

***The Use of eCRM to Enhance Customer  
Relationship: The Case of Toyota  
Mahanakkorn***

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## **Abstract**

Many organizations are familiar with using CRM (Customer relationship management) to manage and enhance the customer relationship. Good customer relationship can bring great benefits and a competitive advantage to organization. And in this era of technology, CRM that consists of eCRM (Electronic customer relationship management) is acknowledged as another potential solution for business.

The purpose of this study is to explore what an organization can do to improve the use of eCRM, so eCRM can enhance the customer relationship. In the thesis the authors have studied different eCRM key factors and their relationship in order to improve customer relationship through the use of eCRM.

This thesis has used Toyota Mahanakorn, the Toyota dealers in Thailand as a case study for examining the practice of successful eCRM in the organization.

Our conclusion is that in order to improve the performance of eCRM, an organization should choose a eCRM technology that suits with organization strategy and practice as well as employees technology and service capabilities.

Since this thesis studies the way to improve the use of eCRM in an organization, this thesis will be advantageous to those who plan to implement eCRM in the future and to those who have already implemented eCRM and would like to make it better.

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## List of Abbreviations

<b>CR</b>	Customer Relationship
<b>CRM</b>	Customer Relationship Management
<b>eCRM</b>	Electronic Customer Relationship Management
<b>IT</b>	Information Technology
<b>IS</b>	Information System
<b>FAQ</b>	Frequently asked questions

## **1. Introduction**

Good relationship among between a customer and an organization creates higher customer satisfaction. Almost all businesses focus on enhancing this relationship because customers are the ones who keep the business running (Jayanthi & Vishal, 2009). CRM systems are capable of increasing the satisfaction of customers and creating the competitive advantage that companies need to attract customers (Nguyen et al., 2007; Dean et al., 2008). As businesses are looking for the better way to communicate and interact with customers nowadays, many of them choose eCRM (electronic Customer Relationship Management) . Since the competition among businesses is getting higher, many businesses concern to develop products and services to match customer needs. eCRM allows a business to understand customer behavior and forecast customer needs easier through online activities and able to improve long-run profitability, thus it becomes more popular. (Christopher et al., 199I cited in Aileen, 2006).

According to Dotan (2008) eCRM can improve the levels of interaction between customer and service. The common goal of using eCRM is to improve customer relationship via improving customer service and retaining profitable customers. In addition, eCRM is able to create loyalty and extent customer life cycle by increase customer value and satisfaction (AvJill, 2001; Ravi and Macia, 2001).

The customer relationship that eCRM created can help organization maintain their profitable customers and also create loyalty among customers. The factors that are important in eCRM processes are divided in three main categories which are strategy, technology and people. Because purchase behavior is based on the satisfaction of customer needs, hence the marketing manager should be able to communicate and show how their products and services can satisfy the needs of their target customers (Stanton et al., 1994; Eric & Jerry, 2001). Toyota Mahanakorn becomes the case study of this thesis because it is one of the largest dealers of Toyota in Bangkok. Due to company's mission, Toyota Mahanakorn strategy is focusing on relationship management of its customer in order to reach the highest customer satisfaction and customers' mind. Also Toyota Mahanakorn has implemented the system that similar to eCRM. The empirical data from interviewing will be used as a case study for finding the relationship among the key factors of eCRM and identify and discuss how an organization should use eCRM in order to enhance customer relationship.

### ***CRM background***

Customer Relationship Management (CRM) is an integration of business processes and technologies which used to satisfy customers' needs (Ranjit, 2002; Dotan, 2008; Jayanthi & Vishal, 2009). It is processes that collects customers' information and applies those data in marketing activities (Ron, 2001). The Internet capabilities and software can help organizations manage relationship with their customers through CRM (Xu, et. al, 2002 cited in Dotan, 2008). The CRM becomes one important factor in business strategies, processes, and information technologies which enable organizations to maximize profits and increase customers' satisfaction and needs. Its process permits organizations to analyze customer data rapidly while improving customer loyalty via their products and services (Liu, 2007; Darrell et al., 2002).

### ***eCRM background***

Electronic Customer Relationship Management (eCRM) is referred to the marketing activities, tools and techniques via the Internet network which are able to build and enhance relationship between organization and customers (Lee-Kelley et. al., 2003 p.241). Bradway and Purchia (2000) mentioned that eCRM is the intersection between Internet market and customer-centric strategies. It is sometime referred to web-enabled or web-based CRM (Aileen, 2006). Since the use of IT plays the important role to deliver products and services to customer (customer does not use CRM), business decides to use eCRM to support the multiple electronic channels to contact and communicate with its customers (Bernett & Kuhn, 2002). Same as CRM, eCRM objective is to gather information from customers and adjust service level to match with specific needs which will able to enhance customer relationship (Jerry & Nicholas, 2006, p.23). eCRM helps organizations to enable specific products and services to reach customer needs through Internet access (Schneider, 2004; Hugh et al, 2002). This is one of the opportunities that organizations received because it can retain profitable and valuable customers by fulfill their requirements (Ing-long & Ching-Yi, 2009). Customer satisfaction, customer retention and customer loyalty are three significant components of customer relationship that organization want to achieve which is the significant goals of CRM (AvJill, 2001; Mohamad & Ning, 2005).

### ***Toyota Mahanakorn Co., Ltd. Background***

The Toyota Mahanakorn is one of the largest Toyota dealers in Bangkok. Among the competition between Toyota dealers, Toyota Mahanakorn achieves many award, for example TEDAS award (Toyota Excellent Dealer After Sale Service award) which represent the reputation of Toyota Mahanakorn among Toyota customer (Toyota Mahanakorn website, 2010). Since 1979 Toyota Mahanakorn (TM) has improved its sales and services and provided excellent sales and after sales services lately. Its 13 shops are supported by 850 employees (Toyota Mahanakorn



website, 2010). Its slogan is to treat its customers like the members of the family, thus the company is continuing provide the best a stellar service, based on honesty. Because of product similarity, Toyota Mahanakorn turns to manage the highest customer relationship instead of sale competition in order to retain reputation among Toyota customer (this mean that Toyota Mahanakorn focused on providing the best customer relationship rather than try create more sales in order to gain new customers or retain the existing customers.) eCRM allow the company to contact with its customers through its website, email and mobile phone device. Recently, since it aware of the benefit of networking, eCRM become more important for this organization.

### **1.1 Problems Statement**

eCRM enables a company to analyze customer information. Customers' information is stored in customer database of organization. And it can be retrieved when the organization needs that information. However, that is not the overall function of eCRM. Successful eCRM has to be able to deliver a higher level of customer satisfaction (Injazz & Karen, 2003). The success of eCRM is dependent on how the initiative is deployed.

eCRM can be consider as one of the CRM tools. eCRM technical factors are also important for operating the customer information. Companies must be structured in a way that facilitates communication between functional areas as well (Liu, 2007). The strategic intent of adopting eCRM systems must be regarded to understand the effects of eCRM application in order to determine management actions (Qimei & Hong-Mei, 2004).

From previous problem statements, there are many factors related to eCRM. eCRM can create a high level of customer satisfaction it enable companies to assess each customer's needs (Fitzgibbon and White, 2005 cited in Lee & Lambert, 2008). Those factors can be the factors that lead organization to a good relationship with customers.

Since the problems were noticed that there are many factors to enhance eCRM, so eCRM will be able to increase more services to customers. We think that there are a lot of questions that might be of interest for researchers. But in this thesis and according to the time limitation of this course has, we have formulated our strategic question and research question as follow.

### **1.2 Strategic Question and Research Question**

In order to enhance customer relationship, organization should know the benefit of IT as well as the relationship among key factors in order to create efficiency in eCRM usage. From the study of chosen literature and stated problem, the following strategic question was formulated:

### ***How can organization manage IT practices in order to enhance customer relationship?***

The formulated strategic question guided the purpose to identify and describe the key factors and the relationship of eCRM key factors that enhance customer relationship. And since the previous problems of eCRM that have mentioned above, customer relationships. The following research question which was based on our interest and research materials pertained to this study:

### ***How to use eCRM to enhance customer relationship in organization?***

#### **1.3 Purpose**

The purpose of this study is to describe and analyse what an organization could do to improve the use of eCRM in order to enhance customer relationship. The authors of this thesis intended to identify, describe and analyze the character of and relations amongst factors that can have an impact on the outcome of eCRM. From the purpose of the study mentioned earlier, the authors would be able to suggest the organization to use or manage their eCRM in a more feasible ways. And since this thesis included the case study of Toyota Mahanakorn, it would be useful as an example to examine the practice of eCRM in the organization.

#### **1.4 Scope and Limitations**

The key factors of this thesis must focus on customer relationship goal and they must be under the three main categories of our interests which are strategy, technology and people.

According to Qimei & Hong-Mei (2004) an organization can provide a customer relationship via various communication channels. Also eCRM is considered to be a technology that supports the planning, execution and monitoring of coordinated customer, distributor and influencer interactions through all channels (Hugh et al., 2002). So our group has decided to focus on important channels of eCRM which are responsible for reaching customers and used for customers frequently. The examples of customer relationships via eCRM are such mediums as an organization website, email push notifications, customer service webpage, online information for customer, customer networking, and mobile application.

Since this thesis focused eCRM on customer relationship goal, we would like to emphasize on B2C organization. We have selected Toyota Mahanakorn as our case study. Moreover, we intended to study at post-implementation stage, thus this thesis is to cover eCRM maintenance and improving process.

Although a CRM application (eCRM) is able to integrate with ERP (Enterprise resource planning) and other IT applications (Injazz and Karen, 2003), this thesis will not focus on the relationships or benefits that related to eCRM that is integrated with other applications.

## **1.5 Thesis Outline**

The structure of this thesis is described as the following:

**Chapter 2 *Methodology*:** This chapter showed how this thesis conducted its structures. The method of selection sources including type of analysis were shown in this part. Reading through this chapter, readers could understand the overall process of this thesis easily.

**Chapter 3 *Literature Review*:** These are the sources of databases and types of chosen literatures presented in this chapter. This part also provided summarization of the concepts and critiques area from chosen literatures. These concepts and critiques are used to support the thesis finding.

**Chapter 4 *Conceptual Framework*:** The conceptual framework was reflected by gathering analysis and modifying theoretical ideas from chosen literature. This framework showed the relationship between relevant concepts and idea of this thesis.

**Chapter 5 *Empirical Data*:** The information which came from the interview would be provided in this section. These empirical data of the case study would be used together with the secondary data to discuss and analyze in analysis part.

**Chapter 6 *Analysis*:** This chapter used both primary and secondary data together to discuss and analyze the relationship of eCRM key factors. In this part the authors also provided information that led to answer research finding, for the purpose of comparison and contrast of the case study supported by theories.

**Chapter 7 *Conclusion*:** This chapter provided the result of the study which had been analyzed from data collected. The research question would be answered in this section.

**Chapter 8 *Recommendation and Further Study*:** There are some suggestions provided in this chapter as well as the recommendation for further study in related area(s).

## **2. Methodology**

In order to generate useful thesis, researchers should be both explorer and surveyor. The researchers have to explore wide area in order to choose interesting topic. In choosing a topic, a researcher is a surveyor because he has to decide his/her thesis method, scope and predict their outcome (Fisher, 2007). This part contains the methodology that was used to conduct this thesis showing the design of this thesis from the very outset of selecting a topic until the last part which is analysis.

### **2.1 Selection of topic and case study**

According to Fisher (2007, p.4) the choice of a topic should make a researcher more confident in investigating and doing the research methods. The topic should be based on interest and relevancy. The scope should not be too wide and not too specific. After searching in many areas, the most interesting area that authors decided to choose is Customer Relationship Management (CRM). In the competition world the importance of retaining existing customers and expanding customer size is paramount. The more opportunities that business enhances customer satisfaction, the more customers conduct business performance to be better. One way of achieving this is open up more channels such as direct sales, franchises, online sales and online after sales services, etc. However, the more channels business uses, the greater the need to manage interaction with customers.

The CRM is a business strategy which is supported by technology, business rules, and processes and social characteristics. Recently, the CRM, as a business strategy, has become an important strategy and needs to be considered in all businesses (John, 2010). Customer-centric becomes one important strategy that allows business to fulfill the needs and wants of customers in order to increase customer relationship (Jagdish et al., 2000). Among fast growing technology, this thesis focuses on Electronic Customer Relationship Management (eCRM) which becomes one important tool that organization pays more attention in order to grant satisfaction to their customers. Thus, the authors studied the choice of process that organization should develop in its eCRM in order to enhance customer relationship.

eCRM provides multiple channels for organization to communicate and interact with customers through Internet networking which can be one way of creating advantages among industry competitiveness these days. This supports data gathering process for organization, thus eCRM makes organization realize and analyze customer behaviors and needs much easier (Bernett & Kuhn, 2002).

The selection of eCRM as a thesis topic started from assent in the team and the opinions from the thesis advisor. Our team gathered information and data about eCRM as much as possible.

The data and information findings mostly were provided from the sources in the university. The study of articles was performed together with the data findings. The scopes and limitations of selected topic had been drawn out to see the possibility and feasibility in doing this thesis. Since the team decided to select eCRM as a thesis topic the assessment of criteria related to the course must be involved too. Hence, an eCRM topic has been considered in many several steps and became the topic for this thesis report.

