

“CHALLENGES OF CUSTOMER RELATIONSHIP MANAGEMENT IN E-COMMERCE – 2020”

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ABSTRACT:

Growing usage of internet for commercial purposes has increased the growing influence of e-commerce in the overall business activities carried out globally. Countries like India, China, Brazil and South East Asian nations have become hub of the IT enabled services and provide necessary wherewithal to conduct global e-commerce smoothly. Therefore, with growing competition in the global e-market the focus is slowly shifting to the customer. Real challenge therefore lies in retaining the customer rather than just acquiring it. No wonder, most of the business organizations the world over have started integrating Customer Relationships Management Strategies into the e-commerce environs so as to arouse customer's interest and instant customer Aerial gratification in the long run so that the customer is retained without unflinching loyalty. Having grown that much, now the real challenge lies in localizing or rather custom rising user interface e-commerce sites, in the organization is dealing with. Localization necessitates local socio-political conditions to be considered while integrating CRM strategies in the modern e-commerce environment. This paper presents about customer relationship management (CRM) and its emerging research of challenges in e-Commerce. The challenges associated with customer, strategic and collaborative relations. This paper also proposes require soft personal skills for customer relationship management (CRM), for further use for more sophisticated targeting and content delivery to the customer.

KEYWORDS: Customer Relationship Management (CRM), E-Commerce, e-CRM, e-Business, B2B Marketing Perspective

INTRODUCTION:

CRM stands for customer relationship management that is a marketing approach providing satisfaction of customer needs at every point of interaction between the customer and the cooperation. Customer Relationship Management (CRM) is a comprehensive strategy and process of acquiring, retaining and partnering with the selective customer to create superior value for the company and the customer. Customer relationship management (CRM) has become important for the business with the new marketing approach to adapt their business activities

to reach towards their customers and build the strong relationships, networks and interactions with customers. Customer relationship management (CRM) has different market approaches, customer market, the referral market, consisting of customers who have been referred to the business by word of mouth, the supplier market, the recruitment markets, the influencer market and the internal market comprising an organization's own employees. The marketing approach of customer relationship management (CRM) has gained much currency in the recent years by attempting to build closer relationships and interactions between a business and its most important customers. Customer relationship management (CRM) focused on businesses marketing their products and services through relationships and interactions with customer market, often taking advantage of IT-based interactivity.

In a situation where the business is not able to gain any new customers, it could be challenging for most of the businesses, but considering the need to highly maintain the current customers, the proportionality of the success of an organization would be the same as at the current situation of the business. Customer retention enhances the relationship between the relevant parties within the business or any organization sector, hence a factor to consider in building the customer relationship. The other factor to consider in relationship management is the de-selection of customers, it is of the great benefit to the organization when it puts more efforts into the existing customers with the greatest potential. Customer lifetime is one of the biggest revenues the customer can spend with the business or a given organization directly or through the referral recommendations over a nominal period which could be up-to a period of ten years.

THE ROLE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN e-COMMERCE:

E-CRM, or Electronic Customer Relationship Management, is an integrated online sales, marketing and service strategy that is used to identify, attract and retain an organization's customers. It describes improved and increased communication between an organization and its clients by creating and enhancing customer interaction through innovative technology. E-CRM software provides profiles and histories of each interaction the organization has with its customers, making it an important tool for all small and medium businesses.

E-CRM comprises activities to manage customer relationships by using the Internet, web browsers or other electronic touch points. A higher degree of interactivity possessed by these channels further allows companies to engage in dialogue, organize consumer redress, solicit feedback, respond to controversies and establish and sustain long-term customer relationships. Existing companies are being challenged to rethink the most basic business relationship-the one between the organization and its customers. The three components of the E-CRM framework are Operational CRM, Analytical CRM and Collaborative CRM. Operational CRM aims at combining sales, support and marketing databases into a single repository that tracks and manages interactions with customers, thereby focusing on improving the efficiency of customer interactions. Analytical CRM comprises the analysis of customer data for strategic or tactical purposes to enhance both customer and firm value.

