

E-CRM-A SOLUTION FOR CUSTOMER SATISFACTION IN ELECTRONIC ERA

Author: Pouria Jahanbakhshian

PhD scholar, Girne American University, Girne ,Cyprus

Abstract: *Customer Relationship Management is an essential facet of an organization, encompassing the philosophy of organized business that is engaged with a well-knit customer-focused knowledge base. It is more than software or process, and equal to a culture of gaining and keeping value customers, delivering the inimitable benefits. The e-CRM or electronic customer relationship marketing concept is derived from e-commerce. Electronic CRM can contribute incontrovertibly to organizational transformation into a real time enterprise for customers, while harnessing the power of technology in a rapidly changing competitive landscape. The major benefits that accrue are new sales and account opportunities, quicker and smarter decision-making, and better efficiencies leading to significant improvement in customer service. Comparing with traditional CRM, the integrated information for e-CRM intra-organizational collaboration can be more efficient to communicate with customers. The focus of this paper is to discuss the important of e-CRM techniques in providing customers with better services having in view their needs and expectations. The paper also looks at some of the challenges and opportunities related to e-CRM.*

Key Words: Customer Relationship Management, customer satisfaction, Electronic CRM, Information Technology

INTRODUCTION

Unlike the classical theory of marketing which focuses on attracting new customers and gives more emphasis on transactions rather than to establish relationships with other customers, due to intense competition between companies in attracting customers for products and services and also the increased customer power in today's competitive world, companies should not only attempt to attract new customers, but retaining current customers and maintaining strong relationships with them should also be considered top priorities for them.

Managing customer relationships is a business activity that corporations have practiced for generation's .e-CRM known as electronic customer relationship management has rapidly widen due to fast growth of web technology .e-CRM has emerged in such a way mainly aiming to satisfy the customers at global level. E-CRM also includes online process applications, such as segmentation and personalization. The use of the internet, intranets and extranets made customer services, as well as services to partners much more effective and efficient than before e-CRM has been gone through in a way that, customers want to contact the company by email and web, even if the organization does not provide the business through internet. Sustainable and profitable revenue growth through the development of lifetime value is the largest benefit of e.CRM. According to Chang (2005)

electronic customer relationship management (e-CRM) emerges from the Internet and Web technology to facilitate the implementation of CRM (Chang, 2005). It focuses on Internet- or Web-based interaction between companies and their customers. Above all, e-CRM enables service sectors to provide appropriate services and products to satisfy the customers so as to retain customer loyalty and enhance customer profitability (Chang, 2005). The application of technology to customer relationship management (CRM) initiatives (e-CRM) is one of the fastest growing technological developments (Dotun, 2003). The importance of effective customer relationships as a key to customer satisfaction is widely emphasized (Wilson et al, 2002).

AIM OF STUDY

Globalization and its implications have imposed various threats and also opportunities to corporate around the world. They have to battle to survive in order to remain in the competition with corporations. On the other hand, the expectations of customers and their needs have changed drastically due to technological advancements and doing business has become more complex than before. The fact that customers are the real owners of business units and their contribution to business success is large, must be given due attention. With the recent advent of the era of Globalization there has been total transformation from sellers market to buyers market paved the path for customer relationship marketing. Marketers realized, authentic marketing is not the art of selling what you make but knowing what to make.

The proposed study is an attempt to bring an understanding into the overall objectives and expected benefits of e-CRM initiatives by organizations to achieve a high degree of customer satisfaction and to have a better understanding of the evolution of marketing.

FROM RELATIONSHIP MARKETING (RM) TO CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

The origins of CRM can be traced back to the management concept of Relationship Marketing (RM) (Levitt, 1983). Relationship marketing attempts to involve and integrate customers, suppliers and other infrastructural partners into a firm's developmental and marketing activities (McKenna 1991; Jagdish, 1996). According to Kotler and Keller (2006), "The aim of Relationship Marketing is for building mutually satisfying long-term relations with key-parties like the customers, suppliers, distributors in order to earn and retain their business."

