

## MAPPING OF SOCIAL CUSTOMER RELATIONSHIP MANAGEMENT WITH ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT

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### Annotation

The rapid rise of powerful social customers has drastically changed the ECRM background. Social CRM (SCRM) emerged as an ECRM for companies to enable customer relationship management (with social customers) utilizing social technology. Despite the many applications that are labeled as SCRM, there is a lack of guidelines for SCRM design and development. Good customer relationship can bring great benefits and a competitive advantage to organization. The purpose of this study is to map SCRM with ECRM for fast moving consumer goods while focusing on customer centric approach. In the chapter focuses on different ECRM key factors and their relationship in order to improve customer relationship through the use of ECRM. Our conclusion is that in order to improve the performance of ECRM, an organization should choose ECRM technology that suits with organization strategy and practice as well as employees' technology and service capabilities.

**Keywords:** Electronic Customer Relationship Management (ECRM), ECRM technology, Social CRM

### Introduction

The customer relationship that ECRM created can help organization maintain their profitable customers and also create loyalty among customers. The factors that are important in ECRM processes are divided in three main categories which are strategy, technology and people. Because purchase behavior is based on the satisfaction of customer needs, hence the marketing manager should be able to communicate and show how their products and services can satisfy the needs of their target customers [1].

Good relationship among between a customer and an organization creates higher customer satisfaction. Almost all businesses focus on enhancing this relationship because customers are the ones who keep the business running [2]. CRM systems are capable of increasing the satisfaction of customers and creating the competitive advantage that companies need to attract customers [2]. As businesses are looking for the better way to communicate and interact with customers nowadays, many of them choose ECRM (electronic Customer Relationship Management). Since the competition among businesses is getting higher, many businesses concern to develop products and services to match customer needs. ECRM allows a business to understand customer behavior and forecast customer needs easier through online activities and able to improve long-run profitability, thus it becomes more popular [2].

ECRM can improve the levels of interaction between customer and service. The common goal of using ECRM is to improve customer relationship via improving customer service and

retaining profitable customers. In addition, ECRM is able to create loyalty and extend customer life cycle by increase customer value and satisfaction

### ***CRM background***

Customer Relationship Management (CRM) is an integration of business processes and technologies which used to satisfy customers' needs [2]. It is processes that collects customers' information and applies those data in marketing activities [3]. The Internet capabilities and software can help organizations manage relationship with their customers through CRM [4]. The CRM becomes one important factor in business strategies, processes, and information technologies which enable organizations to maximize profits and increase customers' satisfaction and needs. Its process permits organizations to analyze customer data rapidly while improving customer loyalty via their products and services [5].

### ***ECRM background***

Electronic Customer Relationship Management (ECRM) is referred to the marketing activities, tools and techniques via the Internet network which are able to build and enhance relationship between organization and customers ECRM is the intersection between Internet market and customer-centric strategies. It is sometime referred to web-enabled or web-based CRM [6]. Since the use of IT plays the important role to deliver products and services to customer (customer does not use CRM), business decides to use ECRM to support the multiple electronic channels to contact and communicate with its customers. Same as CRM, ECRM objective is to gather information from customers and adjust service level to match with specific needs which will able to enhance customer relationship. ECRM helps organizations to enable specific products and services to reach customer needs through Internet access [7]. This is one of the opportunities that organizations received because it can retain profitable and valuable customers by fulfill their requirements. Customer satisfaction, customer retention and customer loyalty are three significant components of customer relationship that organization want to achieve which is the significant goals of CRM [8].

ECRM enables a company to analyze customer information. Customers' information is stored in customer database of organization. And it can be retrieved when the organization needs that information. However, that is not the overall function of ECRM. Successful ECRM has to be able to deliver a higher level of customer satisfaction. The success of ECRM is dependent on how the initiative is deployed [9].

ECRM can be consider as one of the CRM tools. ECRM technical factors are also important for operating the customer information. Companies must be structured in a way that facilitates communication between functional areas as well. The strategic intent of adopting ECRM systems must be regarded to understand the effects of ECRM application in order to determine management actions [10].

From previous problem statements, there are many factors related to ECRM. ECRM can create a high level of customer satisfaction it enable companies to assess each customer's needs. Those factors can be the factors that lead organization to a good relationship with customers.

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## RESEARCH METHODOLOGY

This is a Qualitative Research based paper and secondary data is used to make analysis to show the mapping of social ECRM and ECRM and how to add values.

