. H. (1986). Organizational Information Requirements, Media Richness and Structural Design. *Management Science*, *32*(5), 554-571. JSTOR. doi:10.1287/mnsc.32.5.554

Davis, C., & Freundt, T. (2011). What marketers say about working online. *McKinsey Quarterly*, (4),. McKinsey & Company. Retrieved from https://www.mckinseyquarterly.com/What_marketers_say_about_working_online_McKinsey_Global_Survey_results_2892

Dehaas, M., & Kleingeld, A. (1999). Multilevel design of performance measurement systems: enhancing strategic dialogue throughout the organization. *Management Accounting Research*, *10*(3), 233-261. Elsevier. doi:10.1006/mare.1998.0098

DeToni, A., Nassimbeni, G., & Tonchia, S. (1995). An instrument for quality performance measurement. *International Journal of Production Economics*, *38*(2-3), 199-207. Elsevier.

Dick, A. S., & Basu, K. (1994). Customer Loyalty: Toward an Integrated Conceptual Framework. *Journal of the Academy of Marketing Science*, *22*(2), 99-113. Springer Netherlands. doi:10.1177/0092070394222001

Dickie, J. (2010). *2010: State of the CRM Marketplace Review*. Retreived from http://www.softwaremag.com/content/ContentCT.asp?P=3001

Dixon, J. R., Nanni, A. J. & Vollmann, T. E. (1990), *The New Performance Challenge – Measuring Operations for World-Class Competition,* Dow Jones-Irwin, Homewood, IL.

Eccles, R. G. (1991). The performance measurement manifesto. *Harvard Business Review*, *69*(1), 131-137. Harvard Business School Publication Corp.

Econsultancy. (2011). *State of Social Report 2011*. Retrieved from http://econsultancy.com/uk/reports/state-of-social

Eisenhardt, K. M. (1989). Building Theories from Case Study Research. *Academy of Management Review*, *14*(4), 532-550.

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *The Academy of Management Journal Archive*, *50*(1), 25–32. Academy of Management.

Etlinger, S. (2011) *A Framework for Social Analytics*. Altimeter. Retrieved from http://www.altimetergroup.com/research/reports/a-framework-for-social-analytics

Facebook. (2011, October 1). *Statistics* [Press release], Retrieved from http://www.facebook.com/press/info.php?statistics

Fisher, J., (1992). Use of non-financial performance measures. *Journal of Cost Management,* Vol. 6, Spring, 31-8.

Flapper, S. D. P., Fortuin, L., & Stoop, P. P. M. (1996). Towards consistent performance management systems. *International Journal of Operations & Production Management*, *16*(7), 27-37. doi:10.1108/01443579610119144

Folan, P., & Browne, J. (2005). A review of performance measurement: Towards performance management. *Computers in Industry*, *56*(7), 663-680. Elsevier. doi:10.1016/j.compind.2005.03.001

Fornell, C. (1992). A National Customer Satisfaction Barometer: The Swedish Experience. *Journal of Marketing*, *56*(1), 6-21. JSTOR. doi:10.2307/1252129

Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American Customer Satisfaction Index: Nature, Purpose, and Findings. *Journal of Marketing*, *60*(4), 7. American Marketing Association. doi:10.2307/1251898

Fortuin, L. (1988). Performance indicators — Why, where and how? *European Journal Of Operational Research*, *34*(1), 1-9. doi:10.1016/0377-2217(88)90449-3

French, T., Laberge, L., & Magill, P. (2011). We ' re all marketers now. *McKinsey Quarterly*. Retrieved from https://www.mckinseyquarterly.com/Were_all_marketers_now_2834

Frigo, M. L., and Krumwiede, K. R. (1999). Balanced scorecards: a rising trend in strategic performance measurement. *Journal of Strategic Performance Measurement, 3*(1), 42–8.

Gallaugher, J., & Ransbotham, S. (2010). Social Media Management at Starbucks. *MIS Quarterly Executive*, *9*(4), 1389-1404.

Galliers, R. D. (1992). Choosing Information Systems Research Approachs. In R. D. Galliers (Ed.), *Information Systems Research* (pp. 144-162). Blackwell Scientific Publications.

Gartner. (2003). *CRM Success is in Strategy and Implementation, Not Software*. Retrieved from http://www.gartner.com/id=387449

Gartner. (2010). *Gartner Reveals Five Social Software Predictions for 2010 and Beyond*. Retrieved from http://www.gartner.com/it/page.jsp?id=1293114

Gartner. (2011). *Gartner Says the Market for Social CRM Is on Pace to Surpass $1 Billion in Revenue by Year-End 2012* [Press release], Retrieved from http://www.gartner.com/it/page.jsp?id=1777938

Gartner. (2011). Hype Cycle for Business Use of Social Technologies. Retrieved from http://www.gartner.com/id=1775514

Ghalayini, A.M., & Noble, J. S. (1996). The changing basis of performance measurement. *International Journal of Operations & Production Management*, Vol. 16 Iss: 8. 63 - 80

Gläser, J., & Laudel, G. (2009). *Experteninterviews und qualitative Inhaltsanalyze als Instrumente rekonstruierender Untersuchungen*. (J Gläser & G. Laudel, Eds.) *Lehrbuch* (p. 347). VS, Verl. für Sozialwissenschaften.

Gläser, J., & Laudel, G. (2009). *Experteninterviews und qualitative Inhaltsanalyze als Instrumente rekonstruierender Untersuchungen*. (J Gläser & G. Laudel, Eds.)*Lehrbuch* (p. 347). VS, Verl. für Sozialwiss.

Globerson, S. (1985). Issues in developing a performance criteria system for an organisation. *International Journal of Production Research*, *23*(4), 639-646.

Godes, D., & Mayzlin, D. (2004). Using Online Conversations to Study Word-of-Mouth Communication. *Marketing Science*, *23*(4), 545-560. JSTOR. doi:10.1287/mksc.1040.0071

Goffman, E. (1959). *The Presentation of Self in Everyday Life*. (E. University Of, Ed.) *Teacher* (Vol. 21, p. 259). Doubleday. doi:10.2307/2089106

Google Inside AdWords (2007). *Discover your share of voice with Impression share reporting*. Retrieved from http://adwords.blogspot.de/2007/07/discover-your-share-of-voice-with.html

Grabner-Kraeuter, S., Moedritscher, G., Waiguny, M., & Mussnig, W. (2007). Performance Monitoring of CRM Initiatives. *2007 40th Annual Hawaii International Conference on System Sciences HICSS07*, 150a-150a. Ieee. doi:10.1109/HICSS.2007.433

Granovetter, M. S. (1973). The Strength of Weak Ties. (T. S. Huang, A. Nijholt, M. Pantic, & A. Pentland, Eds.)*American Journal of Sociology*, *78*(6), 1360-1380. JSTOR. doi:10.1086/225469

Greenberg, P. (2009), *CRM at the Speed of Light (4th ed.)* Berkeley, CA: Osborne/McGraw-Hill.