The authors had selected Toyota Mahanakorn as a case study because of its eCRM services and implementation in their system which is similar to eCRM. In authors' perspective, compared with other Toyota dealers in Thailand, Toyota Mahanakorn is quite an outstanding company when it comes to customer relationships and customer's services. This is because Toyota Mahanakorn has high reputation among Thai customers. Toyota Mahanakorn has implemented eCRM via their website. The company provides eCRM for customers and for the organization itself to be able to enhance the relationship with its customers. Toyota Mahanakorn emphasizes on customers' satisfaction most and foremost and it has set a very high standard for customer service. The main activity with its customers is to help the customer solve their problems more effectively. The company also has best customer service national award to guarantee its work and business progress. Toyota Mahanakorn is rich in information about CRM and eCRM which meet our study requirements for eCRM key factors. We believe that choosing this company for study and interview will give us the great benefits in doing our thesis.

## **2.2 Literature Review**

This process deals with the outstanding characteristics of eCRM from related literature from journals, books, academic papers, websites, etc. that have bearing on the thesis topic

### ***2.2.1 How to search literature and theories***

According to the chosen topic, the areas of searching literatures are involved in both Information Technology (IT) and business management. Thus the specific keywords are able to scope down the research to be more related with this thesis topic and findings. Using the same keywords in different trustworthy databases presented many different researches, books, journals, etc. With prudential searching, literatures are collected and analyzed. The chosen literatures will be used as a framework to support and analyze both primary and secondary data of this thesis. The reliable and effective data will make the analysis stronger and more believable. Because eCRM has become one important tool for businesses recently, thus Internet has been used carefully as one source of this thesis in order to make the information up to date and lead authors to effective analysis.

### ***2.2.2 Developing the conceptual framework***

A conceptual framework usually modifies and develops from models and theories found in literature from literature review stage. This thesis developed the conceptual framework to use as an outline of thesis's performing, also use as a model in analysis part to describe the process and outcome which are related to research question, purpose and thesis topic. The theories found in chosen literature are analyzed and modified together in order to illustrate the authors' conceptual framework. Hence conceptual framework of this thesis is a combination of chosen theories and concepts of key factors of eCRM . In order to find the key factors and relationship of eCRM key factors, the authors needed to know which factors greatly affect customer relationships. From the theories, eCRM technology, eCRM strategy and people are three main categories that affect eCRM performance and are able to create and increase customer relationship. Thus, these three factors categories are studied and analyzed as key factors in this thesis as shown in the conceptual framework (Figure 3).

## **2.3 Research Approach**

### ***2.3.1 Deductive Research Approach***

This thesis uses deductive approach in the process of gathering and analyzing information. The authors chose and reduced information found in different databases in order to support the analysis. The conclusion of deductive approach is not dependent on the observation or experimentation, but it is relied on logic and theories (Fisher, 2007, p.95).

Moreover this thesis concerns studying a selected company, Toyota Mahanakorn. Thus collected information from interview would be revised and used to analyze together with chosen theory. The theories have been used to draw the specific findings from the general statements or general instances. The conceptual framework has been provided to show the interaction and concepts of thesis findings.

### ***2.3.2 Qualitative Research Approach***

In this thesis, the authors had decided to use a qualitative research method. From our understanding the qualitative research method will aim to gather quality information and study them with an in-depth understanding. The authors believed that qualitative research method was suitable for this thesis report. This is because the team is interested in understanding information of eCRM key factors and their relationship. To do the research on relationship of eCRM key factors the team had decided to use articles, journals, books, trustable online materials and some interviews that the team able to gather as a qualitative data.

### ***2.3.3 Single case study approach***

The authors had decided to use single case approach as a way of doing the case study which will represent the critical case in testing theory formulation. Using case study can investigate a contemporary phenomenon of real-life context (Fisher, 2007, p.60). The authors use a selected company as an example case to illustrate the answer of thesis finding and to test the chosen theoretical framework. According to Yin (2003), the single case study can be used to represent the significant contribution of knowledge and theory building by testing the theory. This thesis used collected information from individual experiences of Toyota Mahanakorn management and employees while supporting this information with the relation issue which is eCRM of this organization.

## **2.4 Data Collection**

In this stage, researcher has to decide the detail of how they create and gather information for their research. The data can be collected from the interview of focus groups or identify people to send questionnaires (Fisher, 2007). The authors decided to collect both primary and secondary data in order to analyze research question and come up with conclusion. The primary data came from the interview of some employees from the chosen company that uses eCRM as one strategy, whilst secondary data were collected from reliable databases.

### ***2.4.1 Primary Data***

Primary data are firsthand information the authors gathered for specific purpose of the study. The primary data were used to explore the use and benefit of eCRM in real situation. The acquired data were used to support the analysis together with the secondary data. The qualitative methods were used to gain the primary data from Sample Company. According to Fisher (2007, p.159), the semi-structured interview will encourage authors with information in area of interest. The semi-structured interview is conduct with open question that allow interviewee to answer base on their experiences (Fisher, 2007, p.154) The interviewer will usually lead the respondent to the main issue, however the interviewer cannot presume any result but interviewer is able to lead the respondent to the area of interest with well prepared questions (Fisher, 2007, p.154). In this thesis semi-structured questions were employed in the interview because the interviewer could encourage interviewees to explain the experience in full details which are helpful in the topic study and analysis. The questions were divided into 2 parts which are general questions about eCRM to gain interviewee perception of eCRM in their company. Another part is divided into 3 categories; strategy, technology and people, in order to specific answer relate to these 3 main categories. Interviewing the managers in connection with

eCRM process gave the authors an overview idea easily and the managers were able to give their insights on the important factors and performance of eCRM in real case situations.

This thesis chose Toyota Mahanakorn as a sample company. Toyota Mahanakorn is the biggest Toyota dealer in Bangkok which consist with 13 brunches as well as 5 partners in up-country of Thailand. It is also one of the most popular Toyota dealers in Bangkok that has strong reputation and well known for Toyota customer. The Toyota Mahanakorn uses eCRM as a tool to manage their customer relationships. Since Toyota Mahanakorn implement eCRM, it can improve the relationship among customer by creating more loyalty as well as increasing customer base. Toyota Mahanakorn is located in Bangkok (Thailand) and because of the company location the authors opted for telephone interviews as a way to gain information from the interviewees as well as through email in order to gather the supportive information. In the interview, the authors as interviewers prepared questions related with the main issues and topic. Hence the information from this interview was used to analyze and support the findings of this thesis. The authors firmly believe that the data collection from the interview contributed a lot to their understanding of the role of those factors in eCRM usage. The theories from chosen literature were used to compare the similarity and differences with primary data in order to create a reliability analysis.

<b>Name list of Interviewee</b>	<b>Position in Toyota Mahanakorn</b>
Mr. Bordin Boonvisut	Vice President
Ms. Jirawan Tangcharoen	Customer Relationship Manager
Mr. Yongyut Saena	Showroom Manager
Mr. Somkeit Pathnapirom	Senior IT Manager
Mr. Vorapong Manoch	Customer Service Advisor Manager

**Table 1: List of interviewees from Toyota Mahanakorn**

The interviewees were chosen and introduced by Mr. Bordin Boonvisut the Vice- President of Toyota Mahanakorn. Mr. Bordin rationalized his choice for the managers as interviewees by saying that these managers knew the overview of their departments in Toyota Mahanakorn. All of the managers that Mr.Bordin introduced to the authors for the interview know the process between departments since they have a lot of experiences in working. Also their departments have to interact and deal with customers directly and indirectly. Most of them are involved in CRM and eCRM system of company.



#### **2.4.2 Secondary Data**

The secondary data in this thesis are from articles, books, journals or previous researches which have some bearing with eCRM topic. The findings of the secondary data would be described as a theoretical framework in this thesis. The qualities of the secondary data are reliable and trustable because the literatures finding are based on peer-review articles from various databases. Since this research topic is related in both Information Technology (IT) and business administration, the authors considered that it is necessary to gather data from different fields' databases in for the most relevant data.

Considering the three main categories, the secondary data were listed out in detail as eCRM key factors in connection to customer relationship. The secondary data were used to boost up the primary data to create an analysis process. The pros and cons of both the primary data and secondary data were used together to arrive at the reliability research outcome.

#### **2.5 Analysis of Research Materials**

The authors created a framework that described and showed the relationship between concepts related with the findings and purpose of this thesis. Information gathered from interview was used in analysis based on this framework. Therefore, the interpretative method of research was used in this thesis as a way to conduct and do the research. The link between understanding and action in interpretative research is seen as indirect way (Fisher, 2007, p.48). This means that only knowledge cannot provide clear image for action, hence there are many choices of action which may help to understand the situation. This thesis decides to use descriptive analysis by analyze information gathered from Toyota Mahanakorn together with literatures review. The authors use Toyota Mahanakorn's data to be an example which describe and support the theory from other researchers. The analysis will describe about the relationship among eCRM key factors. Understanding these relationships, lead to the answer of the research question which is about the eCRM practices in organization in order to enhance customer relationship. In an interpretative research it shows links between the translations and logics. This thesis divides the data collected into different part: ideas from chosen literature, case study, and information extracted from the interview. The authors believe that the information gathered from the interview and literature will present the qualitative outcome.

### 3. Literature Review

This chapter deals with the literature that is related to the topic. The chosen literatures will be describe by added critique idea and would directly and strongly support the findings.

#### 3.1 Keywords

*Electronic Customer Relationship Management (eCRM), CRM technology, eCRM key factors, Key factors, impact of eCRM, eCRM performance, eCRM concept, eCRM key factor relationship, eCRM practice*

According to the research topic and purpose which try to explore what organization could do to improve the use of eCRM, the authors focus on relationship of eCRM key factors that affect eCRM outcome. Thus using only some keyword alone is not enough to specific the area of the literatures. In order to reach effective literatures, some keywords have been used together to narrow down the scope of literatures in the databases. For example, “Electronic Customer Relationship Management” and “key factors” are using together to find the relevant information which relate with thesis finding.

#### 3.2 Databases

The sources that were used to find related literature are well known and reliable. There are many databases provided in the University’s library databases both online and offline materials. Chosen literatures come from many different databases because different databases provide different type of materials. For example, literatures in Emerald are related with business topic more than IEEE Xplore which is more related in technology. Thus, this thesis used different databases in order to find information from different point of view. The databases are shown below:

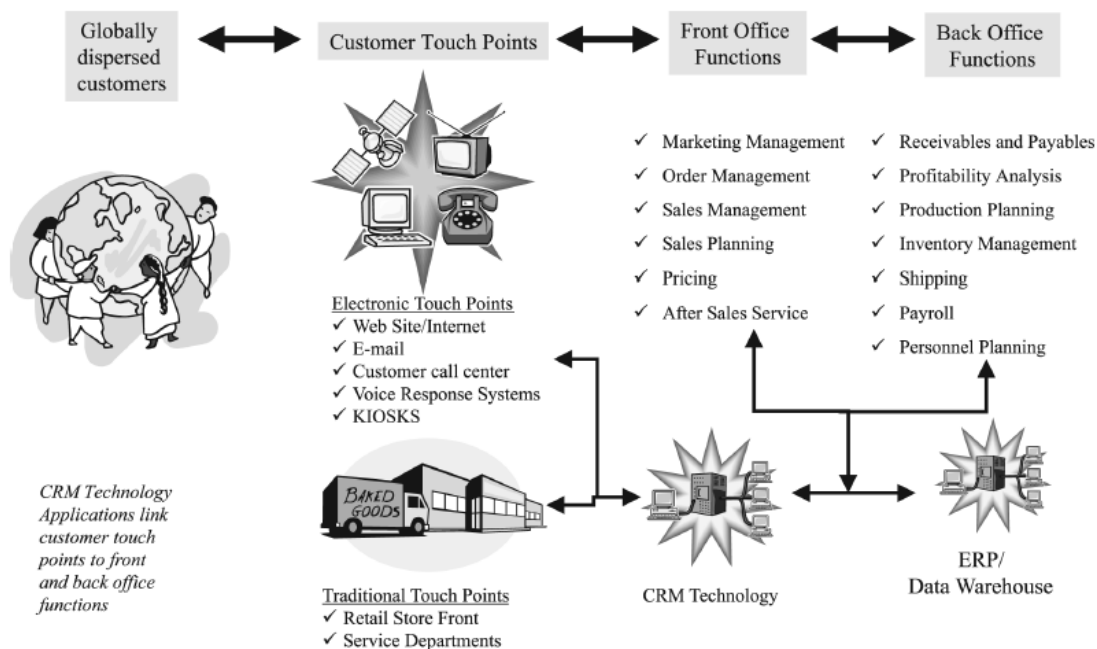
Databases Name	Content	URL
Google Scholar	Journals, books, thesis and technical reports	<a href="http://www.scholar.google.com">http://www.scholar.google.com</a>
Emerald	Journals and books	<a href="http://www.emeraldinsight.com/">http://www.emeraldinsight.com/</a>
ScienceDirect	Journals, articles and books	<a href="http://sciencedirect.com">http://sciencedirect.com</a>
Libhub	Journals and technical reports	<a href="http://www.sempertool.dk">http://www.sempertool.dk</a>
ACM Digital Library	Journals and articles	<a href="http://librarians.acm.org/">http://librarians.acm.org/</a>

Academic Search Elite	Journals and articles	<a href="http://www.ebscohost.com/academic/academic-search-elite">http://www.ebscohost.com/academic/academic-search-elite</a>
Wiley Online Library	Journals, articles and technical reports	<a href="http://onlinelibrary.wiley.com/">http://onlinelibrary.wiley.com/</a>
IEEE Xplore	Articles, technical reports and conference reports	<a href="http://ieeexplore.ieee.org/Xplore/guesthome.jsp">http://ieeexplore.ieee.org/Xplore/guesthome.jsp</a>

**Table 2: Databases and Databases URL used for search literatures**

### 3.3 Critical account on the chosen concepts and arguments

There are many researches about eCRM concept from different points of view. Internet can establish marketing strategy characteristic and provide better opportunities for businesses (Porter, 2001 cited in Lee-Kelley et. al., 2003). There are several different points between CRM and eCRM. First of all, the eCRM is supported by the multiple electronic channels such as e-mail or website, thus customers become closer with organization. They can contact and receive services from organization easier and more comfortable. (Bernett & Kuhn, 2002). Secondly, eCRM supports marketing activities, sales and services more than CRM because internet access allow company to gather customer's data easier and faster (Steinmueller, 2002). Moreover, customers are able to update their data by themselves, thus organization is able to analyze customers' information for purposes of pre-sales support and post-sales support in order to reach the highest satisfaction. (Steinmueller, 2002; Aileen, 2006). Lastly, eCRM allows organization with a new way of communication. Organization can contact with large number of customers in the Internet, at the same time, customers are easier to contact by the organization through website rather than call centers (Qimei & Hong-Mei, 2004). From the chosen literatures, there are several significant factors which intend to create customer relationship, customer satisfactions, customer retention, and customer loyalty. The authors have divided these factors into three categories which are eCRM strategy, eCRM technology and people who are involved in the use of eCRM, in order to understand easier.



