IMPLEMENTATION OF E-CRM IN MACEDONIAN COMPANIES

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Abstract
Customer Relationship Management (CRM) in the digital economy is a challenge for companies that operate in the new electronic environment. In fact, companies that use the internet as basic infrastructure for their operations must adapt and be ready to respond to the growing challenges who are posed from more sophisticated consumers.

CRM concept includes possibilities, methodology and technology that enable companies to operate through improving relations with consumers. CRM as a strategic set of activities begins with a detailed analysis of organizational strategy and ending with measurement of value for stakeholders. CRM owes its expansion to the emergence of the Internet. Digital economy enables more effective targeting and personalization.

The basic motive for the research is the fact that e-CRM is a relatively new concept and in recent years has made significant strides in companies around the world aimed at customers. Namely, e-CRM is positioned high on the priority list of today's corporate agendas.

The aim of this paper is to consider the importance and benefits of the implementation of e-CRM concept in Macedonia, and to determine the factors that contribute to its successful implementation. The research results should contribute to increasing the profitability and competitiveness of Macedonian companies.

Key words: CRM, digital economy, information technology, competitiveness

JEL classification: M15

Introduction

E-CRM is an activity of managing relations with customers using the Internet, web browsers or other electronic methods. The Internet has changed the traditional business models of companies. Internet creates new models of mediation between companies and customers, enabling companies to apply the new e-CRM concept and focus on efficient management of customer relationships, and the use of online applications. Especially, electronic and interactive media and e-mail have the most important role in the operationalization of e-CRM and for supporting effective exchange of information. In today's globally competitive environment, companies must apply this new concept to get new customers (buyers) and more important, to retain the profitable and loyal customers. For this purpose it is necessary to apply modern information solutions that have an opportunity to collect and process customer data. Today customers look for information from Internet, mobile phone and PDA technology. It is actually the use of e-CRM concept.

E-CRM provides to the companies opportunity to implement interactive, personalized and relevant communication with customers through electronic and through traditional channels. This concept allows a complete view of customers, making decisions about the messages and offering channel deliveries. The electronic management of customer relations primarily is methodology and operating strategy for buyers and in the background is the software and Internet support that enables effective sales management for companies. E-CRM covers the interaction with potential and
existing customers. It is a business strategy in which the customer, not the product, is the center of operations. Therefore e-CRM should not be considered as a technology, but a way of working for achieving a competitive advantage.

Starting from the complexity of this new subject that inspires more interest in economic circles, this paper is an attempt to emphasize the aspects that are important to determine the significance of e-CRM in realizing competitive advantage.

1. Consumer behavior and the need to introduce CRM

Consumer behavior nowadays is a complex and dynamic process. In theory and practice as in the past, today there are attempts to give a general definition of consumer behavior, but it is almost inexplicable because consumer behavior includes various activities, habits and principles of the people, and the fact that people are different, and their behavior can have differences and specificities.

The behavior of consumers in economic theory and practice is a way of behavior that consumers express in demand, purchase, assessment and disposal of products and services that meet their needs. Also for consumer behavior can be understood the activities that people undertake during the acquisition process, use and disposal of products and services. Consumer behavior also includes attitudes and the degree of satisfaction after the purchase of the product.

To understand consumer behavior it is necessary to analyze several aspects, i.e. to analyze the different stages of decision-making process and purchase of products or services. Namely, the buying process begins at the moment when the consumer becomes aware of his needs and with buying the product he will fill his need or desire.

Therefore the behavior of consumers as well as their decisions in the buying process is an important aspect in building good relationships with consumers which results in image-building for companies in the consciousness of consumers. The consumer behavior means 'dynamic interaction of influences, knowledge, behaviors and environment according which people direct the aspects of exchange in their life. In other words, consumer behavior express the thoughts and feelings of people and their activities in the consumption of products and services.

