

# Customer Relationship Management

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# ELTRUN Research Center



- ELTRUN Director: Professor Georgios I. Doukidis
- ELTRUN is the E- Business Center of Athens University of Economics and Business
- It includes 20 researchers, including 4 members of the academic staff of the University, it has collaborated with over 50 international companies and undertake international, national and industry projects
- Research Groups:
  - SCORE (Supply Chain and Demand Management, Collaboration and Electronic Services)
  - IMES (Interactive Marketing and Electronic Services)
  - CUBE (Center of Studies on Business Intelligence and Database)
  - IML (Intelligent Media LAB)



## Its Research streams:

- Electronic services and e-business, focusing on business-to-business (B2B) commerce (e.g. Digital Marketing, Electronic Customer Relationship Management)
- Interorganizational information systems and applications, including interoperability issues and new information infrastructures utilizing the web-services technology
- Collaborative practices in supply chain and demand management, placing special emphasis on the retailing sector
- The application of RFID technology in the supply chain, especially for supporting inventory management, traceability and innovative consumer services



## Why CRM/e-CRM is important ?

- It has shifted the “marketing mix” to “relationship marketing” (Gronroos, 1994) in order to manage customer relationships effectively, achieving competitive advantage.
- Marketing tool integrating technology, software, people and business processes aiming at decreasing cost in business organizations (Feinberg and Romano, 2003)
- It understands better customer behaviour, as the customer is the central focus (Feinberg et al, 2002) and organizations changes to customer centric ones (Gamble et al, 2000).
- It processes large amounts of customer data. It keeps tracking the customers once attracted, especially the economically valuable customers.

- ❖ Describes the process of creating and maintaining, enhancing relationships with business customers or consumers through promise fulfillment” (Gronroos, 1990). Alternatively, CRM is a process of identifying, differentiating, retaining and growing customers through customization (Strauss et al., 2006)
- ❖ Various perspectives of CRM concept based on scope a researcher examines it (e.g. Management, Marketing)
- ❖ CRM is the 5th “P” of the marketing mix

## e-CRM

- Definition: The application of the CRM concept utilizing Information and Communication Technologies (ICT) in both “traditional” and “electronic” business environments (Kevork and Vrechopoulos, 2006)
- It involves marketing activities given to customers through channels in a digital way sharing the same concepts such as: customer centric relationship, long-term lasting relations, customer management (Kevork and Vrechopoulos, 2006)

## *Perspectives of CRM: depend on*

- Research field of the researcher*
- Industry in which CRM is implemented*

## ***Perspectives of CRM according to research field***

- Management
- Information Systems/Technology
- Marketing
- Service Marketing
- Human Resource Management
- Knowledge Management
- Electronic Business



- **Management** (Greenberg, 2001; Parvatiyar and Sheth, 2001; Swift, 2001, Crosby, 2002; Stefanou et al., 2003, Gummesson, 2004; Ngai, 2005)
  - ✓ more a business strategy than technology
  - ✓ manage customer life cycle and increase loyalty, profitability, retention by distinguishing profitable and non-profitable consumers
- **Information Systems** (Rigby et al., 2002; Fjermestad and Romano, 2003; Light, 2003)
  - ✓ Emphasis on technological aspects of CRM Technology
  - ✓ Technological tool (taking data from data warehouses and SFA)
  - ✓ Combination of software, hardware, processes and applications aligned with customer strategies



- **Marketing** (Peppers et al, 1999; Zineldin, 2000; Luck and Lancaster, 2003; Vlachopoulou, 2003)
  - ✓ CRM is described as a forthcoming change in Marketing thinking
  - ✓ CRM is the 5th “P” of marketing mix
  - ✓ Emphasis on long term relationships and one to one interactions through communication channels and no longer to transactions and acquisitions of new customers
- **Service Marketing** (Chen and Popovich, 2003; Law et al, 2003)  
Strong connection between CRM and service
  - ✓ CRM focus on customer as a starting point where service has to be delivered on time in an environment where all the parties have their role and cooperate with each other.
  - ✓ Service is offered to customers through SFA



