Enhancement of Customer Relationship Management Using MCRM and SCRM

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Abstract: *In recent years Customer Relationship Management(CRM) has made significant strides world over as an effective aid to serve customers. CRM is no longer considered a business trend, but an industry standard that is required to secure and maintain competitive advantage. CRM, when correctly and effectively utilized, results in increased profitability and greater customer loyalty, two key needs for any organization. In view of considerable research and developments in web enabled CRM area during last two decades it becomes necessary to take stock of emerging technologies and identify emerging opportunities and bottlenecks in implementation.*

Keywords: CRM, ECRM, MCRM, SCRM

1. Introduction

Customer Relationship Management (CRM) is a way to identify, acquire, and retain customers - a business greatest asset. By providing the means to manage and coordinate customer interactions, CRM helps companies maximize the value of every customer interaction and in turn improve corporate performance. TruECRM brings together information from all data sources within an organization (and where appropriate, from outside the organization) to give one, holistic view of each customer in real time.

It is an IT enhanced value process, which identifies, develops, integrates and focuses the various competencies of the firm to the 'voice' of the customer in order to deliver long-term superior customer value, at a profit to well identified existing and potential customer. It consists of one central system where all the information is collected and stored in one location
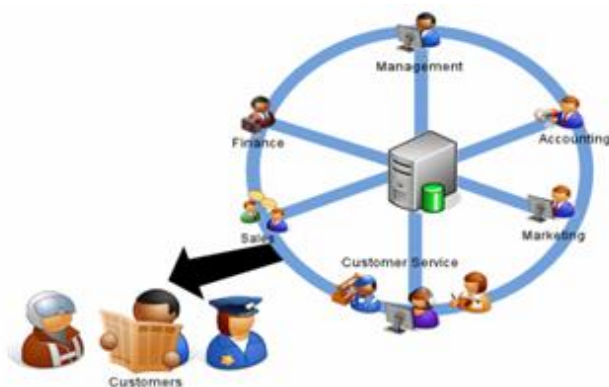
### 1.1 Characteristics of Centralized CRM system

- Everyone is connected into one system
- It provides the information needed by people to do their jobs.
- Customer history will be maintained for sales and services.
- Data redundancy is eliminated
- Data security is strongly enhanced

- Customers will be provided with promotions, services and products what exactly they want.
- Offering better customer service
- Cross selling products more effectively and quickly
- Helping sales staff to close deals faster
- Retaining existing customers and recovering the new ones

1.2 Technology consideration of CRM

The technology requirements of a CRM strategy include the following building blocks.
- A database for customer information.
- Operational CRM requires customer agent support software.
- Collaborative ECRM requires an interactive system.
- Analytical CRM requires statistical analysis software as well
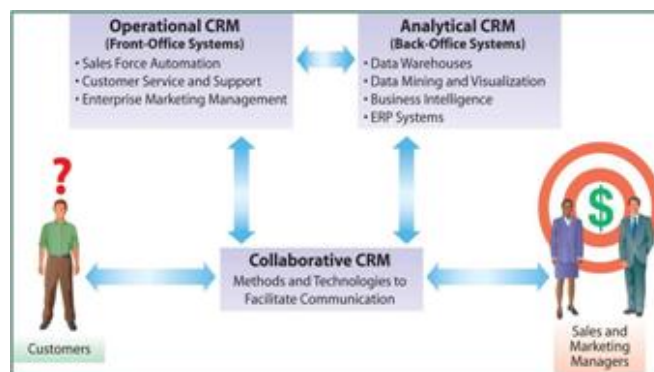
1.3 The failure reasons of CRM

Some of the major issues relating to CRM failure are the following:
1) When professionals do not use software in a way that is beneficial to their organizations. For example When salespeople neglect to update customer records
2) Depersonalization of sales documents
3) Difficulty in measuring and valuing intangible benefits.
4) Failure to identify and focus on specific business

problems.
5) Lack of active senior management sponsorship.
6) Poor user acceptance.
7) Trying to automate a poorly defined process.
8) Difficulties of implementing these systems into preexisting business systems, and the comparatively time consuming tasks associated with retrieving and recording data.

