

Emerging Impact of E-Commerce on CRM

MD. RASHID FAROOQI

Department of Commerce & Business Studies,
Jamia Millia Islamia (Central University), New Delhi-
110025.

DR. DEVENDRA KUMAR DHUSIA

Department of Commerce & Business Studies,
Jamia Millia Islamia (Central University), New Delhi-
110025.

Abstract- The Web, the Internet and emerging computing and communication technologies have redefined business- erasing traditional boundaries of time and geography and creating new virtual communities of customer and suppliers with new demands for products and services.

This paper is an attempt to show the emerging impact of E-Commerce on CRM.

Keywords: CRM, E-Commerce, E-CRM, Customer Loyalty

1. INTRODUCTION

The Internet revolution was really about people customer and fundamental shift of market power from the seller to buyer. In the new economy customers expectations are very different than before. A company understanding of this difference and its ability to capitalize on it will be the key to success. The web, the internet and emerging computing and communication technologies have redefined business erasing traditional boundaries of time and geography and creating new virtual communities of customers and suppliers with new demand to product and services.

E-commerce only forms a fragment of e-business. Earlier companies had web sites displaying the company products etc. then they started to use the e-commerce as one of the distribution channel in addition to the existing system for sales that is e-commerce.[9]

The term Electronic commerce or e-commerce consists of all business activities carried on with the use of electronic media, that is, computer network. It involves conducting business with the help of the electronic media, making use of the information technology such as Electronic Data Interchange (EDI). In simple words, Electronic commerce involves buying and selling of goods and services over the World Wide Web. Customers can purchase anything right from a car or a cake sitting comfortably in his room and gift it to someone sitting miles apart just by click of a mouse. Shipping method is generally used for the delivery of the goods ordered. Every Bank which is highly leading now performs their transaction through computer and computer is not only the concept can make off the transaction automatic. All the commercial application now transfers to the concept of e-commerce and is one of the very important aspects for carrying bank transactions falsity. In the commercial world surrounded by highly competitive and

volatile market conditions, any new concept or technology would be acceptable only if it provides strong benefits to all concerned. Ecommerce offers some distinct advantages.

1. Portability: - Improves bottom line of and organization.
2. Expanded Market Share: some component can be handled by multiple customers at the same time.
3. Supply Chain Integration Cycle: All operations become flexible and customer friendly. Based on the nature of transactions conducted through e-commerce, most internet based commerce activities can be broadly classified in categories B2B, B2C, C2B, C2C, and G2B

Types of business on Internet:

1. B to B: This is business to business transaction that takes place online.
2. B to C: This is business to consumer transaction that enables companies to get in touch with services and make sales to their customers via World Wide Web.
3. C to B: That is consumer to business where in the consumers specify their requirement and the business tries to meet them thus the consumer gets the best bargain and business face fair competition.
4. C to C: That is customer to customer transaction where in customer trade within themselves through auction.

E-Commerce in India:-The low cost of the PC and the growing use of the Internet has shown the tremendous growth of Ecommerce in India, in the recent years. According to the Indian Ecommerce Report released by Internet and Mobile Association of India (IAMAI) and IMRB International. “The total online transactions in India was Rs. 7080 crores (approx \$1.75 billion) in the year 2006-2007 and expected to grow by 30% to touch 9210 crores (approx \$2.15 billion) by the year 2007-2008. According to a McKinsey-Nasscom report the e-commerce transactions in India are expected to reach \$100 billion by the 2008. Although, as compared to the western countries, India is still in its initial stage of development.

Scope of Ecommerce:-Home Internet usage in India grew 19% from April 2006 to April 2007. In April 2007 it became

30.32 million and the marketers accept that there will be 81 million total Internet users in India by 2012. India is showing tremendous growth in the Ecommerce. Rival tradeindia.com has 700,000 registered buyers and it has the growth rate of 40% every year which is likely to double in the year 2012. Indiamart.com claims revenues of Rs. 38 crores and has a growing rate of 50 every year. It receives around 500,000 enquiries per month. Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in India. The real estate costs are touching the sky. The travel portals' share in the online business contributed to 50% of Rs 4800 crore online market in 2009-10 The travel portal MakeMyTrip.com has attained Rs 1000 crores of turnovers which is around around 20% of total e-commerce market in India. Further an annual growth of 65% has been anticipated annually in the travel portals alone.

How to attract Indian “Online Customers”?

- Goods should have value for the customer along with quality.
- Security is promised.
- Selling Brand articles.
- Establishing trust and winning confidence.
- Providing easy guidance.
- Clear information regarding delivery time.
- Articles ordered and the article delivered should not vary.
- Giving discount offer and other gift items.
- Limited personal information.
- Providing value added service at lower prices.
- Full information regarding the product is simple words.
- Innovative products.
- Social shopping phenomenon.
- Providing price comparison.
- Transparent information regarding the product.
- Indian customers want to buy things that do not cost them much.

