

## ACT! by Sage and Social CRM – Part 1

Connecting with Your Customers: A Guide to Social Media



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## Social Media and Contact Management Software

Do you keep hearing about the social media phenomenon? Would you like to learn how social media can benefit your business? Are you concerned about managing your reputation online? Do you want to know how incorporating social media into your contact and customer management software can help develop long-lasting and more profitable relationships?

Businesses all around the world are using some of the most popular sites and networks on the web, from Twitter™ to YouTube™, to make their business more accessible, more personable, and maintain long term connections. In turn lots of this information can be linked to your CRM or contact management software to help improve customer relations.

*Connecting With Your Customers: A Guide to Social Media* provides insight and guidance on how businesses of all sizes can use social media to build their online reputation, increase trust and generate business. It will help you to establish your brand online and reach out to your target markets, manage your reputation and build a richer understanding of your customers and prospects through social media.

### What is social media?

Social media is online content created by people, for people. It gives everyone an opportunity to share their thoughts, opinions and experiences using free tools such as blogs, podcasts and video sharing. With the dramatic uptake of these new technologies, social media has had a profound impact on the way people discover, read and share news, information and content.

Social media includes all forms of 'user generated' content, from communication applications like Facebook, Twitter or LinkedIn® to collaborative sites like Wikipedia, multimedia services such as YouTube and virtual worlds like Second Life®. It has become extremely popular because it allows people to connect in the online world to form relationships for personal, political and business use.

Tip - Watch this 'Social Media in Plain English' video for a useful introduction (<http://www.youtube.com/watch?v=MpIOCIX1jPE&feature=channel>)

### How is social media being used by businesses?

While social media has been used to help transform the reputations of global brands, it is in fact useful for almost every type of business. Whether you have a restaurant, retail outlet or provide professional services, social media enables you to build your online reputation, increase trust and generate business. By taking advantage of social media, you can make your business more accessible, more personable, and maintain long term connections as well as generate word of mouth marketing and benefit from rich insights into your market.

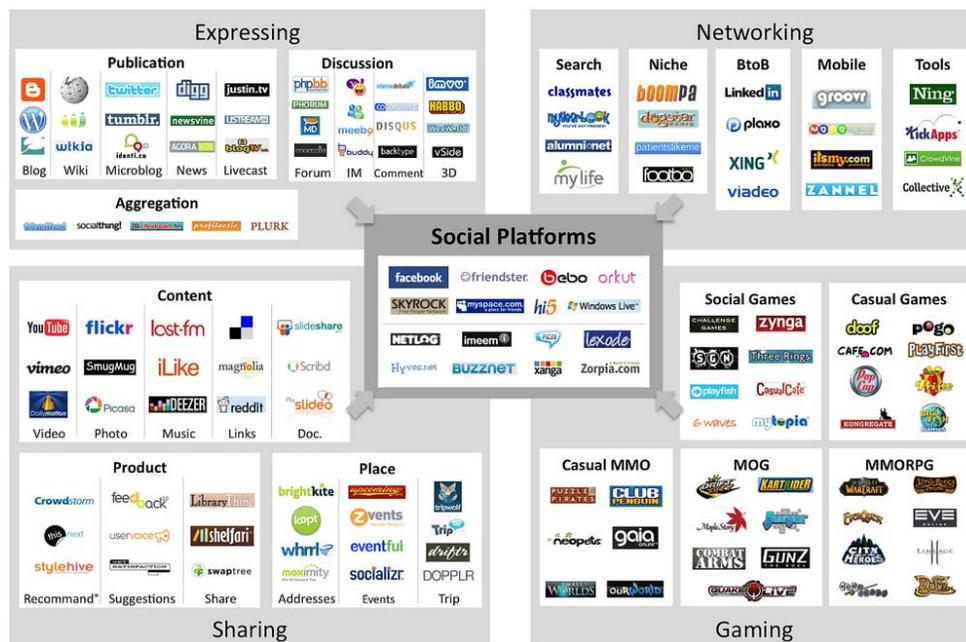
There are still plenty of skeptics out there that don't fully understand the benefits of social media and have yet to embrace it, but there are also a number of compelling examples that demonstrate how effective it can be in business. Take the story of Curtis Kimball who opened a crème brûlée cart in San Francisco...

