

# Dynamics of E-CRM As Effective Tool for Lasting Customer Affinity

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**ABSTRACT** - Customers are most important factor for any business. Satisfied customers are real asset and can contribute to progress of any organization. Bigger the customer base, higher would be the market share and it would lead to higher sales revenue. Delighted customer can assist in business production and ratchet up product sale through word of mouth and recommendation. The feedback of disgruntled customer helps in identifying deficiency in product offering. Both existing customer and new customers are vital for sales-oriented revenue growth or business promotion. Customer relationship Management (CRM) is crucial for retention of old customer and developing rapport with new ones. Although it is perceived that CRM emerged in later part of 20<sup>th</sup> century but it can be traced back to prehistoric time. Progress of computerization since 1960s provided an edge to data collection, storage and analysis. CRM came into existence in 1980s with pioneering process of database management and its application in marketing. Computerized mechanism assisted in database management, estimation of customer lifetime value, decode of consumer preference, channel management to enterprise resource planning. Automated Contact Tracking of 1980s appeared as initial version of CRM. By 1990s market became competitive and CRM system was virtually applied for all types of products in the market. Since 1999 e-CRM became popular with data driven approach and use of sophisticated devices. CRM in 21<sup>st</sup> century got new dimension with introduction of cloud computing, data mining, chatbot, big data, data analytics, artificial intelligence etc.

**KEY WORDS:** *Business policy, Customer retention, Customer loyalty, Customer relationship management, Marketing strategy, Tech-based approach.*

## I. INTRODUCTION

The retention of client loyalty has been a sales principle for a long time. Customer Relationship Management (CRM) is a term that refers to the management of relationships with customer who is external stakeholder of business. It facilitates bonding with existing customer and developing rapport with prospective one. To understand CRM better, there is need to gain insight about the changing nature of the customer. Customers in today's world of hyperconnectivity are more educated, inquisitive, updated, specialized, and live longer from current marketing standpoint and are more impacted by global culture than those of the 1960s and 1970s. Economic advancement and technological explosion caused the rise of e-business, change in organizational dynamism, and drastic change in social culture. Organizations have therefore acknowledged the necessity to improve client orientation. According to Don E. Schultz, author of 'Integrated Marketing Communications', customer planning, creation and management are prime focus of corporate strategy and the key to maintaining long term relationship with customers.

The CRM stands for customer relationship management is a building block that cares about value enhancement for customer and induces an appropriate inspiration to devoted customers to remain loyal in their buy-back activity. CRM is a mental attitude, a phrase, and a series of commercial operations to attract, retain and serve clients and customers. Subsequently, CRM developers have incorporated additional capabilities like analytics and management modules, prevail in high-end tech-based system we find in modern business world. It contains a database of customers and leads as well shows detail information of customer profile and buying behavior that one can access from a variety of devices.

ECRM has evolved with the progress of time. In the initial stage customer information used to be stored in computer system since mid-80s. CRM software arrived in market and became a trend in marketing process in late 90s. Although it is about four decades old, but CRM can be traced back in thousand years of historical past when traders were concerned about customer relationship as a human factor was crucial in trading exercise. Computing process gained momentum in 1980s when microcomputers, popular by the

name personal computer, started to adorn desks of corporate offices. Client server architecture which was instrumental to generate networked computer systems, came into being by mid of 1980s. This computer-based revolution ushered in computerized databases. The Contact Management system which was predecessor of advanced CRM was designed and popularized in 1980s. It was helpful in door-to-door sales and marketing activities and remained effective in tracking customer information. The terminology Customer Relationship Management was coined in the mid of 1990s. The controversy over originator and promoter continued even in recent time. As per some evidences, it was crafted by Gartner, but some believes that it was done by Thomas Siebel, initiator of Siebel Systems, who pioneered momentous CRM solution in 1990s.

