CUSTOMER RELATIONSHIP MANAGEMENT IN E-COMMERCE, AN OVERVIEW

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ABSTRACT

Now the world is moving very fast with technology raising 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 Information Technology 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 gratification in the long run so that the customer is retained without unflinching loyalty. The main reason for presenting this subjective paper is to focus on the challenges that e-commerce faces vis-à-vis traditional brick and mortar business. Globalization has brought in its wake an extensive and tremendous opportunity for the growth of e-commerce thereby increasing the quantum of business at a cheaper cost and in hassle free transactional atmosphere in a quick time. 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 customer relationship management strategies in the modern e-commerce environment. Therefore cross cultured differences and ignorance of customer convenience can jeopardize the reach of e-commerce. Hence every strategy of customer relationship management must incorporate easy to use guidelines for the e-commerce environment .through localization of technology based on cultural, nationalistic and linguistic differences.

Key words: E-commerce, Customer Relationships Management, Globalisation, cultural, nationalistic and linguistic.

INTRODUCTION

Customer Relationship Management (CRM) is a management approach that seeks to create, develop and enhance relationships with carefully targeted customers in order to maximize customer value, corporate profitability and thus shareholders' value. Managing relationship with the customers has been of importance since last many centuries, but with invent of information technology a new discipline in name of Customer Relationship Management has emerged. Customer Relationship Management can also be defined as an alignment of strategy, processes and technology to manage customers and all customer-

facing departments and partners. Customer Relationship Management in short is about effectively and profitably managing customer relationships throughout the entire lifecycle.

The aim of Customer Relationship Management is to acquire and retain customers by providing them with optimal value in whatever way they deem important. This includes the way businesses communicate with them, how they buy, and the service they receive in addition, of course, getting the best through the more traditional channels of product, price, promotion and place of distribution. But adopting a truly customer focused approach can be a resource intensive business. Many managers have questioned how far the investment is worth it. The answer to such questions lies in Customer Relationship Management which uses new technologies that can transform the technique of cultivating a loyal customer base.

MEANING

- A management philosophy according to which a company's goals can be best achieved
  Through identification and satisfaction of the customers' stated and unstated needs and wants.
- Customer Relationship Management is an upright concept or strategy to solidify relations with customers and at the same time reducing cost and enhancing productivity and profitability in business.
- A Customer Relationship Management system is implemented for small business, as well as large enterprises also as the main goal is to assist the customers efficiently.
- The Customer Relationship Management is the procedure that is crucial for every business. As the customer is the most important part of the business.

DEFINITION OF CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit.

ELEMENTS OF CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management is a discipline that covers all the elements needed to build successful relationships with customers. It includes the following elements:

1. The information needed to understand customers better

2. The process management needed to deliver efficient and appropriate Experiences to customers.

3. The software tools that allow us to use that knowledge.

4. The training and change management elements so our people and organizations understand and are capable of delivering experiences that build stronger relationships and increase loyalty.

THE CUSTOMER RELATIONSHIP MANAGEMENT CYCLE

1. Obtaining information from customers

2. Creating superior customer value

3. Building loyal customers

4. Acquisition of new customers

5. Working towards increased profitability Stages in Customer life cycle: (4 stages)

- Consider- customer becomes aware of a need and investigates alternative solutions.
- Purchase – customer evaluates and chooses the best alternative and places an order.
- Set up- Customer installs the product and learns how to use it.
- Use – Customer operates and maintains the product and finally makes the decision to retire it or upgrade, which starts the cycle all over again.

THE GOALS OF CUSTOMER RELATIONSHIP MANAGEMENT:

Maximum customer loyalty, the goal of Customer Relationship Management, cannot be achieved overnight. Customer Relationship Management is practiced in a wide variety of commercial contexts, which present a range of different Customer Relationship Management problems. Consider four contexts: banks, automobile manufacturers, and high-tech companies and consumer goods manufacturers.

● Banks deal with a large number of individual retail customers. Banks want CRM for its analytical capability to help them manage customer defection (churn) rates and to enhance cross-sell performance.

