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EXPLICATE THE MAGNITUDE OF E COMMERCE & CRM WITH BUSINESS SOLUTIONS

ABSTRACT:-

E-commerce which is developing at a high rate in India can become a platform for anti-competitive issues and agreements that can come up in the future. Some potential competitive issues have been discussed and international cases where anti-trust issues have come up in E-commerce markets. Credits cards are the facilitators of E-commerce. Some international case studies are done where anti-competitive agreements have come up between the credit card companies.

CRM buyers have a wealth of deployment options available to them, providing unprecedented flexibility, cost-efficiency and business value. They can opt for an on-premise packaged software installation, subscribe to one of the Software-as-a-Service (SaaS) offerings delivered via the Internet, or deploy a combination of these approaches. This gives organizations the power to fine-tune their CRM deployments to match the needs, strategic objectives and budgets of business users.

Choosing the right option involves carefully considering your needs. Not only must business end-users and IT managers analyze their business scenarios, they also must understand the strengths and limitations of the available solutions. The good news is that organizations have more options today than ever. This permits them to mix and match on-premise and SaaS solutions flexibly to meet their needs and to adjust their deployment configurations as circumstances change.



While evaluating CRM solutions involves a number of criteria based upon innovation, insight, industry expertise, integration capabilities and infrastructure, this paper focuses on the last point - infrastructure. Specifically, this paper describes and analyzes the most popular deployment scenarios to help IT and business decision makers pick the best option for their business needs.

Keywords:

Customer Relationship Management, E Commerce, E Strategy, customer satisfactions, Business, Information Technology.

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INTRODUCTION

Markets need to be focused on customer satisfaction is more than in the past, because of rapid growth and highly complex business environment characterized through diminishing client reliability in present heavy competition. The description of customer satisfaction and relationship is in danger of being tested incomplete by the presence of a several players in the market place and enhanced globalization.

Firms use technology as a key tool:

- ☒ To help their employees for the better understanding of ever changing and increasing needs
- ☒ To know their customer needs
- ☒ To enhance the information flow within their various business units

According to Henard & Szymanski (2001) from a company value perspective, achieving the complete customer satisfaction is the key for company success and satisfying the customer needs is the key for the company income. Singh & Holsapple (2000) define the term E-commerce or E-Business as an approach to attaining the business targets in which the execution of actions in and across value chains are enabled, supporting decision-making underlying those actions and the technology for managing knowledge and information.

Several organizations are focused on the relation between customer performance and satisfaction. The delivery of satisfaction is the minimum that the customers anticipate. As reviewed from Schneider & Bowen (1999), focus started shifted to Customer Delight concept to highlight the significance of customers to the organizations in order to match their expectations.

By using one click button, decisions are taken in the Internet era and it has become essential to send important information through proper processing channels in time. As the result, a high quality customer support is provided and also gives rapid response to customer needs which leads to profitable and good relationships with the customer. To reach the customers faster and with better information, many organizations put their business and services online my realizing the advantages of e-commerce.

At the baseline of all E-business strategies such as customer delight and customer relationship, lays information management. The usage and holding of important information about customers is the highly imperative for every organization to improve business strategies and product and service offers. The strategies allowed by the management succeed only when the information is utilized expeditiously.

The significance of information flow via technology, CRM & customer satisfaction in an e-strategy of an organization are analyzed in this research paper.

LITERATURE REVIEW:

As simple way of leading business dealings with exchanging of information via the internet, products, and services, or with customers, including selling, buying is popularly known as E-commerce or E-business.

E-commerce contains the following functions:

- ☒ Increase in the speed of service delivery
- ☒ Reduction in service costs with improvement in the quality of goods
- ☒ Products & other valued offerings
- ☒ Use of online services
- ☒ Automation of business transactions and work flow
- ☒ Delivery of information regarding services

To develop the implementation of business transactions above several networks, An E-commerce system can be appropriate. As the result, more rapid exchange, better customer satisfaction, and more effective performance will occur. According to Deming (1982), E-commerce should meet the following aspects to reach such goals:

- ☒ Achieve high-speed transactions
- ☒ Charge low cost for services offered
- ☒ Customer satisfaction
- ☒ Assist corporate decision making

As per Mittal & Anderson (2000), total customer satisfaction is the key to generate superior long-term financial performance and to obtain customer loyalty for all organizations in any e-business or traditional environment

Many organizations recognize that more customer satisfaction is required for more competitive market. In retailing markets and in the financial services, the managers sometimes do not realize that the necessity of the level of customer satisfaction is in highly competitive markets. Many organizations are trying to begin best-performs to be a focus for a larger mind share. The loyalty between completely satisfied and simply satisfied customers is more different in above mentioned markets.