CHALLENGES IN CUSTOMER RELATIONSHIP MANAGEMENT (CRM):

- 1) **Post-Purchase Consumer Behaviour:** The post-purchase behavior is a process that starts before the actual experience of a service has even started. It all starts with a customer having an expectation on how the service might be, whether this is formed by previous experience, Word-of-Mouth communication, advertisements or so on. Then the customer experiences the service and after that evaluates it. The customer is also satisfied, when the reality meets their expectation, but is dissatisfied with an under performance for expectation and reality and ends up being dissatisfied. This is the fundament, where post-purchase consumer behavior is built on. More in depth: The likelihood of a customer to repurchase or use a service or even become loyal decreases with dissatisfaction and vice versa with satisfaction. But even more importantly, if the outcome of the comparison between expectation and actual performance turns out to be dissatisfactory, a customer may consider complaining. In this case the customer changes its expectation and adapts it to the new situation. Then evaluates the outcome of the complaint handling, includes the previous experience with the service. This results in the “final” consumer satisfaction or dissatisfaction, when complaints are involved.
- 2) **Customer Commitment:** The meaning of customer commitment in a straightforward statement as “The organizational commitment of service customers is indicative of the organizations likelihood of developing or maintaining customer identification with organizational goals and values and retaining the service customer as an active participant in the service encounter”. Furthermore, customer commitment is closely related to customer satisfaction, as satisfaction over some period of time consequently will lead to commitment. Those drivers are two different dimensions of customer relationship commitment. On the one hand, there is satisfaction, which is a “backward looking” action. It captures the satisfaction on a “performance-to-date” basis. On the other hand, there is commitment, which is often described as a “forward looking” action. What is meant by this statement is basically that the above described dimensions capture and evaluate the strength of the relationship and the outcome, which is the commitment to “proceed forward”.
- 3) **Customer Loyalty:** Customer loyalty describes the actions of a customer who sticks to the same service provider whenever it comes to such a decision. Additionally, a loyal customer tends to recommend the service and preserves a steady positive attitude toward the respective provider. The behavioral dimension deals with the behavior on repeated purchases and therefore depicts the existence or development over time of a preference towards a brand, product or service from the customer perspective. The attitudinal dimension however, put more emphasis on signs of a customer that might eventually become loyal. It focuses on the intention to recommend and repurchase a brand, product or service.
- 4) **Complaint Management:** Complaint management is vital for any company as failure occurrence is inevitable. Even in the most prestigious and well-trained companies failure may occur. This is not the problem, it is more challenging to deal with these events efficiently and turn a dissatisfied complaining customer into a loyal one. One essential part of complaint management includes the vital decision of both recovering and rebuilding customer satisfaction, loyalty and trust or letting customers go and change to

competing companies. Additionally, it is always beneficial for a company to understand the reasons that led to this unfavorable situation as well as their expectations and motives. Further contributors might also be cultural aspects. Also, what led to the lag between customer expectation and reality? Therefore, complaints can be found in any industry of the economy. A complaint itself should be seen as a two-edged sword. On the one hand, it may bring a lot of harm to a company if not handled ideally. On the other hand, it can be very beneficial and improve customer retention, trust and loyalty.

- 5) **WOM–Word of Mouth:** Word-of mouth generally refers to the “informal communication between consumers about the characteristics of a business or a product” In today’s interconnected world word-of-mouth communication often refers to digital. Communication among customer experiences. WOM can be either positive or negative. Negative word-of-mouth is mostly directly linked to a negative experience with a company and often involves the occurrence of a failure followed by an unsatisfactory complaint management. Positive word-of mouth is preferred by all companies and can also occur after a failure has happened.
- 6) **Satisfaction with Complaint Handling:** Satisfaction with complaint handling is as important as satisfaction in general, however is more challenging to companies. This is because customers have experienced some sort of discomfort and are complaining. The challenging part is that the company does not know what the customer expects, whereas in a setting with no complaint the company mostly knows what the customer expects. Recalling the definition of satisfaction, it can be concluded that satisfaction “is regarded as the central mediator of post-purchase behavior, linking pre-choice product beliefs to post-purchase cognitive structure, consumer communications, and repurchase behavior”. Customers with an experienced failure are more likely to show positive reaction toward a service provider after an effective complaint handling. This even goes as far as that customers are more satisfied with the service recovery than they would be with no failure occurrence at all.
- 7) **Compensation:** Compensation is a major driver in the field of complaint management and gains increasing importance. Domino’s Pizza, an American pizza company decided to launch a new marketing strategy by introducing extremely customer friendly delivery conditions. Therefore, customers, whose pizza delivery took more than 30 minutes, were guaranteed to receive a free pizza. This, however was perceived as too bounteous from customers. This led the company to the decision to change their overly generous offer to a three dollar price reduction, when an order takes more than 30 minutes to be delivered.