Sales Force Automation made its presence felt in the mid-1990s which worked well to rationalize and streamline certain activities of salesforce at the nascent stage in B2B. Afterward, there was practice of Contact Center management system that cared about the after sales formalities. Over the period of time several organizations realized that CRM was not only effective in reduction of costs but remained catalyst in enhancement of business revenue through nurturing stronger customer relationship and comprehending customer need impeccably. CRM became completely online in 1999 and marked quantum progress for salesforce. CRM crossed another significant milestone when it was empowered with cloud computing facility in early 2000s. The management of web contact points transformed CRM to receive its electronic version and catapulted it to be eCRM. A new category of tools exploded in popularity in the mid-2000s. Marketing Automation is a term used to describe the process of automating a portion of a marketing task. The HubSpot platform, which automates interaction scenarios and puts up inbound marketing tactics, was released in 2005. Another significant change was the emergence of social media and the rise of Social CRM at the end of the 2000s. From 2008 to 2009, prominent media companies used Twitter to communicate with their clients effectively. A paradigm shift in CRM was noticed during 2010s. The introduction of the Software as a service (SaaS) model, which was supported by a new subscription-based business model, heralded the magnum opus of cloud based application. Simultaneously, CRM becomes more affordable for small and medium-sized firms, and CRM approaches bring a new dimension to B2C. In recent years, the CRM system has advanced and continued to grow consistently. COVID-19 has shifted all eCRM into virtual sessions, utilizing cutting-edge communications technology to facilitate meetings between collaborators such as buyers and suppliers.

## OBJECTIVES OF THE STUDY

The chief objectives of the research paper are delineated underneath

- i. To highlight the advancement in CRM and its beneficial impact on business operation.
- ii. To illustrate about different aspects of CRM and its numerous applications.

## II. LITERATURE REVIEW

Peter Drucker referred that main objective of a business is to generate customers. CRM is most powerful strategic tool capable of providing loyal customer. Over the period of time, marketing has become consumer centric rather than remaining as product centric. As consumers are becoming well informed and aspirational, marketing is transforming to fit into dynamics of market environment. Companies are shifting their attention from consumers to issues related to humankind. In the latest development of Marketing 3.0 the focus on human-centricity has accentuated to strike a balance between profitability and corporate responsibility (Phillip Kotler, 2016). Philip Kotler had rightly mentioned that marketing is not about disposing of merchandises somehow but to be deeply concerned about creating values to earn loyalty of customers. This loyalty is hard earned by organization when it is engaged in intuitive product development, commendable customer service, data mining to receive information about customer needs and preferences. CRM can be undoubtedly key success factor if it is perceived and applied efficiently (Anderson, Kerr, 2002). Management Information System (MIS) brought significant changes to business process. Electronic Customer relationship Management (ECRM) has maintained aspects of traditional CRM while applied in the context of electronic business. ECRM has the capability to provide competitive edge solutions to the organization in competitive market scenario (Rad, Ghorabi, Rafiee, 2015). Customer Relationship Management by Ed Peelen (2008) focused on the whole spectrum, including strategy, organization, marketing, and information technology. This book combines theory and experience to provide a comprehensive explanation of CRM, assisting the reader in answering problems such as "What should their business strategy be?" and "How can they integrate CRM marketing strategy into business strategy?" 'CRM at the Speed of Light' by CRM pioneer Paul Greenberg (2009) shed lights on the most recent technology breakthroughs in CRM's operational side, including vertical applications as well as the fundamentals of the multidimensional CRM framework. In his description, there has been a societal revolution in the way we communicate. Customers, not just the organization, benefit from real-time intelligence provided by smartphones, social web tools, and the quick availability of aggregated and organized information. In today's hyper-connected world, social CRM is vital to corporate success. Customers' expectations are so high, and their demands are so strong, that a social CRM approach should be based on cooperation and customer engagement rather than traditional operational customer management. What makes social CRM successful is the company's response to the

