E-Customer Relationship Management in the Clothing Retail Shops in Zimbabwe

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Abstract

The aim of this study was to analyse and explore how the top four clothing retail outlets in Zimbabwe are using Electronic Customer Relationship Management and ICT practices to enhance customer relationships. The results show that the channels that are used by clothing retail shops to communicate with their customers, include electronic mails, voice call facilities, traditional letters and personalised text messaging as well as websites. Customers select the mode of communication that is favourable to them when opening an account. The study recommends that retail shops in Zimbabwe should move to more sophiscicated eCRM and that the top management of the clothing retail outlets must fully involve themselves and support eCRM since top managers are the leaders and the strategy controllers. They must persuade their employees to have full attention and understanding of eCRM. The top management should lead their employees to the same direction of the company's goal and vision of eCRM. The organisation should also train their employees to have knowledge and ability to work on eCRM continuously and efficiently.

Keywords

Electronic Customer Relationship Management, Retail Clothing Outlets, Information and Communication Technology

I. Introduction

Electronic Customer Relationship Management (ECRM) has become the latest paradigm in the world of Customer Relationship Management. Customer Relationship Management is a traditional method of managing and enhancing customer relationships. According to [1]. Customer Relationship Management is all business activities directed towards initiating, establishing, maintaining, and developing successful long-term relational exchanges. Customer Relationship Management is also an information industry term for the overall strategy, incorporating methodologies, software and Internet capabilities that can help a company manage customer relationship in the organized way [2]. The traditional methods of managing customer relationships have been extended to the web and have become electronic Customer Relationship Management. Electronic CRM provides multiple channels for organisation to communicate and interact with customers through Internet networking which can be one way of creating advantages among industry competitiveness. This supports data gathering process for an organisation, thus eCRM helps an organisation to realise and analyse customer behaviours and needs much easier. Electronic Customer Relationship Management involves identifying a company's best customers and maximising value from them through the use of the web. [3] considered electronic CRM to be a technology that supports planning, execution and monitoring of coordinated customer, distributor and influence interactions through all channels. Electronic CRM is a business strategy which is supported by technology, business rules, and processes and social characteristics [4]. It is a business strategy that has become important and needs

to be considered in all businesses. Among fast growing technology, electronic Customer Relationship Management (eCRM) has become one important tool that an organisation pays more attention to deliever enhanced customer value in order to give satisfaction to their customers.

This paper focuses on important channels of electronic CRM which are responsible for reaching customers and used for customers frequently. The examples of customer relationships via electronic CRM are the organisation's website, email push notifications, customer service webpage, and online information for customers, customer networking, and mobile application.

According to [5], the concept of developing better relationships with customers using technology as an enabler has evolved over the past years as most organisations realise that the relationship between supplier and customer has changed dramatically. In the private sector, where competition is frequently the driving force for change, companies strive for ways to reduce the defection of customers to competitive organisations, to increase customer loyalty, and to develop long term relationships with customers. The relations with customers elements of CRM concerns the extent to which firms initiate, develop, maintain and improve relationship with other firms [3], and [6].

The benefits of customer loyalty is to a provider of either services/ product numerous and thus organizations are eager to secure as significant of a loyal customer base as possible [1,7] and [8]'

In most companies, management has turned to sophisticated technologies and new business processes to develop and implement electronic Customer Relationship Management [9]. As the internet is becoming more and more important in business life, many companies consider it as an opportunity to reduce customer-service costs, tighten customer relationships and most important, further personalize marketing messages and enable mass customization.

Everywhere you look these days you see 'everybody.com' and 'e-everything' and this made CRM to undergo evolution towards the Web. Many firms have developed business database that contain interactions data on prospects as well as customers. In the phase process described by [10], the concept of Customer Relationship Management is understood in terms of loyalty scale leading to form the customer prospect, through customer, client, and supporter and to partner.