A FUTURE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN E-COMMERCE:

This way the researchers are able to give an outlook of what might happen in the future based on the past experiences of the Respondents and extend existing theory about Social CRM. The initial codes such as “customer orientated”, “shift you better get there”, “a viable trend” or “sentiment analysis” indicate that the Respondents have different ideas about the future of Social CRM and in the following the distinct conceptual categories should be further described and analyzed.

- 1) **Change in Company Habits:** Most of the Respondents agreed that companies which want to focus on the adoption of Social CRM in the future need to change their current work flows towards the new tool and the upcoming trend of Social CRM. This includes that companies adapt because otherwise they will lose key opportunities in regard to social data. Furthermore respondent's mentions that companies should have the big picture in mind and need to focus even more on their customers in the near future since their communication with a company is increasingly changing.
- 2) **Technical Integration:** A lot of the Respondents mentioned that in context of Social CRM there will be even more potential for integration. Codes, such as "one system for all interactions", "integrate it to Google maps" or "everything is integrated" formed the specific conceptual category for the future of Social CRM. Regarding the future of Social CRM the interview partners indicate that the current Social CRM systems will be more integrated than they are at the moment. Most of the Respondents thus aim to have one uniformed software that can handle different features and integrates Social Media aspects. Nevertheless there might be also the wish to have several integrated tools that are very specialized in one CRM feature and this way enable companies to act more specialized.
- 3) **Change in Customer Communication:** Most of the Respondents agree on that there will be a shift in the communication between companies and customers which further supports the adoption of Social CRM systems. There will be an even stronger focus on the customer and his interactions with the company during his entire life cycle. Consequently, companies increasingly realize that they interact with humans what will be also integrated into the company's processes by focusing even more on social aspects within the CRM systems. This in turn will probably lead to new features within the Social CRM system which are supposed to integrate additional details from the customer and his journey or touch points with the company. In terms of relationship marketing, it is more than ever important that companies are interacting with their customers on Social Media channels since customers are increasingly focusing on them in order to communicate with companies. Thus having a good connection with customers is crucial and in the future companies will aim to open up towards Social Media channels what in turn also influences how Social CRM systems are adopted.
- 4) **Trend Development:** Social CRM as a new phenomenon incorporates several trends such as "digitalization" and that it also embraces "generation shifts". These codes indicate that Social CRM was initially developed based on current trends but that at the same time Social CRM providers also need to react to new trends and incorporate those, so that companies keep adopting Social CRM. Only if the software providers manage to steadily improve their services, Social CRM will have further success in the future. Besides it is important to mention that Social CRM and in this context the engagement on Social Media is perceived as overrated by some experts. Thus it will be interesting to see whether Social CRM tools will be still successful within the next years and if not how providers will adapt in order to get their services adopted.

CONCLUSION:

An organization which integrates CRM fundamentals into this basic, customer friendly web designing activity, will become customer or user centric and will be able to meet the requirements of the modern e-commerce business which is expanding day by day. Given the unlimited reach of internet and its adaptability to the business operations, days are not far when people/customers through CRM interventions will get every product or service customized to the minutest details. A qualified well-trained frontline employee is the key to the customer satisfaction in the firm, well knowledgeable and engaged managers on the other point are the key to the well-trained employees responsible for delivering the services to the customers at a given specified period. Managing the customers service requires soft skills, in this case the soft skills encompasses listening, empathy, interpersonal communication, team building, group dynamics, compassion, integrity and honesty. The companies use the soft skills in foreground technique as critical to business success and have continued to show prominence achievement in the global economy. Research in CRM from the perspective of e-business is presented in this paper. The issues, challenges, and the road blocks of the research area are identified and the future is presented. The emergence of e-business motivates defining and quantification of new parameters such as trust, dominating power, complaint management, Loyalty, transparency of information in e-CRM as a prospective area for research.

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