The Role of Social Media and Mobile Interaction in CRM

Tülin Oktay Tombalak*
Department of Informatics, İstanbul University,
İstanbul, Turkey
tulinoktay@hotmail.com
Zümrüt Ecevit Satı
Faculty of Political Sciences, İstanbul University
İstanbul, Turkey
*Corresponding Author: tulinoktay@hotmail.com

Abstract— Globalization and the increasing competition as a consequence of globalization leveraged the customers as precious value. Therefore it is necessary to manage customer relations effectively by creating sustainable long term value based relationship, increase employment in this specific area, provide value added services for the customers at every single connection point. Organizations that adopt customer-centric business models perceives it mandatory and tend to adopt new channels to their current communication and interaction systems over social media interact with their social customers through virtual networking, increase their customer database over their social customers, create a transparent communication platform based on trust, provides customer interactions through mobile devices and integrate internal processes to social networking in order to reach these objectives. This study evaluates the new business approaches in social media and mobile technologies in CRM along with the prevailing factors as well as the newly developed social media solutions of the companies that effectively uses social media channel and integrates CRM interaction to mobile device applications. Along with these lines, this document further evaluates the results of the new products, new services and new approaches of the organizations following the generation of innovative solutions through socialization and mobilization of customer interactions.

Keywords—Component, crm, social media, social crm, mobile application.
I. INTRODUCTION

It is the fast-developing information and communication technologies that shape today’s world where information is the most significant power. The Internet that has become prevalent on a global scale and become a crucial medium for communications thanks to information and communication technologies, the big-bang in the use of mobile devices for access to information that followed the widespread of the Internet and in parallel to that, social media applications which have come to life with the web ‘Web 2.0’ that enables users to share their custom developed content are the main pillars of such shaping.

Social media tools such as Facebook, Twitter, LinkedIn that rapidly and widely spreaded, as a result of such developments have led the way for the rise of a new and effective communications channel between the users. These new channels of communication provided the baseline feature of which is interaction that the users or the customers are no longer passive onlookers but active producers, each, who can design his/her own content the way s/he wants, share such content with whom s/he wants on the social media and get instant reaction through mobile access.

The widespread use of this new channel that empowers users or customers has led to the re-categorization of the definition of the customer and the formation of the category, ‘social customer.’ Social customers who access to information from a different route, who can interact in a matter of winks using social media tools, rippling out the negative as well as the positive are categorized as a highly conscient customer that causes organizations to change, or improve, their strategies and within this scope, their existing customer relationship management and interaction.

Organizations that embrace the customer-focused working model and work in line with such philosophy consider it an obligation to sustain their interaction with social customers through mobile devices and social networks that are linked to the existing communication and interaction methodologies, to expand their customer network benefiting from the ecosystem of the social customer, to create a reliable and a transparent medium between themselves and their customers, to integrate inter-organizational processes with social networks and in brief, to transform their organization into a social organization. In parallel, the traditional CRM -customer relationship management- approach is also ‘socializing,’ evolving into a social CRM approach.

In this study, the necessity to include the increasing use of mobile devices and the social media in traditional CRM will be investigated as well as organizations’ need to socialize, the process of socialization and the outcomes reaped as a result of socialization will be explored with four separate practices. It is seen, as a result of the studies that have been carried out, that diverse innovative solutions can be developed thanks to many opportunities that use of the mobile and social media applications offer to businesses, as well as ranges of new products, new service facilities and products/services expanded.

II. EVOLUTION OF THE CUSTOMER

Technological advancements and social media applications that become fast-widespread in parallel to these advancements have led to considerable changes in the traditional customer profile. The profile of the traditional customer who makes the buying decision depending on the price and the benefit that s/he would reap who established communication via telephone or -rarely- by e-mail has lost its footing to the new customer ecosystem, following the technological developments. Different that the traditional one, this new customer profile, namely the 'social customer,' prefers to chat with his/her on-line/off-line friends regarding the product/service, or to gather such information from the Internet or his/her friends rather than check institutional literature and trust the sales representative [17]. As a result, the opinions of social customers about the products and services are shaped by the sharings of other people who sound their experiences, thoughts and feelings through the social media [1].

Google, in this regard, has played the biggest role that has led to this change of the customer type as it democratized information. And again, it is Google that enables the search of billions of web pages in a matter of just seconds, has made it possible for everyone to use such technologies. As a result of the widespread of mobile devices, the possibility to access information regardless of place and time and the change of the lifestyle of the so called Generation Y who have been born and raised with such technologies the traditional/passive customer of the twentieth century has transformed into the social customer of the twenty first century. The opportunity and the comfort to share digital data with millions of people is what makes the profile of the social customer different than its 'ancestors;' the most important trait that separates him/her, who runs a race to share information with friends that they have never actually seen and who are mere 'alikes' [18].
All through the day and any time they wish, social customers consult the comments of their friends, albeit they know them or not, but whom they trust and with whom they are connected via the Internet and mobile devices. They expect transparency and honesty, both from their friends and from the businesses with whom they will do business. Trust is the groundwork of social customers’ relation with businesses [18].

The results of the three-year survey that Brightlocal has carried out demonstrates that customers every day, confide more and more in the evaluations and commentaries that they read on the Internet [2]. According to the results of the survey in which 90% of the respondents were from North America and 10% from Canada, 73% of the customers as of 2013 (58% in 2012) indicate that positive commentaries and evaluations that they encounter on the Internet increase their trust in the business concerned. As it can be seen in Figure 1, only 12% of the respondents (17% in 2012) have indicated that they, by no means, never heed customer evaluations on the Internet [2].

Another outcome from the same study, as seen in Figure 2, demonstrates that 79% of the respondents (72% in 2012) trust the commentaries and evaluations on the Internet as much as personal evaluations. Only 21% of the respondents have said that they do not trust these evaluations and commentaries [2].