## LITERATURE REVIEW

According to the research topic and purpose which try to explore what organization could do to improve the use of ECRM, the authors focus on relationship of ECRM key factors that affect ECRM outcome. Thus using only some keyword alone is not enough to specific the area of the literatures. In order to reach effective literatures, some keywords have been used together to narrow down the scope of literatures in the databases [11]. For example, “Electronic Customer Relationship Management” and “key factors” are using together to find the relevant information which relate with research paper finding.

There are many researches about ECRM concept from different points of view. Internet can establish marketing strategy characteristic and provide better opportunities for businesses [12]. There are several different points between CRM and ECRM. First of all, the ECRM is supported by the multiple electronic channels such as e-mail or website, thus customers become closer with organization. They can contact and receive services from organization easier and more comfortable. Secondly, ECRM supports marketing activities, sales and services more than CRM because internet access allow company to gather customer’s data easier and faster [13]. Moreover, customers are able to update their data by themselves, thus organization is able to analyze customers’ information for purposes of pre-sales support and post-sales support in order to reach the highest satisfaction. Lastly, ECRM allows organization with a new way of communication. Organization can contact with large number of customers in the Internet, at the same time, customers are easier to contact by the organization through website rather than call centers .From the chosen literatures, there are several significant factors which intend to create customer relationship, customer satisfactions, customer retention, and customer loyalty [14]. The authors have divided these factors into three categories which are ECRM strategy, ECRM technology and people who are involved in the use of ECRM, in order to understand easier.

Products or services to different people. Therefore each customer or each group of customers can be satisfied with specific products or services which match their needs and lifestyle. The specific goals of ECRM were cost saving and increasing customer service quality. ECRM had capabilities to improve customer service and retained valuable customers through networking [15]. These networks were able to reduce communication cost for organization both monetary cost and duration cost. However, it was proved that the significant number of organizations in United States which used ECRM to achieve higher customer satisfaction. Number of organizations which want to achieve this goal are three times more than the goal of improving quality and productivity performance, and two times more than goal of cost saving. Hence this supports the idea that organizations want to develop relationship with their customers by providing them the highest satisfaction that would retain existing customers and lead to repeated purchase and loyalty [16].

The operational of ECRM is the same as CRM which help businesses to record purchases and develop an understanding of customers’ preferences in order to serve customers the best

products and services [17]. Also mentioned that these processes were involved in creating loyalty which allows existing customers to repeat their purchase. Enhancing customer satisfaction can lead to the improving of customer loyalty and retention. As satisfaction is often used to represent the success of ECRM, thus it is believed to be one important motivator and objective of ECRM. The information gathered by ECRM system encourages organization to identify the actual costs and retaining valuable and profitable customers. Organization can also predict customer behavior more accurately [18]. Classifying customers, an organization can manage them as a premium group. Treating them with understanding can enhance their loyalty as well [19]. In addition, the ECRM is able to enhance customer touch points to fit with customer's interest in order to improve customer satisfaction and profitability [20].

As technology grows continually, organizations receive various opportunities from it. One important benefit is the use of technology in managing customer interaction and relation. The technologies make services available 24 hours 7 days (24x7 operation) which could increase customers' choice and satisfactions; thus, it creates huge opportunities for organizations [21]. The customers' satisfaction can increase tremendously if they can be reached through multiple channels that fit with their lifestyles, for example, e-mails or e-newsletters mentioned that ECRM was believed to create more convenient, more interactive, and more efficient and provide higher degree of customization because both customer and organization can reach each other easier via online channel. Therefore in the context of ECRM, satisfaction in customers' perspective can lead to the success in term of ECRM because it has significant effect on customer retention and customer loyalty. The chosen literature show that ECRM plays an important role in after-sale services such as feedback channels, online community or web center which are able to customize relationship with existing showed that CRM and its application, for example ECRM, can transfer the honesty and openness information among organization and customer. In terms of networking such as Internet access, the information transaction becomes easier and more flexible. To achieve customer's satisfaction, organization can decide the concept of CRM adoption in many different areas such as marketing strategies, customer service strategies or information technology (IT) [22]. Information technology (IT) becomes one important and popular area that firms decide to adopt ECRM recently because this area is able to encourage many opportunities for organization and customers [23]. Customer satisfaction through online application is not only determined by products and services, but also defined together with customers' interaction [24].

