A review of benefits and Pre-implementation considerations of e-CRM

Swati Sharma[1]*, Dr. Narendra Singh[2]

[1] Research Scholar, Malwanchal University

[2] Supervisor, Malwanchal University

Abstract - Customers' Relationship Management (ECRM) is the most recent paradigm in the field. As more and more firms go online, electronic customer relationship management (ECRM) is becoming more important. A company's conventional brick-and-mortar methods are no longer sufficient for web-enabled businesses. As a result, these businesses must keep up with the times rather than lag behind them. Papers like this one promote ECRM, examine its advantages, and identify the issues that must be addressed before its adoption.

Keywords - Ecrm, Benefits, Customer Relationship

- X -

INTRODUCTION

Businesses selling online, whether to other businesses or to consumers, should familiarize themselves with the emerging field of electronic customer relationship management (eCRM) (ECRM). Customers that are economically valued and lucrative are the primary focus of ECRM, according to Romano (2001). They believe that ECRM will continue to be a significant topic of research in the fields of MIS, Marketing, and Psychology. And how does this relate to the possibility of using ECRM in the company? The number of businesses and consumers using the Internet to make purchases rises steadily. On-line shopping is popular for a variety of reasons. According to a Forrester Research survey of 70 merchants, the top one reason (84 percent) for online purchases rather than offline purchases was convenience. The fact that customer service is at the bottom of the list of reasons to buy on-line shows that consumers are ready to sacrifice superior "off-line" service for the convenience of online ordering. On the other hand, on-line clients don't have great expectations when they visit firms' websites. Retailers on the internet, on the other hand, must admit that first-time buyers on their sites are neither obligated or even likely to return.

More than half of online shoppers who make a purchase at a single store never return, according to research by Boston Consulting Group. It's time for web-based enterprises to wake up to the idea that there is a genuine service need to be addressed and that extra earnings await those that rapidly discover a means to fill this gap. ECRM can assist businesses in overcoming this obstacle. The ease of purchasing online may attract people, but it's the overall quality of the customer experience that keeps them coming

back. The cost of marketing to an existing client through the Internet is $6.80, but the cost of acquiring a new online consumer is $34.00. ECRM's proportion of B2B markets will rise from 3 percent in 1999 to over 50 percent by 2004, according to Keen Research. Investment in ECRM solutions will provide firms with the tools they need in their market sectors in order to build, retain, and expand competitive advantage. It all comes down to business survival. Here, we have established the need for ECRM systems, and this paper will detail the benefits of these systems, discuss the major focal points to consider before implementing an implementation, identify potential pitfalls, look at recent trends in the ECRM field, and present an example of a successful ECRM project.

LITERATURE REVIEW

In order to generate and provide value to the targeted consumers at profit, customer relationship management (CRM) is described as a business strategy that connects internal and external networks. The CRM is based on high-quality customer-related technology that is enabled by information technology.

It is also known as E-CRM (or eCMR), which stands for electronic customer relationship management, and is a kind of IT-enabled customer relationship management. Customers' wants and wishes are the focus of effective customer relationship management (CRM), which places those demands at the core of company by integrating it with people, technology, strategy, and processes of the firm.

CRM may be a complicated procedure depending on the needs of the company.. Banks often utilize a variety of CRM systems to meet the demands of their most loyal clients. Based on information networks, segmentation and algorithms, sales and customer support and IT systems, CRM in banking may be implemented.

However, in the real world, CRM is about finding those consumers who are more lucrative for a business and going above and beyond to keep them as loyal as possible to the company and its goods. CRM is all about interacting with customers, identifying and satisfying their requirements, and retaining them as a long-term client of the company.

Customers' electronic data must be analyzed efficiently utilizing statistical and data mining methods in order to design strategies for allocating finances to meet customers' demands and requirements. CRM activities increase the amount of commerce between the bank and its customers and have an impact on the customer's loyalty to the bank, as well. CRM may be seen as the glue that holds the connection together. Customers who are happy with the company's service are more likely to stay loyal to it. To increase customer commitment and loyalty, CRM tries to provide consumers with favorable services.

CRM programs enhanced profitability by 27.5% after cutting costs by 5.4%, according to a study of a few chosen American banks.

