

Customer Relationship Management in the world of e-commerce

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Abstract

The latest paradigm in the world of Customer Relationship Management is e-CRM or Electronic Customer Relationship Management. E-CRM is a business strategy that utilizes the latest technological developments to tie together all aspects of a company's business with the goal of building long-term customer loyalty. Practically it can be described as the management of customer interactions at all levels, channels, and media. The web-enabled companies are no longer relying on the traditional brick & mortar strategies in order to ensure their stability in the global market. Implementation of an E-CRM system enables an organization to streamline processes and provide sales, marketing and service personnel with better, more complete customer information. The objective of this paper is to analyse the best CRM solutions available to the business organisations and the probable causes of more and more businesses moving towards accepting E-CRM as an important business strategy. The data for the purpose of this study is collected from secondary sources.

Key words: *Mailchimp, database, Oracle, Electronic Commerce*

Introduction

Customer relationship management (CRM) refers to the practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. By providing the means to manage and coordinate customer interactions, CRM helps companies maximise the value of every customer interaction and in turn improve corporate performance. A CRM

report published by the Financial Times (Ryals et al.2000) suggests that CRM consists of 3 main elements:

1. Identifying, satisfying, retaining and maximising the value of the firm's best customers.
2. Wrapping the firm around the customer to ensure that each contract with the customer is appropriate and based upon extensive knowledge both of the customer's needs and profitability.

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3. Creating a complete picture of the customer.

The Financial times report identified the major components for the successful implementation of CRM as

- A front office that integrates sales, marketing and service functions across media (call centres, peoples, stores, internet)
- A data warehouse to store customer information and the appropriate analytic tools with which to analyse the data and learn about customer behaviour
- Business rules developed from the data analysis to ensure the front office benefits from the firm's learning about the customers
- Measures of performance that enable customer relationships to continually improve
- Integration into the firm's operational and support systems, ensuring that the front office's premises are delivered.

Electronic Customer Relationship Management (eCRM) is becoming increasingly important to remain competitive. There are many benefits of eCRM for the retailers like,

1. Improve customer service and satisfaction through eCRM: eCRM generally includes an electronic sales platform whereby information about customers such as location, recent purchases, account history and payment status is gathered and used further in co-ordinating with the customers. Customers can also access Web-based or telephone-based electronic systems to track their own orders, identify the nearest store outlet, or find the answer to their query online. The information gathered through eCRM is also used by the retailers in framing marketing strategies to improve customer

services.

2. Helpful in improving customer relations by co coordinating customer information for electronic, telephone, and store-based formats. Electronic CRM solutions tie together multiple channels of communication, including live chat, telephone, e-mail, and Web-based frequently asked questions (FAQs) and assists in knowing whether the customer have just placed an order or made a complaint through another channel, even if it was just five minutes ago.
3. Reduce customer service costs through "self-service" features such as search functions and order delivery status. Site-specific search engines allow customers to search the online catalog by entering keywords or phrases. Checking order delivery status is another way customers can help themselves.
4. eCRM help firms to grow profitability by analyzing customer information to optimize marketing efforts: The idea with both eCRM and CRM is to attract and retain highly profitable customers. By gathering and analyzing customer information, an e-strategy can help cut the cost of sales and cross-selling, thereby increasing revenues from lower-profit customers. It helps in identifying typical characteristics of high-value customers— demographics, neighbourhoods, product purchases, lifestyles—to guide marketing and customer service. Needs of customers can also be anticipated by initiating cross-selling by monitoring customer behaviour such as surfing patterns on the Web page, common purchase pairings, or service requests. Cost of sales can also be reduced by using customer profiles and histories at inbound call centres.

eCRM is thus, about retention, conversion, and loyalty. Possession of customers' personal information is a privilege, need is to utilise the gathered information selectively and wisely.

There are different types of ECRM as stated below:

1. Operational

The primary goal of customer relationship management systems is to integrate and automate sales, marketing, and customer support. Therefore, these systems typically have a dashboard that gives an overall view of the three functions on a single page for each customer that a company may have. The dashboard may provide client information, past sales, previous marketing efforts, and more, summarizing all of the relationships between the customer and the firm. Operational CRM is made up of 3 main components: sales force automation, marketing automation, and service automation.

