



Electronic Customer Relationship Management

**(Subject: E-Commerce,
Class: Sem- 2, Hons. & Genl.)**

**Prepared By :
Prof. Sudipta Saha Roy**

Definition:

- We can define E-CRM as activities to manage customer relationships by using the internet , web browsers or other electronic touch points.

It offers communication and information on the right topic , in the right amount and at the right time that fits the customers' specific needs.

Goals of E-CRM:

- Know your customers
- Customer Service
- More efficient marketing
- Build customer loyalty
- Reduce customer service cost
- To enable and empower mass communication
- Provide right information to the right prospective customer

Features of E-CRM

- Integrated real time information
- Prioritization and Personalization
- Buying groups and organizations
- Activity Management
- Customer Communication
- Customer service and self service
- New customer acquisition and prospecting
- Attributes

Advantages of E-CRM:

- Less expensive
- Good coverage
- Supports right technologies
- Extended customer relationships
- Competitive services delivering high value
- Improved product and service delivery process
- Better customer knowledge
- Smooth, efficient customer service
- Identifying and addressing customer satisfaction problems
- Identifying consumer needs through data mining processes
- Improves relationship with business partners
- Improves standard business practices
- Provides opportunities for cross selling and up- selling , which increase revenue

Limitations of E-CRM:

- There is no system of recognition between the users and the business enterprises.
- Sometimes mismatch occurs between the enterprise and vendors' CRM software.
- Poor understanding of the company's business.
- Implementation of E-CRM has a very high rate of failure due to higher level management sponsorship.
- The possibility of rejection by end users is very high.
- Difficulty in measuring and valuing intangible benefits.
- Failure to identify and focus on specific business problems.
- Poor users acceptance of E-CRM.