### ***The roles of technology in ECRM***

The important role of IT in ECRM is to facilitate and enhance customer-oriented attitude by using IT. An organization can customize and deploy the system according to their strategies were supported that ECRM technology acted as facilitator to the CRM activities. ECRM can enhance the management of relational information process in CRM process. ECRM technology can utilize and enable organization to track, aggregate and analyze customer information and employ the results for service and marketing activities. ECRM technology would be able to retrieve the customer's information from the customer's database. The organization can use a technology to improve the interaction between the organization and customers. Organization can observe customers, learn from customers' past interactions and deploy the technology

appropriate with customers [23].

Advanced ECRM technology involves the use of databases, data warehouse and data mining. The technology can help organizations increase number of customer who use ECRM. The successful ECRM will integrate IT to deliver a higher level of customer relationship. IT in organization must be customized, simple and convenient to fit with customers. The customized systems become more available by the embedding of information technology. Information technology supports CRM by using a database, and ECRM is mutually influenced by customers and IT [24]. There are many channels to reach customers through Internet such as e-mails, e-newsletter, websites and chat rooms.

ECRM technology consists of 2 components which are front office applications and back office applications. The front office applications will sustain the sales, marketing, customer service and other service activities in the organization. The back office will take care of the data depository. It helps integrate and analyze the data such as financial, operations, logistics and human resources.

The role of information technology in ECRM that it increases integration of customer information. Organization mostly customized their ECRM application to enable a workflow and reflective to the business processes. The customization is involved in development of an extra database and redesigns the system workflow. It is quite an important issue to make significant changes to the ECRM standard system to support CRM process. The customization of system helps organization to gain more benefits from customers [24].

The required technology to process large amounts of customer data. Customers' information is consisted of customer demographics, purchasing patterns, customer history etc. These customers information will bring opportunities to the organization to build new business strategy to support the customer needs. ECRM attempt to function efficiently by combining the marketing and information technology together. The functions have to be collaborative so they will be beneficial to the sales market and attracting prospective clients. Similarly stated that the companies with advanced information technologies can collect a huge amount of data on their customers and turn them to the information required for strategic business purpose.

The technology enabled managers, employees and other users to maintain the view of customer as a whole. The importance of ECRM technology that it can be new innovation for the business processes in creating the customer acquisition and retention. ECRM technology can strengthens its capabilities by increasing the customer's purchase decision, product quality, marketing, sales and customer services. From a technology perspective an ECRM system is mass integration of customer information and its stitch information together emphasized that effective customer relationships management is important to have ECRM which is a technological orientation.

## **DISCUSSION/RESULTS**

To measure the mapping of SCRM and ECRM certain key factors were identified and results were measured on social media usage and how values were provided to the customers that eventually helped in building ECRM.



**- Data warehouse and Customer Database**

The data warehouse and customer database is one important factor that organization should be concerned because it is a center that stores customers' data. It is designed to support the analysis of customer relationship management, thus the design of ECRM database is directly impacted on the performance of organization's analysis ability

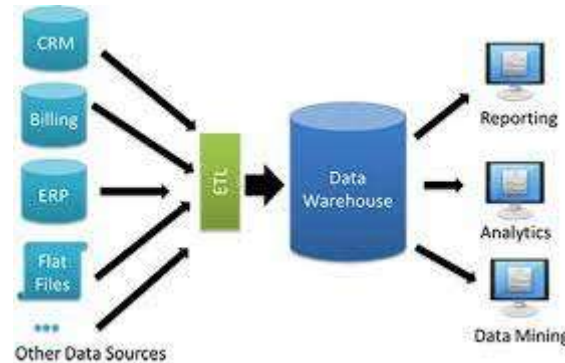


Figure1. Data warehouse for designing ECRM data base

A good data warehouse is able to encourage organization to access information correctly and faster. In addition, effective data warehouse and database are tools for higher level of analysis for organization in order to calculate and estimate customer needs.

**- Knowledge management and Knowledge flow**

In order to create a good performance of ECRM, organization should consider the organizational knowledge because it is possible to effect on outcome. Using knowledge management together with technologies is able to encourage the decision about strategies, product offering and how to interact with the customers. Moreover, it is able to enhance customer relationship and allow organization to gain competitive advantage as well as maximize overall value of customer portfolio. The efficiency of strategy can also create by knowledge flow inside company. If the employees rarely know about customer information, the interruption is able to appear easily.



Figure 2. Knowledge management applications for SCRM and ECRM

This interruption is also effects on customer satisfaction by producing the conflict of output for examples. On the other hand, well knowledge flow inside company will encourage

employees to know the customer information as well as behavior, thus it is able to enhance the relationship among them .

