Marketing is no longer simply about developing, selling, and delivering products. It is progressively more concerned with the development and maintenance of mutually satisfying long-term relationships with customers (Buttle, 1996, p. vii). To this end, organisations are seeking to adopt relationship marketing (RM) with the expectation that it will help them retain customers and in so doing deliver long-term and value-added customer relationships. The economic case for RM is clear: It is far cheaper to retain an existing customer than it is to win a new one, and RM has an important role to play in customer retention (Buttle, 1996, p. vii). For example, Payne (2000a, p. 110) notes that: “many researchers have suggested that it costs around five times more to get a new customer, than it does to retain an existing one.” Moreover, the literature (e.g., Grönroos, 1999; Gruen, 1995; Morris, Brunyee, & Page, 1998; Payne, 2000b) identifies a range of further benefits that should be realised from a RM strategy, including: longer-term relationships; more frequent customer contact; heightened focus upon customer service; and the tailoring of products and services. While the anticipated outcomes of RM may be highly desirable, their realisation is not readily achieved. More specifically, it has been proposed that RM success will be predicated upon: a supportive culture; internal marketing; a deeper understanding of customer expectations and motivations; an organisational reward scheme; and, above all, a significant level of organisational redesign (e.g., Buttle, 1996; Grönroos, 1999; Gummesson, 1996). Moreover, given that RM is, above all, a philosophy, rather than a well-defined way of working, it is not readily apparent how it can best be operationalised, and its benefits realised, within the organisational context. However, many practitioners and academics argue that the solution can be found through the adoption of customer relationship management (CRM).

CRM is promoted as the ideal mechanism for implementing RM on a company-wide basis (Ryals & Knox, 2001). CRM has been defined as a business process that “addresses all aspects of identifying customers, creating knowledge, building customer relationships and shaping their perceptions of the organisation and its products” (Srivastava, Shervani, & Fahey, 1999, p. 169). As one might surmise from this definition, CRM is very firmly rooted in the principles and practices of relationship management. As Zablah, Bellenger, and Johnston (2004) note “relationship marketing is often cited as the philosophical basis of CRM” (p. 480), while Ryals and Knox (2001) go somewhat further when they argue that: “CRM provides management with the opportunity to implement relationship marketing on a company-wide basis” (p. 535).
There are a wide variety of views as to the underlying nature of CRM: is it a process, a strategy, a philosophy, or a technology? (Greenberg, 2001). Indeed, these multiple perspectives are often reflected within its definition: “a comprehensive business and marketing strategy that integrates technology, process and all business activities around the customer” (Anton & Hoeck, 2002). However, in recent years, it is the technological perspective that has gained the ascendancy, and for most organisations, the adoption of CRM is achieved through the implementation of software, which typically comes with the label electronic customer relationship management—or as it is increasingly termed e-CRM.

The annual global expenditure on CRM technology, in general, and e-CRM, in particular, is already huge and growing year after year. The term e-CRM is typically used to describe a broad range of technologies that might helpfully support and facilitate a company’s CRM strategy. Such technologies are likely to include: “web-sites, email, data capture, data warehousing and data mining” (Lee-Kelley, Gilbert, & Mannicom, 2003). Dyche (2001) makes the useful distinction between two main classes of e-CRM technology: operational e-CRM and analytical e-CRM: Operational e-CRM uses telecommunications technology to establish and manage the interface between the host organisation and their customers, and analytical e-CRM uses data management technologies to build and maintain a more coherent picture of their customers. While a whole variety of database and telecommunications technologies might play important roles in an integrated e-CRM implementation, most discussions and definitions of e-CRM highlight the overarching importance of the Internet. As Dussart (2001) notes: “the Internet is the ideal platform for practising relationship marketing” (p. 633).

Having established a strong logical link between RM and e-CRM, it is important to pose the following question: to what extent does e-CRM technology deliver the expected returns of RM? Put another way, does a typical e-CRM implementation enable organisations to successfully practise RM, or is it more usually applied as a simple tool to more effectively manage the sales process. The problem seems to be that while the RM literature promises a vast array of significant benefits, thus far there is little evidence that e-CRM technology is able to deliver on these promises. For example, Feinberg and Kadam (2002) contend that there is no proven link between the implementation of e-CRM technology and the delivery of significant improvements in terms of “profits, sales or customer satisfaction.” Indeed, there is a growing body of literature that raises serious questions about the success of CRM, in general, and e-CRM technology, in particular (e.g., Adebanjo, 2003; Fjermestad & Romano, 2003; Rheault & Sheridan, 2002; Rigby, Reichfield, & Scheffer, 2002; Yu, 2001). One highly plausible reason for the high levels of disillusionment, with regard to e-CRM technology, is that it simply is not fulfilling the promise of RM. As Trembly (2002) reported, there is the unrealistic expectation, within many organisations, that the implementation of CRM technology will deliver the full suite of benefits associated with RM. This potentially significant expectations’ gap, can probably best be explained by returning to the success factors for relationship management. RM is an enterprise-level strategy, whose success is predicated upon: significant process redesign, a supportive culture, and enterprise-wide participation in marketing. A technological solution, such as e-CRM, no matter how good it is, cannot automatically deliver or trigger wide-scale organisational redesign.