When Curtis noticed a stranger among the friends in line for his desserts and discovered that he had read about it on Twitter, he immediately signed up to see what his customers were saying. He now

has more than 6,400 followers on his Twitter feed who wait for him to post the current location of his cart and list the flavors of the day. Curtis has since seen a surge in sales and has quit his day job as a carpenter to keep up with demand.

## Why should you sit up and take notice?

According to recent research by Sage across its small business customers, almost one in ten of you are already using social media to connect with customers. Of those that are using social media, 73% percent use Facebook, 33% use Twitter and 27% use LinkedIn, while other popular social media channels being used include Bebo, MySpace™, YouTube, Plaxo, Ecademy and Qype. Considering that Facebook has over 250 million active users worldwide and is one of the most trafficked sites on the web, this makes perfect sense. After all, this is where your customers are talking, where they're forming their opinions and where they're making their own recommendations to their friends, groups and peers. They may already be having conversations about your business so it's important to listen and engage.



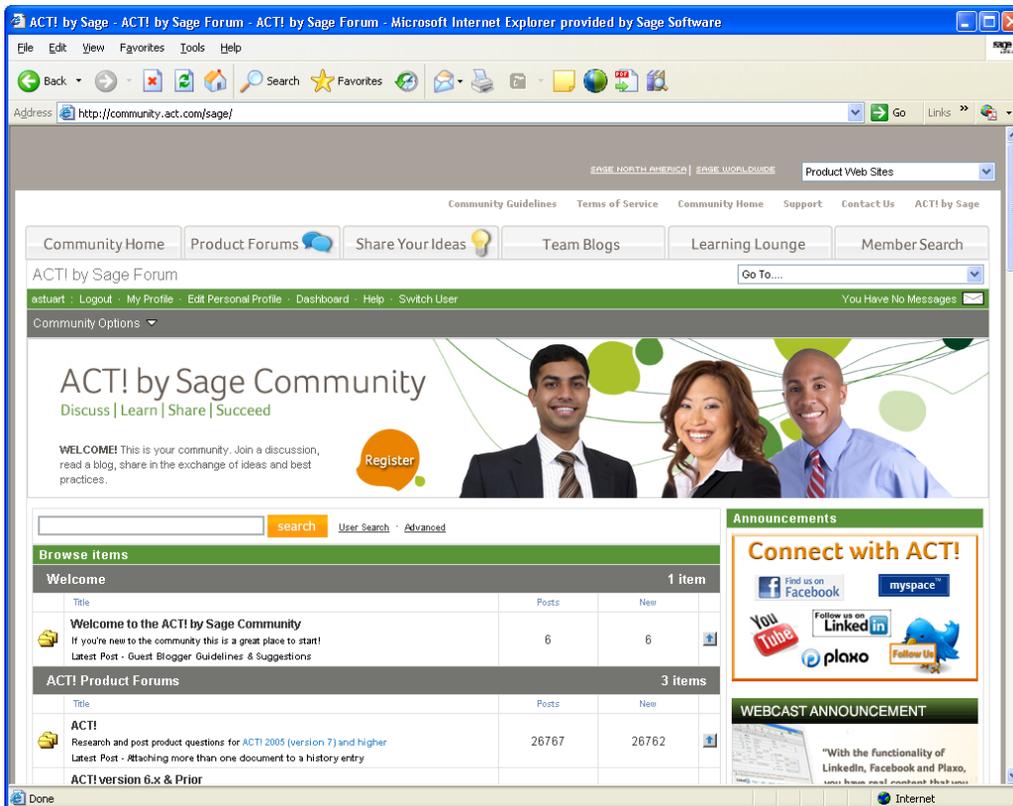
The Social Media Landscape

## Using customers to generate prospects

Although Facebook is proving the most popular social media channel for small businesses, Twitter is catching up fast. Small businesses typically get more than half of their customers through word of mouth and by encouraging users to spread news across their network. Twitter is the digital manifestation of word of mouth marketing. As well as providing an extremely cost effective marketing channel, it promotes more intimate business relationships with your customers and enables you to cater to your customer's needs instantly. In a world where everything needs to be done yesterday, a quick response can create a lifelong customer.

Tip: See how other companies/brands are using Twitter to connect with its customers, such as ACT! (<http://twitter.com/actbysage>). You can also connect with ACT! users, Certified Consultants\*, and employees from our online community or our social media profiles on Facebook, Plaxo, YouTube, or

MySpace. Visit the online community at <http://community.act.com/sage/> and become a member, friend, and follower!



