

E- CRM THE NEW PHASE OF CUSTOMER RELATIONSHIP MANAGEMENT

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There's no doubt about the fact that CRM is an incredibly hot topic in today's e-business world. CRM strategy has numerous aspects, but the basic theme is that the company should become more customer-centric. This would not necessarily create a new revenue stream today or even tomorrow. However, it will add customer loyalty to the bottom line of a business. The methods are primarily web based tools and Internet presence because they will allow the company to keep up with the new business that would provide information about their own and their competitor's product freely.

However, CRM will make an impact in all areas of business. Business should allow the customers to set current information at any time from any source. This information needs to flow through the organization without getting lost or altered. When CRM is implemented correctly, it will show up on the bottom line in the form of positive customer feedback as well as increased revenue. In short, it is important to accept the reality of e-business and to consider CRM as a cornerstone of one's e-business strategy. This article delineates the various stages of a CRM strategy and discusses the various issues and components that need to be considered during each stage.

Introduction

In the past, customers did not expect to have issues resolved immediately. Although courteous service was certainly a goal of any good business, establishing customer relationships was often a grassroots type of exercise. Field sales representatives would take time to meet with individual customers, developing personal relationships in the process. In exchange for this type of personal service, customers would often tolerate delays in the resolution of their problems, as they usually thought that the sales representative was the only person who could help them. Customers in the 'old' economy would often 'wait it out' (not indefinitely, but often for an extended time)

because they thought their options were limited, believing that their only hope for quick, complete answers was their own sales

representatives. The new e-economy, on the other hand, has heralded the world of e-business! Instead of battling car salespeople, today we spend valuable time wading through stacks of magazines. We turn to the web in the hope of finding all the information we need from car manufacture's websites.

E-CRM TRIUMVIRATE

CRM consists of the following three major components:

- Pre-order
- Point-of-order, and
- Post-order customer support issues.

All the three components are equally important. If any one of them is missing, the entire CRM strategy can collapse because one would not be addressing the total customer experience.

Components of the Pre-order Stage

- Order processing
- Alternative product in stock
- International business
- Shipping
 - (a) Shipping and handling costs
 - (b) International shipping
- Order tracking.

Components of the Point-of-order Stage

- Ensuring a smooth order process
- Personalizing the order process
- Providing an intuitive site navigation scheme
- Providing pricing information
- Addressing customer security centres.

Components of the Post-order Stage

- Tracking Orders
- E-mail order status
- Problem resolution

- Customer retention
- Customer participation in development

Some of the early e-commerce websites were the products of technologists, i.e. people who had knowledge about web design, database structure, and other related concepts. However, some important components were missing from this equation, such as individuals with expertise in marketing, finance and general business. The result was that there were a lot of great looking websites with a lot of technological razzle - dazzle but very little real work business application. The growing interest in CRM has resulted in the produce websites that not only possess plenty of technical razzle-dazzle but also reflect the solid business organization process. While this should not imply that one has to be skilled in all these areas to work with CRM, it does indicate that one should appreciate the complex, integration of various components and expertise required to produce a really terrific-e-commerce site.

1. The differences between CRM & E-CRM

	Customer Data	Analysis of Customer Characteristics	Customer Service
CRM	<ul style="list-style-type: none"> • Data Warehouse • Customer Information • Transaction History • Production Information 	<ul style="list-style-type: none"> • Transaction Analysis • Customer Profile • Past Transaction • History 	<ul style="list-style-type: none"> • Target Marketing • Static Service • One-Way Service • Time and • Space Limits
E- CRM	<ul style="list-style-type: none"> • Web House • Customer • Information • Transaction History • Products Information • Click Stream • Contents Information 	<ul style="list-style-type: none"> • Transaction Analysis • Customer Profile • Past Transaction History • Activity Analysis • Exploratory Activities (Navigation, shopping Card, shopping pattern, etc)	<ul style="list-style-type: none"> • 1-to-1 Marketing • Real Time Service • Two-way Service • At any time From Anywhere

(Source: Communications of the ACM (Pan & Lee 2003))

E-CRM cannot be separated from CRM, it needs to be integrated and seamlessly. However, many organizations do have specific E-CRM initiatives or staff responsible for E-CRM. Both CRM and E-CRM are not just about technology and databases, it is not just a process or a way of doing things, it requires, in fact, a complete customer culture (Chaffey, Chadwick, Mayer & Johnston 2009, 340).