According to the results of the survey that Nielsen has carried out with more than 29,000 Internet users, 84% of customers act on the guidance of people that they know and 70% in line with the commentaries and evaluations of customers on the Internet [32].
These results are indicative of the fact that the business-customer dialogue has evolved into a customer-customer dialogue. It is seen that social customers are highly cooperative in terms of sharing of information, pay more and more attention to commentaries on social media rather than institutional literature and have constant access to information on mobile devices and that the social customer ecosystem is growing everyday thanks to the widespread of social media applications. Social customers expect businesses to listen, use the social media applications that their customers use and to get actively involved in transparent dialogues.

The times of unilateral communications when a product-based approach was prevalent and action was taken in response to activities that were being carried out are now over. The traditional customer relations have today evolved to an era of front-stage mutual interaction, cooperation and where nothing is held back from the customers and transparency against the customer is key. Nowadays, operational units, just like the customer ecosystem itself, have the most effective interaction amongst themselves; and the interaction between the business and the customer is an extension of it. In Figure 3, the customer-business ecosystem and the relationship that needs to be managed between them according to the traditional and the new mindsets are demonstrated.

![Figure 3 Customer-business relation according to the traditional and the new mindsets](image)

The most important power of the social customer is that s/he can share his/her ideas and complaints with the rest of the world, using diversity of channels. A content social customer is one of the most powerful marketing tools as s/he loses not even a minute to share his/her experience with his/her entourage. The message given ripples out depending on the span of the entourage of friends, its zone of impact and the level of trustworthiness. The most crucial thing to pay attention to regarding the social customer is the fact that this type of customer is going to share his/her experience, both positive and negative, out loud and as independently as can be. So, it is a must for businesses to offer their customers positive experiences, ensure their fidelity and try to make each one of them proponents [34].

### III. CRM - Customer Relationship Management

Before you begin to format your paper, first write and save the content as a separate text file. Keep your text and graphic files separate until after the text has been formatted and styled. Do not use hard tabs, and limit use of hard returns to only one return at the end of a paragraph. Do not add any kind of pagination anywhere in the paper. Do not number text heads—the template will do that for you.

Finally, complete content and organizational editing before formatting. Please take note of the following items when proofreading spelling and grammar.

#### k. Traditional CRM

CRM is an approach to obtain new customers, retain existing ones, ensure customer engagement/loyalty and at the same time, to establish the right of connections with the customers, vest customer behavior with meaning and to steer them in the right direction so as to improve customer profitability [41]. Customer-focused approach requires that businesses know their customers, understand their needs, develop and offer products and services that suit their customers and that such a mindset is embraced in the entire organization. Then, the successful link which is established with the customers and such a successful relationship would offer businesses considerable advantages in the competitive global environment.
The CRM, as a concept, is composed of three components. Namely, the ‘customer’, ‘relationship’ and ‘management.’ The customer is the greatest resource that ensures future profits and growth for businesses. Relationship, then, can be defined as a two-sided relationship between the business and the customer which can extend over a short or a long term, which can be continuous as well as intermittent or just for once and which depends on certain conditions. Management, on the other hand, is the administration of corporate culture and the change in processes and ensures the transformation of data that has been collected on the customer, into information that determines the actions to be taken. CRM is a philosophy of management that aims to turn the relationship between the business and the customer into a profitable one for all; and it necessitates a comprehensive transformation both for the business and the people therein [16].

Human factor in the success of the CRM is the most defining and this is a fact that is sometimes overlooked. Since it is always humans who both design and execute the processes and use technology, it is quite possible to say that human factor has a direct impact on the success of the CRM process. Businesses must determine what matters for its customers, their needs and how it can ensure customer satisfaction in order to be able to ensure sustainability of the relationship with customers. Another important point is to ensure that the CRM culture is internalized within the entire business. There must be no contradiction between the corporate culture and the CRM strategy; all hands on board must be knowledgeable about the new structure within the scope of CRM and they should have faith in the CRM strategy as so should higher management which must never hold its support back; the CRM strategy should be very well-defined and linked seamlessly to the corporate strategy and finally, the higher management must use the CRM strategy. In CRM, above are the basic factors that must be guaranteed by the human component [3; 30].

Business processes are another component concerning the CRM strategy which focuses on the establishment and sustainment of far reaching relations with customers. Business processes can be defined as operational steps to ensure that organizational inputs are transformed into the desired outcomes. When business processes are assessed from a CRM perspective, then, they can be defined as activities that are carried out so as to improve customer relations.

The technology component of CRM strives to ensure customer profitability and analysis through information systems and setting-up of analytical tools. The main objective of such systems is to gather information on actions that take place with the customers at ‘customer synapses’ and to determine their current values as well as future inclinations, using analytical techniques. That is to say that the technology component ensures the integration of customer-related functions with back-office applications, and thus plays a crucial role as regards the provision of the much needed customer information in line with the CRM strategy [44].

I. Mobile CRM

The number of mobile telephone users in the world has reached 7.1 billion as of the last quarter of 2014 [11]. Mobile telephone use which is increasing at an amazing pace also changes individuals’ modality of communication with one another. Similarly, the modality of communication with their customers of businesses is also evolving into a communication strategy where customer interaction takes place more and more on mobile phones and mobile devices alike.

Mobile CRM is the amalgam of mobile technologies and marketing strategies. Businesses, thanks to mobile technologies, can implement their strategies that will help them reach their marketing targets. In this regard, mobile CRM stands for the use of mobile gadgets in the management of customer relations and in ensuring more efficient communication. Communication is pivotal for mobile CRM and it must be performed in a continuous, consistent fashion, based on the preferences of the customer so as to create more value for the latter [39].

Mobile CRM practices allow one to interact with the customers at all points of interaction, collect data in line with the preferences of the customer and to offer services to customers even outside of the organizational structure. Mobile CRM applications are not new but a mobile version of the existing CRM system [15].

