

## Article

# Using Social Media to Build the Loyalty Loop in Omnichannel Retail

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**Abstract:** Customers make purchases through a multi-stage, omnichannel process, which now extends to social media. A loyalty loop can be achieved when an existing customer bypasses the initial stages –consider and evaluate– to make a direct purchase. However, to build that loyalty loop, a retailer must embrace techniques and software across social media marketing, social CRM, and omnichannel CRM. Reviewing literature from academic researchers and industry practitioners, this paper identifies emerging industry trends and discusses an illustrative case study of a UK digital retailer. The importance of social media for omnichannel retailing and building loyalty is highlighted and discussed.

**Keywords:** omnichannel CRM; social CRM; social media marketing; retail

## 1. Introduction

Academic researchers and industry commentators have noted that customers are making purchases through the “Consumer Decision Journey” (Lemon and Verhoef 2016), a multi-stage, omnichannel process.

That journey commences on social media as a customer visits a plethora of brand and product review sites where other consumers are only too happy to share their experiences – both positive and negative. It can also end on social media with reports of brand and product experience to potential future customers.

There is opportunity to create a “loyalty loop” where, for subsequent purchases, a customer bypasses the initial stages and moves straight to “buy”. However, to achieve this, a retailer needs to co-ordinate social media with other digital channels to create a compelling consumer experience by embracing innovative technologies to influence the customer journey (Edelman 2010).

Google’s newest algorithm update (Google Search Central Blog 2020), rolled out in May 2021 and focusing on Core Web Vitals to improve page experience, throws in sharp relief the need to improve an organization’s digital presence in order not to lose ranking authority, which can lead to loss of visibility and ultimately to decreasing sales.

Bridging theory and practice across social media marketing, social CRM and omnichannel CRM, this paper reviews academic research, discusses emerging industry trends and presents an illustrative case study of a leading UK omnichannel retailer that achieved higher visibility and sales.

## 2. Social Media

According to Kaplan and Haenlein, Social Media is a “group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of User Generated Content (UGC)” (Kaplan and Haenlein 2010). These applications include blogs, social networking, content community sites,

online communities, e-commerce and professional review sites (Voramontri and Klieb 2018) (Leek, Canning and Houghton 2016).

From a sociological perspective, social media can be considered as digital places where people conduct and organise their lives and it concerns what people do in those environments, especially how they interact and collaborate (Appel et al 2020). At a global level, social media users have been forecasted to grow to 3.29 billion in 2022, representing 42.3% of the world's population (Appel et al 2020). Hence the significance of social media should not be underestimated.

With regards to brands, Muntinga et al. (Muntinga et al 2011) classify user activities in three dimensions: consuming (viewing and reading content), contributing (commenting on, or rating, products) and creating (publishing written or video reviews). Researchers have grouped user motivations that drive such behaviors into categories such as knowledge gathering, influencing others through social interaction, becoming a brand advocate or contributing to product development (Muntinga et al 2011), (Brodie et al 2013), (Schau et al 2009).

Consumers rating products or providing reviews of brands and services on social media sites is an activity referred to as (online or electronic) word of mouth (Hennig-Thurau et al 2004). The material shared is rarely available through a company's marketing publications (Bronner and Hoog 2010) and is a source of information that can impact consumer decision-making and shape perceptions from product awareness, selection, post-purchase evaluation and opinions of brands (Kimmel and Kitchen 2014) (Voramontri and Klieb 2018). Appel et al. (2020) note the rise of "micro-influencers" who are seen as credible experts and advocates, engaging other participants to interact with the content they post.

Recognition of the importance of UGC has led organizations to embrace the concept of User-Generated Branding (UGB), "the strategic and operative management of brand related UGC to achieve brand goals" (Brunnan 2010). UGB refers to brand content created and distributed voluntarily by non-marketers. UGB can be instrumental in building relationships between customers and brands and enhancing consumer engagement through social media (Geurina and Burch 2017).

