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Challenges and opportunities of Social CRM implementation: analysis of Telecom Italia's customer strategy on social media.

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Summary

Abstract

Con la crescita dei social media, gli esperti sostengono l'adozione della Social Customer Relationship Management nelle strategie aziendali. Si tratta di un'integrazione delle precedenti idee, comprendenti ad esempio la comunicazione diretta ed i principi del coinvolgimento del cliente, da esplicitare tramite l'utilizzo dei social media.

Questa prova passa in rassegna alcuni degli studi svolti a riguardo negli ultimi decenni, evidenziando opinioni correnti, percezioni divergenti e le future direzioni delle strategie di Customer Service nell'ambito delle piattaforme digitali.

Allo stato attuale, gli studiosi hanno fornito definizioni, obiettivi ed approcci soggetti, tuttavia, a continui aggiornamenti e mutazioni.

Per sviluppare una buona strategia di SCRM, è importante comprendere innanzitutto che le nuove tecnologie permettono alle persone di connettersi rapidamente, conversare, creare e collaborare tra loro. Il Web 2.0 e i Social Media promuovono infatti, una gestione cliente-centrica dell'azienda, la quale mira a stabilire relazioni reciprocamente vantaggiose tra le parti.

Una strategia di SCRM richiede inoltre, un impegno di trasformazione tra tutte le parti organizzative: l'attuazione di una radicale trasformazione nella modalità di interazione tra azienda e cliente richiede infatti un allineamento dei processi interni, nonché una reale correlazione con il ciclo di vita del cliente.

A tal proposito si analizza una campagna di gestione della clientela basata sui social media, realizzata da Telecom Italia e si rimanda ad ulteriori approfondimenti e ricerche sul tema.

Introduction

This paper seeks to conceptualize the emerging business strategy of Social CRM, which has developed from traditional CRM, as a consequence of the adaptation of business approaches to customers' evolution in the Internet-based context.

It focuses on strengths and weaknesses of SCRM that may cause its success or failure and it concludes with an analysis of the project "Caring on Social Media" developed by Telecom Italia in the latest years, as a response to the challenges imposed by the new digital era.

In an increasingly competitive and more interactive market, a company, which is trying to actively gain a competitive advantage, should continuously extend the knowledge about its customers, who are changing drastically due to the arrival of Internet into the daily life, as summarized by the following graph designed by Cipriani (2013).

Source: CIPRIANI, F., 2013. *Corporate Blogging*. 2nd ed. San paolo: Novatec editora.

Nowadays clients are not passive actors in the business framework: they have increased the awareness of their potentiality in influencing trends and economics contexts, turning into active players who "have started to use power in the markets", as claimed by Wymbs (2011, p. 96). For the fact, consumers spend more and more time in digital environments: they search, get informed, analyze and compare goods, producers and their features before engaging with a firm and buying a product.

The boom of common use of Internet in the early 2000s has made this processes easier, quicker and wider, generating a change in information and communication channels, which led to an explosion of social networks and communities.

The Web 2.0[1] has become one of the greater source of information during a purchasing process and it is important to highlight that the information is not only searched, but also shared. Consumers share with other end-users their experiences, opinions, positive feelings and negative reaction about brands and services. They discuss openly and frankly in the various platforms provided by the net, whether organizations are involved in the conversation or not.

Therefore, not only channels have changed, but also the ways people communicate. They trust more their friends, relatives and colleagues, who are the so-called "customer like me" (Greenberg 2010a, p. 98), rather than advertisements and corporate communications promoted by companies. Consumers talk to each other like never before and companies need to listen to their needs, moods, behaviors and wishes, internalizing the information. Producers require as well, to engage in conversation with the clients, in an open and human-like way, being transparent in order to gain customers' insights and a better understanding (Weber 2009).

Hence a firm should not act like a broadcaster pushing out messages, but like an aggregator, who brings content together, enables collaboration and participation in communities (Himanem, 2011).

But it does not mean that companies should just become friends, linked or follow their users. It signifies instead that they are supposed to reach a membership and then a leadership position in the information flows created by consumers. Indeed, the key of having success in the digital environment without losing firm's personality and reputation, is understanding how to act and react with effectiveness, innovation and appeal to customers' demand.

For the fact, a social business understands its ecosystem and leverages people as well as the platform. Any company that is able to engage itself with this new idea, will be able to build and deliver better products and services and will have longer lasting relationships with each member of the social ecosystem (Zatletva, Zabunov, and Velev, 2011).

Thus it is fundamental for firms in order to create added value, realizing the growing importance of the Web 2.0 as it introduces several digital means, such as social media and new tools which organizations can use for their communication with references to customer relationship management.

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[1]The recently coined 'Web 2.0' is a concept that describes the evolution of the internet from a static environment to an interactive community (Brennan, 2010).

The above mentioned observations are the basis of this dissertation, which is structured into four chapters: the first one provides a general introduction about the traditional CRM, since it may help to better understand the dynamics of the core content. The second chapter is focused on a theoretical presentation of Social CRM, while in the following one, the concept is analyzed with regards to the implementation of social media strategy in customer services. The third chapter in fact, discusses strengths and weaknesses of SCRM approaches in corporate businesses.

The last one examines the case of Telecom Italia, an Italian leading company in the telecommunication market, focusing in particular on its "Caring on Social Media" project, which consists in the realization of a pioneering SCRM strategy within its business model aimed to respond to new social consumers' expectations. After a brief overview of the mobile telecommunications sector in Italy and the company, the chapter describes the corporate SCRM strategy, with attention to the structure and the operation of the main touch points through which the company interacts with its customer base; the social networks where Telecom Italia has established its presence, as well as to the activities aimed to maintain and satisfy their customers. Then, it highlights the factors that enabled to consider Telecom Italia's SCRM activities best practices, compared to its competitors. Eventually, corporate future challenges are described, considering the changing environment in which the company acts.

The choice of analyzing Telecom Italia SCRM strategy is due to the following reasons: firstly the curiosity of understanding how a company which has been created before the spread of social networks faces the consequences of the digital era and responds to new social consumers and secondly, what techniques and tools large firms, like Telecom Italia, use to communicate, manage and satisfy their clientele, considering that their customer bases are composed by millions of clients, which lead to even more direct and indirect, controllable and uncontrollable, interactions in the Web.

Both assumptions and deductions are theoretical: the consulted sources are mostly books, news items and academic researches. These have been largely used in the first three chapters, while in the last one to investigate the case study, information has been collected principally from corporate website, official reports and external consulting papers. So far surveys or empirical studies about the effectiveness and the results of Telecom Italia's customer strategy on social media have not been published and there was not the possibility to ask direct validations to the managers of the company, while writing the dissertation. Therefore the analysis requires further insights, to go beyond its limits.

CHAPTER 1: Customer Relationship Management and Social Media

1.1 Definitions of CRM

Despite the fact that Customer relationship management (CRM) has been studied by various researchers and practitioners, there is no clear accepted definition for CRM, as it holds different meanings, each focusing on a specific and different aspect of this phenomenon. Zablah, Bellenger and Johnston (2004) have found 5 different ways to define CRM: as a process, a strategy, a philosophy, a capability and a technology.

It is an approach thought to manage company's interactions with current and future consumers. It often involves using technologies to organize, automate and synchronize sales, marketing, customer service and technical support.

CRM was later formalized as "the cross-functional integration of processes, people, operations and marketing capabilities that is enabled through information, technology [which is vital to CRM implementation] and applications" (Payne and Frow, 2005, p. 168).

As proved by Parvitiyar and Sheth (2001) in various researches, CRM is often confused with relationship marketing and the best differentiation may be that, where relationship marketing is concerned with managing relationships with multiple stakeholders, CRM is concerned with managing the most important relationship, which is that with the end-user (Chen and Ching, 2007).

The first generation of CRM did not realize its flexibility and ability to align business processes with customer strategies, in order to build consumer loyalty and increase profits over time (Rigby, Reichheld and Schefter, 2002). So it referred exclusively to data, tasks and transaction management, delineating technology-based users softwares, technologies and tools. Hence, CRM was internally focused on optimizing specific processes of all sizes and by several departments, with the result that the value to the end-user was limited within the company (Lieberman, 2010).

As consumers, their expectations and ways of connecting with each other and the firm have changed, practitioners and researchers understood the real potentiality of CRM, as a "set of business processes that focus on managing the customer experience" (Zablah, Bellenger and Johnston, 2004, p. 479) and allow companies to develop a one-to-one relationship strategy, as it determines how well a firm is able to relate to its clients through different channels, message, products and services (Richards and Jones, 2008).

The strength of CRM is that it helps companies to establish collaborative relationship, based on bidirectional communication between the buyer and the seller, converting the human interactions into "tangible business value" (Payne and Frow, 2005, p. 167).

However what seems to be common despite various definitions of CRM, is its partition in three main components: people, processes and technology.

In order to have an effective CRM system, a full integration among these elements needs to be considered. Both business processes and technology are critical factors in successful CRM adoption, but people from both inward perspective, as decision makers, executors and users and outward perspective, as clients, are vital in a CRM strategy. In these regards CRM moves substantially along three directions: acquisition of potential customers, deepening relationships with the new ones and loyalty reinforcement of those who have already close relations with the company.

CRM systems can also be divided into three layers: operational, analytical and collaborative, which are briefly and essentially represented in the following framework (Greenberg, 2004).
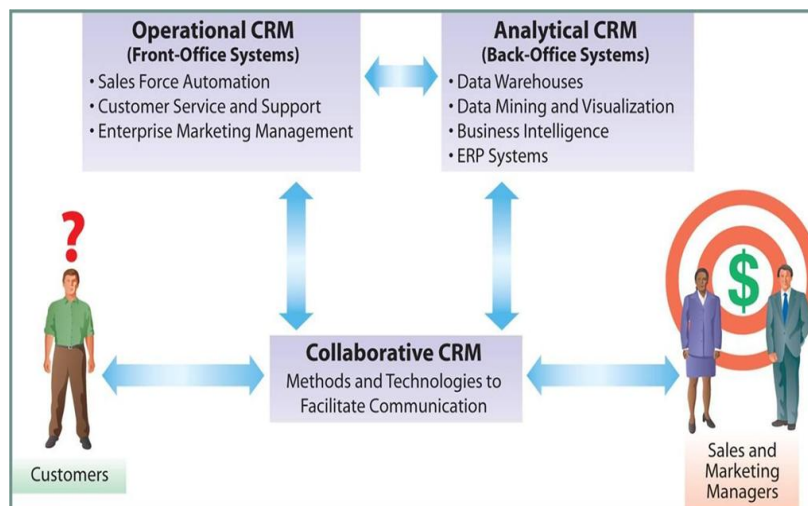
Source: GREENBERG, P., 2004. *CRM at the speed of light: essential customer strategies for the 21st century*. 3rd ed. New York: McGraw-Hill/Osborne.

Among these, collaborative CRM, which creates a possibility of interaction between an organization, its channels and customers, is the most relevant to this dissertation, due to its influence and concrete use in SCRM.

1.2 Benefits of CRM implementation

The benefits that the implementation of a CRM strategy can bring to a company are various.

Firstly, the analysis of profiles and information directly or indirectly disclosed by customers during the different stages of the buying process, enables firms to better understand sales and marketing trends. They can be used internally to change and ameliorate services, products, promotions and pricing strategies provided by the companies, in order to match in a more satisfying way customers' needs. Indeed, the knowledge gained on clients behavior, attitudes and mood will help to drive benefits throughout the value chain, impacting on suppliers, for example forecasting demand and intermediaries, for instance shaping in-store promotions (Woodcock, Green, Starkey, 2011a).

In addition, as suggested by Richards and Jones (2008, p. 125) data collection cannot only "improve sales force efficiency", but also "the ability to target profitable customers", focusing above all on prospective clients, who are those whose intentions to purchase are the strongest and, in a great extent, they are likely to be influenced by an additional motive to perform a purchase.

Furthermore, CRM helps to enhance customer care by individualized marketing messages and improving customer service efficiency (Goldenberg, Richards and Jones, 2008).

In other words, the use of CRM consents companies to develop an analytic customization of the output, since it heads to identify more specifically the various targets of the market.

Finally, from a financial point of view, benefits apply across customer life cycle, in acquisition, retention, value development and cost-to-serve management, which is led to a lower level.

1.3 CRM and Social Media

Oxford Dictionary (2015) defines Social Media as dedicated websites and applications used to communicate with other users, or to interact with people who have similar interests. Indeed social media platforms allow consumers to form a sort of tribal community around a product or brand, where the central goal is to share their experiences generating a consumer-to-consumer driven information, which increases common awareness and brand credibility.

Internet and social media has removed the barriers that existed beforehand in traditional word of mouth such as location, time and access. In fact, Internet has become "an enabler of global marketplace", empowering consumers to communicate speedily with peers, change their own opinions and ultimately to define and picture brands according to their perceptions (Pires et al., 2006, p. 937).

