

The Intelligence of E-CRM Applications and Approaches on Online Shopping Industry

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ABSTRACT: E-CRM (electronic customer relationship management) is a derivation from CRM techniques which influenced direct marketing technology and call centre to promote massively created products and services to small sub-segments of market. When CRM techniques are incorporated in e-commerce environment it becomes E-CRM which involves building a strong and sustainable customer relationship by using Internet. It is a strategy which is purely based on Internet and software development, it requires to create essential integrated software suite to deal with all kinds of customer related issues like customer services, sales and marketing field support. The essential parts of E-CRM are to focus on building new customer base, segmentation of high valued customers, enhancing the profitability of existing customer and maximize the value and life of profitable customers.

KEYWORDS: E-CRM, Electronic customer relationship management, customer relationship, I.T CRM.

1 INTRODUCTION

CRM is an essential business strategy for maintaining and acquiring the existing and potential customer over the long term, a variety of channels exist for interacting with customers within this framework, one of them is electronic which is commonly known as e-commerce or online business. E-commerce does not replace existing call centre or sales force over the fax but it is simply another expansion of business.

The E-CRM or electronic customer relationship management includes all the CRM purposes with the use of the net settings i.e., intranet, extranet and internet. Electronic CRM is related to all sorts of managing relationships with customers making utilization of information technology (IT).

ERP (Enterprise Resource Planning) is widely applicable software which tremendously grew in the period of 1990s. ERP system connects numerous legacy systems that were used to support backend operation in order to make access of information easily available throughout the organization by all effective users, for that purpose the organizations deploy specialized application servers each to perform of dedicated and specific task and function. ERP systems enable the data from each department to integrate and store it on one place so that it can be easily accessible by each department. ERP systems are not design to manage marketing data (e.g. consumer behavior data, marketing campaign etc.) regardless of the fact that these are helpful in providing back end support. On the contrary, CRM systems were precisely designed for front end application and can be implemented quickly. E-CRM is advanced by internet. It provides features that are effectual to the business organization and attractive to customers. There are very delicate differences lies between E-CRM and CRM but it is important. It concerns with the interfaces with users and other systems and its underlying technology. For instance, most of the E-CRM systems give the opportunity to customers to place order, request additional information about products, review purchase history, check order status, sends email and lots of other activities by providing them a self service browser based window. These features give freedom to customers considering the place and time. With E-CRM, customers are not bound to contact the company in the regular business hours and companies are not obligated to give live customer support for customer request and enquiries.

This research paper was written to describe and explain critical technology issues of E-CRM in easiest way without compromising the accurateness. The principal dissertation can be highlighted by the topic: E-CRM is a new concept of Relationship Marketing. E-CRM systems allow companies to develop one-to-one relationship with thousands of customers. Companies provide value that is on going to its customers and regularly gain their trust, loyalty and confident by the numerous interactions made. Companies now have the ability to practice it on an extraordinary scale with minimum cost.

The Five Engines of E-CRM

The E-CRM initiatives are increased and management of every major company would have to formulate and implement an E-CRM strategy quickly in order to have a competitive edge. Senior executives and general managers drive the E-CRM activities in most of the companies because it is an enterprise wide concept.

Companies face the challenging problems to develop a strong technology infrastructure in a limited time and minimum cost because E-CRM has the important potential to build a sustainable customer relationship. An immediate action is to buy standardized or mass produced application, associate and integrate database of online purchase information and web traffic and implement the E-CRM initiative, but usually, these kinds of effort gone in vain. Many recent researches demonstrates that 39 percent of online purchasers failed to order online, 66 percent of loaded online shopping orders were discarded before checkout process and less than 5 percent of unique visitors actually become customers.