As smart phones and other mobile devices become more and more popular, a variety of CRM applications have been put on the market [15]. Customers who wish to use the services that are offered by the business can download the applications on their mobile devices. Use of these applications can be free, as part the CRM program or they can be in the form of paid services. The success of mobile CRM depends on how the application itself as well as the application interface and the service offered are designed and how this service is evaluated by the customer, and the cost of the application [26].

Businesses must adopt mobile CRM if they want to keep pace with market trends, and have foresight into the needs and preferences of their customers [39]. As mobile CRM allows the collection of information regarding customers and their preferences regardless of physical location, investing in mobile CRM creates a considerable competitive edge for businesses that do so [15].
m. Social CRM

Establishing customer interaction through social networks that are considered as a new channel, expansion of the clientèle via the social customer ecosystem and integration of inter-corporate processes with social networks, that is, the cooperative approach to work taking the foreground has led to a new introduction of the CRM concept; hence the ‘social CRM’ or ‘CRM 2.0’.

Social CRM is not considered as a concept that modifies the traditional CRM, or as one that has replaced it but as a new annex to CRM [1; 18; 22; 31; 45]. Social CRM is an annex where the functions, processes and capabilities that address the customers' interaction with their entourage are included as much as their interactions with businesses, suppliers and business partners [18]; and it aims to establish, with social functions that are added to the existing CRM infrastructure, meaningful business relations with vast groups on the Internet [22]. Data collected with this integrated approach, that is, unstructured data collected through social interaction channels and structured data collected through traditional channels, with the aim to develop new creative models in customer interaction as well as customer experience [4].

The focus of CRM has now shifted towards the socialization of the CRM infrastructure. This is the creation of a new infrastructure which aims to remain in constant contact with the customers and to collect their feedback. The target with social CRM is to remain in contact with the customers rather than customer management. Social CRM contains human interaction and conversations that include customer experiences using technological platforms [19].

Social media applications are seen as the most important form of interaction. Customers expect to be able to establish the interaction that they have on their personal networks, with the establishments that they do business with. Social CRM increases customer relations through the use of social media tools and offers the customers the opportunity to have more control over the dual conversation that is to say over the dialogue that is ongoing. While traditional methods focus on the dissemination of information, CRM focuses on providing answers to questions asked.

Greenberg defines social CRM as the integration of customer relations which are managed vis-a-vis traditional methods and together with their components of process, system and technology, with social media applications that aim to improve customer relations through cooperative dialogues. Social CRM, is the methodology that businesses employ so as to respond to dual conversations carried out by the customers [18].

Fauschette [12] describes social CRM as processes and tools that brings the business closer to its actual and prospective customers, enabling the achievement of a more effective customer interaction and ensures that the shared genius of the customer group is benefited from. The objective is to transform the relationship with the customer into a more intimate one, to better understand the wants and modalities of interaction of the customer ecosystem in order to reinforce their attachment to the business [12].

According to Morgan et al. [31] social CRM is a businesses' strategy to keep, in line with pre-defined objectives, in touch with customers through an optimization of their experiences. Customers decide for themselves in what kind of an interaction they wish to be with businesses. Businesses must be able to interact with their customers not according to their own rules but in tandem with the needs of their customers. The customer interaction and relations are taken far beyond customer management, transactions that are carried out with the customers and money. In order for social CRM to succeed, one must focus on the human, process and technology factors that are linked with customer communication and interaction points [31].

Traditional definitions of CRM imply that the tools, technologies and processes utilized hamper the realization of customer interaction [44]. Questionnaires in the CRM literature reveal that such methods have, in the real sense of the word, setbacks in terms of customer contract and interaction and yet the social media interaction established with customers and business partners, today, enables such interaction [21]. Effective management of customer relations through social media applications have a very significant impact on the performance of the business establishment. Because these applications increase customer interaction, enabling reaping value from such interaction. Thus, social media application that are an outcome of technological advancements as well as social changes, vest CRM with a perspective that creates more value [42]. Social CRM focuses on dual conversation, dialogue; more on the outer world rather than internal operations. Talking directly to the customers, finding out about his/her needs and try to assist the satisfaction of these needs via products and services; that is the objective of social CRM [22].

Social CRM enables businesses to be present in places where their customers are in a way that they have never been there, to obtain customer feedback, from the customers, on the spot, to shape prejudices and to improve ideas. Social CRM enables marketers, who are in need of quick answers so as to figure out the market place, to lay their hands on such answers. As novel technologies enable the collection of social media content from a diversity of networks and blogs, marketers can take simultaneous action, focusing on the most interesting topic, inform other units and ensure that this information is used in the development of new products and services. The
advantages that individual or group of consumers who keep track of social networks, who are equipped with sophisticated analytical tools and who give businesses the opportunity to take proactive action offer, as well as the advantages offered by the social CRM that creates the opportunity to communicate, can be listed as follows [29]:

• Be able to listen to what the customers are saying to find out about the trends and impact areas,
• Be able to take part in meaningful dialogues and be in touch with persons who can create inputs,
• Be able to cooperate with the related individuals in all businesses and all over the world with the possibility of fast and easy connectivity as well as benefit from the shared intellect,
• To instigate conversations on the social media, hence disseminate product messages,
• Be able to take action in line with ideas, recommendations and opportunities that are generated on social media by the customers,
• Be able to measure the impact of marketing actions or track issues so as to be able to take instantaneous action regarding problem areas and to get instant feedback.

Transition to social CRM, rather than a shift to operational models and technology, is a transition to a new culture. The faster businesses grasp the fact that the customers are in control of the relationship, the faster they can benefit from the potential social media has to offer [4].

