

Comparative study of customer relationship management (CRM) and electronic customer relationship management (E-CRM)



Abubakr Mustafa Eltahir¹, Tarig Mohamed Ahmed^{2,3}, Haram Ahmed^{4,*}, Tarig Abdalkarim Abdalfadil⁵

¹Department of Information Technology, Faculty of Computer and Information Technology, University of Alnileen, Khartoum, Sudan

²Department of Information Technology, Faculty of Computing and Information Technology, King Abdul-Aziz University, Jeddah, Saudi Arabia

³Department of Computer Science, University of Khartoum, Khartoum, Sudan

⁴Department of Computer Science, College of Computer Engineering and Sciences, Prince Sattam Bin Abdulaziz University, Saudi Arabia

⁵Department of Computer Science, Faculty of Computer Science and Information Technology, University of Alnileen, Khartoum, Sudan

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ABSTRACT

Customer Relationship Management can have great help to different companies of different sizes as it offers direct relation with the efficient in organizing, disseminating, and establishing values. The current study is the investigation into and comparison of Customer Relationship Management (CRM) and Electronic Customer Relationship Management (E-CRM). The study also aims to compare CRM and ECRM. The study also aims at showing to what extent building good relationships with the customer is of great role to companies. The study reviewed the recent articles published in the international databases. No exclusion criteria were made according to the country or location of the study. It views profit from another perspective as it focuses on establishing good relationships with the customers and clients as it is a better window to create customer retention and loyalty and thus lead to profits is seen and treated from the customers and client's retention and loyalty point of view to assure customers and clients loyalty and retention, the study follows customer orientation approach.

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1. Introduction

Marketing has great roles in any organization as it helps in half of the price through its promotion and distribution. Marketing encompasses a transactional relationship where both sides are satisfied. Both sides must be able to converse, which could be through various mechanisms. In today's tough competitive environment, businesses need to understand their clients and how to keep those clients for long. This could be through different techniques. As reported by [Buttle \(2009\)](#), Electronic Customer Relationship Management is one of the techniques that can be used to enhance marketing ([Buttle, 2009](#)). The basic aim of Customer Relationship Management is understanding and

treating customers in a better way to increase their loyalty and thus increase profits. This can be achieved by developing a direct relationship with the customer through telephoning, emailing, and other strategies as stated by [Usman et al. \(2012\)](#) using direct email of great importance and differs greatly from the old techniques that were used to establish good relationships with the customer ([Usman et al., 2012](#)). The term ECRM alludes to Customer Relationship Management. It involves series of great help to grate such a good relationship between customer and organization. E-CRM helps companies to make customers' needs understandable. It helps companies keep these relationships more intelligently and help predict the future. This knowledge supplies competitive key merit for companies to achieve market share and decrease operational costs for retaining their customer mostly. It is a process used to know and understand customers' expectations and behavior in order to create and increase a stronger relationship with them. What helps organization to easily retrieve and use data that help organization to precede its

* Corresponding Author.

Email Address: ha.hussien@psau.edu.sa (H. Ahmed)

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Corresponding author's ORCID profile:

<https://orcid.org/0000-0002-4558-8827>

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relation with the customer is generally included in the CRM basis (Yang and Peterson, 2004).

The aims of Customer relationship management are to strengthen profitability, stability, income, and customer satisfaction and loyalty. In this way, it is possible to offer customers the services and products that they are needed. To achieve that can be through using a software platform. In this case, we can follow different software applications. Furthermore, Customer Relationship Management can be of great help to different companies of different sizes as it offers direct relation with the efficiency in organizing, disseminating, and establishing values. It helps in distributing customers' information (Pan and Lee, 2003).

2. Related works

In a paper conducted by Tariq et al. (2019) entitled "Modeling the effectiveness of electronic customer relationship management (E-CRM)". The study aims at finding the relationship of service quality, loyalty, trust employee satisfaction, and technology acceptance with the effectiveness of electronic customer relationship management. The paper introduced internet-based technology to make business suitable for customers. The paper was conducted in Pakistan and the data was collected from over five hundred employees and customers. The sample included all the five outstanding banks in Pakistan. The outcome of the study showed the importance of using ECRM in sustaining the customers and make them loyal to the products later.