### 3. Social Media Marketing

Social Media Marketing involves, "delivering brand messages and content through social media" (Kotler et al 2017). Firm-Generated Content (FGC) – the messages an organization posts on its official social media pages – can be mutually beneficial informing customers of products while helping develop one-on-one customer relationships (Kumar et al 2016). Marketers can enhance brand post popularity by sharing social media content and encouraging customer interaction such as "likes" and comments. Customers feel more engaged with products and organizations when they are able to submit feedback (Mangold and Faulds 2009). Brand advocates can derive value from popularizing the brand content throughout their network of friends and associates (Kumar et al 2016), (Swani et al 2017).

FGC that includes emotional sentiments, corporate brand names and embedded media, such as video, image or a URL to a company's website, is more likely to promote word of mouth. The use of warm and competent images, combined with an appropriate narrative tone of voice and brand personality can enhance consumer engagement (Chang et al 2019), (Lee et al 2018). Significantly, FGC should avoid explicitly commercial statements and "hard sell" strategies (Swani et al 2013), (Swani et al 2014), (Leek et al 2016).

The nature of social media forms a complex feedback loop by "echoing" FGC and UGC, which can have positive and negative impact on brands (Hewett et al 2016). As a result, brand messages are no longer exclusively shaped by their owners but co-created with customers and partners (Gensler et al 2013), (Swaminathan et al 2020).

Customers use social media as an information source during the initial research stages of the buying process, due to perceptions of its convenience, effectiveness and

credibility, compared to the one-way broadcasting of traditional marketing. Increasingly, reviews on social media induce or dissuade purchases. A holistic marketing strategy should include fostering customers' engagement on social media by encouraging them to share their experiences, purchase outcomes and involving them in conversations, including addressing any complaint and acknowledging positive feedback.

In a business-to-business (B2B) context, digital content marketing has been defined as "creating, distributing and sharing relevant, compelling and timely content to engage customers at the appropriate point in their buying consideration processes, such that it encourages them to convert to a business building outcome." (Holliman and Rowley 2014), (Järvinen and Taiminen 2016). Increasingly, a "journalistic" or "publishing" approach, which entails an in-depth understanding of audiences and the provision of useful, relevant and compelling content, is required to stimulate a cultural change from "selling" to "helping" (Holliman and Rowley 2014). Wang et al. (2019) researched content marketing in B2B professional services organizations and found that the number of sales leads and opportunities achieved were greatly affected by online content. The researchers support the notion of content marketing as an online strategy that offers added value to customers independently of the product or service sold, value that will boost sales results.

Consequently, social media is becoming an integral part of business strategy as firms use UGC, UGB and FGC to communicate with customers, influence purchase decisions and build brand loyalty (Alves et al 2016), (Mangold and Faulds 2009), (Kaplan and Haenlein 2010), (Swani et al 2017). Moreover, its immediacy and global reach offer a significant potential for commercial messages.

Yet, while companies increasingly create branded social media pages, it appears they remain unclear what to expect from those pages, how to use them, or what to post. Customers are seeking products and services that can address their pain points and enhance their lives. A business must strive to offer a value proposition that fits their audience. Communicating this mission statement in a warm, engaging manner is key, even if the product or service is perceived as "unexciting".

However, social media is not solely about the size of followers or the number of likes. An organization needs to continually monitor the quality of the content published, the relevance of the product or service to the targeted audience and customers' preferences. Social media activities, whether organic or utilizing paid advertising, can be measured through analytics. Dedicated software can also measure effectiveness and degree of engagement of posts.

Practitioners agree with the academics regarding the importance of content and approach, noting that social media posts are most effective for driving sales when they are relational (making a connection beyond the recipient), intellectual (triggering mental processing), or behavioral (encouraging activity or interaction with a product or service) (Stanko et al 2019). Posts should aim to (Pulizzi 2014):

- Humanize the brand – Business interactions become connections among real people, not among customer demographics and corporate droids.
- Trigger an emotional response – We are irrational beings with feelings that often overpower our thinking. Building a warm relationship is a winning strategy.
- Engage customers at a deeper level by publishing entertaining and informative content (text, images, videos) about the company and its products. A soft-sale approach is required, companies should not push customers to buy, rather suggest a solution to a problem or fulfil a need.
- Build trust – If a business does not have a social media presence, customers may feel neglected. Businesses that only use the traditional broadcast method of advertising are missing an opportunity to hear customers' views and even receive glowing testimonials for a product or service.

