ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT: A TOOL FOR SUSTAINED SUCCESS IN SERVICES ORGANISATIONS

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ABSTRACT

In the world of intense competition, where the customers are more demanding and the competitors are just clicks away, better customer relationship management is the only source of competitive advantage. Creation of strong relationship is the essence of customer relationship management (CRM), which in turn results in revenue optimization, profitability and customer satisfaction. However due to increase in product offerings, increased competition and compressed marketing cycle time; managing customer relationships is becoming more complex. CRM means moving from “Inside – out”: the seller – driven enterprise to “Outside – in”: the customer driven enterprise. The e - CRM is the combination of business process and technology that seeks to understand a company’s customer from a multifaceted perspective. e - CRM involves capturing and integrating all customer data from anywhere in the organization, analyzing and consolidating it into information and then distributing the results to various systems and customer contact points across the enterprise.

Key Word: Customer Relationship Management, Electronic CRM, Service Sector, Web Technology

I.0 INTRODUCTION

Customer is the reason for existence for any business enterprise. Both the internal as well as external customers would play an important role in deciding the fate of the business. Technology is an important element that is acting as a ket determinant in the success of banking in the new millennium. Technology has been an enabler in managing the pace and quantum of changes. Skilled human resource management has brought about success in technology, which is fundamental in generating these capabilities. However, ultimately the banks’ performance depends upon the satisfaction of its customers.

Electronic Customer Relationship Management is the latest buzzword in the corporate sector and is perceived as one of the most effective tools in this direction by the banks. Electronic

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Customer Relationship Management provides with a means to conduct interactive, personalized and relevant communication with customers across both Electronic channels. It utilizes a complete view of the customer to make decisions about messaging, offers and channel delivery. It synchronizes communications across otherwise disjoint customer facing systems. It adheres to permission-based practices; respecting individuals’ preferences regarding how and whether they wish to communicate and it focuses on understanding on how the economics of customer relationships affect the business. The concept of CRM when seen in the context of e-business or transactions over an electronic medium, it translates into Electronic Customer Relationship Management, which essentially deals with managing customer interactions over the web. After adoption of the Internet and availability of electronic channels of communication, it is becoming possible to capture customer related information intelligently at the interaction stage itself. Electronic Customer Relationship Management applications are generic of application systems, which handle customer interactions over these new Electronic channels of communication. Customer Relationship Management (CRM) is the process of collaborating with the customers, application of data and continuous contact, building loyalty and capturing a greater share of individual customer’s business. In fact CRM is about all of these things and much more. A narrow perspective of CRM is database marketing emphasizing on the promotional aspects of marketing linked to database efforts (Bickert 1992). It is also considered as customer retention in which a variety of after marketing tactics is used for customer bonding or staying in touch after the sale is made. A popular approach with recent application of IT is to focus on individual or one to one relationship that integrates database knowledge with long term customer retention and growth strategy (Peppers and Rogers 1993).

Hence the CRM is defined as:

“CRM is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and for the customers.” (Sheth and Parvatiyar 2001)

Today’s organizations must manage customer interactions across multiple communications channels—including the Web, call centers, field sales, and dealers or partner networks. Many organizations also have multiple lines of business with many overlapping customers. The challenge is to make it easy for customers to do business with the organization the way they
want—at any time, through any channel, in any language or currency—and to make customers feel that they are dealing with a single, unified organization that recognizes them at every touch point.

(Source: www.siebel.com/whatiscrm)

There has been an increasing impact of technology on CRM for following reasons:

- More and more individuals will like to be treated as one single person rather than one among the masses.
- People wish for products and services round the clock.
- With abundance of products and services offerings, customer loyalty can only be commanded by providing better portfolio of services.
- Speed of response and understanding each individual is one of the major key issues.

So, employment of Electronic Customer Relationship Management as a business philosophy provides following reasons:

- It optimizes the value of Interactive relationships.
- Enables the business to extend its personalized reach.
- Coordinate marketing initiatives across all the customer channels.
- Leverage customer information for more effective e-marketing and e-business.
Focus the business on improving customer relationships and earning a greater share of each customer's business through consistent measurement, assessment and actionable customer strategies.