Table 3: Barriers to Customer Adoption of the Internet

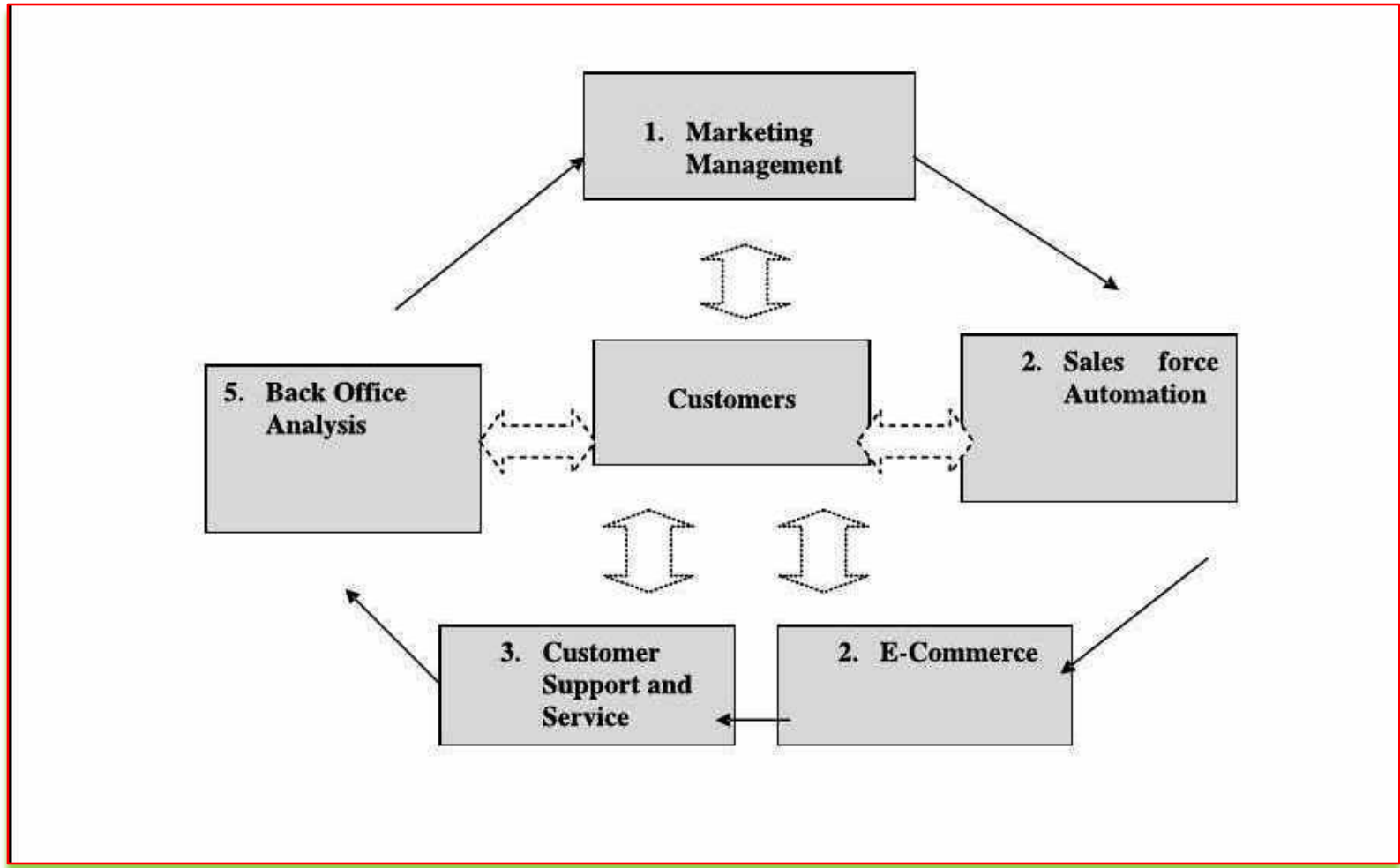
Barrier	Customer Concern	Strategies	Comments
Customer Confidence While many customers are eager to shop online, many are not	The processes seem unfamiliar and confusing.	Design and build your e-CRM systems so they are simple, helpful, and friendly. Understand and prepare for what automation does well and where it is weak.	Look for ways to mimic the best of your company's offline interactions with your customers, while eliminating disconnects and bottlenecks.
	No real person is there to answer questions. We may treat our computers as if they are real people, but they are not. So we cannot prepare for all possible questions a customer might have.	Weave in human contact where possible, such as a call center direct link from your web site.	How complicated are your products or your online processes?
	Interactions can be cold and unfriendly.	Make your key managers visit your web site and act like customers for a day.	This will teach them what your customers go through and ensure that you get the funding that you need to build an effective e-CRM program.
Customer Trust Customers don't trust us with their data, especially online.	Openness of the Internet makes it appear hard to secure data.	Do not ask for more information than you really need. Build relationships over time and get more information as you build trust.	If you require too much information, customers will fill in garbage. How many customers named Mickey Mouse (or worse) are in your database?
	Internet privacy issues sell more newspapers than credit card piracy or stories about what is right. Customers perceive that there is no safe place online.	Be open about what data you collect and why you need it. Be clear and simple in your expectations. Say it loud and often.	Give customers good reasons (benefits) to share their data with you, and use it for their benefit in the future.
	Customers do not understand what the real dangers are, and they do not have consistent expectations.	Use consistent terms and language. Join privacy education consortia and privacy seal programs.	Help educate your customers so they can understand what should concern them and what to look for.
Legislation Some legislation threatens the internet's ability to grow as a medium for transacting business.	Legislation may limit the information that can be collected online and how it can be used.	Make your Privacy and Security policies part of your customer loyalty and relationship-management program.	Use your privacy policy to support your brand image and build trust.

Source: (Kincaid 2003, 66-67)

Functional Components of E-CRM:

- **CRM Software:** E-CRM system is module based CRM application software.
- **Business Process:** E-CRM is designed to enhance management control and operational control in the chain of customer relationship management.
- **Users of E-CRM:** Primary users are customers and partners.
- **Hardware and operating system:** Most of the CRM systems are UNIX based as it is built in TCP/IP.
- **People management:** It implies the effective use of people in right place, at the right time, for the right purpose for providing right services.
- **Lead Management:** It involves managing market campaigns, making mailing lists etc. in customised form.
- **Sales force automation:** It implies a software solution relating to sales forecasting, and tracking relevant data for estimation of revenue possibilities.
- **Work flow automation:** It includes reducing costs and streamlining processes.
- **Customer service:** It ensures suitable solutions to every customer and enhance customer retention and loyalty.
- **Marketing:** Marketing is an important component of E-CRM.
- **Analytics: It** enable the study of data which is needed to make an estimate of business condition at any given point of time.

Functional Components of E-CRM:



Three Phases of E-CRM

- **1. Data Collection**
(information regarding customers)
- **2. Data Aggregation**
(collected data filtered and analyzed)
- **3. Customer Interaction**
(provide proper feedback to customers)

Different Levels of E-CRM

- ❑ **Customer Centered services**
(Product details, order tracking, customization, security)
- ❑ **Foundational Services**
(websites responsiveness, effectiveness, order fulfillment)
- ❑ **Value Added Services**
(online education & training and online auction)

Differences Between CRM and E-CRM

Table 2: Technological differences between CRM and 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, e-mail, 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 purchases 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)