The considerable extent that new digital tools and platforms have had in the latest years, proves that SM is not a fad, but a fundamental shift in the way people communicate, above all, because it uncovers new information that once was difficult to find (Davis Kho, 2008).

These technologies have qualified customers to ''serve as retailers themselves on eBay, media producer or directors on YouTube, authors on Wikipedia and critical reviewers on Amazon and Tripadvisor' (Hennig-Thurau et al., 2010, p. 311).

As a result, social media have instigated a shift of power from the business towards the consumer (O' Brien, 2011), which means a deviation from a product or firm-based approach to a consumer-based one.

This new characterization of the business environment may frighten managers, who seems to be not sure about how to monetize SM (McKay 2009). The problem that has to be taken into account when Social Media are adopted in a business strategy, is that users of SM are not necessarily customers of an organization; likewise, not all consumers use SM. Therefore businesses that select a social media strategy must accept the fact that they are partially losing control of the consumer and that the level of intimacy which CRM creates between the firm and the client, does not exist (so far) between organizations and users of SM. This means that it may be impossible to apply sophisticated analytical and operational tools of CRM to SM data.

To conclude it is evident that social media have mutated how enterprises interact and communicate with their clients as well as how they establish and implement their customer relationship management policies. In fact in the previous years the main focus of CRM has been managing the relationship from seller's perspective, but this top-to-down view has been challenged by the new social consumer, who demands companies to collaborate and act more like peer-to peer in customer relationships (Mohan et al.,2008).

CHAPTER 2: Social CRM

2.1 Theoretical background

Social Customer Relationship Management (Social CRM, SCRM or CRM 2.0) is a relatively new research field in the marketing arena, which has been difficult to define unequivocally since it represents a combination of different domains, such as marketing, sales and customer service. It deals with the integration of Web 2.0 and Social Media into CRM (Lehmkuhl and Jung, 2013), thus it represents an extension and an enrichment of the latter, not a replacement as showed in the pattern below, created by Lieberman (2010).
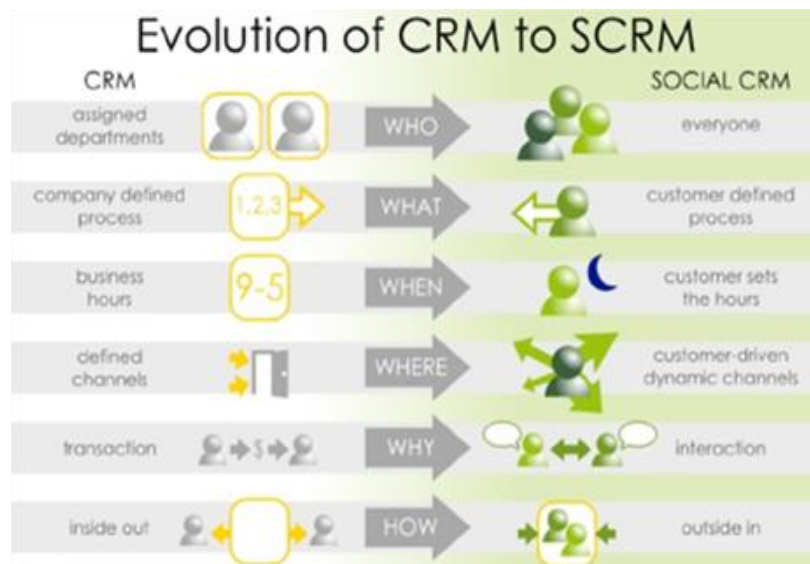
Source: LIEBERMAN, M., 2010. *Guide to Understanding Social CRM*. 1st Ed. San Francisco: Chess Media Group. 3.

SCRM has been defined by Greenberg (2010b) as a philosophy and a business strategy, supported by technology platforms, business rules, processes and social characteristics. It is designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value, in a trusted and transparent business environment, encouraging active client engagement and involvement (Faase, Helms, and Spruit 2011).

In other words, Social CRM describes the creation of a two-way interaction between the consumer and the firm. For the fact, it adds value back to users going beyond the simple buyer-seller transaction. Also, SCRM provides a 'human' outlook to the company so that the customers can view the enterprise as a trusted peer, just as they trust people like themselves. This shift has been possible thanks to Social Media, which provide the opportunity for marketers to become 'personal' and interact in a proactive way with thousands of customers

spread across the world on a 1:1 basis. Indeed SCRM is a new paradigm that aims to create meaningful conversation and high value relationships between a company and its clientele (Greenberg, 2010b).

SCRM has put the customers at the core of the corporate strategy: they are now considered not only as buyers but also as supporters and influencers from the beginning, in the co-creation of products, services and relationships and they are taken into account in business processes with a relevant position due to their new online power (Greenberg, 2009 and Jaffe, 2010).

This thoroughly affects operations, corporate value chain, organizational structure and culture, since it orients the company to churn out more customer friendly products, leading to improve users' satisfaction and consequently business profitability (Maoz, Jacobs, and Davies, 2009).

From these observations, it can be deduced that companies are evolving, moving from a purely transactional logic to an interactional logic with its customers. In fact currently most of large and medium-sized enterprises have a presence on social networks (e.g., Facebook pages and Twitter accounts), where they implement SCRM strategies, which represent the answer provided by companies to the discussions generated by consumers on social networks. But the realization of Social CRM systems requires transformational efforts among all organizational parts, whose starting prerequisite is the identification of Social CRM objectives and corresponding performance criteria, i.e. performance measures (Payne and Frow 2005).

The process is not easy as it may appear: many difficulties emerge as the concept reflects the need to incorporate digital social interactions to business processes, not only in terms of tools, channels and IT systems, but also in the customer care services, business culture and organizational processes in order to truly enable the company to engage with their existing and potential clients, bringing to the fore the emotional engagement with brand, product or service, rather than technology or techniques. In this regard Buchanan (2012) stresses that companies should strive to focus on people while other competitors are concentrating on tools, because focusing on people usually has a larger impact than any tool that can be bought. In effect, the pattern of customer behavior is changing. The tech-savvy generation use different communication modes including phones, e-mails and social forums. They expect to interact with companies using all these tools and be able to switch-over between different modes as and when it suits them. They expect as well the communication to be consistent across all channels. End-users now demand that organizations, companies, innovations, technologies and business methodologies adapt to their requirements. Thus, SCRM solutions should not only be oriented towards sales, marketing and services, but should also focus on customer loyalty, online commerce and the enhanced Web 2.0 guided worth for business.

Basically, as stated by Oakes (2005), social CRM should be a process of converting digital contents into conversations, extending these conversations into collaborative experiences, then transforming these experiences into meaningful and long-lasting relationships. This means continuously harvesting sentimental insights from customers' activities on social media sites and then integrating relevant information directly into the data collected from the traditional CRM systems, so as to boost consumers driven sales.

The Customer Experience Continuum diagram developed by Sica (2012) clearly illustrate this process.
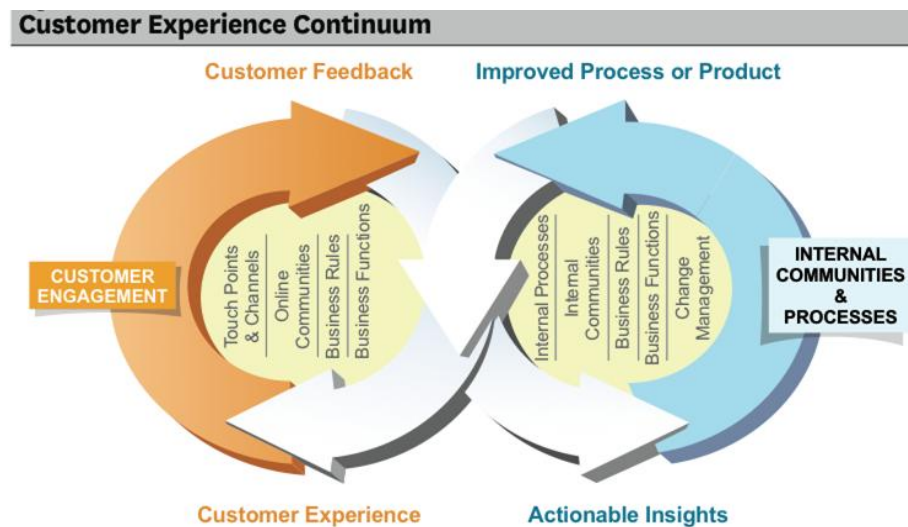
Source: SICA, R., 2012. Social Business Forum 2012 e preview del Social Business Manifesto. *Riflessioni* [online]. Available on <https://socialknowledge.wordpress.com/2012/05/18/social-business-forum-2012-e-preview-del-social-business-manifesto/ > [Date of access: 19/06/2015]

Social CRM is primarily addressed to customers, whose feedback allows companies to expand their informative and cognitive assets. Feedbacks are managed and analyzed together with other data collected through traditional CRM methods and, after being integrated into business processes, are spread outside to produce emotional experience. This process can be repeated indefinitely and it updates itself during the ongoing relationship between the customer and the company.

SCRM processes help enterprises to gain a more complete understanding of their clientele. It is in fact essential to keep in mind that customers are not homogeneous: they have different value to the brand. For instance, a consumer can be very engaged with a brand and buy its products every time they spend money on that category, but they may not spend much in that. Besides, committed customers' loyalty has to be won and it is rarely earned only through

price or sale promotions. In fact commitment is driven by a combination of three factors (Woodcock, Green and Starkey, 2011a):

- relevance: inasmuch customer cannot be committed if the category is not relevant for him;
- interest: as he cannot be committed if he is not interested in the category;
- uniqueness: since users cannot be committed if they think several providers have the same proposition in each category.

It is more difficult to gain committed consumers in some categories than it is in others, but it is possible in all, since all brands follow Pareto 80/20 rule. If companies can identify their high value customers or a large percentage of them, excluding those labeled as trivial and through SCRM they can get to know their behavior, attitudes and feelings, then companies will be able to finely target engagement activities. If they can get to know acquisition and retention dynamics of this group and alter these slightly, the impact on profits and market share will be significant. This is the reason why the term Social CRM is often used synonymously with social media monitoring: companies monitor social networks such as Facebook , Twitter , LinkedIn or Google+ in order to detect information related to their products or services and brand quotes, which are analyzed and incorporated in corporate database to react strategically and competently to the received inputs. Though, it is very difficult to measure how comments and buzz on SM, awareness, engagement and online interactions can cause, rather than just correlate, with sales.

2.2 Structure and functioning of SCRM

Sterne (2010) has identified seven major components that are used in SCRM.

1. Search Engines: help in the real-time identification of new sources and contents.

2. Social Media Monitoring tools: support analysis, reporting and monitoring.

3. Business Intelligence Tools: consolidate and analyze structured CRM and unstructured Social Web data.

4. CRM systems: manage and organize SCRM activities in conjunction with other CRM processes.

5. Social Media Management tools: support the coordinated use of and communication with several Social Media.

6. Community tools: help to create and interact with Social Web users.

7. Social Network Analysis tools: identify communication flows and interconnections between Social Web users.

Each of these tools differently contributes to an overall SCRM concept.

In the front end, Social Media provide access to postings and profiles, the main resources of SCRM; while in the back-end CRM systems provide data about market, users, interactions; integrate consumers touch points; yield a comprehensive view on clients data and offer CRM-specific functionalities, which help to ensure synchronized messages between all channels (Reinhold and Alt, 2011).

- Monitoring functionalities enable to search, analyze and mine Social Web content. They strongly rely on analytical features, such as attribute extraction, sentiment analysis or trend examination. These functionalities access, transform and interpret structured and unstructured data from the Social Web in conjunction with data coming from internal sources, such as the CRM database or other SCRM tools.

- Management functionalities help to integrate information and activities between CRM and Social Media, as well as to coordinate activities and resources. They are necessary to distribute information between the internal parties, that are involved in either SCRM activities or other CRM processes. These functionalities are largely used especially when companies intensify their SCRM and allocate more resources to them.

- Interaction functionalities allow both formal and informal communication and cooperation through Social Media. Their quality strongly depends on the capability of the firm to utilize existing knowledge and identify relevant discussions in the Web. They are required to interact and connect to the clients via Social Media, handling direct and indirect requests, and to propose contents which may stimulate communication flows.

2.3 SCRM platforms

Social media include various categories: each of them is characterized by different features and rules and is oriented towards the achievement of specific goals.

Some channels suit better for information mining and monitoring, while others to maintain conversations with customers (Gillin and Schwartzman 2011).

Social media varies also on the level of sophistication of the application. They can be tools, such as blogs or wikis; or be organized around user generated content, such as social bookmarking, comments, pictures or videos. The relevancy of each of them lies behind the fact that it is not the tools that make interaction social, but the way they are used. This is why, for example, a blog can be one way marketing channel or two-way interaction channel, depending on the corporate approach and will.