Jones & Sasser, (1995) stated that the more priority should be given to the completely satisfying the members of the targeted customer group. For being total customer satisfaction, each organization keeps the customer in mind while developing the strategies. To recognize the faults while examining the levels of customer satisfaction as a method to develop the process-driven value model and improve financial gains of

the organization, some articles even try to analyze the Customer Relationship Management model within an organization stated by Taylor (2002).

Many organizations should know the necessity of practicing useful ways to record information and routing them through suitable channels to the appropriate people for effective forecasting and decision-making in developing effective e-strategies. It is this information that helps employees to know and serve the customers more capably and helps them to form patterns with respect to customer activities.

Within the organization, there are particular areas which needs more focus for successfully implementing an e-business strategy. These areas are:

STRATEGIC INFORMATION MANAGEMENT & TECHNOLOGY:

According to Robert (2003), Information is one of the main essential features of an organization. Accordingly, managing information should have more priority in an organization which needs to withstand and win in the marketplace. By the development of strategic plan, managing information can begins and next is the implementation of that strategy and evaluating its efficiency in the real world environment. Brown (1999) believed that the information manager should know the business portfolio of the organization and functionality of an organization in a day-to-day environment to add a strategic value to the information flow within the organization. After that the information managers must try to know the kind of customers serviced by the organization and this will help them in developing a strategic plan.

As per Allard (2001), Information itself can be of several types:

- ☒ Descriptive information describes the present condition of a specific scenario
- ☒ Procedural information describes the knowledge about a specific process in order to accomplish a specific goal or mission.
- ☒ Reasoning information expresses on the conditions under which they take place and identifies why things happen the way they happen in a particular situation

The identified information can be utilized for problem solving and investigation, decision- making, experimenting based on its type. The several sources of information inflow are should be identified by any organization. A common channel has to be developed where it can take the relevant data by filtering process and forwards to the different segments in the business flow. During this the unwanted data gets deleted and the process continues on the way to target within an organization.

This information is now a knowledge base of the organization. The organization can choose its own method of using this knowledge base. It can serve as a useful reference to the top management to record, track and correct the anomalies of their current strategies and policies, helping them in implementing corrective measures towards strategy planning. Technology must help integrate the existing legacy systems with the new front end, helping effective migration of information from the old database to the new one to create a one-view of the customer.

CUSTOMER RELATIONSHIP MANAGEMENT:

CRM is a business strategy to select and manage customers to optimize long-term value. The basic theme for the company is to become customer-centric (Findlay, 2000). It focuses on the customer; identifying trends and patterns by collecting data from every possible interaction with the customer at all access points (Ciszewski, 2001). The company can then use this data for specific business purposes, marketing, service support or sales, whilst concentrating on a customer-centric approach rather than a product-centric. CRM allows a company to address all the types of customers it serves at different points in their life cycle. It also enables the company to choose the best marketing strategy that best fits a customer's attitude and willingness to purchase its products and services. There are 4 basic strategies of CRM programs that are listed below (Handen, 2002).

- ☒ Retain your customer or win him back from your competitor. Time-sensitivity and selectivity are the two essential characteristics of this strategy
- ☒ Try to win new orders and make as many new customers as possible. Keep a healthy prospects database of prospective customers which could be future customers. Segmentation and source selection are the critical elements of this strategy
- ☒ Adopt best-practices to ensure customer loyalty. Customer brings revenues. Loss of customer is loss of revenues. Try to give personalized attention to customers
- ☒ Use the right marketing mix. Keep enhancing product suite and offer complementary products that a customer would like to purchase to increase the "wallet share" (Minocha, 2000) in other words, the amount the customer spends with the company
- ☒ Organizations often think that solution to their problem is purchasing a new or upgrading to a better technology. To make things worse, software and hardware vendors claim that their product is the most versatile and flexible, and one that will meet organizations current as well as future needs.