Using online monitoring, data mining technology, and customization, banks can now recognize the customer's needs and utilize E-CRM to sustain the customer relationship throughout the customer's lifetime, thanks to advancements in technology Customers may update their personal information, do transactions online, communicate with the bank, and participate in a virtual community via online banking, all of which encourage them to stay with the bank. Customers that are younger, more educated, and more affluent are attracted to web-based marketing methods.

Using computer and telephony to support contact center operations, increase corporate analytics, help in mass communication, transaction over the web, and customer self-service are all examples of how technology may aid in CRM efforts in banks, according to the research. New CRM systems and software help sales force automation, customer service, marketing automation, and channel partner management, all of which are supported by this new approach.

BENEFITS OF E-CRM

According to a recent McKinsey & Co. research, a 10% increase in return consumers may increase revenues by 10%. A 10% decrease in overall marketing expenses, on the other hand, only adds.7 percent to the bottom line in terms of attracting new visitors. Even if a corporation is able to reduce the cost of obtaining new consumers, keeping current customers satisfied is more lucrative than chasing new ones. Delivering value on their own terms is the greatest approach to keep these clients pleased.

Anderson Consulting has discovered that a typical $1 billion high-tech business may generate as much as $130 million in profitability by enhancing its capacity to manage client relationships. There's a 64% correlation between higher ECRM effectiveness and higher returns on sales, according to Anderson Consulting's research. An ECRM system that is well-planned and implemented results in a win-win scenario for both consumers and businesses. A better overall customer experience leads to increased customer satisfaction and, as a result, a boost to the company's bottom line.

The following objectives can be achieved with a proper ECRM implementation:

Increased customer loyalty

As long as a firm has a successful ECRM system, it can connect with its customers in a consistent voice, regardless of the channel they use. This is due to the fact that using ECRM software, every member of a company has access to the same transaction history and customer data. To better understand the true costs of client acquisition and retention, using an ECRM system gathers data that may be used to calculate average customer lifetime value. It's possible to concentrate on the most lucrative consumers when you have this information. "Best" clients may be managed more effectively as a premium group, with the awareness that it is not required nor recommended to serve every customer in the exact same manner.

Personalization is a tactic that a corporation may use to build client loyalty. Each client's profile is generated utilizing data from a variety of sources including customer databases, clickstream data, and transaction systems. Personalization software tools If it recognizes a specific consumer shopping on the company's website, the tool automatically chooses the best deal for that customer. As a consumer accepts or rejects an offer, the customization engine incorporates this information into the customer's profile, making it accessible for more relevant future offers.

There's nothing wrong with personalizing a business-to-business site. In sites with a vast range of goods, services, and information, many people see it as the most helpful tool for navigating. With the notion of personalisation, an online store's advertising and content are driven by the interests of the visitors. Rules-based and collaborative filtering software are the two forms of customization software available.

Swati Sharma[1]*, Dr. Narendra Singh[2]

Rules-based personalization software: This program gives users complete control over what websites they see. It is important for companies to establish the regulations so that the amount of information may be reduced to manageable levels. Rules-based software, on the other hand, is difficult to scale due to the fact that rules must be manually updated. Updates on huge websites may be time-consuming and tedious.

Collaborative filtering personalization software: This program encourages people to browse the web and make decisions based on their own preferences. When a customer buys a certain item, Amazon.com displays a list of things that other customers with similar purchasing habits have bought. This increases sales activity and provides value to the consumer by introducing goods that they may not have previously considered. The use of personalisation software in business-to-business apps allows consumers to see pricing that is particular to their own firm's negotiated rates and prevents them from seeing the same advertising again on their screens. In the first instance, the generic feel that many websites still have has been overcome by personalisation software. Customers will no longer feel bothered by unwanted "spam" in the second situation.

If a company wants to retain and develop its client base, it cannot afford to disregard its consumers' technological requirements. CyberCash was a fast expanding business in a very competitive sector that required a strategy to keep its consumers happy. ECRM was chosen by the firm. In order to make things easier for clients, it created a self-service website. There was no need for customers to write emails or make phone calls to discover a solution to their issue. As a result, CyberCash's call center staff had all the information they needed to help clients when they called in. As a result of listening to its customers' "cyber" demands, CyberCash made improvements in order to satisfy these needs.