The most commonly used platforms in a SCRM strategy are listed and analyzed as follow (Greenberg, 2010b and Perin, 2012).

2.3.1 Blog

Blogs are the most widespread and established social media because their approach is simple and immediate.

It is a website, where textual or multimedia content in the form of post are published chronologically. A blog can be managed by one person or more to share ideas, knowledge or events of various kind.

A social media channel such as a blog can be effectively used as a marketing tool to promote leadership; as a sale one to engage with members of a forum and as a service tool to have a real-time check on claims, comments and suggestions offered by end-users.

It is generally used by companies both externally, to reach customers, affirm the brand and encourage the exchange of information and internally, to discuss ideas and foster collaboration within a team work. For the fact, A business blog is a tool with which the company promotes new products and services, establishes a less formal relationship with users and promotes a two-way and continuous dialogue.

Within a Social CRM strategy a blog can be an important opportunity for the top management to establish a direct link with clients and go beyond, conveying the idea that it represents a meeting place where users can exchange opinions, confront problems and ask about issues related to customer service.

The most important disadvantages related to the use of this channel are: the labor cost of maintaining and updating the blog, security issues and the possibility that the blog is perceived by users as a fabrication of the company with the result of not feeling free to express their opinion sincerely.

2.3.2 Enterprise Wiki

A wiki is a collection of web pages or hyperlinks designed to allow whoever can access to contribute, update, implement and modify the contents. Arguments are created in collaboration with all those who can access it. In fact Wikis are often used to create collaborative websites, which provide to users the feeling of being part of a community, strengthening their loyalty.

A company wiki is employed within a business context mainly to improve information sharing. The flexibility of the tool allows users to participate easily and actively, while its

dynamism urges all users to interact continuously, with the result of producing a proliferation of data.

Weaknesses of Enterprise wiki are: possible attacks by hackers; timing of the adoption process, which must be pondered to clients' trends and the lack of reliability or accuracy of the material provided by users. The freedom of expression is in fact, on one hand a good incentive for customers, because they can participate to any discussion without stress or restrictions, but on the other hand, it implies that there is no control of what it is written in the wiki. Of course there is a netiquette, but it does not guarantee the truthfulness of information shared by users.

2.3.3 Social tagging

Social tagging consists in the usage of tags and keywords to mark a topic on the web. This activity is more common on social networking sites that allow to share content, such as YouTube, Facebook and Twitter.

The activity of tagging to categorize the content and the information is in strong expansion in the web as the tags have the advantage of being able to be shared and tracked easily.

In a Social CRM strategy the analysis of tags allows enterprises to derive valuable information about customers' way of thinking. This activity is a rich source of knowledge that no traditional CRM system has ever been able to have. Also with this activity the risk is to obtain inaccurate information because of incorrect use or misleading adoption of tags, which are personal, not universal or standardized and depend on user's mood. Thus, a cautious and careful monitoring is critical in the decryption phase.

2.3.4 Social bookmarking

Social bookmarking is a derivation of social tagging and it is focused on sharing and recording different URL, with an associated content. It basically shares information through hyperlinks to websites. As part of the SCRM, bookmarking techniques can be used to foster collaboration both in internal team and outside the company.

The strategic use of this tool enables enterprises to involve communities of users that share knowledge and best practices about a given product, service or content. This means that a firm can address easier and collectively whole groups of people, who are bounded together by a common passion or interest, thus encouraging the dissemination of brand knowledge through new tools offered by the Web.

Unfortunately the excessive use of this technique can lead to a considerable increase of "bookmarks", requiring careful and thrifty handling.

2.3.5 Social search

Social search does not refer to a simple search on Google but a different kind of investigation that directly involves social networks.

Social research enables companies to collect additional information from SM, as Facebook profiles and pages for instance, referred to a specific subject. This activity, based on the adoption of social search engines, is a type of investigation that takes into account the social-graph of the person who initiated the investigation. This search experience uses different sources of metadata, such as web pages, tags, geotags and social bookmarks.

The research may be inaccurate because of the terms and the keywords chosen by those who do the research, with the consequence that the results and the associated decisions could be ambiguous. It is clear that information obtained through this kind of survey can be internalized by companies to update their database or for follow-up activities.

2.3.6 Social Networks

A social network is a dedicated website which enables users to communicate and interact publicly or privately with other consumers by posting information, comments, messages, images, etc. The number of users of social networks has impressively increased in the last years. In effect, currently hundreds of millions of Internet users are recorded in social networks, transforming the use of SNs into a mass phenomenon.

From a business point of view, personal social networks like Facebook and Twitter, can be used as a launch pad for advertising campaigns within client communities as well as to gather opinions from product users.

In terms of CRM, a social network is probably the most powerful platform that a company can use, since it provided several engaging and appealing functionalities which can be used either for caring and assisting customers or collect information and track their purchasing trends.

The tools described above are not substitute of each other: they are complementary, inasmuch they all encourage two-way conversation between company and clientele.

The decision to adopt one instrument instead of another must be evaluated by the company, depending on corporate goals and objectives, set alongside the definition of the Social CRM strategy. Indeed an organization should proceed selecting competently those tools that best meet their needs as well as customers' preferences (Chaffey, 2012). Another characteristic to consider making the selection is the capacity of the channel to create value in the buyer-seller relationship, since the real question is how to productively utilize a channel, which integrate

Web 2.0 and CRM strategies. In fact, the usage of social CRM, either to enhance customer experience or achieve cross-selling, can be justified only if businesses are earning profits.

2.4 Aims and opportunities of SCRM

Social CRM, as a business strategy implemented to manage customer relationships through social media, pursues three goals (Mangold and Faulds, 2009).

First, it creates an instrument to efficiently discover opinions and comments about products and company, from the actors of the markets. Second, it establishes a contact channel for bi-directional interaction with users of the Web. Third, SCRM provides the means to integrate Social contents with customers oriented processes and systems.

These three issues enable SCRM strategies to achieve an active and significant reduction of costs and a further intensification of customer relationships, with the result of improving business value (Casteleyn, Mottart, and Rutten, 2009).

Generally SCRM tools and systems are applications that encourage many-to-many participation among internal users, as well as clients, partners, affiliates, fans and other external parties, to support sales, customer service and marketing processes (Sarner et al. 2010).

Their primary task is to bridge the gap between Social Media and customer-oriented service systems of a firm. Thank to these tools and systems marketers will be able to listen to what consumers are saying, better understand their needs and voices and tie them to actual user profiles. Substantially SCRM supports the connection between social database and existing clients' records, that enables companies to provide new forms of customer insight in different contexts.

According to Woodcock, Green and Starkey (2011b) SCRM can generate benefits for a company following a four-step process: engaging prospects and customers; conducting conversion, which basically means winning new clients; retaining users and developing customer value. Therefore, SCRM supports the entire customer management strategy as well as the lifecycle and should lead to increased sales, through increased awareness and engagement, as schematically represented in the following diagram.
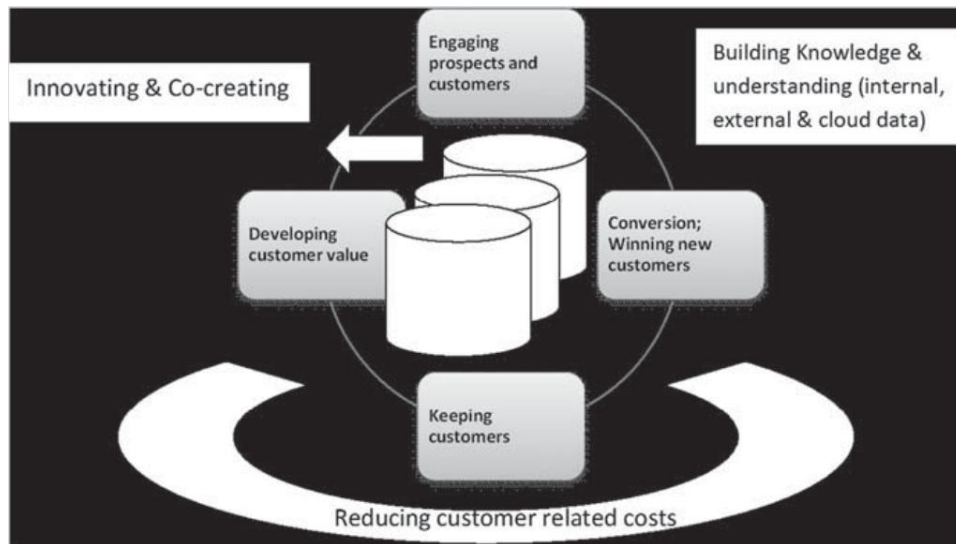
Social media technology also supports the democratization of knowledge and information, transforming people from mere content consumers to content producers so that customers' loyalty is heightened. This is based on the increased trust with which clients deal with the companies: people see companies as partners and feel like being part and parcel of them, since firms show to have users' interests, needs and requirements at heart before going into production. Such a perception implies that these sets of customers are likely going to stick with such products with a greater allegiance.

It also enhances, accelerates and lowers the cost of innovation. This happens because there are relatively cheap newnesses that spontaneously generate from the mutual exchange which is established between customers and employees. This makes the company to be able to use the opportunity of receiving inspirations and creative ideas from social networks and other social connections without having to pay for it.

CHAPTER 3: Use of SCRM in business

3.1 Implementation of SCRM systems

SCRM is an open and flexible strategy, but during its implementation the potential prize of getting SCRM integrated in the business model needs to be unequivocal.

Leaders need an explicit road map which sets out short and long term objectives, costs, benefits and risks. It is likely that the way enterprises work will need to change to a new and more agile content driven one. At any level, marketing operators will work more closely with a variety of partners, therefore working methods need to be rapidly responding and collaborative. For most, this will mean altering mindsets as well as traditional planning methodologies. In particular, the way communications are planned, executed, monitored and reviewed will need to be transformed, so that to reflect the new social nature of communication activities alongside the need to engage, as well as to sell. Traditional brand metrics will eventually be enhanced by other metrics and it will be up to the organization to decide about the most appropriate IT and data architecture, that fit with its desired way of working.

To sum up, to develop a SCRM strategy, a company should integrate the following six strategic dimensions.

Dimension	Explanation
Ensure leadership buy-in and support	Culture, ways of working, measures and IT architecture must evolve; thus, leadership is necessary. Leadership must be aware of the Social Media policy.
Build and retain talent	Finding appropriate resources to follow the SM strategy is essential. Finding capable people and retaining them may be necessary.
Evolve in terms of working culture	The organization must determine whether it will exert global control or allow each brand/market to become tribal in its development of SCRM.
Evolve in terms of the manner in which brand teams plan, create, execute and review	The organization must treat SCRM as a relevant and appropriate method for developing customer engagement as part of the marketing mix.
Change the nature of measurement and evaluation	The organization must develop new measures, such as customer engagement, number of fans, content shares, top conversations and response delay, to evaluate its SCRM strategy.
Develop the appropriate IT and data architecture	SM data must be integrated with traditional CRM systems to paint a comprehensive picture of customer behavior.

Source: WOODCOCK, N., GREEN, A. and STARKEY, M., 2011b. Social CRM as a business strategy. *Journal of Database Marketing & Customer Strategy Management*, (18), 50–64.

WYMBS, C., 2011. Digital Marketing: The Time for a New "Academic Major" Has Arrived. *Journal of Marketing Education*, 33 (1), 93.

These elements are primarily internal, whereas the tools used to maintain relationships with customers are external (e.g., blogs, social media, forums). By combining the two (internal and external), companies can cover all aspects of a SCRM strategy. Indeed, by adding SM data to CRM data, companies can obtain a complete view of their customer relations. Such dimensions could also lead to an increase in the value given by consumers to a specific company, the so termed "perceived value", which consists in the worth that a product or service has in consumer's mind. It affects the price that he is willing to pay for the product or service, for this reason offering superior value to clients, compared to the one given by competitors, is essential to create and maintain long-term customer-supplier relationships (Eggert, Ulaga, and Schultz, 2006). In this sense, perceived value is considered to be a co-creation process between firms and their clientele (Callarisa et al., 2009).

An organization embarking on a SCRM strategy to build trust, must stick to the strategy, take it seriously and not undermine it with inappropriate sales approaches, trivial cost cutting or interventions that may frustrate and annoy consumers. As a matter of fact, companies should give to the customer an immediate feeling of being serviced and helped in a practical and trustworthy way that goes towards creating a social bond, because it means that they are more likely to feel that the brand meets their needs and values. It gives the customer the experience of being part of a larger group and it may contribute to a sense of belonging, which is the 3rd vital need described by Maslow. Therefore to build a successful SCRM strategy it is important to (Jenkinsons and Sain, 2005):

- think in an integrated way, from strategy to practice and back again, paying attention to the details that build brand and customer equity.
- Systematically develop business value through the effective integration of customer sales, service and communication.
- Use technology as a mean to deliver CRM thinking, not as the objective.