- Sales force automation works with all stages in the sales cycle, from initially entering contact information to converting a prospective client into an actual client. For example, in August, 2000, Oracle released a CRM software package, OracleSales Online.com, which makes contacts, schedules and performance tracking available online so that a customer's information is easily accessible for all employees working at the office or remotely. Sales force automation implements sales promotion analysis, automates the tracking of a client's account history for repeated sales or future sales and coordinates sales, marketing, call centers, and retail outlets. It prevents duplicate efforts between a salesperson and a customer and also automatically tracks all contacts and follow-ups between

both parties.

- Marketing Automation focuses on easing the overall marketing process to make it more effective and efficient. For example, by scoring customer behaviour, Sales force's Marketing Cloud allows a business to adapt marketing campaigns to how engaged customers are with a business. CRM tools with marketing automation capabilities can automate repeated tasks, for example, sending out automated marketing emails at certain times to customers, or posting marketing information on social media. The goal with marketing automation is to turn a sales lead into a full customer. CRM systems today also work on customer engagement through social media.
- Service automation is the part of the CRM system that focuses on direct customer service technology. Through service automation, customers are supported through multiple channels such as phone, email, knowledge bases, ticketing portals, FAQs, and more. For example, Microsoft's Dynamics CRM Software tracks call times, call resolution and more in order to improve the efficiency of customer service within a business.

2. Analytical

The role of analytical CRM systems is to analyze customer data collected through multiple sources, and present it, so that business managers can make more informed decisions. Analytical CRM systems use techniques such as data mining, correlation, and pattern recognition to analyze the customer data. These analytics help improve customer service by finding small problems which can be solved, perhaps, by marketing to

different parts of a consumer audience differently. For example, through the analysis of a customer base's buying behavior, a company might see that this customer base has not been buying a lot of products recently. After scanning through this data, the company might think to market to this subset of consumers differently, in order to best communicate how this company's products might benefit this group specifically.

3. Collaborative

The third primary aim of CRM systems is to incorporate external stakeholders such as suppliers, vendors, and distributors, and share customer information across organizations. For example, feedback can be collected from technical support call, which could help provide direction for marketing products and services to that particular customer in the future.

Significance of Study

The results of the topic under consideration will be helpful to all the existing and prospective entrepreneurs in focussing their attention towards the customer, the most valuable asset in the growth and development of the business. And most importantly on the application of electronic commerce to sustain in the global economy, where the customers can easily be shifted from one brand to another.

Objectives of Study

1. To analyse the best CRM solutions available to the business organisations
2. To find out the probable causes of more and more businesses moving towards accepting E-CRM as an important business

strategy.

Methodology of Study

The important part of any research paper is its objectives and these objectives can be achieved by the methodology used by the researcher in the paper. The methodology of a project must be in corresponding with the objectives of the research paper. The data for the purpose of achieving the objectives may be collected from two ways, primary and secondary. For the purpose of this paper secondary data has been collected from reference books, journals and internet.

Best Free and Open Source CRM Software Solutions

1. **SuiteCRM:** SuiteCRM is considered as the best of all worlds. Suite offers a preconfigured version for those users who don't have the ability to install/configure in house. The upgrade fee for that is 10 pounds or roughly \$16.40 a month.

2. **CapsuleCRM:** Capsule is free for up to two users with 10 MB of storage, and 250 contacts. To upgrade, it's \$12/user/month. With the upgrade comes two gigabytes of storage, 50,000 contacts, and integration with such applications as Mailchimp and Freshbooks. Capsule's best feature, according to its many users is its ability to integrate with at least 33 other software programs, including Mailchimp, Freshbooks, and Gmail. Capsule is lacking as a system is its customer support as they offer no direct phone service.

3. **Insightly:** Insightly claims on its homepage to be the number one online small business CRM. They offer a great free program and a very friendly website. Insightly offers their system free for two users, 2,500 records

(which they define as any stored item from contact to note), 200 megabytes of storage and ten custom fields. New features on the freemium level include advanced reporting and 10 emails a day. The upgrade fee is \$12/user/month and includes 25,000 records, and 1 gigabyte of storage. The feature that really sets Insightly apart from other CRMs is its built-in email marketing system. The freemium level has very limited access to the email marketing system, which is not likely to be a problem because a business that small probably won't have the bandwidth for email marketing tasks. However, when business expands, Insightly will save money as there will be no need to spend extra on a second system for the emails. Insightly only offers support via the online community.

4. Really Simple Systems: Really Simple Systems claims to be the best CRM system for small businesses. Really Simple Systems offers a free two user system that includes 100 accounts, unlimited contacts within those accounts, tasks, and 100MB of storage, along with free full customer support. Really Simple Systems has very flexible pricing for upgradation. Customers love Really Simple Systems because it's actually really simple and they offer excellent customer support.

