



DIGITAL TRANSFORMATION OF E-CRM IN SERVICE MARKETING – AN EMPRICAL OVERVIEW

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Received: October 06, 2024, **Accepted:** November 08, 2024, **Online Published:** December 15, 2024

ABSTRACT

This study explores into the dynamic landscape of digital transformation within Customer Relationship Management (CRM) systems, specifically focusing on its implications for service marketing. The research aims to comprehensively assess the multifaceted impact of E-CRM adoption and its transformative effects on customer-centric strategies within the service sector. This Article intentions to examine the digital evolution on CRM in Business-to-Business service marketing. It delves into the changing landscape of customer relations, emphasizing the shift from conventional CRM to Electronic Customer Relationship Management (E-CRM). E-CRM amalgamates business strategies, marketing tactics, and technology to better cater to customer needs in an era of evolving technologies and shifting customer preferences. Furthermore, this research endeavors to bridge the gap between technological innovation and customer-oriented practices, highlighting the strategic alignment of E-CRM with service marketing goals. It explores the qualitative shifts in customer engagement, personalization strategies, and the evolution of service delivery mechanisms facilitated by E-CRM platforms. This research investigates the conceptual underpinnings, implementation strategies, advantages, obstacles, and the present and future landscape of E-CRM in both global and Indian markets. The findings emphasize that digital customer relationship management synchronizes business operations, technology, and customer satisfaction.

Key Words: Digital Transformation, CRM, E-CRM, ERP, Service Marketing, and Customer centric strategy.

Introduction

Habitually businesses maintained their records through manual means, employing handwritten ledgers or typed documents, encapsulating data in an analog form. Communication and information sharing relied on physical mediums like papers, binders, photocopies, and faxes. However, with the widespread integration of computers, a transformative shift occurred as companies began the process of converting these ink-on-paper records into digital files—a process commonly known as digitization.

The rapid pace of globalization and the emergence of new markets have significantly propelled the service industry. Many sectors, especially those involved in the manufacturing or sale of products with mandatory after-sales service and warranty requirements, have recognized the pivotal role of customer service management in fostering company growth. There's a growing anticipation among customers for E-CRM technology, with an optimistic outlook that it will enhance customer satisfaction and service quality.

In the contemporary fiercely competitive business landscape, service and support departments stand as vanguards of a company's triumph. The success of a customer hinges upon the seamless coordination of customer service representatives with the entire organization. E-CRM facilitates predictive

insights into customers' potential purchases and the timing thereof. Armed with this information, organizations can craft more targeted and efficient marketing and sales campaigns aimed at attracting potential customers in the short and medium terms.

Traditionally, Indian companies have directed their focus towards internal processes and technologies, striving to optimize operations through enterprise applications like ERP. However, as the paradigm shifts towards a more customer-centric approach, companies increasingly acknowledge the advantages of integrating customers and business partners into their value chain. Despite the availability of relatively mature E-CRM solutions, their adoption within India has been limited. A primary impediment has been the lack of comprehensive understanding regarding the concept of E-CRM and its potential organizational benefits.

The exploration of E-CRM implementation within the Indian service sector yields intriguing insights due to the varied experiences in apparatus implementation. In our Country most of the establishments have transitioned subsequently basic Technology centered provisions helps refined E-CRM frameworks. While universally, the paramount E-CRM organisms were introduced in the initial of twentieth centuries, current CRM market witnesses a



growth rate of 30–40%. Despite numerous studies steered on E-CRM implementation in progressive nations, limited exploration may dedicated to comprehending the acceptance as well as enactment practices specific to the Indian amenity industries.

Review of Literature

Numerous studies have been carried out periodically to explore different facets of customer relationship management encompassing CRM tools, and Applications, financial services, CRM solutions for business, customer preference, and customer satisfaction.

GiriShankar (2000) the researcher studies article titled “Companies want CRM tools to manage business relationships”. One of the most crucial strategic company decisions is CRM. Since CRM affects many aspects of the company, it has been recommended that businesses take a comprehensive approach.

Adebanjo (2013) the research article related to “Classifying and selecting E-CRM applications: an analysis-based proposal”, has offered a different perspective on the categorization and choice possibilities available to businesses planning to implement E-CRM systems.