- **Human Resource Management** (META Group Report, 1998)
  - ✓ Customer-oriented culture have to be adopted by both top-management and employees within the organization.
- **Knowledge Management** (Massey et al., 2001; Stefanou et al., 2003; Romano and Fjermestad, 2003; Rowley, 2004; Minna and Aino, 2005)
  - ✓ CRM enables organization to learn customers better which in turn leads to increased profitability and growth
- **E-Business** (Rembrandt, 2002; Romano and Fjermestad, 2003)
  - ✓ An application which enables customers to do e-business digital activities
  - ✓ Customers collect data at every “touch point” (Web Site, e-mail, call center, voice response systems, e-kiosks, mobile phones, etc.).



## *Perspectives of CRM according to industry implementation*

- Hotels/Travelers
- Mobile phone service
- Museums
- Fashion retailers
- Banking



## • Hotels

- ✓ Customers collect information/make reservations through internet.
- ✓ Hoteliers are not familiar with CRM concept.
- ✓ They prefer to use experts with specialized knowledge concerning CRM technological implementation and in particular Web site designing.
- ✓ Few hoteliers use loyalty programmes.
- ✓ Early stages of using CRM

## • Museums

- ✓ Museum services are promoted through Internet
- ✓ Museum managers are uncertain of which is the best way of using the Internet
- ✓ Web site: informative role, discussion groups.
- ✓ Early stages of using CRM.
- ✓ Museums managers seek to find new ways of retain long term relationships with their customers.



- **Mobile phone service**

- ✓ Only some steps in innovation are made
- ✓ Memberships and loyalty schemes (characteristics of CRM) are only used
- ✓ Early stages of using CRM

- **Banking**

- ✓ Understanding of the principles of “relationship” between bank and customers (reduce cost, offer better customer service and positive impact to the management of consumer behaviour)
- ✓ CRM used services: customer life time value, retention rate, call centers, profitability analysis

- **Fashion retailers**

- ✓ Web sites: informative and communication role
- ✓ No provision of value added activities
- ✓ Interactivity with a very low level

# Aims of e- business Forum



- ✓ To promote Customer Relationship Management philosophy
- ✓ To provide useful insights and directions to CRM Vendors of applications on their task to provide services of high quality and satisfy the needs of the market
- ✓ To monitor and write – down the needs of the industry (both public and private sector) taking into consideration all the applications

# E- Business Forum Empirical Research



## **Exploratory research: Qualitative research approach**

- ✓ Focus groups: with experienced IT Managers
- ✓ Results concern the following subjects
  - General
  - Industry
  - Perspectives



- It is essential that practitioners and academics cooperate each other for maximizing the benefits
- Business should study more academic journals and academics should come closer to the business practice
- CRM is a philosophy where information systems play a significant role and answers should be given to questions as **What, Why and Where** every CRM solution leads.



- Banking sector: CRM application monitors the preferences, the desires and the wants of their customers aiming at offering one to one services.
- Banking sector: various and numerous data (demographic, economic, transactional) and laws hinder the adoption of CRM concept
- Mobile and pharmaceutical companies present better results than banking sector under strong competition, the level of technological training and the difficulty in preserving their clients.

# Results - Perspectives



- Knowledge management is very important in CRM concept
- CRM application is a large investment with high costs
- Both customers and companies should change their culture in order to understand better one another and use CRM tools more effectively.
- Strategically, it is important to study costs and benefits of a CRM solution

# Journals of interest



- ✓ International Journal of Electronic Customer Relationship Management
- ✓ International Journal of Interactive Marketing
- ✓ Journal of Business Process Management
- ✓ Managing Service quality
- ✓ Marketing Intelligence and Planning

For more information please  
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Thank you!