One of the challenges is that social media channels are peer-to-peer, involving conversations between friends, families and colleagues as they share and comment on posts.

A consumer may encounter issues that act as barriers to purchase. Browsing retailer branded pages on Facebook reveals examples where customers have posted messages raising complaints, often venting frustration at their inability to reach the company or resolve issues. The negative feedback on a firm's social media pages can be echoed to other users as electronic word-of-mouth. This means that not only is the posting customer unlikely to re-purchase, but other potential customers might also be deterred by the negative feedback, especially if it is not addressed by the company.

Brands must be well attuned to how customers use social media and respond promptly to customer feedback. However, some businesses tend to ignore – or worse – delete negative feedback from their social media channels. This is a missed opportunity. Consider Domino's Pizza as an example. In April 2009 two employees filmed themselves doing awful things with food ingredients, as a prank, and posted the video on YouTube, sparking a major PR crisis. This unsavory viral video, alongside declining pizza deliveries due to customer dissatisfaction, was a rude awakening for the brand. The CEO quickly responded on YouTube and launched a multichannel marketing campaign. "The Pizza Turnaround" website (retrieved 2021) featured a video documentary starring enthusiastic employees keen to showcase how Domino's had been listening to customer criticism and was improving its recipes. This was supported by a Twitter strategy, showing customers' reactions to the new recipe through a dedicated hashtag #newpizza. Blogger outreach was used to involve bloggers, who previously commented adversely, to test the new pizzas. By acknowledging the negative feedback and involving consumers in product changes, Dominos was able to regain market share and increase stock value in the US from \$7.73 in 2009 to \$70 in 2014 and \$386 in 2020.

In the software industry, digital marketing vendors and CRM vendors both offer Social Media Management components within their product suites. While many companies have, to date, adopted a manual approach to social media, given the dramatic increase in number of sites and users, a manual process is not scalable.

Social Media Management provides capabilities for firms to interact with social media in an automated process; Social Listening gathers messages posted from a variety of social platforms; Social Analytics evaluates keywords in posts to determine whether sentiments are positive, negative or neutral; Social Publishing facilitates posting messages, including URLs to websites and "share" buttons to encourage customer advocacy; Social Profiles can be constructed, tracking who shares content. Within a firm, both digital marketing and customer support staff are able to use such capabilities to reach and support customers.

The aim is to actively respond to a customer in a manner that it both acknowledges the problem raised and positively influences the buying process.

#### 4. Social CRM

The most widely accepted definition of social CRM is provided by Greenberg (2010): "A philosophy and a business strategy, supported by a technology platform, business rules, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment". Crucially, it is more concerned with customer engagement than customer management.

While social media marketing places an emphasis on marketing communications, social CRM is more concerned with addressing customer issues, although the boundaries between the two are blurring (Kotler et al 2017). This is expressed in the digital marketing literature, which acknowledges the relevance of listening to customers but does not offer comprehensive suggestions on approaches or techniques to achieve this goal. Furthermore, there is not enough focus on how to address issues customers may raise.

Social CRM strives to combine social media with CRM applications, which widens the provision of potential use cases in marketing, sales and customer service (Wittwer et

al 2017). However, reviewing the social CRM academic literature, the main topics are theoretical models, social listening/publishing and customer service.

Choudhury and Harrigan (2014) present a model that positions social media technologies within the theoretical domain of CRM. They emphasize the importance of two-way information sharing and collaboration between marketer and customer, and advise that data collected from customer-social media interactions is inputted into traditional CRM and analyzed to inform future marketing decisions. They conclude that social CRM leads to improved customer relationship performance.

Wittwer et al. (2017) describe a “customer context” model for social CRM using customer data gathered from social media. They suggest such context information might be used in Social CRM processes, such as the definition of “personas”, which represent specific characteristics or preferences of a target group.

Social listening is the process of attending to, observing, interpreting and responding to a variety of stimuli through mediated, electronic and social channels (Stewart and Arnold 2016).

A case study investigated a manual social listening process to improve communication with customers for an American university library. They shifted focus from simply publishing and sharing content on social media toward social listening to understand and address customer concerns. As a result, user engagement on both Facebook and Twitter increased, facilitating more meaningful interactions between staff and customers. They note that social listening offers clear benefits for organizations and interpersonal relationships (Stewart et al 2017).