More effective marketing

An ECRM system's rich customer information enables a business to anticipate what kinds of things a client will buy and when they will buy them. Marketing and sales initiatives aimed at a specific target population may be more effectively developed with the use of this data in the short to medium term. ECRM enables for more focused marketing and the ability to monitor the success of such activities. Analysis of a marketing campaign's influence on sales and profitability may be done by looking at customer data from a variety of angles. Segmenting your target audience might also help your marketing efforts. An organization's marketing efforts might be more focused when clients are categorized by their shared needs.

Improved customer service and support

Each customer's personal data is housed in a single location via an ECRM system. A corporation may therefore swiftly and effectively meet the demands of its customers at any and all possible points of contact, saving the client the time and frustration of having to "search" for assistance. ECRM-enabled technologies include search engines, live assistance, email management, news feeds/content management, and multi-language support. A business may do the following with an ECRM system in place:

- More accurately receive, update and close orders remotely

- Log materials, expenses and time associated with service orders

- View customer service agreements

- Search for proven solutions and best practices

- Subscribe to product-related information and software patches

- Access knowledge tools useful in completing service orders .

All of these new features work together to keep the consumer at the center of the company's attention.

E-mail and direct mail campaigns are two of the most important strategies to increase customer care and support. With a powerful bulk e-mail management platform, it is possible to reach a large number of potential consumers and to tailor the presentation of that offer. However, e-mail and direct mail campaigns that are very specific in their targeting provide much superior returns. Sending the appropriate offers to the right clients at the right time is made easier with the correct tools.

Another strategy to help consumers is to increase the quality of customer service at the contact center. A contact center's consumers expect top-notch service and prompt results when they ring in. It is possible to monitor and route calls with ECRM call center technology. The information that customer service employees need to diagnose and fix issues is readily available. Call center agents also create orders that are promptly directed to fulfillment, ensuring an integrated client experience.

Greater efficiency and cost reduction

When data mining is used to find connections between different sets of information, it may free up precious human resources. Integrating client data into one database helps different departments within an organization to exchange their information so that they may work together toward the same goals. There are several ways to detect underused resources and manage expenditures, as well as better predict the future and establish reasonable return on investment measures.

Swati Sharma[1]*, Dr. Narendra Singh[2]

PRE-IMPLEMENTATION CONSIDERATIONS

A corporation may begin planning for ECRM adoption once it has recognized the need for it. Pre-implementation considerations should include the following. business strategies, retooling business functions, process reengineering, technology, and training comprise the core pre-implementation framework.

Developing customer focused business strategies

This step's purpose isn't to force the customer to conform to the company's objectives, but rather to listen to the customer and generate chances that benefit both of them. As a business owner, it's critical to know what your consumers want and predict what they may want in the future. As a means of doing this, companies should give their consumers with a selection of current and future access channels such as electronic mail (e-mail), telephone (telephone), and fax (fax). Companies who enable their customer care representatives to "make it right, right immediately" and provide consumers access to the most recent deals and promotions through their preferred communication channel are able to offer solutions rather than hurdles.

Retooling business functions

In order to ascertain which departments/functions are genuinely serving the customer and which are merely contributing to overhead, implementing ECRM will need a significant amount of disruptive organizational change. The amount of time and money spent on administration should be reduced after identifying and removing unnecessary employees. ECRM deployment requires buy-in from senior management and company-wide responsibility from all stakeholders, which is a crucial aspect here. It's impossible for positive organizational transformation to happen on its own. To guarantee that all workers understand the importance of the changes, the new structure will benefit them and their capacity to service customers, it is the duty of top management to ensure that all employees are informed. That the ECRM itself is only a tool has to be made clear to senior management. Employees now have the potential to improve client connections and boost work satisfaction thanks to this new tool.

Work process re-engineering

Retooling business operations necessitates a shift in the department's role and responsibilities. There are two options here: a step-by-step method or an integrated strategy to increasing productivity. Each department's efficiency is evaluated on a step-by-step basis. This seldom yields excellent results since the aims of each department might become too localized, and departments tend to fight internally for their own profit at the detriment of the company's long-term interest. The comprehensive approach is what we advise. As a consequence of recognizing the interdependencies across the many firm roles and divisions and how they generate a broader view of the overall organization, it tends to yield better outcomes. Uncovering inefficiencies and unused resources should be easier with a holistic approach.