It is characteristic that consumer behavior includes all the factors of the environment that have influence on the behavior of people i.e. consumers. Thereby in order for efficiently and effectively managing of sales activities, it is necessary to study consumer behavior so that companies would be aware of a number of features in the business, that have effect on consumer behavior. These features are the following:

- Individual needs and motivations of consumers to make the purchase;
- Ways of impacts of demographic changes in the purchasing process;
- The effects of different promotional tactics;
- Process of making a purchase decision and its complexity;
- The perception of risk by participants in the buying process;
- Market segmentation on the basis of some common characteristics of consumer behavior.

Of these features can be concluded that the purchase process consists of several stages through which passes the consumer, in order to satisfy his needs, demands and consumption of certain products and services. Thereby, each buying process starts from the customer certain reasons such as the needs, desires and demands of the consumer, and at the end to finish using the product.

It is also necessary to note that in the process of making a decision to buy have influence certain factors, which largely determine consumer behavior. This factors may be viewed from various economic, sociological, psychological, demographic aspects. It is characteristic to note that these factors must also be related to the characteristics of sales services, diversity and supply of products to the market or other factors, usually in the form of stimulants, such as marketing activities of the company, the recommendations by friends, experiences from other buyers etc.

In the decision process greatly influences has the behavior of individual customers, which are determined by the following factors:

- Personal characteristics, preferences and habits of consumers;
- Criteria for evaluation the sellers by consumers that are of subjective character;
- Information that the buyer has for the company.

One of the most important areas in theory and practice that has special attention is consumer behavior, i.e. finding a way in which will be managed those relationships and will be created the best benefit and feedback for the company. Starting from this there is a need to introduce a new modern concept that will satisfy even the most selective customers. The management of relationships with customers, i.e. CRM, is a process of targeting, attracting, transactions, services, maintenance and building long term relationships with customers.

It is necessary to note that the need for the introduction of this concept is to provide efficient and effective meeting the desires and needs of consumers through analytical evaluations by the companies.

As one of the basic needs for which is introduced the CRM concept is the ability of the company to increase its profit by better targeting of potential customers, which includes not only attracting new customers but also retaining existing customers for a long period of time. These benefits are achieved through the creation of databases that will help companies
to better understand their customers and using that knowledge to build loyalty and achieve optimized value. Also there is the ability through this concept to reduce production costs and create greater profitability of the company.

CRM concept represents a change in organizational philosophy, with emphasis on the consumer. It is characteristic to note that changes have to be done at all levels, including company policy, staff training, marketing systems, information management, etc., And must be consistent with the principles of CRM.

As reason why is applied the CRM concept is its efficiency, which is analyzed from the following aspects:

• Identification of factors that contribute to successful relationships with customers;
• Development of customer relationship;
• Developing a process that will be benefit for the consumers;
• Formulating questions that will be directed towards solving the potential problems of customers;
• Recommendations for solutions to customers who have remarks to the product/service;
• Monitoring of sales and customer support.

2. Impact of information technology on consumer behavior

The development of technology and the digital economy are beginning to redesign the traditional way that companies operate. Digital economy in the economic literature and practice is called "revolution" in the conduct of modern companies also "new economy", "digital economy" or "Internet Economy".

In the digital economy is the dominant use of information and communication technology (ICT), especially the internet as a world global computer network. Modern digital economy actively uses the Internet and web technologies for communication between partners, customers, and performs various transactions. Considering the rapid development of the Internet and the proliferation of its users, companies are adapting to the establishment of an online presence, building appropriate e-business models of working, focus on building digital corporations. Traditional infrastructure companies upgrades with the elements of e-business: e-information, e-transactions and e-relations. Modern companies have to realize that their customers are one component that generates most of their incomes and that they create value for the company. The purpose of the new technology is connectivity of technological possibilities with what consumers want, and not to change consumer behavior in line with new technological solutions. Consumers are the focus of all business activities of companies in order to create superior value for them. The struggle between the physical and Internet companies is not in the field of technology, but on the field more effectively meet the needs of consumers.