E-Commerce and CRM:-CRM stands for Customer Relationship Management. It is a process or methodology used to learn more about customers' needs and behaviors in order to develop stronger relationships with them. There are many technological components to CRM, but thinking about CRM in primarily technological terms is a mistake. The more useful way to think about CRM is as a process that will help bring together lots of pieces of information are a multifaceted strategy that helps companies understand, anticipate and manage customer needs? A major thrust of CRM involves segmenting customer and offering appropriate, differentiated services for each of these levels. All customers deserve at least a core level of services, but the more strategically important customers deserve an enhanced level of services[12]

CRM is more than just a set of technologies: Furthermore, it is intended to be a repeatable process to ensure ongoing, continually improving, and consistent results. Simply stated, CRM comprises the acquisition and deployment of knowledge about customers to enable a company to sell more of their product or services more efficiently. It is a disciplined system that properly allocated investment to maximize the value of customer. CRM ensures that channel with the right offer. The actual or potential values of individual customer relationship systematically guide the firm's marketing investment allocation decisions. CRM priorities and optimizes marketing actually. Individual customer relationship are prioritized and optimized, channels utilization is optimized, and each campaign and marketing contact is optimized. A harmonious balanced between customer needs values and costs are achieved.[11]

CRM helps businesses use technology and human resources to gain insight into the behavior of customers and the value of those customers. E-CRM is combination of software, hardware, application and management commitment. E-CRM can be different types like Operational, Analytical. Operational E-CRM is given importance to customer touch up points, which can have contacts with customers through telephones of letters or e-mails. Thus customer touch up points is something web based e-mails, telephone, direct sales, fax etc. Analytical CRM is a collection of data and is viewed as a continuous process. It requires technology to process customer's data. The main intention here would be to identify and understand customers demographics pattern of purchasing etc in order to create new business opportunities giving importance to customers. An important and valid advantage of web-based e- CRM is amount of information available to customers browsing. At the some time this can be viewed as a weakness of web based E-CRM. The future of web based E-CRM is completely in the hands of one to one websites.

E-CRM technology:-New technologies will soon change the way customers interact with business enterprises and other customers in EC relationships. Several studies have looked into how interfaces affect online consumer behavior and the results have been mixed. As new technologies emerge for mainstream use in EC it will be important to assess their efficacy in relation to E-CRM. They also recommend several key research questions:

- (1) What will be the effects of technology on service quality (reliability, responsiveness, assurance, empathy, tangibles)?
- (2) How will demographics interact with technology?
- (3) Is customer loyalty altered when interacting with technology compared to employees?

II. BENEFITS OF E-CRM

Computers, information technology, and networking are fast replacing labor-intensive business activities across industries and in government. Since the early 1990s, the computer, the internet, and information technology have

been merged to become a viable substitute for labor-and paper-intensive banking processes between and across commercial bank.

This has been seen in the widespread use of the ATM, credit cards, debit cards, smart cards, and landing through E-CRM via the Internet. This type of computer based bank-to-bank, bank to consumer and consumer-to consumer transactional and informational exchange has been referred to as Electronic Commerce (EC). The term EC which taken place out of E-CRM and benefits of E-CRM to bank and its customers [10]

(A) E-CRM Customers Benefits

Interaction with Customers and Satisfaction

According to Harris, E. K.[1]E-CRM customers will have any service available anytime through out the year and can assist the customer in any way he required and pass on any information about your company's product or service, right then and there with the prior permission when the customer is browsing through pages at your site.E-CRM maintains long term relationship with the customers with providing trust, ethics and friendship.

Speed of processing the transaction through e-response

According to Jason C.H. Chen, S. C., Binshan Lin, Pachi Chen[2] e- responses were widely used by businesses to acknowledge receipt of orders, payment and delivery of information. Many companies have changed the target time to 24 from 48 hours by the usage of E-CRM.as customers are able to reach the companies website at any time. It has also been highlighted that the character of e-responses also helps build up the relationship between the provider and the customer

Better service quality

Taylor, L. K [3].states that the main proportions of service quality are reliability, performance responsiveness, quality, empathy and assurance In addition, delivering high quality services is a way companies manage to improve their customer relationships. Delivering high quality services is a qualification for achieving customer satisfaction and only through customer satisfaction can the company gain loyal customers. Secondly, several of the quality dimensions of perceived E-CRM are new and most of them are related to technology: ease of navigation, flexibility, efficiency, site aesthetics and price knowledge

Convenience and trust

Conveniences and trust both plays a vital role when selecting a company or organization and if the users are not happy with the convenience, it does not take much time to change the organization. According to Sharp, D. E[4]. with the rapid increasing knowledge and superiority of the customers banks are now trying to woo customers by

providing facilities like more open hours, interest on savings, over draft, convenience, friendliness and faster responsiveness

(B) E-CRM Banking Benefits

Personalized services

As every contact with the customer is an opportunity to build a strong relationship with the user's .According to Adebajo, D[5]. Personalization can be defined as serving the unique needs of individual customers. By providing good customer conversations the organization can improve the customer relationships. The main thing here is to identify the customer needs and providing the best possible solution makes an quality service to the customers because customers of the banks are becoming choosier and the success depends mainly on personalized services

Better relationship with customers

To construct a long term dealings organizations need to be in stable touch with the regulars. According to Shanmugam, B [6] once when the organization acquires the customers and is able to have them lastingly forever, then only it implies that the customer become more loyal and making a better use of services of the organization.