Grembergen, W., & Amelinckx, I. (2002). Measuring and Managing E-business Projects through the Balanced Scorecard. *35th Hawaii International Conference on System Science*.

Gupta, S., & Zeithaml, V. (2006). Customer Metrics and Their Impact on Financial Performance. *Marketing Science*, *25*(6), 718-739. doi:10.1287/mksc.1060.0221

Haven, B. (2007). Marketing's New Key Metric: Engagement. *Reproduction*, *3*(August), 2-6. Retrieved from http://www.adobe.com/engagement/

Henderson, J. C., & Venkatraman, N. (1993). Strategic alignment: Leveraging information technology for transforming organizations. (H. L. Dreyfus & P. Rabinow, Eds.) *IBM Systems Journal*, *32*(1), 472-484. IBM Corp. doi:10.1147/sj.382.0472

Herriott, R. E. & Firestone, W. A. (1983). Multisite qualitative policy research: Optimizing description and generalizability. *Educational Researcher, 12,* 14-19.

Hinchcliffe, D. (2010). *Social CRM: Ground Zero for Enterprise 2.0 in 2010*. Retrieved from http://www.zdnet.com/blog/hinchcliffe/social-crm-ground-zero-for-enterprise-2-0-in-2010/1194

Hinchcliffe, D. (2011a). *Social business holds steady gap behing consumer social media*. Retrieved from http://www.zdnet.com/blog/hinchcliffe/social-business-holds-steady-gap-behind-consumer-social-media/1695

Hinchcliffe, D. (2011b). *As customer engagement evolves, Social CRM poised for major growth*. Retrieved from http://www.zdnet.com/blog/hinchcliffe/as-customer-engagement-evolves-social-crm-poised-for-major-growth/1748?tag=search-results-rivers;item3

Hoffman, D. L., & Fodor, M. (2010). Can you measure the ROI of your social media marketing? *MIT Sloan Management Review*, *52*(1), 40-49. Retrieved from http://www.mendeley.com/research/measure-roi-social-media-marketing/

Hung, K. H., & Li, S. Y. (2007). The Influence of eWOM on Virtual Consumer Communities: Social Capital, Consumer Learning, and Behavioral Outcomes. *Journal of Advertising Research*, *47*(4), 485. World Advertising Research Center Limited. doi:10.2501/S002184990707050X

IBM Corporation. (2006). *Unlocking customer advocacy in retail banking – The customer focused enterprise* [White paper]. Retrieved from http://www-935.ibm.com/services/us/gbs/bus/pdf/g510-6330-00-unlock-cust-advocacy.pdf

IBM Corporation. (2010). *Measuring the value of social software – Defining a measurement approach that maps activity to business value* [White paper]. Retrieved from ftp://ftp.software.ibm.com/software/lotus/lotusweb/services/ibm_wp_measuring-social-software_june2010.pdf

IBM Institute for Business Value (2011b). *From Social Media to Social CRM (Part 2) – Reinventing the customer relationship* [White paper]. Retrieved from http://www-935.ibm.com/services/us/gbs/thoughtleadership/ibv-social-crm-whitepaper.html

IBM Institute for Business Value. (2010). *Capitalizing on Complexity: Insights from the Global Chief Executive Officer Study* [White paper]. Retrieved from http://www-935.ibm.com/services/us/ ceo/ceostudy2010/index.html

IBM Institute for Business Value. (2011a). *From social media to Social CRM (Part 1) – What customers want* [White paper]. Retrieved from http://www-935.ibm.com/services/us/gbs/thoughtleadership/ibv-social-crm-whitepaper.html

IBM Marketing & Communications. (2011). *From Stretched to Strengthened: Insights from the Global Chief Marketing Officer Study*. Retrieved from http://www935.ibm.com/services/us/cmo/cmostudy2011/downloads.html

Ittner, C. D, & Larcker, D. F. (1996). Measuring the Impact of Quality Initiatives on Firm Financial Performance. In S. Ghosh & D. Fedor (Eds.), *Advances in the management of Organizational Quality Vol 1* (Vol. 1, pp. 1-37). JAI Press.

Ittner, C. D, & Larcker, D. F. (1998). Innovations in Performance Measurement : Trends and Research Implications. *Journal of Management Accounting Research*, *10*(2), 205-238. THE AMERICAN ACCOUNTING ASSOCIATION. doi:10.2139/ssrn.137278

Ittner, C. D., & Larcker, D. F. (2003). Coming up short on nonfinancial performance measurement. *Harvard Business Review*, *81*(11), 88-95, 139.

Jutla, D., Craig, J. and Bodorik, P. (2001). "Enabling and measuring electronic customer relationship management readiness", Proceedings of the 34th Hawaii International Conference on System Sciences, (HICSS-34), Wailea, HI, 3-6 January, pp. 1-10.

Kale, S. H. (2004). CRM Failure and the Seven Deadly Sins. *Marketing Management*, *13*(5), 42-46. American Marketing Association.

Kane, B. Y. G. C., Fichman, R. G., Gallaugher, J., & Glaser, J. (2009). Community Relations 2.0. *Harvard Business Review*, *87*(11), 45-51. Harvard Business School Publishing Corporation. Retrieved from http://www.hsph.harvard.edu/ccpe/webbrochures/CourseMats/TECH/09_Glaser_Community_2.0.pdf

Kaplan, A. M., & Haenlein, M. (2010). Users of the world unite! The challenges and opportunities of Social Media. *Business Horizons*. doi:10.1016/j.bushor.2009.09.003

Kaplan, R. S., & Norton, D. P. (1992). The Balanced Scorcard: Measures That Drive Performance. *Harvard Business Review*.

Kaplan, R. S., & Norton, D. P. (1996). Linking the balanced scorecard to strategy. *California Management Review*, *39*(1), 53-79. California Management Review. doi:10.1016/S0024-6301(96)00116-1

Kaplan, R. S. (1990) "Limitations of cost accounting in advanced manufacturing environments", in Kaplan, R.S. (Ed.), *Measures for Manufacturing Excellence,* Harvard Business School Press, Boston, MA, 91-126.

