BUILDING ONLINE CUSTOMER RELATIONSHIP

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Abstract: Those companies who manage to retain their valuable clients for a long period of time are much more successful in terms of money gains, than those companies that are focusing only on customer acquisition. New customer acquisition requires a large amount of money for using the proper online marketing tools. As a lot of studies have shown, it costs much more money to gain a new customer, than to retain the already gained customers. To find the best tools for online customer retention, companies require a well-organized and functional customer relationship management. This means focusing on customers, customer orientation and a strong relationship between customer and company.

Key words: customer relationship management, Internet.

1. The relationship customer-company

Internet, thanks to its particularities, provides the ability to find information about the customers, most likely through its high level of communication interactivity. So, the customer relationship can be improved and developed.

To maintain the customer relationship and to create customer loyalty, several measures within the customer relationship management are used and certain online marketing tools are required to identify customers, to differentiate the customers and to personalize marketing activities.

Lasting and successful customer relationships can be created and maintained only when some basic requirements are fulfilled. It is important to know which customers are interested in the company’s information and to treat properly those customers who are interested. In addition, the company must know what information the customer is particularly interested in, what he expects to receive. The content of information for the customers must be customized according to their preferences. A good communication is built through newsletters, blogs and other social media. Encouraging visitors to be active, to communicate brings a lot of success for the company. It is very important not to concentrate online activities only on capturing prospects data, but also on communicating with them.

A customer profile assures that the customer receives by electronic mail only the information for which he is interested. In addition, the profile can be adjusted anytime to meet the individual needs of the online customer.

Rather than to address to an anonymous mass of Internet users, a successful online customer relationship management tries to

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create an individual relationship with the customer, which develops through the time and becomes a strong relationship.

2. The use of electronic media in customer relationship management

The use of electronic media in customer relationship management brings new opportunities for a company. The online customer relationship management differs from traditional customer relationship management because an individual and direct approach of the customer is possible. More than that, this communication is inexpensive in the online space and it offers big advantages, like customization based on specific user profiles and control of the results, of the advertising effectiveness through click-rates, visit counts or surveys on buying behaviour of customers.

Customer relationship management supposes to create customer profiles, in order to know the needs and desires of the customer. This allows a more targeted approach to the online customer. In this case, segmentation plays an important role. Online users can be segmented through data mining methods and techniques to create a customer profile by analysing user’s online behaviour.

Advances of the Internet technology allow companies to customize products and services for each client and to deliver at any time personalized service, which is not possible in the offline markets. As online companies learn more about individual consumers and track their buying habits, customer relationship management becomes easy to attain. Once the relationship to the online customer becomes stronger and last more, the company’s performance and the level of customer loyalty will increase. Therefore, customer relationship management is essential for a company’s performance. [7]

The World Wide Web (www) is the most important part of the Internet and can be characterized by the following features: [1]

- **A constant availability of information**: information that is stored in the World Wide Web can be accessed at any time. Information in electronic form can be quickly transferred to anyone worldwide in just a few seconds.

- **Information can be sent directly to everyone**: Internet allows individuals to communicate directly, regardless of spatial or temporal distance.

- **Interactivity**: The Internet allows fast navigation through a large amount of information. The user gets different data, depending on accessed link.

- **An effective transfer of information**: information can be updated at any time. More than that, the web presents also multimedia capabilities. Products and services can be presented online not only visually, but also with sound. In addition, potential customers can sometimes order electronic demo versions on the Internet.

- **Individualization**: Real-time interactive communication allows individualization. Internet allows users to select individual information. The advantage of information availability combines with direct personal communication. Internet also allows individual design of products according to preferences of customers.

- **Integration of communication and transactions**: the World Wide Web gives the opportunity to order products and services directly. Since there are still security issues in e-money transfer, this opportunity is used to a limited extent.

Chaffey D. and Smith P. define the online space by several features related to the relationship with customers, focusing on negative aspects, as follows: [3] Customer expectations are often higher in the online space than offline. High customer
expectations are violated regularly by companies that were previously successful on the offline market. Customers expect an immediate answer, but answers are often not delivered. Customer satisfaction is simply insufficient to loyalize and retain.

Although users visit a few sites, they spend more time surfing on them. There are a lot of bad quality web sites, millions of e-mails ignored, loss of customer data and lack of knowledge about customers.

However, the online space has its significant advantage to be able to provide the tools for an interactive dialogue that can fulfill the expectations of each consumer. Instead of using a single message for all, as in mass advertising, online marketing gives the opportunity to use interactive and personalized messages that can be sent to each user, regardless of their physical location or other demographic data. Thanks to the Internet, companies can customize the message according to each client.

The emergence of electronic commerce has changed many aspects of traditional business and gave rise to new companies with new business models and new business opportunities. Existing companies were challenged to rethink the relationship between the organization and its customers. Although repeatedly stated that the Internet has changed the basic rules of customer relationship, it has not changed the fact that the customer needs orientation leads to sustainable development and profit. To meet customer needs, companies need to maintain consistency across all channels of interaction (such as Internet, email, phone, Internet, fax, and others) and in all departments in which a company interacts with its customers (sales, service and marketing). To meet this challenge, many organizations are considering the adoption of electronic customer relationship management e-CRM.

Internet can be used as a mean of communication with customers and a way to develop relationship between buyer and seller based on customizing products and services to suit individual customer requirements. The Internet has a number of value-added features for consumers. These factors determine how companies meet or exceed customer expectations. Gascoyne and Ozczubucu (1997) highlight the most important features as follows: comfort, continuous availability, price transparency, interactivity, expanded choice, fast performance, large amounts of information, personalization and customization.

Regarded as a marketing channel, the Internet has both unique features and collective characteristics with other marketing channels. These features include: the ability to store vast amounts of information; availability of search, and disseminate information; interactivity and ability to provide information on request; ability to provide experiences that are far superior to a printed catalog; ability to serve as a trading environment; ability to serve as a medium for physical distribution for products like software; relatively low entry costs for sellers.

Specific features of the Internet, such as loss of spatial, temporal distances between suppliers and buyers, and interactive transmission of information make the Internet an ideal environment for building, maintaining and strengthening relations with clients.

The Internet offers a number of ways an organization can learn about customers: through online tools that can summarize what products were purchased on site and the search strategy that was used before the products were purchased; from online feedback forms regarding products, completed when the customer requires free information; from question customers address through forms, e-mail or customer service; from product reviews regarding to existing products or new products.
In terms of communication, the Internet is probably the most powerful media for transmitting messages. Messages can be sent right in the moment when existing or prospective customers are interested in a particular brand or product category. [13] Personalized messages on Internet sites can be permanently modified and adapted to user behavior and are a part of a customer relationship program, making the connection between ongoing personalized campaigns and actual, potential customers.

3. Conclusions

Despite the fact that Internet presents a fairly large uncertainty, customer loyalty is stronger in the online space. Customers are looking for those companies they feel they can trust. So, trust becomes more important and stronger than the price. [12] The statement "retaining customers is more profitable than building new relationships" [4] is particularly true in online changing markets. Nowadays, companies are confronted to a customer revolution, reason why they try to attract and retain their most valuable customers. Today’s consumers are choosing products and services for their needs across multiple channels. The online channel, in particular, enables online shoppers to find quickly the goods and services they desire and at a price they are willing to pay. Companies are obliged to concentrate more on value propositions, than on lowest price in order to win over the competitors.

References