5. Bitrix24: Bitrix is very easy-to-use system. In addition, its document management feature is well integrated and extremely useful. What makes Bitrix really stand out above the crowd is just how feature-rich it is like,

- Project management features such as: tasking, gantt charts, and time tracking. In fact, Bitrix is actually one of our favorite free project management software solutions.
- Built-in email marketing
- Telephony features such as: call-recording,

and dial-out from within the CRM.

- Sales automation
- Sales funnel + reporting
- Invoicing
- Sales team management

6. Raynet: Raynet markets itself as an easy-to-use, does-it-all CRM. It's free version allows for two users, 150 accounts, 50MB of storage, and full customer support. Upgrade to 20,000 accounts and one TB of storage for just \$19/user/month. Raynet's system is very aesthetically pleasing and features an "account card".

7. vTiger: vTiger is an open source CRM, that is also based on Sugar. vTiger was actually originally a part of Sugar, but both have since gone their own ways. vTiger does offer several pre-configured versions starting as just \$12/user/month. In addition, vTiger also offers installation, support, hardware, and/or administration for a price. This paid version integrates with MailChimp, Intuit and Paypal, among others. One thing that vTiger does really well is offer a wide array of features for very cheap, even on the preconfigured level. These features include billing, inventory tracking, and project management capabilities, all of which are fairly unusual to find in any CRM system.

8. ZohoCRM: Zoho is one of the big dogs of business software, so it's pretty cool that they offer a free program. Zoho CRM gives a 360-degree view of the complete sales cycle and pipeline. Identify trends, spot opportunities, increase efficiency and reduce costs with the right answers, right now, Attract, Retain and Delight More Customers. This CRM version is free for 10 users and 5,000 records. It comes with a mobile app and social CRM among other things. Zoho is well known for being easy to

use with highly developed importing features.

9. **Zurmo:** Zurmo is open source, and is unique on this list because it is also gamified. Zurmo was written on the principal that offering users incentives along the way makes users better employees. So the system sets goals, or 'missions' (which are different for different types of users) and then gives badges along the way to goal completion. It also allows coworkers to challenge each other to missions with set rewards at the end (like a gift card).

10. **Hubspot CRM:** Hubspot's main product is their phenomenal marketing automation solution and this CRM is intended to be a gateway system to using Hubspot's marketing automation software. It's important to keep in mind that Hubspot's CRM is extremely lightweight. It is really only an option for small to midsize businesses that have never used a CRM before.

11. **InStream:** InStream is a fairly new CRM, but it's great for small businesses. It's free for 2 users, and includes unlimited lists, social integrations, and basic integrations. One feature that makes InStream great for small businesses is its suggestion feature. InStream is able to provide in-app suggestions on how to continue working on a prospect, which is a pretty cool feature for a sales team just learning the ropes. InStream is so new that it's still a very lightweight CRM, which makes it ideal for small businesses, but difficult to use for larger businesses.

12. **High Rise:** High Rise makes CRM simple for small businesses. High Rise is a lean, mean, contact-managing machine - that it gives a small business everything they need to sell, without cluttering up their dashboards with anything unnecessary. High Rise also integrates with many other software products that are popular amongst small businesses like MailChimp and Zendesk.

There are some other ECRM solutions also widely used in the market like,

1. **Pipedrive:** Pipedrive is a sales tool for entrepreneurs and small teams with big ambitions. It visualizes ones sales pipeline and helps to make sure important conversations and activities don't get dropped. Salespeople and managers like it because it is easy to use and intuitive, even while on-the-go. The CRM is great at forecasting agreements, and its integrations with other software such as Google Apps, MailChimp and Zapier, allow for a seamless deal process.

2. **Freshdesk:** Freshdesk integrates with the world's best CRM software - so one can streamline information between the sales and customer support departments. With CRM integrations, the user can sync information about any customer from the CRM software to the helpdesk and also have the ticket history show up in the sales tool, magically. This way, one can close better deals, and also get a clear picture of any customer as the user respond to their support conversations from inside your help desk.

3. **Nutshell:** Nutshell is a collaborative CRM made for the smarter small business. It provides the company with powerful reporting, collaboration tools, a refined user experience, email sync with Exchange/Google, and much more. The integrations with popular business tools like Google Apps, MailChimp, Wufoo, and Zendesk allows to spend less time sifting through disparate data and more time nurturing the prospects and customers.

