

e-CRM: Latest Paradigm in the world of CRM

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Abstract:E-CRM (Electronic Customer Relationship Management) expands the traditional CRM techniques by integrating new electronic channels, such as Web, wireless, and voice technologies and combines it with e-business applications into the overall enterprise CRM strategy. The goal is to drive consistency within all channels relative to sales, customer service and marketing initiatives to achieve a flawless customer experience and maximize customer satisfaction, customer loyalty and revenue. E-CRM provides to companies a means to conduct interactive, personalized and relevant communication with customers across both electronic and traditional channels. It synchronizes communication across joined customer-facing systems and adheres to permission-based practices, respecting each individual's preferences regarding how and whether they wish to communicate with the business firm.

Key Words: E-CRM, Marketing, Customer, electronic, technique

Introduction

In today's world a company can survive only if they can manage to keep its customers happy. Promising latest and top class success to customers Building a customer environment and using other means to maintain customer attention have now become the top priorities for any company that wants to make it big in the market. As technology changes, more people all over the world have started buying and selling activities over the Internet. As a consequence companies also have to give customers a good in easy online environment. The result is nothing but E-CRM. E-CRM provides companies with a means to conduct interactive, personalized and relevant communications with customers across both electronic and traditional channels

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and marketing initiatives to achieve a flawless customer experience and maximize customer satisfaction, customer loyalty and revenue. It synchronizes communication across joined customer-facing systems and adheres to permission-based practices, respecting each individual's preferences regarding how and whether they wish to communicate with the business firm. eCRM is not here to change marketing but to enhance it by presenting opportunities to companies to improve their effectiveness and to deliver customer value. It can reduce the costs involved in communicating to customers, optimize work flows as a result of integration with other enterprise systems, facilitate better market segmentation and enable enhanced customer interactions, relationship and personalization opportunities.

e-CRM is the customer focussed management of the whole e-business relationship with each customer, in order to measure, create and increase income and reduce costs for each customer & segment and thus to generate greater positive lifetime value. Simply it means CRM-database access via the Web. It means Intranet access for internal users, extranet access for business partners and customers and of course, Internet access for the market at large. It expands the traditional CRM techniques by integrating new electronic channels, such as Web, wireless, and voice technologies and

combines it with e-business applications into the overall enterprise CRM strategy. Online CRM implies an additional means of communication and level of interaction with the customer where there is a real difference in the technology and its architecture, which allows for ease and self service to customers. It is the customer –facing Internet portion of CRM. It includes capabilities like self-service knowledge bases, automated e-mail response, personalization of Web content, online product bundling and pricing and so on. It is the concept is derived from E-commerce. It also uses net environment i.e., intranet, extranet and internet. Electronic CRM concerns all forms of managing relationships with customers making use of Information Technology (IT). It involves;

- Acquiring And Retaining Customers
- Loyalty/Satisfaction/Delight
- Customer Retention
- Customer Lifetime Value (CLV)
- Technology/Database/System
- Call-centre Operations
- Service Recovery
- Eliminating Unprofitable Customers

Difference between CRM and e-CRM

e-CRM is enterprises using IT to integrate internal organization resources and external marketing strategies to understand and fulfill their customers’ needs. Comparing with traditional CRM, the integrated information for e-CRM intra-organizational collaboration can be more efficient to communicate with customers.

Criterion	CRM	e-CRM
Customer contacts	Traditional means-retail store, telephone or fax	Through internet, e-mail, wireless, mobile and pda technologies
System interface	Works with backend application through ERP system	Designed for frontend as well as backend applications through ERP, data warehouse, data-mart
System	It requires pc clients to download various applets and applications	Here, browser is the customers portal to e-CRM

Customization and personalization	Different people require different information but personalized views for different audience are not possible here.	Personalized views based on purchase and preference are possible
System focus	System is designed around product and job functions. Here, applications are designed around one department or business unit.	System is designed around the customers need. Enterprise wide portals are designed and not limited to a single department.
System maintenance and modifications	Implementation is longer and costly	System implementation require less time and cost

Goals of E-CRM

1. Reduce :

- a. Costs of marketing
2. Improve :
 - a. Accuracy and relevancy of recommendations
 - b. Customer satisfaction
3. Increase :
 - a. Conversion rate, i.e., Turn browsers into buyers
 - b. Customer retention and frequency
 - c. Order size
 - d. customer response
 - e. competitiveness through differentiation
 - f. Profitability.