Based upon our critical review of the literature, we would argue that for any organisation to stand a realistic chance of attaining its benefits, the organisation would need to adopt a holistic view of relationship management, as reflected in Figure 1. Adopting such a view means recognising that while e-CRM technology may well be a necessary condition for effectively tackling the challenges of RM, it is very unlikely to be sufficient on its own. More specifically, e-CRM technology is an important conduit that facilitates the capture of high quality preference-related data from the customer, while simultaneously directing tailored, marketing-oriented information to the customer. However, to be successful this critical interface has to be supported by a raft of customer-focused, organisational changes to ensure that the promises of customer value, such as those offered by e-commerce, are delivered in practice. Moreover, there are also many technological challenges that the aspiring RM organisation will need to overcome before it can hope to enjoy the benefits of an e-CRM initiative. More specifically, the following
is a list of some of the more pressing challenges that will need to be addressed:

• It can be argued that layers of technology, whether Internet or phone based, often make customers feel isolated and confused. Which one of us has not felt frustrated when faced with an automated call centre, or Web-based interface that does not readily address our needs, as customers. Kotorov (2002) argues that the solution to this problem lies in re-designing the organisational processes and structures and aligning these with the technological interfaces, so that the customers’ needs are always well served, irrespective of the time and location at which they arise.

• The Internet provides an important new channel through which organisations can trade with their business partners. However, this channel will only deliver long-term relationships, in an era of increased customer mobility, if the technological interface can be used to facilitate strong customer involvement with the retailer (Dussart, 2001).

• Peppard (2000) argues that the development of mutually rewarding, long-term relationships between organisations and their customers is primarily predicated upon information richness, rather than information reach. Consequently, to be successful, e-CRM applications must facilitate highly tailored and rich interactions with individual customers, rather than simply relying upon the reach of the Internet to increase the volume of interactions.

• The design of an e-CRM customer interface is critical to the operational success of the application. As Fjermestad & Romano (2003) point out, by understanding and applying the basic design principles associated with usability and resistance, many of the typical pitfalls of e-CRM initiatives can be avoided.

• Internet-based e-CRM may not be the only channel through which an organisation will attempt to facilitate RM. For example, e-commerce sales will be supported by a range of complementary channels, such as a call centre, off-line marketing, postal, and potentially mobile computing interfaces. Consequently, it is important that these complementary customer-facing channels

Adapted from Doherty & Lockett, 2005
are also well integrated with any wider organisational changes relating to the RM initiative.

- It is important to note that while an e-CRM interface with customers will not deliver value unless it is very tightly integrated with powerful and highly sophisticated e-CRM database technology, to ensure that all the customer-related data is effectively analysed and translated into customer-focused information (Scullin, Fjermestad, & Romano, 2004). While data storage and processing technologies should be an integral part of e-CRM technology, the increasing focus on the Web-based elements of e-CRM means that this is by no means certain.

- A further important component of the technological infrastructure will need to come in the form of a communications network to effectively interconnect all of the constituent parts of the organisation. As Payne and Frow (2005) note, effective CRM is predicated upon: “the cross-functional integration of processes, people, operations and marketing capabilities, that is enabled through information, technology and applications.”

However, while providing the technology to facilitate interconnectivity is a necessary condition for cross-functional integration, it may not be sufficient, as working practices, business processes, and perhaps above all, organisational culture may need to be modified to ensure that the communications technology delivers value (Grönroos, 1999).

- O’Malley and Prothero (2004) report that customers are “savvy exchange participants,” who appear to: “recognise relational strategies as shallow and potentially divisive in nature.” Consequently, it is important that retailers find ways of building trust in their brands, by demonstrating to customers that win-win outcomes are possible, from a well-designed relationship.

Our analysis of the relationship between RM and e-CRM suggests that there are many organisational and technological challenges that will need to be addressed before organisations can reap the full potential of e-CRM initiatives. Consequently, the underlying motivation for producing this special edition was to provide new insights into how these challenges can most effectively be overcome, and the gap between the promise of RM and the reality of e-CRM could best be closed. In particular, we were looking for significant new contributions into how e-CRM is being applied and integrated within business organisations, and the impacts that this is having on their operational and financial performance and the design of their business structures and processes.

The call for papers attracted a very encouraging and enthusiastic response from all corners of the globe, which following a very rigorous two-phase review process, were filtered down to the six papers that ultimately form this special edition. Together these papers provide a variety of perspectives and viewpoints as they try to illuminate different aspects of this complex and highly dynamic area of academic discourse. Ranging from careful statistical analyses, which deliver new insights into the behaviour of customers and retailers, through to thought-provoking conceptual contributions, each of the following papers makes an important contribution to the on-going debate:

1. “Integration of E-CRM in Healthcare Services: A Framework for Analysis”—Burr, Patterson, Rolland, and Ward propose an analytical framework, which can be used by healthcare providers to develop a competitive advantage through implementing e-CRM systems to create value for their patients.

2. “The Impact of E-CRM on Organisational and Individual Behaviors”—Le-taifa and Perrien empirically explore how e-CRM initiatives must be accompanied by changes to organisational and individual behaviours, if they are to deliver improved customer value.

3. “Do Mobile CRM Services Appeal to Loyalty Program Customers?”—Liljander, Polsa, and Forsberg present an empirical study that was designed to investigate the appeal of new mobile CRM services to airline customers.

4. “E-CRM and Managerial Discretion”—Coltman and Dolnicar empirically investigate the importance and role of managerial
discretion, with respect to the adoption of e-CRM. In particular, they show that the heterogeneity of beliefs held by managers about e-CRM execution matter when explaining e-CRM success.

5. “Multi-Channel Retailing and Customer Satisfaction: Implications for E-CRM”—Warrington, Gangstad, Feinberg, and De Ruyter examine the influence of shopping experience on customers’ future purchase intentions, both for the retailer and for the channel. In so doing, they review the implications of their study for the uptake and adoption of e-CRM.


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