Chapter 5

Electronic Customer Relationship Management (E-CRM) Practices of Micro, Small, and Medium Scale Enterprises in Ghana

Rebecca Baah-Ofori
University of Professional Studies Accra, Ghana

George Amoako
Central University College Accra, Ghana

ABSTRACT

This book chapter is aimed at finding out how SMEs in Ghana employ electronic customer relationship management (E-CRM) to improve their business performance. Case studies were used and five companies were selected and their managers interviewed. The study found that there is a growing awareness among SME owners about social media platforms. It also found that SME owners use such platforms for marketing and e-CRM purposes. The most reported social platforms used for e-CRM were found to be Facebook, WhatsApp and Instagram. Regarding the effectiveness of these platforms for marketing and e-CRM, the SME owners interviewed intimated that they are fast, convenient, and cost effective marketing platforms. This study concludes that SMEs in Ghana are aware of and use mostly free internet platforms such as Facebook, WhatsApp and Instagram for e-CRM. Specifically, SMEs use such platforms to share information with clients and build and maintain relationships.

INTRODUCTION/BACKGROUND

An important aspect of running a business is the ability to attract and retain clients who will patronize the goods or services being offered. In other words, businesses cannot survive without clients or customers. When customers are pleased with the products or services being offered, there is the possibility for
them to return to an organisation for more of such goods or services. However, no matter how good a company’s products are, that company will not be guaranteed continued patronage if it has dissatisfied clients due to poor service experience. In a world of fierce business competition, a company’s inability to implement measures to satisfy and retain clients will be to that company’s own detriment. Thus, good client relations is essential to the survival of a business. In other words, building relationships with clients through regular, accurate communications is key to successful CRM (Luck & Lancaster, 2003).

The need to maintain relationships with customers led to the development of the concept of Customer Relationship Management (CRM) which refers to the ability of a company to implement certain strategies that are meant to build and strengthen relationships with customers with the hope of raising long term profits for the company. In the words of Farooqi and Dhusia (2011), customer relationship management is a “comprehensive sales and marketing approach to building long term customer relationship management and improving business performance.” So that, the aim of managing relationships with customers is not entirely for immediate gains but rather, for long term increasing of a firm’s profit margin. Bradshaw and Brash (2001) describe customer relationship management as “a management approach which enables organisations to identify, attract and increase retention of profitable customers by managing and retaining relations with them.” Again, the concept of customer relationship management suggests that companies place extreme value on satisfying the needs of current clients in order to retain them and placing mechanisms in place in order to attract potential clients. Some of these mechanisms have been the provision of telephone and fax numbers with which clients can contact a company, the creation of client service desks and the designation of particular person(s) to attend to the needs of clients (Bradshaw & Brash, 2001).

The advent of the internet has meant the creation of an additional tool with which businesses can engage their clients and a general improvement in the customer relationship management practices of organisations. The use of the internet in Customer Relationship Management has resulted in the term: Electronic Customer Relationship Management (E-CRM) which according to Blery and Michalakopoulos (2006) refers to the use of the internet to implement CRM strategies. E-CRM is the use of ICT tools by organisations as a means of building potentially long lasting relationships with customers (Kotorov, 2002). Businesses have taken advantage of the internet to showcase their products in a creative, attractive and at a relatively cheaper cost (Hamid, Cheng & Akhir, 2011). This is largely due to the fact that most clients find the internet as a convenient way of shopping and scouting for good deals comfortably, without having to be physically present in shops. Indeed, some businesses are entirely internet based without a physical business address. What this means is that aside managing relationships with clients who may be physically present to patronise a firm’s products, there is the need for businesses to adapt and manage relationships with those who do business with them online (Hamid, 2008).

This process of establishing and maintaining relationships with clients using internet platforms is what has been termed as electronic customer relationship management. Its key characteristics include the use of the internet to communicate brand information, gather customer information and answer customers’ enquiries (Luck & Lancaster, 2003; Rich, 2000). Generally, e-CRM is geared toward the provision of “a consistently superior customer experience” (Reichheld & Schefter, 2000). E-CRM can be done using channels such as websites, emails, voice portals and SMS (Skououdis, 2003). The rationale for the adoption of e-CRM varies from company to company. However, some reasons for the adoption of e-CRM include a desire to offer better services, improve communication and build stronger relationships (Blery & Michakopoulos, 2006). Even though some scholars argue that the benefits of e-CRM can best be described as weak and complex (Fienberg, Kandam, Hokama & Kim, 2002), there is a strong
Related Content

Investigating Switching Cost Roles in Determining Loyalty in the Mobile Telecommunications Market
[www.igi-global.com/article/investigating-switching-cost-roles-determining/60146?camid=4v1a](www.igi-global.com/article/investigating-switching-cost-roles-determining/60146?camid=4v1a)

Problems
[www.igi-global.com/chapter/problems/39885?camid=4v1a](www.igi-global.com/chapter/problems/39885?camid=4v1a)

Capturing Data from Customers
[www.igi-global.com/chapter/capturing-data-customers/7402?camid=4v1a](www.igi-global.com/chapter/capturing-data-customers/7402?camid=4v1a)

Customer Relationship and Satisfaction: The Jumeirah Beach Hotel Case Study
[www.igi-global.com/article/customer-relationship-satisfaction/52043?camid=4v1a](www.igi-global.com/article/customer-relationship-satisfaction/52043?camid=4v1a)