However, organizations fail to realize that technology is just a catalyst, enabling the flow of data or information to its destination. To achieve a CRM strategy, an organization cannot rely exclusively on a system solution. Some of the factors required to implement a CRM strategy effectively are:

Customer Focus: This should be established first on a corporate level and be consistent with the overall

corporate strategy. This requires effective communications across the whole organization

Commitments: The more commitments from people across the corporation to adapt to changes and incorporate them into their every day processes, the more likely CRM implementation succeeds. The commitments are psychological as well as technological. People should not only be willing to carry out CRM strategy but should also grasp necessary technological skills that will help them understand the new procedure

Technology & Infrastructure: Companies should select appropriate software that can help record business transactions, create operations-based database, provide decision-making support and help integrate their existing back end legacy systems with the customer-centric front end to provide a complete view of the customer. Effective CRM implementations require suitable corporate infrastructure. This infrastructure includes network setting up, storage and data backup, mobile communications linkage and high speed internet facilities.

CRM helps organizations maximize customer satisfaction and customer-related resources utilization. It aims to improve organizational effectiveness by reducing sales cycles and selling costs, identifying new markets and channels of expansion, and improving customer value, satisfaction, profitability and retention” (Andersen & Jacobsen, 2000). However, companies should not think of CRM as a magic wand that will do wonders for them once they incorporate and integrate it with their business processes. An efficient road map must be chalked out to help the organization understand how an effective CRM strategy implementation will help the routing of relevant information flow via technology to appropriate people at critical times for decision-making support. Companies must also educate their employees towards their customer-centric approach and set & expect high standards of customer service from every employee. Once the organization and its employees align themselves to this customer-centric approach, upgrading to the CRM effort becomes very easy.

Key problem areas:

In today’s rapidly changing and fast growing business environment, it is essential for every organization to develop customer-centric business processes that will help the organization to better understand the needs and wants of its customers. It is certain that the internet will continue to change the way customers and organizations interact with one another in terms of speed and ease. This fact requires that the integration of internet technology into CRM activities occur at all levels throughout the organization. Thus, it would not be wrong to say that keeping its customers satisfied is in the best interests of the organization. With the current global industrial slowdown, burst of the ‘dotcom bubble’, and other socio-economic factors responsible for the downfall of the economy into a recession-like period, more and more companies are trying to identify what went wrong. One of the key factors which caused most businesses to fail was identified to be the lack of customer-centric models in the development and execution plan of most of the failed companies. Thus clearly, the problem is how one can provide corrective measures to the very concept of customer satisfaction to enable organizations to drive the extra mile towards the concept of customer delight. This is even more significant in the newly liberalizing economies. Many Global companies are now asking questions like “How can you achieve organization goals and objectives vis-à-vis keeping your customers delighted?”, “How can you measure customer delight in order to evaluate services and provide a higher level of customer support?” The fact that expectations differ according to each situation and individual, shows how difficult it is to form an e-strategy which includes essential components like CRM and customer satisfaction and even more difficult to record the same for future references and decision-making.

Definitely, the key issue here is integrating the flow of relevant information using the business process model of the organization with the customer relationship management approach to form an effective e-business strategy.

DISCUSSIONS & FINDINGS:

The information flow within the organization via effective technology, a customer-centric approach and strategy, & customer satisfaction measurement are effective check-points for an organization to analyze, correct and subsequently achieve its business objectives and retain its customer’s vis-à-vis making new ones. Technology should be used not only to prioritize information to appropriate levels within the organization but also to help make the website more attractive to attract more customers. It should help develop the website to become more personalized in order to service prospective customers. An effective CRM strategy would use information as a front end, link the internal information i.e. information existing within the organization in form of previous forecasts, strategies, policies, with the external data obtained from customer interactions, feed-back via technology, and integrate this tool with existing back-end devices. This would enable a free flow of information within the organization that can be routed to the right people who can then use this information for the benefit of the organization by either accurate forecasting or critical decision making while allocating budgets.

These decisions can then be implemented by the organization as strategies to obtain greater mind share and the response obtained as a result of this implementation can be recorded and fed to the various front ends to arrive at a pattern. This can serve as a ground base for measurement of customer satisfaction and loyalty. Organizations must use this to evaluate their customer-centric approach and continually elevate the efforts to achieve better customer focus and customer retention. This will be a true measure of the effectiveness of the strategy. This completes one life cycle of the value chain and every organization that is

flexible in its approach and sensitive to the changing market scenario, will have several such life cycles in its growth process.

“Every organization needs to forecasts demand and design appropriate products in response to customer needs. It needs to analyze every aspect of the supply chain based on information arriving from all points of contact through sales, marketing, customer service and support to guarantee fulfillment of the potential requests” (Tan & Fang, 2002). In its efforts to increase its customer database and market share, organizations should not attempt to mislead its customers. It should make only reasonable and feasible commitments to its customers, ones that it can be confident to satisfy. In the process to integrate information and CRM, the tool must enable end users to access historic data to identify trends and opportunities, thereby allowing a company to leverage the power of existing internal corporate data or knowledge base to improve customer marketing.