**Figure 1: The relationship of customers, customer touch point, front office and back office in CRM processes (Injazz & Karen, 2003)**

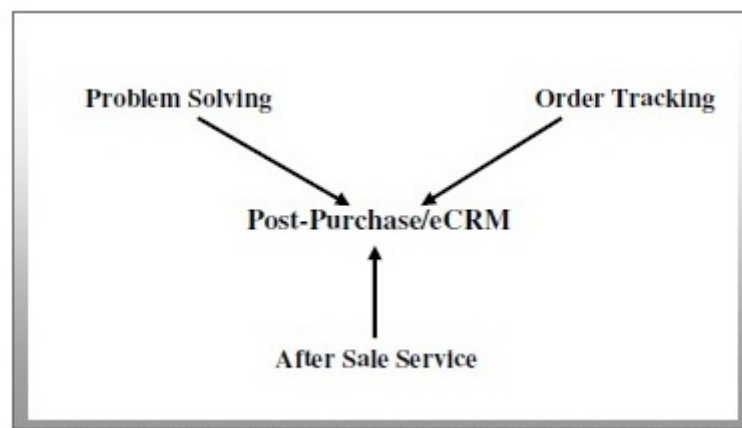
Figure 1 shows the relationship of customers, customer touch point, front office and back office in CRM processes. The customer touch points include call centers, direct mail, telemarketing as well as website, email and mobile device which are eCRM customer touch points through the Internet (Injazz & Karen, 2003). The CRM technology applications, eCRM for example, will link customers from different places together. The Internet supports the usage to be much easier (Injazz & Karen, 2003). The networking inside an organization flows from customer data to customer touch points through front and back office. Thus, organization can use customer information to create customer database, and analyze their behavior and needs (Injazz & Karen, 2003). The analysis of customer information allows organization to improve its products and services as well as create marketing strategy suitable with customer behavior in order to enhance customer relationship (Injazz & Karen, 2003).

### 3.3.1 eCRM and organization

An electronic customer relationship management (eCRM) concept is beyond customer-centric CRM because it promises to improve the capability of front office through back office (Dean et al., 2009). Organization is able to extend its capability to the customer for self-services through the personalized communication which is Internet application (Injazz & Karen, 2003).

There are many goals that a firm wants to achieve in order to gain competitiveness in using eCRM. Many researchers stated that organizations usually focus on enhancing satisfaction of their customers. Dotun (2003) mentions that eCRM can enhance customer interaction, relationship and personalization opportunities. Using eCRM is a means of providing different

products or services to different people. Therefore each customer or each group of customers can be satisfied with specific products or services which match their needs and lifestyle. In contrast, Aileen (2006) mentioned that the specific goals of eCRM were cost saving and increasing customer service quality. eCRM had capabilities to improve customer service and retained valuable customers through networking (Aileen, 2006). These networks were able to reduce communication cost for organization both monetary cost and duration cost. However, Dean et al. (2009) proved that the significant number of organizations in United States which used eCRM to achieve higher customer satisfaction. Number of organizations which want to achieve this goal are three times more than the goal of improving quality and productivity performance, and two times more than goal of cost saving. Hence this supports the idea that organizations want to develop relationship with their customers by providing them the highest satisfaction that would retain existing customers and lead to repeated purchase and loyalty (Avjill, 2001; Dotun, 2003; Mohamad & Ning, 2005; Dean et al., 2009).



**Figure 2: Post purchase satisfaction effected by eCRM (Talhat et al., 2009)**

Talhat et al. (2009) mentioned that post purchase services were the most important stage that had a great impact on customer satisfaction. The eCRM should be able to grant the multi communication channel to customers. The customers expect fast access of information, good search capabilities and easy to use website, thus if organization is able to develop the good website with good network, it is able to enhance customer satisfaction (Talhat et al, 2009). Figure 2 presents three services in post purchase stage that influence customer satisfaction a lot and also able to enhance or decrease customer relationship among businesses and their customers (Talhat et al., 2009). The after sales service is the most important part that holds customers' trust and enhances long-term relationship (Lee & Cheung 2002; Gefen, 2002; Cheung & Lee, 2005; cited in Talhat et al, 2009).

Fitzgibbon and White (2005) also stated that the goal of CRM was to retain the existing customers by creating a long-term relationship between organization and its customers. Similarly, eCRM also has goal to improve customer service and retain valuable customers by increasing and motivating customers to remain loyal (AvJill, 2001; Jerry & Nicholas, 2003). Thus, the better after sales services the better customer relationship (Talhat et al, 2009). There are various approaches to reach this objective, for example, the adjustment of products and services to reach customer needs and wants. eCRM uses technology and networking to facilitate the interaction between organization and customers, thus it becomes a general tool for businesses (Qimei & Homg-Mei, 2004). Organizations use technology utilizes their customer databases because technologies allow them to track and analyze customer behavior easier (Chen & Popvich, 2003). The operational of eCRM is the same as CRM which help businesses to record purchases and develop an understanding of customers' preferences in order to serve customers the best products and services (Fitzgibbon & White, 2005). Fitzgibbon and White (2005) also mentioned that these processes were involved in creating loyalty which allows existing customers to repeat their purchase. Enhancing customer satisfaction can lead to the improving of customer loyalty and retention. As satisfaction is often used to represent the success of eCRM, thus it is believed to be one important motivator and objective of eCRM (Mohamed & Ning, 2005). The information gathered by eCRM system encourages organization to identify the actual costs and retaining valuable and profitable customers. Organization can also predict customer behavior more accurately (Injazz & Karen, 2003). Classifying customers, an organization can manage them as a premium group. Treating them with understanding can enhance their loyalty as well (Jerry & Nicholas, 2003). In addition, the eCRM is able to enhance customer touch points to fit with customer's interest in order to improve customer satisfaction and profitability (Mark, 2002).

As technology grows continually, organizations receive various opportunities from it. One important benefit is the use of technology in managing customer interaction and relation. Aileen (2006) stated that technologies make services available 24 hours 7 days (24x7 operation) which could increase customers' choice and satisfactions; thus, it creates huge opportunities for organizations. The customers' satisfaction can increase tremendously if they can be reached through multiple channels that fit with their lifestyles, for example, e-mails or e-newsletters (Hee & Carolyn, 2008). Mohamed and Ning (2005) mentioned that eCRM was believed to create more convenient, more interactive, more efficient and provide higher degree of customization because both customer and organization can reach each other easier via online channel.

There is no exact measurement of eCRM success. In some literature, some researchers define eCRM as an IS (Information System) application. Even though there are many theories describing the success of IS, all of them have one measurement which is user's satisfaction.

Therefore in the context of eCRM, satisfaction in customers' perspective can lead to the success in term of eCRM because it has significant effect on customer retention and customer loyalty (Roland & Anthony, 1993; Rolph & Srini, 2003, cited in Mohamed & Ning, 2005). The chosen literature show that eCRM plays an important role in after-sale services such as feedback channels, online community or web center which are able to customize relationship with existing customers (Jerry & Nicholas, 2003; Mohamad & Ning, 2005). Dean et al., (2009) showed that CRM and its application, for example eCRM, can transfer the honesty and openness information among organization and customer. In terms of networking such as Internet access, the information transaction becomes easier and more flexible.

To achieve customer's satisfaction, organization can decide the concept of CRM adoption in many different areas such as marketing strategies, customer service strategies or information technology (IT) (Dean et al., 2009). Information technology (IT) becomes one important and popular area that firms decide to adopt eCRM recently because this area is able to encourage many opportunities for organization and customers (Dean et al., 2009) as mentioned above. Customer satisfaction through online application is not only determined by products and services, but also defined together with customers' interaction (Mohamad & Ning 2005).

### ***3.3.2 The role of strategy, technology and people in eCRM***

#### ***The roles of strategy in eCRM***

Aileen (2006) mentioned that the role of eCRM in the development and management strategies were plenty for researchers to find and study. The role of eCRM in organization perspectives can be the Internet market which uses customer-centric strategies (Bradway and Purchis, 2000 cited in Aileen, 2006). Another research stated that the role of CRM strategy or eCRM strategy was to help the organization create new customers and retain the existing customers (Injazz and Karen, 2003). Alan (2006) said that eCRM was a customer service strategic asset. Alan (2006) thought that customer services are very important for customer strategic success. And also Mohamed and Ning (2005) similarly stated like some researchers that eCRM was using the customer-centric strategy. They also mentioned that to study the eCRM success the researchers must look at the customers' perspectives.

The role of eCRM can be determined by the executives and the top managers in the organization. The executives and top managers in the organization must set the strategic direction and alignment according to their eCRM strategy and their business goals (Herington and Peterson, 2000 cited in Injazz and Karen, 2003). However, eCRM strategy can be assessed and then improved, if necessary (Qimei and Hong-Mei, 2003). So the importance concept of eCRM strategy is to gain the long-term relationship with customers in their organization (Kellen, 2002).

Nikolaos and Michael (2004) realized that the organizations now are very highly competitive in business. In order to achieve the competitive advantage, one factor that organization should put in mind, was to understand the relationship marketing. Campbell (2003) supported Nikolaos and Michael statement in creating a program for customer relationship management can be an organizational strategy.

Aileen (2006) stated that the companies that applied eCRM, would be able to catch the customer information online. The customer information that the companies get from using eCRM can predict the customer's behavior. The company can use those information by customizing the customer strategic then it would be suitable with the customer needs. Qimei and Hong-Mei (2004) stated that what entirely organization needed for eCRM was a good system to integrate business plans and the IT strategies together. Aileen (2006) had said about one of the IT strategies that might be the investment plan for eCRM technologies to gain the competitive advantage.

Bolton et al. (2004) suggested that the organization which was customer-oriented should develop their strategies to interact with customers as follows:

- Point-in-time with customers, the organization will need to interact with customers in a long-term
- Focus the organizational efficiency operation
- The organization must have a good management between business to customers and customer group.
- The organization must be customer-based standard; this means that organization must follow what customers want such as customization products for customers.
- The organization must emphasize on customer satisfaction, customer loyalty and customer retention.

Qimei and Hong-Mei (2004) suggested that the key success factors of eCRM strategies in practice were that the organization must make the eCRM system as a data integration system. eCRM must use a system compatible with the customers. The organization can integrate the web technologies with large databases to enhance the system operation for customers.

Aileen (2006) mentioned and suggested that the company leaders in CRM development could gain more opportunities by using eCRM. The company has to extend customer-centric strategic to become more innovative and more related with the company. If a company can follow the suggestions they will gain the competitive advantage from customer acquisition.



Many people accept that eCRM is not just software for organization to manage the relationships with their customers. But the organization considered eCRM as a strategy that lead to organization change. This is because the organization will need to improve the organization culture, technologies, and employees to support the eCRM which interact with the customers (Qimei and Hong-Mei, 2003).

### ***The roles of technology in eCRM***

The important role of IT in eCRM is to facilitate and enhance customer-oriented attitude by using IT. An organization can customize and deploy the system according to their strategies (Dewhurst et al., 1999 cited in Malcolm, 2010; Injazz and Karen, 2003). Reinartz et al. (2004) also supported that eCRM technology acted as facilitator to the CRM activities. eCRM can enhance the management of relational information process in CRM process. eCRM technology can utilize and enable organization to track, aggregate and analyze customer information and employ the results for service and marketing activities (Schoder and Madeja, 2004; Chen & Popvich, 2003; Jayanthi and Vishal, 2009). eCRM technology would be able to retrieve the customer's information from the customer's database (Chen & Popvich, 2003). The organization can use a technology to improve the interaction between the organization and customers. Organization can observe customers, learn from customers' past interactions and deploy the technology appropriate with customers (Eckerson & Watson, 2000 cited in Malcolm, 2010).

Advanced eCRM technology involves the use of databases, data warehouse and data mining. The technology can help organizations increase number of customer who use eCRM (Ngai, 2005). Shugan (2004) stated that successful eCRM will integrate IT to deliver a higher level of customer relationship. IT in organization must be customized, simple and convenient to fit with customers. The customized systems become more available by the embedding of information technology (Piller and Reichwald, 2004). Information technology supports CRM by using a database, and eCRM is mutually influenced by customers and IT (Gordon, 2002). There are many channels to reach customers through Internet such as e-mails, e-newsletter, websites and chat rooms (Tan et al., 2002; Andy & Carolyn, 2008).