In this context it is necessary to highlight the role of e-markets which are the basis for the development of the digital economy. Namely, the development of these markets should allow companies easier placement of information, greater organization and productivity, access to global markets and consumers, increased sales, reduced costs, and interactive marketing cheaper, easier and faster customer support, innovative business models and partnerships and so on. And for every company before deciding to play in these markets we have to analyze the following:

• how consumers understand and compare traditional channels and methods for online shopping
• for which products and services consumers are willing to switch to online shopping; and
• how consumers evaluate different alternatives for online purchase.

Based on this analysis, each company needs to decide whether to implement the new way of doing business. Thus it is necessary to develop a new on-line business strategy which is focused on the consumer. The on-line business strategy needs to include the following items, as follows:

• the off-line promotion through traditional promotional activities;
• the company's website should be simple to use and finding information about products and services;
• to ensure consumers that websites are sure to use, that transactions are safe and comply with privacy;
• identify customers who are having trouble filling their e-baskets;
• developing relationships with customers through e-mail and other communication options in accordance with their wishes and preferences; and
• to offer the customers an additional reason to visit their website - the offer that don’t exist in physical point of sale.

In the context of on-line business strategy it is necessary to identify and apply the basic requirements of the modern consumer, who can be defined as:

• clearly defined company policy in relation to the delivery of the ordered product, guarantees, payment security, privacy, and so on. In fact, consumers want to know what they can expect from the company;
• consumers want control over their data and the opportunity for insight into all previous interactions with the company, to enable ease of future orders and interactions;
• consumers want companies to understand their needs and their preferences, but to some extent, without prejudice to privacy;
• consumers want a quality website that will have simple navigation and freedom of movement, a simple choice without confusion, etc. In fact, as far as simplified site is more likely to buy, which increases loyalty;
• consumers want confirmation of the order, to inspect the status of the order and deadlines for delivery;
• to enable customers integrated communication or communication through multiple channels selected by consumers.

3. Differentiation of CRM and e-CRM

CRM is an integrated model and in practice this model coordinate and harmonize activities in order to increase the profitability of customers. In fact, CRM is based on the assumption that customers are a fundamental resource for the successful operation of the companies and their competitive advantage depends primarily on the effective management of persistent and future customers. It is characteristic to point out that at the stage of evolution, CRM is constantly changing and adapting to the needs of consumers. Given the fact that today the Internet and information technology are major infrastructure, companies in order to meet the needs of its customers, gradually begin to implement electronic CRM, or e-CRM which is a more modern type of managing relations with customers. Electronic CRM resulting from the consolidation of traditional CRM with e-business applications and covers a wide range of information technologies used to support the CRM strategy of the company. In this context it is necessary to note that it e-CRM are change the traditional business model of the company in managing the relationship to its customers. In today's global competitive environment, companies must make up for the needs of new customers or to develop and retain profitable and loyal customers. For this purpose the companies are focused on understanding and managing successful customer relationships in order to achieve a comprehensive understanding of customer personalization, relevancy and optimization of the value of the client.

The difference between traditional and modern CRM e-CRM is reflected in the application of technology and access to customers. Regarding the application of new technologies main accent is placed on the application of Internet and computerization, through which creates a quality database for each client individually, and based on that database are made strategic marketing decisions. On the other hand access to customers is faster and does not depend on temporal and spatial parameters.

Also in the economic literature and practice we can differentiate three basic parameters, when is about the differences between CRM and e-CRM, such as: access, cost, and service.

The first parameter refers to the approach of CRM to address organizational needs associated with customers. Namely, traditional CRM commonly used direct channels to define the needs of its customers, but is taking longer to define certain image of the conduct of the permanent and future customers. Today, with the development of modern e-CRM, access to their customers is faster and more efficient because they use modern channels to reach to client such example interaction with customers via website, email, etc. With these channels e-CRM improves integration with customers because in real time the company can meet customer demands while at the same time provides a larger database for more effective decision making.