2. Overview of ECRM

ECRM uses internet environment. Electronic CRM (ECRM) concerns all forms of managing relationships with customers by making use of information technology (IT). ECRM expands the traditional CRM techniques by integrating new electronic channels such as Web, wireless and voice technologies and combines it with e-business applications into the overall enterprise ECRM strategy.
Evolving to ECRM
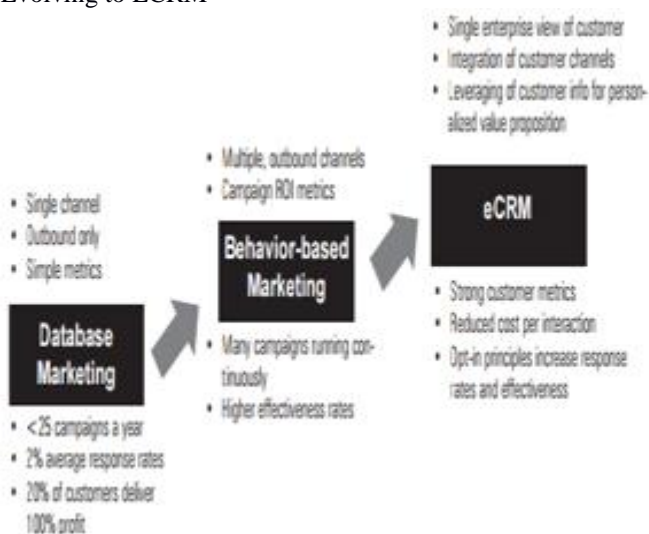
Differences between CRM & ECRM

Characteristics	CRM	ECRM
Customer contacts	Contact with customer made through the retail store, phone, and fax.	All of the traditional methods are used in addition to Internet, email, wireless, and PDA technologies.
System interface	Implements the use of ERP systems, emphasis is on the back-end	Geared more toward front end, which interacts with the back-end through use of ERP systems, data warehouses, and data marts.
Priority of Goals	This is Company centric mechanism where the company objectives and the growth will have highest priority.	This is customer centric mechanism where the customers and their satisfaction will have highest priority.

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System overhead	The client must download various applications to view the web-enabled applications. They would have to be rewritten for different platform	Does not have these requirements because the client uses the browser.
Emotional Dealings	Emotional dealings will be more because the human beings handle the customers. The human frustrations or the multiple dealings at the same time can affect the customer relationship.	Emotional dealings will be less. Because the machines and the applications cannot express their emotions. The relationship will be stable.
Customization and personalization of information	Views differ based on the audience, and personalized views are not available. Individual personalization requires program changes	Personalized individual views based on purchase history and preferences. Individual has ability to customize view.

Six E's of ECRM

The "E" in ECRM not only stands for "electronic" but also can be perceived to have many other connotations. Though the core of ECRM remains to be cross channel integration and organization; the six "e: in ECRM can be used to frame alternative decisions of ECRM based upon the channels which ECRM utilizes, the issues which it impacts and other factors; the six 'e's of ECRM are briefly explained as follows:

1) **Electronic channels:** New electronic channels such as the web and personalized e-messaging have become the medium for fast, interactive and economic communication, challenging companies to keep pace with this increased velocity. ECRM thrives on these electronic channels.
2) **Enterprise:** Through ECRM a company gains the means to touch and shape a customers experience through sales, services and corner offices-whose occupants need to understand and assess customer behavior.
3) **Empowerment:** ECRM strategies must be structured to accommodate consumers who now have the power to decide when and how to communicate with the company through which channel, at what frequency. An ECRM solution must be structured to deliver timely pertinent, valuable information that a consumer accepts in exchange for his or her attention.
4) **Economics**: An ECRM strategy ideally should concentrate on customer economics, which delivers smart asset-allocation decisions, directing efforts at individuals likely to provide the greatest return on customer-communication initiatives.
5) **Evaluation**: Understanding customer economics relies on a company's ability to attribute customer behavior to market programs, evaluate customer interactions along various customer touch point channels, and compare anticipated ROI against actual returns through customer analytic reporting
6) **External Information:** The use of consumer sanctioned external information can be employed to further understand customer needs. This information can be gained from such sources as third party information

networks and web page profiler applications, under the condition that companies adhere to strict consumer opt in rules and privacy concerns.

2.1 Frame Work of ECRM
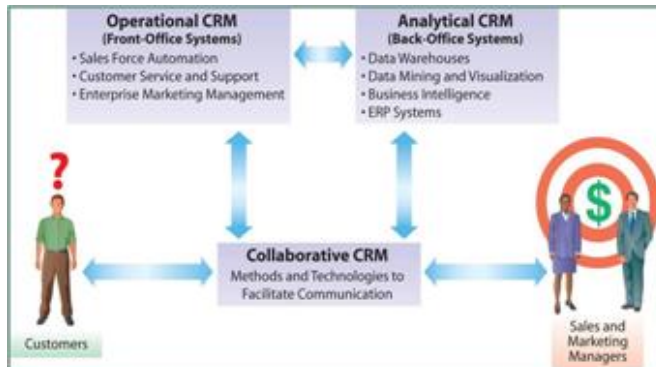
a) *Acquisition:* Increasing the number of customers
b) *Retention:* Increasing the amount of time that customer stays.
c) *Migration:* Switching of customers from one policy to another policy
d) *Cross selling:* It is a method to promote the sell by offering related products to the customer along with the existing product.

