

Beyond Customer Relationship Management: Selling Chain Management for E-Business Practices

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Abstract

Traditional 4Ps (product, price, place, and promotion) sales/marketing strategies are no longer a match for the dynamism of global markets in the e-business era. Today's one-to-one relationship marketing practice requires significantly more information about customers' behaviors, preferences, and patterns than other marketing strategies. Most sales opportunities in enterprises arise in a complex web of team-selling environments where sales team members need to share information, coordinate activities, and align sales processes in order to achieve a sales goal. Enterprises that used to implement CRM applications realize that their systems, which are not sufficiently flexible and interactive to streamline sale processes, have failed to engage customers in ways that create values, enhance individual purchasing experiences and retain loyalties. All these issues drew attentions from CRM to selling chain management. Selling chain management is a combination of customer relationship management, integrated marketing communications, and order fulfillment strategy situated in a multi-channel environment. The major purpose of selling chain management is to transform customer contact into profits. This paper shows that the integration of sales, marketing, and customer service applications with business intelligence system will help enterprises to manage one-to-one marketing and relationship management strategies. The selling chain management that reinvented itself from traditional sales/marketing strategies will undoubtedly be the best solution to today's e-business Internet marketing.

1. The Missing Link of B2B2C

The globalization of markets and the resulting competitions are the driving forces for organizations to optimize their business strategies and operations constantly. Today, customers are in charge and make the rules. Consumers are demanding solutions customized to meet their specific needs. Consequently, the challenge is shifting from product-centric marketing to customer-centric marketing. In order to compete in today's real-time economy, every business must be able to quickly identify and respond to the changing market conditions and customer needs. These sales challenges are made worse further by difficulties in pricing, promotion, and relationship-management. In the real-time economy, sales have a deep impact on downstream decisions, as well as decisions related to outside supply chain trading partners. For these reasons, Customer Relationship Management (CRM) now moves from a pure sales

productivity tool to a technology-enabled relationship management strategy in a supply chain scheme.

The CRM is a combination of business process and technology seeking to profile an enterprise's customers from different perspectives. It contains call center service and support, customer contact management, and sales/marketing automation that help to eliminate cost inefficiencies by streamlining and unifying customer information and other internal/external administrative works. However, due to the current one-to-one relationship marketing practices, enterprises that used to implement CRM applications realize that their systems, which are not flexible and interactive to streamline sale processes, have failed to engage customers in ways that create values, enhance individual purchasing experiences, and retain loyalties. Many enterprises with extended selling channels have difficulties responding to the dynamic market conditions. Therefore, a new generation of application framework for one-to-one relationship selling is emerging. Selling chain management is a combination of customer relationship management, business intelligence, enterprise application integration (EAI), and integrated sales/marketing strategy situated in a multi-channel environment.

2. The New Dimension of Channel Integration

Emphasis has been placed on the back-office integrations since the emerging of new supply chain practices in the mid-1990s. Today, there are many strategies on the enterprise back-office system integrations, such as enterprise resource planning (ERP) and enterprise application integration (EAI). These solutions are trying to create a unified communication channel that allows enterprise business processes to permeate different departments, divisions, and supply chain partners. In the meantime, there is a growing trend in the marriage of ERP with CRM. The reasons are in two folds; (a) to maintain the integrity of business processes from production to sales automation and (b) the growing importance of customer care. With the combination of ERP and CRM, the enterprise will be more adaptive and flexible to engage customized services.

In today's e-commerce, the customers are in control, and a business must realign its value chain around the customers to eliminate inefficiencies and customize information, products, and services. A set of CRM is not enough to handle diverse group of customers, especially when dealing with one-to-one relationship marketing. To maximize selling power and retain customers, selling

chain management is becoming the central issue in gluing enterprise back-office business-to-business (B2B) and store-front (or front-end) business-to-customer (B2C) practices (Figure 1).