Key Features of E-CRM

1. Focused on process-reduces the technology gap.
2. Driven by a Data warehouse
3. Focused on a multi-channel view of customer actions Across channels.
4. Based on consistent metrics to asses customer actions across channels.
5. Built to accommodate the new market dynamics that place the customer in control.
6. Structured to identify a customer’s profitability or profit potential and

determine effective investment allocation decisions accordingly

7. Scalable to meet growth and performance needs

Need to adopt E-CRM

- Optimize the value of inter-active relationships.
- Enable business to extend its personalized messaging to the web and E-Mail.
- Coordinate Marketing initiatives across all customer channels.
- Leverage customer information for more effective e-marketing and e business
- Focus Business on improving customer relationships and earning a greater share of each of customers business through consistent measurement, assessment and “actionable” customer contact strategies
- Due to the introduction of new technology and globalization
- To gain competitive advantage and to measure, create and increase the income for the business

The different Levels of E-CRM

1. Foundational services:

This includes the minimum necessary services such as web site effectiveness and responsiveness as well as order fulfillment.

2. Customer-centered services:

These services include order tracking, product configuration and customization as well as security/trust.

3. Value-added services:

These are extra services such as online auctions and online training and education

- Predictive models to identify the customers most likely to perform a particular activity
- Online analytical processing, data mining and statistics

3. Real-time decision application

- To coordinate and synchronize communications across disparate customer
- An effective real-time decision application promotes information exchange between the company and every customer

4. Personalized messaging application

- Building customer profiles and enables customized product and service offerings based on the information integration application

Key Applications of e-CRM

1. Information integration application

- An incomplete view of customers reduces their loyalty and trust
- Consolidating customer data and information from different sources
- To keep up with every customer's interaction

2. Customer analysis application

- Measures, predicts, and interprets customer behaviors

The essence of E-CRM

System Architecture: Technical e-CRM Capabilities

- Customer analytic software predicts, measures, and interprets customer behaviors, allowing companies to understand the effectiveness of e-CRM efforts.

- Data mining software builds predictive models to identify customers most likely to perform a particular behaviour.
- Campaign management software leverages the data warehouse to plan and execute multiple, highly targeted campaigns overtime, using triggers that respond timed events and customer behaviour.
- Business simulation used in conjunction with campaign management software optimises offer; messaging and channel delivery prior to the execution of campaigns, and compares planned costs and ROI projections with actual results.
- A real time decision engine coordinates and synchronises communications using business **intelligence**.

5 Engines of e-CRM:

- a. The customer-centric information store

Consolidates information about millions of customers together with preferences, permissions, and information that may be useful to them.

- b. The analysis and segmentation engine

Helps in leveraging this customer information to build a business campaign strategy and evaluate its success.

- c. The personalisation engine

Helps in personalising the entire customer experience, configuring unique sets of messages and offers to each customer.

- d. The broadcast engine

Helps to proactively deliver information and offers to every customer via the media of his or her choice.

- e. The transaction engine

Helps to facilitate the interactions between customer and the company, either exchanging information or driving transactions.