Social CRM programs can be started at a departmental level and their task is to create value, not buzz. Owayang and Wang (2010) have identified seven main categories which contributes to create value for the business and on which an organization should focus during the implementation of a SCRM strategy: social customer insights, marketing, sales, service and support, innovation, collaboration and customer experience.

Furthermore, SCRM strategy can be based on two types of approaches to manage each phase of customer relationship life cycle (CLC): a reactive and a proactive approach (Hernández, Jiménez and Martín, 2009).

Firms with a reactive approach are driven by consumers behaviors, circumstances and by their environment. They might respond or take appropriate actions based on users' signals in the market. Firms might employ a variety of reactive practices to manage each phase of the CLC: examples include social marketing insights, social campaign tracking, market segmentation or customer profiling and search engine optimization (Owyan and Wang, 2010).

In the proactive approach, firms are still influenced by external stimuli; however, their response to inducements is a value-based choice or response. They are able to anticipate problems due to deep market analysis which are continuously executed, therefore, they might take appropriate course of actions to solve a problem before they have observed a change in their environment. Again, a variety of proactive practices might be used to manage each phase of the CLC. Exemplary practices within this category include branding, co-creation, personalization of product or services, and VIP experience (Hughes, 2010; Sigala, 2011).

3.1.1 The 5Ms

The 5Ms consists of 5 phases planned in order to better understand the logic beneath operations of SCRM systems (Owyang and Wang, 2010):

1. Monitoring: the first phase is about social media daily monitoring operations, conducted through the exploitation of specific softwares, which scan and collect data from social networks. Data are later transformed in an easily readable format and transferred within the CRM systems of the enterprise. This stage requires a full time dedication for the success of the monitoring process.

2. Mapping: this activity consists of integrating information released by users in different social networks to enhance their profiles in CRM database. For example, it is possible to gather information about potential or already loyalized customers from Facebook rather than Twitter in order to complete their profiles. This operation is not very demanding, but requires time together with careful analysis and interpretation of data. Indeed all the data used in SCRM activities are collected from various contents and information shared by users on Social Media and this aspect is controversial, since it may be interpreted as an intrusion into a person's privacy. In addition due to numerous security and privacy breaches surfacing every day, consumers are wary of sharing their data, thus making more and more difficult to have access to personal and economically useful data for free and without any creative effort to obtain them in a pleasant way to owners.

3. Middleware: refers to specific technologies that allow to tighten a bond between the company and the external environment. These applications allow two or more softwares to

communicate with each other, facilitating the process of data transmission. In a Social CRM strategy these technologies have a vital role in the transfer of information coming from the web directly to the core of CRM processes.

4. Management: the fourth phase concerns the definition of business objectives. The collection and analysis of data which have taken place in the earlier stages would not make sense if they were not subsequently used at a strategic level: in fact one of the main objective of management is the responsible use of information.

5. Measurement: from the point of view of system efficiency and improvement, it is necessary to set benchmarks and goals as well as to proceed regularly in measuring the achievements, comparing the latter with those established at first.

3.1.2 SCRM metrics

Organizations need to define measurement systems and means by which transfer the knowledge gained through SCRM tools. The first step to develop such a procedure is having clear the metrics that have to be used.

They are divided into: counting metrics, foundational metrics, business value metrics and outcome metrics (Lovett, 2011).

- Counting metrics: are simply related to particular social platform and are made available by itself. They include for example, the number of followers on Twitter and likes on Facebook.

- Foundational metrics: are more complex than the foregoing ones. They are not only valid for social media, but for many other communication activities. Hence, they may be used to make comparisons between alternative initiatives. They are not numerical measures prescribed a priori, but concepts that have to be adapted to the specific business, which should be able to understand which combinations of counting metrics are more appropriate to its features. There are four types of foundational metrics:

  - Interaction: which is the degree of response to incentives, such as marketing initiatives.

  - Engagement: which measures users' degree of involvement and the quality of the interaction. These measurements could be obtained by attributing a different weight to some actions, rather than to others, which are deemed more or less engaging. For instance, a share in Facebook is considered more important in terms of commitment than a like.

  - Influence: is a characteristic of the single online user and it can be limited to a subject of specialization. Succeeding in this measurement, the company would be able to identify

easily those individuals on which take targeted actions. Though there are many difficulties in making this measure reliable and across-the-board.

- Advocacy: measures how network users speak spontaneously in favor of the brand without any previous initiative put in place by the company.
- Impact: is the capacity of an individual (or group) to influence and determine the outcome that he (or they) desires from the business processes.

• Business value metrics: are the classic business metrics such as the impact on turnover or the impact on customer satisfaction. They are clear and comprehensible for managers and all the stakeholders, but generally complex to calculate.

3.2 Advantages of SCRM

It is well-known that the greater is consumer's engagement, or emotional loyalty, the greater will be his financial value. Indeed if deeply engaged or committed, consumers will drive brand performance and if a company can move consumers from mildly engaged to committed, their value will leap dramatically (Maoz, Jacobs, and Davies, 2009; Mosadegh and Behboudi, 2011).

From this point of view, SCRM is a worthwhile strategy to implement: it provides strategies to manage and measure how social customers use digital networks in engaging with a company, while enriching consumers' interactions.

In fact, by developing strategies to improve customer relations, companies can on one hand enhance loyalty and, on the other hand, generate benefits related to improvements in customer insight and engagement, although these benefits have been difficult to translate into financial terms in the first times (Woodcock, Green and Starkey, 2011a).

Recent studies have proved that as a result of the incorporation of social media into a firm's strategy, with the consequence of establishing a link with clients as a primary method of contact, sales and share will increase and, in all likelihood, sales, customer services and advertising costs will be reduced through self motivating, helping, creating and sharing communities (Callarisa et al., 2009).

Moreover the strategy of using SCRM can lead to greater satisfaction and proximity to customers, through collaboration, sharing ideas and co-creating products, for example, and it may promote a long-term perspective of engagement (Chang, Wang and Yang, 2009; Pavicic et al., 2011).

On the whole benefits promoted by the adoption of Social CRM can be summarized in the following points:

- establishment of a lasting and one-to-one relationship with consumers;

- encouragement to a transparent interaction with customers to enhance brand awareness;

- enactment of a proactive dialogue with consumers, which lead to improve the effectiveness of a business strategy through innovation and creativity, as research and development capabilities are amplified through social customers' initiatives;

- fostering to identify new business opportunities which are able to satisfy the existing customers and acquire new ones.

- understanding of what, where, when and how consumers want to be served by the firm and appeal them with customized promotions;

- increasing of web traffic;

- support for sales by reducing costs and enhancing the quality of the experience with the brand, thus raising marketing return on investment and development of product quality;

- generation of a informative heritage.

3.3 Difficulties in the implementation of SCRM strategies

Organizations that have the intention to adopt a Social CRM strategy need to be aware of three types of issues.

First, organizational ones, which include culture, structure, systems, staff and strategy. Secondly, technological issues, comprehending incomplete technologies; poor integration of social media with traditional channels and no systems that support all the channels whereupon people interact. Finally, miscellaneous issues which comprise dropping prices of Social CRM systems; more empowered customers; the speed of development and information overload (Woodcock, Green and Starkey, 2011b).

The adoption of Social CRM strategy is a risky undertaking (Bull, 2003) and it is not an easy process to implement: it is definitely a change of routine in the enterprise, hence new process requires to be able to address upcoming criticalities, so that to achieve successful results and benefits.

Businesses need a careful planning in this organizational change, which must be scrupulously engineered. It should address four critical aspects, which are a careful strategic planning; a clear and shared vision of firm's mission; the ability to change and a detailed plan to achieve the goals that the firm has set. Overlooking any of these pillars will almost certainly lead to a failure, whether it is poor communication of objectives and required changes; lack of attention to human and organizational aspects of the project or in planning the change elements needed to implement the IT developments; inadequate carefulness to business goals and needs;

absence of top management involvement and support; inability to optimize benefits, not achieving the desired time frames or insufficient sustainability after the end of the project (Perin, 2012).

In the modern business environment, every business which is eager to compete and conquer a market share, requires a strong predisposition and capacity to renew. Organizations should therefore reflect upon their planning and the history of initiatives of structural changes that have been realized in the organization. If they have repeatedly demonstrated a lack of success in completing the change, ambitions should be scaled back, the time frame should be increased and the level of promised benefits should be more conservative, when preparing to face a further change.

Enterprises often innovate because the market demands it and this kind of game-changing choice is usually not the result of a prudent strategic planning.
Indeed, before investing in innovate projects such as the introduction of SCRM strategies, it is necessary to understand business imperatives, compare them with business needs and then implement a conscientious strategic plan.
A second aspect companies have to deal with when an innovation occurs at the organizational level, is the openness to accept the change. Although the decision is the result of a strategic plan, based on more than valid fundamentals, an organization might be ill-disposed to the renewal (Woodcock, Green and Starkey, 2011b). It is not unusual, in fact that different functions and personalities often have different perceptions of what initiatives actually are and how they need to be delivered.
Indeed, corporate predisposition to innovate is a critical aspect that determines the ability to change, but it is not the only one. In fact, it happens on many occasions that business areas are involved in different processes of change, so usually a social CRM program will coexist with other initiatives. This overlap between different parts requires the former to be aligned and coordinated in order to prevent the affected staff from collapsing under the weight of the change. This is possible eliminating those initiatives which do not match business goals and priorities, so that crucial resources are released, avoiding waste of time and costs. Closely tied to the ability to change business mindsets, is surely the temporal aspect: in each activity the fulfillment of a change program requires the realization of different phases within precise time limits. A delay in one step may create obstacles to the actualization of the entire project. Therefore it is vital to keep in mind this effect, in order to avoid bottlenecks and complete on time the innovation process.

In addition, companies must take into account that SM are often used by customers and/or disgruntled employees as channels to express anger against brands. Therefore companies should consider that if they are listening to customers' opinions, they might not like them. In effect, one of the most frightening disadvantages of adopting Social CRM systems is mainly related to the fear that negative judgments may be at the expense of positive ones. In fact users influence each other and negative word of mouth can go viral, generating negative impact on brand equity.

All these observations, prove that organizations need to get prepared for SCRM: to overcome malfunctions, it is necessary that underlying choices and vision are understood and shared by the company and its collaborators. Although this is not what happens sometimes: companies are unable to implement changes and carry them forward, because people involved in the project do not capture the real benefits that they would have in their daily work and are not well-disposed to make sacrifices, since a change in the way a company works often requires learning new routines and methods. So, it is up to the management to transmit the real advantages of a change and make the choice to be shared and understood by the entire staff, convincing workers that sacrifices are required for the growth of the firm and they will consequently lead to an improvement of their own status.

Nevertheless, sometimes firms believe that the investments they have made, have not produced any benefits just because the latter are not tangible, with the result of deciding to abandon the project. Such choices are made on the basis of impressions and feelings of the management, rather than on actual and impartial analysis. Clearly it is wrong to proceed in this manner: it is important to establish precise criteria to measure the success of an innovative change in the business strategy.

CHAPTER 4: SCRM strategy of Telecom Italia

4.1 Framing of telecommunication market

Compared with other industries, telecommunications sector is less closely tied to the economic cycle, because the services it provides are essential for everyday activities of individuals and businesses. But it is also a very competitive market, where customers tend to move from one company to another easily (Keropyan and Gil-Lafuente, 2012), therefore telecommunication companies should carry on specific programs and services to their clients in order to keep them satisfied and ensure their fidelity with the company (Kim and Lee, 2010).

In addition, it is a data rich market, such as financial services, automotive and some retails, where direct marketers have for years combined sales data, profile data provided by clients and varying quality of data from external sources, such as lifestyle databases. They segment their customers on the basis of value, needs and rarely psychographics in order to predict the likelihood of purchase. They then use sophisticated targeting (outbound or inbound, when users call or use the website) to communicate the right offer to the right person at the right time.

Since the last decades of the 20th century, telecommunications market has undergone a number of changes related in part to the process of deregulation (Majumdar, 2010), in part to the introduction of new technological protocols (He, Lim and Wong, 2006) and finally to the competitive entry of new operators, given the high profitability of the industry which was led by the rise and the diffusion of mobile and data services (Mendonça, Vroutas and Verbrugge, 2015). Among these, we do not find only traditional phone operators, kwon as Mobile Network Operator (MNO), but also the Mobile Virtual Network Operator (MVNO). MVNOs provide mobile telephone services without having a license to use the radio spectrum, which is then rent from others.

After the introduction in Italy of MVNOs, according to the Antitrust Commissioner, market expanded: new entrants focused on basic services, such as voice and SMS, while the new challenge for traditional operators was primarily the development of new value-added services, like data, MMS, video and Internet (Papagni, 2007).