In conclusion, when traditional customer information is joined with the highly diversified data obtained through social media, that is to say that when demographic and transaction-based customer data are completed with social and emotional data, it is then possible to get hold of the real opinions of the customers and as a result, the relationship concerned, which is tactical evolves into a more human, target focused and speaking to the heart.

n. The Difference Between Social CRM and Traditional CRM

Social CRM is not a concept that changes CRM, nor replaces it but it is rather considered as the inclusion of new social channels to CRM so as to manage the interaction between the business-customer and the entourage of the customer. The concept social CRM implies some changes in the understanding of customer management. The traditional understanding of CRM where a mono-directional communication is mostly pivotal has transformed into another understanding where the focus is on mutual interaction in line with the behavior of the social customer, where social media conversations are considered as important and value is created together with the customer [18].

Where traditional CRM focuses on marketing, sales and customer relations and the processes that are peripheral thereto, social CRM on the other hand, includes public relations and deepens these processes around the social customer and social platforms. Traditional CRM is data and information-focused whereby social CRM is relation-focused. In traditional CRM, the businesses offer to their clients products and services that have been created in line with information obtained from the customers whereas social CRM aims to ensure that businesses are in cooperation with their customers, making best use their experiences, and aiming to turn them into the advocates of the business [31].

Traditional CRM is perfect in automation of processes, managing customer data and produce reports for the supervision of sales whereas social CRM focuses on on-line as well as off-line conversations. Social CRM focuses not only how to respond to the new customer types and expectations but at the same time how to remain in contact with bloggers who are untraditional and who can affect people, with independent analysts and customers who are curious about their subjects of interest. And the most important difference is that social CRM is not built on managing customer data but on strategies targeting customer contact [31].
Figure 4 The difference between Traditional and Social CRM [31].

Table 1 Comparing Traditional and Social CRM Technologies [42]

<table>
<thead>
<tr>
<th></th>
<th>Traditional CRM Technologies</th>
<th>Social CRM Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Relationship</td>
<td>One-to-one relationship between customer and organization.</td>
<td>Network of many-to-many relationships between (1) customers and organization and (2) customers and peers.</td>
</tr>
<tr>
<td>Customer Communications</td>
<td>One-way monologue.</td>
<td>Interactive dialog.</td>
</tr>
<tr>
<td>Technology Use</td>
<td>Method often deployed to increase empl. efficiency and effectiveness; internally focused and usually mktg/sales oriented.</td>
<td>Method deployed to support outside-in processes that connect the firm to the external environment; customer oriented.</td>
</tr>
<tr>
<td>Organizational Learning</td>
<td>Customer information viewed as input to decision support systems and internal responses.</td>
<td>Knowledge co-created with customers; locus of innovation/learning is the interaction between customer and firm.</td>
</tr>
<tr>
<td>Value Creation</td>
<td>Company-centric focus: targeting and managing the &quot;right&quot; customers and defining value to be delivered.</td>
<td>Emphasis on dual creation of value: customer co-created experiences, collaborative service and support, innovation co-creation.</td>
</tr>
<tr>
<td>Data Sources</td>
<td>Information delivered from customer to firm.</td>
<td>Information created through interactions with and between customers.</td>
</tr>
<tr>
<td>Information Processes</td>
<td>Customer information captured and made accessible for use across organization.</td>
<td>Customer information from legacy systems and customer-centric social applications integrated to create complete view of customer and networks of customers. Customers are active participants in information updates via interaction-enabling technology.</td>
</tr>
</tbody>
</table>

It is the customers that decide what and when has to happen in social CRM as seen in Figure 4. In social CRM, the customers' right of expression has been augmented and businesses must modify their strategies in parallel to the behavior of their customers. In traditional CRM, businesses make decisions regarding who will use the CRM, the definition of working procedures, the working hours, which channels will be used for customer access and how transfers of data will be carried out, which are now defined by the very behavior of the social customer.

The list prepared by Trainor [42] concerning the novelties that have come about with the transition from the traditional to social CRM is given in Table 1. In his evaluation of the matter which proceeds under headings such as customer relation, customer communication, use of technology, organizational learning, creation of value, data sources and information processes, he elaborates that the scope and form of relation has changed, giving way to an interactive dialogue, that the relation with the customer and his/her entourage steered parties to learn/innovate, triggering a two-sided value creation process.
All analyses that have been carried out indicate that social CRM is not to replace traditional CRM but it is a component which is complementary to it. Social CRM changes the objective of CRM from the management of relations to being connected to the client. In traditional CRM, the business is at located at the epicenter of the entire CRM process whereby in social CRM the customer sits at the throne by securing the role of the business concerned.

**o. Use of Social CRM in the World and in Turkey**

Gartner indicates that businesses shall continue investing in the field of CRM to be able to stay competitive, and he puts an emphasis especially on areas such as mobile, social media, web analyses and e-commerce as areas that will receive the bulk of such investments. As a result of the increase in the use of mobile technologies through mobile devices, businesses, he stresses, should focus on these areas regarding strategies, technology, processes and management [14].

According to Gartner's evaluation regarding the CRM market size, social CRM expenditures constituted, in 2010, 4% of the entire CRM expenditures whereas this figure has doubled itself to reach some 8% in 2012. Gartner's estimate for 2013 is 10% [38]. In line with Gartner's evaluation, it is possible to estimate the size of the social CRM market in 2013 will be approximately around 2 bn USD.

Another market research company, Market Research estimates that the social CRM market size in 2018 will reach 9.08 bn USD from 1.91bn USD in 2013. This estimate signals a growth rate of 36.5% per annum between 2013-2108. From a regional perspective, North America, for now, holds the biggest share in social CRM but in the upcoming years the Asia-Pacific holds the greatest potential for significant growth [35].

The findings of the SAP sponsored study on use of social networks and mobile solutions in after-sale services also indicate the increase in investments that made in this area. In the study that covered some 1258 institutions, 75% of these institutions were found to offer after-sale services through social media networks whereas 50% were found to do so through mobile devices. Findings of the same study also reveal that 52% of the customers used Facebook for after-sale services; 25% Twitter and 8% preferred LinkedIn. When the effect on service targets of the provision of after-sale services through social networks is considered, it is seen that 32% of the respondents were ‘very positive,’ and 44% are ‘positive’ about this [23].