Technological differences between CRM & E-CRM

Criterion	CRM	E-CRM
Customer Contacts	Customer contact usually initiated through traditional means of retail store, telephone, or fax.	In addition to telephone, contact also initiated through the Internet, email, wireless, mobile and PDA technologies
System Interface	Works with the back-end applications through ERP systems.	Designed for front-end applications, which in turn interface with backend applications through ERP systems, data warehouses, and data marts.
System Overhead (client computers)	Web-enabled applications require a PC client to download various applets and applications. These applications and applets would have to be rewritten for different platforms	No Such requirement; the browser is the customer's portal to E-CRM
Customization and Personalization of Information	Different audiences require different views and types of information. Personalized views for different audiences are not possible. Individual customization requires programming changes.	Highly individualized "dynamic" and personalized views based on purchase and preferences are possible. Each audience individually customizes the views
System Focus	System is designed around products and job functions (for internal use). Web enabled applications are designed around one department or business unit.	System is designed around the customer's needs (for external use). Enterprise wide portals are designed and are not limited to a department or business unit.
System Maintenance and Modification	Implementation is longer and management is costly because the system is situated at various and on several servers.	Reduced time and cost. System implementation and expansion can be managed in one location and on one server.

(Source: Issues in Information Systems)

BASIC REQUIREMENTS OF E-CRM

These are discussed in detail below:

Electronics Channels

New electronic channels such as the web and personalized e-Messaging have become the medium for fast, interactive and economic customer communications, challenging companies to keep pace with this increased speed of communication.

Enterprise

A company gains the means to touch and shape a customer's experience across the entire organization, reaching beyond the boundaries of marketing to sales, services, and assessment of customer behavior.

Empowerment

New customer empowerment, and E-CRM solution, must be structured to deliver timely, pertinent, and valuable information that a consumer accepts in exchange for his or her attention.

Economics

Customer economics drives smart asset allocation decisions, directing resources and efforts aimed at individuals likely to provide the greatest return on the customer communication initiative.

Assessment

Understanding customer economics depends on a company's ability to attribute customer behavior to marketing programmes, a company should evaluate customer interactions along with various customer touch point channels and compare anticipated ROI against actual returns, through customer analytic reporting

Outside Information

This information can be gained from sources such as third party networks and web-page profiler applications, under the condition that companies adhere to strict consumer rules and privacy concerns.

Three Dimensions in E-CRM

E-CRM must address customer optimization in the following three dimensions:

- Acquisition (increasing number of new customers)
- Expansion (increasing profitability by encouraging customers to purchase more products and service)
- Retention (increasing the amount of time customers stay as customers).

KEY E-CRM FEATURES

Regardless of a company's objective, an E-CRM solution must possess certain key characteristics.

It should be:

- Driven by a data warehouse
- Focused on consistent material to assess customer actions across channels.
- Built to accommodate the new market dynamics that place the customer in control.
- Structured to identify a customer's profitability or profit potential and to determine effective investment allocation decisions accordingly, so that profitable customers can be identified and retained and resources can be invested in the most profitable relationships.

The implementation of E-CRM entails much more than system automation. Implementing E-CRM necessitates more than merely automating the related functions and addressing the infrastructure requirements for its implementation on the web. It requires a fundamental change in the culture, philosophy, attitudes and operations of an organization and hence, the need to initiate a change management process to move from a product-centric focus to a customer-centric one.

The E-CRM implementation strategy should thus aim at:

- Gathering, storing, sharing/retrieving and tracking a customer database repository, analyzing this information and deciding upon the relevant course of actions.
- Seamless integration of all customer communication channels with the customer database so as to respond in a customer-preferred channel.
- Automating and streamlining an online customer service by installing the necessary software and hardware.