Data mining techniques can be used to identify which customers are likely to defect, what can be done to win them back, which customers are hot prospects for cross-sell offers, and how best to communicate those offers. Banks want to win a greater share of customer spend (share of wallet) on financial services. In terms of operational Customer Relationship Management, many banks have been transferring service into contact centres and online in an effort to reduce costs, in the face of considerable resistance from some customer segments.

● Automobile manufacturers sell through distributor/dealer networks. They have little contact with the end- user owner or driver. They use Customer Relationship Management for its ability to help them develop better and more profitable relationships with their distribution networks. Being physically disconnected from drivers, they have built websites that enable them to interact with these end- users. This has improved their knowledge of customer requirements. Ultimately, they hope Customer Relationship Management will enable them to win a greater share of end-user spend across the car purchase, maintenance and replacement cycle.

● High-tech companies manufacture complex products that are generally sold by partner organizations. For example, small innovative software developers have traditionally partnered with companies such as IBM to obtain distribution and sales. However, companies like Dell have innovated channels. They go direct-to- customer (DTC). Customer Relationship Management helps these DTC companies to collect customer information, segment their customer base, automate their sales processes with product configurator software and deliver their customer service online. They have also developed automated relationships with suppliers, so that they carry no or low levels of inventory, which are replenished frequently in rapid response to order patterns.

● Consumer goods manufacturers deal with the retail trade. They use Customer Relationship Management to help them develop profitable relationships with retailers. Customer Relationship Management helps them understand costs-to-serve and customer profitability. Key account management practices are applied to strategically significant customers. IT-enabled purchasing processes deliver higher levels of accuracy in stock replenishment. Manufacturers can run CRM-enabled marketing campaigns which are highly cost-effective.

CUSTOMER RELATIONSHIP MANAGEMENT AS A STRATEGIC MARKETING TOOL

Marketing is one of the new discoveries in business management. Of late, marketing has come to occupy significant position in the overall strategic studies. Various challenges are emerging in marketing as well as new approaches are being made in its study to view its different aspects of the many things it has been recently realized that customer is the most important elements in marketing and its sustenance and retention is far more important than any other marketing functions. CRM is one of the core area in marketing.

THE MAJOR AREAS OF CUSTOMER RELATIONSHIP MANAGEMENT FOCUS ON:

• Generation and servicing more loyal customers.

• Expansion of customer base

• Reduction of advertising costs

• Increase in profitable customers

• Ease in introduction of new products

• Personal Information Gathering and Processing, Self-Service.

• Customer Relationship Management is the marketing management practice of identifying, attracting and retaining the most valuable customer to sustain profitable growth

• Customer Relationship Management is the process of making and keeping customers and maximizing their profitability, behaviours and satisfaction.

• Today customer demand open equal access, real time specialized information, convenient access, portability, process and logistics transparency, pricing transparency, global pricing, ability to set prices, choices of distribution channels and control over their information.

• First time customer can become a repeat customer, thereafter a client, then an advocate and finally one's partner in progress.

• Loyal customers always create a profit and also reduced operating cost, increased purchases and give plenty of referrals.

• The realistic observation on customers that it costs ten times more to sell to new customers than to sell to an existing one.

• Existing customer deliver most of the revenues.

• It's very important part of Customer Relationship Management is to identify the Most Valuable Customers (MVC) for the success of the business.

• Marketing and sales are charged with influencing customer behaviour.

• Customer success always equal to business success.

SIX IMPORTANT STEPS/ PARTS OF A CUSTOMER SATISFACTION SURVEYS:

1. Who should be interviewed?

We need to interview the right person and ask the right question. The traditional first in line person is an obvious candidate for measuring customer satisfaction. A good customer satisfaction survey program should also include some most important channel intermediaries like the wholesalers and the retailers.

2. What should be measured?

The primary focus is to find out from the customer how he finds the service and product of the organization. The information could be obtained at a high level (how satisfied you are with XYZ Ltd.?) or at a specific level (how satisfied you are with the quality of service rendered?) One should work out questions from a customer's point of view to gather information at a detailed level.

