MARKET FOCUS REPORT
THE VALUE OF MOBILE AND SOCIAL FOR CRM

THE BOTTOM LINE

Adding mobile access and social collaboration to CRM delivers significant benefits. In a survey of CRM decision makers, Nucleus found that providing sales people with mobile device access to CRM drives a 14.6 percent productivity increase, and adding social drives an additional 11.8 percent productivity boost. Given the significant ROI opportunity, all organizations should consider mobile and social CRM adoption.

Nucleus analyzed the benefits of adding mobile device access and social capabilities to CRM and found that, on average, adding social and mobile access capabilities to CRM increases productivity of sales people by 26.4 percent.

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Nucleus surveyed 223 CRM decision makers, analyzing deployments of both vendors in the CRM Value Matrix and niche CRM vendors in the United States and Europe. Respondents included small, medium, and large enterprises using both on-demand and on-premise CRM applications.

THE VALUE OF MOBILE ACCESS TO CRM

Mobile devices have been used by sales people for some time, and Nucleus's survey found that 74 percent of companies had enabled mobile access to CRM applications. Nucleus's survey found that mobile access to CRM increases sales force productivity by 14.6 percent, with nearly a third citing a productivity increase of more than 20 percent. Fewer than 2 percent of respondents cited no productivity benefit from mobile CRM access.

Mobile access increases sales force productivity by 14.6 percent.

This significant increase in productivity is driven by the development of custom, device-specific applications that take advantage of the form factors of individual devices. Vendors and consultants are also increasingly delivering task-specific and role and vertical-based views of mobile CRM data that make it easier for sales people to do more than update their pipelines via their mobile devices. For example:

- More than one pharmaceutical company Nucleus interviewed was using tablets to deliver product demos and compile and present sales presentations at client sites. The sales collateral was launched, managed, and tracked in CRM with

two main results. First, sales and marketing managers gained much better visibility into how content was actually being used and when a particular demo or piece of content led to a lead qualification or order. Second, sales people didn't have to update their account activity manually after a meeting. This led to both more data with more details about what actually happened in the sales process – valuable for future sales coaching and content development.

▪ A number of sales people reported getting activity feeds on the outstanding service issues of their customers via mobile devices on their way to customer meetings – making them appear more knowledgeable to their clients and allowing them to spend less time following up on service inquiries and more time building relationships.

▪ Field sales, not surprisingly, had some of the most innovative uses of mobile CRM, taking advantages of features like geomapping to identify and contact prospects in their proximity when they had time available – effectively increasing the number of prospect calls per trip and making more efficient use of their time on the road.

Not surprisingly, the most popular device for access to CRM applications such as sales force automation was the iPhone, followed by Droid phones and iPads. Obviously, many users have more than one mobile device they use to access CRM functionality.

Table 1. Most popular devices for SFA access

iPhone	67%
Droid	48%
iPad	46%
Windows Phone	35%

As mobile CRM adoption has broadened, it has become an integral part of the corporate sales management strategy and less a departmental or individual productivity decision. Nucleus found that in 63 percent of organizations, either management or IT dictates what device is used; only 14 percent of companies let individual users select their device of choice.

Table 2. Selection process for mobile device CRM access

Management decides and dictates what device is used	40%
IT decides and dictates what device is used	23%
Individual users select from a list of IT-approved options	23%
Individual users select their devices on their own	14%

Nucleus expects CRM vendors and developers building custom applications will continue to invest in making CRM easier to use on mobile devices. A few indicators of increasing vendor investment in mobile CRM access include Salesforce.com's recent acquisition of Model Metrics, a systems integrator focused on mobile application development for Salesforce; its announcement of touch.salesforce.com (scheduled for release this spring); a new HTML5-based version of Salesforce.com redesigned specifically to work on touch screens; and Microsoft's announcement of Dynamics CRM support for iPad, iPhone, Droid, and BlackBerry.