Acquiring new customers can cost five times more than it costs to retain current customers (Massey et al.2001). Furthermore, repeat customers can generate more than twice as much gross income as new customers (Winer, 2001). Companies have realized that instead of treating all customers equally, it is more effective to invest in customers that are valuable or potentially valuable, while limiting their investments in non-valuable customers. As a result of these types of findings as well as the fact that customers want to be served according to their individual and unique needs, companies need to develop and manage their relationships with their customers such that the relationships are long-term and profitable. Therefore, companies are turning to CRM techniques and CRM-supported technologies (Cunningham et al, 2006). Since the inception of CRM, the balance of power has shifted dramatically between buyers and sellers, with the rate of change accelerating in the past five years. Today, companies must offer extremely cost-efficient, differentiable customer experiences to acquire and retain

profitable customer relationships. In our highly globalize economy, CRM is critical to enable businesses of every shape and size to fulfill the needs and expectations of their customers (Sage CRM Solutions, 2008). Relationship management helps firms focus on the lifetime value of customers to enhance their relationships with profitable customers (Jagdish et al, 2008). In recent years many organizations have identified the need to become more customers facing with increased global competition. As a consequence, CRM has risen to the agenda of many organizational strategies. CRM is a highly fragmented environment and has come to mean different things to different people (Afshar et al, 2010).

However, the main difference between RM and CRM is that the first does not acknowledge the use of technology, where the latter uses Information Technology (IT) in implementing RM strategies (Ryals and Payne, 2001).

FROM CUSTOMER RELATIONSHIP MANAGEMENT TO ELECTRONIC CUSTOMER RELATION MANAGEMENT (E-CRM)

In new business trends, obtaining customer satisfaction has an important and vital position place in organizations objectives and senior managers recognize the fact that key to their success in achieving ultimate goals of the business organization, is customer satisfaction. On the other hand, not all the customers partake to organization's success to same extent hence, attending the needs of key customers and their expectations can be more crucial. Thus, a system should be designed and implemented for attracting and keeping customers in an organization. Such system should be able to manage the relationships between customers and the organization. Today, these systems are known as customer relationship management systems and CRM labeled software programs have been introduced to markets in order to enable organizations in achieving customer satisfaction.

The essence of CRM The exact meaning of CRM is still subject of heavy discussions. However, the overall goal can be seen as effectively managing differentiated relationships with all customers and communicating with them on an individual basis. Underlying thought is that companies realize that they can supercharge profits by acknowledging that different groups of customers vary widely in their behavior, desires and responsiveness to marketing (Pavithira, 2010).

CRM came into existence in the late 1990's. Although there is no clear definition of CRM, Jeffrey Peel (2007), defined it as follows: CRM is about understanding the nature of the exchange between customer and supplier and managing it appropriately. The exchange contains monetary considerations between supplier and customer – but also communication.

Customer relationship management (CRM) is a combination of people, processes, and technology (Chen and Popovich, 2003) that seeks to provide understanding of customer needs (Stringfellow et al., 2004), to support a business strategy (Ling and Yen, 2001; Bull, 2003), and to build long-term relationships with customers (Wayland and Cole, 1997). Although enabled by information systems, CRM is not a technology solution (Rigby et al., 2002; Chen and Popovich, 2003 and Shari& Chih, 2007).

At the heart of CRM is the issue of data and relationship ownership. In the past, marketing or sales have been deemed to own the customer. In the CRM model any single entity or function does not own the customer. CRM

is a strategic process and “infrastructure that enables the delineation of an increase in customer value and the correct means by which to motivate valuable customers to remain loyal – indeed to buy again” (Dyché, 2001).

Challenge to all supplier organizations is to optimize communications between parties to ensure profitable long-term relationships. CRM is a key focus for many organizations now as a shift away from customer acquisition toward customer-retention and churn reduction strategies dictates a need for best practice CRM processes.

According to Dyche (2001) e-CRM is a combination of software, hardware, application and management commitment. Critical and significant point is that e-CRM takes into different forms depends on the objectives of the organizations. Dyche (2001) has defined two types like Analytical e-CRM and Operational e-CRM. Analytical CRM is a collection of customer’s data as a continuous process. The main purpose of this means is to identify and understand customer’s needs and to create new business opportunities by giving prior importance to the customers. Operational e-CRM means the diverse ways of resembling the customer by web based emails, phone, fax etc. Dyche (2001) has also identified the main aim of e-CRM systems is to improve and provide better customer service, develop a relationship and preserve valuable customers.

DIFFERENCE BETWEEN CRM AND E-CRM

CRM is a strategy that is used by a company in order to become aware of customers’ behavior and their needs and creating more communication linkages with them. This is important as establishing a good relation with customers is the key for success in business. CRM is a method to identify customers, keep them satisfied and turn them into permanent customers.