The study that Egon Zehnder has carried out, which focused on how companies in Turkey approached social CRM indicates that although Turkish companies to a great extent, are aware that they can reap value from the use of social media, they are not yet so skilled about social media and only a very small number of these companies can reflect the data that they obtain from the social media on their CRM processes in order to be able to offer bottom to top customer experience. In line with the findings of the study, 58% of the companies are using social media actively and in line with their strategies. Only 31% of the companies that have taken part in the study can support their traditional CRM processes using the data they harvest from the social media. And 62% of the companies are seen to have defined processes to manage grievances received via social media [10].

**IV. Social Media and Mobile Interactive Innovative CRM Applications**

The role of the social media and mobile access increases every day in customer interaction and customer relationship management. When we take a look at the solutions that have been developed, we see that approaches that are quite different and innovative are being developed such as being in interaction with the consumers, receiving their feedback, managing publicity and promotion activities, developing new products in line with the preferences of the consumers and together with them, taking the business-consumer relation to a new dimension through an analysis of all data, creating different fields of service by way of introducing new services for the customers. Some of these innovative solutions can be summarized as follows:

**p. Starbucks**

Starbucks that started as a single shop in Seattle in 1971 has covered considerable ground in the direction of becoming a company that is different from others in 1982, after Howards Schultz (the President of the Board of Starbucks) has joined the firm. Acting on the philosophy to offer its customers not only coffee and a rich coffee culture but also an experience, Starbucks has become the No. 1 coffee company in the world with more than 21,000 stores in 65 countries [40].

Howard Schultz defines Starbucks as the 'third place.' “The first place is home. The second is the office. We are somewhere in between; somewhere where you will feel comfortable; somewhere where you will feel safe; somewhere where you feel that you belong.” Thus, Schultz listens to his customers, prioritizes their expectations [28].
Starbucks amalgamates traditional methods of marketing with the modern methods of marketing, and excels in this. The company plans its marketing strategy in a way that it embraces the young and the middle aged portion of the population that uses new technologies as well as the portion that is used to traditional tools of promotion such as newspapers, television and the radio. Social media tools do not replace the traditional ones but are considered as an additional tool that increases the effectiveness of the overall marketing strategy and that creates value. For example, the customers' attention was caught with posters that were prepared as a part of traditional marketing, which were then combined with a competition on Twitter and then, they were ensured to interact through the social media [28].

Starbucks is one of the brands that make most efficient use of the social media platform and mobile interaction and it has defined its aim in being present on social media platforms as to strengthen its connection with its existing customers as well as to turn young consumers into loyal customers that heavily use social media. Starbucks has ensured that the social media and mobile applications have a positive impact on its existing CRM applications in a way to attract the attention of consumers, encourage them to interact and to guarantee customer satisfaction. Using Web 2.0 tools, the company has succeeded, with Twitter for example, to be in interaction with the customers and to get their feedback; with videos on YouTube, it has managed to increase its customers' awareness on issues such as its business values, the services that consumers can get and how the products are prepared; with Facebook it has excelled in managing its promotion and publicity activities (handing out free 'cake coupons' to its followers, selling Starbucks Gift Cards which can also replace birthday presents, etc.) and with My Starbucks Idea it has successfully created a virtual clique for long term relationships [28].

My Starbucks Idea is a Starbucks' social media network that the company has commissioned to hear the powerful voice of the masses in addition to its already-powerful presence on the social media as well as to avail itself of this elevated potential. My Starbucks Idea that was commissioned in 2008 is a media where consumers share their own ideas, grade ideas that are shared in this way; express their own views regarding the inputs of other users, where, in other words, they can play an active role in the virtual clique. My Starbucks Idea consists of three parts; namely 'Got an Idea,' 'View Ideas' and 'Ideas In Action.' Users that wish to share ideas enter the system and write down the details of their ideas. There is a voting mechanism, similar to the 'Like' of Facebook, for each idea submitted. All the ideas that have been collected within the scope of My Starbucks Idea go through a bi-perspective evaluation of the group called the 'Idea Partners' composed of Starbucks employees that are experts in their fields. The two perspectives focus whether or not these ideas are capable of going viral through this social community and the development of new products and services under the light of recommendations received [28].

The brainstorming process that was triggered with My Starbucks Idea in the last 5 years, 150,000 ideas have been posted, which have been voted by some 2 million people and 277 of which have been brought to life as new recipes for beverages or cakes and cookies. This media has become a critical tool for the decision-making mechanisms of the company [28]. Starbucks has redefined the role of customers and triggered their shift from the passive to the active where they are now contributing to the business. Making use of ideas received from the customers has also increased the latter's confidence in the company [7].

Starbucks has increased its interaction with its customers further with the mobile applications that it has developed. With the QR code application, the physical product and the digital world have been combined. The QR code that is found on the brochures that are
handed out during the promotion of new products can be scanned with the smart phones or with similar mobile devices and the user is then directed to the video or the web page about that particular product where the promotion takes place. The mobile payment application that Starbucks has started in 2010 has been developed to enable regular consumers of coffee to both make their payments and collect points with a single card. This application is no different than using the iPhone as your wallet, where the credit or the debit card is twinned with the application and the transaction takes place using the QR code that is generated by the application. This way, there is no longer the need to check the balance of the card during each payment, the time spent before the register is shortened and the long queues are no more an issue [28].