Kaydos, W. (1991). Key performance factors. *Measuring, Managing, and Maximizing Performance,* Productivity Press, Cambridge, MA.

Kennerley, M., & Neely, A. (2002). Performance measurement frameworks: a review. (A. Neely, Ed.). *Business performance measurement: Theory and practice*, *5*(15), 6021-6027. Cambridge University Press.

Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media ? Get serious ! Understanding the functional building blocks of social media. *Business Horizons*, *54*(3), 241-251. "Kelley School of Business, Indiana University." doi:10.1016/j.bushor.2011.01.005

Kim, H.-S., & Kim, Y.-G. (2009). A CRM performance measurement framework: Its development process and application. *Industrial Marketing Management*, *38*(4), 477-489. Elsevier Inc. doi:10.1016/j.indmarman.2008.04.008

Kim, J., Suh, E. and Hwang, H. (2003), "A model for evaluating the effectiveness of CRM using the balanced scorecard", Journal of Interactive Marketing, Vol. 17 No. 2, pp. 5-19.

Kimiloglu, H., & Zarali, H. (2009). What signifies success in e-CRM? *Marketing Intelligence Planning*, *27*(2), 246-267. Emerald Group Publishing Limited. doi:10.1108/02634500910945011

King, S., & Burgess, T. (2008). Understanding success and failure in customer relationship management. *Industrial Marketing Management*, *37*(4), 421-431. doi:10.1016/j.indmarman.2007.02.005

Kleinknecht, A., Van Montfort, K., Brouwer, E., 2002. The non-trivial choice between innovation indicators. Economics of Innovation and New Technology 11 (2), 109–121.

Kozinets, R. V., Valck, K. de, Wojnicki, A. C., & Wilner, S. J. S. (2010) Networked Narratives: Understanding Word-of-Mouth Marketing in Online Communities. *Journal of Marketing* (74:3). 71-89.

Kromrey, H. (2007). “Die empirische Erfassung von Qualität: Evaluationsforschung, Qualitätssicherung und Qualitätsstandards”’ --Veranstaltung der DGS-Sektion Methoden der empirischen Sozialforschung am 11.10.2006. *Zeitschrift Für Evaluation*.

Kumar, V., Petersen, J. A., & Leone, R. P. (2007). How valuable is word of mouth? *Harvard Business Review*, *85*(10), 139-144, 146, 166. Harvard Business School Publication Corp.

Lamnek, S. (2005). *Qualitative Sozialforschung*. (C. Hopf & E. Weingarten, Eds.) *Soziologische Revue Besprechungen neuer Literatur* (Vol. 3, p. 808). Beltz. doi:10.1024/1012-5302.22.4.316

Lange, M., & Mendling, J. (2011). An Experts ’ Perspective on Enterprise Architecture Goals , Framework Adoption and Benefit Assessment. *15th IEEE International Enterprise Distributed Object Computing Conference Workshops*. doi:10.1109/EDOCW.2011.41

Larson, K., & Watson, R. T. (2011). The Value of Social Media: Toward Measuring Social Media Strategies. *ICIS 2011 Proceedings* (pp. 1-18).

Lindgreen, A., Palmer, R., Vanhamme, J., & Wouters, J. (2006). A relationship-management assessment tool: questioning, identifying, and prioritizing critical aspects of customer relationships. *Industrial Marketing Management*, *35*(1), 57 - 71. Elsevier. Retrieved from http://centaur.reading.ac.uk/22965/

Lingle, J. H., Schiemann, W. A. (1996). From balanced scorecard to strategy gauge. Is measurement worth it? *Management Review,* March, 56-62.

Lynch, R. L. & Cross, K. F. (1991). Measure Up - the Essential Guide to Measuring Business Performance, Mandarin, London.

Mangold, W. G., & Faulds, D. J. (2009). Social media: The new hybrid element of the promotion mix. *Business Horizons*, *52*(4), 357-365. Elsevier. doi:10.1016/j.bushor.2009.03.002

Marketing Reseach Institution. (1998). 1998-2000 Research Priorities: A guide to MSI research programs. Cambridge, MA: *Marketing Science Institute*.

Marketing Reseach Institution. (2000). 2000-2002 Research Priorities: A guide to MSI research programs. Cambridge, MA: *Marketing Science Institute*.

Marketing Reseach Institution. (2002). 2002-2004 Research Priorities: A guide to MSI research programs. Cambridge, MA: *Marketing Science Institute*.

Marketing Reseach Institution. (2004). 2004-2006 Research Priorities: A guide to MSI research programs. Cambridge, MA: *Marketing Science Institute*.

Marr, B., & Schiuma, G. (2003). Business performance measurement – past, present and future. *Management Decision*, *41*(8), 680-687. MCB UP Ltd. doi:10.1108/00251740310496198

Maskell, B. H. (1989). Performance measures for world class manufacturing. *Management Accounting*, *67*(5), 32-33.

Maxwell, J. A. (1992). Understanding and Validity in Qualitative Research. (A. M. Huberman & M. B. Miles, Eds.)*Harvard Educational Review*, *62*(3), 279-300. HEPG.

Mayring, P. (2002). *Einführung in die qualitative Sozialforschung: Eine Anleitung zu qualitativem Denken*. (P. Mayring, Ed.) *BeltzStudium* (Vol. 5, p. 170). Beltz.

McAfee, A. P. (2006). Enterprise 2.0: The Dawn of Emergent Collaboration. *MIT Sloan Management Review*, *47*(3), 21-28. SLOAN MANAGEMENT REVIEW ASSOCIATION. doi:10.1109/EMR.2006.261380

McCarthy, I. P., Lawrence, T. B., Wixted, B., & Gordon, B. R. (2010). A Multidimensional Conceptualization of Environmental Velocity. *Academy of Management Review*, *35*(4), 604-626.

McNair, C.J., Mosconi, W. & Norris, T., *Beyond the Bottom Line: Measuring World Class Performance,* Dow Jones-Irwin, Homewood, IL, 1989.

