



Customer Relationship Management and Its Relation to E-Commerce

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ABSTRACT: Customer relationship management (CRM) systems allow companies to analyze their past, current, and future customers on a variety of levels. CRM is essential for any business, including e-commerce sites, because it allows them to grow and succeed. One of the primary roles of traditional CRM software is recording and storing important customer information (i.e. preferred contact method, account information, and potential customer leads) all in one location. Utilizing traditional CRM software in daily operations is beneficial because it helps businesses understand how to adequately interact with their customers and satisfy their needs. The primary goal of traditional CRM is to unite employees and customers by ensuring everyone gets what they need. Finally, traditional CRM provides those in sales with a customer profile detailing information on past purchases and outreach history. E-commerce CRM (e-CRM) primarily focuses on the sales and customer experiences that are conducted online. Like traditional CRM, e-CRM is able to analyze customer information and sales patterns and record and store data, however, it is able to do so all day, every day. Most e-CRM software also has the ability to analyze your site's metrics, for example:

- Conversion rates;
- Customer click-through rate;
- E-mail subscription opt-ins;
- Which products customers are interested in.

This easy-to-use e-commerce add-on is designed to provide customers with personalized experiences. Giving your customers the ability to customize their e-commerce experience, on top of listening to their needs and making them feel heard, are just a few tips to keep in mind when attempting to build your customer relationships. Not only can these tips help recruit new customers, but can help retain current ones as well.

KEYWORDS: customer, management, E-commerce, relationship, software, employees, data

I. INTRODUCTION

Although it is truly about managing relationships with customers and providing a great customer experience, e-commerce has made an impact on CRM in a variety of ways. One study discovered that e-commerce had promising implications for improving customer satisfaction and loyalty. In fact, the study shows that the elements that lead to customer loyalty [1,2] are:

- Competency;
- Capability to establish the relationship;
- Commitment;
- Solving the customer's problem;
- Trust;
- Quality of the relationship.

Implementing e-CRM is beneficial not only because it records and stores customer data 24/7, but also because it is capable of accomplishing all of the above — ultimately ending with positive customer experiences.

CRM has impacted e-commerce sites by becoming an essential part of a business's success. One study found that interactively collecting and condensing customer data helps to build a company's e-CRM capability, which ultimately leads to their corporate success. It is safe to say that going forward, CRM platforms created specifically for e-commerce (as well as implementing a scalable e-commerce solution) may very well be a necessity for web-based businesses. [3,4]



Failing to understand the importance of CRM for your e-commerce site could result in the loss of a multitude of benefits, including but not limited to:

- A better understanding of supply and demand;
- Seeing if your customers are able to navigate your site without any issues;
- Better customer service;
- Easy check out processes;
- A decrease in loss and costs (due to the ability to better record customer sales);
- Having the ability to create advertisements that are aimed at your target audience.

It's important for businesses to take the time to find an e-CRM solution that fits their specific needs. Similar to selecting the best e-commerce solution provider, it is recommended to take into consideration the following tips to help you select a CRM platform that complements your business.[5,6]

1. Create a plan on how you wish to use this solution to help grow your business;
2. Think about how the solution will work and integrate with other business platforms and tools;
3. Consider how to train your employees on the new integration and explain the importance of it to them;
4. Understand the amount of time and effort it takes to factor in an e-CRM solution;
5. Make sure it is within your budget to integrate the solution;
6. Read the CRM directions prior to selecting it to make sure they are easy to comprehend (you don't want to choose a difficult solution);
7. Conduct thorough research on the platform, including researching the future of CRM, the level of customization, and the level of mobility (is it accessible on a mobile device?).

Prior to finalizing your e-CRM plans, review the information above to help you get a better understanding of the role of the solution and how it can be beneficial for your business.[7,8]

A study by Adobe shows more fascinating stats about U.S. online shoppers:

- Most shoppers generate an average of just over \$2 in revenue per visit.
- Revenues from customers who've already made a purchase average nearly \$5.25 per visit.
- Buyers who have made multiple purchases bring in almost \$10.25 each time.

In Europe, the difference is even more pronounced. Regulars generate 659% the per-visit revenue of average shoppers.

What exactly does that mean? It means that for ecommerce businesses, turning a visitor into a loyal customer generates over 500% more revenue than getting a new visitor to your site or listing. You can spend 4x as much on CRM as on advertising and still see better ROI.

You'll need to set clear objectives to get the most out of CRM. Consider the following common goals for ecommerce companies[9,10]:

- Improve your eBay Feedback score / Amazon seller rating.
- Get more positive reviews on third-party websites.
- Reduce the frequency of chargebacks.
- Increase the likelihood of visitors returning to make additional purchases.
- Win back customers who have abandoned you for competitors.