Another parameter which refers the difference between CRM and e-CRM is the price. Namely, the price is the main factor that companies are really concerned and on which depends the successful operation of the company. The price of CRM is relatively high because the concept itself uses different channels to communicate with its customers. In this context should take into account the cost of using telephone lines as well as the costs of doing traditional managing of consumer behavior. On the other hand, with the use of Internet and application of e-CRM the companies dramatically reduce the cost of communicating with its customers.

Third parameter that highlight the difference between CRM and e-CRM is service. Namely, CRM with using various communication channels with customers offering a service, but it takes more time. On the other hand with the application of e-CRM is using the internet as an effective communication channel with customers, through which for a relatively short time can effectively perform personalization of customer service. Thus enabling the company to better manage the behavior of consumers and increasing number of profitable and loyal customers.

It is also necessary to note that the difference between CRM and e-CRM can be seen through application of strategy, processes and technology. These differences are differentiated in the following table:

<table>
<thead>
<tr>
<th>Strategy</th>
<th>CRM</th>
<th>E-CRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>lifecycle customer as a strategic objective</td>
<td>lifecycle customer as a strategic objective</td>
<td></td>
</tr>
<tr>
<td>the longer retention of customers and reduce costs</td>
<td>the longer retention of customers and reduce costs</td>
<td></td>
</tr>
<tr>
<td>User behavior is</td>
<td>Transparency in communication</td>
<td></td>
</tr>
</tbody>
</table>
Processes | difficult to predict | with customers  
---|---|---  
low automation in interaction | high automation in interaction  
„time-delayed“ | „real-time“  
Technology | „face-to-face“ | web site  
Telephone | E-mail  
Mail | WAP  

From the table, it can be concluded that the differences of CRM and e-CRM are evident in processes and technology, while the strategy is the same.

From these features can be noted that e-CRM in terms of technological features is an extension of the concept of CRM in terms of contemporary needs and desires of consumers. While the main feature in e-CRM is that there are no time restrictions for consumers and there is more freedom when buying because there is no middleman. It is also necessary to highlight the fact that technology can greatly assist companies in developing important relationships with customers and create a profitable and loyal customers.

Technological differences regarding certain criteria (customer contact, interface, adaptation and personalization of information, focusing on system and system maintenance and modification) between CRM and e-CRM are given in the following table:

### Table 2. Technological differences between CRM and e-CRM

<table>
<thead>
<tr>
<th>Criteria</th>
<th>CRM</th>
<th>e-CRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contacts with clients</td>
<td>Contacts with client's is usually initiated through traditional means of communication: telephone and fax.</td>
<td>Besides the phones contacts are initiated via the Internet, e-mail and wireless mobile technologies and PDA technology</td>
</tr>
<tr>
<td>Interface</td>
<td>Work with back-end application</td>
<td>Design for front-end application</td>
</tr>
<tr>
<td>Customization and personalization of Information</td>
<td>Different clients require different views and types of information. Custom views for different users are not possible. Individual adjustment required programming changes</td>
<td>Possible dynamic views. Each user individually adjusts its views.</td>
</tr>
<tr>
<td>System focus</td>
<td>The system is designed according to the products and business functions (for internal use). Approved applications are designed for a business unit</td>
<td>The system is designed to customer needs (for external use).</td>
</tr>
<tr>
<td>Modification and system maintenance</td>
<td>Implementation is long and expensive, because the system is located in different locations and several servers</td>
<td>System implementation and expansion may be in one location with a single server. This reduces time and costs.</td>
</tr>
</tbody>
</table>

From the table it can be concluded that unlike traditional CRM communications with client, e-CRM performs communication via a web browser which enables effective communication not only with external users, but also within the company. Also companies that implement web-CRM are very innovative compared to its competitors. This is emphasized by the fact that these companies adopt modern challenges associated with the development of new channels of access to the market and consumers, and develop a new marketing strategy for communication with individual customers.

### 4. Strategy of e-CRM

The development of modern information and communication technologies enables faster collection and analysis of customer information. Therefore the process of electronic client relationships management (CRM) can be defined as a business strategy and communication with customers in order to get information for customers to increase the satisfaction
and loyalty of customers through modern information solutions. E-CRM allows companies to adapt their products and services to every customer, opening up new opportunities for marketing based on the wishes and needs of customers.