A “social listening” application filters social media content based on keywords or a particular topic, utilizing data analysis tools to provide information that a company can use to inform decision-making (Orenga-Roglá and Chalmeta 2016). Reinhold and Alt (2011, 2012) identify constituent components: monitoring (connecting to social media sites to extract and analyze content), management (passing that information to CRM systems for processing), interaction (responding by publishing content on social media).

Social CRM can be used to discover consumer opinions relating to the company and its products and to communicate and collaborate with customers. As a result, researchers suggest integration of social media content with CRM processes and systems (Orenga-Roglá and Chalmeta 2016), (Reinhold and Alt 2012), (Choudhury and Harrigan 2014), (Kubina and Lendel 2015), (Wittwer et al 2017), (Acker et al 2011). However, CRM must publish content on social media that engages the consumer to give the mutual benefit (Malthouse et al 2013).

Stefan Willi and Gamal (2012) consider an approach to customer service where an employee initially communicates with a customer on social media at an “introduction” level. Once direct personal contact has been made and rapport created, a deeper “relationship” level is entered where more information is exchanged. Such interaction aims to be mutually beneficial as the company gathers information while assisting the customer.

One published case study investigated an organization providing customer service on YouTube and Facebook. Results revealed the importance of factors for effective social customer service. Key factors included tailoring content for each individual social media site, real-time customer interaction, and the requirement for a shared knowledge base (Lopez 2013).

The research of Rossman et al. (2017) on the use of social media for customer complaint handling suggests it forms a useful complement to the traditional channels. They also note that a satisfied customer on a social media channel may provide additional benefits for an organization as that customer may be inclined to generate word-of-mouth communication.

Appel et al. (2020) suggest a future trend of customer care on social media becoming increasingly personalized and accessible, and raise the possibility of predictive technology being used to make customer care pre-emptive.

Greenberg’s definition of customer service as, “the customer care activities that surround the purchase of a product or services” (Greenberg 2010, p345) extends beyond



complaints and includes enquiries, which customers expect to be answered immediately. He observes that traditional CRM service channels frequently fail to resolve customer issues, causing frustration, and advocates a new service model using social communities. He emphasizes the importance of proactive support, employee-to-customer and customer-to-customer interactions, and availability of a knowledge base (Greenberg 2010, pp34-35 and pp346-355).

Leading omnichannel retailers are following this advice and embracing social media. They operate branded pages, posting images, information and URLs on Facebook and Twitter and videos on YouTube. Their online shop is integrated with the website and offers social media capabilities: customers are able to rate purchased products, publish reviews and post questions, which their own staff and other customers can then answer. This facilitates a deeper level of discourse amongst consumers and brand advocates, compared to social media channels that are not dedicated to the brand. It also provides a mechanism for the firm to gather valuable customer feedback on products. Importantly, while digital channels offer potential to ease pressure on traditional customer service channels, they are seen as complements rather than substitutes.

## 5. Omnichannel CRM

Global Web Index's *Socia Media 2020 Report* provides valuable insights into social media, advertising and purchasing:

- As a result of COVID-19, consumers are using social media for interaction and entertainment purposes on a greater scale than before. Companies should continue to act pre-emptively by making themselves increasingly prominent on these channels.
- Social media is embedded in the purchase process, especially during the early stages for researching products and informing decisions. Social media adverts are first on the consumers' brand discovery list, significantly ahead of search engines and on par with TV adverts.
- Social commerce has potential, but only 13% of users say a "buy" button on a social network would increase their likelihood of purchasing.

These insights suggest that to be successful, a retailer must embrace social media sites but also co-ordinate them with other channels.

In 2011, Rigby observed the expanding number of digital channels and suggested that retailers should integrate them to form an omnichannel customer experience.

Omnichannel CRM is concerned with allowing customers to use channels interchangeably during the purchase process for behaviors such as "showrooming" (search in store, buy online) and "webrooming" (search online, buy in store) (Verhoef et al 2015).