According to Chaffey, (2007) e-CRM refers to electronic customer relationship management or simpler, CRM that is more web based. The main differences between the CRM and e-CRM are that in CRM customer contact is initiated through traditional means of telephone, retail store or fax, where as in e-CRM in addition to telephone customer contact can initiate through the internet, email, wireless, mobile and latest technologies. Here in the e-CRM the beauty of running everything off one system is that we can look at the information any time whether we are near to the place and can also access to the information needed whenever we required. Coming to CRM direct implementation took more time and management is costly as the systems are located in different locations. Whereas when it comes to e-CRM it is very fast with less operation cost because system implementation and expansion can be managed in one location and one server.

E-CRM TOWARD CUSTOMER SATISFACTION

Every customer may be generally satisfied or unsatisfied after purchasing and utilizing products or receiving services. The question is that, what is satisfaction and how is it created? To answer this, it should be stated that satisfaction is a positive feeling that is created in an individual after utilizing a product or receiving services. The above mentioned feeling comes to existence when customer’s expectations of a particular product are confronted with supplier’s performance. If rendered products and services are at the same level as customer’s

expectations, he/she gets a satisfaction feeling and a higher level of products and services in relation to customer’s expectations makes them overjoyed. On the contrary, if a supplier fails to meet the customer’s expectations by rendering a lower level of products and services than the customer’s expectations, this leads to dissatisfaction.

Table 1: benefits of E-CRM for customers

<p>Interaction with Customers and Satisfaction</p>	<p>Due to e-CRM, you can interact with customer’s right at your site through phone, chat, email, collaboration or forwarding of pages back and forth between the Representative and the Customer. According to Harris, (2000) e-CRM customers will have any service available anytime throughout the year and can assist the customer in any way he required and pass on any information about your company's product or service, right then and there with the prior permission when the customer is browsing through pages at your site. E-CRM maintains long term relationship with the customers with providing trust, ethics and friendship.</p>
<p>Speed of Processing the Transaction through E-Response</p>	<p>According to Jason et al. (2006) e- responses were widely used by businesses to acknowledge receipt of orders, payment and delivery of information. Many companies have changed the target time to 24 from 48 hours by the usage of e-CRM, as customers are able to reach the company’s website at any time. It has also been highlighted that the character of e-responses also helps build up the relationship between the provider and the customer</p>
<p>Better Service Quality</p>	<p>Taylor, L. K. (1992.) states that the main proportions of service quality are reliability, performance responsiveness, quality, empathy and assurance In addition, delivering high quality services is a way companies manage to improve their customer relationships. Delivering high quality services is a qualification for achieving customer satisfaction and only through customer satisfaction can the company gain loyal customers. Secondly, several of the quality dimensions of perceived e-CRM are new and most of them are related to technology: ease of navigation, flexibility, efficiency, site aesthetics and price knowledge</p>
<p>Convenience and Trust</p>	<p>Convenience and trust both plays a vital role when selecting a company or organization and if the users are not happy with the convenience, it does not take much time to change the organization. According to Sharp, D. E. (2003.) with the rapid increasing knowledge and superiority of the customers, banks are now trying to woo customers by providing facilities like more open hours, interest on savings, over draft, convenience, friendliness and faster responsiveness.</p>

CHALLENGES OF E-CRM

As organizations become progressively more customer persistent and motivated by customers demand. The need to meet customer's expectations and preserve their loyalty becomes more critical as e-CRM is being seriously destabilized because of this unawareness. According to Sterne, J., (2000), the main challenges of e-CRM are identifying actual input cost of wining, retaining the long lasting relationship with customers, measuring the effective business, increasing the customer loyalty and improving the customer service.

On the other hand According to Sharp, D. E. (2003), main drawbacks of e-CRM are lack of technical support to customers, reducing field sales and services, resistance to payment services offered via the web, implementation of time & cost, lack of Customer services and support, reducing the productivity and overloading of emails. The main drawback due to e-CRM is a cutback in person contact with customers which leads to some problems. The measurement challenges faced by e-CRM are difficult to determine the users reached costs and benefits.

CONCLUSION

Customer Relationship Management is a potent tool, which helps to track down the changing customer profiles, build on this information to get the necessary product design and add value to the individual customer. Despite the drawbacks and challenges faced by organizations in using e-CRM emanating mainly from web based transactions, the benefits of e-CRM however overweigh these problems. In the era of Globalization, the need felt by organizations to remain in the competition should awaken them to give up the old marketing strategy and adapt to changes by using new techniques in meeting customers' requirements.

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