Chapter I

Customer Relationship Management on Internet and Mobile Channels: An Analytical Framework and Research Directions

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Abstract

The Internet has served as an effective channel for companies to build and manage relationships with customers. The mobile channel, emerging from the convergence of wireless communications and the mobile Web, promises to deliver additional support to meet consumer needs. This chapter examines features of customer relationship management (CRM) as implemented on the Internet (eCRM) and the mobile channel (mCRM) from the customer’s perspective. It further explores how companies can
better coordinate their CRM strategies between these two channels to support e-commerce customers. We propose an analytical framework to examine the current eCRM and mCRM practice in terms of customer loyalty, branding, customer satisfaction, customization, and trust. These five factors affect customer acquisition, sales and services, and customer retention. A checklist was developed to guide the evaluation of CRM practice for e-commerce sites. Several examples and research directions are discussed in the chapter.

Introduction

Customer relationship management (CRM) involves the deployment of strategies, processes, and technologies to strengthen a firm’s relationship with customers throughout their lifecycle – from marketing and sales, to post-sales service. The motivation for CRM stems from companies’ desire to increase their revenues and profitability through improved customer satisfaction and retention (Reichheld, 1996; Reichheld & Sassar, 1990; Winer, 2001). Internet technology has transformed CRM into electronic CRM (eCRM), because companies can use Internet technologies to capture new customers, track their preferences and online behaviors, and customize support and services. Furthermore, the convergence of wireless communication and mobile Internet provides companies with opportunities to interact with their customers through a new mobile channel.

Despite the potential growth of mobile commerce for location-aware and customer-aware services (Varshney, 2003), recent research points out that most mobile sites were designed primarily for supporting existing e-commerce customers (Chan et al., 2002). Customers who are already familiar with the interface and services provided on a company’s Web site are likely to benefit more from its mobile site. Therefore, out of a wide range of mobile services (Varshney, 2003; Varshney & Vetter, 2001), it is logical to consider the mobile channel as appropriate for building and retaining relationships with existing customers. Because of current technology and usability barriers (Chan & Fang, 2003; Ernst & Young, 2001; Shim et al., 2002), businesses and consumers are hesitant to adopt the mobile channel. Research is needed to examine how the mobile channel can be effectively leveraged to attract and retain e-commerce customers.
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