Transaction security

According to Albrecht Enders, J. T[7]. safety was the major barrier to internet banking. So it is important that companies' websites must provide sufficient privacy statements and an explanation of security measures and also to educate the customers about the unauthorized users like hackers. However it is good that banks are trying to ensure secure payments on the internet by using latest technologies like encryption and firewalls.

Email for business communications

According to Venugopal, A. K. P. a. P[8].as email is the inexpensive and fast source used to circulate information like sending order conformations, update on transactions, promoting new services and responding to enquiries from customers. Due to the large number of emails from customers, organizations has implemented automated emails systems .emails can also include the reviews and feedbacks and any edited contacts .by providing all these E-CRM bringing a connection between the bank and customer through email business communication.

III. NEED AND IMPORTANCE OF E-CRM

A bank needs an open e-commerce platform that can:

- Integrate new e-commerce applications with existing applications to optimize IT investments and save on reprogramming and management costs
- Provide the power and scalability to handle multiple workloads, shift resources to match changing workloads, handle unpredictable peaks, and grow with your business

- Provide rock-solid security and advanced services availability for transactions all the time, around the world – absolute essentials for competitive banking
- Exploit the value of your customer and market data by deploying business intelligence (BI) and customer relationship management (CRM) software to help you better anticipate, understand and respond to customer wants and needs
- Unify your enterprise management chain with an open server platform that integrates purchase and sales processes with information on customers and product offerings for more timely, targeted and personalized customer service
- Integrate future technologies and new ways of doing business with customers. For making any transaction of bank which is very complex can translated or available in a user friendly environment through the concept of Internet Banking as.
- Access the Bank's website
- Explore the option which provide Internet Banking
- Provision of user id and password
- Perform the requisite transaction.
- Logout or exit. In future, Internet portal will play a key role in banks customer relations strategies In the presence of big resisters for maintaining manual Banking system it creates to many difficulties as will as nobody or the employee of bank con not show the record at right time. Concept of Data ware house is implanted for solving the above problem. Data ware house means a central repository of all critical data which helps to the management to take decision based on authentic information. Data ware housing is a basic foundation for DSS. It collects raw data from various applications in an organization system; integrate the data into logical and uniform model of business subject area. We can apply OLAP as well as DATA MINING for these large databases.

IV. OBJECTIVES

1. General customer who does not understand the concept of e-banking can handle banks transaction.
2. Due to security provision no chances of fraud as well as mall functions in banks.
3. Any bank customer can observer his account transaction at home through Internet Service.
4. To observer status of Account e.g. balance in the account.
5. Fund transfer.
6. Online payment for commerce actually done through Internet.
7. Request for issue of cheque book, Draft etc.
8. Access to information regarding steps, formalities involved in opening of accounts
9. Access to prevailing rates of interest, detects of schemes and products offered by such bank.

V. HYPOTHESIS

1. Identifying new and existing client's increases the level of customer service.

2. Differentiating between the services offered to new and existing clients increases the level of customer service.
3. The level of customer service is increased if there is an active interaction with potential and existing clients.
4. The level of customer service is increased if customized service is offered according to each individual client's needs.
5. Organizations with superior CRM capability display a greater propensity to capture higher levels of performance relative to competitors.
6. Organizations are best positioned to capture the benefits of CRM when senior managers believe strongly in the benefits of CRM.

VI. RESEARCH METHODOLOGY

Selection of the methodology is based on the research problem and resented research questions. Research Methodology for this research is described by following steps.

1. Developing Customer-centric processes
2. Selecting and implementing technology solutions.
3. Empowering employees.
4. Building Customer information
5. Knowledge generation capabilities to differentiate between customers.
6. Developing the ability to learn by best practice

VII. SUPPORT OF IT ACT

With the advancement of Information

Technology & to derive the inherent advantages of its implementation,

There was a long felt need to give legal recognition to the electronic records as an alternative to paper based records. The IT bill 1999 introduced in budget session of 2000 received from both houses of parliament & since become law of the land after receiving assent from honorable president of India. Consequent upon passing of IT Act, the Indian Penal Code, Indian Evidence Act, 1872; the banker's book of Evidence Act 1891; & RBI Act, 1934 have been suitably amended in order to achieve the objectives of IT Act 2000. India is now only the country in the whole of South Asia to frame legislation for e-commerce & Internet.

VIII. CONCLUSION

Three decades ago, a new electronic world of communication called the internet appeared on the horizon. Today this new electronic world is no longer a thin line in the distance, it is here surrounding us and challenging the very notion of distant horizon in time and space. With the same rapid pace, the growth of e-commerce is bringing the world into faster, closer reach for many businesses, changing their strategic vision and operations.

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PROFILE OF THE AUTHER

1. MD. Rashid Farooqi
Research Scholar
Department of Commerce and Business Studies
Jamia Millia Islamia, New Delhi-25
2. Dr. Devendra Kumar Dhusia
Assistant Professor
Department of Commerce and Business Studies
Jamia Millia Islamia, New Delhi-25