## Gaining insight to improve customer relations

Social media also provides you with an opportunity to 'listen in' to the conversations being openly discussed online. This means you can easily develop a richer understanding of your customers and benefit from insights into your target audiences. Not only can it help you build more detailed profiles of individual customers, it can also be used to create dedicated communities where you can host discussions about the products and services you offer or use your followers as a sounding board for developing new ones.

Tip: Search by your company name on Boardtracker to see what people are saying about you in discussion forums (<http://www.boardtracker.com>)

## Managing your reputation online

Furthermore, by tuning in to the online conversations on the web, identifying the key influencers that are helping to form opinions and tracking discussions directly relevant to a business, social media can help you manage the reputation of your business. By giving your customers a voice, social media can not only help your business but it can also damage your business - bad experiences can spread across the blogosphere overnight. When country singer Dave Carroll didn't receive sympathy from United Airlines for damaging his guitar, he broadcasted a song about his experience on YouTube. The video was watched by over 4 million people and the airline's value dropped \$180m!

Tip: For loads of tips for free ways to monitor your reputation online visit Marketing Pilgrim's Guide to Social Media monitoring tools (<http://www.marketingpilgrim.com/2007/08/26-free-tools-for-buzz-monitoring.html>)

## How can you get started?

### Step one – do your homework

With hundreds of social media channels out there to choose from already and with new ones emerging all the time, it simply isn't possible to cover them all. The first step is therefore locating your target audiences and understanding which channels are most relevant to you. This is likely to include popular mainstream channels such as Facebook and Twitter as well as more niche channels such as specialist websites and blogs. For example, if you operate a hotel then you should incorporate TripAdvisor® and encourage your guests to post reviews.

Tip: For a categorized list of social media sites visit <http://traffikd.com/social-media-websites/>

Extra Tip: Get up to speed by watching 'Twitter Search in Plain English' (<http://www.youtube.com/watch?v=jGbLWQYJ6iM>)

### Step two – don't just jump in

The next step is to explore how these channels work and tune in to the conversations – not only will you benefit from insights, this will also help you understand the tone and style of social media. It is important to understand the etiquette of social media – every social media channel has its own set of rules, established and enforced by their users for their users. Breaking these rules could result in you looking naïve or foolish. Generally speaking, it is important to be honest and transparent about who you represent, avoid abusing the system and remember that it is a system built around reciprocity.

Tip: With so many conversations taking place, it's a good idea to get a system in place. Services like Google Reader™ will help you keep track of your favorite blogs and websites. Setting up a Netvibes page can make it easier to keep track of what people are saying about your company or business issues.

### Step three – create your social profiles

Now you're ready to establish your own presence and engage in the conversations. The way in which you connect with your customers will be dependent on the nature of the channel - as well as setting up basic profiles, each channel might have additional features which provide you with more ways to interact.

#### Build a Facebook Fan Page

One of the quickest and easiest ways of reaching out to your customers and building a community is to set up a Facebook Fan Page. You can use this to keep your customers updated and promote discussions or special events. It can also be customized with a number of other features, such as Google maps™ directions or coupons, to help attract fans and encourage them to interact more with your business.

Tip: Check out the ACT! fan page ([www.act.com/facebook](http://www.act.com/facebook))

#### Set up a profile of your business on LinkedIn

If you sell services to businesses rather than consumers, then LinkedIn could be a useful platform for

building relationships with your customers. By setting up a profile of you and your business, sharing insight with relevant groups and uploading presentations, you can connect with business partners and prospects and demonstrate your expertise.

#### **Get Tweeting!**

Setting up a Twitter profile is a great way to get started as you can 'follow' people in your industry, listen to real time conversations and connect with your customers. By contributing relevant information to the conversation you can add personality to your company and attract a stronger following.

Tip: Search for your company or related business issues on Twitter. You'll learn a lot about what people are saying about you and discover who to start following.

#### **Explore local search services**

Services like Qype can also be extremely powerful for local businesses such as shops and restaurants. Such services allow businesses to provide information such as phone numbers or opening hours and encourage user feedback to provide 'social proof' of your services.

Tip: If you see a positive review of your business, then Tweet about it!

#### **Create your own channel**

It is also important to incorporate your own website into a social media strategy and tie it together with all of your social profiles. By creating your own blog, using a web service like Blogger™ or WordPress, you can start conversations with visitors on your website and keep them engaged with insights or guidance. If you don't have the time to create your own blog, then you can turn your website into a social hub by introducing your social profiles and providing the relevant links.

