



Management

## **CUSTOMER AND CONSUMER RELATIONSHIP MANAGEMENT TOWARDS E-BUSINESS STRATEGIES**

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### **Abstract**

E-Commerce is an emerging technology for purchasing and selling of products through electronically. It is the commercial transaction which involves transfer of information over the internet. It changes the way to do business. With advancements in technology, there may be a chance to change. Customer Relationship Management and Consumer Relationship management play an essential role with E-Business. The focusing scenarios are facing many pros and cons by E-Business. This Paper makes an attempt to highlight the benefits and drawbacks in these scenarios.

**Keywords:** E-Commerce; E-Business; Security; Globalization; Social Relationship.

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### **1. Introduction**

Electronic commerce is a powerful concept and process that has fundamentally changed the current of human life. Electronic commerce is one of the main criteria of revolution of Information Technology and communication in the field of economy. This style of trading due to the enormous benefits for human has spread rapidly. The main components of electronic commerce are: communication systems, data management systems and security. Electronic commerce, referred to electronic data exchange for sending business documents such as purchase orders and voices electronically. Later, with the development of this industry the term of electronic commerce is used in the business of goods and services via the web.

The electronic commerce framework is comprised of three levels that this framework is needed to for successful electronic commerce. Infrastructure for electronic commerce is included hardware, software, databases and communications. It is used in term of World Wide Web on the Internet or other message switching methods on the Internet or other telecommunication

networks. Services include a wide range of services that provide the ability to find and present of information and are including the search for trading partners, negotiation and agreements. Product and Structure of the electronic commerce frameworks consist forecasts and direct provision of goods, services and trade-related information to customers and business partners, cooperation and sharing of information within and outside the organization and organizing of environment of electronic marketplace and chain of supply and support.

Electronic Commerce (E-Commerce) is well-accepted and playing a vital role in economic development. The less-developed and developing nations are far behind in this regard, despite of the fact that the governments have had attempted to encourage E-Commerce. E-Commerce accelerates global commercial trend by removing the boundaries facing international trade. E-Commerce can be a source that improves domestic economic and rapid globalization of production, and development of available technology [2]. An important requisite for increasing the use of Ecommerce is traders and users' adoption along with social-cultural backgrounds such as high-skilled labor and IT literacy among traders and consumers [9]. A number of different E-Commerce adoption barriers have been documented in research studies. Some of these include high costs, the lack of technical resources and expertise to apply E-Commerce, the difficulty of Ecommerce technology and the complexity of measuring the return on investment [10]. As technical infrastructures, managerial factors and social background play different role in every country, therefore it is necessary to re-examine these important factors in Iran as well. To determine the situation of E-Commerce in a country, some factors need to be examined including; the government, business, consumers, and technical infrastructure as well as social and cultural background.

## **2. Advantages in Customer Relationship Management**

### **1) User convenience**

#### ***Presence of E-Commerce***

All the products are available on the Internet. By using Search Engines, Customers will look the desired products. Every desired Product will appear in a well-organized list with a fraction of seconds.

#### ***Absence of E-Commerce***

If Customers want any product, they have to move to that section physically and search the desired one. It consumes time.

### **2) 24 x 7**

#### ***Presence of E-Commerce***

At any time, Customers can view the product list in a desired manner. Also can purchase through online during night time or day time as per their convenience.

#### ***Absence of E-Commerce***

Customers cannot purchase as their Convenience. Because shops closing time is approximately 10 pm.

### **3) Globalization**

#### ***Presence of E-Commerce***

Customers can look over all the product varieties wherever it is even the product is in other country. They can search all the websites quickly for acquiring the details. It avoids to visit the shops physically and reduces transportation cost.

***Absence of E-Commerce***

Desired variety is not available means than Customer will not convince they will move to the next shop.

**4) Easy Transaction**

***Presence of E-Commerce***

Through Smart Cards, Debit/ Credit Cards, Customer can purchase the items. The Internet Banking Facility is available on all the websites.

***Absence of E-Commerce***

Customer has to pay the money physically or through card can purchase. But it leads some limitations. There may be a chance to change the credit limit by Clients.

**5) Review Reports**

***Presence of E-Commerce***

Products are placed online with all the specifications. So if they need to compare with other means options are available in online. Customers can easily compare the products based on brand qualities. Because review reports are on every website. We can see the reasons behind the product up and down.

