Chapter 6.7
Customer Relationship Management on Internet and Mobile Channels:
An Analytical Framework and Research Directions

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ABSTRACT

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

INTRODUCTION

Customer relationship management (CRM) involves the deployment of strategies, processes, and technologies to strengthen a firm's relation-

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

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

The main purpose of this chapter is to provide an analytical framework for examining how companies can build and manage relationships with their e-commerce customers by leveraging the Internet and the mobile channels. We take a customer's perspective in examining the firm-customer interactions through these two channels. The chapter focuses on the features of content and services presented on companies' Web and mobile sites. Our intent is to identify (a) how CRM can be effectively coordinated between these two channels, and (b) key research questions pertinent to the eCRM and mCRM coordination. Our proposed framework examines CRM implementation across three phases of an e-commerce site's interactions with its customers – acquisition, sales/service, and retention. Interactions in each phase are also examined along five factors that are essential to Internet-based CRM solutions: (1) customer loyalty, (2) branding, (3) customer satisfaction, (4) customization, and (5) trust. We apply this framework to several e-commerce sites and their corresponding mobile sites to explore how CRM features are currently incorporated into these sites. A checklist, derived from the framework, was used for the site analysis. From this exploratory work, we identify commonalities between eCRM and mCRM, and the respective roles played by each channel. Furthermore, we propose a set of research questions for future investigation. This chapter contributes to a better understanding of mobile commerce technology and strategies. In particular, it addresses how organizations can optimize CRM by leveraging the unique characteristics of Internet and wireless technologies.

CRM AND E-COMMERCE

CRM Research

CRM is a strategy for companies to build and manage long-term relationships with their customers. Researchers have shown that CRM implementation can provide better customer service, as well as improvement and management of customer expectations and loyalty (Cho et al., 2001; Reichheld, 1996; Reichheld & Sassar, 1990; Romano, 2001; Winer, 2001). CRM also complements a firm's capability to present products, quality, and services to its customers (Chen & Sukpani, 1998). By implementing CRM solutions, many

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