OTHER BENEFITS OF ECRM FOR BUSINESS

1. Better customer service

Even though modern CRM software has numerous features, its primary purpose is still to strengthen business-to-customer connections. A customer relationship management system (CRM) keeps track of all of your customers and their details, such as their demographics, purchases, and past communications, and makes that information readily available to anybody in your organization who needs it. This ensures that your staff have all the information they need to create a better client experience, which tends to increase customer happiness.

2. Increased sales

You may use a CRM solution to optimize your sales process, develop a sales funnel, automate important processes, and evaluate all of your sales data in one centralized location, which might lead to increased sales and productivity. In order to have a consistent sales process that your staff can depend on at all times, a CRM is essential.

3. Improved customer retention

Lead generation is just half the battle; keeping your consumers happy and promoting brand loyalty is equally important. Customer turnover may have a negative impact on your organization, such as a reduction in sales or an interruption in cash flow, so utilize your CRM to keep your customers coming back for more. A customer relationship management system (CRM) may assist you in identifying issues and rapidly resolving them with your customers by providing sentiment analysis, automatic ticketing, customer assistance automation, and monitoring of user activity

4. Detailed analytics

Having a lot of information on your clients is great, but you need to know what it means and how to utilize it in your marketing strategy. Most customer relationship management (CRM) systems come equipped with analytic tools that may help users make sense of their data and take meaningful action on it. It is possible to measure the performance of a marketing campaign using metrics such as click-through rates, bounce rates, and demographic information.

Swati Sharma[1]*, Dr. Narendra Singh[2]

5. Higher productivity and efficiency

Your workers' time is freed up to concentrate on things that can only be done by people, such as developing content, thanks to CRM software's marketing automation technology. Another benefit is that it helps prevent duties from being overlooked (e.g., all important emails are always sent to the right people). You may also see how your company procedures are operating and where you can enhance them by using a CRM.

6. Centralized database of information

As CRM software is excellent at, it provides a central database of all client information, making it available to everyone in your organisation who needs it. For example, a sales person may easily discover what goods a certain consumer is interested in. Customers' prior interactions with the firm are stored in the CRM and may be used to guide future marketing and sales efforts. Your personnel will appreciate not having to spend time searching through outdated documents and files, and your customers will appreciate the improved level of service.

7. Managed communications with prospective leads

There are numerous processes and ways to communicate in lead nurturing, making it a difficult and time-consuming process. This process may be automated by using a CRM, which notifies your staff when they should contact prospects and keeps track of all communications, including emails and phone calls.

Michael Miller, CEO of VPN Online, says that "one huge benefit of [CRM] is that you can observe your customer's journey holistically." "You can rapidly figure out the next step to make with every aspect of the design and every email you send examined. Seeing things from a high vantage point allows you to make an informed choice on what to do next."

8. Improved customer segmentation

Many people find it difficult to maintain a list of hundreds of people. For example, how can you tell which clients would be interested in receiving an email about a new product available in-store? Your contact lists in a CRM will be automatically segmented depending on your criteria, making it simple to reach the people you want at any given moment. Contacts may be sorted by region, gender, age, stage of the buyer journey, and more.

Because of automation, marketers may have a deeper knowledge of their customers and engage in more fruitful interactions with them, according to Philips' statement. It's crucial to remember that we don't want to compose a generic email to our consumers when using automation." "Instead, we'd want to send emails that represent our customers' choices, interests, and values by grouping them into groups using the CRM data."

9. Automated sales reports

With the CRM software's dashboard and reporting functions, your team can quickly and effectively gather and arrange data about potential and present customers. Additionally, CRMs can assist your team members in assessing their own performance, keeping tabs on their quotas and objectives, and seeing how far along they are on each of their individual projects are all at once.

10. More accurate sales forecasting

You must be able to look back on your previous successes and failures in order to make informed decisions about the future of your organization. For example, by using automatic sales reporting in CRM software, you may learn about your sales cycle's future performance and alter targets and KPIs to match those estimates.