Today the main actors of the mobile phone scenario in Italy are four: Telecom Italia, the historical Italian telephone company; Vodafone, second for market share; Wind and H3G, which is ameliorating its diffusion in the industry. MNVOs are currently gaining market

shares thanks to their cost reducing policies, while big players are struggling to keep their positions. The only big one which is still in balance is Telecom Italia, as showed in the chart below.
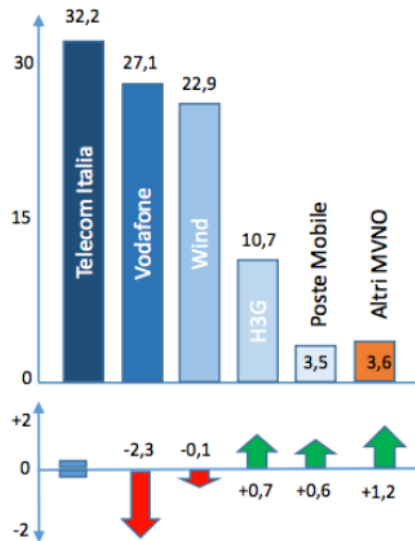
This result may be due to the fact that Telecom Italia have been in the latest years really concerned about changes generated by the digital era, realizing that it has had a strong impact on the behavior and habits of individuals and companies: they now require a new type of communication with an increasing amount of services and contents, technological innovation, competence and reliability as main features of a company.

4.2 Presentation of Telecom Italia

Telecom Italia is a joint-stock company founded in 1994 in Rome and active nowadays both in Italy and South America, with a net consolidated income of 439 millions of euro in 2014. It is a Group organized in different strategic business areas, as showed by the diagram below provided by Telecom Italia Official Website, which includes different subsidiaries, like Olivetti and TIM, which will become the only commercial brand for the entire fixed, mobile and Internet offer of the company within 2016.

The business units and main brands

The merger by incorporation of Telecom Italia Media into Telecom Italia has been approved (05.20.2015)
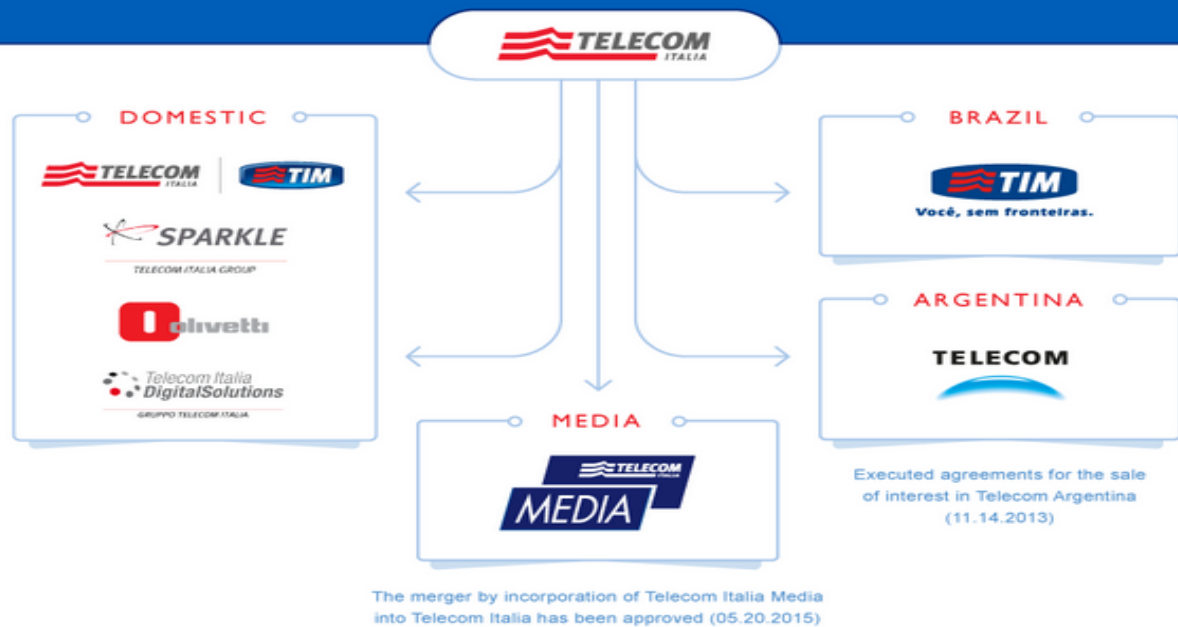
The firm may be considered a pioneer in the customer service among Italian companies both in telecommunication market and outside since it seems not to ignore in its relations with clients, that the system of interaction which has been established globally in recent years, increasingly requires business integrity, transparency, flexibility, innovation, products addressing new or previously unmet needs, a more dynamic economic model and equal communication between organizations and their stakeholders (Invernizzi and Romenti, 2013). These constitute benchmarks for Telecom Italia, which, indeed, looks out for creating advanced interpersonal communications solutions, implementing for instance principles of collaborative CRM defined by Greenberg (2004), in which the various departments of a company, such as sales, technical support, and marketing, share any information they collect from interactions with customers. It is a highly effective method of communication as it covers direct interactions with customers, including feedback and issue reporting, and help the company to turn consumers' preferences and interests into purchasing choices and trust, with the result of enhancing competitiveness.

Telecom Italia is basically trying to realize the engagement process, mentioned in the previous chapters as an essential element of a CRM strategy, in all necessary and relevant networks, using various channels of communication to reach concerned stakeholders in a meaningful way and develop a continuous learning and evaluation process on the overall impact of its interaction practice (Ward, Hemingway and Daniel, 2005).

4.2.1 Vision

The company considers the quality of human resources an essential component of the business process: the management of Telecom Italia has been placing particular emphasis on the training of employees in order to implement their commitment, considering them "internal customers" to engage and motivate, so as the orientation towards the "external customer" becomes a reality, as claimed in some interviews released by Mr. Di Loreto, HR manager of Telecom, to some newspapers like La Repubblica and Il Sole 24 ore, and underlined by the change of the department name in "People Value department" in 2013.

From these assumptions, passing through evaluation and up to advancement, employees have to feel that the company is investing on them, with a return not only in economic benefits, but also in terms of career advancement and conditions in which their potential can be fully expressed.

The reason of such an internal approach comes from the supposition that the brand essence is part of a virtuous cycle, established on the values of those who work within the firm: passion, reliability and proactivity.

However Telecom has been aware that the motivation and the enthusiasm of employees are necessary but not sufficient without a complete understanding of the market, since the main actors of any performance is the customer. He is now relevant not only as individual user, but accordingly to the new logic of segmentation, also as a descendent of the social context in which he lives and in the community he belongs to (Jenkins, 2014).

The attention to consumers' needs and expectations is demonstrated also by the major consideration given by the firm to environmental and social repercussions of its business. Telecom Italia is now trying to generate economic value by creating social value, integrating sustainability projects and practices as part of different business activities. It is a new perspective, a different way of meeting social and economic needs and of interpreting company's role in society (CSR Europe, 2010).

4.2.2 Business model

Moving from the above mentioned assumptions, Telecom Italia has developed a business model which follows the customer-centric approach, based on a identification of different types of target (Chappell, 2014): privates (individual users and households), businesses and public sector, as mentioned in the corporate website. This segmentation has the dual purpose of providing a better service to customers and to make the distribution network more efficient and capable of generating profits.

Company organization reflects a hierarchical structure, which distinguish the most relevant departments accordingly to functional criteria, rather than product-based ones, as explained by corporate macro-organization chart (limited to the Domestic Business Unit), updated to March 2015.
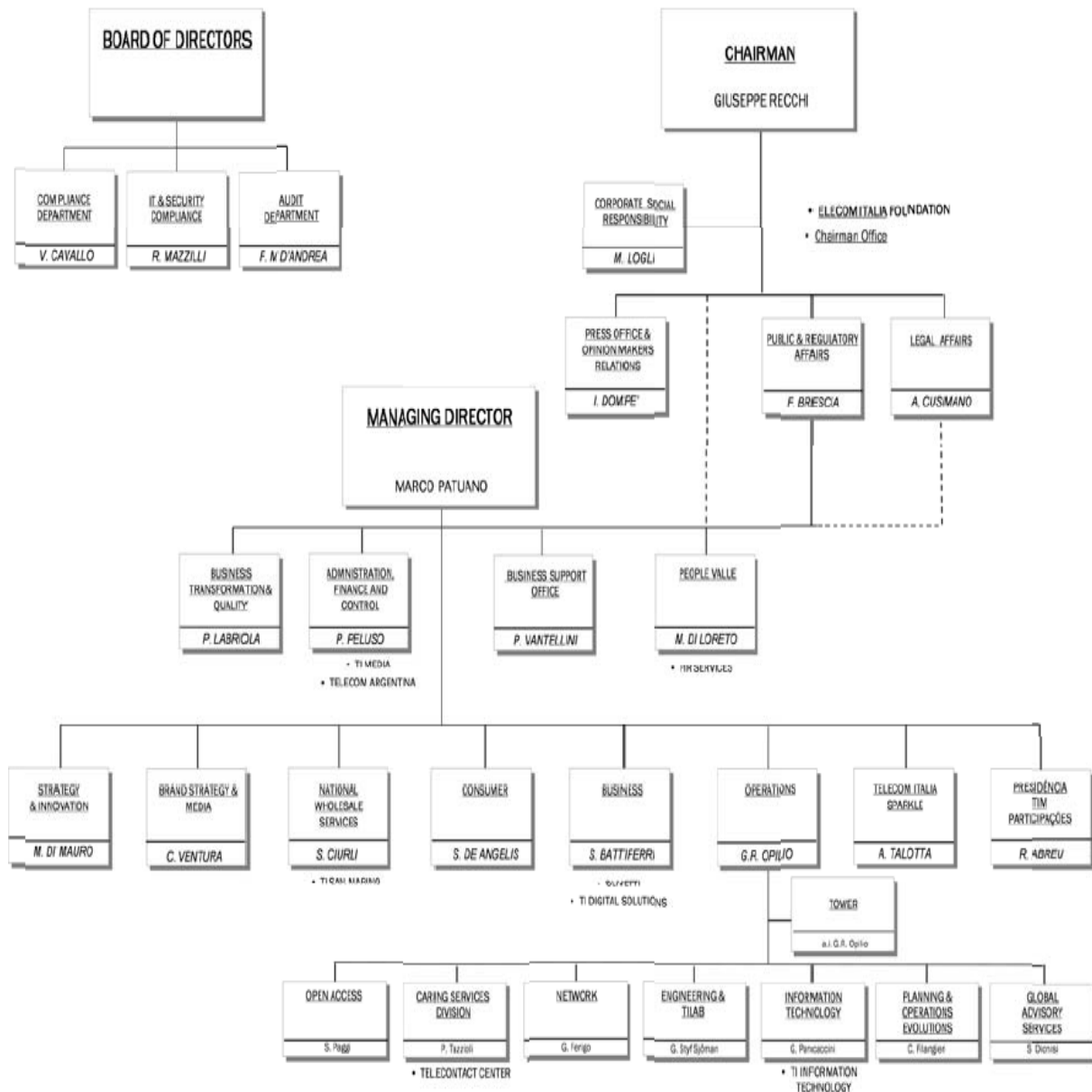
Source: Telecom Italia Group, Interim report at March 31st 2015.

For what concerns the analysis of the customer strategy on social media the most important macro-areas are three:

- Consumer Division: responsible for protecting and enhancing clients' value, in order to optimize profitability and market share through the definition of supply and marketing plans; commercial communications; direction and control systems which are user-friendly and aligned to the relations that occur between consumers and the firm.

- Caring service division: in charge of assuring to private clients and small, medium and large enterprises, caring services, loyalty and retention programs, administrative and sales processes, with a dual goal: to maximize customer's satisfaction and achieve cost optimization.

- Brand strategy and media: responsible for managing presence and mentions of the brand in the different media type, whose breakdown is showed in the graph below.
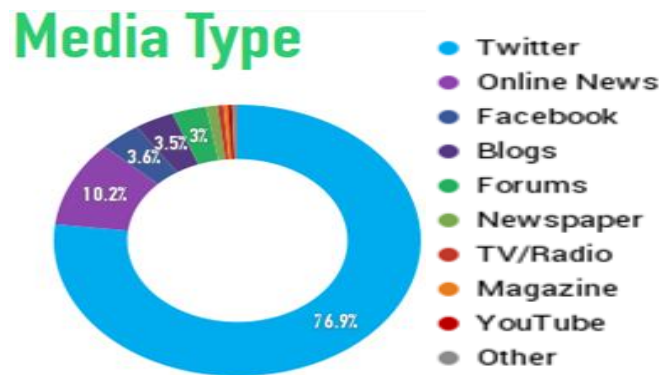
4.2.3 Touch points

In caring and assistance services, the company employs different touch points to deal with customers, among which the most used are stores, call center and the website.

