

A study on e-CRM practices among Indian and Multinational e-Commerce companies

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Abstract: An increasing number of companies are considering implementing e-CRM systems to satisfy the growing expectation of customer service. e-CRM enables to serves customers online and covers areas like content management, product and pricing models, customer service support, problem resolution and automated response agents and campaign management functions. In order for a company to provide unified customer communications at different customer interface points, it should be kept in mind that online customers can relate with a company through several channels. The present paper analyse online CRM practices among Indian and Multinational e-commerce companies.

Keywords: online CRM, satisfaction, Indian and Multinational e-commerce companies

I. INTRODUCTION

Today companies are being confronted by an increasingly sophisticated customer universe, which expects and demands a higher level of immediate service across multiple access channels. Customers feel that customer service should occur via the channel of communication that they specify to be communicated, or at least the channel through which contact with a company was initiated. Customers not only want to shop and get customer service through multiple communication channels, such as the telephone, web chat, electronic mail, and the web, they desire the ability to move seamlessly from one medium to

another. e-CRM enables to serves customers online and covers areas like content management, product and pricing models, customer service support, problem resolution and automated response agents and campaign management functions. In order for a company to provide unified customer communications at different customer interface points, it should be kept in mind that online customers can relate with a company through several channels. In view of multi-point contact with customers, e-CRM implementation requires organisations to have several devices and technologies in place such as e-mail inbound/outbound support, chat/browser control, voice-over internet protocol (VoIP), multi trust language support; messaging, work-flow and web measurement devices.

e-CRM embraces the front-office business functions of sales, marketing and customer service, and supports the back-office business and analysis operations spanning these functions, all in a web-centric fashion. Figure below illustrates how e-CRM functionality supports each of the five business components of marketing, sales, customer service and support, e-commerce and the electronic processes in the back-office analysis.

e-CRM has evoked considerable interest about its effectiveness and risks amongst many organizations and researchers. e-CRM remains a priority for organizations, even as economic conditions cause IT budgets to be scrutinized. This paper has shown how e-CRM can add to traditional marketing concepts. e-CRM is not here to change the marketing but instead to enhance it

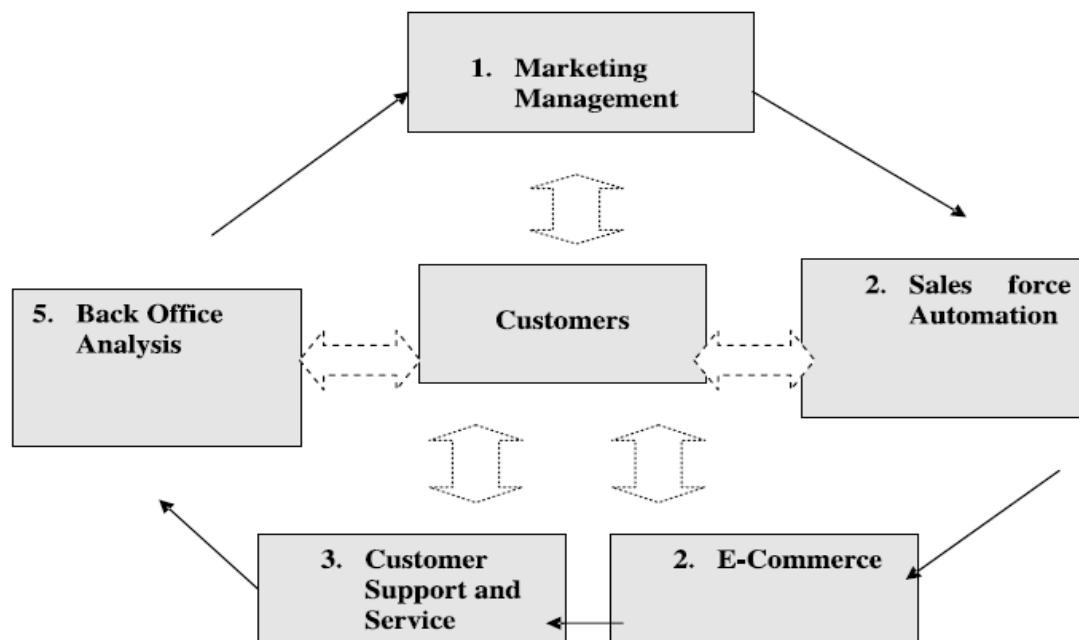


Figure: e-CRM by customer life cycle model, source: Grover, D. (2011)