Researchers suggest that successful implementation requires *omnichannel management*, (management of channels and touchpoints to optimize channel performance and customer experience (Verhoef et al 2015)) and *cross-channel integration* (co-ordination of the objectives, design, and deployment of channels to benefit the firm and customer (Cao and Li 2015)). The emphasis is on mutual benefit for both customer and the brand.

Cao and Li (2015) define full integration as, "retailers optimize established channels collaboratively, focusing on activities linked to consumers' seamless shopping experience," and identify the required capabilities: alignment of services and products across channels, integration of systems across channels, and sharing knowledge across channels and the organization.

As the omnichannel environment is becoming increasingly competitive, retailers need to learn rapidly from customers and cater to their needs. Strategies that encourage customer interaction (providing content and reviews), use of cross-channel integration to share information, and deploy data analytics to gain customer knowledge can help provide differentiation (Brynjolfsson et al 2013).

Researchers emphasize the importance of content for digital marketing during the buying process. A case study investigated the use of marketing automation to email valuable and timely content to customers based on their recent online behaviors. The results

reinforced the idea that content should target customer needs and solve their problems rather than promote the brand or products. The integration of marketing automation with sales (CRM) to pass leads into a sales funnel was found to create business benefits (Järvinen and Taiminen 2016).

Email adverts can be effective for converting sales, especially when used to contact customers at the time they are predicted to purchase (Li and Kannan 2014). Personalizing emails by simply adding the customer's name to the subject-line has been found to increase the probability of the recipient opening it, increase number of sales and reduce the number of customers unsubscribing from the campaign. Moreover, personalization can trigger a consumer's interest and increasing the probability of a response to the advertising message (Sahni et al 2018).

The world of omnichannel CRM has been further complicated by the rise of mobile devices, which represent new channels (mobile text and apps) and may induce even more switching across channels, adding complexity to the customer journey (Lemon and Verhoef 2016).

However, mobile channels also offer new marketing opportunities. They enable retailers to provide tailored, time-sensitive and location-sensitive advertising and promotions in store, as well as personalized marketing offers (Bart et al 2014), (Hui et al 2013). Mobile apps enable an organization to engage with its customers even when they are on the move (Wang et al 2016). Mobile engagement can intensify consumer experience, foster brand loyalty and increase revenue growth. This is underpinned by research on the influence of a brand's mobile app's interactive features (lookups and check-ins) on levels of spending. Findings revealed that acquisition and prolonged use of a branded app boosted future spending, but when the app was abandoned, customer spending declined (Wang et al 2015), (Su et al 2015). However, a customer will only adopt and keep using a mobile app while it provides value. This suggests a firm needs to frequently update the app, which may be costly and time consuming.

Academic researchers and industry commentators have investigated the relationship between the customer purchase process and omnichannel CRM.

Lemon and Verhoef (2016) consider an iterative, three-stage buying process: pre-purchase (search), purchase and post-purchase (after care and re-purchase). Each iteration involves a customer journey across multiple touchpoints (customer channel interactions) and hence may impact customer experience. They identify four categories of touchpoint, which offer varying degrees of control for the retailer: brand-owned, partner-owned, customer-owned and social / external. The customer might interact with each category at any stage of the process. This journey and these touchpoints have potential to impact customer experience.

Other researchers describe a five-stage buying process: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision and (5) post-purchase. The initial three stages appear to present a refinement of "pre-purchase" and are the ones in which a customer most uses social media (Voramontri and Klieb 2018), (Yogesh and Yesha 2014).

Industry commentators describe an iterative buying process. with two stages of pre-purchase ("consider" and "evaluate"), then "buy" and a post-purchase stage ("enjoy, advocate, bond"). Crucially, they note potential for a "loyalty loop" where, in subsequent process iterations, the customer by-passes pre-purchase and moves straight to "buy". They identify steps for practical implementation: automation of journey stages, proactive personalization (tailoring content from customer information), contextual interaction (influencing customer interaction along the journey) and journey innovation (refining touchpoints from analysis of customer needs and technologies) (Edelman 2010), (Edelman and Singer 2015).

A case study for an online store in the Slovak market identified key factors that affect customer purchase: price, availability, scarcity (limitation on product quantity or time of offer), product details, conditions and social media presence / proof (number of followers, social media activity and reviews about the product and seller). Knowledge of such factors

can be used to optimize online shops. It is important to offer a positive, stress-free experience for online users to ensure sales and avoid cart abandonment. A negative experience is likely to cause the permanent loss of customers (Bucko et al 2018).