customer's control of the dialogue. Customer Relationship Management by Buttle and Maklan (2015) made great progress to bring its coverage up and running quickly with the most contemporary CRM methodology. The book contains the concept of customer relationship management (CRM), outlines its benefits, how and why it could be used, the technologies that are often used, and how to use it, offering readers a comprehensive narrative of CRM which can be applicable to business. The book draws on academic and independent research from a wide range of fields, including information systems, human resources, project management, finance, strategy, and more, to create a theoretically robust and managerially pertinent work possibility. Buttle and Maklan elucidated everything simply and without much use of jargon. The Art of CRM by Max Fatouretchi (2019) has delineated about full-proof strategies workable for socially advanced customer relationship management. Fatouretchi had hands on experience for about two decades during his tenure at software development companies and his description gave description about his involvement with more than one hundred multinational companies for CRM implementation. CRM systems have shown to be quite beneficial to businesses. This book elucidates how to use tried-tested-and-true approaches to boost the effectiveness of CRM even further. The Art of CRM refers about how to develop successful CRM systems for organization clients through clear methods, actionable recommendations, and instructive case studies. The Art of CRM give accounts of how one can include Artificial Intelligence (AI) and machine learning, maintain General Data Protection Regulation (GDPR) compliance, and pick between on-premise, cloud, and hybrid hosting solutions to make CRM up to date. CRM has been adopted and applied by several industries to build lasting relationship with customers. Its tools and techniques are useful for traditional brick-and-mortar organization and also for new age tech driven startups and unicorns who all are sincere to make a strong foothold in competitive market environment.

### III. METHODOLOGY

The descriptive analytical method was undertaken to conduct the research operation on above mentioned topic. It was post facto method with secondary data analysis. Various articles, book chapters, research papers were rummaged through to get valuable information relevant to the topic. Secondary information had been validated before incorporating into research process. There was search for genesis and evolution of customer relationship management. There was attempt to trace historic past of this fruitful method. Different aspects of CRM and its usefulness was tracked down and deciphered suitably. Epistemological exercise was made to understand subtle nuances of this path-breaking approach. It was exploratory process to have valuable fact-finding pertinent to the topic. Research revealed the gradual expansion of CRM periphery

and its inevitability for growing businesses in competitive environment. CRM turned out to be dynamic, flexible and adaptable to changing scenario. It had been checked whether vitality of productive approach CRM remained instrumental in expansion of customer base, increase in sales revenue and development of sustainable business growth. The dilution of CRM in the age of automation had not been overlooked. Decluttering and decoding of information tried to figure out the modified status of CRM at the advent of advanced technology of modern age such as Artificial Intelligence, Internet of Thing, data analytics and big data analysis. The process, transformation, usefulness and applicability of this value driven exercise had been thoroughly examined. Normative study was undertaken to elucidate vitality of value centric approach. Further research can be conducted on this intellectually stimulating topic to get the vibe of its future development.

### DIFFERENT ASPECTS OF e-CRM AS EFFECTIVE MARKETING TOOL

Thinking about the significance of customer-supplier relationships is the first step in managing customer relations. It refers to themes like interactions, emotions, trust, mutual commitment, and relationship development which should be given special focus. Perspectives on these bilateral connections must be viewed in the context of the larger social networks in which people engage. They have the potential to boost or stifle the development of bilateral relations. As a result of the rise of social media, people have reached a point where they may join in networks with other customers on a variety of platforms. CRM not only helps businesses save money, but it can also help them make more money by allowing them to have a greater client relationship and a better awareness of their needs. eCRM has several important aspects to stimulate business promotion impeccably. It allows access to all client information, including request status, search history, feedback uploaded and other similar data. It aids account management by allowing access to customer data and history, allowing the sales staff to work more efficiently. It plays an important function in administration since it creates a centralized database for managing and sharing customer data. It alerts the management department of enquiries, priority cases, and outstanding concerns in relation with case management. It integrates with other systems such as billing, inventory, and logistics through websites and call centers in the context of back-end integration. In the section of reporting and analysis, it assists to build reports on customer behavior and business criteria. Social networking activities are at the heart of the bilateral relationships between customers and businesses. There must be effort to earn the commitment in the connection through interactions with the people in these networks. This necessitates openness, trustworthiness, and generosity. There are new ways to engage customers, such as doing things together, responding quickly, and