An increasing number of companies are considering implementing e-CRM systems to satisfy the growing expectation of customer service. e-CRM systems have unique characteristics that support customer-business interactions that are linked to internal business processes and systems across different areas for operational and analytical purposes. Freeland (2003) asserts that the internet is a channel that will continue to increase in customer relationship management and utilization for all companies both now and in the future. The emergence of e-commerce has changed many aspects of existing businesses hence companies need the ability to track and manage internet-based e-commerce events. Companies have to maintain consistency across all interaction channels and across all areas of company customers interacts with. Many organizations are considering adopting the concept of Electronic Customer Relationship Management (e-CRM) (Pan & Lee 2003).

II. LITERATURE REVIEW

Differences between CRM and e-CRM are subtle, but important. They concern the underlying technology and its interfaces with users and other systems. Pourasghar (2007) did not think there are differences between CRM and e-CRM. He said considering the strategic perspective, no differences between CRM and E-CRM exist as both concepts have the overall goal of an increased Customer Lifetime Value, and aim to increase customer retention and decrease service costs but the process level, he said several distinctions between the two concepts become observable. He mentioned further that while conventional communication processes are often time delayed, e-CRM allows organizations to always operate in real-time and more than that interactions with customers are transparent so that organizations are able to draw conclusions on customer behavior and measure the success of activities. Unlike conventional CRM processes, e-CRM processes imply high automation of interaction. The application programs in CRM are written with back-end operations in mind; the emphasis is on data collection and the optimality of interface with the user's PC (client). Web-enabling CRM application involves downloading applets to the client – a time consuming process. (Chandra & Strickland 2004, 3-4). e-CRM cannot be separated from CRM, it needs to be integrated and seamlessly. However, many organizations do have specific e-CRM initiatives or staff responsible for e-CRM. Both CRM and e-CRM are not just about technology and databases, it is not just a process or a way of doing things, it requires, in fact, a complete customer culture (Chaffey, Chadwick, Mayer & Johnston 2009, 340).

Harrigan, Soutar, Choudhury and Lowe (2014) in their paper on Modelling CRM in a social media age, revealed that the Customer relationship management is a continually evolving domain that has been particularly affected by social media, which

have revolutionised the way businesses and consumers interact. This paper on social CRM builds on a previous model of CRM prior to the growth of social media. They present a new model for social CRM, including a new construct of customer engagement initiatives and adaptations of other constructs to cater for the impact of social media. An online survey was used to collect data from a population of marketing practitioners and partial least squares analysis was used to test the model. Findings show the importance of an underlying customer relationship orientation; how it impacts on social media technology use and customer engagement initiatives, and also directly on customer relationship performance. A relationship is also shown between engagement and relational information processes, which is viewed as a performance outcome of social CRM. Thus, from a managerial perspective, one recommendation we make is that organisations should utilise the rich customer information that is created with every customer engagement through social media to drive future marketing decisions.

III. RESEARCH METHODOLOGY

Based on reviews of literature the research methodology related with the current research on CRM of E-Commerce companies is being described here. The current study includes understanding the assumptions underlying of CRM techniques and to know the criteria by which by certain techniques and procedures. Through the application of scientific procedure the researcher have tried to find out their problems and expected solution may be suggested for growth of CRM services. Following hypothesis were made:

H1=There is significant difference in CRM approaches among selected Indian & Multinational E-commerce companies.