Medori, D., & Steeple, D. (2000). A framework for auditing and enhancing performance measurement systems. *International Journal of Operations & Production Management*, *20*(5), 520-533. MCB UNIVERSITY PRESS. doi:10.1108/01443570010318896

Michaelidou, N., Theofania, N., & Christodoulides, G. (2011). Industrial Marketing Management Usage, barriers and measurement of social media marketing: An exploratory investigation of small and medium B2B brands. *Industrial Marketing Management*, *40*, 1153-1159. doi:10.1016/j.indmarman.2011.09.009

Moe, W. W., & Trusov, M. (2010). Measuring the Value of Social Dynamics in Online Product Ratings Forums. *Marketing Science forthcoming*, *48*(3), 444–456. SSRN.

Murdough, C. (2009). Social Media Measurement: It's Not Impossible. *Journal of Interactive Advertising*, *10*(1), 94-99. Retrieved from http://jiad.org/article127

Muller, M.J., Freyne, J., Dugan, C., Millen, D.R., & Thom-Santelli, J., (2009). Return On Contribution (ROC): A metric for enterprise social software. Proc. *ECSCW* 2009.

Myers, M. D. (2004). Qualitative Research in Information Systems Overview of Qualitative Research. *Philosophical Perspectives*, 1-15. F. A Davis.

Nair, M. (2011). Understanding and measuring the value of social media. *Journal of Corporate Accounting Finance*, *22*(3), 45-51. Wiley Online Library. doi:10.1002/jcaf

Narver, J. C., & Slater, S. F. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing*, *54*(4), 20. American Marketing Association. doi:10.2307/1251757

Naslund, A., (2009). *Radian6 Announces Social CRM and Web Analytics Integration*. Retreived from http://www.radian6.com/blog/2009/06/radian6-announces-social-crm-and-web-analytics-integration/

Neely, A. (1998). Business performance measurement. Theory and practice. Edited by. *The Economist*.

Neely, A. (1999). The performance measurement revolution: why now and what next? *International Journal of Operations & Production Management*, *19*(2), 205-228. Emerald Publishing Group Inc. doi:10.1108/01443579910247437

Neely, A. (2007). *Business Performance Measurement: Unifying Theory and Integrating Practice*. *Operations Management* (p. 511). Cambridge University Press. Retrieved from http://www.amazon.com/dp/052185511X

Neely, A., Adams, C., & Crowe, P. (2001). The performance prism in practice. *Measuring Business Excellence*, *5*(2), 6-13. EUROPEAN QUALITY PUBLICATONS LTD. doi:10.1108/13683040110385142

Neely, A., Gregory, M., & Platts, K. (2005). Performance measurement system design: A literature review and research agenda. *International Journal of Operations & Production Management*, *25*(12), 1228-1263. Emerald Group Publishing Limited. doi:10.1108/01443570510633639

Neely, A., Mills, J., Platts, K., Gregory, M., & Richards, H. (1996). Performance measurement system design: Should process based approaches be adopted? *International Journal of Production Economics*, *46-47*(1), 423-431. Elsevier. doi:10.1016/S0925-5273(96)00080-1

Neely, A., Richards, H., Mills, J., Platts, K., & Bourne, M. (1997). Designing performance measures: a structured approach. (M. Quintin & J. Ménard, Eds.) *International Journal of Operations & Production Management*, *17*(11), 1131-1152. Éditions Michel Quintin. doi:10.1108/01443579710177888

O'Brian, T. (2008). *MotiveQuest Develops First Metric to Correlate Online Brand Advocacy with Real-World Sales*. Retrieved from: http://www.prweb.com/releases/MotiveQuest/Brand_Advocacy/prweb944284.htm

O'Reilly, T. (2007). What Is Web 2.0: Design Patterns and Business Models for the Next Generation of Software. *Design*, *65*(65), 17-37. SSRN. doi:10.2139/ssrn.1008839

Oliver, R. L. (1993). Cognitive, Affective, and Attribute Bases of the Satisfaction Response. *Journal of Consumer Research*, *20*(3), 418-430. JSTOR. doi:10.1086/209358

Oliver, R. L. (2011). A Behavioral Perspective on the Consumer. *Applied physiology nutrition and metabolism Physiologie appliquée nutrition et métabolisme*, *36*(11), 657-Unknown. doi:10.1139/h11-134

Oliver, R.L. 1997. Satisfaction: A Behavioral Perspective on the Con- sumer. McGraw-Hill, New York.

Olve, N.G., Roy, J., & Wetter, M. (1999). Performance Drivers: A Practical Guide to Using the Balanced Scorecard. New York: John Wiley & Sons.

Otley, D. T. (1999). Performance management: a framework for management control systems research. *Management Accounting Research*, *10*(4), 363-382.

Owyang, J. & Li , C. (2011). *How Corporations Should Prioritize Social Business Budgets*. Altimeter Group. Retrieved from http://www.altimetergroup.com/research/reports/how-corporations-should-prioritize-social-business-budgets

Owyang, J. & Lovett, J. (2010). *Social Marketing Analytics – A New Framework for Measuring Results in Social Media*. Altimeter Group. Retrieved from http://www.slideshare.net/jeremiah_owyang/altimeter-report-social-marketing-analytics

Paine, K. D. (2011). *Measure What Matters: Online Tools For Understanding Customers, Social Media, Engagement, and Key Relationships*. *Online* (p. 252; 252). Wiley.

Parasuraman, A., Zeithaml, V. A., & Berry, L. (1998). SERVQUAL: A Multiple Item Scale for Measuring Customer Perceptions of Service Quality. Journal of Retailing, 64, 12–37.

Patton, M. Q. (2002). *Qualitative research and evaluation methods*. (R. Stallings, Ed.)*Qualitative Inquiry* (Vol. 3rd, p. 598). Sage Publications.

Payne, A., & Frow, P. (2005). A Strategic Framework for Customer Relationship Management. *Journal of Marketing*, *69*(4), 167-176. Am Marketing Assoc. doi:10.1509/jmkg.2005.69.4.167

Peterson, R. A. & William R. W. (1992). Measuring Customer Satisfaction: Fact and Artifact. *Journal of the Academy of Marketing Science, 20* (1), 61–71.

Peterson, E. (2006). The Big Book of Key Performance Indicators. Retrieved from http://www.webanalyticsdemystified.com/content/books.asp

Petouhoff, N. L. (2009). The ROI of Online Customer Service Communities. Forrester. Retrieved from

http://www.forrester.com/The+ROI+Of+Online+Customer+Service+Communities/fulltext/-/E-RES48002

Radian6 (2010). Practical Social Media Measurement and Analysis. [White paper]. Retrieved from http://www.slideshare.net/ad_crystal/radian6-practical-social-media-measurement-analysis

Ray, A., Riley, E., & Wise, J. (2010). The ROI Of Social Media Marketing. *Interactive Marketing*, 1-11. Retrieved from http://www.forrester.com/go?docid=57009

Reichheld, F F. (1993). Loyalty-based Management. *Harvard Business Review*, *71*(2), 64-73.