comprehending customer concern well. Organizations must seek out innovative ways to attract customers. They may have to abandon persuasion tactics, relinquish control, rely on their instincts, respect values and communicate innovative ideas in social conversations. There could be feasibility test and cost-and-benefit analysis to see the channel ideal for promoting its brands to common mass or exclusive group. There is no one cap fits all in CRM activity for various types of businesses. There should be meticulous analysis and comparison to select the appropriate tool for customer relationship management. CRM should not be once-in-blue-moon affair for organization big or small, it would rather be continuous and consistent process to keep customers in the loop and make them aware about latest innovation and product offering by the organization. After sales service had always been important part of CRM as it shows the care and attention given by organization towards issues and problems encountered by customers. The lackadaisical approach in after sales service can cause collateral damage as irate customer can go up to any length to vilify organization and disparage its product and services. It would be more devastating when apathetic or indifferent attitude of organization is brought onto public domain through social media and networking sites. Therefore special taskforce is necessary for organization to deal with after sales issues. Redressal of grievances should be of high priority as it will assist to earn trust and confidence of customer.

### LOGICAL APPROACH OF e-CRM ITS IMPACT

Through relationship management strategies, businesses throughout the world are boosting shareholder value by transitioning from a 'share of the market' attitude to the 'share of customer' pattern. Relationship management assists businesses in concentrating on their customers' lifetime value in order to improve their connections with valuable customers. Firms will require to extend this approach of fostering long-term relationships with all of its other stakeholders, notably suppliers, intermediaries, partners, and employees, to be successful in the new millennium. The need of knowing and collaborating with customers is significant to CRM concepts and processes. Database administration, data mining, and analysis are all aspects of analytical CRM. The strategies for designing loyalty programmes and the role of marketing channels are the focus of CRM Operations. There is necessity to create and follow digital channel as majority of customers are spending whale of time in digital world. Digital pursuit of business will allure new prospects who explore the website out of whims or curiosity. There will be endeavor to convert the prospect into customer and ensure revenue earning through the conversion. eCRM cares about multichannel communication and multichannel marketing. In today's digitally connected world customers can be reached proactively in economic, expeditious and easy way such as through video streaming, search engine

advertisement, email, text message, social media and networking site, chatbot etc. The concerted effort to inform customer through print media publication, FM channel advertisement, TV commercial, digital promotion would be unputdownable for customers as brand recalling factor will be higher with this exhaustive task. B2B organizations benefit from having a sales CRM in place for everything from keeping an account's contact information to staying on top of business deals, payments, and reports. It enables them to develop a single platform for their partners, vendors, and other business stakeholders to communicate with one another. Customer life cycles are shorter for B2C businesses; thus they need a solution that is more direct and less time-consuming. B2Cs may reach out to their consumers more simply with a multi-channel CRM platform that includes capabilities like lead management, sending out rapid surveys, marketing automation, and more. SMBs aren't just small or medium businesses; they're also smart and modern enterprises. The popular belief that cloud CRM is too expensive and sophisticated for small businesses is untrue. They can always start with a free CRM solution to get their CRM feet wet. Small business CRM systems give SMBs with a level playing field and the capacity to compete against larger competitors in their market by acting as a technology-leveller. Enterprise CRM systems with advanced CRM features such as workflow management, advanced analytics, territory management, sales and marketing automation can help salespeople spend less time on mundane tasks, focus more on their customers, and unify their operations across multiple geographic locations. So, CRM in tech-driven world is action packed, application centric and result oriented. It helps to build long term relationship with customer based on trust, confidence and commitment. It works in favour of preserving corporate image and keeping business goodwill intact. It helps immensely in contingency measure, crisis management and keeping company buoyant during downturn and depression. Like other technological applications, CRM is gradually becoming automated and it would be able to provide faster service or resolve customer issue without any delay to keep company ahead in competitive environment. The reinforcement of CRM would assist in gaining customer loyalty, expansion of market share, securing bigger turnover and revenue, and ensure corporate sustainability.