Starbucks has introduced free-Wi-Fi in its stores in 2010 so as to increase its consumers’ in-shop experience and launched the Starbucks Digital Network. On this site that is prepared in line with the company’s aim of becoming the ‘Third Place’ the consumers are offered a rich content including themes such as music, movies, book recommendations, social activities, etc. This content comes under certain main headings such as the News, Entertainment, Wellness, Business and Career, My Neighborhood (including access to the Foursquare app from the shop concerned or recommendations on the nearby restaurants, etc.), Starbucks (offering access to promotions, activities and mobile applications of the company). Starbucks pursues the aim, not only of selling coffee but also of providing its consumers with an experience and the company tries this out with a rich content [28].

Starbucks also gathers information about the expectations, behaviors and preferences of the customers through the analyses it conducts on consumer data, it hunts their real opinions and thoughts by way of tracking conversations among the consumers. The company encourages consumers who are reluctant to share information to be interactive on the social media, tries, with sensitivity, not to be dissuasive while using their information, to reach them at the correct time so as not to be disturbing and to keep in touch with both the happy and the unhappy customers. Starbucks also considers the unhappy customers that fall in its net on the social media as an opportunity and to stay in contact so as to win those [7].

In conclusion, Starbucks uses both the social media and mobile applications very effectively in its customer relationship management. From a holistic perspective, it attracts the attention of its customers, first with the free-of-charge Wi-Fi access in its stores or with the information contained in its social media applications. Once it attracts the customer attention, the company then ensures that they are a part of the system through various channels. The customers are gotten to have their input through My Starbucks Idea or to take part in the competition on Twitter, and the interaction thus starts. With such interaction on either the Starbucks Digital Network or on Twitter, the customer relations evolve into a long-term relationship. When the customer is enrolled in the system and if the support offered is a good one, customer satisfaction and loyalty is both ensured and new customers follow suit with word-of-mouth advertising.

q. Nike

Nike is the US-based leading sports accessories, sportswear and footwear designer and marketer. Nike, in Greek mythology, is the goddess of victory. Nike was established in 1972 by Phil Knight who was doing his MBA in Stanford University at the time and the world famous symbol of the brand, the 'Swoosh' was designed by a college student, Carolyn Davidson, in return for 35 'bucks' [33].

A product-centered company, Nike moves on the principle that it has to produce value in the direction of the experiences of its customers and together with them; creates thematic cliques where it can ensure continuous contact with them and can create innovative solutions [36]. Thus, it has replaced its traditional sales messages with location-based, interactive and content-based campaigns to
become one of the companies that use the Internet environment, the social media the power of the community as well as mobile interaction in a very successful way.

During the 2006 World Cup, Nike has cooperated with Google and commissioned the social network Joga.com, which enabled soccer enthusiasts film their own game skills and share. The network enabled its users to make commentaries about the uploaded videos and to share these videos with other soccer fans. The community then evaluated these videos and every month, the best soccer player was elected. Furthermore, the users of the Joga.com were able to create their own profiles, as well as the network enabled them to contact other users with their profiles, stay in contact with them, sharing their personal and collective soccer experiences. With this innovative effort to which more than 1 million soccer fans have flocked, Nike has found the opportunity to handpick, directly from the users, many valuable information. Among Nike's other initiatives of creating cliques are sponsoring street soccer games and linking professional soccer players with their fans. Ronaldinho's -world-famous soccer player- Nike footage was downloaded more than 32 million times [36].

Moreover, the company has brought 20 sports shoe suppliers on its web page and organized the competition 'Design New Shoes for Nike.' Nike has turned this competition into a show where the voting of the Internet community decided the best design. On the other hand, Nike has offered its fans the opportunity over the web to customize and personalize their footwear to their liking, by using different colors and shapes, even more so by allowing them to put their national flags on their shoes. Nike has also provided local and professional soccer clubs to make their own designs and customize their own soccer shoes as they preferred them [36].

Nike, with all these initiatives, has managed to gather soccer fans from all over the world. Nike has realized how important it was to create value through experience, and this was where the market was going to, and thus the company has used the Internet as a platform to get in contact with the customers. As a product-focused company, managing such initiative was entirely something new. As it can be seen from these examples, Nike learns from what its customers want and how they wish to be contacted as well as how they want to keep in contact and moving on such knowledge it can quickly turn any novel idea into a perfect one. Moreover, Nike makes best use of the collective imagination of its customer-base and while interacting with the community it has set up, it promotes its brand in a different way. For example, customers that are included in the process of designing shoes share socially with others who are interested in sports, as a part of the process of creation of services/products; this in return reduces the risk of failure and provides Nike with significant value. Word-of-mouth promotion that the community ensures, too, reduces the risk of failure of the product/service services and facilitates the market acceptance [36].

Reactions received from the market convinced Nike to turn Joga.com into a permanent platform and develop its customer relations, thus Nike has gone down the road of gathering soccer fans around a new infrastructure [36]. The company has also set up a new platform to bring runners together; the Nikeplus. In 2006, Nike and Apple got together to commission this platform which links a sensor in Nike running shoes with the Nike + iPod step counter application via Nike's Fuelband which enable the upload of all data on a particular run on the web page that was prepared for this purpose [25].

The Nikeplus platform enables the interaction of the company with runners, and gives people the opportunity to find friends to run with who share a similar skill level and who have the time to run; to access their own personal information as to the speed and the distance run and the time spent running; to improve themselves under the light of such information, to link running with the music they love, to increase their motivation, to stay connected with their running buddies so as to find solutions to their running challenges and to be able to keep track of local as well as global running events. After the run, then, it is also possible to collect all the data on the web page, analyze and compare with data from other runners and to share on the social media with other runners so as to augment the social experience. The value of Nikeplus for runners is not only that it deals with the performance of the footwear but also it deals with the experience that comes from running. This encourages people to be a 'part' of the more experienced runners, trainers, coaches on social networks [24; 25].