The present research use Explanatory and Descriptive research approach. First the researcher have explored the variables to be used to analysed the by E-Commerce companies for measuring the CRM practices and later to conclude the research work the hypothesis were checked. After that, empirical research and data collection were conducted to test the hypothesis to draw conclusions from the evidences. Questionnaire method was used for data collection. It is a form containing structured questions which were asked to respondents and their replies were taken. Structured questionnaire containing easily understandable questions for the respondents were prepared. For the purpose of the study, the secondary data were also be extracted from the e-commerce companies, from their annual reports. In addition, the secondary data were also gathered from government records, commercial newspapers, magazines, journals, articles, websites and different books on Customer relationship management of companies. Sample size was 400 Customers respondents and 100 employees. The sample was spread across areas of various Indian cities majorly from metro cities.

Table 3.1: Variable List

Variables	SPSS Name
1. Website personalize my account	Person_1
2. Website display products according to my interest	Person_2
3. I am part of site loyal consumer community	Person_3
4. Site provide connection to social media	Person_4
5. I can customize the products	Person_5
6. I receive regular rewards and discounts based on my past purchases.	Person_6
7. I can communicate to company by e-mail	Communi_1
8. I can communicate via Phone or toll-free numbers	Communi_2

9. Website offer me a facility to interact with customer care representative/ executive	Communi_3
10. Website provide clear and sufficient information on payment and return/exchange policies	Communi_4
11. The site have FAQ section to help	Communi_5
12. Site has facility for live chat with experts	Communi_6
13. Site collect after sale feedbacks on product quality	Communi_7
14. Site provide latest offer information via e-mail/SMS	Communi_8
15. Retailer ask for the future product and services needs of customers	Communi_9
16. Site provide irrelevant e-mails/SMS/Calls	Communi_10
17. Site provide confirm the order via e-mail after order placement	Communi_11
18. Customer complaints are reviewed and a cited timely	Communi_12

A. Data Analysis

The demographic profiles of the consumer are enlisted in various points including the types of websites visit first which is enlisted in table below

Table 2: Demographic Profile

Company wise distribution of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Indian	200	50.0	50.0	50.0
	Multinational	200	50.0	50.0	100.0
	Total	400	100.0	100.0	
Age wise distribution of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to 30	66	16.5	16.5	16.5
	31-40	63	15.8	15.8	32.3
	41-50	150	37.5	37.5	69.8
	51-60	40	10.0	10.0	79.8
	over 60	81	20.3	20.3	100.0
	Total	400	100.0	100.0	
Gender wise distribution of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	187	46.8	46.8	46.8
	Male	213	53.3	53.3	100.0
	Total	400	100.0	100.0	
Education wise distribution of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Post graduate	236	59.0	59.0	59.0
	Under-graduate	55	13.8	13.8	72.8
	Upto XII	109	27.3	27.3	100.0
	Total	400	100.0	100.0	

Testing the hypothesis

As per the first objectives (to compare CRM approaches used by Indian & Multinational e-commerce companies) to make comparison and to measure the gap the independent sample t test was further carried out for factors identified. Subsequently, to test the hypothesis independent T test has been used to measure the significance of gap between the categories of identified variables.

The following variables were used for measuring difference:

Table-4.3: Independent sample t test for measuring differences

a. Group Statistics						
		IND_MULT	N	Mean	Std. Deviation	Std. Error Mean
Person_1	Indian		247	2.0769	1.05834	.06734
	Multinational		253	3.4822	1.38754	.08723

H1=There is significant difference in CRM approaches among selected Indian & Multinational E-commerce companies.

For this purpose the factors of differences are classified into 4 parts i.e., personalization factors, web effectiveness, communications and Attitude towards online-retailer. All the four parts were being analyses with the help of the independent sample t tests. The First results for personalization factors of the test were provided in table 3 as under:

Person_2	Indian	247	2.7733	1.49973	.09543
	Multinational	253	3.4980	1.24602	.07834
Person_3	Indian	247	1.7773	.81837	.05207
	Multinational	253	2.7115	.84501	.05313
Person_4	Indian	247	2.4089	.92328	.05875
	Multinational	253	2.6087	.93491	.05878
Person_5	Indian	247	2.1619	.80527	.05124
	Multinational	253	2.5099	1.18728	.07464
Person_6	Indian	247	2.5425	1.28358	.08167
	Multinational	253	2.5692	1.25679	.07901