Payne and Frow (2020) a study on the topic of “A strategic framework for customer relationship management”, this articles finds the E-CRM combines the capabilities of IT and relationship marketing tactics to build enduring,

lucrative connections with clients and other important stakeholders. It offers more chances to leverage information and data to comprehend clients and jointly produce value with them. This calls for a cross-functional integration of operations, marketing, people, and procedures, made possible by information technology and apps.

Bosse (2021) the researcher did research on the topic “A systematic perspective of a Customer Relationship Management Solution for Businesses”, the study exhibits that lot of leaders don't take the time to consider how CRM affects their companies.

Rainer and Puschman (2023) the research topic titled “Success factors in CRM implementation: results from consortia benchmarking study”, The results of a cross-industry benchmarking project were reported in the literature, demonstrating that there is no standard CRM project and that technical superiority is rarely the foundation of successful implementations.

Ranjan Chaudhuri and Sanjeev Verma (2024) “Effect of CRM on customer satisfaction in service sector in India”, this study offers a meaningful implication for Re-planning and implementation.

Statement of the Problem

As was previously mentioned, the majority of businesses have recognized the importance of integrating the internet

into their operations, despite the fact that it enhances E-CRM performance. However, the practical application of internet-based activities remains unsatisfactory. "Nearly two-thirds of British companies (e-business) have learned nothing about their customers' performance and behavior in online," according to The Times 2001 (Lee-Kelley et al., 2003), and "the future of e-consumer relationship management (E-CRM) is being seriously damaged because of the ignorance."

The "complexity" of the system is another reason why using the internet in business is challenging (Lee-Kelley et al., 2003). Furthermore, it is very difficult to construct "Required technology infrastructure quickly and cost-effectively" (Pan & Lee, 2003). As a result, the goal is to discuss how the modern internet marketing system functions throughout time. In the meanwhile, a firm must look into ways to enhance CRM if it hopes to make long-term growth. Research on the connection between ECRM and internet service marketing tools is therefore crucial.

Objectives of the Study

1. To understand the theoretical framework of computerized transformation of E-CRM/ERP in service marketing.
2. To analyze the current scenario of digital transformation of E-CRM/ERP in service marketing in Global and Indian Market.

Research methodology

The nature of the study is descriptive. Business magazines, newspapers, journals, and e-sources were employed to gather secondary data for the study on the digital transformation of E-CRM adoption in the Indian and international service marketing industries. E-CRM adoption in Indian and global service marketing industry.

1. The study on Digital Transformation of E-CRM/ ERP in Service Marketing

Digital Renovation: The process of leveraging digital technology to develop new business processes, alter current business culture, and improve customer experiences in order to adapt to shifting market and business demands is known as "digital Renovation." It is the rethinking of business in the digital era.

CRM: Customer relationship management is a coordinated strategy used in business to keep the relationship between the company and its clients satisfied and retain them. This helps the company stay in business and draw in new clients by offering promotions and increased ease of doing business with the company.

E-CRM: It can be said to have its roots in the emerging internet trend. Using web browsers, the Internet, and other electronic touch points, e-CRM is utilized to maintain client interactions. Offering communication and information on the



appropriate subject, in the appropriate quantity, and at the appropriate time to meet the unique demands of the client is the issue here. Customers of today are a demanding, fast-paced group. They are searching for creative yet tested goods and services. With the correct E-CRM systems in place, we can assist businesses in creating and maintaining enduring one-on-one relationships with their clients. They want information at their fingertips. As a result, it increases company profitability and efficiency.

ERP (Enterprise Resource Planning): ERP provides ERP software using platforms and cloud technology. Using the cloud changes company processes and provides more flexibility. Although the Indian cloud ERP industry is still in its infancy compared to other global markets, it is anticipated to expand in the next years as a result of growing demand from SMEs. Globalization and fierce competition are the main drivers for SMEs' cloud ERP deployments, which reduce infrastructure costs. SMEs are being encouraged to move ERP to the cloud by elements including ubiquitous access, inexpensive operating expenses, data backup and recovery, and a lack of IT personnel.

1. Technology Acceptance Models (TAM): These models, like the original TAM and its extensions (e.g., TAM2, UTAUT), examine how users adopt and

accept new technologies. They focus on factors influencing individuals' intentions to use technology, such as apparent helpfulness and affluence of usage, which is crucial when implementing E-CRM/ERP systems in service marketing.

