

# A COMPARATIVE STUDY OF CRM AND E-CRM TECHNOLOGIES

MD. RASHID FAROOQI

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

DR. DEVENDRA KUMAR DHUSIA

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

## Abstract

Today the internet is a significant economic and social force and e-mail is the predominant form of written business communication. The new economy has brought more than just technological change to business world. The internet has changed the traditional business model of organization it has spawned many new industries and forced organization to embrace organizational as well as operational changes. The 1990 saw the emergence of new class of software called CRM (Customer Relationship Management). The objectives of CRM were to help organization in there marketing sales management, service and support function. Now customers demanding the same information via internet, wireless, mobile and PDA technologies.

**Keywords:** CRM; e-CRM; Data Mart. Information technology e- commerce.

## 1. Introduction

Transaction of goods and services has been one of the important activities since beginning. It was not possible for any person to fulfill the need and wants everyone has to depend upon others for the supply of one product or the other. Now the exchange took the form of buying and selling with the help of prevailing money system. It took a long way to travel from barter days to present e-business. In this long journey buyer and seller was always present, buyer in the form of consumer and seller in the form of marketer.

One may conclude that it is not only the existence of product which makes the market rather than existence of customer is essential for marketing activities consumer is the life blood of marketing activities. This is the era of global complete. Every company making endeavor to go ahead of its competition in the market and to earn more and more revenue by capturing the larger share of the market.by using IT (9)

The emergence of information technology and the use of computer in every field of activities have created a new buzz in the field of marketing and that is the concept of CRM and its importance is increasing day by day in all most all the organization.(5)

The concept of CRM is defined as "It is the process of acquiring retaining and growing profitable customer." It requires a clear focus on the service attributes that represent value to the customer and creates loyalty. It is a comprehensive sales and marketing approach to building long term customer relationship management and improving business performance.

Since the introduction the term has defined in different way with no clear consensus. Handen define CRM as the process of acquiring retaining and growing profitable customer(6). He further states that in order to be successful in the future organization need to better understand consumer needs. It is important for the organization to understand these needs and be in position to act quickly. Massey asserts that CRM is about attracting developing and maintaining profitable customer relationship over time(7) this focus is critical us to days global economy where a customer may opt to change provider with a click of a mouse. Simply CRM is a strategy to identify and satisfy customer need and behavior and doing so will result in a stronger relationship with them.

Loyal repeat customer are intangible asset and provide a true competitive advantage to any organization (3,p.67)

## 2. CRM and e-CRM

e-CRM derive from CRM techniques which leveraged call centre and direct marketing technology to market mass produced goods and services to small market sub-segment. e-CRM is essentially the adaptation of CRM in e-commerce environment and helps build and sustain customer relationship using the net. It is a net based business strategy that requires development of a set of integrated software application to deal with all aspects of customer interaction like sales, marketing field support and customer service. e-CRM exercise would mailing focus upon acquiring new customer enhancing profitability of existing customer segment high value customer and maximize life true value of profitable customer.

CRM is a business strategy for acquiring and maintaining the right customer over the long term within this frame work a number of channels exist for interacting with customer one of these channel is electronic and has been labeled e-commerce or e-business. This electronic channel does not replace the sales force, call centre or ever the fax. It is simply another extension. (3)

The 1990 was a period of remarkable growth of a class of software called ERP (Enterprise Resource Planning). ERP system tie in numerous legacy system used for the backend operation so that system across a firm are linked there by making information across the firm available more easily until the organization deployed a host of specialized application servers throughout the organization each dedicated to perform a specific function.

With ERP system an organization is able to capture data is one place and integrate it seamlessly throughout various departments and processes. Although ERP system are helpful in managing back end operations they are not design to capture data support the complexities of marketing (e.g. marketing campaign, consumer changing performance etc) on the other hand CRM system were specifically developed for the front end application and were quickly adopted.

Ideally CRM allows an organization to tailor its products and services to each customer performance. CRM may be used to create a personalized one to one experience that will give the individual customer a sense of being cared for thus opening up new marketing opportunity based on the performance and history of the customer. (8)

Croteau and Li point out CRM is a customer focus business strategy that aims to increase customer satisfaction and customer loyalty by offering service to each customer.(2) With the movement of business application to the internet CRM has enhance an organizations capabilities by providing access to its customers and supplier via the web. This web experience and communication through the wireless web is called e-CRM.

The internet is advancing e-CRM. It provides features that are attractive to customer and business organization. Difference between CRM and e-CRM are very delicate but important. They concern the underlying technology and its interfaces with users and other systems. For example many e-CRM systems provide the customer with a self service browser based window to place order check order status review purchase history request additional information about products sends e-mail and engage in a host of other activities. These capabilities provide customers freedom in terms of place and time. The customer no longer limited to contacting an organization during regular business hours and the organization does not have to provide a live contact on the other end for customer enquiries and request.