II.0 ADVANTAGES OF ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT:

It is generally less costly for banks to maintain and develop an existing client relationship than to acquire a new one. The customer can also make transaction cost savings by developing a long-term relationship with banks. The strategic and social benefits may be considerable for both the parties. A long-term relationship may, for instance, produce strategic benefits for the banks in its marketing by generating references and credentials or it may create competitive advantage by creating barriers to switching. The client on its part may enhance the quality of services offered by engaging in long-term business relationship with the bank.

There are certain advantages that accrue to the concept of Customer Relationship Management when it is used in association to the web.

II.1 COST ADVANTAGES: Basic CRM functionalities, such as lists of Frequently Asked Questions (FAQs), link to E-mail and related sites and ongoing discussion groups can be developed and maintained for less than cost of customer service representative. This is possible because Internet service providers are now commodity items. The tools available for web design are mature enough to be used by anyone. Most of the costs are usually associated with creating content for a website.

II.2 COMPATIBILITY TO EMERGING STATE OF TECHNOLOGY: A variety of evolving web-based technologies can be applied to Electronic Customer Relationship Management. For example, customer profiling, virtual customer representative and other software tools can be used to address Electronic Customer Relationship Management goals. Since vast amount of customer data can be gathered from the web, technologies such as data warehousing and other data-intensive applications may have even more applicability on the
web, compared to data from other touch points. Furthermore, because the web can be applied in various ways, it is not possible to get such benefits through any other touch point.

**II.3 CUSTOMER DATABASE MANAGEMENT:** Customers can be tracked in their use of web sites, providing the company with data on the information customers seek and by extension, value most. Similarly, if customers transact business through a web site, then demographic and other customer information’s are immediately available for marketing and other purposes.

**II.4 AVAILABILITY:** The web is available to most customers on a 24/7 basis. Although automated telephone support, printed materials and fax on demand may be accessible at any time as well, the web differs in the type of information that can be accessed on a continual basis. The web can be interactive, delivering exactly what the customer is looking for with a minimum of waiting time and with very little amount of operational cost.

**II.5 EASE OF INTEGRATION:** The web can be integrated with business processes to a degree only approachable by other touch points. Another aspect of integration is the benefit of being able to print out.

**II.6 EASY AND COST EFFECTIVE INTERACTIVITY WITH THE CUSTOMERS:** A web site designed for CRM can provide enhanced interactivity. Customers can exchange e-mail with a live computer programs that simulate representatives, which can respond immediately to customer questions.

**II.7 FLEXIBILITY:** The web is highly flexible medium. Given the wide variety of affordable web development software tools available, it is possible to modify a web site, including content focused at particular customers, to fit the changing needs of customers or to accommodate new product.

**II.8 NEW CRM SERVICE OPPORTUNITIES:** The extent to which the web is technologically based new CRM service options can be tried in a variety of scenarios. Real time e-mail can be integrated with the web site to provide a more seamless customer service experience, and retail outlets can accept return items ordered on the web.

**II.9 HIGH INFORMATION DENSITY:** The web provides a high density of information, in part because of the multimedia capabilities of the medium. A single web page can present a video to illustrate the proper operation of a product, a list of FAQs and answers, and a
textual description of other remedies, including how to contact customer support and other company contact information.

**II.10 INSTANT GRATIFICATION:** In a culture where immediate gratification is the norm, the immediacy of the web is highly purposeful attribute. Many tools are available to aid immediacy, including powerful search engines that allow rapid, intuitive navigation through the information-rich web space.

**II.11 COST EFFECTIVENESS:** Once a web site is constructed the cost of adding an additional web customer is typically very low. In case of Internet Service Provider (ISP) hosting the web site, the ISP assumes responsibility for accommodating the additional customer web traffic.

**II.12 DOCUMENTATION:** When used with e-mail, the web is a self-documenting touch point. The customer is intimately involved in creating documentation of their problems and questions about a product or service. The effect of this added burden can be minimal or, if the customer is already at wits end about a problem, he or she may balk at the prospects of losing yet more time.

**II.13 CUSTOMISATION:** Information on web sites can be personalized to fit the specific needs of particular customers. Certain websites can be allowed to greet customers by name, provide information on books and DVDs most likely to be of interest to customers and remembers information, such as mailing address, change card numbers and previous orders.