2. Innovation Diffusion Theory: This theory, popularized by Everett Rogers, delves into how a social system adopts and disseminates innovations, including technological ones. The situation encompasses factors like the innovation's attributes, communication channels, social system, and the extent of change agents' influence. It's relevant in understanding the adoption and diffusion of E-CRM/ERP within the service marketing domain.

3. Source - Centered Assessment: It recommends to the stable resources, including technology and capabilities like E-CRM/ERP systems, contribute to its competitive advantage. This perspective assesses how firms leverage digital transformation to enhance their capabilities in service marketing, leading to improved performance and customer value.

4. Customer Relationship Management Theory: This idea emphasizes establishing and preserving enduring connections with clients. It incorporates strategies, processes, and technologies like E-CRM systems to manage interactions throughout the customer lifecycle. Understanding this theory aids in comprehending how digital

transformation influences customer relationships and service marketing strategies.

5. Facility - Prevailing Logic: Its places a strong emphasis on how interactions between clients and service providers co-create value. The integration of E-CRM/ERP systems in service marketing aligns with this perspective by enabling personalized, value-focused service delivery and customer engagement.

6. Digital Renovation Structures: These structures, such the digital maturity model or the 4Ps of digital transformation (purpose, people, process, and platforms), offer organized methods for comprehending and carrying out digital transformation projects. When applied to E-CRM/ERP in service marketing, they guide organizations in strategic planning, technological integration, and value creation.

7. Change Management Theories: Theories like Kotter's 8 Phase Variation Ideal or Lewin's Alteration Management Exemplary are crucial in the digital

transformation process. They address the human aspects of change, guiding organizations on how to manage transitions effectively when implementing E-CRM/ERP systems, ensuring buy-in and reducing resistance.

The Current Scenario of digital transformation of ERP/E-CRM of service marketing in global and India market.

The global Enterprise Resource Planning (ERP)

The primary driver of the market's expansion is the quick digital revolution. At a compound annual growth rate (CAGR) of 12.1, the worldwide e-customer relationship management (E-CRM) market is expected to reach \$128.97 billion in 2028 from \$58.04 billion in 2021. The market value was USD 52.64 billion in 2020. The market is expected to increase steadily over the projected period (2021–2028), with a compound annual growth rate (CAGR) of 12.1%. According to our projection, the ERP applications market is predicted to increase at a compound annual growth rate of 1.1% from \$95.2 billion in 2020 to \$100.7 billion by 2025.

Table 1: Worldwide ERP Software Arcade 2020-2025 Projection, \$M

Year	2020-2025	2020-2025	CAGR%
Total	95,222	1,00,680	1.1%

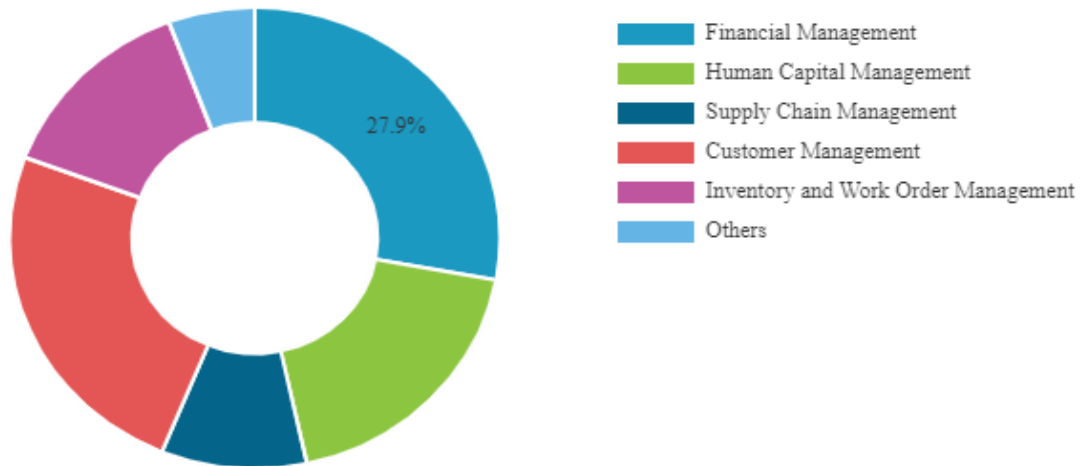
(Source: Apps Run the World, December 2021)