With the enabling of such a strategy, companies can use the data to match products with customer needs, to perform more focused one-to-one marketing, collecting customer feed-back and thereby involving a higher level of customer focus in its strategy to meet customer expectations. In doing so, they can make a realistic effort at maintaining a high level of customer satisfaction. This will result in an increased customer loyalty towards the organization and a better understanding of its business processes resulting in cross selling, important references leading to cost savings and better returns for the company. To measure customer satisfaction or delight as an input that can be used for analysis and evaluation of the e-strategy, organizations must use each encounter with the customer as an opportunity to judge quality of its internal processes and adopt corrective measure wherever required and increase loyalty among the customers. This will indicate to the customers that the company is always willing to incorporate changes to better its customer satisfaction efforts. To gain customer loyalty, efforts have to be made to exceed customer expectations.

Customers' likelihood to recommend the product or services to business associates, relatives and friends is also dependent on the product or service pre/post use and characteristics. Hence, using the opinion of the customer in reorientation of the product or service is an essential step in gaining customer confidence and loyalty. By thinking of its customers as consumers, the company focuses on service performance attributes and how to meet or exceed consumer expectations. Thinking of consumers foremost as people shifts the focus on basic human needs. Satisfying these needs will result in completely satisfied customers. In most companies, the energy level is high at the top and fades down through the organization. Hence in order to achieve an effective implementation of e-strategy, the company must first energize its employees, making performance more visible and then by recognizing and rewarding good performance among its employees. With their superior planning, measuring and forecasting, best-practice companies can readily identify divisions, units, departments and individuals that are getting the best results and reward them accordingly. In such companies individuals know their goals and priorities. They are empowered to achieve these goals and are held accountable for the results. This creates a sense of ownership and builds responsibility in the minds of the employees to provide better service to its customers.

Thus in making a customer-centric strategy roll-out, the organization must first look towards its internal customers, its employees and implement the process within the organization to gain maximum results and prepare the employees towards a common goal and objective shared by the corporate management. This will help to align the entire organization behind the goal of turning the strategy plan into effective action. Throughout this change process, it is critical that senior management lead the effort and make sure that changes get implemented and that obstacles are removed. It is also critical that management communicate its determination down through the entire organization. Since employees are the ones who will enforce this strategy into effective action, management must involve them in the process, and ultimately empower them to implement change, which will help the organization move towards the path of success.

LIMITING FACTORS:

There will always be certain limiting factors which are not in the control of either the companies or its employees and thus can cause a deep impact to the company's strategy-making process. A best- practices company will always plan keeping these factors in mind and will make their strategies as flexible as possible to ease the process of incorporating changes as and when required. These factors can be largely collated as:

1. Economic slowdown into a recession-like period, limiting sales and marketing activities due to a limited budget allocation
2. Lack of standardization of CRM methodologies due to its infancy evolution
3. Rapid changes and continuous evolution on the technological frontiers
4. Re-structuring of the organization or strategic mergers leading to lay-offs and significant changes in the work process.

CONCLUSION

Thus, it can be clearly seen that in implementing a customer-centric strategy for its customers, the organization must begin with its internal customers, its employees, thereby creating a culture that energizes employees and inspires them to work together to achieve the company's strategic goals. The way the companies undertake CRM strategy, allocate resources and distribution channels, and decide the supporting technologies for the implementation and integration, will change with the standardizing process and the evolvement of technologies. In shaping an effective e-strategy the organization must develop a core-competency team equipped with technical and business oriented skills that will help in setting high

organizational standards of customer service. The backbone of every strategy is information and technology and hence companies must ascertain that relevant and important information is getting routed to the right people at the right time for effective planning and decision-making. In doing so, the organizations can set a standard for achieving customer satisfaction to record for future forecasting and strategy planning.

Companies that are committed to the effort of aiming at complete customer satisfaction and gaining subsequent customer loyalty send a strong signal to their employees and customers that their customer-relating capabilities are one of the centerpieces of their strategy. Thus to conclude, a strategy needed to be adopted by every organization which believes in the concept of complete customer satisfaction, is one that can set uniform standard practices to achieve complete customer satisfaction at every interaction with the organization, whether it is a general enquiry, prospective call, purchasing a product or customer support. It should be operational in nature drawing from practical experiences, interactions and feedback from the customers and continue the process throughout the product or service life-cycle.

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