Greenberg (2001) and Fickel (1999) mentioned that in some organization, eCRM technology consists of 2 components which are front office applications and back office applications. The front office applications will sustain the sales, marketing, customer service and other service activities in the organization. The back office will take care of the data depository. It helps integrate and analyze the data such as financial, operations, logistics and human resources.

Dotan (2008) also stated about the role of information technology in eCRM that it increases integration of customer information. Organization mostly customized their eCRM application to

enable a workflow and reflective to the business processes. The customization is involved in development of an extra database and redesigns the system workflow. It is quite an important issue to make significant changes to the eCRM standard system to support CRM process. The customization of system helps organization to gain more benefits from customers.

Jerry (2003) mentioned that organizations required technology to process large amounts of customer data. Customers' information is consisted of customer demographics, purchasing patterns, customer history etc. These customers information will bring opportunities to the organization to build new business strategy to support the customer needs. DaSilva and Rahimi (2007) also suggested that eCRM attempt to function efficiently by combining the marketing and information technology together. The functions have to be collaborative so they will be beneficial to the sales market and attracting prospective clients. Park and Kim (2003) similarly stated that the companies with advanced information technologies can collect a huge amount of data on their customers and turn them to the information required for strategic business purpose.

Aileen (2006) stated that technology enabled managers, employees and other users to maintain the view of customer as a whole. Anon (2002) and Injazz and Karen (2003) emphasized another importance of eCRM technology that it can be new innovation for the business processes in creating the customer acquisition and retention. eCRM technology can strengthens its capabilities by increasing the customer's purchase decision, product quality, marketing, sales and customer services. From a technology perspective an eCRM system is mass integration of customer information and its stitch information together (Aileen, 2006). Bull (2003) emphasized that effective customer relationships management is important to have eCRM which is a technological orientation.

### ***The roles of people in eCRM***

Basically 'people' in the literatures can refer to top managers, employees or customers. Malcolm (2010) emphasized many times in his article that eCRM required a strong people-related component in order to achieve CRM process. Jerry (2003) had mentioned about the usability and resistance related to the people in the organization. He said that organization must focus on the usability of employee. The employee must be trained and educated about the eCRM in able to use the system. Also if the employees have resistance to learn or train, this can create the impact toward the eCRM operations. eCRM is about the processes, technologies and people. People can be the most critical factor category of eCRM success when regard to usability and resistance (Rosen, 2001 cited in Jerry, 2003).

Hugh et al. (2002) had identified people as one of the success factors in managing customer relationship. The people that Hugh et al. (2002) referred to were senior management (top management) and users of eCRM. The top managements always have a right to make a decision toward eCRM. They are the people who determined the strategy to be used for eCRM. The users of eCRM also involve because they are the people that adopt and maintain the systems. Hugh et al. (2002) also mentioned that the involvement would work best for customer satisfaction, customer retention and customer loyalty if it were interactive with the customers. So eCRM needs to depend on the user involvement (Leverick et al. 1998 cited in Hugh et al., 2002).

Injazz and Karen (2003) also supported that not only technology and strategy of processes are critical to the success of eCRM. People also are a principle in building customer relationships. There are several dimensions in management and employees to be considered related to eCRM operation.

The META group report (1998 cited in Injazz and Karen, 2003) mentioned role of people in two directions. Firstly, the management is a person who lead and make a strategic plan, thus management role is to make the strategy align with the goals of the organization. Secondly, customer has an important role in the operation of eCRM, without customer involvement the operation of eCRM will be useless.

From the role of people that researchers mentioned in their articles people is the key factors category of eCRM success. People involved with eCRM are the top managers, employees and customers. eCRM need those people involvement to run, operate, manage and use to gain the benefits from the system.

### ***3.3.3 The relationship of strategy, technology and people***

Dotan (2008) showed that different eCRM strategies perform different extent of success. Each organization should consider its situation and goal of using eCRM in order to find the right technology. The specific goal of each organization including cost budget have impact on the quality of services and channel that businesses use to reach their customers (Aileen, 2006). The Internet and email played the most significant role in the operation of CRM because they support the effective interaction between customers and organizations (Aileen, 2006). In addition, these technologies also increase customer values which motivate customers to be loyal. The company can maintain their valued customers by offering them more satisfaction (Jerry & Nicholas, 2003). Customer satisfactions also play the important role in eCRM performance because it affects customer life cycle. Ravi and Macia (2001) mentioned that eCRM could maximize customer lifetime value by creating new customers or enhancing business to gain more profits from existing customers as well as retaining those customers for long time.

Malcolm (2010) emphasized that eCRM consists of technology, strategy of processes and people. The relationship between technology and strategy (management perspective) is to manage the customer relationships. Customer relationship is an asset to the organization to run their business so it is important to take care and manage the customer relationship very well. Organizations mostly formulate their customer strategy goals to acquire new customers and maintain their customer relationship with the existing customers (Malcolm, 2010).

The technology that organization needs must enable a company to optimize revenue and increases the value to the customer satisfactions. Also the technology and the process of the eCRM must follow the strategy that top managers have determined as a business strategy (Liu, 2007). Dean et al. (2009) mentioned that top management must understand the role of technology in order to enhance the strategic for the organization. If organization would like to use eCRM as a tool for business to gain customer relationship, the managers needed to understand how the technology worked and also knew the roles of technology toward eCRM. So they could enhance the strategic of their organization as well.

#### ***3.3.4 The list of eCRM key factors***

##### ***- Data warehouse and Customer Database***

The data warehouse and customer database is one important factor that organization should be concerned because it is a center that stores customers' data. It is designed to support the analysis of customer relationship management, thus the design of eCRM database is directly impacted on the performance of organization's analysis ability (Colleen et al., 2004). A good data warehouse is able to encourage organization to access information correctly and faster (Injazz & Karen, 2003). In addition, effective data warehouse and database are tools for higher level of analysis for organization in order to calculate and estimate customer needs (Injazz & Karen, 2003)

##### ***- Knowledge management and Knowledge flow***

In order to create a good performance of eCRM, organization should consider the organizational knowledge because it is possible to effect on outcome (Colleen et al, 2004). Using knowledge management together with technologies is able to encourage the decision about strategies, product offering and how to interact with the customers (Colleen et al, 2004). Moreover, it is able to enhance customer relationship and allow organization to gain competitive advantage as well as maximize overall value of customer portfolio (Injazz & Karen, 2003). The efficiency of strategy can also create by knowledge flow inside company (Nikolaos & Michael, 2004). If the employees rarely know about customer information, the interruption is able to appear easily. This interruption is also effects on customer satisfaction by producing the conflict of output for

example (Nikolaos & Michael, 2004). On the other hand, well knowledge flow inside company will encourage employees to know the customer information as well as behavior, thus it is able to enhance the relationship among them (Winer, 2001 cited in Hee & Carolyn, 2008).

#### ***- Customer-centric strategy***

Customer-centric strategy makes a big change for organization's strategy and become one important factor that affects customer satisfaction. This is because the product development competition becomes stronger but the pricing differ more slightly (Ing-Long & Ching-Yi, 2008). Therefore organization needs to find a great opportunity of differentiation by delivering customer value which is able to increase the loyalty and retention rates (Ing-Long & Ching-Yi, 2008). Business is able to respond the right products and services by understanding the needs of customer. Thus, using customer-centric strategy, one of the important strategies of CRM, organization decides to treat its customers as a partner in order to enhance the relationship with them (Caling et al., 2003). Caling et al. (2003) also mentioned that customer-centric strategy can enhance customers' satisfaction directly when integrated in CRM system. In addition, customer-centric strategy allows organization to customize marketing effort for individual customer (Injazz & Karen, 2003).

#### ***- Customer touch points***

Nikolaos and Michael (2004) argued that good customer relationship and knowledge understanding were significant component of success competitive. Thus if organization know its customer lifestyle, it is able to choose the right channel in order to create effective communication which lead to an efficiently outcome. Customer touch point is one important factor that able to encourage customer's interest and customer involvement (Injazz & Karen, 2003). Online channel leads to the better data collection which is able to improve the analytic of customer behavior (Aileen, 2006). This improvement is resulting in the better prediction of customer behavior and better customization of relationship strategies (Aileen, 2006).

#### ***- eCRM implementation***

An eCRM can be produced by user organization or vendor. The implementation should suit with organization structure, resources, organization culture and size (Dotan, 2008). Because there is no fix approach to implementing successful eCRM, thus each organization should consider the situation itself in order to adopt the right technology suitable with organization requirement (Dotan, 2008; Hugh et al., 2002; Qimei & Hong-Mei, 2004; Hande & Hulya, 2008).

### ***- Network infrastructure***

The networking becomes one important factor recently that has an impact on communication process. As fast growing technology, the network improves the communication performance which leads to the improving of customer satisfaction through the use of eCRM (Andy & Carolyn, 2008). Andy and Carolyn (2008) also showed that customers could be reached through multiple channels fit with their behavior. The networking also makes the communication available as a real-time communication, thus organization can interact with its customer much easier. For instance, the real-time communication creates a faster solution for fixing customer's problem (Schoder & Madeja, 2004 cited in Jayanthi & Vishal, 2009).

### ***- IT Facilities***

The utilizing of technology enables organization to track and analyze customer behavior easier by retrieving information through customer database (Chen & Popvich, 2003). Thus, the technology facilities are able to support the performance of eCRM. Good equipment such as high performance of computer or stable network can lead to the effective eCRM outcome (Chen & Popvich, 2003). The findings of Park and Kim (2003) supported that company with advanced technology can collect a large efficiently customer data which is required in strategic of business purpose.

### ***- Top manager support and involvement***

Karen (2003); Liu (2007); Dean et al. (2009); Hugh et al. (2002) referred to role of the top manager as one of the eCRM important key factor. The authors similarly said that the top managers had rights to make any decision toward eCRM. As mentioned previously eCRM planning or eCRM strategy would be determined by the top manager of the organization or company. The top managers need to set the strategic direction and alignment of vision and business goals (Herington & Peterson, 2000). And also the support from the top manager is also important to eCRM operations.

### ***- Employees capability and training***

The internal resources of organization also play an important role in supporting and processing eCRM (Dotan, 2008). Rosen (2001) cited in Jerry (2003); Hugh et al. (2002); Karen (2003); referred to employees or staffs involvement that the employees and staffs must involve themselves to the eCRM operations. The employees are those who supported the eCRM operations in the organization. The employees must know their eCRM operations very well in order to serve the customers and make customers satisfy. The employees should be cooperative to the things that would be advantageous to the organization. Training can enhance skill of

employees to reach the requirement of operation. They also should be involved in educated themselves in order to improve their skills and make their skills useful (Injazz & Karen, 2003).

#### **- Customers Involvements**

Karen (2003) referred to the importance of customers that it was the most important key factors of eCRM. The dominant goal of eCRM is to create customer relationship, without customers' involvement or customers' support the eCRM cannot fulfill its goals.

Table 3 shows how eCRM key factors relate to three main categories. These key factors will support the performance of eCRM in order to enhance customer relationship. A study through the chosen literature, the authors found that some key factors are able to categorize into one category. On the other hand, some relate to many categories for example knowledge management and knowledge flow are related in both people and technology area.

<b>Key Factors</b>	<b>Categories Related</b>	<b>References</b>
<i>1. Data warehouse and Customer Database</i>	Technology	Colleen et al., 2004; Injazz & Karen, 2003
<i>2. Knowledge management and Knowledge flow</i>	People and Technology	Colleen et al, 2004; Injazz & Karen, 2003; Nikolaos & Michael, 2004; Winer, 2001 cited in Hee & Carolyn, 2008
<i>3. Customer-centric strategy</i>	Strategy	Ing-Long & Ching-Yi, 2008; Caling et al., 2003; Injazz & Karen, 2003
<i>4. Customer touch points</i>	Technology and Strategy	Nikolaos and Michael, 2004; Injazz & Karen, 2003; Aileen, 2006
<i>5. eCRM implementation</i>	Technology and Strategy	Dotan, 2008; Hugh et al., 2002; Qimei & Hong-Mei, 2004; Hande & Hulya, 2008
<i>6. Network infrastructure</i>	Technology	Andy & Carolyn, 2008; Schoder & Madeja, 2004 cited in Jayanthi & Vishal, 2009

7. <i>IT facilities</i>	Technology	Chen & Popvich, 2003; Park and Kim, 2003
8. <i>Top manager support and involvement</i>	People and Strategy	Karen, 2003; Liu, 2007; Dean et al., 2009; Hugh et al., 2002; Herington & Peterson, 2000
9. <i>Employees capability and training</i>	People	Dotan, 2008; Rosen, 2001 cited in Jerry, 2003; Hugh et al., 2010; Karen, 2003; Injazz & Karen, 2003
10. <i>Customers Involvements</i>	People	Karen, 2003; Injazz & Karen, 2003;

**Table 3: The conclusion of key factors relate in difference categories (own illustrate)**

### ***3.3.5 The development of customer relationship***

In general customer relationship can be enhanced by various factors. According to Russell (2001), customer relationship was able to enhance different actions of organization such as organization has a good customer service, organization builds the customer community, organization rewards their customer etc.

The customer relationship development includes customer service, loyalty program, customization for customer, customer rewards program, and customer community. Customer service should be concerned as a high priority within the company (Russell, 2001). Russell (2001) stated that companies chose to do web customer service or customer service online to reduce cost and to increase the flexibility in order to interact with more customers. Chen & Popvich (2003) gave the idea from his article that good customer service could be leveraged by CRM or eCRM strategy, IT, and Internet. The Internet would be the connection between organization and customers. The rapid growth of the Internet means more access to customer who can create customer relationship. Since eCRM keeps a lot of customer information this means that organization knows the customer behaviors. Organization can make use of that customer information. The customer information would include sales information, promotions, and customer service activities (Shepard et al.1998 cited in Chen & Popvich, 2003).