Over the course of the projected period, the software is anticipated to dominate this market. Among the leading companies in the global market are SAP SE, Salesforce.com, Inc., Oracle Corporation, IBM Corporation, Net Suite, Inc., Infusion Software, Inc., and Copper

CRM,

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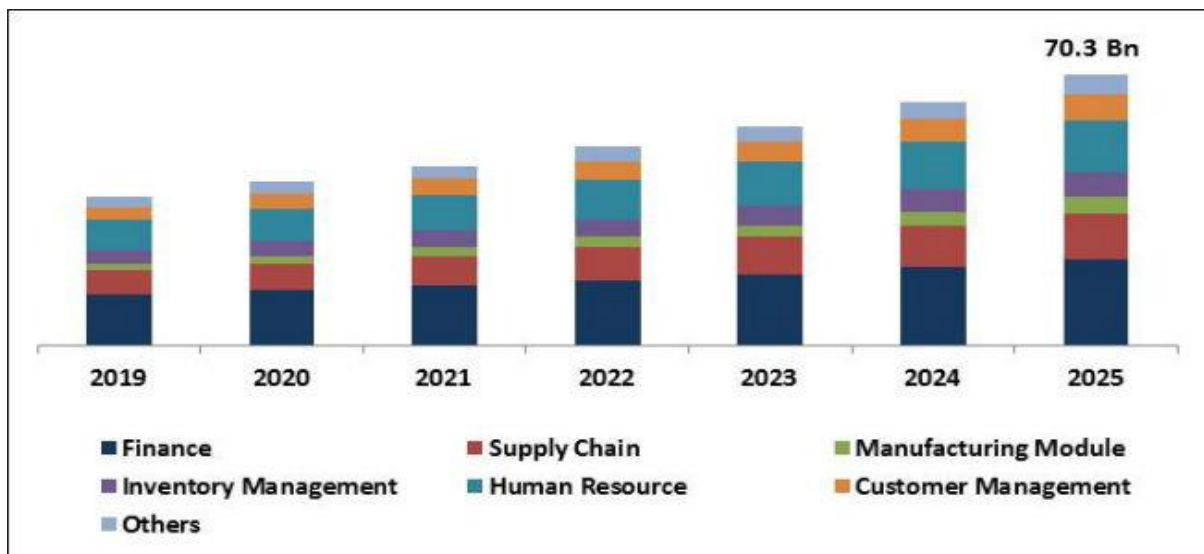
Global Enterprise Resource Planning (ERP) Software Market Share, By Business Function, 2020



(Source: Fortune Business insight 2022)

The market is divided into several segments based on the business function, including supply chain management, customer management, inventory and work order management, financial management, and human capital management. Over the course of the projected period, the financial management is anticipated to continue to hold a dominant market share. Over the course of the projected period, inventory and work order management is anticipated to increase at the greatest CAGR. The primary cause of the growth is the rising need for ERP solutions to accurately and efficiently prioritize and coordinate work orders.

Chart 1. Global ERP Software Market Size



(Source: Fortune Business insight 2022)

By 2025, the size of the global ERP software market is anticipated to have grown to \$70.3 billion, with a compound annual growth rate (CAGR) of 10.5%. In 2020, the global market for enterprise resource planning (ERP) software was valued at USD 46.30 billion. At a compound annual growth rate (CAGR) of 9.2%, the market is expected to increase from USD 50.31 billion in 2021 to USD 93.34 billion in 2028. The growing desire for an economical and efficient solution among businesses to streamline company processes and boost operational efficiency is fueling the expansion of the global ERP software market.

- ❖ By Vertical Analysis: Digital Shift in BSFI to enhancement the fragment's progression
- ❖ E-CRM software is also being used by the services provider sector, including IT and telecom, to manage its enormous customer base.
- ❖ Over the course of the projection period, retail and consumer products are anticipated to experience significant growth. Businesses may now access vast amounts of client data thanks to the expanding mobile applications and online purchasing platforms. To better understand business growth, industry trends, customer requirements, and customer

experiences, these retail organizations are turning to customer relationship software..