3. How should the interview be carried out?

There are three options to collect data- a. A self- completion method could be used in a face to face interview b. A postal questionnaire proceeds by a telephonic interview and providing help for the self-completion questionnaire.

4. How should satisfaction be measured?

Customer satisfaction can be measured by rating things with numerical scores. The respondents can readily give a number to express their level f satisfaction. Typically, scale of 1to 5 is used where the lowest figure indicates extreme dissatisfaction and highest score indicates extreme satisfaction.

5. What do the measurements mean?

The scores obtained in the customer satisfaction surveys are used to create a customer satisfaction index (CSI). There is no single definition for a CSI, some use the rating given to overall satisfaction, and some use an average of two key measurements- overall performance and the intention to re-buy. The average or mean score of satisfaction given to each attribute provides a table of strengths and weaknesses. For example- A mean score of more than 8/10 – market leader Mean score of 7/10 – adequate but needs attention Mean score of less than 7 –serious cause for concern.

6. How to use customer satisfaction surveys to greatest effect?

The purpose of customer satisfaction research is to improve customer satisfaction. Considerable amount of research is done to understand the link between the customer satisfaction and employee satisfaction. A coordinated customer satisfaction survey program should be linked with an employee attitude survey because there can be a dangerous gap between the employees' perception of performance and those of customers.

CUSTOMER RELATIONSHIP MANAGEMENT EXAMPLES

1. Automating Consistent Responses A critical component of excellent relationship management is ensuring every customer who reaches out with a question or issue receives a response. For example, when a customer emails you about a missed shipping deadline or receiving the wrong product, you can set your Customer Relationship Management platform up to automate an immediate "We're on it" response. That way, you keep the conversation going while your human reps take the time to research the issue and respond with a more personalized contact.

2. Enabling Business Analytics Data is a hot commodity, and so are tools capable of breaking the information down into valuable insights. The Microsoft Dynamics CRM helps businesses spot trends that can represent opportunities or problems that could escalate. One of the best examples of CRM usage is leveraging the Dynamics 365 platform to analyze customer segments having issues with a specific product. Your Customer Relationship Management makes it possible for you to come up with a fix before the situation escalates into a company-wide problem.

3. Managing Customer Feedback Customers like having options for reaching out to a company. For example, many Wells Fargo customers like to reach out via the company's social media accounts. The way Wells Fargo uses its solution to track and respond to client inquiries left on all their social media accounts is a great

Customer Relationship Management example.

Instead of leaving customers hanging, Wells Fargo agents can quickly detect the interaction and improvise a quick response. In addition, the enterprise utilizes CRM software through the cloud to provide the most effective customer service and streamlined efficiencies across the enterprise.

4. Tracking Customer Activity

Per CIO magazine, another Customer Relationship Management example you might want to consider for your organization is using your Customer Relationship Management to track customer activity throughout their lifecycle—from prospect to existing client upsell. Tracking key behaviours from social media posts to content click rates on an email campaign will help your company understand what's important to customers and what isn't.

5. Coordinating Between Applications

Another example of better Customer Relationship Management is improving efficiency by syncing Dynamics 365 with applications used to manage customer interactions, including:

•Mobile phones

•Calendars

•Reporting

•Email inboxes

Having a Customer Relationship Management that goes where you go will improve the customer experience. At the same time, syncing data across applications will lessen duplicate work. A Customer Relationship Management should allow you to move between multiple platforms while updating data in real-time.

Conclusion:

Customer Relationship Management enables a company to align its strategy with the needs of the customer in order to best meet those needs and thus ensure long-term customer loyalty. However, in order to be successful in these aims, the different company departments have to work together and use measures in a coordinated fashion. This purpose is achieved via a customer database which is analyzed and updated using Customer Relationship Management software. This approach will be of particular interest to companies operating in highly competitive markets where it is difficult to attract new customers.

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