b. Independent Samples Test		Levene's Test for Equality of Variances		t-test for Equality of Means						
				F	Sig.	t	df	Sig. (2-tailed)	Mean Dif.	Std. Error Difference
Person_1	Equal variances assumed	54.52	0.00	-12.71	498	0.00	-1.41	0.11		
	Equal variances not assumed			-12.75	470.63	0.00	-1.41	0.11		
Person_2	Equal variances assumed	34.98	0.00	-5.88	498	0.00	-0.72	0.12		
	Equal variances not assumed			-5.87	477.56	0.00	-0.72	0.12		
Person_3	Equal variances assumed	3.82	0.05	-12.55	498	0.00	-0.93	0.07		
	Equal variances not assumed			-12.56	497.97	0.00	-0.93	0.07		
Person_4	Equal variances assumed	0.64	0.43	-2.40	498	0.02	-0.20	0.08		
	Equal variances not assumed			-2.40	497.93	0.02	-0.20	0.08		
Person_5	Equal variances assumed	96.26	0.00	-3.83	498	0.00	-0.35	0.09		
	Equal variances not assumed			-3.843	444.37	0.00	-0.34794	0.09		
Person_6	Equal variances assumed	0.28	0.59	-0.24	498	0.82	-0.03	0.11		
	Equal variances not assumed			-0.24	496.99	0.82	-0.03	0.11		

The Second results for Communication factors of the test were provided in table 4 as under:

Table-4.4: Independent sample t test for measuring differences

b. Group Statistics					
	IND_MULT	N	Mean	Std. Deviation	Std. Error Mean
Communi_1	Indian	247	3.4130	1.51400	.09633
	Multinational	253	3.0435	1.23527	.07766
Communi_2	Indian	247	3.5344	1.29643	.08249
	Multinational	253	3.4862	1.25230	.07873

Communi_3	Indian	247	3.3482	1.34354	.08549
	Multinational	253	3.2332	1.30816	.08224
Communi_4	Indian	247	3.5951	1.22560	.07798
	Multinational	253	3.1581	1.25305	.07878
Communi_5	Indian	247	3.4737	1.33675	.08506
	Multinational	253	3.4585	1.25169	.07869
Communi_6	Indian	247	2.6478	1.16234	.07396
	Multinational	253	2.6680	1.14106	.07174
Communi_7	Indian	247	3.6316	1.05821	.06733
	Multinational	253	3.5020	.97437	.06126
Communi_8	Indian	247	2.7773	1.49083	.09486
	Multinational	253	2.7194	1.42967	.08988
Communi_9	Indian	247	2.8381	1.35779	.08639
	Multinational	253	2.6443	1.19852	.07535
Communi_10	Indian	247	2.5506	1.06136	.06753
	Multinational	253	2.7154	1.20763	.07592
Communi_11	Indian	247	2.3684	1.02702	.06535
	Multinational	253	2.5257	1.11106	.06985
Communi_12	Indian	247	2.5789	1.27230	.08095
	Multinational	253	2.5810	1.17782	.07405

b. Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
				F	Sig.	t	df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.
Communi_1	Equal variances assumed	33.86	0.00	2.99	498.00	0.00	0.37	0.12		
	Equal variances not assumed			2.99	474.15	0.00	.369 48	0.12		
Communi_2	Equal variances assumed	0.06	0.81	0.42	498.00	0.67	0.05	0.11		
	Equal variances not assumed			0.42	496.29	0.67	0.05	0.11		
Communi_3	Equal variances assumed	0.81	0.37	0.97	498.00	0.33	0.11	0.12		
	Equal variances not assumed			0.97	496.72	0.33	0.11	0.12		