In a paper entitled "Electronic Customer Relationship Management (E-CRM) Application as Efforts to Increase Customer Retention of Micro Small and Medium Enterprises (MSMEs) in Banten" Indonesia conducted by Rosalina (2019). The study found that small and Medium Enterprises (MSMEs) in Indonesia in Banten use very conventional ways in dealing with businesses. The study suggested a different approach to introduce technology in business. One of these approaches is to pay greater attention to the customers in terms of transaction through substituting the excited (CRM) with the current ECRM. In a paper entitled "The impact of the E-CRM (expected security and convenience of website design) on E-loyalty field study on commercial banks" conducted by Rashwan et al. (2019). This study aimed to investigate the micro-linkages between electronic customer relationship management (E-CRM) and electronic loyalty of customers, through electronic banking satisfaction as a mediator variable.

In a study conducted by Buttle (2009), the author found that achieving Customer management-by company could be attained via using tools, technological platforms, and steps to enhance and strengthen the relationship between customer and company (Buttle, 2009). To improve marketing and share of sales. Customer relationship management is a matter of business that must be conducted instead

of that technical only (Yang and Peterson, 2004) management as an activity includes procedures that can be used to help control the interaction between customers and the company as well it helps in sales aspects. This activity encompasses using technology to plan, control to concur all the business processes. The goals of Customer relationship management are to raise profitability, stability, income, and CRM is a business for getting and keeping the best customer over a long period. Within this work frame, there are many ways for interacting with the customer, one of these ways is electronic like e-business or e-commerce. These electronic ways do not replace the sales force; call Centre or ever the fax. It is just another expansion for this and activities (Rosalina, 2019). Customer Relationship Management is based on building a long relationship with customers through providing high-quality service, effective and diverse operations, delivery of products, services, and information and to provide solutions to all the problems faced by customers and meet their needs and desires to the fullest (Yang and Peterson, 2004).

Among the focus of ECRM are planning business and strategizing to increase customer's sustainability and loyalty via providing goods or services to each customer smoothly. Through the mobility of business application to the internet and web activities, also customer relationship management has improved and updated an organizations' possibilities and capabilities through providing gaining and access to its best customers and excellent suppliers and stakeholders among the internet application (Rashwan et al., 2019; Kumar et al., 2006; Kwan et al., 2010).

Customer Relationship Management applications are created around products and job tasks. The applications are designed for the companies' department or the consumer employee to gateway his customer-related smart and to supply customer service more efficiently and effectively. Recently, CRM is highly considered practically and theoretically and many scientific papers are conducted on that area to show its importance many companies tried to involve CRM along with its technological and strategic aspects in enhancing its relationship with the customer (Kumar et al., 2006). With the coming of e-commerce, the situation has changed dramatically. These changes include several changes in business aspects such as the initiation of companies that have their business models; there are also opportunities and current ways to deal with business processes. Because of all those reasons, e-commerce turned to be an alternative method to communicate with customers in several areas of sales, marketing, and customer support. The current changes in e-commerce lead to a new change regarding the relationship between customers and management. This especially happened because of the use of network systems including using the internet, the intranet, and the extranet). To attain these aims, organizations should have an excellent model to monitor clients' performance. This can be done by the use of analysis and tracking the relation

that the customer has with the company (Kwan et al., 2010).

Determining the customer's needs in banks now is the main concern and the great interest that the customer's management relations in banks seek to create opportunities for the banking business for customers to be nurtured and to establish a long-term relationship retain customers and earn their loyalty (Tavaangar et al., 2010).

3. Development of the concepts

Customer Relationship Management recognizes the highest growth in all other trade and business fields in the current times, and smoothly the importance of considering the modern methods and technologies. Therefore many companies spend billions of money on web-based applications to conduct customer relationship management on the internet. This is mainly due to the fact that enterprises realize their needs to understand customer's needs, and to supply their satisfaction in order to achieve competitive advantage therefore, companies should be more consideration on costumers' relationship besides cares about their products (Tavaangar et al., 2010).