In the past, the former have represented the physical spot where most of purchasing processes took place. Today, as a result of technological innovations, it has become just one of the possible distributive channels, which however, continue to turn to less computerized individuals, which represent the 38,3% of Italian population. It means around 22 millions of people, concentrated mostly in the higher aged bracket (over 65 years old), do not use Internet and cannot be included in companies digital agenda (ISTAT, 2014).

Call centers are still largely used by users (mostly those who are not connected online), especially if related to last minute problems which may require an immediate or a more direct response.

Telecom Italia is in these days negotiating with workers and labor unions about the spin-off of the caring branch, to an independent one, called Tim Caring Srl. It is considered by top management a necessary subdivision of skilled workers on the basis of experience, specific knowledge and competences (Biondi, 2015). The new company will still be part of Telecom

Group, in order to preserve the quality of the service, which may be not granted by an outsourcing (Anastasio, 2015).

While, regarding emerging web users, Telecom has segmented customers into three categories (Papagni, 2007):

- Active: customers that normally access the site, authenticate and use provided multimedia services;
- Frozen: users who have registered but do not authenticate;
- Inactive: customers who are enrolled but probably have subsequently abandoned Telecom.

This segmentation is useful to evaluate the effectiveness of the web through the use of three indicators:

- customer base: which takes into account new registered users;
- activity: which refers to how many registered users actively visit the site;
- frequency: of the use of self-care operations and on-line transactions.

At the beginning of 2015, corporate website "telecomitalia.com", has been completely renovated in use, graphics, design, publishing arrangement and content strategy. It aims to confirm Telecom's position as an innovative leader: the new site integrates web content with social conversations, introduces a creative horizontal format which has overcome the vertical structure of traditional websites, simplifying hierarchies and navigation trees to catch the latest trends of the digital world and communicate shared value to all the users.
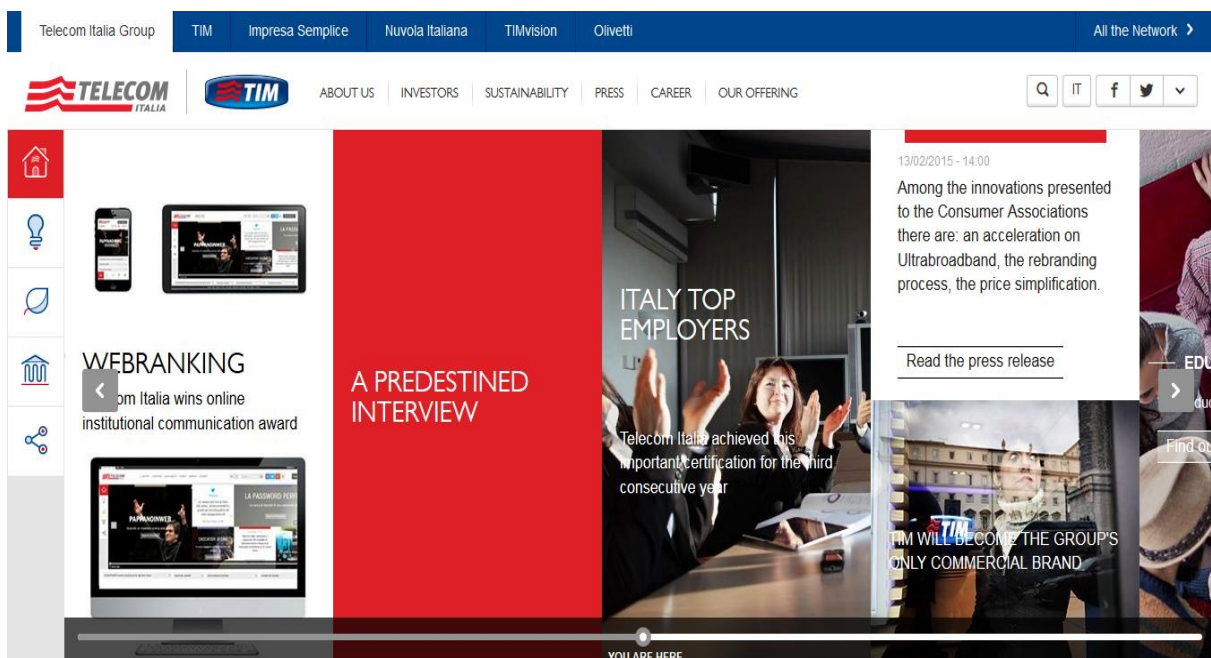
The goal of Telecomitalia.com is to broader the audience of reference involving the navigator in a storytelling focused on three main themes: living innovation, to find out how digital technologies affect everyday lives; choosing the environment, to support a sustainable lifestyle and growth, and sharing corporate culture, as claimed by the top management.

Accordingly to press communication and report published by the company itself, the key stakeholders of the corporate website are:

- general visitors: interested in finding out about the company and its policy;

- potential customers: looking for Group's offers and promotions;

- customers: seeking opportunities to dialogue with the company or support and assistance.

The site is continuously updated, enriched and modified with new contents and functions of greater interest to users, whose feedbacks are collected and measured continuously.

Particular attention is given to web ranking and classifications which allow to make comparisons with what other competitors are doing and what Telecom itself has achieved in previous performances (Scalera, 2012).

The analysis allows to highlight clients' expectations towards the service offered by customer care operators, thanks to the measurement of the impact that the latter can have on every aspect of former's overall satisfaction. It also identifies priority areas and actions related to commercial and technical support.

So it is clear that new communication channels are at the centre of Telecom business strategy, as the Group uses various canals in an increasingly integrated way with traditional media, to dialogue with its stakeholders: customers, suppliers, institutions, emerging players on the Internet (young talents, entrepreneurs, research centers, universities, hi-tech companies), opinion leaders (bloggers and journalists), public and private entities, who are able to innovate and promote innovations and development.

However, as mentioned in the previous chapters, fundamental to excel in efficiency and effectiveness, is the unified guidance of strategies: they need to lead towards common goals, that unfold with the integration of each channel of contact both inbound and outbound (Foss, Stone and Ekinci, 2008). This allows to coordinate all the activities called upon customers operated by different canals, so that there is no duplication of offers and promotions.

Moreover, these designs have an impact on marketing, which must renew the variables applied in the analysis of customers' purchasing behavior, as well as the marketing mix, shifting the attention to new social media (Rigby, Reichheld and Schefter, 2002).

4.3 Corporate Social CRM strategy

Telecom Italia is committed to working proactively with Media in order to achieve satisfactory and long lasting relationships with them, based on the 3 pillars: openness, transparency and cooperation.

To accomplish these objectives and develop its presence in the digital ecosystem Telecom Italia reports that it attempts to:

- communicate in a way that is suited to the language of Internet, which is increasingly social and driven by dialogue (Holt, 2004);
- involve users and opinion leaders in both online and offline communication;
- integrate digital connections with media and the more traditional forms of contact, with the intent of developing a true multimedia communication system between various environments;
- ensure its presence in social media with corporate and listening initiatives (Constantinides and Fountain, 2008), associated with its brands as well as initiatives that make people's lives easier (i.e. Twitter Team), spreading a culture of communication and underlining its value to society.

In line with the transformation of buying behavior related to the access to mobile internet (Constantinides, 2004), alongside traditional voice channels, such as call centers, new channels are now available, as self-caring tools, which include the two customer service numbers 119, for mobiles and 187 for fixed networks; a website; apps that can be used on smartphones and tablets and Social Caring services active on the most popular social media.

On Google+ Telecom gives news about technology and projects about its worldwide network.

LinkedIn profile advertises career opportunities and information about former and actual employees, in order to create a network among those who are, have been or will be part of the company.

On Instagram, Flickr and Pinterest the firm posts photos of socialite events, creating a fashionable look of the company, and pictures related to many other appealing topics.

All business reports, documents and presentations are shared on SlideShare, in order to communicate transparently with external users and clients.

A YouTube channel, has been created as well to upload managers' interviews and advertisements.

The company has also two Facebook official pages: one (Telecom Italia Group) offers information and updates about products and initiatives promoted by the Group and linked to

innovation, environment, social life and culture. It is used more for feedbacks; the other (TIM) is used for customer care services for both fixed and mobile users.

Twitter account provides real time interactions between followers and operators, as it is mostly thought as a support channel.

Since 2010 Telecom Italia has realized the potentiality of Facebook and Twitter in order to provide assistance and social caring services, as a mean to directly understand ad interact with people (Casteleyn, Mottart, and Rutten, 2009), considering however that it does not necessarily provide correct, accurate, and real information about users (Treadaway and Smith, 2010).

Generally, for a company to have a Facebook page or a Twitter profile means having a dedicated team of experts in charge of listening to people's opinion and answer customers' questions. However, it is not enough just to create an account: firms have to foster discussion, engage people, be efficient and timely in responses (DeMers, 2015).

Exchanges in Twitter and Facebook should flow directly in the CRM and the multi-channel requests should be solved just like the reports of the traditional channels, but adding the possibility of receiving aid even from peers. The Customer Care service on social networks and via the App is personal and effective because the customer has always an assistant ready to answer his questions and share the best solutions to the request. They allow users to stay connected with an operator, chat to report a problem or ask questions, post photos and leave feedback about the assistance.

The use of Facebook and Twitter to provide Social Customer Care services is an opportunity not only for end-users, but also for the brand, since it can establish a permanent, consistent and continuing dialogue with its clients, intercepting needs and demands (Fowdar and Fowdar, 2013).

With regards to Social Caring, it is important to underline that using a clear and transparent language is essential, since everything is visible to all the users and the community. For the fact, firms should handle customers' objections with the knowledge that they can transform them into opportunities: a well managed criticality is an occasion to rebuild trust with the community, since a response given to one user may interest and satisfy also others' needs. In this way customer care becomes a proactive channel in view of the fact that firms do not wait passively for consumer's problem, but try to forecast them and avoid the possibility that bugs may occur in the future.

In this logic, Telecom Italia has announced that the initiation of its "Caring on Social Media" project was aimed to a first participation in Facebook and Twitter, anticipating that the company would further open to requests and directions on serving customers in social media.

The project is continuing its path of improvement of multi-channel customer care, which includes web sites, mobile applications, emails and call center, by enhancing for instance speed of response and direct interactions.
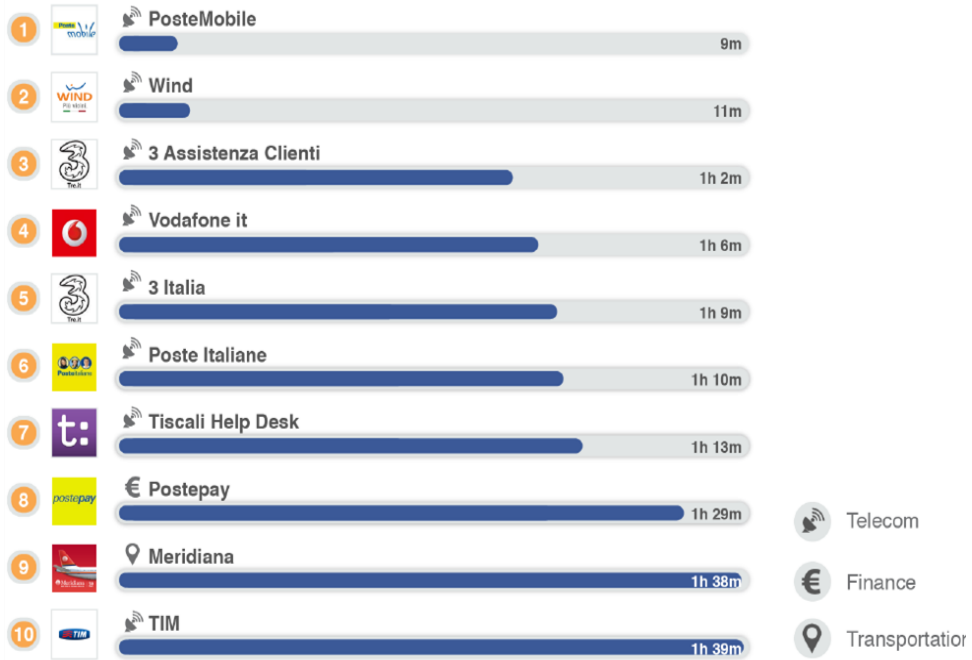
4.4 Results and achievements