For example
1) If you are selling a shirt you might offer a belt that matches it.
2) If you run a motorbike hire shop, you might try to sell waterproof clothing to customers renting bikes in the winter.

Cross-selling involves five fundamentals:
a) Knowing your products
b) knowing your target customers to increase the sells
c) Asking questions and listen for clues,
d) Assessing customers' needs and propose only appropriate products
e) Treating the sale as a suggestion, that way client will feel comfortable about volunteering the information and it is easy for the customer to accept the offer.

2.2 Architecture of ECRM
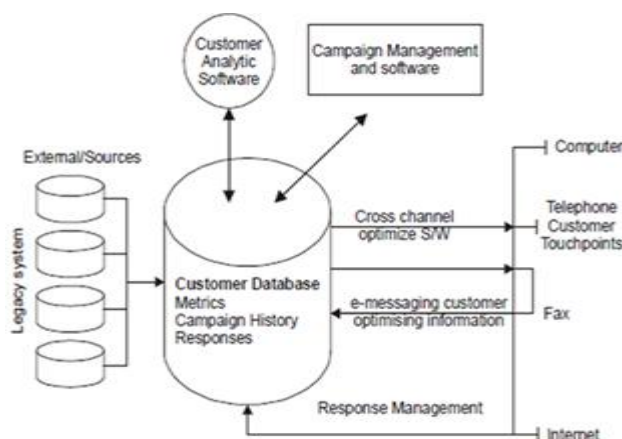
Customer optimization lies at the heart of ECRM. It is obtained through a value exchange, in which a company makes an investment in a customer interaction in exchange for some desired behavior. If a business wants a customer to behave in a certain manner (buy more, stay longer, pay a higher price, transact through a different channel), that business must make the appropriate investment in the relationship. Measurement determines the value of the exchange and the degree of optimization achieved. An ECRM solution provides the methodology and software to acquire the maximum value from customer relationships across every channel, over the lifetime of the relationship.

2.3 Advantages of ECRM

i. Increased Customer Loyalty:
One tool that a company can implement in pursuit of customer loyalty is personalization[4]. Personalization software tools generate real-timeprofiles for each customer using data from many sources including customer databases, click stream data and transaction systems. The tool selects the best offer each time a particular customer shops the company's web site based on what it "knows" about that customer.

ii. Quality of Service & Delivery:
Having detailed customer information from an ECRM system allows a company to predict the kind of products that a customer is likely to buy as well as the timing of purchases. ECRM allows for more targeted campaigns and tracking of campaign effectiveness. Customer data can be analyzed from multiple perspectives to discover which elements of a marketing campaign had the greatest impact on sales and profitability [1]. Grouping customers according to their need similarities allows a company to effectively market specific products to members of the targeted groups.

iii. Transaction and Processing Speed:
Data mining, which is the analysis of data for exploring possible relationships between sets of data, can save valuable human resources [2]. Integrating customer data into a single database allows marketing teams, sales forces, and other departments within a company to share information and work toward common corporate objectives using the same underlying statistics[3]. Examples of this are identifying unproductive/underutilized resources, closer tracking of costs, better forecasting for the pipeline and setting realistic project metrics and measurements to quantify return on investment.

iv. Convenience:
A ECRM system enables a company to communicate with its customers using a single and consistent voice, regardless of the communication channel. This is because with ECRM software, everyone in an organization has access to the same transaction history and information about the customer. Information captured by an ECRM system helps a company to identify the actual costs of winning and retaining individual customers.

3. Enhancement of ECRM

A. Mobile devices (MCRM)
According to [5], One subset of Electronic CRM is Mobile CRM (MCRM). This is defined as "services that aim at

nurturing customer relationships, acquiring or maintaining customers, support marketing, sales or services processes, and use wireless networks as the medium of delivery to the customers. However, since communications is the central aspect of customer relations activities, many opt for the following definition of MCRM:

"Communication, either one-way or interactive, which is related to sales, marketing and customer service activities conducted through mobile medium for the purpose of building and maintaining customer relationships between a company and its customer(s)"

ECRM allows customers to access company services from more and more places, since the Internet access points are increasing by the day. MCRM however, takes this one step further and allows customers or managers to access the systems for instance from a mobile phone or PDA with internet access, resulting in high flexibility. Since MCRM is not able to provide a complete range of customer relationship activities it should be integrated in the complete CRM system. There are three main reasons that mobile CRM is becoming so popular.