In most cases, information technology development in these areas made it possible to deal with many customer's related information, in form of software and application to manage and control the relationship between customers and organizations to achieve a deeper understanding of customers and their desires and needs (Buttle, 2009). In the digital business and economic movement of the 21st century, the focus of production efficiency and product differentiation is changed to value creation and relationship management. Customer relationship management is a critical business strategy in gaining competitive merits (Yang and Peterson, 2004). The spreading of the Internet has changed the way businesses are conducted. Real-time CRM is becoming increasingly important to enable the smoothness of businesses to provide quick and complete responses to customer needs.

4. Customer orientation approach

Customer orientation is the newest marketing approach. The customer-oriented approach begins with a study of the needs and demands of customers and continues with designing the physical product or service, production and supply, and then with the evaluation of customer satisfaction as the main indicator of performance (Tavaangar et al., 2010). The foundation of all phases of the operation is the obtained data from the customer. In fact, the customer is the main entrance of a customer-oriented organization's system. Putting the customer first, respond to their needs and demands is the beginning of the new approach in marketing. For this purpose, to improve customer satisfaction and

exceed their expectations are the main motives of organizations excellence (Neghab and Khaki, 2011).

The importance of customer satisfaction has become a priority of the pillars by the enterprises because the customer is the foundation and the focus of the commercial customer, as the customer and the presence of judges and retention and loyalty to institutions have become a matter of life or death, so enterprises spend millions of money to satisfy their customers and thus reflect on their profitability. There are several strategies and the most important of these strategies is Customer relationship management (Tavaangar et al., 2010). It is necessary to put the customer at the center of the business according to its strategies, events, and processes. In fact, it is easier and more profitable to sell to present customers than to find new ones. Organizations are setting their strategies to ensure customer retention, and changing their employees to be more customer-focused and service-oriented (Mohsan et al., 2011). There is no doubt that the institutions affected by the global market movement and what happens thus we find that companies are scrambling not only to satisfy customers but also to make a profit and keep customers active in more efficient and effective than their rivals in the competitive market, we find that the main aim of the institutions is to achieve profitability, achieve customer acquisition, loyalty, and retention (Buttle, 2009).

Institutions compete for their share of customers more than their share of sales because it reflected on profitability and partnership in the long term so that the institutions have adopted a new strategy which is Customer relationship management. Customer Relationship Management organization, knowledge management, and technology-based CRM) that were used in previous concepts because these dimensions are comprehensive and strongly related to the main components of CRM (i.e., people, technology, strategy, and processes) (Figs. 1 and 2) (Tavaangar et al., 2010).

Customer Relationship Management is trying to provide a strategic link between web applications technology and marketing strategies to create long-term relationships, profitability, and customer satisfaction. This needs much information from customers to build data-based. Customer Relationship Management of companies aims to grasp methods that influence customer behavior through meaningful communication to improve customer attraction, retention, loyalty, and profitability.

CRM is the implementation of an integrated series of technical solutions that are in favor of customers and then satisfy them and earn their loyalty, and thus achieve the profitability of the enterprise in perfect homogeneity with the customers' interest and the interest of the enterprise altogether. CRM demonstrates the philosophy of the relationship between the customer and the company using technical solutions (Yang and Peterson, 2004). The emergence of e-commerce has changed many aspects of existing businesses and generated new

companies with new business models, business opportunities, and processes. Existing companies are being challenged to rethink the most basic business relationship—the one between an organization and its customers. Electronic Customer Relationship Management is a multi-faceted approach that aims to support technical progress and sustainability for companies to control and meet customers' desires and needs -the aid of applications available online- than the customer service process facilitates better and more effective and efficient (Tavaangar et al., 2010). Nowadays, Electronic Customer Relationship Management is very important in business. It uses the internet as a necessary means. Such kinds of use of the Internet as a channel for commerce and information offers an opportunity for businesses to use have a good relationship with customers (Kumar et al., 2006).