### - Customer-centric strategy

Customer-centric strategy makes a big change for organization's strategy and become one important factor that affects customer satisfaction. This is because the product development competition becomes stronger but the pricing differ more slightly .Therefore organization needs to find a great opportunity of differentiation by delivering customer value which is able to increase the loyalty and retention rates .

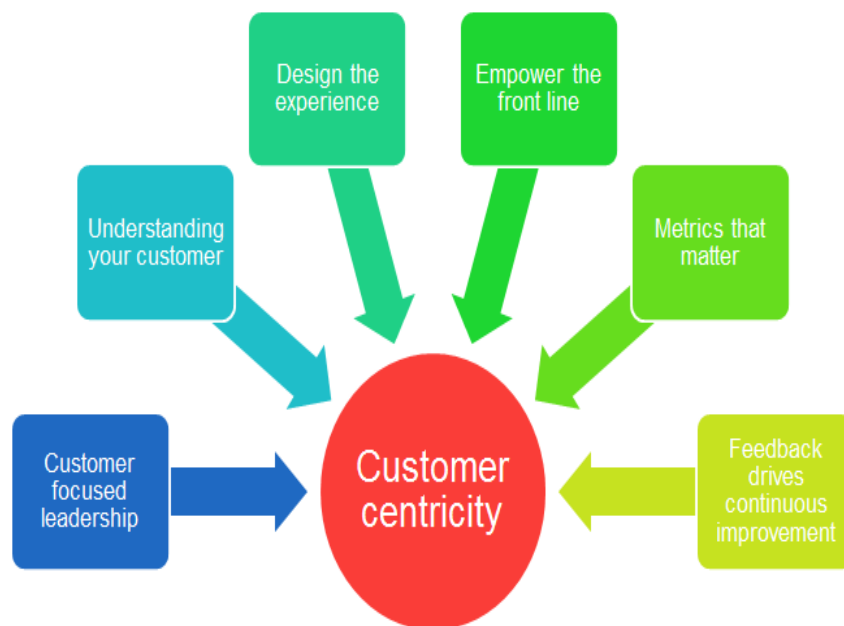


Figure 3. Customer-centric strategy for SCRM and ECRM

Business is able to respond the right products and services by understanding the needs of customer. Thus, using customer-centric strategy, one of the important strategies of CRM, organization decides to treat its customers as a partner in order to enhance the relationship with them and also mentioned that customer-centric strategy can enhance customers' satisfaction directly when integrated in CRM system. In addition, customer-centric strategy allows organization to customize marketing effort for individual customer.

### - Customer touch points

The good customer relationship and knowledge understanding were significant component of success competitive. Thus if organization know its customer lifestyle, it is able to choose the right channel in order to create effective communication which lead to an efficiently outcome. Customer touch point is one important factor that able to encourage customer's interest and customer involvement.

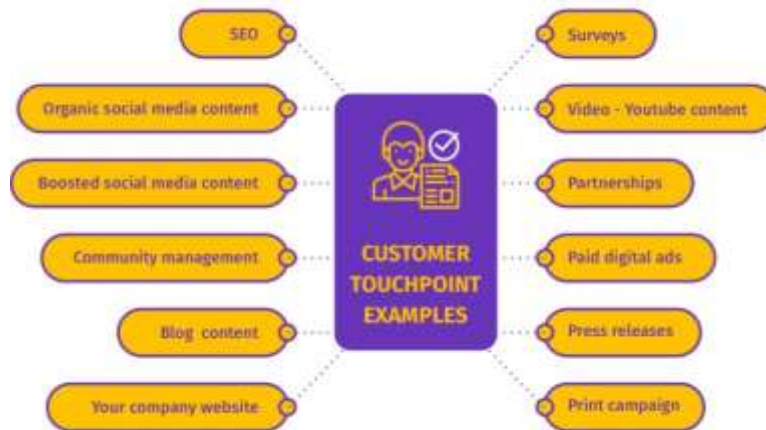


Figure 4. Customer touch points to build SCRM and ECRM

Online channel leads to the better data collection which is able to improve the analytic of customer behavior (Aileen, 2006). This improvement is resulting in the better prediction of customer behavior and better customization of relationship strategies (Aileen, 2006).

**- ECRM implementation**

An ECRM can be produced by user organization or vendor. The implementation should suit with organization structure, resources, organization culture and size.



Figure 5. ECRM Implementation for SCRM

Because there is no fix approach to implementing successful ECRM, thus each organization should consider the situation itself in order to adopt the right technology suitable with organization requirement.