Have an idea of what you want to achieve. Let's look at a few examples of how you can accomplish goals like these through CRM, then find out how to collect the data you need.

II. DISCUSSION

You don't need to collect any new data to know that service plays a crucial role in customer loyalty. Compared to a problem with a product, bad service has quadruple the odds of sending your customers to the competition. Respond quickly, answer questions completely, and resolve all issues in a friendly manner.[11]



If you and/or your customer service team are too rushed to provide great service, the most crucial piece of CRM software you can invest in is a helpdesk.

Zendesk, Freshdesk, Help Scout and Gorgias are four of the best and most cost-effective options available for ecommerce businesses. All can easily be connected to your own website or a Shopify store. And with ChannelReply, you can also handle all your eBay, Amazon and Walmart customer service on the same screen.

Helpdesks connected through ChannelReply also automatically collect data that's crucial to your CRM efforts. Purchase and shipping records are carefully organized, making them easy to transfer into advanced CRM software. Your conversations are also threaded and searchable, so reviewing them is effortless. [12,13]

With the helpdesks above, you can expect serious ROI. Answering customers will take much less time than with normal emails or eBay's My Messages, allowing you to greatly improve customer loyalty and reviews. Even Amazon sellers will be able to answer questions much faster than with Amazon's email management tools.

Transform Visitors into Repeat Buyers

What drives someone to come back to your website or eBay store? If you know what causes people to come back to you specifically, you'll know where to direct your investments for maximum ROI. Analyzing the history of your interactions with repeat buyers will tell you exactly what you need to know to turn visitors and one-time buyers into devoted customers.

Create Loyalty Programs

We all learn from the best. In ecommerce, that means drawing at least some inspiration from Amazon's CRM strategy. Online storeowners often need to compete—directly or indirectly—with Amazon Prime.

Loyalty programs like Prime have risks, though. Without hard data about how much profit loyal customers bring to the table, you can lose money. You might find that the discounts you offer end up costing more money than they bring in.

Good CRM systems can get the cost-to-returns data you need to make profitable decisions. And that goes beyond loyalty programs—gauging the ROI of any effort becomes much easier when you have good data.

How you gather data and what tools you use will depend mainly on your budget and selling platform. [14,15] Here are a few options:

Doing Everything Manually

This is often the best choice for very small-scale sellers. Simply dig through your sales and shipping records, see which users have made more than one purchase, and record the most valuable data about them in a spreadsheet. It's time-consuming but won't cost you anything (you can get a free spreadsheet program like OpenOffice if you don't have one), and you can use it for any selling channel.

Gathering Extra Data Electronically

Plenty of tools exist that can collect extra data about your customers. For example, if you're selling through your own website, Google Analytics can provide a lot of additional info about your visitors and buyers. It's also free. However, you may need a web developer to help you track buying patterns effectively.

Collecting Data Automatically

Manual data entry becomes a pain as soon as you have a couple dozen buyers a week. Hiring someone else to do the job is rarely cost-effective, either. This is where CRM software becomes tremendously useful.



Salesforce is the most popular CRM available and includes automatic data capture features at all pricing levels. Other great CRMs that can work well for ecommerce include NetSuite and SugarCRM.

These CRMs are simple to connect to websites. If you only sell on your own site, you just need to pick the one that works best for you.

But what if you need Amazon or eBay CRM software? Unfortunately, the complex APIs for online marketplaces mean that most CRMs can't connect to them directly—but there is a workaround:

1. Find a helpdesk compatible with the CRM you want.
2. Use ChannelReply to deliver Amazon, eBay and/or Walmart customer messages and data to your helpdesk.
3. Connect your helpdesk to your CRM.

Zendesk and Freshdesk can do this. Both have two-way integrations with Salesforce (Zendesk) (Freshdesk), and Zendesk has similar integrations with NetSuite and SugarCRM.

With this chain of flawless integrations, an abundance of data can be automatically collected every time a marketplace customer messages you.

All that's left now is putting together a CRM strategy that works. Set your goals, determine the data you will need to achieve them, and then identify the software that can provide you with that data. Finally, forge it into a system that works for your business.

Creating an effective ecommerce customer relationship management system takes hard work and critical thinking. But if you do it well, it will pay off tremendously.[16]

III. RESULTS

Once you open an online business, you immediately realize that your competition is right next to the corner, waiting for a wrong step from your side. Therefore, one of the biggest tools you can use to keep up with the competition's challenges is customer retention. Apart from offering top-notch products, you need to also offer a flawless customer experience.

