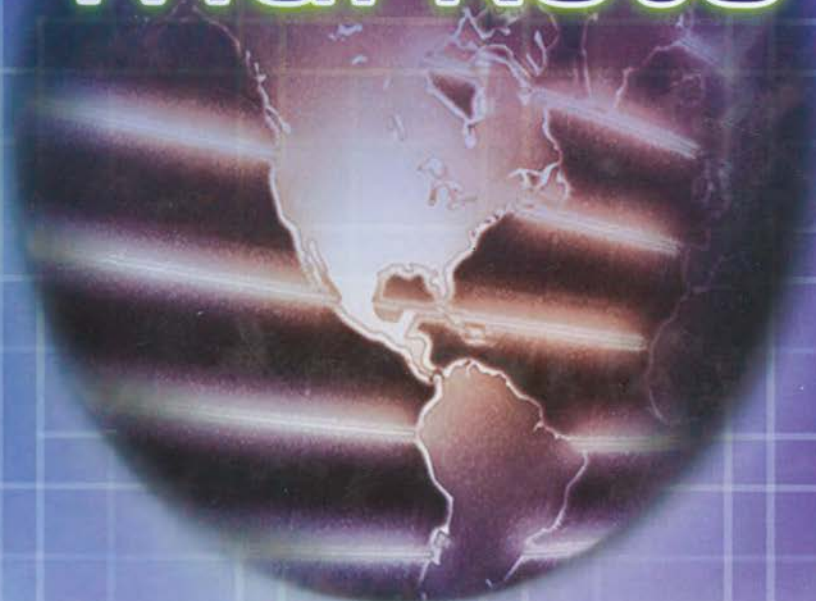


Customer Relationship Management in

Electronic Markets



**Gopalkrishnan R. Iyer, PhD • David Bejou, PhD
Editors**

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Dr. Bejou has served as a marketing/promotions consultant to the United Carolina Bank (UCB), Brunswick Community College, and other businesses and community organizations.

Preface

This special volume focuses on “Customer Relationship Management in Electronic Markets.” Despite the lackluster performance of most firms over the Internet, firms either providing CRM technologies or implementing them properly are doing brisk business. The importance of forming long-term relationships in today’s economy does not need detailed and convincing arguments. However, the approaches to obtaining loyalty in electronic markets and forging profitable ties with customers over a technological interface are many and varied. This publication provides some strong conceptual frameworks elaborating the various issues in developing and implementing CRM in both B2B and B2C markets.

In the introductory article, Gopalkrishnan R. Iyer and I discuss the various challenges that arise from simply assuming that CRM programs would work as intended and outline the various issues firms must consider when implementing technology-based CRM strategies. In the next article, Shelby H. McIntyre argues that eCRM in e-tailing must focus on several important and inter-related issues, including considering the relational needs of online customers and striving for providing satisfaction and building relational commitment. Dhruv Grewal, Joan Lindsey-Mullikin and Jeanne Munger then present a conceptual framework that explores the antecedents and consequences of loyalty in e-tailing. While the preceding two articles focus primarily on B2C markets, the next two articles focus on B2B markets. Kishore Gopalakrishna Pillai and Arun Sharma emphasize the critical role of forming and maintaining relationships in varied B2B exchanges. J. David Lichtenthal examines how the Internet could be seamlessly integrated in the buyer-seller relationship and develops a framework for business buyer relationship management (BBRM). In the final article of the special volume, Jon M. Shapiro,

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Nicholas C. Romano, Jr. and Banwari Mittal adopt a customer centric view in evaluating the various information technology (IT) mediated interactions in the buyer-seller relationship.

Conceptualized and executed at a time when there is less “hype” surrounding either the Internet and when the Internet is simply becoming a part and parcel of everyday business life, this special volume offers conceptual models and frameworks that have gained considerably from past theories and realities. Good theories and models endure volatile changes in realities, and I am confident that the articles in this special volume will guide academic research and managerial implementation of CRM in the years to come.

David Bejou, PhD
Founding Editor
Journal of Relationship Marketing

Customer Relationship Management in Electronic Markets

Gopalkrishnan R. Iyer

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SUMMARY. Customer relationship management, or CRM, has found increased attention in both the academic and managerial worlds of marketing in recent years. While the Internet has greatly enabled the application of CRM in fostering loyal customers, the preliminary results on the effectiveness and efficiency of technology-based CRM has been far from discouraging. The authors identify various contentious issues behind the various key concepts of relationship management and identify several areas that deserve closer academic scrutiny and managerial inspection. The paper also comments on the extent to which Internet technology can bring about closer relationships with a firm's customers. [*Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address: <docdelivery@haworthpress.com> Website: <http://www.HaworthPress.com>* © 2003 by The Haworth Press, Inc. All rights reserved.]

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INTRODUCTION

Very few topics within marketing, both among academics and practitioners, have elicited so much interest and attention as that of the benefits and strategies for a firm in forming long-term relationships with its key customers. Long ignored in favor of strategies and tactics whereby marketing managers could increase their market share, the issues of enhancing customer satisfaction and thereby, customer loyalty and retention, found increasing prominence in both the academic and managerial worlds of marketing in the U.S. only in the 1990s. While most of the initial discussions and strategic activities in building long-term relationships focused mainly on business-to-business marketing and services relationships, the past few years have witnessed a veritable renaissance in the study and application of these approaches to the field of business-to-consumer relationships (Anderson Håkansson and Johanson 1994; Berry 1995; Ford 1990; Grönroos 1994).

Two of the most prominent developments in the last several years have been the expansion of Internet-based transactions and customer relationship management (Sheth and Sisodia 2001). The nexus of the two, or customer relationship management in electronic markets, has received increasing prominence both in the academic and trade treatments of the subject as well as in business adoption of customer relationship management (CRM) technologies (Rigby, Reichheld and Schefter 2002). However, the outlook for the continued emphasis on CRM, whether primarily web-based or implemented using multiple processes and technologies, remains one of cautious optimism. While businesses have rushed to adopt CRM, spending millions on technology and its adoption, recent research suggests that the promised profitability increases are yet to be obtained (Rigby, Reichheld and Schefter 2002).

What has gone wrong in the rush to adopt CRM technologies and implement CRM programs? Were academics misguided by presumptions about relationship marketing? Or, were business executives seeking an alchemy that did not exist? This paper traces the core assumptions behind the key concepts in customer relationship management and identifies several areas that deserve closer scrutiny. The paper also comments on the extent to which technology can bring about closer relationships with a firm's customers.