In 2014 Telecom Italia achieved the first place among the companies of the telecommunications sector in the European Webranking drawn up by Comprend, which is Europe's leading survey of corporate websites and the only global ranking that is based on stakeholder demands. It is an annual research that has been analyzing since 1997 the quality of online corporate communications of the largest companies in Europe. With a score of 83.3 out of a 100, Telecom Italia has a lead of 20 points over the second classified, the Scandinavian giant in telecommunication, TeliaSonera and ranks above the European average for the sector, which is 40.4 points. For Telecom Italia the award is an important confirmation of its constant commitment to excellence in online expansion and the strengthening of its digital reputation (ANON., 2015b).
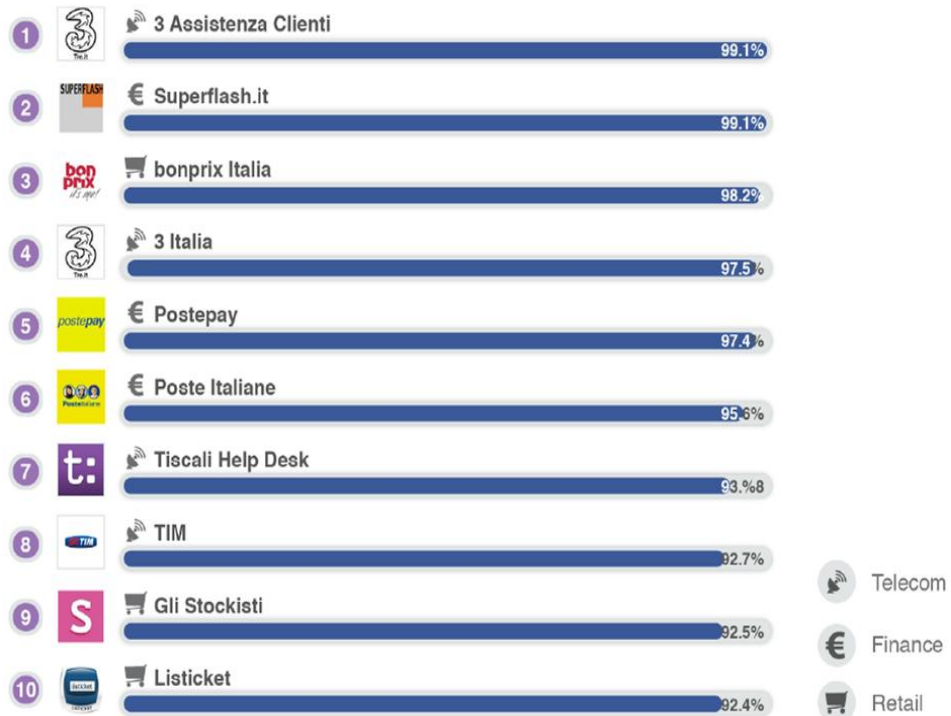
Another proof of Telecom great results in its SCRM strategy implementation, is given by the social media strategist of Blogmeter, Vincenzo Cosenza (2014), who has conducted a research of eight months, from January to August 2014, thanks to Social Analytics tools, reviewing 3,436 Facebook pages and 1,673 Twitter profiles of companies and brands which write online in Italian. To better observe the behavior of these companies three metrics were considered: response time, response rate and post addressed. The result of this research are showed below.

On Facebook, Telecom results are aligned to company policy, based on the decision of privileging the quality of the assistance service rather than the quantity of the requests directly addressed. In fact response time and rate are lower than those of the other companies, but in terms of addressed posts, Telecom Italia is the leader. The explanation is that the Group receives an elevated amount of request on the official page and many of them are treated privately through personal messages, since some cases require private details like the telephone number to be communicated to the operator and it cannot be done by a public post. Therefore, even if in the short run its performance may be not dominant, in the long run it satisfies the demand.

The charts explaining the score of Telecom Italia on Facebook customer care performances are listed as follow.

Response time: quickest brand to respond

Rank	Brand	Time
1	🛰 PosteMobile	9m
2	🛰 Wind	11m
3	🛰 3 Assistenza Clienti	1h 2m
4	🛰 Vodafone it	1h 6m
5	🛰 3 Italia	1h 9m
6	🛰 Poste Italiane	1h 10m
7	🛰 Tiscali Help Desk	1h 13m
8	€ Postepay	1h 29m
9	📍 Meridiana	1h 38m
10	🛰 TIM	1h 39m

🛰 Telecom
€ Finance
📍 Transportation

Response rate: brands that answer to the greater % of post

Rank	Brand	%
1	🛰 3 Assistenza Clienti	99.1%
2	€ Superflash.it	99.1%
3	🛒 bonprix Italia	98.2%
4	🛰 3 Italia	97.5%
5	€ Postepay	97.4%
6	€ Poste Italiane	95.6%
7	🛰 Tiscali Help Desk	93.%8
8	🛰 TIM	92.7%
9	🛒 Gli Stockisti	92.5%
10	🛒 Listicket	92.4%

🛰 Telecom
€ Finance
🛒 Retail

Post addressed: pages that have handled more requests
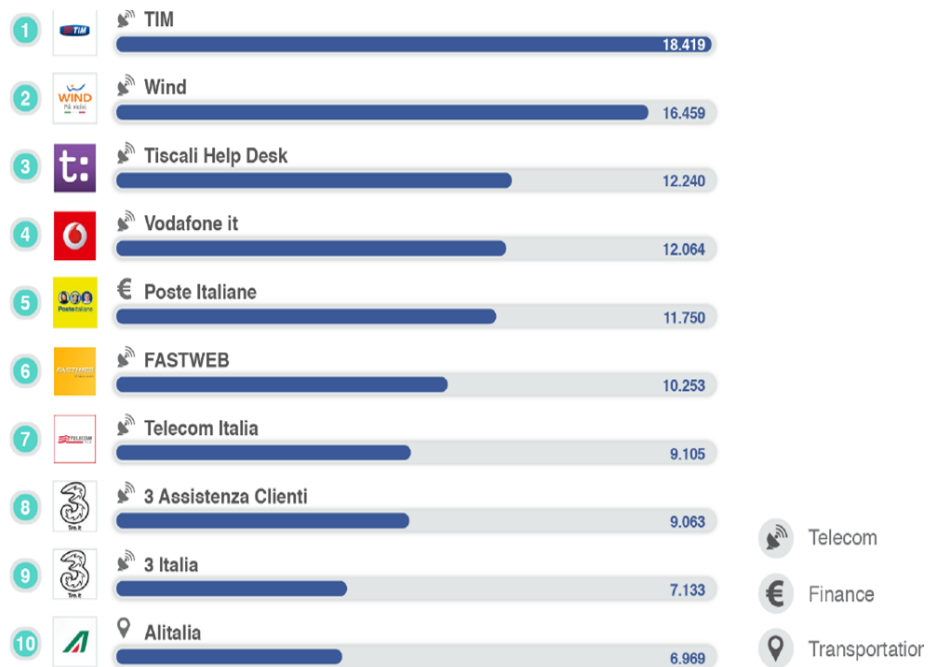
Social Caring Map: shows the placement of pages that have responded to at least 800 posts (according to an average of 100 per month).
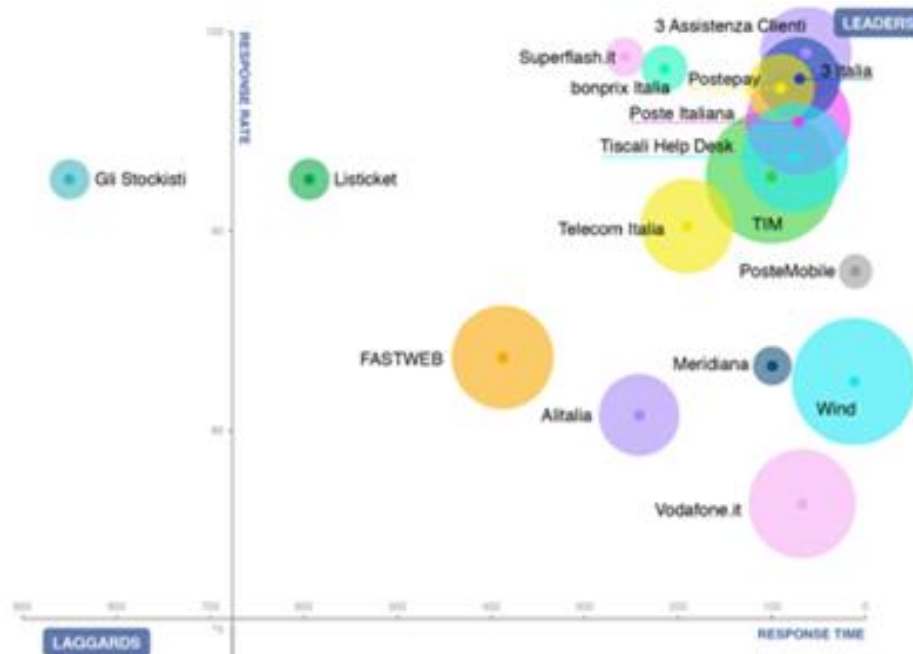
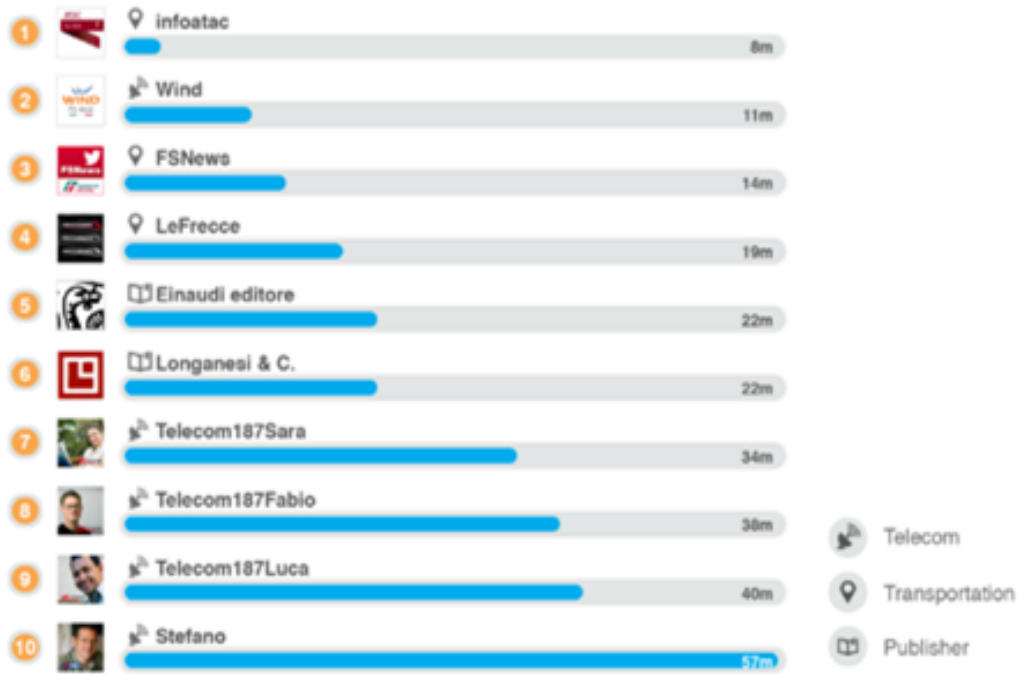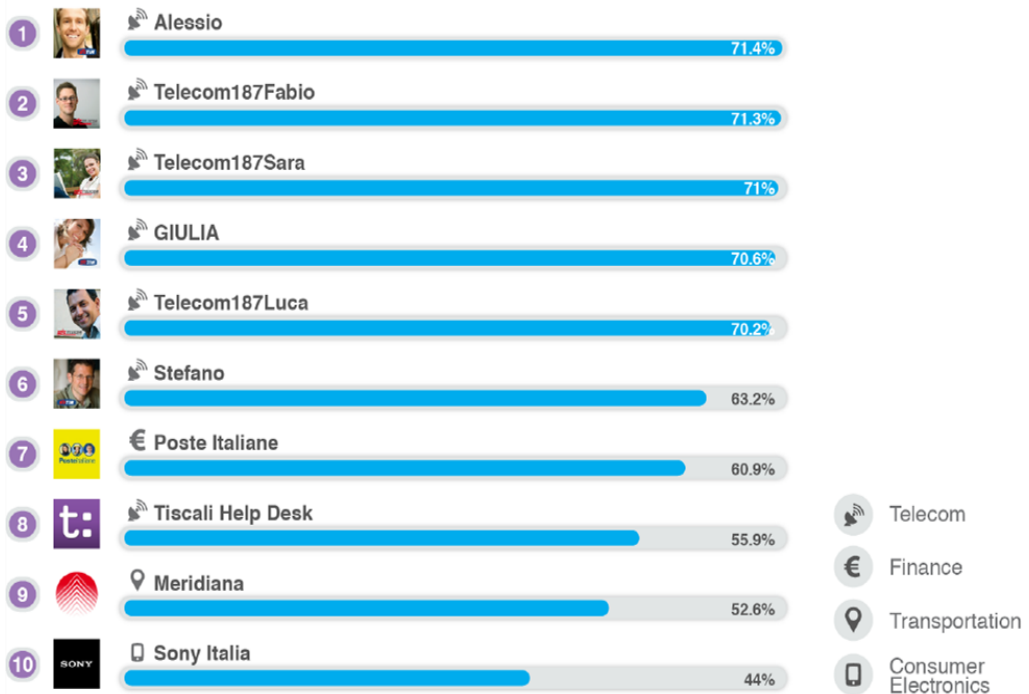Generally on Twitter response rates are much lower because not all mentions need an answer, especially when the company account is used also for commercial purposes. Here rankings are almost monopolized by the operators of Telecom, which responds to more than the 70% of mentions.