If a retailer has posted entertaining and informative content on social media, including URLs for the company website and online shop, consumers are likely to navigate the links provided. To continue to make the purchase journey a compelling experience, a retailer can embrace other digital marketing techniques and marketing automation software packages (Świeczak 2013):

- Email Marketing creates emails with an infographic containing text, images and a URL for a personalized landing page.
- Website Forms allow a visitor to submit contact details and channel preferences to receive product promotions. Such information may be required to comply with regulatory requirements, e.g., GDPR (General Data Protection Regulation).
- Campaign Management offers functionality to deliver FGC to prospects through a range of channels (e-mail, social media and personalized web pages) and to identify individual customers and follow their behaviors over extended periods of time (Järvinen and Taiminen 2016), (Świeczak 2013).
- Journey Management enables design and automation using event-driven triggers to proactively respond to customer touchpoints and deliver the right message, at the right time, in the right channel.
- Mobile Marketing sends messages to mobile devices as text messages or through in-app messaging.

The importance of supporting customers throughout their buying journey has been reflected in the CRM industry with the emergence of the Customer Engagement Centre (CEC), which Gartner (retrieved 2021) defines as, “software applications used to provide customer service and support by engaging intelligently – both proactively and reactively – with customers by answering questions, solving problems and giving advice”.

CRM vendors offer CEC packages that include a wide range of applications, including:

- Case Management can be used to raise a trouble ticket to resolve a customer problem, track the activities to resolve it and support customer communication.
- Knowledge Management offers a searchable knowledge base containing documents that answer common questions.
- A Virtual Customer Assistant can intervene in an activity in which the customer is already engaging, e.g., a chatbot that powers a dialogue proactively to website visitors or a search box with autocomplete based on suggested phrases.
- Knowledge Management provides useful information to the customer.
- Live Chat facilitates real-time communication with website visitors to provide immediate customer support.

All of these capabilities can be made accessible to mobile devices, which is essential in modern digital retail.

Customers who use social media for research during pre-purchase also use social media to post reviews and feedback post-purchase. If a company has used digital marketing, social CRM and CEC techniques and technologies effectively, and provided an excellent end-to-end experience, that customer is likely to be willing to engage with the brand and publish positive reviews. Other social media users will be able to view that feedback, post responses and share the content, thus generating electronic word-of-mouth.

In this manner, social media provides capability to bring the brand and products to the attention of other users. Not only is the “loyalty loop” retained, but also it is extended to potential new customers. Moreover, social media management provides a tool for retailers to continually monitor social media to assess how many of its customers are becoming true brand advocates.



## 6. A Case Study

While there is a range of software technologies and techniques across digital marketing and CRM, in practice, a retailer may not wish to deploy all of them at once but incorporate them over time, evolving its business operations. This was exemplified by a UK, multi-brand home-shopping retailer.

This business had recently ported its operations from a paper-based product catalogue to an online shop integrated with its website. The online shop was implemented on an e-commerce platform and incorporated social features (product reviews and ratings, questions and answers). Customers were able to search for information and products and the resulting sales transactions were passed to back-office ERP systems for fulfilment and financial processing.

The firm now wanted to increase revenue by deploying additional digital channels: social media, email, mobile text and mobile app. It recognized that communication would be crucial for a good customer experience and, while not all customers would own a computer, most would own a mobile phone.

For each brand, the retailer created branded community pages on Facebook, Twitter and YouTube, periodically posting engaging FGC with photographs of products, details of offers including links to its website. Social media users were able to post comments and questions to which the firm responded.

New customers were able to register on the retailer's website for promotional offers, specifying channel preferences. The firm deployed channel components to format and send messages based on preferences specified by each customer: email marketing, mobile marketing and mobile app communications.

The company then utilized a journey management component, which was able to pinpoint customer interactions across key touchpoints and determine the best response in the most relevant channel. The aim was to deliver the right message, at the right time, through the right channel to each customer. This enhanced omnichannel management and cross-channel integration.