Tip: Remember to include links back to your site, but don't over-do it or people will think you're spamming.

### **Step four – managing your reputation**

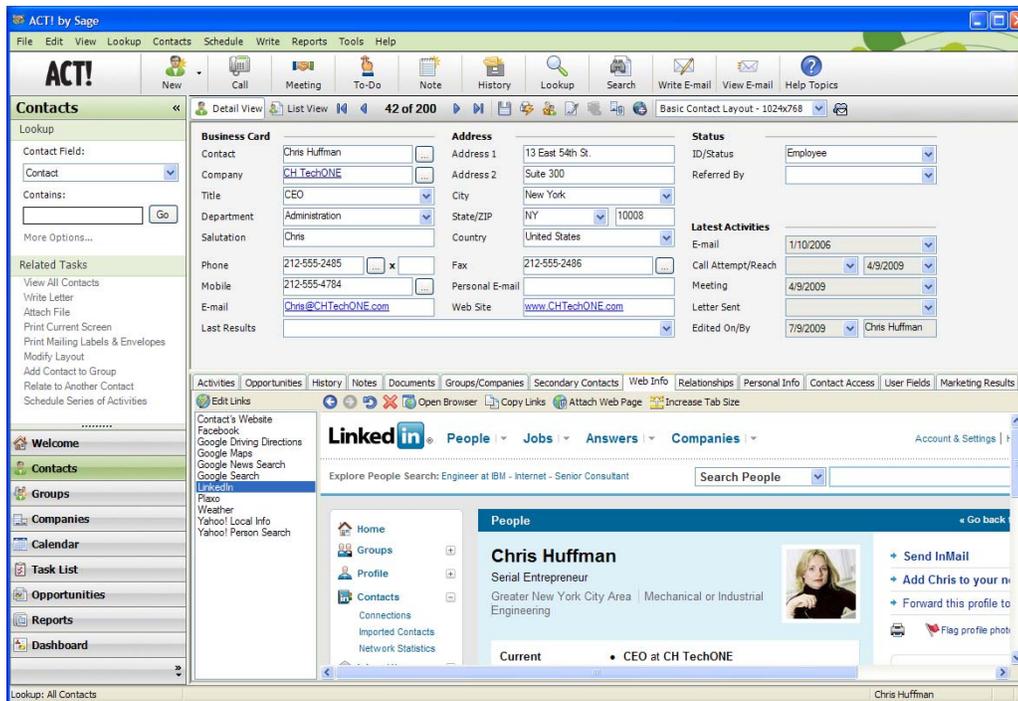
By tuning in to all the relevant conversations, you can dramatically improve your chances of finding unhappy customers quickly and addressing their issues before they do serious damage to your brand.

If you see a negative comment or review it is important to give these special attention and avoid hasty responses that you might regret later. It is easy to feel angry or upset by negative feedback, but by responding in a gracious and courteous manner, you can prevent issues from escalating further and might even end up with a more satisfied and loyal customer. Never mislead your audiences by posting false reviews that praise your business or put down your competitors. Social media can be extremely unforgiving if you're caught out.

Tip: By setting Google Alerts™ and TweetBeep, you can track where your business or products are being discussed and reviewed.

### **Step five – use a contact manager to build relationships**

Of course, capturing all the valuable information that social media reveals and making sure it translates into tangible business benefits can be a time consuming process. This is a key message we've been hearing from our small business customers and this is why we've added new social media integration to ACT!, our contact and customer manager software. Here's how it looks:



### What is contact management software?

A form of CRM (customer relationship management), contact management software helps companies track and organize its contacts with its current and prospective customers, manage prospect leads and improve customer retention – businesses large and small use contact management software to make these processes more effective and help build and maintain better customer relations.

ACT! is contact management software. It keeps all the details of your customer relationships - phone numbers, e-mails, conversation notes, meeting and activity history, documents, social media profiles, and more - in one organized place, to make sure you never miss an opportunity.

Sage realizes the important role that social media can play in connecting with your customers. To help you make the most of this information, you can integrate ACT! with social media sites to build a richer picture of your customers and prospects. By integrating social media with ACT!, you'll be able to develop long-lasting, profitable relationships so existing customers keep coming back and new customer referrals keep coming in. Just think how much more targeted your marketing would be if you knew:

- What social networking websites your customers are visiting?
- What topics are important to them?
- How they get that information?
- Who else are they talking to?
- What are they saying about your products and services?

