Chapter IX

Integrating Internet/Database Marketing for CRM

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Abstract

Firms have only just begun to fully use the Internet to obtain customer information in their database marketing processes to enhance customer relationship management (CRM). This chapter introduces a framework about how they can do this. Essentially, it argues that the advent of Internet/database marketing brings solutions to some of the difficulties in customer relationship management by providing one-to-one interactivity and customization. For example, the Internet offers benefits, such as
increased consumer data collection accuracy and speed, cost savings in collecting data, greater interaction, and better relationships with customers. This chapter develops a framework for integrating the Internet and database marketing to help marketers improve customer relationship management through rigorous action research.

Background

The growth in database marketing and the emergence of e-commerce driven by the exponential growth of the Internet requires marketers to capitalize on the full advantage provided by information technology to be competitive. The key component of database marketing is its ability to enhance an organization’s marketing program by identifying customers that are likely to be more receptive to a specific offering. Indeed, competent database marketing practice needs to be integrated with other marketing strategies and practices. The interactive Web environment and the advent of Internet marketing present an explicit opportunity for firms to achieve maximum database marketing benefits.

Although the basic database marketing principles are the same, the integration of the Internet into database marketing process allows personalized interaction and communication. That is, the Web medium enables the capture and use of highly personalized information, such as name, interest, type of car owned, TV programs watched, and so on. This information, in turn, facilitates one-to-one marketing (Gillenson, Sherrell & Chen, 1999). For example, armed with customer transaction data and/or third party lifestyle data from companies like Claritas and Acxiom, online direct marketers can deliver personalized interactive promotions, realizing full capabilities of the Web.

A prerequisite for the successful translation of the relationship marketing paradigm from industrial to consumer markets is accurate customer information. Improved quality of customer information enables marketers to target their most valuable prospects more effectively, tailor their offerings to individual needs, improve customer satisfaction and retention, and identify opportunities for new products or services. Therefore, the key focus of e-marketing is customer data that can be used to inform operational, tactical, and strategic decision making (Chaffey et al., 2003).

The Internet offers a valuable opportunity to collect information about a customer (Rowley, 1999). Through the Internet, every customer contact can
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