11. Streamlined internal communications

A CRM may make it simpler for your staff to interact with one another as well as with your company and your consumers. In order to keep a consistent brand voice, a CRM lets you observe how other workers are communicating with a prospective consumer. Team members may also use the system to exchange notes and notifications, tag one another on projects, and send emails and other communications.

CONCLUSION

The principle of CRM is here to stay, regardless of whether or not the term is retained. At the beginning of ECRM implementation, we have highlighted the five most important concerns for firms to address. Additionally, we've looked at the customer-centric and corporate advantages of an ECRM system, based on the notion that ECRM initiatives can only succeed if firms make their customers win. "Will your organization utilize its talent and resources to enable me to draw from it the goods and services I need to be effective in my professional and private life?" has become an increasingly common concern for customers in the digital age. It is possible for firms to say "Yes!" to ECRM solutions. These organizations' whole existence is predicated on their dedication to this solution.

REFERENCES

1. Thomas, A. R. (2007). Direct Marketing in Action: Cutting-edge Strategies for Finding and Keeping the Best Customers. Greenwood Publishing Group.

2. Venkatesan, R., & Kumar, V. (2004). A Customer Lifetime Value Framework for

Swati Sharma[1]*, Dr. Narendra Singh[2]

Customer Selection and Resource Allocation Strategy. Journal of Marketing, 68(4), 106-125.

3. Kennedy, A. (2006). Electronic Customer Relationship Management (eCRM): Opportunities and Challenges in a Digital World. Irish Marketing Review, Special Issue, 18(1,2), 58-69.

4. Das, S. K. (2012). Customer relationship management in banking sector: a comparative study of SBI and other nationalized commercial banks in India. Arth Prabhand: A Journal of Economics and Management, 1(6), 62-82.

5. Lambert, D. M. (2009). Customer relationship management as a business process. The Journal of Business & Industrial Marketing, 25(1), 4-17.

6. Merkel, N. (2005). Customer Relationship Management in Banking Sector. Books on Demand GmbH.

7. Zopounidis, C. (2002). New Trends in Banking Management. Springer Science & Business Media.

8. Venkatesan, R., & Kumar, V. (2004). A Customer Lifetime Value Framework for Customer Selection and Resource Allocation Strategy. Journal of Marketing, 68(4), 106-125.

9. Krasnikov, A., Jayachandran, S., & Kum, V. (2009). The Impact of Customer Relationship Management Implementation on Cost and Profit Efficiencies: Evidence from the U.S. Commercial Banking Industry. Journal of Marketing, 73(6), 61-76. doi:10.1509/jmkg.73.6.61

10. Jahanbakhshian, P. (2012). E-CRM a Solution for Customer Satisfaction In Electronic Era. International Journal of Management Sciences and Business Research,, 1(12), 62-69.

11. Akhlagh, E. M., Daghbandan, A., & Yousefnejad, S. (2014). The Impact of Electronic Customer Relationship Management on Improving Marketing Performance of Private Banks. Interdisciplinary Journal of Contemporary Research In Business, 6(6), 134-141.

12. Grover, D. (2008). Implementing e-CRM in Organizations: Trends, Benefits and Critical Issues. Management of Change, Journal of IILM Institute for Higher Education, 11(2), 207-220.

13. Harvey, Lynne, "Building Customer value Across the Enterprise", Patricia Seybold Group, 2001. Karpinski, Richard "To keep suppliers, e-marketplaces getting CRM-savvy", www.btbonline.com, January 2001.

14. Deitel, H.M., Deitel, P.J., Steinbuhler, K. e-Business and e-Commerce for Managers, Prentice Hall 2001.

15. Das, S. K. (2012). Customer relationship management in banking sector: a comparative study of SBI and other nationalized commercial banks in India. Arth Prabhand: A Journal of Economics and Management, 1(6), 62-82

16. Merkel, N. (2005). Customer Relationship Management in Banking Sector. Books on Demand GmbH.

17. Mithas, S., Krishnan, M., & Fornell, C. (2005). Why Do Customer Relationship Management Applications Affect Customer satisfaction? Journal of Marketing, 69(4), 201-209.

Corresponding Author

Swati Sharma*

Research Scholar, Malwanchal University