Traditional CRM system user client services technologies where all programmer and applications are run on one or more centralized servers. The frontend operation of the system interface with the back end operation through traditional ERP system. The system does not use data warehouse or data marts. ERP system acts as data repositories and capture data from both the front and backend operations. The usual customer touch points are retail store and the organizations customer services and support center e.g. personal contacts through retail out let telephone and fax.

With e-CRM the interface between the front end and back end operation is not only through ERP but it also utilizes data warehouse and data marts. Data warehouse is the logical collection of information gathered from several operational databases.

A data mart is a subset of a data warehouse in which only a focused portion of the data warehouse information is kept(4). Customer touch points in e-CRM are expanded to include the internet and wireless

devices supporting mobile and PDA technologies. The users in CRM are the employee of the organization or the retail store personnel. The system provides access via a set of predefined menus and choice which cannot be customized by the user. Any customization requires making significant changes at the system level in e-CRM on the other hand an individual can easily customize these applications and menus through their web based user's interfaces.

CRM applications are designed around products and job function. The applications are designed for the corporate department or the individual employee to access his customer related intelligence and to provide customer service more effectively.

In e-CRM the applications are designed with the customer in mind and give the customer the total experience on web. Each different user has a different view of the array of information goods and services available to him. Web enable CRM usually is designed around one department or business unit and not the entire enterprise. In e-CRM on the other hand all applications are designed for the entire enterprise including all customers, suppliers and partners.

According to Chaffey (2007) [ ] e-CRM refers to electronic customer relationship management or simpler CRM that is more web-based. The main difference between CRM and e-CRM are that in CRM customer contact is initiated through traditional mean of telephone, retail store or fax where e-CRM in addition to telephone customer contact can initiated through internet, email, wireless and latest technologies.

Fig. 1 & Fig. 2: Depicts a common a high level technology map of traditional CRM & E-CRM system respectively.

Fig. 1 Technology Map of CRM

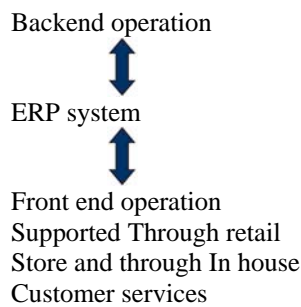
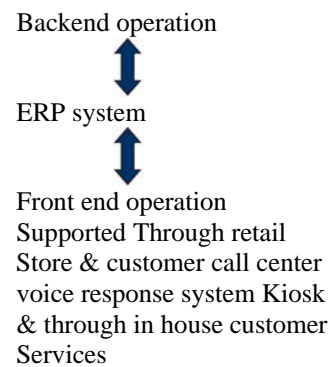


Fig. 2 Technology Map of E-CRM



Web enabled CRM usually is designed around one department or one business unit & not the entire enterprises. In E-CRM on the other hand all application are designed for the entire enterprises including all customers' supplier and parterres. Traditional CRM system does not allow the organization to dynamically alter its marketing campaigns in house E-CRM system provides this capability.

### 3. Technological difference between CRM and e CRM

The Table 1 highlights some of the differences between CRM and eCRM based on certain criteria.

Table 1. Difference between CRM and eCRM

| Criterion                                      | CRM   | e CRM   |
|--|---|---|
| System interface                               | Work with back end application through ERP system   | Design for front end application which in turn interface with back end application through ERP system data ware house and data mart.              |
| Customer contact                               | Customer contact initiated through traditional means of retail store telephone and fax.                                       | In addition to telephone contact also initiated to internet e-mail wireless mobile & PDA technologies.  |
| System overhead(client computers)              | Web enabled applications required a Pc client to download various application.  | No such requirements the browser is the customer portal to E-CRM.   |
| Customization & personalization of information | Personalized view for difference audience are not possible. Individual customization required programmed of changes.          | Highly individualized dynamic & personalized view based on purchases & preferences are possible. Each audience individually customizes the views. |
| System focus                                   | System is designed around products and job function.  | System is designed around customer needs.   |
| System modification and maintenance            | Implementation is longer and management is costly because the system is situated at various locations and on several servers. | Reduced time and cost. System implementation & expansion can be managed in one location on one server.  |

Distinct difference in the technology of CRM & e-CRM have been identified with the emergence of web based application. It is easy to assert that using the internet of CRM is now a necessary strategy not a luxury.

#### 4. Conclusions

The internet revolution is really about the people, customer and the fundamental shift of market power from seller to buyer. The realization that the customers are the key to profitability to business success has driven the need to create a customer center organization to operate with single seamless view of the customer to continuously strength and nurture a long term relationship on the net the competition is really only a mouse click away. The companies need a new approach e-CRM to leverage the internet unique strength for capturing customer. CRM implementation is costing and time consuming on the other hand e-CRM is very fast with less operational cost.

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