**- Network infrastructure**

The networking becomes one important factor recently that has an impact on communication process. As fast growing technology, the network improves the communication performance which leads to the improving of customer satisfaction through the use of ECRM. The customers could be reached through multiple channels fit with their behavior.



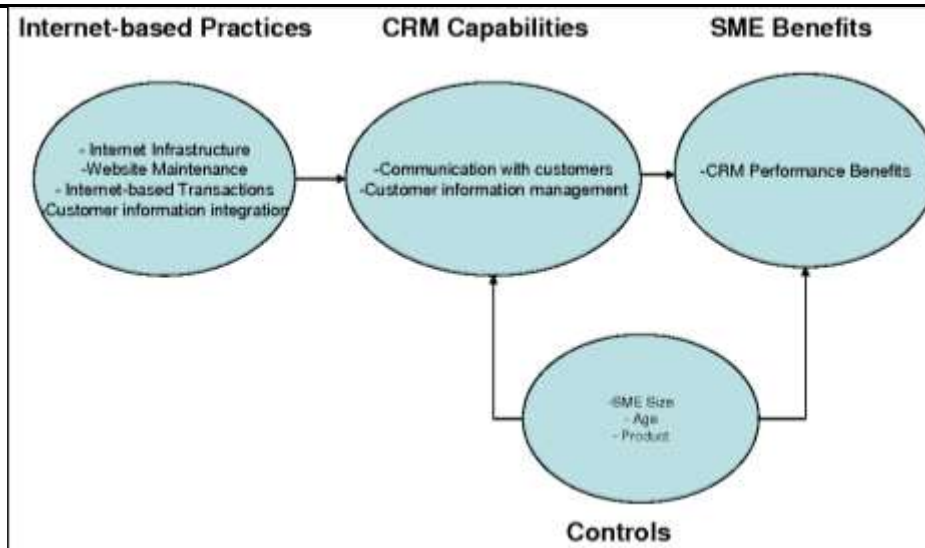


Figure 6. Network Infrastructure for ECRM and SCRM

The networking also makes the communication available as a real-time communication, thus organization can interact with its customer much easier. For instance, the real-time communication creates a faster solution for fixing customer’s problem.

**- IT Facilities**

The utilizing of technology enables organization to track and analyze customer behavior easier by retrieving information through customer database. Thus, the technology facilities are able to support the performance of ECRM. Good equipment such as high performance of computer or stable network can lead to the effective ECRM outcome .



Figure 7. IT facilities for ECRM and SCRM

The company with advanced technology can collect large efficiently customer data which is required in strategic of business purpose.

**- Customers Involvements**

The importance of customers that it was the most important key factors of ECRM. The dominant goal of ECRM is to create customer relationship, without customers’ involvement or

customers' support the ECRM cannot fulfill its goals.



Figure 5. Customer involvement on building ECRM and SCRM

ECRM key factors relate to three main categories. These key factors will support the performance of ECRM in order to enhance customer relationship

- Mapping ECRM with Social ECRM

SCRM and ECRM work together to provide values to the online service users. There are various methods through which these services can be provided and alignment of SCRM and ECRM can be achieved. Figure 6 shows some of the factors add values to build customer relationship electronically on the social media.



Figure 6. Mapping of ECRM and SCRM

The ECRM supports the collections of customer information and the process with customers through Internet so the core technologies of ECRM will be network and IT facilities. Organization should provide an efficient network and IT facilities sufficient for the usage of employees and able to support the use of ECRM. In this fast growing technology society, ECRM technologies must be one of other priorities that organization should consider. This is because ECRM is the system that runs 24X7 operations and if it fails, it can cost some loss to organization. To maintain ECRM and improve customer relationship continuously, organizations must run and operate the network and customer databases smoothly.

## CONCLUSION

The implementation of ECRM is very important in the early stage because its outcome has a great impact on ECRM operation. But the focus is only on using, maintaining and improving ECRM in order to make ECRM implementation has a positive effect in the post stage on SCRM.

There are many different ways of IT usage to help organization to develop customer relationship. ECRM is one of the IT practices to enhance customer relationship. Using ECRM is not only to create good relationship with its customer but also to reduce cost of CRM and other benefits that will gain competitive advantage over its competitors. However, in order to enhance customer relationship, organization should consider all related factors together because each factor is capable to support each process and performance such as the concept of ECRM in organization and its practices, the business strategy of organization related with ECRM opportunity to enhance ECRM system for organization and efficiency of ECRM for organization.

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