Response Time: quickest brand to respond

		Brand	Time
1		infoatac	8m
2		Wind	11m
3		FSNews	14m
4		LeFrecce	19m
5		Einaudi editore	22m
6		Longanesi & C.	22m
7		Telecom187Sara	34m
8		Telecom187Fabio	38m
9		Telecom187Luca	40m
10		Stefano	57m

- Telecom
- Transportation
- Publisher

Response Rate: brand who answers to the greater % of mentions

		Brand	Rate
1		Alessio	71.4%
2		Telecom187Fabio	71.3%
3		Telecom187Sara	71%
4		GIULIA	70.6%
5		Telecom187Luca	70.2%
6		Stefano	63.2%
7		Poste Italiane	60.9%
8		Tiscali Help Desk	55.9%
9		Meridiana	52.6%
10		Sony Italia	44%

- Telecom
- Finance
- Transportation
- Consumer Electronics

Post addressed: profiles that have handled more requests
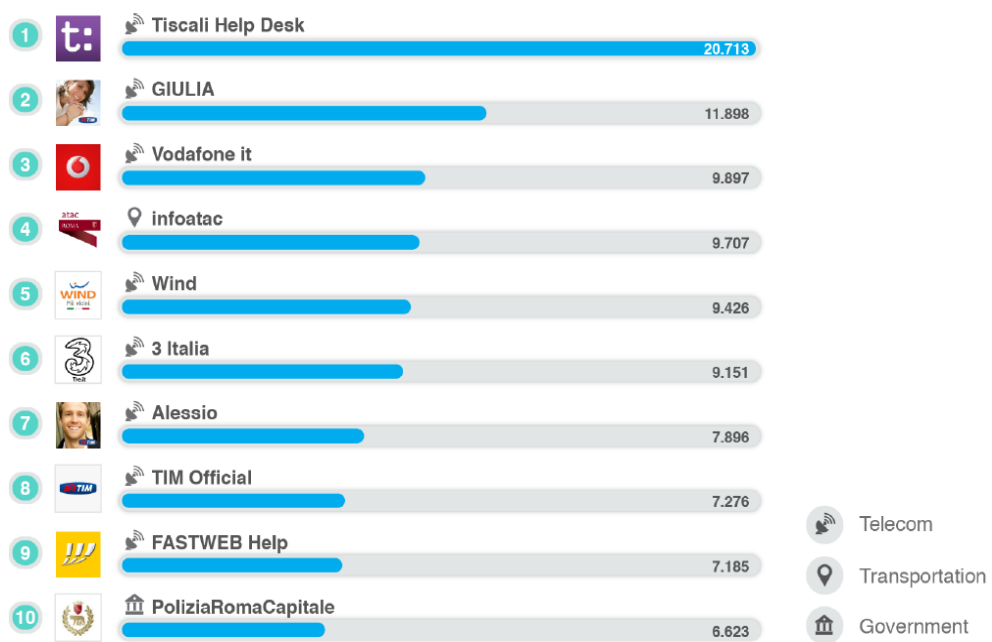
Social Caring Map shows the placement of profiles that have responded to at least 800 tweets during the 8 month of observance.
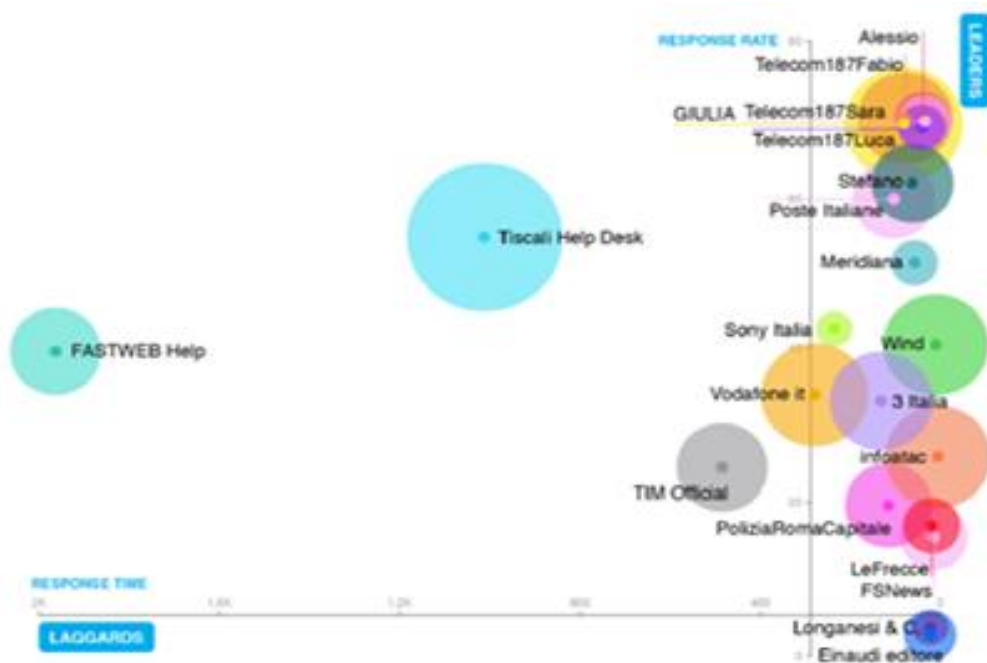
Conclusions

The majority of companies believes social media potentiality to reinvent customer relationships is so promising that they are aggressively forging ahead with initiatives, despite concerns about negative brand exposure, or the lack of new strategies and support frameworks. "This gold-rush mentality to stake a virtual claim in the blogosphere has resulted in the launch of social media management programs that now need to be evaluated for their overall value to the consumer" (Baird and Parasni, 2011, p. 16).

Understanding why customers want to engage with a company via social media is the first step toward building the value proposition for a Social CRM strategy.

Implications for business are significant: the shift to Social CRM is more than an adoption of new operational models or technologies; it is a cultural shift which occurs inside organizations (Mendoza et al., 2007). Social CRM is a strategy for the stewardship of customer relationship. This transition is still in the early stages for many firms who are experiencing the growing pains of rapid change (Beldi, Bheffi and Dey, 2010): the sooner companies embrace the fundamental precept that the client is now in control of the relationship, the sooner they will be able to exploit this shift and unlock the full potentiality that social media holds (Baird and Parasni, 2011). Social Media have established a new information source and interaction channel for both, companies and individuals.

The analysis illustrates that SCRM approaches are not separated from CRM processes, but extend them via Social Media. The Web represents an open hub that may connect every actor in firm's ecosystem. Enterprises start SCRM activities to make use of this network for their CRM strategies. However, some confusion remains about different forms of SCRM activities, how they can be successfully implemented and what infrastructures they require, since there is a large set of tools that can be used for these tasks. For partial approaches experts have already found specialized SCRM tools, while for advanced approaches with several SCRM activities, integrated systems are still missing.

Therefore, this calls for a deeper integration of processes and systems in SCRM (Winter et al., 2006). Integrated SCRM and specialized systems enable companies to centralize their data and distribute insights from the Web across the organization. Currently, tools offer a broad set of analysis and mining aspects that drive the development of SCRM activities (Reinhold and Alt, 2011).

In Italian companies SCRM remains in most cases a relatively young practice and it is generally based on a strategic vision which is still too limited in the long run (Cosenza, 2014). In fact many of them seem to evaluate the efficiency of a SCRM strategy considering only the

"contact" and the speed of the reaction, but not the real resolution of the problem, which is an approach that may satisfy companies but not users.

If firms use Social Networks to provide customer services, besides responding quickly to consumers' requests, they must provide actual assistance, otherwise the use of the digital channels is limited to an operation of marketing and promotion, and do not involve CRM practicies.

For the fact, a company cannot be social only on social networks, if the same is not done within the enterprise. Corporate operators are the first to suffer from a fragmented and compartmentalized internal communication. As mentioned in the previous chapters of this report in fact, the implementation of a SCRM strategy should culminate in an internal reorganization which is radically new. It is not an utopia to expect customer service and technical department having a direct line of communication between users and the company, in order to accelerate the resolution of the problems raised by consumers, as showed by Telecom (Bisetto, 2012).

Indeed, Telecom Italia has been one of the first Italian large company to follow their clients' behavior evolution alternatively to the traditional customer relationship management. The Group with regards to the investments in social caring, has made an economics effort, but above all a great cultural investment, without ever putting aside the only real asset that cannot be duplicated by caring excellence: the customer (Cipro, 2013).

Yet, SCRM implementation process is not finished since the organizational change associated with the development of the different elements of the corporate SCRM strategy, should be finalized through an adaption of the business processes and a reconfiguration of the corporate holistic structure (King and Burgess, 2008; Becker, Greve and Albers, 2009). In other words, the Group needs a consolidation of all its applications: each SM used and developed singularly by the firm, should merge into each other in terms of business rules, objectives and best practices. This may determine, for example, the overcoming of the gap in the response time between assistance on Facebook and Twitter.

Such a convergence means also that the company needs to integrate customer relationship data among many applications, so that it could target users with relevant cross-sell offers and gain a profit. This process would be facilitated by the usage of the management functionalities defined by Reinhold and Alt (2011) and would enable Telecom Italia to obtain a complete view of its clientele and become more effective in offering care services, as well. The following risks and problems that may arise, have to be managed through a standardization of internal processes, accordingly to customer's experience and feedback.

Telecom Italia needs a robust SM network that support real-time customer engagement and measurement of its key performance indicators, involving new technologies, which seamlessly integrate with corporate CRM systems. The system should ensure flexibility and interoperability among the different communication channels, in this way the company would improve its ability to engage its customers, measure their social activities and identify the most influential (positive and negative) fans. In this way the company would also be able to leverage its closest relationships with influencers and thereby empower its fans (Anon., 2015c).

Telecom is an example of how companies should see support in social media as a strategic operation, aimed to the evolution of business processes towards the new reality of digital generations. Despite the great opportunities procured by Social CRM, it has to be underlined that the use of social tools should be managed properly, which means setting up cross functional strategies, directed by a joint committee in which different parts of the business including External Relations, Customer Operations and HR are involved (Quintarelli, 2010). Initially, the bulk of the work will be reactive: it requires understanding and taking charge of customers' needs and expectations; contacting them and solving problems related to provided services. Afterward the process will become proactive, as the company increases its knowledge about users' trend and behavior through constantly listening and monitoring their actions and reactions, related to the firm. Considering customer care projects implemented by Telecom Italia and their results so far, it seems that the firm has accomplished an adequate control over the reactive phase and should now go beyond approaching more deeply the proactive stage, in order to improve the impact of the SCRM strategy and corporate return on investment. Therefore, further studies and researches should be analyzed for a better comprehension of the topic and to judge the actual degree of effectiveness and efficiency of the project "Caring on social media".

What can be deduced till now from the analysis is that social networks have a dominant role in consumer culture and are usually being employed productively by enterprises to receive feedbacks about their products and brands. Some of them have been going beyond, using social media as a meaningful way to develop relationships with their customers and promote publicity of their products. Consumers are connected and have conversations about enterprises through social media, whether companies are actively engaged or not, with the risk that brands are negatively labeled if they fail to participate. Hence, it is unequivocal that social networks holds unprecedented potential for companies to get closer to clients and, by doing so, to facilitate increases in revenue, cost reductions and efficiency (Rigby, Reichheld

and Schefter, 2002). In addition, studies assert that companies which will not be able to effectively manage their presence on social channels will lose from 15% to 20% of their best users.

Due to these reasons, businesses are rapidly embracing social media not only to build virtual communities, but also to create innovative social commerce programs, improve customer care and streamline consumer research.

The goal of such a commitment can be recorded, in a reliable way, by clients' evaluations regarding the main features of the relationship with the company, either related to tangible items, such as customer care and tariff offers, or abstract elements such as image, confidence, word of mouth and loyalty. But, the role of Social Networks cannot be limited to a fancy medium to keep companies in touch with influential fellows in their lifecycle; they could in fact represent outstanding innovation drivers in terms of communication, business and environment sustainability.

To conclude, this report is aimed to lead to some reflections about the changes that are occurring in markets and business performances, due to technological innovations: the rise and the development of digital platforms and social media are drastically changing the rules marketers were used to, introducing new ways of human communication and interactions. Thus, continuous observations and further studies about these emerging tendencies should be made in order to truly realize the dimension of the challenges that market players will need to face in all the business dimensions.[2]

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[2]Total amount of words: 14125.

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