The applications of selling chain management, by definition, must automate processes across multiple user types and functional areas. Selling chain management is a broad set of sales/marketing solution that includes the following strategic areas: data acquisition and analysis (such as data mining and warehousing), marketing intelligence (such as business intelligence tools), sales force automation (SFA), customer services (such as CRM), product catalog and pricing services, proposal/quote/contract management, order management, fulfillment, and the integration of back-office system (such as ERP). The purpose of selling chain management is to build an adaptive marketing strategy such that the entire selling process will be more active and flexible than traditional 4Ps marketing approaches allowing sales teams to better handle any sales activities.

This new dimension of channel integration strategy increases customers' value by satisfying customers' requirements and providing them with the best solution. With marketing intelligence, personalized customer care service will offer valued-added one-to-one relationship marketing to enhance individual purchasing experience and retain customer loyalties with enterprise. This effort can be achieved through the introduction of business intelligence in selling chain practices as will be discussed in the following section.

3. Technological Framework

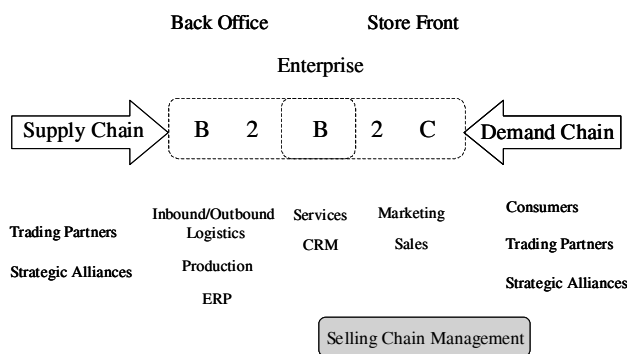


Figure 1 Enterprise B2B2C Model

Selling chain, with an emphasis on purchasing process and customer care, represents a new shift in enterprise computing. This new dimension of channel integration brings both opportunities and challenges to enterprise to refine their business strategies and supporting information systems. The application of selling chain management includes technologies from initial customer contact to production and delivery of final goods or services. The scope also focuses on the gathering of customer data and information. Data acquisition is an important issue in

selling chain management. In today's e-commerce practices, all business data are transmitted over a variety of communication channels because the essence of e-commerce lies in the communications of business data among organizations, supply chain trading partners, and customers. For a typical buying pattern, click-stream through an enterprise's web site, buttons pushed on a touch-tone phone, postal mail/email and faxes are all part of communication with customers. This information by now is not captured in meaningful way to maintain a comprehensive view of the attributes and patterns of customers. With the focus shifts from product-marketing to customer-centric marketing, business intelligence (BI) helps to coordinate information between brick-and-mortar and online initiatives. It relies on integrated data from a variety of information sources: web site, call centers, customer profile and transaction log, operational database, ERP system, and even third party data. The BI analytical and segmentation applications offer tools for data mining as well as decision-making in enterprises. In selling chain management, data acquisition does not only capture customer preferences and patterns, but it also presents customers with personalized information in the purchasing process. The fully integrated selling chain management application has the ability to record and analyze all the activities of prospects and customers, whether the contact mechanism is via the web or a call center. This "automatically-collected" treasure of user behavior information theoretically gives the enterprise a huge advantage over brick-and-mortar competitors, who cannot easily record customer and prospect behavior. The existence of an effective relationship management and click-stream/call-stream data warehouse is one of the most important long-term success differentiators in the e-commerce practices. Other technologies, such as interactive voice response (IVR), computer telephony integration (CTI), are beneficial to selling chain management. The fully interactive nature of the Internet changes everything in the world of self-service. The blending of SFA with customer self-service brings new business opportunities. Relevant information and intelligence support processes all can be aligned and implemented in real-time at anywhere.