Gautam et al. (2005) stated that in customer service process IT capability can be a key driver that would affect the performance of customer service. Gautam et al. (2005) concluded that IT had effected on absolute performance and IT could improve the efficiency and effectiveness on customer service process. However, IT will not improve the performance of customer service if the organization has low levels of knowledge sharing.

There are business practice in improving customer service through the use of CRM and eCRM. Alan (2006) suggested practices for CRM and eCRM in organization as follows:

- Organizations should analyze their customer such as trends, consumer behavior, life style etc.
- Organizations should be proactive to create and focus on customer satisfaction. This includes the various options for customer to choose in order to satisfy them.
- Organization should segment the customers. This customer segmentation would make the customer information become more useful. So the organization would be better in understanding their customers. The main benefits of understanding customers are to provide services suitable with the customers. Secondly organization would be able to focus on valuable customers which generate profits for organization.
- Organization should empower and involve the internal staff. eCRM will not succeed without managers and staffs. Staffs must understand and able to manage the process in the organization.

Russell (2001) had referred loyalty programs as reward for customers to persuade customers to repurchasing products or services. Additionally, Russell (2001) mentioned that organization can increase customer loyalty by having competitive advantage such as increasing customer switching costs and building barriers to entry.

The study of Liz et al. (2003) had concluded that Internet could improve the customer loyalty and the greater customer loyalty can increase customer profitability. Hande & Hulya (2008) mentioned that eCRM performance can be measured through different perspectives; one of them is customer perspective. The customer perspective measures the customer satisfaction and customer loyalty.

Tim & Sara (2004) stated that eCRM should provide individual customization for customers to improve the eCRM performance. Another article related to CRM and eCRM also mentioned about the eCRM critical factors include eCRM user training and eCRM system customization (Stephen & Thomas, 2007).

Russell (2001) said that organization could create online customer community to create relationship among customers and organization. Organization could build network of customers to build customer relationship, then it could create customer loyalty and customer retaining as well.

#### **4. Conceptual Framework**

According to Colin Fisher (2007), the conceptual framework has to show overall concepts and relationships between them as an outline of a project. Thus the following conceptual framework has been created by using cause and effect type, based on thesis findings, objectives, theories found and chosen literature concepts.

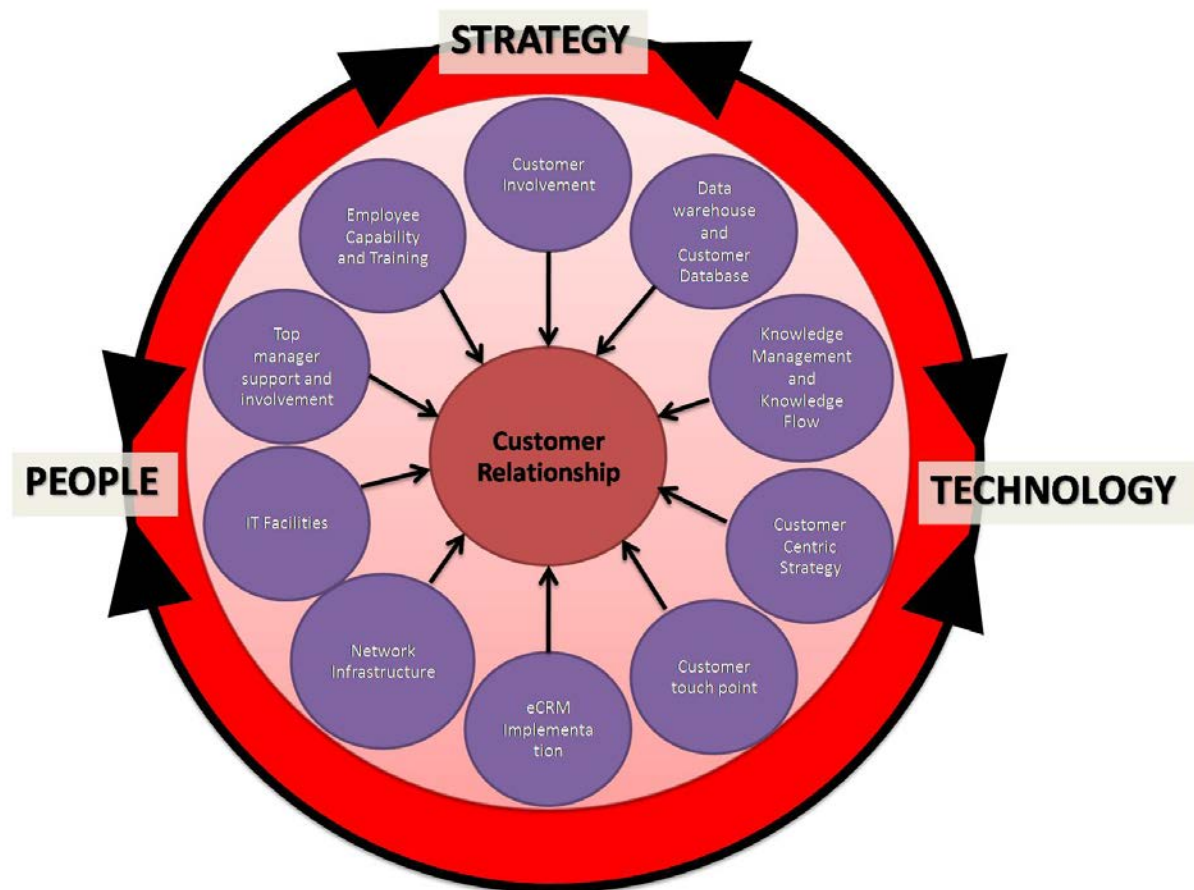
As mentioned earlier, this thesis is focusing on three main categories of eCRM which are strategy, technology and people. Since Hande & Hulya (2008) stated that the acquisition of customer satisfaction, customer retention and customer loyalty are significant results of eCRM success, therefore there are various measures that can be encountered to be related to this study.

This thesis has a scope and a limit of the findings of key factors which are related to the most important goal of eCRM which is to enhance the customer relationship. Stefanou et al. (2003, cited in Malcolm, 2010), mentioned that customer relationship can be considered as defensive marketing strategies for an organization. The adoptions of CRM systems or eCRM are increasing rapidly for organization development. Mainly well eCRM that is able to create the customer relationship, need to consider customer-related strategies, CRM technologies or tools (one of those is eCRM), and people (Malcolm, 2010). After studying the literatures concerning eCRM and customer relationship, we have drawn the conceptual framework as follows in Figure 3. The conceptual framework was motivated by our chosen articles.

Since the Internet allows customer to compare price and service between organizations easier, tons of organization decide to focus in enhancing relationship among itself and customer (Liz et al., 2003). The electronic marketplaces especially in low differentiated product increase the important of price competition as well as after sale services (Liz et al., 2003). Organization that is able to lower cost will gain competitive over others. Some factors, for example IT facilities or Network infrastructure, are able to support the performance of eCRM. Schoder and Medeja (2004, cited in Jayanthi & Vishal, 2009) mention that good network infrastructure create better communication and lead to the improvement of customer relationship.

Three main categories of eCRM factors have shown in the conceptual framework with the linkage arrow. The authors found that these categories have relationship to each other in somehow. There are ten eCRM important factors that the authors concluded from previous studies. These factors impact each other in the process of eCRM, thus this thesis focus on these

ten factors in order to find the relationship among them and analyze good practices for organization which use eCRM to enhance customer relationship.



**Figure 3: Conceptual Framework of eCRM Factors Focused on Enhancing Customer Relationship (own illustration)**

## 5. Empirical Data

### 5.1 eCRM in Toyota Mahanakorn and its background

Toyota Mahanakorn is one of the most popular Toyota dealers in Bangkok. The President of Toyota Mahanakorn, Mr.Boonlert Boonvisut, has a long foresight vision in business in terms of technology which he usually adopts in his business in order for Toyota Mahanakorn to gain competitive advantage over other competitors. Toyota Mahanakorn is always the first Toyota dealer in Thailand that develops and applies new technologies to business processes and services according to Mr.Bordin Boonvisut, the Vice- President of Toyota Mahanakorn. He further said that the company mostly developed technologies that involved customer services. That was because Toyota Mahanakorn has 13 branches around Bangkok; thus, it tries to build standard of service in every branch. He added that whenever or wherever customers went to Toyota Mahanakorn branch, they would receive the same services. Since eCRM becomes one important tool in every aspect of business recently, Toyota Mahanakorn develops this tool in its company in order to enhance customer relationship. eCRM tools that Toyota Mahanakorn decides to use are website and mobile channel. Mr. Yongyuth Saena, a Showroom Manager, claimed that they found out that the enormous benefit of networking made their business run much easier, not only for the service part but also the communication inside the company.

Since 2007, the first year that Toyota Mahanakorn decided to use eCRM as its CRM tool, there had been many changes and benefits throughout the business performance. First of all, Toyota Mahanakorn can increase its relationship with old customers through membership zone in Mahanakorn website. Thus, this website becomes one important channel that the company uses to communicate with customer. In the past, Toyota Mahanakorn used call centers and showrooms as hub to contact with its customers. According to Mr. Bordin in the interview, the call centers and showrooms are one to one communication, thus, they are not able to give service or provide information to a large number of customers at the same time. On the other hand, their website allows them to communicate with a great number of customers at the same time and also provides a 24 hour service a day. The website of Toyota Mahanakorn consists of many service applications that help its customers reach the information and services of the company easier. He also stated that they tried to develop their website to be the center of the information community enabling their customers to just click in and search all the details and information concerning their products and services such as the price of cars in different model.

Secondly, Toyota Mahanakorn can enhance its customer service process to be faster and more accurate. eCRM technology allows the company to input and output customer information faster. The officers in every section are able to use and search for customer detail easier according to

Mr. Yongyut. Every branch is able to access customer information through Internet networking, thus customers can choose the most convenient branch on their own through Toyota Mahanakorn website before making an appointment for the after sales service through call centers.

Lastly, using eCRM Toyota Mahanakorn retrieves lots of new customers from its old customers. As a word of mouth strategy, when customers are satisfied with the products and services of the company, they usually tell others and ask them to try out. In this case, eCRM technology is able to enhance the satisfaction of current customers who tell their friends and ask them to come to Toyota Mahanakorn whenever they want to buy Toyota products concluded Mr. Bordin.

## **5.2 eCRM strategy and other Strategy related with eCRM in Toyota Mahanakorn**

In this section, we interviewed all of our interviewees about their opinions toward the eCRM strategy of their company and other strategies that are related with eCRM. We also asked them their actual strategies for eCRM they use at present and whether the company has any future strategies for eCRM.

As mentioned earlier, Mr. Bordin the Vice- President of Toyota Mahanakorn, Toyota Mahanakorn emphasizes on providing a lot of services for the highest satisfaction of the customers. Toyota Mahanakorn being a leader in high standards insists that every branch must provide the same standard to every customer. At present, Toyota Mahanakorn is using the ISO 9001 standard. It is the first Toyota dealer that provides this standard to customers.

Mr. Bordin also mentioned that Toyota Mahanakorn had implemented the eCRM on its website. The website of the company provides the web service for customers. The customers can obtain information and contact the company through the company website.

Mr. Somkeit Pathnapirom, the senior IT manager of Toyota Mahanakorn mentioned some future plans of his company related to eCRM. Toyota Mahanakorn has already started a project for customers as members of the Toyota club. The purpose of this project is to create a customer network and gain customer information from the customers who become members on the network. The company will attract customers by offering promotions and rewards for those who register as a member of the site. The advantage of doing an eCRM that combine with network is that it will expand the means to reach customers and as well as the customer database. Also, Toyota is planning to use those information gained from eCRM to plan their future strategies.

Mr. Vorapong Manoch, the Customer Service Advisor Manager of Toyota Mahanakorn stated that the main strategy to serve customers the best is for an organization to give importance to customers for he believes that serving customers is the heart of doing every business. He further said that “if customers love us, we can exist in the business in the long term.”

During our interview with Mr. Bordin, the Vice- President of Toyota Mahanakorn, we asked him about his opinion on customer-centric strategy and whether he agreed with this strategy or not. Mr. Bordin said that he agreed using customer centric which might be useful for the organization but only customer-centric strategy may not create a successful system that an organization wants. The strategy must consist of and be supported by many departments in the organization; therefore collaboration among the people is inevitable

Mr. Vorapong revealed that during the past 2-3 years, his company had a rapid change in customer management. The company had improved a lot and invested large amount of money on CRM technology in order to deal with the rapid change in the future. “I was sent to training for new technology which is related with CRM. But it was different from the previous CRM system that I used before in the sense that it serves customers through the network and internet. We were able to retrieve customer data like the previous CRM system; but, this new technology is more convenient for us, and I guess for the customers too.”

Mr. Yongyut Saena, the Showroom Manager, said that in his opinion, retaining the existing customers and creating new customers were of the same importance. He chose to retain the existing customers because they could bring new customers in to the business. This word-of-mouth strategy according to him is a good system because people who had the first hand information would tell about the services they experienced to others thus bringing more customers in. When asked about Toyota Mahanakon’s method of contacting customers, he responded that they had been using call centers and mobile applications. However, his company is planning to do some web applications to support the needs of the customers and the company can expand the channels of reaching various customers as well. Customers would come to buy more cars and use more of their services according to him.