Moreover, cost-effectiveness and cost-competitiveness for customer retention are more effective as compared to acquiring new customers (Kumar et al., 2006). In the past few years, the high speed of change in the business area, including deregulation, has also made rapid adoption of new technologies and flexible business strategies and basic requirements for businesses. Electronic Customer Relationship Management can be viewed as reminiscent of the good ways in the past as customers bought many of their needs from stores and they were greeted by the person behind the counter. The successful shopkeepers then were the ones who made it their business to understand their customers' needs and wants. When suppliers offered the best products that suit their customers' requirements. This can result in an intimate

relationship between suppliers and customers. This relationship resulted in a number of satisfied persons who kept returning. Loyal customers have a good relationship with the firm and he behaves differently from non-loyal customers (Zeithaml et al., 2018). Successful companies care much about customers. They adopt a universal CRM culture throughout institutions. They ensure that there is a common and deep understanding of the company culture throughout the management. Currently, a technology considered this process as a higher level, but the basic idea remained unchanged. Data can be collected from any point where the customers deal with the organizations. It can be also collected from other sources. For instance demographic or social databases. The following process is to combine together these data and to provide information which in turn enables the same organizations to improve their respective service. E-transactions and CRM are helpful to both academics and also critical to managers (Tsikriktsis and Heineke, 2004). Managers must understand their service processes in a holistic manner. They have to create “win-win” relationships with customers that use the strengths of other channel members, between the partners (Katzorke, 2002).

In such a case, we need to conceptualize and understand how to identify the critical factors that affect the implementation of E CRM and address them effectively to ensure that the promised benefits can be realized and failures can be avoided. Such being the case, there is a need for a more systematic and deliberate study on the essential and critical success factors for implementing CRM (Figs. 1 and 2).