### SUGGESTIONS FOR FURTHER IMPROVEMENT OF eCRM

CRM is indispensable bridge between organization and customer. Organization should be proactive and prioritize about reinforcement of relationship with customers. It is need of the hour when market is competitive and customers are privileged with multiple choices. It is very important for an organization to know the target audience for its target audience. In data driven approach it would come clear

tracking shopping history and studying of shopping pattern. Use of artificial intelligence in web-based e-commerce activity has started for many top notch companies. Application of web analytics such as Google analytics is efficient in tracking, reporting website traffic and noting conversion rate on real time basis. Once idea is generated about target audience, information accumulated through CRM can assist in marketing strategies and sales pitches. The ideal CRM programs offer individuals with the capacity to synchronize between Microsoft Outlook email and Google calendar. eCRM assists organization to reach out to customers through various digital options such as email, website advertisement, text message, video streaming, search engine link etc. All these avenues should be given due importance to update customers about latest offerings on consistent basis. As economy is getting digitized people are spending more time on cyber world. Any slackness in digital promotion or marketing can cost heavily to organization. Salesmen should be adroit to receive signal from CRM report and chalk out action plan to build up rapport with customer. Major focus should be given on training of sales people and help desk executives to gain profound understanding about technology and CRM program. CRM should not be treated as isolated sales automation system and or a program restricted to sales rather it would be linked to all functional level of business. Salesforce CRM should observe customers at a both personal and business level and guarantee engagement needs and priorities of customers in personalized way.

#### IV. CONCLUSION

Since liberalization came as policy measure for numerous economies of the world, consumers got benefitted in several ways. As economy transformed to be market driven, competition went high at advanced and developing economies. In open market scenario, all producers and sellers felt the pressure to keep customer happy and satisfied. Customer has been looked upon as king as capitalist and mixed economies allowed wave of consumerism to sustain. There had been flow of foreign capital and influx of multinational enterprises as tariff and quota restrictions were lowered and govt. of developed and developing economies allowed market to be accessible for foreign players. Globalization gained momentum across the world in 1990s under the guidance of World Trade Organization, UNCTAD and other global institutions to make multilateral cooperation work for all economies. Market of several economies became crowded with multiple players and all tried their best to win support of consumer and gain their undivided attention and loyalty. Affirmation of customer satisfaction became a priority for organization to survive and thrive in the long run. There was more focus on after sales service and redressal of customer grievances in time bound manner. There had been special care for quality improvement for goods and services

to be in good book of end users. Competition never tolerate complacency because later sometimes lead to slackness in business performance and decadence in product offering. Consumers in 21<sup>st</sup> century are knowledgeable, inquisitive and remain updated about economic situation, market condition and availability of diverse range commodities under miscellaneous categories. In information age, people from developing and developed nations live in knowledge economy and remain informed about latest developments in digitally connected world. Corporate put emphasis on tracking customer data with computerization of businesses in 1990s which got heightened in digitally empowered time in 21<sup>st</sup> century. Big data, data analysis and artificial intelligence are involved in customer data tracking, analysis and interpretation to provide important information about consumer behavior and their likeness or aversion about products and services. Electronic customer relationship management is a significant tool to record customer profile, gauge customer's willingness and how far customer appreciate or denigrate products and services on offer. Brick and mortar based physical market has lost charm and virtual market expanded by leaps and bounds with progress of digital economy. Customers are spending more time in digital market space as it is enigmatic, efficient, economic and more animated. Companies are gaining information about consumer preference and aspiration studying digital habits and digital footprints. eCRM helps organization to stay active on customer reaction, gain insights about their expectations and get signals about modification needed in existing product portfolio. eCRM is realistic, rational, reciprocal and assist in allocation of vital organizational resources. It helps in marketing strategy development and give utmost importance to customer responsiveness. It keeps track of customer preference, prerogatives, and purchases and send signals about trend gaining traction in the market. Latest technological marvels such as artificial intelligence, internet of thing, machine learning, automation have influences on CRM to make it more customer driven. It is very agile, alert and active with digital facility and never allows deviation from business value and ethical practice. It gives competitive mileage to business organization and help in securing business sustainability.

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