The steps that companies should follow while implementing E-CRM are as follows:

1. Get a first-hand feedback from customers, preferable through an unbiased third party. This would be very useful in identifying problem areas in the customer relationship management cycle and constitutes a key impact for any E-CRM implementation exercise
2. Successful E-CRM implementation necessitates having a well-planned infrastructure in place, which allows the capture, storage and analysis of customer data.
3. An organization must select the E-CRM software based on the incremental ROI that it will bring to it. Without this exercise, the benefits of E-CRM implementation could take anywhere between three to six months, and the business returns could start flowing in only after another six to twelve months.

4. There is an increasing need in the country for institutions offering high class E-CRM training programmes to organizations, as this could save them enormous cost and time spent on learning and implementing E-CRM.
5. Organizations need to select the E-CRM vendors cautiously and must choose those that offer sufficient training, incentives, etc., to their employers/representatives and bring with them a rich and diverse experience in the field.

MAJOR TREND IN ELECTRONIC CRM

Three major trends in the industry which will create an explosion of E-CRM services are:

- Explosion of broadband telecommunication network and services,
- Penetration of mobile data devices, and
- Customer care using offshore labour and web-based technology.

E-CRM – A tool for Retaining the Customer

Customer Relationship Management (CRM) is a business philosophy and an effective tool for targeting customers on an individual basis while paying special attention to high-profile customers. It helps a company enjoy long term relationships with its customers, by removing communication barriers and delays, reducing the overall marketing cost, and enhancing effectiveness. Hence, every organization needs to maintain closer relations with its valuable customers. CRM goes beyond mere transactional exchange and enables the marketer to estimate the customer's sentiments and buying intentions, so that the customer can be offered products and services even before he starts demanding them. This is possible through the integration of four important components, i.e. people, process, technology and data

In the modern business world, CRM is an IT-enhanced value process, which identifies, develops, integrates and focuses the various competencies of the firm on the 'voice' of the customer in order to deliver long-term superior customer value, at a profit, to well-identified existing and potential customer segments. It is a modern technological tool used to collect information, while attempting to provide better, efficient, personalized, high quality of service to customers.

E-CRM is an acronym for Electronic-Customer Relationship Management. E-CRM or Web-based CRM system is fundamentally less cumbersome and less expensive to implement than traditional CRM because E-CRM can be extended more easily to users everywhere in the company through the Internet. The value of E-CRM goes beyond mere cutting of costs. The adoption of technology allows companies to capture customer's feedback at more of the 'touch points' between a company and its customers across channels and functions, such as meetings with salespeople, and customer

surveys, which help improve relationships and provide value for individual customers. This has been adopted in the industry as an overall system for managing not only contacts but also accounts, opportunities, activities, marketing, customer support, partner channel support and other sales- and service – oriented processes.

CRM SOFTWARE: E-CRM

CRM software generally consists of different building blocks to provide the following two main functions:

- Front office interface with the customer, and
- Back office data storage, analysis and management

While storage of data and response are part of front office software, the content, monitoring and analysis are part of back office software. Any good CRM system necessitates very fast integrated action in a co-ordinate way to serve the customer

Conclusion

The E-CRM system is used to effectively maintain E-CRM and other support via the internet 24 hours a day, seven days a week. With business becoming increasingly reliant on a Web- based presence for success, implementing such a system has become a common necessity. India is a low – cost destination in addition to offering highly skilled professionals. Increasing executive and corporate focus on CRM, outsourcing of CRM applications and services, increasing expansion of modes and channels of customer contact and touch points, and increased attention to data are going to be the order of the day in the domestic E-CRM scene.

In future, E-CRM would be characterized by the following features:

- Explosion of broadband telecommunication networks and services.
- Penetration of mobile data devices.
- Elimination of the need to find, invest in and retain personnel.
- Elimination of capital outlay in terms of infrastructure like buildings, software, hardware, technology upgrades, etc.
- Customer care using offshore labour and web-based technologies.

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