With the convergence of B2B, B2C, BI, and real-time relationship management, the personalization of customer information is now possible. A robust selling chain management suite for customer care applications enables new kinds of interactions, new kinds of information, and comprehensive access to all customers and enterprise portals. This customer care can foster joint problem-solving, convenient self-service, and self-selling. Given the information customers need in the purchasing process, they will sell to themselves and service their own information needs. In other words, customers can be an enterprise's best sales forces. The technologies to facilitate these highly interactive communications are summarized in Figure 2.

4. Conclusion

Customization is the rule of the 21 century marketing trend. Multi-channel and multi-technology strategies represent the next frontier of sales force integration. Personalization provides value to customers by allowing them to find solutions that better fit their needs and saves them time in searching for their solutions. By interacting with customers electronically, their buying patterns can be evaluated and the services can be provided. To deliver the right product or service to the right customer for the right price via the right channel at the right time are the essence of selling chain management.

This paper shows that the integration of sales, marketing, and customer service applications with business intelligence system will help enterprises to manage one-to-one marketing and relationship

management more effectively. This technological framework still hold promising with the coming era of mobile business. The IP convergence strategy will provide a solution that joins the two worlds of voice communications (telephony) and data traffic together. The usefulness of the mobile channel will be largely driven by new selling chain applications that enhance the overall customer values. With self-service applications in hand, customers will be able to touch the resource of an enterprise. The customer drives the entire value chain, determining what is to be produced, when, and at what price. The customer will interact with the entire business ecosystem, not just the individual company. The selling chain management that reinvented itself from traditional sales/marketing strategies will undoubtedly be the best solution to today's e-business Internet marketing.

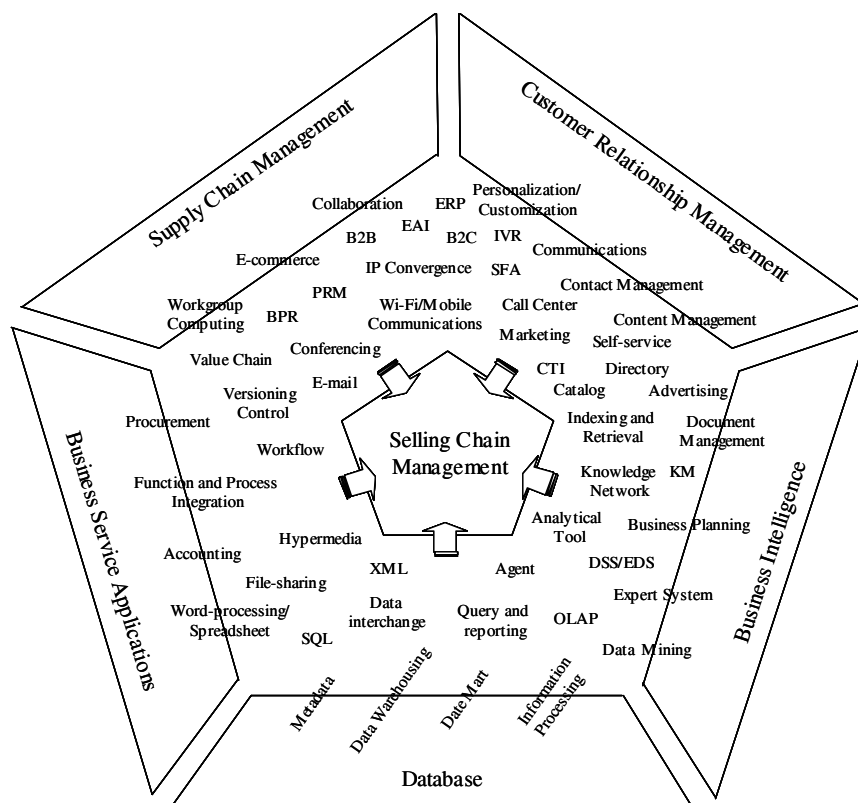


Figure 2 Selling Chain Management Technological Framework