Thanks to the platform 'Nikeplus' Nike has a significant amount of user data as to where the users are, for how long they walk, how frequently they go out and even their heartbeat. Finding about the behaviors of its customers by analyzing such data, Nike can quickly develop new ideas and test recommendations as well as gather information directly from the customers themselves regarding their running preferences and extend the coverage of its brand name by deepening the link between the runners. With this global network, it is possible to define new opportunities, bring in new proponents and increase the sale of products [25]. Theoretically, Nike can analyze such user data and refer, at the most appropriate time, a new trainer to the doorstep of the person concerned. Nike can target this proactive service and offer this service to its brand customers [5].

The results that Nike has obtained with this platform are impressive. Nike has created a reason for people to prefer and buy its products in a market where competition is wild by addressing the social needs of the runners [8]. In a matter of one year, Nike's market share in running footwear has reached 57% from 47%, some 1.3 million Nike/iPod Sports Kits have been sold and more than 600,000
runners in more than 170 countries have started using the Nikeplus web site. Nike, at the same time, with word-of-mouth advertising, has managed to cut down its publicity costs. [24].

**r. Kraft Foods**

Kraft Foods is the biggest food and beverage company in North America and the second in the world. Kraft Foods’ vision is to be indispensable for all customers in food planning, preparation as well as in their shopping requirements, to facilitate their lives always, regardless of place and time and to develop mobile solutions so as to add it more flavor. The company aims to achieve these targets through innovative solutions that are the engine of Kraft Foods Marketing Department [27].

Kraft Foods, testing and endeavoring to learn more about mobile platforms since 1998, has started investing in mobile solutions starting from mid-2008 so as to be closer to its customers and to increase customer loyalty. The company has also launched its Facebook page in 2009 and its YouTube page in 2011, all in all to be able to increase interaction with its customers and started to put more focus and emphasis on mobile channels in CRM starting from 2009 [27].

Kraft Foods has first of all decided to determine its user group before moving on with mobile solutions. The Millennium Moms, in other words, individuals of Generation Y between the ages of 25-35, who like using technology and who are capable of multitasking have been identified as the target group for Kraft Canada mobile solutions. It was decided, then, that the contents of the application would be both in English and in French. Moreover, Kraft Foods has found out that what its customers needed the most was food recipes, personalized warnings and to prepare shopping lists [27].

![Figure 7 Evolution of iFood Assistant](image)

The mobile application entitled iFood Assistant that was commissioned in 2008 is being updated with new functions that are added every year. Using the iFood Assistant app, users can make their shopping lists, look up for recipes from the Recipe Catalogue which has some 7000 recipes to offer (30.000 recipes on the catalog on the web), off-line access to the shopping list and the Catalogue, watch 'how to' videos, use the voice control option (for queries, managing the shopping list and for recipe directions), ask for recipes, use coupons (printed coupons as well as e-coupons sent via SMS), scan QR codes to access to product information, look up practical information about the kitchen, order recipes from the world renowned chef Marcus Samuelsson, etc. Moreover, the users can upload to the catalog, their own recipes if they wish. In this way, 3/2 of all the recipes in the catalog have been uploaded thus by the users themselves. The Recipe Catalogue which stood on the Kraft Foods’ web site since 1996 which was then included in the iFood Assistant is the most popular product of the application. If they want, users can share the recipes that appeal to them and their shopping lists with their friends on Facebook and Twitter. Furthermore, users can subscribe to the system as frequently as they wish (1, 3 or 5 days a week) for the Recipe of the Day and Dinner Ideas as well as for recommendations on easy to cook and season's meals. The system can make more to the point recommendations the more it is 'knowledgeable' about the users' cooking and eating habits, or whether they diet or not [27].

Another application entitled the Food Assistant is an SMS based solution that Kraft customers prefer to receive last-minute dinner recommendations. When an SMS is sent to Kraft for a dinner recommendation a response is sent back including a variety of meal options. When the user chooses the option s/he likes, the list of ingredients for that recipe is prepared. These recipes with an average of 5 ingredients can be cooked in 30 minutes [27].

Kraft Foods’ success in the mobile world comes from its products, understanding the requirements of its customers as well as interaction through the correct tools of communication. Using mobile applications and the social media effectively, Kraft Foods can both maintain its contact with its existing users and get in touch with new target groups and conduct an interactive relation with them.
s. Sephora

Sephora is the world's biggest cosmetics and beauty products retailer. With 1750 stores in 30 countries, Sephora has placed the vision of making technology available at the heart of the brand. Company's customer-focused digital approach and the smart technology-brand cooperation are exemplary in its own sector as well as for other sectors [20].

Retailers see innumerable opportunities in the use of technology to maximize customer attention at home or at the shop. The outcomes of the 2010 IBM CEO questionnaire demonstrates that 88% of the participants have identified being close to their customers through digital technologies as their first priority. The questionnaire also reveals that 76% of the CEOs define 'customer insight and intelligence' as the focal point of their growth zone [13]. Sephora differentiates itself by making best use of its customers' experiences, reinforces its customer connections through the innovative, creative and technological solutions and satisfies the expectations of its customers far better than its competitors [13].

Sephora conducts variety of activities to increase its sales through interaction with its customers who make purchases both over the Internet and from the stores [13]. Thus, it makes use of many applications and technologies such as mobile apps, smart phones, tablets, social networks, Facebook, Twitter, Pinterest, videos, detailed search, e-mails, SMSs, QR codes, mobile commerce and the Passbook, which is a digital loyalty app [37].

Sephora has a mobile strategy which is at once quite comprehensive and complex. More than being a technology-focused company Sephora is a customer-focused company, which supports its designs that are based on customer experiences with technology and combines cross-channel strategies. Sephora customers can move between catalog and the web page, from the mobile app to passbook, shop promotions and product queries and back to the mobile app without losing any step in-between. With an in-depth knowledge of the digital world, Sephora knows very well how mobile fits in the big picture, how to link different channels with one another, how to surf between different channels and what all of this means for the customers [37].