Reichheld, F. F, & Schefter, P. (2000). E-Loyalty : Your Secret Weapon on the Web. *Harvard Business Review*, *78*(4), 105-113. Harvard Business School Press. Retrieved from http://www.pearsoned.ca/highered/divisions/text/cyr/readings/Reichheld_SchefterT2P1R1.pdf

Reichheld, F. F, & Teal, T. (1997). The Loyalty Effect. *Business Ethics Quarterly*, *7*(4), 145. Harvard Business School Press. doi:10.2307/3857215

Reichheld, F. F. (1996) *The Loyalty Effect*, Harvard Business School Press, Boston.

Reichheld, F. F. (2003). The one number you need to grow. *Harvard business review*, *81*(12), 46-54, 124.

Reichheld, F. F. (2003). The One Number You Need to Grow. *Harvard Business Review*, *81*(12), 46-54. Harvard Business School Publication Corp. Retrieved from http://www.ncbi.nlm.nih.gov/pubmed/14712543

Rogers, M. (2005). Customer Strategy: Observations from the Trenches. *Journal of Marketing*, *69*(4), 262-263. American Marketing Association. doi:10.1509/jmkg.2005.69.4.262

Rouse, P., & Putterill, M. (2003). An integral framework for performance measurement. *Management Decision*, *41*(8), 791-805. MCB UP Ltd. doi:10.1108/00251740310496305

Russell, M. G. (2010). A CALL FOR CREATIVITY IN NEW METRICS FOR LIQUID MEDIA. *Journal of Interactive Advertising*, *9*(2), 44-61.

Rust, R. T., Ambler, T., Carpenter, G. S., Kumar, V., Rajendra, K., & Srivastava, K. (2004). Measuring Marketing Productivity: Current Knowledge and Future Directions. *The Journal of Marketing*, *68*(4), 76-89.

Rust, R., Lemon, K., Zeithaml, V., (2004). Return on marketing: Using customer equity to focus marketing strategy. *J. Marketing 68*(1) 109–126

Saaty, T.L., (1980) *Multicriteria Decision Making: The Analytic Hierarchy Process,* McGraw-Hill, New York.

Sarner, A. G., Thompson, E. G., Dunne, M. G., & Davies, J. G. (2010). Top Use Cases and Benefits for Successful Social CRM. *Gartner Research*, (December). Retrieved from http://www.gartner.com/DisplayDocument?id=1485114&ref=g_sitelink

Schau, H. J., Muñiz, A. M., & Arnould, E. J. (2009). How Brand Community Practices Create Value. *Journal of Marketing*, *73*(5), 30-51. Am Marketing Assoc. doi:10.1509/jmkg.73.5.30

Sedera, D., Gable, G., & Rosemann, M. (2001). A Balanced Scorecard Approach to Enterprise Systems Performance Measurement. In G. Finnie, D. Cecez-Kecmanovic, & B. Lo (Eds.), *Australasian Conference on Information Systems* (Vol. 1, pp. 1-12). Ieee. doi:10.1109/BIFE.2009.129

Shah, J., Vargas-Hernandez, N., and Smith, S., (2003). Metrics for Measuring Ideation Effectiveness," *Design Studies,* Vol. 24, No. 1, pp. 111–134.

Short, J., Williams, E., & Christie, B. (1976). *The social psychology of telecommunications*. Hoboken, NJ: John Wiley & Sons, Ltd.

Silverman, D. (2000). Doing qualitative research: A practical handbook. *Organization*, *7*(2), 395. Sage publications LTD.

Sim, K. L., & Koh, H. C. (2001). Balanced scorecard: a rising trend in strategic performance measurement. *Measuring Business Excellence*, *5*(2), 18-27. doi:10.1108/13683040110397248

Skinner, W. (1986). The Productivity Paradox. *Harvard Business Review*, *64*(June), 55-59. Retrieved from http://beringia.com/climate/content/productivity.shtml

Slater, S. F., & Narver, J. C. (1995). Market Orientation and the Learning Organization. *Journal of Marketing*, *59*(3), 63. JSTOR. doi:10.2307/1252120

Solis, B. (2008). Introducing the conversation prism. Retrieved from http://www.briansolis.com/2008/08/introducing-conversationprism.html

Solis, B. (2010). *Engage: The Complete Guide for Brands and Businesses to Build, Cultivate, and Measure Success in the New Web*. John Wiley & Sons, Hoboken, NJ.

Srivastava, R. K., Shervani, T. A., & Fahey, L. (1998). Market-Based Assets and Shareholder Value: A Framework for Analysis. *The Journal of Marketing*, *62*(1), 2-18. American Marketing Association. Retrieved from http://www.jstor.org/stable/1251799

Sterne, J. (2010). *Social Media Metrics: How to Measure and Optimize Your Marketing Investment*. (Wiley, Ed.)*Media* (Vol. 3, p. 272). John Wiley & Sons.

Survey, M. G. (2011). What marketers say about working online. *Digital Marketing*.

Swallow E. (2010). *Dell to launch Social Media Listening Command center*. Retrieved from: http://mashable.com/2010/12/08/dell-social-listening-center/

Szymanski, D. M., Bharadwaj, S. G., & Varadarajan, P. R. (1993). An Analysis of the Market Share-Profitability Relationship. *Journal of Marketing*, *57*(3), 1-18. American Marketing Association. doi:10.2307/1251851

Teas, R. K., & Palan, K. M. (1997). The Realms of Scientific Meaning Framework for Constructing Theoretically Meaningful Nominal Definitions of Marketing Concepts. *Journal of Marketing*, *61*(2), 52. JSTOR. doi:10.2307/1251830

Twitter. (2011, November 18). *Year in review* [Press release], Retrieved from http://yearinreview.twitter.com

Urban, G. L. (2005). Customer Advocacy: A New Era in Marketing? *Journal of Public Policy Marketing*, *24*(1), 155-159. American Marketing Association. doi:10.1509/jppm.24.1.155.63887

Venkatraman, N., & Ramanujam, V. (1986). Measurement of Business Performance in Strategy Research: A Comparison of Approachs. *Academy of Management Review*, *11*(4), 801-814. Academy of Management. doi:10.2307/258398

Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer Engagement Behavior: Theoretical Foundations and Research Directions. *Journal of Service Research*, *13*(3), 253-266. SAGE Publications. doi:10.1177/1094670510375599

Vivek, D., Beatty, S.E., & Morgan, R.M. (2010). Consumer Engagement: Exploring Customer Relationships Beyond Purchase. Paper submitted to the Journal of Marketing Theory and Practice.