***Absence of E-Commerce***

The customer cannot get the comparison report easily. It consumes time and sometimes it leads some difficulties to choose the right product.

**6) Save Timings**

***Presence of E-Commerce***

The web site offers stores online nowadays. Here products are easy to locate and can be delivered effectively. Customers have to go physically and purchase the product. It consumes time and need a physical presence.

***Absence of E-Commerce***

Customers have to go physically and purchase the product. It consumes time and need transportation.

**7) Cost Effective**

***Presence of E-Commerce***

Stores offer their full line as well as use data warehouse for product availability through online. Here Customer no need to spend money for shop fixing and not concentrate the product organization list. It automatically reduces the maintenance cost so consumer fixes the product cost reasonably for avoiding intermediary's interruption.

***Absence of E-Commerce***

The customer has to spend in fixing shop and organize the product varieties section-wise will lead the Maintenance cost. So they compensate these expenses by increasing the product cost.

**3. Drawbacks in Customer Relationship Management**

**1) Security**

Be sure to check the sites of Security before making transactions instantly. Because everyone can easily open website sometimes there may be a bad site. Their main aim is Customer's Money.

**2) Lacking in Quality**

To make sure whether there is an option for returning because Customer cannot touch the product till delivery so it is very important to view the return policy.

**3) Shipping Cost**

The customer has to aware about the product cost while purchasing because sometimes shipping and handling charges are higher

**4) Technology Factors**

Internet facility must be needed to avail E-Commerce. It is not free and unsecure. If the internet speed is low, customer will not be able to avail and do transactions.

**5) Social Relationships**

Without Limitations, E-Commerce allows the users to purchase the good. In this method, we are not having any relationships and contacts with others. So it loses Social relationships.

**6) Late Delivery**

Product delivery is very slow comparable with other technologies. Sometimes there may be a chance that the product may lost or delivered to wrong address.

**4. Advantages in Consumer Relationship Management**

**1) Increasing Sales Rate**

*Presence of E-Commerce*

Business will have sale mostly an online with high margin profit. So more products will sell, faster the shopping experience and more efficient.

*Absence of E-Commerce*

The consumer has to manage storefront and making it available always. It is difficult to keep all the products up-to-date.

**2) Globalization**

*Presence of E-Commerce*

Every Consumer around the world can find the business site, products and information without leaving home. Consumers no need to make a site for every language. Because, transaction tool is available on the internet.

*Absence of E-Commerce*

The consumer has to learn many languages for selling products globally.

**3) Financial Transaction made Easy**

*Presence of E-Commerce*

Transactions are done immediately or at most two to three days to clear money transactions through banking systems.

*Absence of E-Commerce*

There is no waiting for cheque clearance or other types of payment

**4) Conduct Business Easily**

*Presence of E-Commerce*

Consumers no need to concentrate on Physical company setups and also to avoid crowds to deal with. Customers can easily choose the products

*Absence of E-Commerce*

Concentrate mainly with physical company setup. During occasion or festival days, Consumer has to monitor and deal with crowds.

5) **24 x 7**

***Presence of E-Commerce***

Online business is keeps on open for Customers every day of the year 24 hours. Doors never close and margin profit will keep on increasing. Doors will close at fixed time.

***Absence of E-Commerce***

During holidays, every store in town closes, so it reduces the profit rate.

**5. Drawbacks in Consumer Relationship Management**

1) **E-Commerce Infrastructure**

Consumer has to hire a professional to tie up for handling the transactions properly and products are represented in the most truthful way.

2) **Internet Facility**

To be sure your internet space can handle the telecommunication bandwidth that will need to run efficiently. Because network bandwidth can cause some issues while using internet.

3) **Constant Updation**

Business must keep uptodate or replace if needed. Sometimes it has some additional overheads to keep the databases and running applications.

**6. Overall Limitations of E-Commerce**

- 1) Low Speed and Limitations on the use of Internet
- 2) Low Security of electronic Fund Transfer
- 3) Lack of Knowledge for use of e-Commerce

**7. Conclusion**

This paper has highlighted that there are lot of limitations in E-Commerce such as access to use websites, low Speed data transfer, difficult to transfer fund. Effect of these caused to diminishes the impact of E-Commerce but with increase in internet uses and easy access to Virtual world, E-Commerce will change the face and break the limitations soon.

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