In the online world, the customer lifecycle is a lot faster which means that you should put bigger efforts than in traditional commerce. So, this is where an Ecommerce CRM comes into play. This piece of software can help you convert your casual customers into loyal clients who will buy your products many years from now. How can this be translated for your business? Stable revenue and stronger position on the market

First, CRM comes from customer relationship management. This software helps you store relevant data about your current customers as well as prospect information. The greatest thing about it is that all the information is stored in one location.

Therefore, CRM helps you have an overview of your business operations and helps you also determine potential sales opportunities. For an e-commerce business where things are developing very fast, CRM is a goldmine. It helps any business owner organize all the information related to customer interaction. Some of the biggest advantages an Ecommerce CRM brings to any business are the following:

- Helps you discover and attract new buyers
- Gives you relevant information on the current customers and help you develop loyalty programs
- You are able to understand your customer's buying particularities better
- You will have lower customer management costs



Most probably you think you can use a regular out-of-the-box CRM to manage your ecommerce customers. Most CRMs out there were designed to manage B2B clients. These CRMs rely on sales reps to log information for each customer.

On the other hand, an ecommerce CRM will be able to collect customer data by integrating with your existing systems like your ecommerce website, track customer browsing behavior, and compile a customer 360 view. And when you get loads of customer queries, it will route them to agents in the most efficient manner allowing you to make the most of your workforce.

The CEO of Pick Writers mentions that “CRM helps e-commerce business owners learn about their customers’ behaviors. A CRM will give you information on why your customers are buying your products and what they expect from your side.[17]

What is more, it helps you track their purchasing history and gives you valuable insights on what marketing strategy to apply to keep them loyal to your brand.”

1. Customer History

Wouldn’t it be great to have access to the entire history of your customers’ buying trends and habits? Just think that you plan to launch a new product that should be targeted to a specific type of customer. How do you know to which category of clients you should send information about this new product?

An Ecommerce CRM helps you analyze your customers’ wishes and immediately understand whether they would react positively to a new product launch or not. What is more, based on your customer history, you will also be able to determine what type of products you should launch next.

What is more, based on data that eCommerce CRM stores, you will be able to determine which were the best-sold products, during which periods of the year you had the biggest sales, or which were the prices that determined the biggest purchases? Thus, you are able to bring again on the market some very popular products or create new ones which meet your customers’ expectations in terms of price and characteristics.

2. Efficient Team Management

How can a customer relationship management tool help you effectively manage your sales teams? The way your customers behaves is directly connected to how you allocate your internal resources. Ecommerce CRM helps you divide your customers in different groups based on certain criteria. For instance, you can have premium customers who always buy the most expensive products from your website.

On the other hand, you can also have a medium category of clients who are loyal to your brand and buy your products on a regular basis. Would you assign the same sales team to these two categories? Of course, not! So, this is how you got the answer to the question above. Ecommerce CRM helps you be always service-ready and smartly allocate your key account managers to different categories of customers.

3. Personalize your Marketing Strategy

According to a recent study, customers will become loyal to a brand when they feel that the messages they receive are tailored to their needs and expectations. For example, by sending emails, where you mention their name and recommend products based on their purchasing history, you will have a huge positive impact on your customers.

The best way to collect data on past purchases and details about your customers is by implementing an ecommerce CRM system with your e-commerce platform. What is more, a CRM will also tell more about the way your customers prefer to be contacted for new offers. Why send an email to a customer who prefers to receive details on new products via SMS?

What is more, when you start developing your marketing strategy, you need any other details about your customers.



For example, you will need to know more about demographics, location, or preferred price range. CRM stores all this data. Thus, you will have access to information 24/7 and you will be able to personalize your marketing strategy to different categories of customers and improve your response rate.[15,16]

IV. CONCLUSIONS

Every business owner dreams to expand his business one day. But when you are overwhelmed with gathering and analyzing data about your customers, plus many other business operations, it becomes difficult to think of expansion. One of the biggest advantages that Ecommerce CRM puts on the table is that it saves time. You will have access to valuable data on existing and potential customers anytime you want, at one click distance. This can be translated into increased productivity which automatically brings increased sales.

What is more, when you invest your resources in the right direction, then business expansion doesn't become too complicated. Ecommerce CRM helps you keep your promises towards your clients and strengthens your brand position on the market. Plus, when you know exactly what your customers are waiting for from your side, then it will be very easy to decide on which area you want to expand and which steps you need to follow to succeed.

Ultimately, ecommerce CRM can become an important tool for training your employees. When you know everything about your customers and understand how and why they make their decisions, it will become easier for you to train your employees on what their leads expect from them. This brings clarity to your business and makes your sales teams the best on the market.[17]

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