Voyles, B. (2007). Beyond Loyalty: Meeting the Challenge of Customer Engagement. *Economist Intelligence Unit*. Retrieved from: http://www.adobe.com/engagement/pdfs/partI.pdf

Walker, O. C., & Ruekert, R. W. (1987). Marketing's Role in the Implementation of Business Strategies: A Critical Review and Conceptual Framework. *Journal of Marketing*, *51*(3), 15. American Marketing Association. doi:10.2307/1251645

Weinberg, B. D., & Pehlivan, E. (2011). Social spending : Managing the social media mix. *Business Horizons*. doi:10.1016/j.bushor.2011.01.008

Whetten, D. A. (1989). What Constitutes a Theoretical Contribution ? *Academy of Management Review*, *14*(4), 490-495.

White, G. P. (1996). A survey and taxonomy of strategy-related performance measures for manufacturing. *International Journal of Operations & Production Management*, *16*(3), 42-61. doi:10.1108/01443579610110486

Wind, Y., & Saaty, T. L. (1980). Marketing Applications of the Analytic Hierarchy Process. *Management Science*, *26*(7), 641-658. INFORMS. doi:10.1287/mnsc.26.7.641

Winer, R. S. (2001). A framework for customer relationship management. *California Management Review*, *43*(4), 89–105.

Wisner, J. D., & Fawcett, S. E. (1991). Link firm strategy to operating decisions through performance measurement. *Production and Operations Management*, *32*(3), 5-11.

Yamagata-Lynch, L. (2010). Qualitative Research: A Guide to Design and Implementation: Revised and Expanded from Qualitative Research and Case Study Applications in Education. *Learning*.

Yi, Y. (1990). A Critical Review of Consumer Satisfaction. (V. A. Zeithaml, Ed.) *Review of Marketing*. American Marketing Association.

Yin, R. K. (2009). *Case Study Research: Design and Methods*. (R. Yin, Ed.) (Vol. 1). Sage Publications.

Zablah, A., Bellenger, D. N., & Johnston, W. J. (2004). An evaluation of divergent perspectives on customer relationship management: Towards a common understanding of an emerging phenomenon. *Industrial Marketing Management*, *33*(6), 475-489. doi:10.1016/j.indmarman.2004.01.006

Zeng, D., Chen, H. C. H., Lusch, R., & Li, S.-H. L. S.-H. (2010). *Social Media Analytics and Intelligence*. *IEEE Intelligent Systems* (Vol. 25, pp. 13–16). IEEE. doi:10.1109/MIS.2010.151

Appendices

A - Case Study Protocol

1) Introduction to the Case Study and the Purpose of Protocol

The purpose of this protocol is to increase the reliability of the forthcoming case study research. It provides guidance in the process of data collection and is considered to be an essential instrument when multiple cases are investigated.

A case study approach is chosen since it is regarded to be a suitable approach to explore new topic areas and investigate contemporary practices within organisations. Social media and Social CRM are very recent phenomena. Factors and conditions necessary for effective performance measurement are not well understood. To obtain an in-depth understanding relevant factors of Social CRM performance we first need to explore how and why firms use Social CRM. Validation of our literature derived Social CRM performance measurement framework requires further to tap into experiences and opinions of practitioners in regards to Social CRM measurement practices and procedures. The main goal of the case studies is to explore if our theoretical assumptions are correct and justified (e.g. are our assumed main areas/perspectives of Social CRM business value/performance correct?). The case studies are directed at organizations that can be considered Innovation leaders. Early adopters that have already reached a certain degree of maturity in their Social CRM practices are considered to be the most promising candidates for the investigation. The idea is that such companies could potentially serve as exemplary organisations in regards to their measurement practices.

The initially defined overarching research interest concentrates on the issue of how companies can determine business value and effectiveness of Social CRM activities. The researchers believe that an important first step towards solution of this issue is the development of a conceptual measurement framework. Ultimate goal of the case studies is to validate our theory derived Social CRM measurement framework. For this purpose four sub-research questions have been defined to guide in field data gathering:

D1a. *What is a suitable model framework for sCRM performance measurement?*

D1b. *What essential perspectives and metrics should be considered for evaluating sCRM performance?*

D2a. *Which goals do companies aim to achieve when using social media for CRM purposes?*

D2b. *How do leading organizations approach sCRM performance measurement?*

Logic model for Social CRM Performance Measurement

A logic model underpins case study design by depicting the chronological chain of evidence progressing from inputs (i.e. causes) to outcomes (i.e. effects). As such, the logic model provides a clear framework for developing the case study protocol, for comparing theoretical assumptions with case study findings, and ultimately for conducting cross-case analysis. The Social CRM performance logic model incorporates and illustrates:

- Theorized key overarching areas Social CRM performance;
- Hypothesized cause-effect relationships of value generation between performance areas;
- Input/output areas and hypothesized mechanism by which the Social CRM entity effects overall corporate (financial) performance.

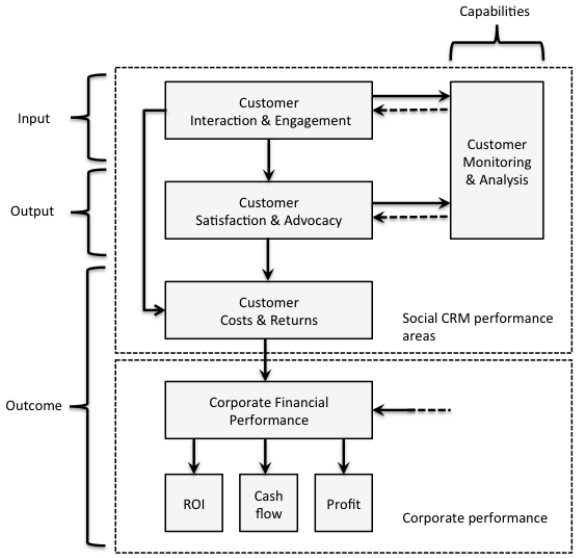


Figure 1 – Social CRM performance logic model

2) Data Collection Procedures

In exploring the basic conditions and elements of Social CRM performance measurement we will primarily rely on three sources of data: (1) a carefully selected set of corporate users and interviews with key people within these companies; and (2) information on Social CRM activities obtained by analysing secondary information, primarily the corporate website; (3) relevant documents reviewed or obtained while on site.