Communi_4	Equal variances assumed	0.63	0.43	3.94	498.00	0.00	.437 04	0.11
	Equal variances not assumed			3.94	498.00	0.00	0.44	0.11
Communi_5	Equal variances assumed	1.14	0.29	0.13	498.00	0.90	0.02	0.12
	Equal variances not assumed			0.13	494.03	0.90	0.02	0.12
Communi_6	Equal variances assumed	0.04	0.83	-0.20	498.00	0.85	-0.02	0.10
	Equal variances not assumed			-0.20	497.10	0.85	-0.02	0.10
Communi_7	Equal variances assumed	2.86	0.09	1.43	498.00	0.16	0.13	0.09
	Equal variances not assumed			1.42	492.43	0.16	0.13	0.09
Communi_8	Equal variances assumed	0.17	0.69	0.44	498.00	0.66	0.06	0.13
	Equal variances not assumed			0.44	495.85	0.66	0.06	0.13
Communi_9	Equal variances assumed	9.82	0.00	1.69	498.00	0.09	0.19	0.11
	Equal variances not assumed			1.69	487.33	0.09	0.19	0.11

Communi_10	Equal variances assumed	5.95	0.02	-1.62	498.00	0.11	-0.16	0.10
	Equal variances not assumed			-1.62	492.62	0.11	-0.16	0.10
Communi_11	Equal variances assumed	5.47	0.02	-1.64	498.00	0.10	-0.16	0.10
	Equal variances not assumed			-1.64	496.53	0.10	-0.16	0.10
Communi_12	Equal variances assumed	5.95	0.02	-0.02	498.00	0.99	0.00	0.11
	Equal variances not assumed			-0.02	492.97	0.99	0.00	0.11

Levene's Test for Equality of Variances has been used with assumptions that the variances for the two group's viz. Indian and Multinational are equal. The gap between two defined categories is statistically significant ($p < .05$) for variables Communi_1 which connotes that significant difference exist between Indian and Multinational e-commerce companies group on the personalisation factors. Thus, equal variance not assumed row is selected for conducting the Independent sample T-Test of the above variables while for Communi_4 gap between two defined categories is statistically insignificant ($p > .05$) and equal variance assumed row is selected for conducting the Independent sample T-Test.

For variable Communi_1 the Independent sample test results at 474.154 degree of freedom $t_{474.154} = 2.986$, $p = .003 < 0.05$. Therefore, the difference between Indian and Multinational e-commerce companies on the Communication variable is statistically significant at 5% level of significance. Thus, the Indian e-commerce companies perceive the Communi_1 variable of Communication factors in service provided by e-commerce companies more than the Multinational companies ($\mu_{\text{Indian}} = 3.4130 > \mu_{\text{Multinational}} = 3.0435$).

For variable Communi_4 the Independent sample test results at 498 degree of freedom $t_{498} = 3.942$, $p = .000 < 0.05$. Therefore, the difference between Indian and Multinational e-commerce companies on the Communication variable is statistically significant at 5% level of significance. Thus, the Indian e-commerce companies perceive the Communi_4 variable of Communication factors in service provided by e-commerce companies more than the Multinational companies ($\mu_{\text{Indian}} = 3.5951 > \mu_{\text{Multinational}} = 3.1581$).

CONCLUSION

Companies understand that e-CRM has significant potential, but they face the challenge of building the required technology infrastructure quickly and cost effectively. An easily predictable

reaction is to buy off-the-shelf applications, cobble together a database of Web traffic and online purchase information, and launch an e-CRM initiative. One of the fundamental requirements of a successful e-CRM solution is the challenge of consolidating all customer-related information into a single view. In order to achieve this, it is necessary to create a multichannel input stream that can take information from any of the recognized customer interfaces and use it to populate the single view. It could then facilitate the sharing of information between channels and meaningful cross-channel dialogue with customers.

The major suggestions of the study were enlisted in following points that the Multinational companies must put their attention on communication of company by e-mail with consumers. The Multinational companies must provide clear and sufficient information on payment and return/exchange policies on their Website. The Indian companies must provide effective and responsiveness Website to fulfil the orders. The Indian companies must provide easily tracking facilities for customers order tracking. The Indian companies must create an environment for customer to trust the website for their online purchases. The Indian companies must create an environment for customer to believe that their Website is reliable for online shopping. The Indian companies must create an environment for customer to believe that their Site is easy to navigate. The Multinational companies must provide the faith to the consumers that they will remain happy if they purchased from this website. The companies must do in the area of e-CRM so the correlation between satisfaction and productivity increased and further it will increase the profit of the companies.

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