A five engine comprehensive software platform is the more effectual and sound approach that makes implementation of E-CRM effective in business process. These five engines are:

1. The Customer centered Information Database – it involves consolidation and integration of information about millions of customers with permissions, preferences and useful information to the customers.
2. The Segmentation and Analysis Engine – To analyze the different customer types and segment them according to their characteristics in order to build a sound marketing campaign strategy. (See figure 1)
3. The Personalization Engine – to customize the overall customer experience; make preferred personalization by customers, providing offers and messages to each customer
4. The Transaction Engine – To facilitate the transaction of purchase or return between customer and company or exchanging information about transaction.
5. The Promotion Engine – It involves delivering information like new deals and offers proactively to the customers' via media of their choice. (See figure 1)

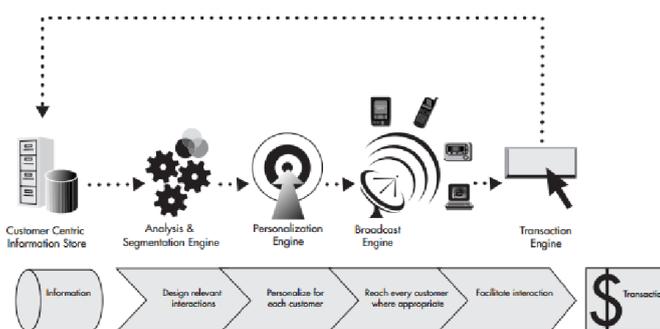


Figure 1

E-CRM MEGATRENDS

Focus on this E-CRM scenario: A customer visits a traditional (physical) store and registers at a kiosk. After returning to home, the customer receives an email with the subject of "thank you for visiting" along with a special offer. The delighted customer clicks on the link mentioned in email and open the website of online store, there he or she gets suggestion from a virtual shopping assistant and started to design own wardrobe. After few days, the customer receives a software generated phone call that tells him or she about the preferred cardigan is now available. The customer immediately purchase that product by pressing described key on his or her phone and picks the package from the store later on.

There are three key trends highlighted the E-CRM movement in this scenario:

- 1) Every business provides latest information (offers and deals) to its customers
- 2) The importance of direct marketing is increasing
- 3) The growth of "the Value Exchange" - non-commercial interactions between companies and its customers. The above mentioned trends are E-CRM Megatrends.

Trend 2:

The influence of direct marketing strengthen the brand and it will always be important, as brands effectively built through one-to-one direct marketing. Mass marketing is economical but its compress the value proposition. But there is no need to compress the value proposition when bandwidth is available to customize and maximize the message to each potential customer as multichannel offer presentment, cheap multi-media and integrated analysis of campaign makes the direct marketing more economically viable and superior than to standardized mass marketing efforts. (See figure 2) A significant transformation of marketing expense is at hand. A recent research of the automobile industry by McKinsey indicates that direct marketing campaigns would consume 80% of the marketing expense in years to come.

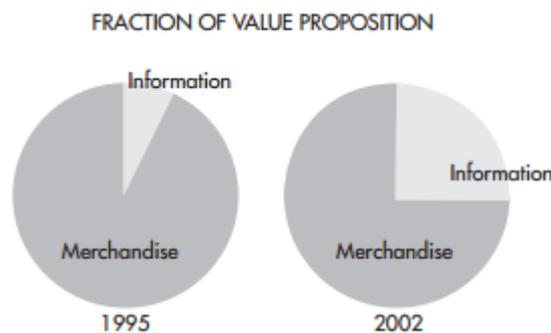


Figure 2

2 CONCLUSIONS

E-CRM is not restricted to only operates on internet but it goes beyond web to devices like, PDAs, mobile phones, land line phones, pagers, WAP phones and set-top TV boxes. It increased the way of communication to the customers by integrating its services to several other mentioned devices or medium. The modern version of shopping of early shop-keeper shifts smoothly from store, to web, to any device and enabling itself to serve possibly anywhere to the customers.

Companies with useful customer information have competitive edge over factors of production like labor, capital and technology and it make company to formulate effective strategies that provide value to its customers in today's surplus ridden economy. Useful customer information and strong relationship have become rare factors. Companies that collect and organize data regarding customers and use them effectively to build and maintain the trusted relationship ultimately win the competition in the marketplace. E-CRM technology is a long term strategic investment is neither flexible for continuous rollout for E-CRM functionality nor its cost effective. Although, the five engine based comprehensive software platform, which includes customer database, analysis and segmentation, personalization, transaction and promotion engines can establish fundamentals to gain competitive advantage.

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