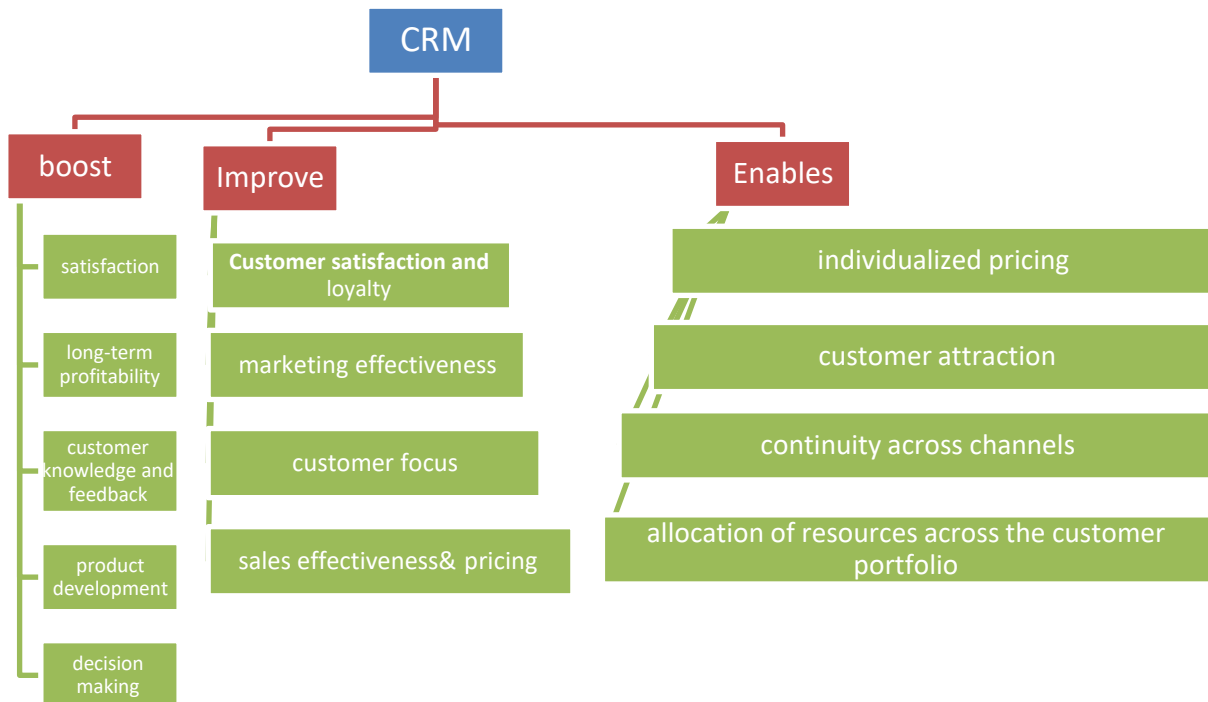


Fig. 1: Some characteristics and features of CRM

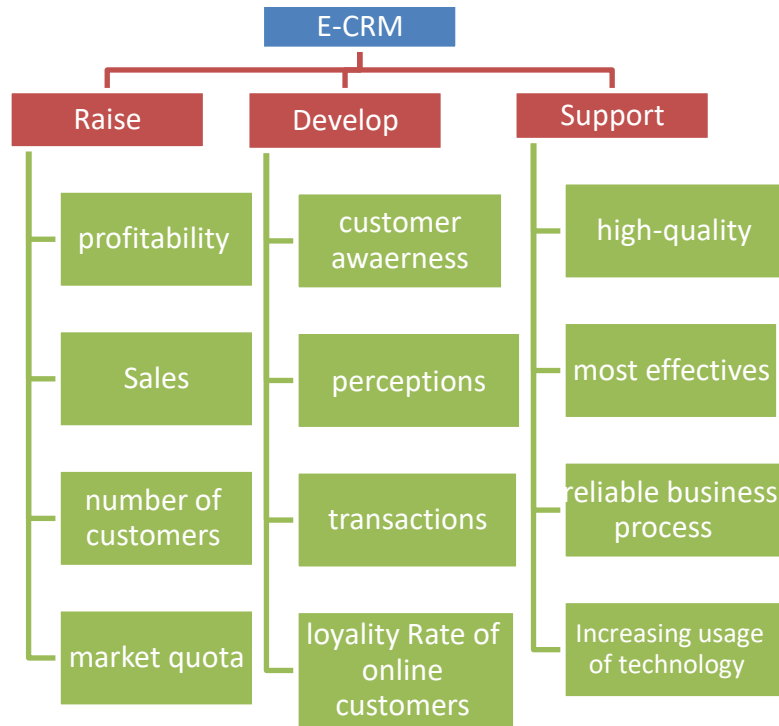


Fig. 2: some characteristics and features of E-CRM and show some differences

5. Comparison

According to previous studies, I found out that E-CRM helps in increasing customer retention and loyalty. Also, we saw the adoption of ECRM is more necessary because it is focused on customers' interaction that supported loyalty and retention to the organizations. Moreover, many authors believe that E-CRM is higher customer profitability, and we also believe that, but from our point of view, E-CRM must gain profits on a long term basis through expanding marketing channels via the web, and we saw that can retain more profits by creating value for the customer to become satisfied and loyal to the organizations.

6. Conclusion

The study found that the customer has no geographical boundaries, as the electronic transaction shortens distances and touches the needs of customers and transcends what the customer does not expect, and reaches the limits of satisfaction and loyalty for institutions that provide electronic services in their dealings. Electronic customer relationship management has achieved more profits than traditional customer relationship management by providing the customer's needs around the clock. The electronic customer relationship management has worked to raise the percentage of sales, the expansion of the market shares of sales, the increase in the number of customers in the institutions, as well as to increase in the percentage of marketing awareness for my customers, and as well as working to raise and develop the level of choices of available products and thus it increases loyalty to electronic services. The

electronic customer relationship tool also supported the level of available quality, as it supports the level of reliability in business operations, and the increased use of technology in all transactions supports vital strategies and enhances the loyalty and credential of customers in the institutions.

7. Recommendations

The study advises companies to adopt using CRM and the E-CRM to raise customer retention, survival, and loyalty, raise profitability and raise the level of understanding and awareness of customers. It facilitates customer service and raises the quality through the feedback of customers besides using the necessary technology to expand their market share.

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Compliance with ethical standards

Conflict of interest

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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