1) The first is that the devices consumers use are improving in multiple ways that allow for this advancement. Displays are larger and clearer and access times on networks are improving overall.
2) The users are also becoming more sophisticated. The technology to them is nothing new so it is easy to adapt.
3) Lastly, the software being developed for these applications has become worthwhile and useful to end users.

Advantages of M CRM

The mobile channel creates a more personal direct connection with customers. It is continuously active and allows necessary individuals to take action quickly using the information. Typically it is an opt-in only channel which allows for high and quality responsiveness. Overall it supports loyalty between the customer and company, which improves and strengthens relationships.

The possibilities that are created by mobile medium have enabled companies and industries to exploit this medium to promote CRM activities [6]. By using mobile medium, according to [6], companies wish to advance activities with customer in the sense of saving time, cost and inconvenience. These authors define MCRM as "utilizing mobile medium for the purpose of managing customer relationships and activate customers to start dialogue with company via mobile medium. The concept of MCRM is argued accordingly to the authors as to be involved of the following characteristics[6]:
- Communication, for the purpose of building and maintaining customer relationships between company and its customer.
- The communication would be about sales, marketing, and customer service activities conducted through mobile medium between the company and the customer.
- Communication can be initiated by either the company or the customer.

- Communication thorough SMS (short message service), MMS (multimedia service), JAVA applications and browsing.
- One of the parties engaged in the communication must be human and, naturally, communicate through mobile medium.
- Mobile medium is seen as a complementary channel for CRM activities instead of seeing it as a substitute of traditional ones.

According to [7], the convergence of mobile internet and wireless communication technology has promised users the concept "anytime anywhere", which implies access to information for work and personal communication. The mobile medium and wireless technology enable companies' four reasons to build relationships with its customers, which are:
- Personalize content and services
- Track customers or users across media and over time.
- Provide content and service at the point of need.
- Provide content with highly engaging characteristics.

The current most interested services for consumers are high mobile values that meet spontaneous and time critical needs, for example checking stock quotes, driving directions, and short messages [7].

The new area of mobile medium makes it possible to promote CRM activities, which were not possible before [6]. According to[6], consider mobile medium of being a powerful opportunity to reach customers, by offering different ways for companies to plan and implement more advanced ways to communicate with their customers. One particular way is SMS, which is seen to be immediate, automated, reliable, personal, discreet and customized channel, which allows an efficient way to reach customer directly. Other benefits that the authors see with MCRM are that mobile medium allows high speed message delivery, relatively low cost and high retention rates. In this sense, MCRM is also suited for industries like retailing, involving plenty of communications with their customers. Interactivity is however the most essential characteristics that differentiates the mobile medium form the traditional media. This is the two-way communication in real-time between companies and their customers. In that sense, [6] believe that the mobile medium may not have a comparative alternative when it comes to building a continuing dialogue between the company and the customer.

Problems with MCRM
According to [7], on the surface MCRM might seem to be an easy way of implementing CRM in a mobile form. However there are certain barriers related to the implementation of MCRM. Although there is not much mention of barriers of MCRM in research literature, there is an abundance of information to be found on reputable internet sites, in the form of articles, discussion topics and interviews with CRM vendors. In 2001 technological barriers were the topic of discussion. The communication standards utilized within MCRM, being in their infancy, hindered MCRM from being readily adopted [9]. Although the technical development within communications technology has come a long way since 2001, there are other issues that have been lifted to the

forefront. [10] states that the issue of security is a concern within MCRM. Although security is not completely satisfied to date, improvements are steadily made by MCRM vendors. Not suitable in all situations – Certain businesses maybe more suited for MCRM than others. According to vice president at Gartner, William Clark, sales force automation and field service automation are areas that have been the main focus of MCRM [10]. Need – According to [10] there also exists a misalignment in terms of what MCRM applications offer, and what the end users needs. In Hildreth's opinion the user only needs basic data and functionality. Inexperience with mobile applications (migration problems) – Many companies do not have experience with using mobile applications . Due to this issue the learning curve for some companies may be higher than others.

B. Social channel CRM (SCRM)

Social customer relationship management (CRM) is a phrase used to describe the addition of a social element in traditional CRM processes. Social CRM builds upon CRM by leveraging a social element that enables a business to connect customer conversations and relationships from social networking sites in to the CRM process. Social CRM may also be called CRM 2.0 or abbreviated as SCRM (social customer relationship management).