Ms. Jirawan Tangcharoen, Customer Relationship Manager, refers to her department that the main goal of her department is to retain the existing customers. She affirmed that they (Toyota Mahanakorn) give its best service to their customers in various ways such as miles checking (for every 1,000 km (kilometres); 10,000 km; 20,000 km; 100,000 km). In order to implement this Ms. Jirawan said that the dealer had to use some specific program to calculate the distance that the car had used up and set the next mile checking appointment for customers to come and recheck the car again or car repairing. The customers could make an appointment or ask questions through eCRM that their company had put up on their website. She further explained

that the Customer Relationship Department confirmed bookings or appointment with customers through call centers and reminded customer appointment of their next appointment via short message on the customers' mobile phones. She explained that the strategy was to cover all the customer services and make it efficient for customers. Thus, after the customers used their services the call centers would call them for customers' assessment. The call centers according to her would solicit customers' assessment so that the company could improve their service to the customers in the future. "I would like to say that customers' satisfaction is very important for the business like us. We must meet the customer satisfactions; we have to know what our customers want and what they like." The interview with Ms. Jirawan confirmed our stance that a company must have an approach to get to customers in every possible way whether it's via website, emails, or phones which have the same significance for customers.

<b>eCRM Strategy Factors in Toyota Mahanakorn</b>	<b>Dimension/ Perspective</b>	<b>Importance</b>
<b>Customer Centric</b>	Strategy for eCRM that focused on customer service.	Set the goals and vision for company
<b>Customer Approach</b>	The way of contact that able to reach customers.	Increase customers, retain existing customers,
<b>Customer Touch Points</b>	Place to attack customer to involve in eCRM	Encourage customer satisfaction through online activities related with eCRM

**Table 4: Summarized eCRM Strategy Factors in Toyota Mahanakorn**

### **5.3 eCRM Technology in Toyota Mahanakorn**

The purpose of our interview with some personnel of the Toyota Mahanakorn was to understand the benefits of employing eCRM, its process in different departments and IT adoption (related technology, networking, databases, and facilities).

Mr. Somkeit Pathnapirom, a senior IT manager, was asked about the actual use of eCRM in the Toyota Mahanakorn. He said that the company had been using a lot of technology and had allocated a lot of fund to manage and develop the information system inside the company. Talking about eCRM, he believed that it had helped them (Toyota employees) to manage customer information easily. It created a way of giving continuous services to customers by just retrieving it from the

customers' databases. Whenever customers make a contact with the organization on eCRM system, the company is able to keep track of customers' data. Because of this system, the car dealers like the Toyotas, are able to track all the information about the customers.

Mr. Somkeit gave us some examples of customer transactions such as: vehicle information (when did the customer buy the car and where did the customer buy it), customer service information (when was the last time customer came to use company service such as car inspection, mile checking, car repair information), and customer appointments and schedules with the company, etc. When we asked Mr. Somkiet about the benefits of eCRM via Internet he said that they (Toyota Mahanakorn) had been using eCRM to open the channel of communication with customers via Internet because they knew that nowadays, people increasingly use more web applications so they try to follow the trend of customers.

About the network and facilities to support the eCRM of the company, Mr. Somkiet, who takes care and manage the overall IT activities mentioned that Toyota Mahanakorn required the eCRM system which is able to support the customer information, able to keep customer records and able to manage the customer schedules. It should be consistent with other departments such as Sales Department, Car Technical Departments and Customer Relationship Department. The company network according to Mr. Somkeit could not fail or should not fail for a long period because if the network failed it meant that their company could stop working and could cause losses to the company.

Mr. Vorapong Manoch, the Customer Service Advisor Manager told us his experiences and opinions about the benefits of eCRM, IT and network. According to him IT and those networks make everything convenient and easy. They reduce the complexity in working with documents as well as the time cycle with customers. It really helps in managing customer information and customer management. However they do meet problems in dealing with the networks. According to him they have to make sure their network is good and have to make their pace operate fast enough to serve their customers especially during the peak time. eCRM helps a lot in his department in making appointment with customers. Making appointments is the most common task between company and customers. Customers make an appointment to see the cars (before they buy them), for car inspections, or for car repairing etc. What customers appreciate in their company is that they have a good technology in supporting customers. "They love it, when they know that we use high technology!"

Mr. Vorapong Manoch further said that they had piloted the eCRM system to some branches of their dealer sites such as Bangna branch (one of the district in Bangkok, Thailand) and Toyota Mahanakorn main branch (Sri Ayuthaya branch) and in the future in other branches too. That according to him would take 2-3 years to implement eCRM standard for every branch. The



eCRM system must be stable before they had to implement them in other branches. Their eCRM system allows customers to check their transactions history via website. eCRM also allows customers to make appointment with the company via Internet

Mr. Yongyut Saena, the Showroom Manager said that since the showroom department had to deal direct contacts with the customers, they had to know about the customer information. Inasmuch as the main duty of their department is to market their cars and find new customers they had to have strong persuasion to introduce the company products and provide friendly service to customers. Most importantly, he said was to have knowledge on customers' preferences so that they could offer as well as introduce the right products to them. Secondly, sales people negotiate with customers about the price and the car models and other information that customer are interested in. This process is the start of eCRM and CRM systems usage. This is because sales people have to keep the customer information whether they buy or not buying the car. In the case that the customers are undecided to buy the car immediately, sales people should keep the customers information in the customer database for future reference. Technology and network have a significant and convenient role in keeping the customer records for both the existing customers and new customers.

Mr. Yongyut clarified the process between sales and eCRM. Whenever customers' registrations are done on the company website, they will pass through the eCRM system. The customer information will be in the databases even though they have never come to visit the company before. Any one day that a customer comes to use the company service, the employees and sales people will have their information immediately. Information can be retrieved from any of the company's branches. There would be no need for customers' registration, thus facilitating work more easily and conveniently.

From the perspectives of Mr. Bordin, the Vice- President of the Toyota Mahanakorn, a suitable technology is another significant factor to be considered in the structure of an organization. First of all, the executives and managers must know and study about the structure of their company very well. This is because they are the decision-makers to choose suitable technologies for each department. For example, Toyota Mahanakorn has more than 1,000 employees and among these are approximately 200 sales people. But they have more than 100,000 customers. They considered this as a great different ratio of efficiency service between employees and customers. In this part, technologies come to the rescue.

It is stated in Toyota Mahanakorn's websites that their company has established IT department to coordinate and responsible for data networks. This IT department is providing a good care of monitoring the systems. Also they develop advanced programs together with the data processing to make it work with all other departments. The program that Toyota Mahanakorn

uses is connected with the network system called TBR (Toyota Business Reform) which is being used a lot in sales departments and Top Serv. (Top Service). It saves the time of the customers.

Ms. Jirawan Tangcharoen, Customer Relationship Manager explained to us the main activities and the duties of the Customer Relationship (CR) Department. In connection with eCRM and CR she mentioned that their duties on eCRM were to help customers answer the questions that they posted in FAQ page on Internet. They also keep customers complaints and customer feedbacks then report back to the company. “We noticed that customers increasingly use eCRM. We are trying to improve our eCRM and make it better.” Said Ms. Jirawan.

Ms. Jirawan mentioned a little bit about the networks and facilities. According to her, the CR department always requires good networks and facilities. eCRM usage must be supported with good networks because it has to work 24 hours a day for the customers. It is imperative that the facilities that CR department are using should be able to support whether CRM or eCRM activities. Suffice it to say that in Toyota Mahanakorn, eCRM is being used in many departments that are customer oriented. Therefore, many technologies as well as networks and facilities are needed to support this system.

<b>eCRM Technology Factors in Toyota Mahanakorn</b>	<b>Dimension/ Perspective</b>	<b>Importance</b>
<b>Data Warehouse and Customer Database</b>	Customers' information storage	Hub of customers' information for both Toyota Motor Thailand and Toyota Mahanakorn
<b>Network infrastructure</b>	eCRM that do via internet and company website	Connect the communication channels between customers and company
<b>IT Facilities</b>	IT resources, hardware and software	Required tools to perform the access to the system

**Table 5: Summarized eCRM Technology Factors in Toyota Mahanakorn**

#### **5.4 People involvement in Toyota Mahanakorn**

In this part, we asked our interviewees about the last factor category, people. We would like to find out the importance of people involvement in eCRM that each department of Toyota Mahanakorn must be aware. Conclusively, the responses could be divided three main factors: management, employees and customers.

Toyota Mahanakorn management pays significant attention on employees' skill and overall business vision. Mr. Bordin, Vice- President of Toyota Mahanakorn said that vision and mission of the company were very important. If management had different vision or attitude from their employees, the success cannot be achieved. Thus, Toyota Mahanakorn gives precedence to building the same vision through every positions and levels of employees. Mr. Bordin also stated that the president or the upper management is the most important factor who could create strategies and these strategies have direct impact on eCRM process and performance. Their decision-making has also an impact on the overall performance of the business. Thus, in order to create a better relationship with customers, management should understand the business culture (business practice), the potential of employees, and the skill capabilities before creating any CRM strategy as well as eCRM strategy. "Our President and Vice- President always tell us to take care of the customers and treat them as members of our families. Also I, as a Service Advisor Manager have to lead the team's spirit in following the company vision." Those were the words of Mr. Vorapong.

According to the vision of Toyota Mahanakorn, every generation of Boonvisut family should follow the vision of the first generation president. Mr. Sukit Boonvisut, the founder of Toyota Mahanakorn, used this vision since he created this company. Mr. Bordin explained further that the company had been trying hard to service the entire customers as members of their families. In return, the company earned the customers' loyalty and patronage. He agreed that not only the management level that could enhance customer relationship through the use of eCRM but employees in the middle and lower level could also increase this relationship. However, people in different levels of business play a different role in the usage of eCRM but all of them can create a similar outcome which enhances the relationship among businesses and their customers.

In an interview with Mr. Bordin, he said that people as users play an important role in every process of eCRM. Hence, him being in the management team of Toyota Mahanakorn, has to pay attention a lot on the training program as well as creating an esprit de corp among employees in order to improve their personal effectiveness and create an efficient eCRM. Toyota Mahanakorn strives hard to develop efficient employees in every position, both in back office and front office to support the use of eCRM. Metropolitan Auto Business School is a training school that Mr. Boonlert founded in 2001. He believes that the capabilities of employees are instrumental on the significant progress of a business performance. This school was put up as a place of training and updating skills of the company's employees regardless of their position. Nevertheless, this school enhances the potential skills of every employee at Toyota Mahanakorn particularly the sales people's performance. Sales people are the first group of employees in contact with customers and also the important group that collects the customers' data not only for their basic details but also their behavior as well according to Mr. Yongyut, the Showroom Manager. The input in the customer database is important because the company can use this information to study the customer trend. Similarly, the Customer Service

Department can use this to support the services which are mostly after sales services. Thus, all sales people require training in computer skills for an efficient customer database.

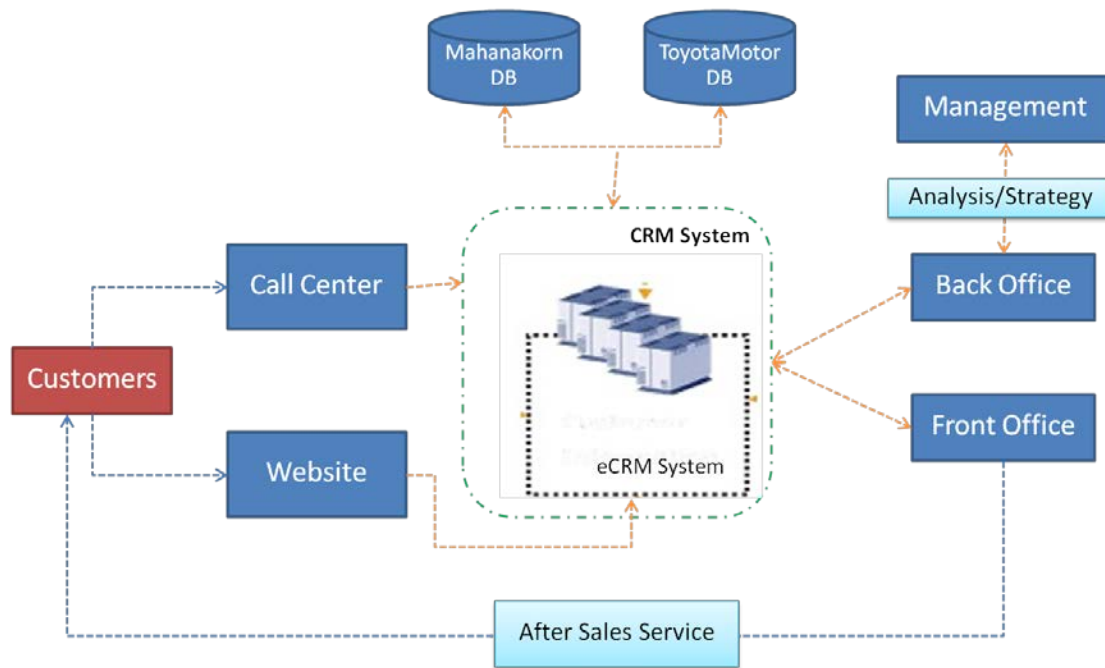
Ms. Jirawan, the Customer Relationship Manager, on the other hand, stated that good technology or strategy was not enough to enhance the customer relationship. Users can create this relationship through the use of eCRM. Employing inefficient officers to contact customers could jeopardize customer relationship e.g., entering an incorrect input in the database. Thus, in this case eCRM can create nothing. In the same way if a customer is completely ignorant on how to access their information through the website, eCRM is of no use. Both Ms. Jirawan and Mr. Vorapong believed that staff involvement is one important factor that company should not ignore. As stated by Mr. Vorapong, the good point that Toyota Mahanakorn had an edge over other competitors was the efficient involvement of staffs in eCRM. Therefore all of staffs usually get training every six months in order to update the process of program.