Tip: Integrate what you learn about your customers with your contact management software, that way you'll convert your time spent on social media into revenue for your business.

Look for Part 2 of the ACT! and Social Media whitepaper series: *Discovering New Opportunities with ACT! 2010 and Social Media* to learn more!

## Social media checklist

### DO

- IDENTIFY which social media channels play host to your target audiences
- LISTEN to the conversations and learn the style before jumping in
- ENGAGE with your audiences by adding value and providing your own insights
- RESPOND to reviews to show you are listening and care about customer service
- LINK to other sources – links are the currency of social media
- CAPTURE insights and use them to build a better understanding of your market
- REMEMBER the world is listening, so be courteous and transparent

### DON'T

- Post false reviews of your business or your competitors
- Engage in arguments with unhappy customers
- Spam people for hits or followers
- Publish content unless you're happy to engage with it and see it printed elsewhere

## Useful resources

- A to Z of social media: <http://socialmedia.wikispaces.com/A-Z+of+social+media>
- Mashable: The Social Media Guide Business Lists, Resources & How-Tos  
<http://mashable.com/category/business-lists/>
- New Media Byte's guide to twitter tools: <http://www.newmediabytes.com/2008/01/18/best-twitter-tools-resources-and-clients-guide/>
- List of social networking websites:  
[http://en.wikipedia.org/wiki/List\\_of\\_social\\_networking\\_websites](http://en.wikipedia.org/wiki/List_of_social_networking_websites)
- Marketing Pilgrim's Social Media Monitoring Tools: 26 Free Online Reputation Tools  
<http://www.marketingpilgrim.com/2007/08/26-free-tools-for-buzz-monitoring.html>
- Google's beginners guide to SEO:  
<http://googlewebmastercentral.blogspot.com/2008/11/googles-seo-starter-guide.html>

## Social media directory

- ACT! 2010: <http://www.act.com>
- Bebo: <http://www.bebo.com>
- Blogger: <https://www.blogger.com>
- Ecademy: <http://www.ecademy.com>
- Facebook: <http://www.facebook.com>
- Google Alerts: <http://www.google.com/alerts>
- Google Reader: <http://www.google.com/reader>
- LinkedIn: <http://www.linkedin.com>
- MySpace: <http://www.myspace.com>
- Netvibes: <http://www.netvibes.com>
- Plaxo: <http://www.plaxo.com>
- Qype: <http://www.qype.co.uk>
- Second Life: <http://secondlife.com>

- Technorati™: <http://technorati.com>
- TripAdvisor: <http://www.tripadvisor.com>
- TweetBeep: <http://tweetbeep.com/>
- TweetDeck: <http://tweetdeck.com/beta>
- Twitter: <http://twitter.com>
- Wikipedia: <http://www.wikipedia.org>
- WordPress: <http://wordpress.org>
- YouTube: <http://www.youtube.com>

**Important Note:** Review ACT! system requirements at [www.act.com/2010systreq](http://www.act.com/2010systreq). You must purchase one license of ACT! per user. Scalability varies based on hardware, size, and usage of your database.

**Compatibility:** Due to new functionality available in ACT! 2010, we strongly recommend contacting your add-on product provider to confirm compatibility. Using versions of the add-on product that have not been confirmed compatible by the vendor may result in features behaving differently or not appearing within ACT! 2010. Visit [www.actsolutions.com](http://www.actsolutions.com) or contact your add-on product provider to help determine compatibility.

**\*Certified Consultants:** Certified Consultants are third-party vendors. Sage and its affiliates are in no way liable or responsible for claims made related to the services provided by third-party vendors.

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### About ACT!

ACT! by Sage is the #1 selling contact and customer manager in the world with 2.8 million users. It's designed so you can organize all the details of your customer relationships in one place for a complete view of the people you do business with. Improve your marketing effectiveness to attract new customers and get more from existing relationships. And, take action on your most qualified sales leads with total visibility and control of your pipeline. Because ACT! is easy to learn and use, you can be more productive right away. Continue working with your existing business solutions, like Microsoft Outlook, Word, Excel, and Lotus Notes, because they integrate with ACT!.

### About Sage CRM Solutions

Sage CRM Solutions is a portfolio of market-leading applications consisting of ACT! by Sage, Sage CRM, and Sage SalesLogix. Over 63,500 organizations and 3.1 million users worldwide rely on Sage CRM Solutions to develop profitable, long-term business relationships.