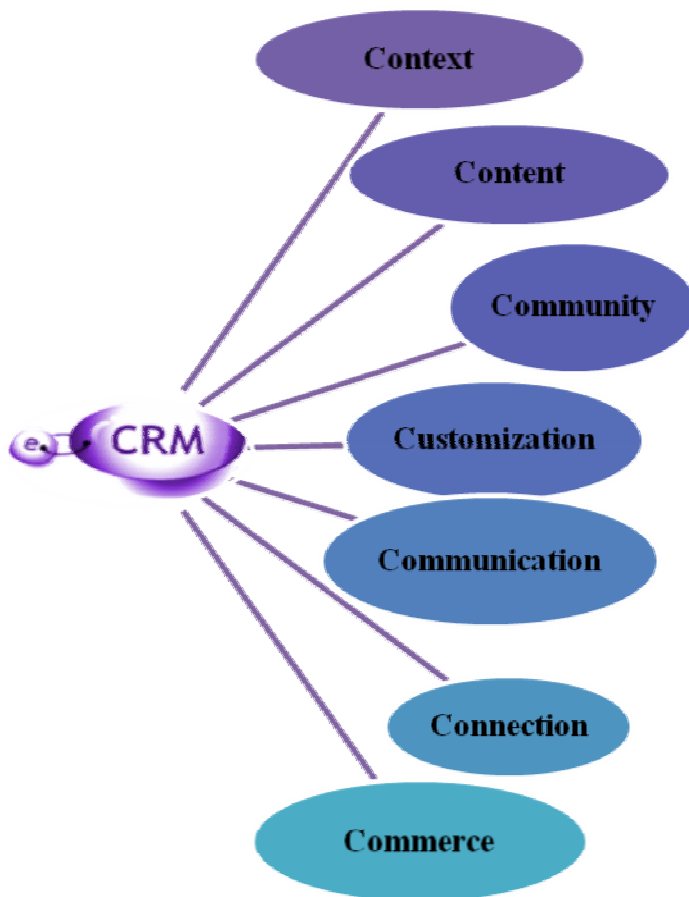
Planning for e-CRM

An organization should plan for e-CRM if it aims on any of the following goals ;

- Better levels of customer service
- More effective customer lifecycle management
- A single ‘360 degree’ customer view
- Higher sales (better conversion rates etc.)
- User-generated content
- Site ‘stickiness’

- Increased customer switching costs
- Decreased costs (through customer self service etc.)
- Reduce customer acquisition costs
- Improve customer retention

7 Cs in e-CRM for effective planning



Strategies used for planning of e-CRM

I. Terms of Reference

Everyone needs to be clear on what they understand by

e-CRM for the project and why they consider e-CRM is going to be of benefit.

II. Commercial Scope

What is the realistic scope and likely ROI for the initiative?

III. Customer Insight

The better you know your customers, or get to know them, the better you will be able to serve them.

- Who are your current and future customers?
- How much do you currently know about them?
- What are your points of contact with them?
- How do they perceive you etc.?

IV. Data Capture & Analysis

- What data you will need to support your digital strategy?
- How you are going to capture that data?
- How you will store, manage and use that data?

V. Business Case & Implementation Path

- How do you best roll out and phase the implementation of your e-CRM initiative?
- How do you ensure you build a platform for future growth and yet not spend too long and too much money trying to do everything at once?
- What is your optimal cost / ROI development path in light of your digital strategy?

VI. Do & Review

E-CRM Drivers and Challenges

- Emergence of web
- Cost effectiveness of internet
- De-regulation, forcing companies to develop acquisition and retention strategies
- The corporate realizes that consumers no longer tolerate mass mailings or e-messaging
- CRM architecture
- Analysis / Profiling – data mining and statistical analysis
- Campaign planning and management
- Customer interaction

- Method of E-CRM
- Best practices in phased implementation

Steps to e-CRM Success

1. Developing customer-centric strategies
2. Redesigning workflow management systems
3. Re-engineering work processes
4. Supporting with the right technologies

Conclusion

e-CRM is an essential part of today's business world, regardless of how you perceive its effect. The trust of E-CRM is not what an organization is doing on the web but how fully an organization ties its online channel back to its traditional channel or customer touch points. Economic aspects, marketing expectations and technological advancements are the major driving forces behind E-CRM. e-CRM provides an outstanding marketing tool that helps identify client needs and definitely improves the relationship with customers. Today, in order to maintain competitiveness, all organizations are looking for ways of developing maintenance, stability, accuracy and timely collection of customer product and service information during the marketing and sales are to fulfill

these demands intelligent tools processor and at the same time low costs are needed that has found in e-CRM.

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