Electronic Customer Relationship Management enables enterprises to create trust, get co-operation and guarantee satisfaction with customers. ECRM is becoming more and more necessary as businesses take to the web. It provides personalised services which gives merchants a competitive edge since it is difficult for competitors to replicate a successful personalisation programme due to its uniqueness. Technology makes it possible to send tailored e-mails at much lower costs than is possible with direct mail and also to provide tailored web pages to smaller groups of customers [11]. A well implemented Customer Relationship Management leads to growth in revenue and profits. It creates an intimate relationship between a customer and the organisation and

all businesses units focus on enhancing this relationship because customers are the ones who keep the business running [12]. Using eCRM helps an organisation keep track of key customer information such as contacts, communication, accounts, purchases and preferences allowing the organisation to match customer needs with products and services. By analysing the data, an organisation can identify its best customers, enrich and customise the way to communicate with customers, manage marketing campaigns, reduce customer response times and serve wider geographical areas. ECRM also helps the organisation to attract new customers. According to [13], as customers become more loyal, they can become advocates for the business, encouraging friends and acquaintances to also buy. Customer's expectations are now not only limited to get best products and services, they also need a face-to-face business in which they want to receive exactly what they demand and in a quick time. Every business unit emphasises on spurting a long term relationship with customers to nurture its stability in today's blooming market.

A. Customer Relationship Management in the Clothing Sector in Zimbabwe

This paper seeks to explore and analyse how the clothing retail outlets in Zimbabwe are conducting Customer Relationship Management and how they are using ICT practices to enhance customer relationship. The clothing retail outlets chosen were Case Study A, Case Study B, Case Study C and Case Study D. These were chosen because they are the biggest clothing outlets in terms of sales, number of customers and branch network.

The clothing retail sector in Zimbabwe was selected as a case study because of the sector's eCRM services and the competition that is within the industry. It is also the authors considered view that as compared with other industries in Zimbabwe, clothing industry is quite an outstanding industry when it comes to customer relationships and customer's services. This is because Case Study A, Case Study B, Case Study C and Case Study D has implemented eCRM through sending personalised text messages and emails to customers as well as showing latest fashion on their websites. The companies engaged eCRM so as to enhance relationships with their customers.

II. Methodology

A. Interviews

The employees from Case Study A, Case Study B, Case Study C and Case Study D were interviewed to get information on how the companies relate to customers and also to get the channels that the organisations use in communicating with clients. The study revealed that clothing retails shops use channels like electronic mails, voice call facilities, traditional letters and text messaging as well as websites. During the study account holders from all the four (4) shops were interviewed to find out how they can communicate with their suppliers. Personal contact with representatives from Case Study A, Case Study B, Case Study C and Case Study D was established; this allowed the researchers to respond adaptively to answers given. Personal contact made it possible for the researchers to probe in greater depth as body language augmented some of the ideas that the respondent explained. Where ambiguous answers were provided the researchers had a chance to ask for clarity. However, this was time consuming and costly as the researchers had go to the retail shops to conduct interviews. Some of the respondents gave conflicting information and this can be difficult to resolve. It appears that some respondents felt that they might

disclose sensitive information and withheld relevant data every effort was made to assure the respondents that the data they were providing were for academic purposes only.

B. Observation

The major aim of observation is to get first-hand information of what is really happening and not what people say it's happening. This method allowed the researchers to see Case Study A' eCRM strategies as they operate in the actual environment. The researchers opened accounts with the four clothing shops and had a chance to receive personalised text messages, voice calls and traditional letters showing account balances as well as the instalments due. The researchers also had a chance to browse through the websites of the three (3of the four (4) retail shops which are Case Study A, Case Study C and Case Study D. Case Study B stores have not yet launched a website. The researchers had a chance to get a sample of first-hand information on how the shops interact with customers. It allowed the researchers to collect relevant data. The process was costly as the researchers had to buy from the shops to see how they interact with customers. Observation involves a lot of time as one had to wait for an event to happen to study that particular event. Complete answers to any problem or any issue could not be obtained by observation alone.