**II.14 EFFECTIVE CONTROL:** Customer can be given the ability to self-direct their search for information. The web becomes a self-service CRM station. Certain web sites offload the common customer service representative task of locating a package or shipment by giving customers access to tracking data. As a result, customers can be in control.

**III.0 ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT TECHNOLOGIES:**

CRM aims at discovering and creating additional values for the customers and for the service organizations. There have been new technologies coming and working towards making the concept work better for the interest of the customers as well as for the organizations. The computer technologies including data warehousing, customer profiling, and decision support are all applicable to Electronic Customer Relationship Management; however, the web and
related computer developments make a variety of additional technologies that can be applied to Electronic Customer Relationship Management. The more notable technologies are mentioned below:

### III.1 VOICE PORTALS:
Voice portals allow users to access the content on a web site through a cell phone. This is possible with technologies such as VoiceXML which can provide web access with a standard wired or cellular telephone. Commercial voice portals, such as BeVocal, TellMe and Shoptalk, provide voice access to stock quotes, movie listings and daily news. The current limitation of voice portals on the web is that the voice recognition is limited to particular domains and each domain requires a different grammar.

### III.2 BOTS:
Software Robots or Bots are used to locate web sites. They use plain English to locate content on the web and are also used as conversational engines that work in the real time or through e-mail messages.

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<tr>
<th>Bot Classifications</th>
<th>Examples</th>
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<tbody>
<tr>
<td>Search Engines</td>
<td>Yahoo, Web Crawler</td>
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<tr>
<td>Natural Language Search</td>
<td>Ask Jeeves, Bright ware, Intermedia</td>
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<tr>
<td>Chatter Bots</td>
<td>Artificial Life, Native minds</td>
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<td>E-mail Bots</td>
<td>Egain, Kana Communications</td>
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Bots make use of Natural Language Processing (NLP), which allows a user to converse in natural English sentences instead of using keywords. NLP is simply a pattern-matching technology. When presented with a particular pattern- or one close to a particular pattern- it sends a predefined message to the customer or user. The time intensive component of working with Bots for a particular CRM application is specifying the possible questions that customers might ask. An advantage of using Bot is that responses are consistent. The answer that Bots give to certain questions is always the same, unless the Bot is programmed
otherwise. Another advantage is that Bot can scale i.e. a Bot can handle one or one hundred simultaneous customers even with modest PC hardware.

III.3 VIRTUAL CUSTOMER REPRESENTATIVE:
When it comes to a conversation, a face and a facial expression is worth a thousand words, because it adds a dimensionality. There are companies who offer three-dimensional animated “talking heads” which can be used as front ends to E-mail and CRM applications. When linked with one of the conversational Bots described earlier, and a text-to-text speech (TTS) engine that converts text to spoken English, these virtual reps give the appearance of a real person who can discuss the customers’ problem. That is, the Bot provides the “intelligence”, the TTS engine provides the voice and the virtual rep engine provides the three dimensional character.

The realism of the virtual rep is enhanced by the three dimensional appearance, the normal random blinking, roving eyes and the lip-synched movements choreographed to the TTS output. The three dimensional character can be a model or generated from a series of digital photos (front and side views) of someone in the company.

III.4 WEB PHONES:
Otherwise known as Internet Protocol or IP Telephony, Web phone technology supports voice communications over the Internet, obviating the need for the telephone network. This allows a fuller integration of voice and textual data. Several companies including 3Com, Cisco and Mitel are experimenting with Web telephony systems that can be applied to CRM.

IV.0 CONCLUSION
The customer linked processes in any organization may be termed as interlocking processes across different functions and locations. In order to meet the expectations of the customers the firms must look into the successful integration of these processes. After integration through an Electronic Customer Relationship Management system, the customer, irrespective of the location, gets the accurate response and consistent service. The information flow in Electronic Customer Relationship Management is online, real time and continuous. The Electronic Customer Relationship Management database can also be integrated with the
legacy systems. Needless to say an effective Electronic Customer Relationship Management results in competitive advantage.

In the new economy, businesses, especially in the services sector, have become customer-centric and have been exploring new ways to service customers efficiently. The verdict: it usually boils down to effectively managing those moments of truth with customers. And this turns out to be the most difficult part of the relationship saga. The interaction center plays a major role in enabling us to manage these moments. Though we all know this, we lose ourselves in the dictionaries of technology that are available to improve this interaction center.

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