- ❖ CRM software use in the healthcare sector is anticipated to expand steadily. Large, private, and sensitive consumer data sets are handled by the industry, and their management and monitoring depend on this software. It is anticipated that the growing number of connected medical devices would increase demand for the software.

Vital Industrial expansions in Worldwide Souk:

- ❖ **April 2021:** In an effort to update the entire customer experience, the Microsoft Corporation introduced Microsoft Power Platform and Microsoft Dynamic 365. In order to engage customers in real-time based on interactions across service, commerce, sales, and marketing, the new capabilities will combine marketing automation with customer experience. Additionally, more individualized customer experiences can be produced with the use of the most recent customer analytics tools, such as product recommendations, churn analysis, segmentation, and surveys..
- ❖ **February 2021:** To help clients build stronger relationships with



current and new clients, Inc. acquired Copper CRM, Sherlock. In order to support customer success, sales activity, and account management, it also provides professionals with information into the actions of their target along the customer journey.

- ❖ **May 2020:** Leading software provider Zoho Corporation Pvt. Ltd. unveiled Begin, a CRM application for small and medium-sized enterprises that enables customers to create several client pipelines and place and receive calls remotely.
- ❖ **Nov 2020:** To deliver cutting-edge and AI-Powered CRM Solutions, the Microsoft Corporation established a strategic partnership with C3.ai and Adobe Systems, Inc. Improved predictive skills are anticipated from this cutting-edge solution..
- ❖ **Nov 2020:** Smart client management software for small businesses was introduced by Infusion Software Inc. To increase its market share, Infusion renamed both its business and its solution line under the KEAP (previously Infusion soft) brand.
- ❖ **April 2019:** **Copper CRM**, The cooperation between Inc., a suggested solution provider for

Google Cloud G Suit, and Google Cloud has been strengthened. New advertisements are available through the agreement, along with improved functionality for emails, documents, and calendars. Real-time connections, access, and sharing of customer data are provided by the new system.

Global Market Scenario:

1. **Advanced Technological Integration:** Globally, there's a strong push towards integrating AI, machine learning, and big data analytics within E-CRM/ERP systems. These advancements enable predictive analytics, automation, and personalized customer experiences.
2. **Cloud-Based Solutions:** The use of cloud-based E-CRM/ERP solutions is becoming more and more popular since they provide scalability, affordability, and accessibility to companies of all kinds.
3. **Focus on Customer Experience:** Businesses worldwide are prioritizing customer experience, leveraging E-CRM/ERP systems to deliver seamless, omni channel experiences and personalized interactions.
4. **Data Security Concerns:** With increased reliance on data, there's

heightened emphasis on data security and privacy compliance, especially with the implementation of regulations like GDPR in Europe and similar initiatives globally.

5. **Integration of Sustainability:** Many global businesses are integrating sustainability practices within E-CRM/ERP systems to track and manage eco-friendly initiatives and ethical business practices.

Indian Market Scenario:

1. **Rapid Adoption:** The Indian market has witnessed a rapid adoption of E-CRM/ERP systems across various sectors, driven by the need for process optimization, improved customer relations, and digital transformation initiatives.
2. **Focus on Customer-Centric Strategies:** Indian companies are increasingly shifting towards customer-centric strategies, emphasizing the importance of E-CRM/ERP in enhancing customer satisfaction and retention.
3. **SMEs Embracing Technology:** In order to improve competitiveness and streamline operations, SMEs in our countries are beginning to embrace E-CRM/ERP systems as they gradually realize their advantages.
4. **Evolving Regulatory Landscape:** Similar to the global trend, there's

an evolving regulatory landscape in India, with data privacy laws and regulations coming into effect (e.g., Personal Data Protection Bill) that impact the handling of customer data within E-CRM/ERP systems.

5. **Demand for Customization:** Indian businesses often seek E-CRM/ERP solutions that can be customized to suit specific industry requirements, languages, and regional nuances.

Key Vendors of E-CRM in India: Oracle, Ram Co., SAP, and Wipro are a few of the market's leading companies. Some of the watch list businesses, like Workday, MYOB, and IFS, are also taken into consideration in the report. Gamut Info Systems Ltd., SAP SE, Net Soft Solutions India Private Limited, Teknovative Solution, Epic or Software Corporation, The Sage Group plc, CBO InfoTech Pvt. Ltd., CRIMS (Unicode Solutions), and Infor Inc.