The investigator prepares for site visits by reviewing available information about the case company on the corporate website or other Internet sources. The following section contains the tools that will be used for data gathering and cross-case analysis. The four above outlined sub-research questions are consolidated into two central topic

areas of the interview guideline, which represent crucial information to be sought by the investigator. These two topic areas represent the research interest as defined by the two categories of sub-research question D1 (ab) and D2 (ab). Apart from these two topic areas there are two introductory sections in the interview guideline. First we position the interview topic by clarifying both the interviewees and subsequently our own view of Social CRM. Next we pose some general questions on the company and interviewee. 1

3) Case Study Questions

Introduction and positioning

- What do you understand by Social CRM?
- How do you position Social CRM compared to traditional CRM?

Interviewee and company details

- What is your current position in your company?
- What are your tasks and responsibilities in regards to the social CRM activities of your company?
- What are your experiences with Social Media in a business setting?
- Since when does your organization use social media for customer related processes?
- Can you tell the reasons why your company introduced Social CRM? Was the decision based on a business case?
  (Competitive pressure/ Customer expectations/ risk minimization etc.)
- How innovative would you say your organization is in general, compared to other organizations in your line of business?
  - Less innovative/comparable innovative/more innovative/far more innovative

Social CRM goals and objectives (D2, ab)

To address this area of inquiry the investigator will identify primarily

- Reasons that led to the adoption of Social CRM;
- business purpose for which the company currently uses Social CRM (i.e. use cases)
- If defined, the concrete objectives that the firms aims to achieve, (1) in respect to specific use cases, and (2) with the Social CRM activities in general. We are as well interested if Social CRM objectives correspond, and to what extent, with high-level business goals;
- What the interviewee regards as the most important areas in which Social CRM creates business value.

Besides providing useful background information which helps to better understand the how and why questions of Social CRM adoption, this section relates to the

specification Social CRM performance areas of the logic model (i.e. areas where Social CRM creates business value). In the following we present the full set of questions for this topic area. Questions in italic are crucial questions. Other questions provide auxiliary or background information.

- *Which objectives does your organization aim to achieve with Social CRM – at the level of business goals and at the use-case level?*
- *How does your organization use Social CRM? What use-cases exist?*
    - *According to CRM core processes: marketing/sales/customer service*
    - *Other use-cases (e.g. idea generation/crowdsourced R&D)*
    - *Which platforms do you use? (forums, blogs, customer communities, social networks, microbloging etc.)*
- *Which objectives does your organization aim to achieve with Social CRM – at the level of business goals and at the use-case level?*
- *What do you regard as the most important areas where Social CRM creates business value?*
- To what extent do Social CRM objectives correspond with high-level business goals?
- Which maturity level would you attest to your Social CRM activities?
  (beginner /advanced beginner/advanced/expert)

Social CRM performance measurement and metrics (D1, ab)

This category captures information on the main research interest. It is aimed to explore how firms

- Actually assess achievement of objectives and measure performance measurement practices and,
- How they think Social CRM performance should be ideally assessed (i.e. after which aspects/areas) or what the interviewees regard as Social Media/CRM performance in the first place;
- Finally, what essential key performance indicators for these areas are or could be.

This section provides more detailed information on the state-of-the-art in Social CRM measurement practices, on the nature of performance areas, the basic structure of the logic model, as well as conditions for Social CRM performance measurement. Below is the full set of question for this area (italic – crucial, others- auxiliary)

- *How do you control achievement on Social CRM goals? Do you use certain approaches, methods, tools or techniques? If yes, which? In which intervals takes measurement place?*
- *Is performance measurement based on specific objectives? Is there a continuous benchmarking/comparison of performance based on the initial use-case expectations?*

- How are the results of the performance measurement analyzed? Are Social CRM processes, and the performance measurement process itself, based on the results continuously refined?
- *What are in your opinion central characteristics Social CRM performance? What would be appropriate important dimensions/areas that should be considered when measuring Social CRM performance (high-level categories to classify metrics)?*
- *Are there certain metrics that you would regard as key performance indicators for these core dimensions/areas? Which metrics are currently used?*
- (optional) How do you rate the importance of financial and nonfinancial metrics for Social CRM performance assessment?
    - Which nonfinancial aspects are in your opinion of greatest importance?
- How effective do you think the currently used performance measurement procedures are?

4) Outline case study report

1. Case company characteristics

Contains a description and relevant background information on the case organisation.

2. Case company goals and objectives

Outlines reasons that led to Social CRM adoption, objectives the firm aims to achieve with and how the firm uses Social CRM to achieve those goals.

3. Social CRM measurement practices

Contains a description of the actual measurement procedures and practices of the case organisation. As well the reported and perceived maturity and effectiveness of measurement practices is described. Besides the actual measurement procedures we describe what the interviewee things an ideal Social CRM measurement should comprise and what basic premises are.

B - Interview guide

Interviewleitfaden zum Thema:
"Social CRM Performance Measurement"

Befragte Person:

Unternehmen:

Interviewer:

Fabio Kornek

Master-Student

Besten Dank für Ihre Teilnahme!

Ziel der Interviews

Im meiner Masterarbeit am Institute of Information and Computing Sciences der Universität Utrecht (Betreuer Dr. Remko Helms) in Zusammenarbeit mit der Cirquent GmbH soll ein tiefergehendes Verständnis über aktuelle betriebliche Vorgehensweisen, wichtige Einflussfaktoren und Voraussetzungen in Bezug auf die Leistungs- und Erfolgsbestimmung (Performance Measurement) von Social CRM entwickelt werden.

Einordnung

Das Interview ist Bestandteil des empirischen Teils der Masterarbeit.

Zeitrahmen

Der geplante Zeitrahmen für das Interview beträgt zwischen 30-45 Min.

Inhalt des Interviews

Das Interview ist in 5 Themenkomplexe gegliedert.