When we talk about e-CRM system in a company should be emphasized that the concept requires a vision that refers to the entire company at all levels of management. The way of realization of this concept must be based on the rules and ways of cooperation with customers. These methods are based on the strategy that should be incorporated within the marketing strategy and the company's strategy to realize long-term goals. E-CRM is an upgrade of the marketing strategy through which will be created a profitable relationship with the company's loyal customers. The main focus of the marketing strategy is not only to the product or service, but also to introduce the modern needs of users.

E-CRM are using modern technological solutions that will contribute to ensuring a competitive market place, and proper targeting of current and future customers.

When implementing e-CRM strategy, there are certain factors that should be taken into account. First, must be meet the consumers by which will be defined the long-term goals of the company and will be channeled into the database. Understanding customer needs is also essential, because they should represent key for future marketing strategy. Also important is that consumers need to be involved in every step of the buying process, from planning to post-sales activities from which we will have feedback.

After identifying the need for a-CRM, the company has to plan strategies or methods of implementation of all activities directed towards satisfying the wishes and needs of modern consumers.

In theory and practice, there are more e-CRM strategies but as general can be differentiated business strategy and client strategy.

Business strategy is a strategy at company level, where is created a basic strategy of e-CRM, which aims to gain as many as possible new and create loyal customers that quickly and accurately receive all information related to the news in the company.

On the other side the client strategy of e-CRM refers to the care of each company for each customer and his needs and desires. Within e-CRM client strategy is created a database for each customer, especially his desires, needs and expectations.

About the implementation of e-CRM strategies is necessary to pay attention to several aspects as follows:

- Development of customer-focused business strategy;
- Realization of numerous business functions;
- Reengineering process;
- Selection of modern technology; and
- Training and implementation.

The first aspect relates to the care of the company for its current and future customers. In fact, every company tries to offer customers what they require at the moment and to predict their future needs. On the other hand, the realization of business functions through e-CRM strategies requires organizational changes that will be meaningful to consumers. Therefore the implementation of strategies must be initiated by the highest levels of management. The implementation of the strategy requires coordination of relations between the management and all employees that will feel the reflections of those changes. This activity complements the process of re-engineering or restructuring of business functions if necessary. These changes are created for greater efficiency and better satisfying the desires and needs of consumers.

The choice of modern technology also is necessary to be defined in the implementation of e-CRM strategies. In the implementation of e-CRM strategy there is a selection of the software and tools that will allow flexibility for customization and stability of the company through the use of compatible e-CRM application. For the application of these strategies is certainly necessary full training of employees in order to properly use the possibilities and benefits of the implementation of e-CRM strategy.

5. Benefits, problems and limitations of e-CRM

E-CRM is a system that is required to have every modern company that wants to better manage the behavior of consumers. However this system has its own features, benefits, problems and constraints that differs from other forms of management of consumer behavior.

As opportunities for e-CRM is to improve efficiency and deliver greater value to the customer. This concept can reduce costs associated with market segmentation and enable increased customer interaction or customization opportunities. The personalization of services enables to improve the quality of customer service and provide analytical capabilities within the company for individualization of consumers. Also e-CRM allows full advantage of technological innovations, through which will improve skills, will collect and analyze data on customers and develop predictive models for the timely and efficient communication with consumers. E-CRM has infrastructure that enables differentiation and increase customer value and real support that will motivate consumers to stay loyal.
Also specific possibility of e-CRM is increased customer interaction with the company which is the basis for creating a competitive market advantage.

In marketing theory and practice can also differentiate the following benefits for the company who resulting from the implementation of e-CRM system, and they are\(^1\):

- increased customer loyalty;
- effective marketing;
- improved customer service and support; and
- Increase efficiency and reduce costs.