In the analyses that Sephora conducted, the company has found that 1/3 of its total web traffic came from mobile devices and that those mobile devices by 70% consisted of Apple products. Hence, they decided to develop mobile apps for iPhones and iPads [37]. The 'To Go iPhone' app that that was developed for mobile shopping ranks the third among all 'lifestyle apps' on Appstore and nineteenth among all 'free apps' [37]. This application with its unique features such as easy customer access to products and quick-scan of new products, enabling customers to fast-access to product information and commentaries, also includes other functions such as previous purchase details, product recommendations, bonus point status, shopping list, QR code recognition and the shop locator. Moreover, it can direct to the customers location-based offers during shopping [13].

The loyalty program that 'Beauty Insider' launched in 2007 for frequent buyers is also supported by the same app and the points collected can be used in future purchases [13]. Sephora also launched the Facebook app where its customers can track their Beauty Insider program cards and their e-gift cards. The Passbook app allows customers also to see points earned/spent as well as to check the e-gift card balance [6]. Passbook messages keep the customers updated about sales and campaigns. Activity and campaign codes received by e-mail can be transferred to Passbook as well as used immediately. Passbook users are among the most active Sephora customers [37].

The application that Sephora has developed for iPad is an app that brings together social media networks, e-commerce, videos and interactive catalogues. The social media integration also allows iPad users to interact with social media platforms holding Sephora content. It is also possible to check the products and shop using the multimedia catalog which offers expert views, videos, animations
and latest beauty trends [43]. Moreover, the front camera of the iPad can be used as a virtual mirror. Users can watch videos on different make-up techniques at the bottom of the screen and using the virtual mirror they can also put the instructions in practice [9].

Another application was launched as pilot in 20 stores at which store keepers equipped with iPads (touchscreen), and act as mobile POSs where they see the purchase history of customers, check Beauty Insider points, scan the products that the customers wish to buy and accept the payment. Thus, the customers just walk out of the store without having to wait at the register [9].

Sephora uses social networks quite effectively in customer interaction. Sephora, with its more than 6 million likes on Facebook and 1.6 million plus followers on Twitter uses different techniques to increase communication between loyal customers and the supporters of the brand. The company uses Facebook to offer extraordinary contents and launch offers, carry out campaigns and announce store events and customer services.

Using also the Pinterest app, Sephora has become the retailer that succeeded in achieving the most effective integration. With the ‘Pin It’ that appears on all Sephora product pages products can be instantaneously displayed on Pinterest boards. Moreover, Sephora employees are encouraged to have their own boards to share their own favorite products. Thus, shoppers can check the Pinterest boards of Sephora employees and see their favorite products and avail themselves of the preferences of Sephora employees [9]. Pinterest also carries out specific campaigns and enables the ‘Pinning’ of products through e-mail. In the analyses that have been carried out it was seen that Pinterest followers spent 15 times more time on Sephora products in contrast with the followers of Facebook [37].

Sephora TV broadcasts ‘how to’ and recommendation videos as well as stories about the features and the trends that the brand wants to put more emphasis on. Each video page also offers a ‘shop now’ function that allows access to desired products. In this way, the customers are directed to the shop from the video page. One can also pin the liked videos on the Pinterest board and share them on Twitter as well as the Facebook timeline. These videos are at the same time shared on the Sephora YouTube channel. The BeautyTalk forum on www.sephora.com is a platform that is used to access expert views, see ‘how to’ videos, ask questions and get feedback as well as ideas [6].

The greatest lesson to remain from Sephora applications is the integration of diverse channels. In order to raise awareness, Sephora has integrated the stores and off-line media with mobile applications only to create significant value. E-mails, SMSs, QR code and loyalty programs are combined and a positive effect has been created by way of consistent brand messages that have been passed through all channels [37].

V. CONCLUSION

The widespread of mobile devices and social media applications, the formation of the social customer concept, and the necessity of social interaction resulted with strategy revisions of the companies that we explored with an approach that is focused on customer experience rather than a product/customer focused approach. Embracing customer experience, they have developed new methods and conducted innovative solutions/products/services.

Starbucks, Nike, Kraft Foods and Sephora, developed applications to gather people around a common theme, enabling them to create ideas and to make use of these ideas as well as ensuring that they share their ideas about the improvement of running of the business and its products have all allowed these businesses to develop different products, as seen in the examples.

The mobile solutions that have been created, especially the smart phone applications formed an easier life for customers. Offering last-minute or daily recipes, giving directions and recommendations concerning the route to run or running time, eliminating the credit card via the use of wallet apps, preparing shopping lists, use of the virtual mirror on the iPad for training purposes and many other innovative solutions enabled the maximization of the customer-business experience.

Customer experience has been increased through the use of social media applications such as Facebook, Twitter, Pinterest, etc. Offering different campaigns and promotions, making customer and activity announcements, organizing competitions, getting feedback, marking up favourite products, sending out location-based offers and similar actions ensured further interaction of consumers or customers.

Moreover, through the integration of different channels and increasing customer interaction these businesses have managed to avail themselves of the infrastructure where they can offer their customers new experiences and innovative services.

It is seen that mobile solutions and social media networks bring about considerable advantages regarding the increase of sales, cutting down marketing costs and in the formation of parties that support the brand as well as development of new solutions-products-services.

In conclusion, the heavy global competition, inescapability of the need to create satisfied customers (the customer share becoming more important than the market share, customer satisfaction and loyalty gaining more ground, realization of the value of existing
customers and the retention thereof, 1-on-1 marketing becoming more important and the need to take action in line with the needs of each individual customer) and advancements in technology have required the businesses to make themselves different in some ways, which has laid the groundwork for the birth of CRM. CRM will continue to improve further depending on the need to maintain a profitable and long-term relation between the businesses and their customers. This improvement will be enriched with new channels such as soaring mobile technologies and the social media that is embraced by the society, pressing heavier and increasing its impact on innovative solutions.

REFERENCES