Social Media Hazards

- Exposes the company's reputation to risk.
- Escalates customer problems to the public domain for all to see.
- Weakens the company's control of the customer relationship.
- Limits the one-to-one relationship in terms of gaining a 360-degree view of the customer.
- Limits the ability of the company to lead and shape customer opinions about products.
- Reduces the ability of salespeople to control the sales process.
- Empowers customers to give product and service problems a life of their own on the Internet.
- Loss of control of brand and intellectual property.
- Requires companies to invest in and master social monitoring and engagement tools.

Social Media Opportunities

- Provides dynamic new sources for customer feedback.
- Enables customers to provide support to other customers.
- Delivers customer insight into product problems.
- Provides opportunities for viral marketing.
- Allows salespeople to locate and develop relationships with potential customers.
- Facilitates product design, development and improvement through conversations with customers.
- Provides new opportunities to engage directly with customers.
- Allows companies to develop a rich customer ecosystem that will lead it into the future.
- Provides insight into competitive intelligence through social networking conversations.
- The above will helps you to understand the value and benefits that a Social Media Marketing Strategy can bring

to your firm.

4. Collaboration of Social media with ECRM

Real-time communication occurs when social media users interact and exchange information instantly, or with a very limited delay [12]. social media applications have emerged that promote opportunities at the customer interface to secure real time, or near-time, interaction [13]. [14] found that social media usage and real-time communication are the most frequently used social media applications (93 percent of the respondents) with 28 per cent of the respondents using such tools more than ten hours per week. Traditionally, online feedback between parties could be achieved through chat-room applications or, to a lesser extent, through email; the immediacy of interaction was limited to written dialogue [15]. social media enable immediate interaction to occur in a variety of ways, with a number of applications allowing immediate interaction to occur through the creation of content, commenting or responding to content, and sharing content with others[16].

It helps midsize businesses to hyper-connected, collaborate and innovate. Today's successful organizations harness the power of social and mobile to generate real business value: greater workforce productivity, deeper customer engagement and improved operations. The marketing efforts across the channels that including social, email, mobile and Web can accelerate the growth of business in a bang-up manner. Socially savvy entrepreneurs know that it's all about engaging the right audiences with valuable content. The online community has little tolerance for self-promoters who view social media as a means to free advertising.

To put it all together, here are eight best practices for successfully engaging customers and promoting your small business through social media.
a. **Share your expertise.** Post little-known, fun facts in the form of questions with a special offer presented to the first person to answer correctly.
b. **Provide value.** While including fun posts that reflect your personality is a must, it's important to create content that benefits your followers. That can mean posting tips on best practices, providing access to white papers, or offering special deals on products or services.

c. **Enhance the rewards for virtual check-ins**. For a specific period of time, double the points each time a customer checks in on Foursquare and triple the points each time he or she brings a friend. Their friends on social networks will see when they've checked in while you expand your reach exponentially.

d. **Follow the one-in-seven rule**. This rule is where only one of every seven posts overtly promotes your business. The remaining six should be focused on sharing valuable content, including posts from the community. This doesn't mean you can't promote your business in those other posts; just be sure you pair it with great content.

e. **Ask conversation-starter questions.** Most people enjoy sharing their opinions, so ask Facebook fans to weigh in on topics that are relevant to your business and interesting to them.

f. **Create a Pinterest board.** Make sure the board has eye-catching visuals and run a contest through it that will inspire and reward customers for their participation. Be sure to encourage them to re-pin and create their own boards that reflect the initial contest for additional social amplification of your campaign.

g. **Avoid syndicated messages**. While you can use tools that allow you to write one message and have it appear on a variety of social media outlets, you risk losing the sincerity behind the message. You can use similar language as you promote your offer on different sites; just be sure to change up the words while reflecting the tone of each network.

5. Conclusion

In this paper we have analyzed the current trends in ECRM. As observed, an enterprise is confronted with different and vast spectrum of customers. So customer share must be retained with all of the powers also, concerns websites should keep high level of service to profit their customers. Organization should keep the continuous tracks of feed backs and reviews of their customer, so as to maintain the growth of Business. Companies must keep the confidentiality and security of their customer information. The evaluation and benefits realization mechanisms can expedite the organizational learning process and help make

ECRM with social media works to benefits of all customers. By doing so, companies can engage their customer in an ongoing knowledge exchange in which the company can learn more about market and customer needs and work to develop and deliver the products and services that can exceed the customer's expectations and lead ahead of market trends.

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