The customers are another user involved. Mr. Somkiet, the senior IT Manager, mentioned that the company was developing their website to be simple and user friendly to attract customers. Customers play an important role in eCRM; without them, eCRM process is not complete. Ms. Jirawan supported the idea that customer access in the application in the Toyota Mahanakorn website, for example appointment booking, complaining or FAQ application, the Customer Relationship Department has to disseminate those information as fast as possible in order to create customers' satisfaction.

<b>People Factors in Toyota Mahanakorn</b>	<b>Dimension/ Perspective</b>	<b>Importance</b>
<b>Top Management support and involvement</b>	This refer to company leader who support goals of organization	Decide eCRM strategy and control vision of all employees and managements in order to create the best performance
<b>Employees/Staff capability and training</b>	All level of employees that involve in access, analyze and use customer information through customer database	Play important role in supporting eCRM process and performance
<b>Customers Involvement</b>	Customers are people that access in eCRM channel and their satisfaction is a target of company	A group of users that make eCRM process complete

**Table 6: Summarized eCRM People Factors in Toyota Mahanakorn**

## 5.5 eCRM process in Toyota Mahanakorn



**Figure 4: eCRM process in Toyota Mahanakorn (own illustrate according to the interview)**

Figure 4 shows the conclusion of eCRM process in Toyota Mahanakorn. As collection of the primary data was by interview with Toyota Mahanakorn Vice- President and Staffs, the authors have illustrated the eCRM processes consisting of 3 stages. At first stage, customers access in company website or call center. In this stage, the customer as one factor gives their information to Toyota Mahanakorn through website or call center. This information will be collected and processed in eCRM and CRM system in the second stage. These systems are linked with the database of Toyota Motor Thailand Co., Ltd. and Toyota Mahanakorn itself. In the last stage, whenever Toyota Mahanakorn staffs in both front office and back office want to access customer information, they can get that information from the company database through CRM network. The front office staffs can use customer information to review the customers' behaviors to serve the right services to their customers in after sales services. In this stage, the management is able to receive the result of customer behavior analysis from back and front office. Thus, Toyota Mahanakorn management is able to control the staffs that are involved with the process of eCRM and ultimately decide the right and suitable strategy for the company.

## **5.6 eCRM key factors relationship and their importance**

Mr. Bordin, the Vice- President of Toyota Mahanakorn mentioned several times about the success of eCRM. The most important in managing their resources are people. People are the most valuable resource in a company. That includes the CEO, managers, and employees who all must share the same vision in customer service. The upper management, CEO and managers, lead their employees to the same direction of thinking, perspectives, visions, and goals for good management and results. So in the perspective of Mr. Bordin, strategy and people are related.

Another relationship in the key factors is the relationship of people and technology. Mr. Somkeit, senior IT manager and Miss Jirawan, CR manager are of the same opinion that people is the most important among other factors of eCRM. This is because in order to use a technology that will return the greatest benefits to the company it requires knowledge. Mr. Somkeit said that technology and facilities would be useless if there were no knowledgeable people to handle them. Miss Jirawan also agreed with the statements that technology required people with a know-how. Training staff was therefore a paramount importance in their company

Mr. Vorapong, Customer Service Advisor Manager, however, differed slightly in his opinion from the two other interviewees. "I think every factors that you mentioned to me the strategy, technology and people are equally important. But in my point of view, networking in technology is the most important factors. This is because whenever it fails, we cannot continue our service to customers."

## 6. Analysis

Customer relationship, which every organization pays a lot of attention to, is one of the significant goals of eCRM. It creates many benefits for an organization, for example develop competitive advantage or extend customer life cycle. The customer relationship can be enhanced by various factors. According to Russell (2001) customer relationship is developed from good customer services, customer community, customer reward, and customer loyalty program. The study of Toyota Mahanakorn epitomized that customer services, customer community and the loyalty program are the most effective interactions that have an impact on relationship between a company and its customers.

eCRM is able to improve customer service and support because it allows customers to search for the proven solution easier (Jerry & Nicholas, 2003). eCRM provides customers with an updated information, thus they receive a more effective and faster services and acceptable to organizations. Toyota Mahanakorn tries hard to improve its eCRM to be more effective and more efficient in order to enhance customer relationship through better services and support. Because every Toyota dealer has the same products, so every Toyota dealer has to compete on their services and after sales services. Mr. Bordin, the Vice- president, and Mr. Vorapong, the Customer Service Advisor, also supported the fact that Toyota Mahanakorn tried to improve their facilities, technology and services as best as they could to satisfy their customers.

During the course of study, the authors found that Toyota Mahanakorn paid utmost importance to employees' involvement and networking infrastructure and performance. The Vice- President of Toyota Mahanakorn, Mr. Bordin Boonvisut, believes that the vision of company and its members is very important because it hits on every area of the company, especially employees' capabilities. Increasing the capabilities of employees is a must in every organization. Many organizations provide the training schedules or courses for their employee. Toyota Mahanakorn also provides the useful courses for their employees as well. If the organization would like to invest in training for employees, the training courses must relate to employees work. Such as Toyota Mahanakorn trains their employees to use eCRM, increase more understanding about the process of the eCRM, explain the benefits the use of eCRM in organization. Rich capability of employees together with good network design and good network infrastructure play a significant role in eCRM processes and performance. Good network design and good network infrastructure are elusive to describe all of them within this thesis. But the authors would like to state mainly that good network design for eCRM should be network that capable of supporting the working of eCRM system in the organization. The good network infrastructure of eCRM will include from the start of implementing eCRM until maintaining the eCRM in the organization. Organization must plan the infrastructure of eCRM to be well-balanced so eCRM can provide the

benefits to organization. Thus Toyota Mahanakorn gives precedence to employee capabilities and network of organizational lot and also these factors are the most related with other factors. Developing employees' capabilities is one important role that upper management should be concerned about. They have to encourage their team to improve skills in order to match with the highest capability of eCRM process as well as to create less error. Therefore organization is able to maximize the eCRM outcome.

The key factors of eCRM have relationship with each other. Malcome (2010) stated out clearly that there were relationships among technology, strategy and people which were the three main categories of eCRM interest. This is because some of the key factors support others in different processes which are able to influence eCRM outcomes as well. Injazz and Karen (2003) stated that the main role of eCRM strategy was to help the organization create new customers and retain the existing customers. In the authors' point of view, the strategies of organization require and depend a lot on technology and people. This is because organizations need technology to accomplish their objectives and their plans. From this thesis study, the customer centric strategy is one of the key factors of the three main categories of eCRM. Customer centric strategy is focusing on customer service and customer relationship. Customer centric strategy also requires customer involvements, because customers need to have more interactions with the organization. To gain customer relationship in these present days is to via the use of inter-networking system. This is because the trend of customers has changed. Organization should use eCRM technology along with the eCRM strategy which the authors refer to customer centric and customer touch point. People have used more web applications and more services through the Internet. So to get these online customers, organization must provide the tool on websites or use high technology to catch the customers' attraction. By doing this, organizations care able to reduce communication cost and time because networking communication, for example website, allows organization to reach multi-customers at the same time. Similarly, organization is able to expand its communication channels through the use of Internet in order to match with target's lifestyle, thus it is able to reach new customers at the same time enhance relationship with current customers. The efficiency of customer touch point is one important component that encourages the process of eCRM, thus Toyota Mahanakorn tries hard to improve its website. The satisfaction of Toyota Mahanakorn's customers is encouraged through online application which provides faster communication and service. Moreover, Toyota Mahanakorn's website provides customers more convenience by allowing them access to services from wherever they are, 24 hours a day.

The website which provides important information about Toyota Mahanakorn's products and services becomes a communication hub between the company and its customers instead of a call center. Toyota Mahanakorn website becomes an important channel that the company uses



to contact with its customers, exchange information or book reservations. eCRM of Toyota Mahanakorn consists of various services, for example, the payment estimator and membership zone. The membership zone is a good example of customer community that Toyota Mahanakorn develops through its website in order to create customer relationship. Toyota Mahanakorn uses membership zone to collect and update customers' data and collect customer behavior. Not to mention that customers are able to give their suggestions and complaints in the website. Hence, the customer relationship department will be the one who is able to manage and keep the reports of customer suggestions and complaints in order to develop organization's services to reach customer needs. The data and customer information which have been collected in eCRM are helpful in creating customer satisfaction, retention and consequently, create loyalty at last. However these data should be supported by a good database system: if not then the data is useless. In addition, customer information that Toyota Mahanakorn received from the website are collected in both Toyota Motor Thailand database and its own database. This information is used to analyze and also be a complement in strategies designing that reach to its customer's behavior. The authors believe that Toyota Mahanakorn is able to enhance its customer satisfaction through web service. From the examples of Toyota Mahanakorn that had mentioned earlier, technology has a great significant role in running the business for organization.

The data warehouse and customer databases also play an important role in collecting and storing customer information. Good database system can encourage users to use that information easily and also effectively. Network infrastructure and IT facilities are also involved with the data warehouse and customer databases. This is because most of the organizations require a large customer database and in order to maintain these databases the organization will need a high technology (Ngai, 2005). Shugan (2004) mentioned that eCRM in the organization should be simple and convenient to fit with the customer. From the example of Toyota Mahanakorn, they prefer to provide the friendly interface on their websites for their customers. The simple and convenient eCRM system will increase the use of customers as well as the interaction between organization and customer. The data warehouse or databases of eCRM should support the knowledge flow of organization. Organization should manage their customer information in the databases very well so it will be able to support the knowledge flow in organization. The knowledge flow will be very useful when employees are able to search or get customer information whenever they require using. However, the employees themselves must also have knowledge in using and operating the eCRM system as well as IT facilities.

For the effectiveness of eCRM in the organization, control and support of top management is also important, as it can encourages a faster and efficient work. This is because the clear vision and good decision-making of top management will lead their employees into the same direction

and practices in organization. In Toyota Mahanakorn, Mr. Bordin, the Vice- President, also agrees that top management support and top management involvement are important in improving customer relationship. Mr. Bordin mentioned that the managers in his company should lead their employees onto the same direction, vision and thinking.

Karen (2003) gave an idea about role of eCRM could be determined by the executives and the top managers in the organization. Executives and managers have significant roles toward the strategy of organization. The strategy, a set of decision makings, can be determined by top managers or management teams in the organization. Customer-centric strategy which focuses mainly on customer's needs and behavior is one factor that encourages and supports the use of eCRM in organization. Customer-centric organizations try hard to develop and create products and services suitable to the customer's needs and behavior the most. The customer-centric concept will emphasize on customer satisfaction, customer loyalty and customer retention as all of these are able to attract customers and enhance the customer relationship. Thus these organizations usually adjust their CRM (also eCRM) frequently in order to gain the most capability of creating customer relationship. Bolton et al. (2004) suggested that the organization eCRM strategy should be customer oriented or customer-centric. These strategies make organization operations become more efficient to support the customer's activities and allow customers to do the customization, reward customers with gifts or promotions etc. This customer-centric will not be complete if the organization lacks the customer involvements. One thing that organization cannot force to do is to force its customers to be involved in the system if they are unwilling. However, the organization can increase the customer involvements by making their eCRM more attractive or create other attractions to customers.

Before implementing eCRM in Toyota Mahanakorn, the management team had to study a lot on suitable eCRM implementations which matched with this organization. Organization structure, organization strategy, organization practices, and employees' capability are the most important factors that top management of Toyota Mahanakorn was the company's concern before they implemented eCRM in their organization. In the authors' opinion, a suitable eCRM implementation relies on organization strategy and employees' capability because these two factors play significant role in every processes of eCRM. If employees do not have enough capability to encourage the use of eCRM, organization cannot maximize the outcome potentials of eCRM.

Top management in the organization must set the IT and their technology strategy according to their eCRM strategy and their business goals (Herington & Peterson, 2000 cited in Injazz & Karen, 2003). So strategy that the top management set for the technology must support the business process to reach their goal. To be able to support the goal which enhances the customer relationship, organization needs to operate good eCRM system to support the use of

customers. In order to support eCRM to run and operate well, an organization must consider IT facilities, network infrastructure, and data warehouse as well as customer database. Qimei and Hong-Mei (2004) suggested that the key success factors of eCRM strategies in practice, would prod the organization to make the eCRM system as a data integration system. In the authors' opinion, the system that is able to support the working process of eCRM will require a lot of IT facilities and IT operations. It should be suitable with the capabilities of employees who are the users in order to perceive the most effective outcome. Because of this reason, the eCRM strategy and employees' capabilities must relate with the technology in the organization.

To gain and enhance the greatest benefits of the existing technology in organization in terms of custom relationship, the organization must employ people who have knowledge in managing and operating eCRM systems. A person that does not have enough knowledge to operate eCRM or does not know how to use eCRM is useless. Training can create and update skills of employees in every area and in every level of employment. Hugh et al. (2002) mentioned that employees played significant role in supporting eCRM operation. Because Metropolitan Auto Business School is a place that creates and enhances skills of Toyota Mahanakorn's employees and at the same time it indoctrinate company vision to every employee. As a result, under the same vision, the management team of Toyota Mahanakorn and their subordinates are able to reach their eCRM goal that enhances customer relationship.