1. Einführung und Positionierung
2. Eckdaten zum Unternehmen
3. Social CRM strategische und operationale Zielsetzungen
4. Social CRM Performance Measurement und Metriken
5. Angaben zur Person und Diskussion der vorl. Ergebnisse

Art des Interviews

Es handelt sich um ein halbstrukturiertes Interview. Da der Untersuchungsgegenstand verschiedene Interpretationen zulässt und sich einer einheitlichen Klassifikation und Zuordnung entzieht, weisst das Interview einen explorativen Charakter auf. Die Interviewfragen sind aus diesem Grund weitgehend offen gehalten um Wissen, Erfahrungen und Einstellungen des Befragten zu ermitteln.

Datenschutz und Vertraulichkeit

Mit Ihrem Einverständnis wird das Interview aufgezeichnet. Ich versichere, dass in der Masterarbeit sowie alle gegebenenfalls daraus resultierenden Veröffentlichungen keine Namen von Personen und Unternehmen genannt und die Daten ausschließlich zu wissenschaftlichen Zwecken verwendet werden.

Bereitstellung der Ergebnisse

Nach Auswertung der Interviews sende ich Ihnen die Ergebnisse je nach Wunsch per E-Mail und/oder Post zu.

Fragestellungen

I Einführung und Positionierung

1. Was verstehen Sie unter Social CRM?
2. Was sind Ihrer Ansicht nach die wichtigsten Unterschiede zwischen Social CRM im Vergleich zu traditionellem CRM?

II Eckdaten zum Unternehmen

3. Seit wann setzt Ihr Unternehmen Social Media für kundenseitige Prozesse ein?
4. Was waren die Gründe für die Einführung von Social CRM.
5. Welchen Reifegrad würden Sie Ihren Social CRM Aktivitäten im Vergleich zu Ihren Wettbewerbern attestieren?

[Anfänger - fortgeschrittener Anfänger – Fortgeschrittener – Experte]

6. Als wie innovativ würden Sie Ihr Unternehmen im Vergleich zu Ihren Wettbewerbern einschätzen?

[Weniger innovativ - vergleichbar innovativ – innovativer - viel innovativer]

III Social CRM strategisch und operationale Zielsetzungen

7. Welche Zielsetzungen verfolgt Ihr Unternehmen mit Social CRM?
8. Welche Social CRM Anwendungsfälle existieren aktuell?
9. Inwiefern helfen Ihnen diese Anwendungsfälle die zuvor genannten Zielsetzungen zu erreichen?
10. Korrespondieren Social CRM Zielsetzungen mit übergeordneten Unternehmenszielen? Wenn ja, inwiefern?

IV Social CRM Performance Measurement und Metriken

11. Wie wird die Zielerreichung kontrolliert?
12. Findet die Erfolgsmessung auf Basis definierter Zielsetzungen statt?
13. Wie werden die Daten der Erfolgsmessung a) ausgewertet und b) verwertet?
14. Wie schätzen Sie die Effektivität der derzeit angewendeten Erfolgsmessungsprozesse ein? Welche Probleme/Herausforderungen gibt es?
15. Was halten Sie für die wichtigsten Bereiche in denen Social CRM Business Value generiert und die als Kernbereiche für ein Performance Measurement dienen könnten?
16. Können Sie bestimmte Metriken benennen, die sich als Key Performance Indicators für diese Kernbereiche eignen? Welche Metriken werden aktuell verwendet?
17. (Optional) Wie beurteilen Sie die Bedeutung von finanziellen Metriken im Vergleich zu nichtfinanziellen Metriken zur Erfolgsbestimmung von Social Media/CRM?

V Angaben zur Person und Diskussion der vorläufigen Ergebnisse

18. Was ist Ihre derzeitige Position im Unternehmen?
19. Was sind Ihre Aufgaben bzw. Verantwortlichkeiten im Hinblick auf die Social Media Aktivitäten Ihres Unternehmens?
20. Was sind Ihre Erfahrungen mit Social Media im betrieblichen Umfeld?

C - Introduction letter sent to case candidates

Einordnung, Zielsetzung und Anlass der Studie

Die Anforderungen an Unternehmen hinsichtlich Kundenkommunikation und dem Management von Kundenbeziehungen erfahren derzeit einen starken Wandel. Dieser Wandel wird getrieben durch das explosive Wachstum in der privaten Nutzung von Social Media. Vor diesem Hintergrund beginnen mehr und mehr Unternehmen Social Media für kundenbezogene Prozesse wie Marketing, Verkauf und Kundenservice einzusetzen. Solche Anwendungen, auch als Social CRM bezeichnet, sind jedoch noch in einer sehr frühen Phase der Entwicklung. Internationale Studien zeigen, dass eine der größten Barrieren für die Einführung und erfolgreiche Anwendung von Social Media für kundenseitige Prozesse in unzureichenden Möglichkeiten hinsichtlich des Nachweises und der Quantifizierung des geschäftlichen Nutzens zu sehen sind. Um den Mehrwert von Social Media und Social CRM Aktivitäten adäquat beurteilen und Prozesse angemessen kontrollieren und steuern zu können, ist ein Performance Measurement essentiell.

Im Rahmen einer studentischen Abschlussarbeit der Universität Utrecht werden deshalb in Zusammenarbeit mit NTT Data die Grundlagen und Voraussetzungen für ein effektives Social CRM Performance Measurement erforscht. Für den empirischen Teil der Arbeit sind Fallstudien und Interviews mit Anwendungsunternehmen geplant. Es geht darum, mehr über angewendete Vorgehensweisen, Erfahrungen und Herausforderungen hinsichtlich der Social CRM Aktivitäten und deren Erfolgsbestimmung zu erfahren. Die Fragen richten sich dabei an Personen, die einen guten Überblick über die Social Media Aktivitäten Ihres Unternehmen haben.

Ihre Teilnahme ist sehr wichtig für uns! Sie können dazu beitragen praxisrelevante wissenschaftliche Erkenntnisse zu einem sehr aktuellen und immer wichtiger werdenden Thema zu gewinnen. Für das Interview (persönlich od. telefonisch) sind ca. 45 Min. angesetzt. Sie profitieren von einer Teilnahme, denn die Ergebnisse der Arbeit werden Ihnen zur Nutzung für eigene Zwecke zur Verfügung gestellt. Dies beinhaltet auch eine Übersicht von Best Practices anderer innovativer Unternehmen von denen Sie lernen können.

Sollten Sie Fragen zum geplanten Ablauf des Interviews oder zum Forschungsprojekt selbst haben zögern Sie bitte nicht mich persönlich zu Kontaktieren. Gerne beantworte ich alle Ihre Fragen.

Besten Dank im voraus!