

The Role of Electronic Customer Relationship Management (E-CRM) in Ecommerce and the factors affecting it

1 Amiya Shukla, Research Scholar, Department of Management, Mandsaur University, Mandsaur MP 458001

2 Dr Mukesh Sharma, Associate Professor, Department of Management, Mandsaur University, Mandsaur, MP 458001

Abstract : This study has been undertaken to investigate the usage of eCRM in ecommerce and how eCRM has benefited the ecommerce industry to get new clients, approach them at the right time, customer relationship as well as retention.

I. INTRODUCTION

The ECRM or Electronic Customer Relationship management encompass all the CRM functions with the use of net environment which can be Internet, Intranet and Extranet.

Electronic CRM concerns all form of managing relationship with customers making use of technology (I.T). eCRM is enterprises using IT to internal organisation resources and external marketing strategies to understand and fulfil their customer needs.

Comparing with traditional CRM the integrated information for eCRM intra organisational collaboration can be more efficient to communicate with customers.

E-commerce is the activity of buying or selling of products on online services or over the internet. Electronic commerce draws on technologies such as mobile commerce, electronic fund transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange, inventory management systems and automated data collection systems.

In commercial world today, management formally recognizes the principle that customers is the main basis of commerce and that the organisation's success depends on the management relationship improvement.

II. OBJECTIVES

- To access the present status of using eCRM functions to promote eCommerce.
- To give suggestions to make better relationship between them.

III. HYPOTHESIS

- The role of Electronic Customer Management system in Ecommerce is increasing very fast since last decade. To be precise since 2008
- The business and tracking the behaviour of the customer with their choices have become much easier.
- The emerging trends in e-commerce has provided more practical and effective ways of delivering the benefits of new supply chain technologies.

IV. REVIEW OF LITERATURE

The Concept of e-commerce: e-commerce is conducting of all commercial affairs by using computer communication networks especially internet. e-commerce is a kind of trading without paper (Nemaney Pour & Jirebandei, 2011).

Chaffy (2002) defines e-commerce from different viewpoints: Communication: transferring of information, goods, services and payment by electronic devices;

- being on time: on time goods purchase;
- service offering: tools that reduce cost and increase speed and quality;
- Commercial process: on time purchasing of information and goods.

According to Rayport & Jaworski (2001), e-commerce involves transfer of technology among individuals and inner organization electronic activities that facilitates such affairs. e-commerce reduces costs of marketing (Bruno et al, 2008).

One of the consequences of the development of the IT was the emergence of the World Wide Web, an Internet service that organised information according to hypermedia and hyperlink paradigms (Joseph, Cook & Javalgi, 2001).

Some organisations had invested in the Web, often with the objective of using it as a way to maximize resources (McMillan, 2001). The study by Berry (1983) was the pioneer work in customer relationship management. In this study Berry formally introduced the term customer relationship management into the literature, but several ideas of relationship marketing had emerged much before.

Berry (1983) defined customer relationship management as attracting, maintaining and enhancing customer relationships in multi-service organizations. Berry and Persuraman (1991) proposed that customer relationship management concerned attracting, developing and retaining customer relationships. Berry stressed that the attraction of new customers should be viewed only as intermediate step in the marketing process. Customers were more likely to form relationships with individuals and with the organisations they represented than with goods (Berry, 1995).

Thus, eCRM requires organizational and business level approaches, which are customer centric to doing business rather than a simple marketing strategy (Peppers et al., 1999).

A study by Peppers and Rogers (1999) pointed out that in the ongoing global competitive environment it was essential of companies to recognize and fulfill individual customer preferences with an increasing degree of precision, which could be easily achieved by eCRM technologies.

V. STATEMENT

CRM is the key factor in succeeding many of the business atmospheres, including the tourism industry as one of the new strategies in customer attraction. The aim of CRM is to establish closer and deeper relationship with the customers and the capability and the inclination of change of behaviors of organizations towards the interests and personal needs of every customer.

Customer attraction management is the set of processes and strategies 'related to customers which is supported by specific software in order to increase the customer's loyalties and finally organizations.

Profitability of the necessities are suitable customer attractions, creating a suitable suggestions of values, internalizing the best processes, enhancing the employee's motivation and learning customer's maintenance.

The new version of CRM, or ECRM, is principally emerged from CRM, but its emphasis is more on personalization of direct marketing technologies for selling and providing distinct services to small parts of the market.