Customer profile: Kimberly-Clark

Kimberly-Clark is a global company incorporated in 1928. Headquartered in Dallas, Texas, Kimberly-Clark employs approximately 57,000 people in 36 countries (full details of this deployment can be found in Nucleus Research *I117 – Salesforce.com ROI case study – Kimberly-Clark*, December 2011).

Given the rapid globalization of markets and need to share best practices with K-C Professional and Health Care sales and product teams around the globe, Kimberly-Clark knew it needed a global CRM system that could support both sales-related collaboration and mobile device access. Kimberly-Clark chose Salesforce.com because it could support a global deployment with multiple languages, currencies, and mobile device strategies.

K-C worked with Model Metrics, a Salesforce implementation partner (since acquired by Salesforce), to develop two custom iPad applications for field sales people. The company had a phased deployment, with each region's deployment taking approximately 12 to 16 weeks and including integration of Saleforce.com with each region's instance of SAP using IBM Cast Iron.

Key benefits include:
- Increased visibility and collaboration. One common global CRM system has enabled Kimberly-Clark sales professionals to have greater visibility into their global customer base and overall company operations and strategy.
- Increased sales effectiveness by 3 percent. Mobile device access and iPad-based field applications have enabled sales people to accelerate sales cycles to close more deals and increase customer engagement. In Asia-Pacific alone, the company attributed a 3 percent increase in sales to the new application.

THE VALUE OF SOCIAL CRM

When it came to sales people, Nucleus found that those using social CRM capabilities were 11.8 percent more productive, with 21 percent citing a productivity increase of more than 20 percent. Only 7 percent of respondents cited no productivity benefit from social CRM capabilities.

> Social CRM makes sales people 11.8 percent more productive.

There has been much hype about social CRM, as is common with many emerging technologies. In reality, social CRM adopts three key concepts from social networking applications:
- Integration of external social networking data with CRM applications
- Use of activity updates or "push" mechanisms to proactively deliver information about customers and events to CRM users and other employees
- Internal social networks with presence monitoring, instant messaging, and public and group sites.

Nucleus found many CRM users are still struggling to understand what social CRM is and how it can help them. In fact, 16 percent of survey respondents indicated they didn't know what social CRM was; only 8 percent of respondents considered themselves to be best in class in their use and evaluation of social CRM technologies.

> Sixteen percent of CRM decision makers surveyed don't know what social CRM is.

However, Nucleus has found that early adopters of social CRM technologies, like Salesforce.com Chatter, have recognized clear benefits such as increased visibility and productivity (Nucleus Research *I74 - The return on investment from Chatter*, July 2011). Salesforce was early to market with its Chatter offering; other vendors including Oracle and Microsoft have made similar activity feeds and internal social networks available in their CRM applications. Nucleus found customers have also chosen to adopt standalone social collaboration networks, such as Newsgator, that can be integrated into enterprise applications such as CRM (Nucleus Research *M4 - A closer look at Newsgator*, January 2012). In fact, Nucleus's survey found that 82 percent of respondents were using some form of social CRM.

> 82 percent of companies have adopted some social CRM.

The level of integrated social capabilities in CRM varies from vendor to vendor; however, most enterprise CRM applications have at least rudimentary social CRM capabilities. Nucleus's survey found that the most common use of social CRM today is integration of an external social network with an existing CRM application. Of the other key social functionality areas, 25 percent of users were using two functionality areas; fewer than 10 percent of users were using three or more.

Table 3. Current adoption of social CRM capabilities by technology

External social network integration such as LinkedIn or Facebook	47%
An internal social-type network	36%
Integrated presence monitoring and instant messaging	25%
"Push" updates such as Activity Feeds or Chatter	22%
None	19%

Nucleus expects adoption of social CRM technologies, by sales people in particular, to grow not just in real numbers but in frequency of activity as users become more aware of the technology's capabilities, vendors' offerings mature, and new applications of the technology become more obvious (Nucleus Research *I77 - Five steps for Chatter success*, July 2011). For example, one Salesforce customer integrated error messages from its wireless network as a custom feed into Chatter, so wireless routers would automatically communicate to IT and end users when they were down, reducing network downtime.