The website's registration forms, online shop sales transactions and customer search data were stored in a data warehouse. By consolidating the data across the channels, the data warehouse was able to support construction of a single view of the customer. To support digital marketing, Personalized Promotions, Email Marketing and Campaign Management, components were deployed utilizing that data. Working together, these software components provided a powerful capability to send each customer personalized offers based on previous searches and purchases, across the channel of choice.

A customer service team in the contact center used an Account Management component to track customer transactions and resolve issues raised by customers. A separate social media team used a manual process to respond to customers on social media. This use of disparate teams created a challenge for effectively resolving customer issues. To address this, the company undertook an exercise to identify how digital channels could be enhanced with CEC capabilities: Social Media Management, Virtual Customer Assistant, Live Chat and Knowledge Management.

As a result of implementing a bespoke architecture, the company is currently one of the leading UK digital retailers with more than 60% of sales being made by customers using mobile devices.

## 7. Conclusions

Customers make purchases through a multi-stage, omnichannel process. That journey commences on social media as a customer researches brands and products. It can also end on social media with reports of experiences and product reviews, which can affect potential new customers.

A "loyalty loop" can be created where, for subsequent purchases, a customer bypasses the initial stages and moves straight to "buy". However, to achieve this, a retailer

needs to co-ordinate social media with other digital channels to create a compelling consumer experience at all stages of the customer journey.

This study identified an emerging industry trend where retailers embrace social media marketing, social CRM and omnichannel CRM techniques and software to build that loyalty loop and extend it to potential new customers through social media. An illustrative case study was discussed with reference to the literature. This highlights the importance of social media for omnichannel retailing and building loyalty.

The software components identified are offered in the marketplace by digital marketing and CRM vendors. Together they provide capabilities to implement omnichannel solutions.

However, there are obstacles to successful implementation. The case study illustrated two technical challenges. First, the solution involved a number of software components being deployed over time. It was essential to define the architecture and road map to ensure the desired business benefits were delivered. Second, only some customer touchpoint interactions were copied to the data warehouse: customer registrations, website searches and purchase transactions. Although this allowed a single view of the customer to be created, the absence of touchpoint data from other channels presented a limitation on that view. The greater the amount of data gathered across channels, the better the opportunity for understanding and supporting each customer and for providing offers likely to be of interest. Moreover, BI (Business Intelligence) tools can be used to analyze the data warehouse and answer general questions such as: Which touchpoints were used? Which customer journeys were completed/abandoned? Which content stimulated customer responses? The insights gained into customer behavior can be used for journey innovation to develop the channels and refine the content to attract and benefit future customers.

From an organizational perspective, the case study also illustrated the challenge of involving several teams spanning across digital marketing, social media marketing, sales, CRM and customer service. It is common business practice for such teams to operate independently in separate departments. Effective implementation relies on alignment and inter-working and therefore has potential to create organizational challenges and require cultural change, breaking down silos. There is clearly a need for collaboration, not only with the customer, but also internally within the organization.

If a business is able to rise to these challenges, there are potential benefits for both the customer and the retailer. The customer benefits from an enriched experience collaborating with other customers and the organization on a rich variety of channels. The retailer benefits from achieving a loyalty loop and those loyal customers becoming advocates on social media. Moreover, such advocacy can generate brand awareness to a large number of potential new customers. This really is a win-win opportunity for consumers and businesses.

## **8. Limitations and Future Work**

The importance of social media and customer interaction within the purchase process is clear. However, with the dramatic increase in the number of social media sites and users, it is evident that more automated tools and processes will be required. In particular, social CRM could benefit from further technologies.

Researchers recognize the requirement to tailor content to both digital channels and individual customers. However, the manner in which that content should be tailored for each stage of the purchase process is less clear. The degree to which that content stimulates customer interaction appears key to the overall customer experience and engagement. The notion of applying “gamification” to encourage customer interaction offers a fruitful direction for future research.

Reviewing the academic literature for social media, social media marketing, social CRM and omnichannel CRM, it is clear there is significant overlap. However, to date, researchers appear to have focused on these topics from specific perspectives. It is possible

that further insights could be gained from a more interdisciplinary approach, exploiting advances in computer power and artificial intelligence applications.

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