The manufacturing ERP market in India was valued at US\$ 262.7 billion in 2018 and is projected to reach US\$ 712.7 billion in 2027 at a compound annual growth rate (CAGR) of 11.9%. The overall ERP market in India is anticipated to expand at a compound annual growth rate (CAGR) of 25.4% from 2015 to 2020, and then again from 2019 to 2027. The use of cloud ERP by businesses of all sizes will propel the industry in the future. The



flexibility and cost benefits it provides support the expansion of the cloud ERP market. The market for cloud ERP is anticipated to be driven more by the SME sector than by major corporations. During the 2015–2020 forecast period, the cloud ERP adoption rate in the SMEs segment is anticipated to increase at a compound annual growth rate (CAGR) of 23.9%. Cloud security issues and heightened regulatory compliance, however, will limit the market. Significant investments in cloud computing are being made by the government and larger enterprises, which gives market participants new business opportunities. The Indian government, for instance, started the "Make in India" campaign to assist companies in adopting new technologies and upgrading their existing ones. However, the difficulties associated with the high initial costs of implementation and upgrade could limit the Indian Manufacturing ERP market's future expansion. The high level of integration with other solutions is anticipated to provide plenty of growth prospects for the firms operating in India, notwithstanding these constraints.

Restrictions of the Study: Because the study's scope is restricted to the service marketing sector, it is reliant on secondary data, and as a result, the outcome will be contingent upon these data.

Findings and suggestions of the study:

Improved Customer Engagement: E-CRM adoption leads to enhanced customer engagement through personalized interactions, resulting in increased satisfaction and loyalty.

Operational Streamlining: Businesses witness operational efficiencies with the integration of E-CRM systems, reducing manual tasks, and optimizing processes across various service sectors.

Data-Driven Decision Making: E-CRM facilitates data collection and analysis, enabling more informed and data-driven decision-making processes within service marketing strategies.

Customer-Centric Approach: Companies embracing E-CRM tend to adopt more customer-centric approaches, focusing on delivering tailored services, resolving customer issues promptly, and building long-term relationships.

Challenges in Implementation: Findings might indicate challenges in implementing E-CRM, including issues related to integration with existing systems, employee training, and organizational resistance to change.

Financial Impacts: Quantifiable impacts on financial metrics, such as increased revenue streams, improved ROI, and reduced operational costs, could be highlighted as direct outcomes of successful E-CRM implementation.

Adaptation to Technological Trends: Research might identify the necessity for continuous adaptation to technological trends, emphasizing the integration of emerging technologies within E-CRM systems for sustained effectiveness.

Socio-Ethical Considerations: Findings might underscore the significance of addressing socio-ethical considerations concerning data privacy, security, and ethical use of customer information in the context of E-CRM.

Industry-Specific Insights: Depending on the focus, the study might reveal industry-specific impacts and nuances of E-CRM adoption within various service sectors, such as healthcare, finance, or hospitality.

Conclusion

In India, e-CRM has advanced significantly to its current state and yet has a long way to go. Plans meant for the western nations cannot be implemented in India due to the size and diversity of its market. Therefore, reorganizing an E-CRM based on Indian management practices and concepts is crucial for the Indian market. Cloud services are in great demand worldwide because of the greater workforce mobility brought on by lockdowns and the requirement for security to prevent expensive network outages. Likewise epidemic has compelled businesses all over the world to convert

their physical workplaces to virtual working environments like online classes, webinars and online recruitment. This has resulted in a spike in demand for the product, thereby fueling the ERP software market growth.

Moreover, the study emphasizes the crucial role of addressing socio-ethical considerations, particularly concerning data privacy, security, and the responsible use of customer information within E-CRM systems. Looking ahead, the study underscores the need for continuous evolution and adaptation to emerging technological trends. It suggests a proactive approach to leverage and integrate evolving technologies within E-CRM systems to maintain competitiveness and relevance in the ever-evolving service marketing landscape. In conclusion, this study serves as a compass, guiding industry practitioners, policymakers, and academics in navigating the complexities and opportunities presented by the digital transformation of E-CRM in service marketing. It lays the groundwork for future research, strategic planning, and innovative practices to further enhance customer experiences and drive organizational success in an increasingly digital-driven era.



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