### 6. Importance of e-CRM for creating competitive advantages for companies in Macedonia

E-CRM is one of the variants of the electronic business and therefore it should be reviewed in conjunction with other variables, such as access to the Internet, using e-mail, does company has website, on-line purchasing etc. According to the latest data from the State Statistical Office of Macedonia 91.8% of the companies in Macedonia have access to the Internet, and in this percentage with 98.3% participating large companies with over 250 employees. The percentage of employees who use e-mail was 57.4% (79.9% in large companies). The percentage of companies in Macedonia who having a website is 54.1%, which constitutes drastically lower percentage when compared with the percentage only of large companies (over 250 employees) in Macedonia who have web site, which is 84.75%. E-CRM is strongly correlated with the electronic procurement and electronic purchasing and how relevant information can be emphasized that the use of on-line orders are 13.1% of companies (13.7% in large companies). While in 2012 the CRM software to manage client data used 16.3% (35.6% in large companies) of the companies in Macedonia in 2014. Large percentage of 20% (43.2% in large companies).

Today many companies use CRM software for data analysis and this was not the case in past years, especially in smaller companies. This software is mostly used by ICT sector while the smallest application these tools have in the sector of construction and services for food and accommodation. E-CRM is experiencing its transformation with the emergence of social media. The percentage of use of social media in companies accounted for 36.2% (49.1% in large companies). According to the survey which of social media companies use for CRM goals can be stated: Facebook-87%, Twitter-70%, Youtube-60%, LinkedIn-12%. In Macedonia, these trends are quite different because the percentage of using social media by companies is far lower. The reasons for this are probably insufficient knowledge of the goals and possibilities of social media. On the other hand the percentage of companies that have developed e-marketing strategy is 77% but a small percentage of companies that allocate higher funds from the budget for the implementation of e-marketing purposes. It could be one of the main reasons for insufficient use of e-CRM software solutions.

This research relates to the implementation of e-CRM concept in companies that operating in the banking sector, telecommunications and IT sector. Considering the limited size of the paper will be presented only those issues that are important for the research. Also according to this research in Macedonia in the scope of implementation of e-CRM concept results show that the application of this concept is expressed especially in the banking sector, IT sector and telecommunications. Most companies in these sectors are familiar with the concept of CRM and apply the same concept in its operations. It can be seen from Figures 1 and 2.

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Figure 1. Do you know what represent CRM?

Figure 2. How much is applied CRM in your company?

Many companies in these three sectors use a CRM software solution which is a positive trend in Macedonia who should follow the companies in other sectors. It can be seen from the figure 3.

Figure 3. Do you use software solutions in your company?

The use of such modern concepts as e-CRM and the use of software solutions helps create a competitive advantage and that fact is in research according which 90% of companies believe that the use of e-CRM helps in creating a competitive advantage for the company. These data are shown in Figure 4.

Figure 4. How much e-CRM affect on creating a competitive advantage for companies?

According to this research can be concluded that the implementation of e-CRM concept is on satisfactory level, especially in the sectors of banking sector, telecommunications and IT sector. But, according to the State Statistical Office
of Macedonia, in other sectors it can be concluded that recognition of the need for the implementation of e-CRM software is still low and it is necessary to increase awareness and education of managers that this software can be a key factor in increasing the productivity of work.

**Conclusion**

In today's globally competitive environment, companies must apply this new concept and through this will attract new customers (buyers) and more importantly, to retain profitable and loyal customers. For this purpose it is necessary to apply modern information solutions, having an opportunity for collecting and processing customer data. Today customers require information via Internet, mobile phone and PDA technology. It actually requires the use of e-CRM concept.

When analyzing the research about significance of e-CRM in achieving competitive advantage to companies in Macedonia come to some conclusions. One of these conclusions is that customers most of the information received through the Internet, mobile phone and so on. Hence it can be concluded that the need for e-CRM is imminent. In fact, one of the features of the application of e-CRM is the ability of companies to implement interactive, personalized and relevant communications to customers through electronic and traditional channels, thus enabling a complete view of customers and full synchronization of communication with persistent and new customers. While the company's ability to take advantage of e-CRM express its competitive advantage and its targeted market place.

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