It is acknowledged that people are using the Internet more increasingly through web applications or mobile applications. Qimei and Hong-Mei (2004) gave the idea that eCRM should be a data integration system for customers so this also means that eCRM should be compatible with the customers system. Many organizations are including web technologies with large databases to enhance the system operation for customers. Organizations try to improve their technology to become more advanced and able to be in par with other competitors in order to get more customer involvements in their business. Networking which is a factor that encourages the use of eCRM is also important because an error of network is able to create a conflict between organization and customers. Poor networking decreases the satisfaction of customers and reduces reliance of company in customer mind. IT facilities are inevitable and important factor not less than networking because IT facilities that match with employee's skill are able to support the performance of eCRM as well. Moreover, if employees have enough skills, they, as users of those facilities, will able to reach the highest capabilities of those facilities.

In addition, a customer also has a marked impact on eCRM processes because a customer is a person that possesses accesses information in application or program through company website. On the other hand, customer is the target that organizations want to achieve. Thus customer involvement becomes one important factor that organizations should be aware of.



## 7. Conclusion

There are many ways that organization can improve their eCRM to enhance the customer relationship. Firstly, organization should understand what the key factors are, their significance and characteristics. Secondly, they must understand the relationship and relevancy of those key factors. An organization can take into consideration the suggestions given by the authors.

The top management of an organization wishing to use eCRM must fully involve itself and support eCRM. The top management is the leaders and the strategy controllers. In the organization, they must persuade their employees to have a full attention and understanding of eCRM. The top management should lead their employees to the same direction of the company's goal and vision of eCRM. The organization should train their employees to have knowledge and ability to work on eCRM continuously and efficiently. Being knowledgeable about customers (behaviors, characteristics, and trends), work process in organization, organization strategy, eCRM system, eCRM network or the operation of IT facilities are good means to persuade employees' capabilities and enhance their outcome. Also the continuous training and giving knowledge will be beneficial to employees as well. This is because whenever employees have high abilities they also increase their efficiency in their work. The authors considered that good management support will be a driver of eCRM in the positive way. Besides, people in the organization must be supportive with each others in planning and making higher customer access to eCRM. Together with an effective plan, an organization can persuade and attract customers and increases the usability of eCRM through customer touch points.

However, the implementation of eCRM is very important in the early stage because its outcome has a great impact on eCRM operation. But in this study the authors focused only on using, maintaining and improving eCRM in order to make eCRM implementation has a positive effect in the post stage. Organization can find a way from other researches that mentioned eCRM implementation.

The authors know that eCRM supports the collections of customer information and the process with customers through Internet so the core technologies of eCRM will be network and IT facilities. Organization should provide an efficient network and IT facilities sufficient for the usage of employees and able to support the use of eCRM. In this fast growing technology society, eCRM technologies must be one of other priorities that organization should consider. This is because eCRM is the system that runs 24X7 operations and if it fails, it can cost some loss to organization. To maintain eCRM and improve customer relationship continuously, organizations must run and operate the network and customer databases smoothly.

Lastly, in order to use eCRM to enhance customer relationship, organizations have to contemplate all the factors and their relationship that the authors mentioned in this thesis. Otherwise, eCRM can be more disadvantageous than advantageous to the organization or simply say that it can be more harmful to the organization.

## **8. Recommendations and further study**

There are many different ways of IT usage to help organization to develop customer relationship. eCRM is one of the IT practices to enhance customer relationship. Using eCRM is not only to create good relationship with its customer but also to reduce cost of CRM and other benefits that will gain competitive advantage over its competitors. However, in order to enhance customer relationship, organization should consider all related factors together because each factor is capable to support each process and performance.

The authors think that customer relationship is considered as one of the targets that every organization would like to achieve. From the study of this thesis, customer relationship can bring lots of positive benefits to organization. However, different kinds of organizations will choose different kind of IT and technologies suitable for their organization and must fit with their business strategy as well. The authors are not capable to conclude the IT practice in different kinds of organization, as well as different IT practice in an organization in this thesis. But the authors are capable to give some recommendations for further study related to IT practices in terms of eCRM.

The authors think that studying this thesis might help them in understanding more about IT practices related to eCRM in organization. Here is our recommendation for further study about IT practices and eCRM as follows:

- The concept of eCRM in organization and its practices.
- The business strategy of organization related with eCRM.
- Opportunity to enhance eCRM system for organization.
- Efficiency of eCRM for organization.

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## **APPENDIX**

### **Interview Questions**

1. What is your opinion about eCRM? Do you think it is necessary for organization recently?
2. Why did your organization choose to implement eCRM to enhance the customer relationship?
3. How can eCRM affect on your organization and your department? Can it enhance customer satisfaction or create better customer relationship?

### ***Strategy***

4. What is eCRM strategy in your organization in order to gain customer relationship?
5. How can that strategy enhance the relationship and do you think is it good enough for this developing digital world?
6. Do you have any strategy for eCRM networks or IT facilities that will support eCRM?

### ***Technology***

7. What kind of technology does your organization use to support eCRM?
8. What eCRM implementation/ channels/application that your organization offer to customers?
9. Which is the factor that impact on decision-making of chosen channel for different group of customers?
10. How do you adopt eCRM in organization?
11. Is there any rapid change in using eCRM in organization?

### ***People***

12. What department that responsible for developing eCRM for customers and who use it?
13. Do people in difference levels such as top manager, manager, employees, have well cooperate with each other in order to enhance relationship with business's customers?
14. How employees or managers in your organization support the use of eCRM in order to gain customer relationship?
15. Do customers mostly use eCRM to interact with the organization? If yes, in which way? If no, why not?
16. Is there any resistance in your organization towards eCRM?

### ***Additional questions***

17. Does your organization consider using eCRM will be the competitive advantage for your organization?
18. Does your organization encourage customer to use eCRM? If yes, how?
19. How organization evaluates the performance of eCRM?
20. What are the key factors in using eCRM in your organization in order to gain customer relationship?
21. How organization interest to make eCRM better?
22. Which service through eCRM that customer used most?

## Interview highlights

### *The interview of Mr. Bordin Boonvisut, The vice- president of Toyota Mahanakorn*

*“Toyota Mahanakorn always be the first Toyota dealer in Thailand that develop and apply new technologies to business processes and services and mostly we develop technology for customer services.”* stated Mr. Bordin Boonvisut, the vice- president of Toyota Mahanakorn.

Mr. Bordin told that his company faced with the big change since it implies eCRM in its CRM system. First of all is channel that the company uses to contact with the customer. Website becomes more important for Toyota Mahanakorn because it can provide 24 hours services to customer and also more comfortable for them. In Mr. Bordin opinion, he thinks eCRM encourage company to become closer with its customer and also impact in many services development.

As a top management, he thinks that the understanding of eCRM processes also the situation of workflow inside the company is able to enhance more effective strategy and technology that suit with organization. Moreover, the vision in organization is also important for Toyota Mahanakorn’s top management aspect because they think that under the same vision all employees intend to work to achieve the same goal which is ‘enhance customer satisfaction by treating them as one of family members’.

*“Almost all organizations decide to use customer-centric strategy recently because the marketing competition is change, and technology has been developed very fast, thus customer becomes one important factors for decision-making in every strategy!”* said Mr. Bordin.

The employees’ capability is very important in Mr.Bordin aspects because they play an important role in eCRM processes. Therefore, in order to create the efficiency eCRM outcome Toyota Mahanakorn has to improve its employee’s skill to match with eCRM technology by training them at least twice a year.

*“The most important in managing our resources are people. People are the most valuable resources in our company.”* said Mr. Bordin.

***The interview of Ms. Jirawan Tangcharoen, Customer Relationship Manager, Toyota Mahanakorn***

*“The main goal of customer relationship department is to retain the existing customers. We (Toyota Mahanakorn) planned to serve the customer that used to buy the car from our company and the customer that used to use our services.”* said Ms. Jirawan.

There are many communication channels that Toyota Mahanakorn decided to use for example call center, website and mobile application. Recently the website becomes more important for the company in contacting with customer because it provides 24 hours services 7 days a week, said Ms. Jirawan. In addition, website of Toyota Mahanakorn combines almost all of useful and importance information about products and services of its company as well as online self-services that allow customer use whenever and wherever they want to. Ms. Jirawan also mentioned that, these services are able to enhance customer satisfaction and create better relationship among company and customer.

eCRM technology plays a significant role in customer relationship department because it allows the department to reach customer's data easily. eCRM also encourages easier way of updating customer data. This data can be update by customers themselves through website or updated from employees who involve in contacting with customer for example sales person and call center officer, Ms. Jirawan point of view.

*“Our duties on eCRM are to help customers answer the questions that they post in FAQ page on Internet. Also we keep customers complaints and customer feedbacks then report back to the company.”* stated Ms. Jirawan.

*“If customer cannot understand how to access their information through the website, eCRM is useless. Also inefficient officers are able to create disadvantages through the use of eCRM. Thus, we have to train our staffs so they enable to use and know how to operate the technology according to their works”,* stated Ms. Jirawan.

In the opinion of Ms. Jirawan, customer relationship department needs stable system that able to support the usage of customer's data in order to contact and create the efficiency communication with customer. Also stable network is able to enhance and encourage the better customer relationship which is one goal of Toyota Mahanakorn and others company.

***The interview of Mr. Yongyut Saena, Showroom Manager, Toyota Mahanakorn***

*“What I choose to do is that I choose to retain the existing customers this is because existing customers can bring new customers into the business. ... ‘word-of-mouth’ is a goal that I and my team intend to achieve”* said Mr. Yongyut.

Since the showroom department has directly contact with customers, thus customer database system has a large impact on its responsibilities. In Mr. Yongyut point of viewn, he thinks that good eCRM technology that suit with organization structure is able to persuade employees to dedicate themselves to achieve organization mission. Toyota Mahanakorn concern a lot on employees’ performances, thus every employee have to participate in training program in order to gain new knowledge or improve their skill. ‘Metropolitan Auto Business School’ is one factor shows success of employee’s training of Toyota Mahanakorn. This school has complete training in every area both front office and back office also in management era and technician era, stated Mr. Yongyut.

Mr. Yongyut gave more information about the future plan of Toyota Mahanakorn that it is going to improve the web application in order to support the need of customers and expand communication channel to reach various customers as well.

*“We, as one channel that contact with customers directly, have to concern in inputting customer’s data because those data will be collected in database of both Toyota Mahanakorn and Toyota Motor Thailand. Thus an error input is able to affect overall usage of customer information.”* stated Mr. Yongyut.



### ***The Interview of Mr. Somkiet Pathnapirom, The Senior IT Manager***

Mr. Somkeit said *“The transactions that we keep about the customer are car information like when did customer purchasing car and where did the customer buy it, last time that customer use the customer service such as car inspection, mile checking, car repair information, and customer appointments and schedules with the company and other things.”*

Mr. Somkiet concluded that Toyota Mahanakorn uses eCRM as one of the channel in communicating with customers via Internet. The company knows that nowadays people increasingly use more web applications so we try to follow the trend of customers.

Toyota Mahanakorn required eCRM system that able to support the customer information. This system must able to keep customer records and able to manage the customer schedules to consist with another departments such as sales department, car technical departments and customer relationship department. Mr. Somkiet said that the company network cannot fail or should not fail because if the network fails it means the company will stop working and can loss lots of benefits.

*“We try to make our website easy to use in order to attract customers. Because customers also play the important role in eCRM, without them eCRM process are not complete.”* stated Mr. Somkiet.

He continued, *“I think that people is the most important key factor in organization. Because we can find the technology to help us in doing our work and we can buy the facilities whatever we need. But without people that know how to use them and manage them the technology mean nothing.”*

Toyota Mahanakorn has used a lot of technology and invests a lot of money to manage and develop the information system inside the company. Talking about eCRM, Mr. Somkiet thinks eCRM help in managing customer information easily. It creates the continuous of giving services to customers like whenever staffs need the customer information they just retrieve it from the customer databases. Whenever customers make a contact with the organization on eCRM system, the company is able to keep track of customers. Because of this system, the car dealers are able to track all the information of the customers.

***The interview of Mr. Vorapong Manoch, the Customer Service Advisor***

*“Main strategy is to serve customer the best, the organization must give importance to customer. In my opinion serving customers is the heart of doing every business. If customers love us, we can exist in the business in long term.”* mentioned Mr. Vorapong.

In these past few years, Toyota Mahanakorn has a rapid change in customer management because the company has improved a lot and invested large amount of money on CRM technology in order to deal with rapid change in the future. Almost all of the employees were sent to training for new technology that related with CRM. However, it was different from previous CRM system because it serves customers through the network and Internet, said Mr. Vorapong. He also supported that Toyota Mahanakorn management emphasize a lot on staffs involvement, thus it is able to gain competitive over its competitors.

*“IT and those networks make everything convenient, easy, and reduce the complexity in working with documents, reduce the time cycle with customers.”* stated Mr. Vorapong.

He also supported that eCRM is really helps in managing customer information and customer management. However, the main problem that Toyota Mahanakorn faced is capability of network. In Mr. Vorapong point of view, he thinks network should run fast or operate fast enough to serve the customers. Sometime when the system in Toyota Mahanakorn and Toyota Motor Thailand are highly in used, it is hardly to processes eCRM. Thus, Toyota Mahanakorn management decides to enhance its own network because management thinks that ‘different technologies are suite with in different area of working’ said Mr. Vorapong. However, eCRM supports services in Mr. Vorapong’s department a lot, for example an appointments making. Making an appointment through website encourage customer with more comfortable process and also able to enhance their satisfaction, said Mr. Vorapong.

*“eCRM system must be stable before they going to implement them in other branches. Our eCRM system allows customers to check their transactions history via website. eCRM also allow customers to make appointment with the company via internet.”* stated Mr. Vorapong.

In Mr. Vorapong opinion, he thinks staff involvement is one important factor. Others, for example networking in technology, are also one of the most important factors because whenever it failed, the company cannot continue its service to customers.