4. **Paperworks:** ProsperWorks is a smart & simple CRM for Google Apps. Close more deals faster without spending time filling in records. ProsperWorks CRM helps to identify, track, and optimize sales contacts and opportunities. Easily manage the entire sales pipeline with the simple and highly visual tool. With a 5

minute setup, no training required, and automatic systems that eliminate most data entry, ProsperWorks CRM allows to focus on what to do best - closing more deals.

5. **amoCRM:** With just 10 minutes needed to setup, amoCRM is the most intuitive Web-based CRM solution on the market. Although it is easy to use, amoCRM is very functional and powerful tool for the sales team. Pipeline management, performance analysis and integration with other services. Out-of-box, amoCRM is ready to provide website and voice calling integration.

6. **Teamgate:** A cloud-based intelligent Sales CRM for small and mid-size teams. With its simple yet playful interface, Teamgate is a great sales stack for today's business... Data-driven intelligent reports provide Sales Managers with a real time image of their business. By breaking down every single angle of the sales process, any manager will be able to highlight the business areas that require most of attention.

7. **ManageEngine:** A CRM with specific focus on customer interaction (Service) management. It helps to track and resolve customer issues quickly, thereby delivering superior customer support and taking customer satisfaction to the next level. Unlike other CRM tools in the market focusing on sales-force automation, SupportCenter Plus offers an integrated customer interaction management (Customer SupportDesk), customer experience management, account & contact management, customer self-service.

ECRM is thus helpful in

- Increasing sales opportunities and maximize revenues by creating a dynamic online catalog;
- Increase sales through personalized interaction;

- Lower cost of sales through self-serve options;
- Gain new customers by offering the products over the Internet.

Creation of online catalog presents numerous benefits to the retailer like:

- Continuous updating with new products, models, pricing, descriptions, or offers;
- No printing or mailing costs;
- Short-term price promotions
- Discounts for special customers - offered when the system identifies the customer at log-in, when the customer self-identifies, or surpasses a threshold purchase level;
- Cross-selling promotions and up-selling opportunities;
- Search functions allow customers to find what they need: View products with certain characteristics (such as colour, style, model) or within a specified price range;
- Inventory link allows customers to check availability and delivery timeline.

ECRM is also helpful in increasing sales through personalized interaction as it provides the unique opportunity to automatically recognize customers and draw upon their purchase histories with the store. As a result, decision is taken to reward, cross-sell, or up sell individual customers based on their profile, past purchase history, or present product interest. Examples of online sales promotions are:

- frequent-shopper points;
- discounts;
- special promotions;
- coupons;
- free delivery past a particular sales threshold.

ECRM has offered one more important benefit

in the form of lowering cost of sales through self-serve options. One of the great allures of e-commerce is the prospect of reducing sales costs such as labour, paperwork, and merchandising costs. Online transaction costs are lower in most industries, including retail. However, online customer acquisition costs are still higher than in bricks-and-mortar formats.

Suggestions

All the business houses actively participating in B2C and B2B must hire good consultants in the field as it can be daunting to confront the number of vendors, claims, and variety of solutions in the marketplace. The consultant should begin with an analysis of what a customer spend and how one can expect to benefit at each stage of the implementation.

Customer information is plentiful there is a need to Zero in on what is actually needed. For instance, postal codes can be very helpful with marketing, but how would the customer's age will be of use? The user has to keep in mind that the best return is on existing high-value customers. Identify them and treat them well.

The business organisations must be selective about outsourcing. While it is a cost-saving option that's quick to implement there is a need to limit it to high-volume customer interactions that are not core to the business.

The business houses are required to analyze their customers and find out how they like to deal with. Most companies start with telephone and e-mail, but find text chat less useful. Find out what's right in the current scenario.

Repeatedly measure the performance against the standards. The user may wish to have every call answered within three rings, every email acknowledged within four hours, and

every Web page loading within 10 seconds. Check that such wishes are saving more than the expenditure incurred on eCRM.

Conclusion

There is no doubt the E Customer Relationship Management is need of the hour for all the business houses whether big or small in order to compete in the economy. But on the other hand extra care has to be taken for handling the information gathered from the valuable customers in order to keep a check on its misuse. Now days even the small retailers have started making up their mind to adopt B2B and B2C business models to retain their customers. The customers desire ease, convenient, safe and hassle free shopping in the day to day busy life and business wants to retain customers and the E-CRM is the best solution to have winning situation for both the players i.e. businesses and customers, the king.

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