Customer profile: Yahoo

Yahoo was founded in 1994 and has more than 13,000 employees in 25 countries. Yahoo's global brand attracts more than half a billion customers every month in more than 30 languages (full details of this deployment can be found in Nucleus Research *I116 – Salesforce.com – Appirio benefit case study – Yahoo*, October 2011).

Although Yahoo is a global company, it had grown with a regional focus and limited cross-border communication. To support North American sales, the company had

developed a content repository for sales enablement, and other teams around the world had created many of their own content repositories. However, in early 2010 sales management recognized that it needed a globally-coordinated and accessible content resource so sales could be more competitive and effective in selling Yahoo business services. Yahoo chose Salesforce.com because of Salesforce's content management capabilities, Chatter functionality, and its cloud delivery, as well as its plans to move to the Salesforce Sales Cloud over time.

A core team of six Yahoo employees began working with a lead developer from Appirio in the end of October 2010 to plan, develop, and implement the project. This included conducting usability testing for approximately two weeks and working with 35 Yahoo subject matter experts and 400 content authors to gather content. Today, the application has approximately 4000 active users worldwide.

Key benefits included:
- Improved cross-regional and cross-functionality communication.
- Increased sales professional productivity. Before the project, Yahoo estimated the average sales person was spending 40 percent of work time on administrative tasks like finding information, aggregating it, and updating presentations. Now they have relevant information pushed to them and they can rapidly access the information they need.
- A savings of at least 20 administrative and sales support staff.
- A net savings in annual software license costs. By consolidating existing systems and eliminating license maintenance on its various content management tools, Yahoo experienced a net reduction in annual content management-related software costs. By moving to a cloud application, Yahoo was able to write off approximately $1.5 million in hardware and software investments.

LOOKING FORWARD

As Nucleus's survey found, providing mobile and social CRM capabilities to sales professionals provides significant benefit over traditional CRM alone. Given the relatively low price point of many mobile CRM applications and the fact that most social capabilities are bundled in CRM at no additional per-user price, companies that do not explore mobile and social strategies are likely to quickly lose competitive advantage in 2012.

Nucleus expects companies will continue to invest in — and demand more from — CRM vendors in terms of mobile and social support. More than 50 percent of survey respondents expect to implement social and mobile CRM capabilities using their in-house IT talent, so vendors will face increasing pressure to provide prepackaged capabilities that can be configured by business users with limited developer work. Nucleus also expects:
- The line between CRM and social collaboration applications will continue to blur as CRM vendors seek to expand their footprint with existing customers through enterprise licenses and functionality that is used by a broad user population, not just sales, marketing, or customer service people.
- As mobile devices become the access point of choice for many CRM users, particularly in sales and field service, vendors will have to provide their own native applications for different devices to make the CRM shortlist. Many

vendors know this, as evidenced by Microsoft's recent CRM iPad and iPhone announcements (Nucleus Research *m15 - Microsoft Dynamics CRM Q2 2012 service update*, February 2012) and Salesforce's acquisition of Model Metrics and touch.salesforce.com announcement.

- As CRM environments become populated with more data from social networks, activity feeds, and mobile device users, the ability to integrate and analyze large volumes of transactional and attitudinal data will drive demand for better analytics and reporting.

- At the same time, integration of the social and business profiles of prospects and customers – and rising consumer awareness of such integration, for both business-to-consumer and business-to-business companies – will raise privacy concerns and require companies to define clear privacy policies.

In the short term, customers are looking to integration and add-on point applications to link innovative and best-of-breed applications with core CRM. Moving forward, CRM customers will expect their core CRM applications to provide both native mobile and social capabilities, and Nucleus will increasingly consider mobile and social capabilities as it evaluates usability and functionality for its CRM Value Matrix. Given the significant productivity benefits driven by mobile CRM access and social CRM capabilities, and the relatively low cost of implementing them, all organizations should be evaluating their mobile and social CRM strategies to drive additional returns from their CRM investment.