ECRM provides the kind of opportunities to provide its potentials as a customer through establishing an effective relationship with the company in order to both the provide benefits to the company and customer from this relationship.

Since there are severe competitions in the commercial world today, it is required for the companies to have enough recognition of their customer behavior, especially the customers as company's survival depends on them these days.

Electronics Customer relationship management (E-CRM) managed to help the organizations through presenting effective and suitable theories, and also ECRM managed to provide the competition benefits in today's competitive world area for the companies through presenting theoretical models and its application in a suitable way to establish in.

5.1 The concepts of customer relationship management (CRM)

Customer relationship management or CRM consists of three main parts as customer, relationship and management,

Customer- A person or a party which is inclined to employ the product or a result of an organization.

Relationship – Creating a more faithful and suitable customer through intelligent relationship.

Management – Directing a business and customer attraction in placing the customer o the centre if the company’s processes.

5.2 E-commerce aspect of CRM or ECRM

ECRM is undoubtedly the main aspect of Ecommerce. There are three types of communications: one of them is that of the chat rooms, message board etc. Another type is email, fax, telephone and website and the other type is the software that order and list the products.

The essential infrastructure of CRM, that is the communication networks, data banks, computer servers and the clients, should cooperate with each other.

One of the instruments the company can employ for increasing customer’s loyalty in personalization. In this respect, customer relationship management software can save some data ad records for the customers every time, which is gained from different sources like customer’s data banks or transaction system.

Transaction system is the type of system which records the previous transaction data of the customers. In every e-purchase performed by the customers this software makes the best suggestion based on the previous recognition of him. Whether the customer accepts the suggestion or rejects it, the personalization motor of the system adds the new information to his records. These records are updated and again applied in deciding the presenting new suggestions.

However, some important points are to be considered as follows:

We should have a comprehensive knowledge of the personality traits of our customers. For example, how the product is to be vended to irritable and angry customers? How should we behave towards the customers who have not much stability and easily change their mood from cold to warm behavior?

Not only has the seller much patience, but know the techniques of selling to these type of customers and he/she must know that the base of the personality traits of these people is fear.

However, a successful network marketer and seller should arm himself / herself to “customer epistemology”. What ca be effective for the seller so far cannot be necessarily successful for enhancing the selling in the future.

IV. CONCLUSION

- Improved customer relations, service and support
- Matching the customers' behaviour with suitable offers
- Increased customer satisfaction and loyalty
- Greater efficiency and cost reduction
- Increased business revenue
- Companies with useful customer information have competitive edge over factors of production like labour, 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
- companies with useful customer information have competitive edge over factors of production like labour, 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

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.

REFERENCES

- [1] Romano Jerry L. (2009) Preface to the focus theme of eCRM. *Electronic markets* 19 (2-3) 69-70
- [2] Pierre Hadaya and Lue Cassivi (2009) Collaborative e-Product development and product innovation in a demand driven network : The moderating role of ECRM. *Electronic Markets* 19(2-3)71-87
- [3] Kohli, Gautam (2016) “ E-commerce Transaction security issues and challenges” *CLEAR International Journal of Research in Commerce and Management* 7(2) 91-93
- [4] Joseph, B., Cook, W. and Javalgi R.R.G. (2001). *Marketing on the Web: how executives feel, what businesses do.* *Business Horizons*, 44(4), 32-40.
- [5] Berry (1983). “Relationship Marketing”, in Berry, LL, Shostack, GL and Upha, GD (Eds), *Emerging Perspectives in Service Marketing.* American Marketing Association, Chicago, IL, pp-25-8
- [6] Berry (1995). *Relationship Marketing of Services, Growing Interest, Emerging Perspectives.* *Journal of Academy of Marketing Science*, 23(Fall), 236-45.
- [7] Peppers, D., Rogers, M. and Dorf, B. (1999). *Is your company ready for one-to-one marketing?* *Harvard Business Review*, 77 (1), 151-60.
- [8] Nemaney Pour, A., S. Jirehbandei, 2011. *A New Model for e-CRM in e-Commerce using Live-Operator,* *World Academy of Science, Engineering and Technology* 80.
- [9] Chaffey, D., 2002. *E- Business and E- commerce Management,* prentice –Hall London, P5
- [10] Rayport, J.F., B.J. Jaworski, “Introduction to E-commerce” McGraw Hill, NewYork, pp: 4-5.