C. Questionnaires

Questionnaires which were precise, unambiguous and simple were drafted and distributed to the account holders from different stores. The purpose was to collect relevant facts from account holders (customers) and gain an insight of the methods used by the retails shops to communicate with customers. Questionnaires designed were relatively consistent in style and distributed to 40 people, 10 for each retail shop. This technique allowed the respondents to give answers at their own places without rushing. The technique is cost effective and saves time since the questionnaires were distributed once to various people. The questionnaires do not allow probing for further clarification on seemingly ambiguous responses since they do not allow personal communication between the researcher and the respondent.

III. Results

Customer relationship management activities employed by the clothing retail shops include customer service, loyalty program, customisation for customer, personalisation and customer rewards program. The study revealed that clothing retails shops use channels like electronic mails, voice call facilities, traditional letters and text messaging as well as websites.

A. Customer service

The channels that are used by clothing retail shops to communicate with their customers include electronic mails, voice call facilities, traditional letters and text messaging as well as websites. Customers select the mode of communication that is favourable to them when opening their accounts. The clothing retail companies chose to do customer service online to reduce cost and to increase flexibility in order to interact with more customers.

Table 1: Customers Who Receive Text Messages from the Clothing Retail Outlets

Company	Number of respondents who communicate with text messages	Total Number of respondents	Percentage
Case Study A	9	10	90%
Case Study C	9	10	90%
Case Study B	6	10	60%
Case Study D	5	10	50%

B. Text Messaging

The clothing retail outlets normally send personalised text messages to customers. The text messages are sent every month informing each customer of his /her balance due, instalment due and the buying power left for the customer. Customers are also informed of the new fashion developments and promotions through these text messages. Table 1, above shows the sample statistics of customers who receive text messages from the clothing retail outlets.

C. Websites

Two of the four companies use their websites to broadcast information to customers. The information may include promotions, draws and discounts, latest fashion updates and their location around the country. However none of the customers have been invited to purchase products online. The following table 2 shows the sample statistics which shows customers who have accessed the retail shops' websites.

Table 2: Customers Who Have Accessed The Retail Shops' Websites

Company	Number of respondents who access websites	Total Number of respondents	Percentage
Case Study A	3	10	30%
Case Study C	2	10	20%
Case Study B	0	10	0%
Case Study D	0	10	0%

D. Electronic Mails

The clothing retail shops also use electronic mails in communicating with their customers. The following Table 3 shows the sample statistics of customers who communicate with the clothing retail shops using emails.

Table 3: Customers Who Communicate With the Clothing Retail Shops Using Emails

Company	Number of respondents who communicate with emails	Total Number of respondents	Percentage
Case Study A	3	10	30%
Case Study C	4	10	40%
Case Study B	0	10	0%
Case Study D	0	10	0%

E. Voice Calls

The clothing retail shops usually use voice calls to communicate with their customers when they fail to pay monthly instalments. The following Table 4 shows sample statistics of customers who received voice calls from the clothing retails.

Table 4: Customers Who Received Voice Calls from the Clothing Retails

Company	Number of respondents who communicate with voice calls	Total Number of respondents	Percentage
Case Study A	6	10	60%
Case Study C	7	10	70%
Case Study B	6	10	60%
Case Study D	5	10	50%

F. Customisation for the Customer

The clothing retail shops keep customer details and their buying habits. The organisations analyse their customer buying trends, consumer behaviour and life style. This will help them to know the customer tastes and customise the products to suit customer requirements.

G. Loyalty Programmes

The clothing retail companies give discounts to customers on holidays. They also have promotional programmes where customers can win wide variety of products. The following Table 5 shows the sample statistics of customers who have been given discounts.

Table 5: Customers who have been given discounts

Company	Number of respondents who have received discounts	Total Number of respondents	Percentage
Case Study A	9	10	90%
Case Study C	8	10	80%
Case Study B	8	10	80%
Case Study D	5	10	50%

H. Customer Profiling

The clothing retail outlets keep the customer information such as name, address, telephone number and next of kin as well as their customers buying habits. This information helps the companies in communicating with their customers as well as in the design decisions.

IV. Analysis of Results and Discussion

Electronic Customer Relationship Management is proving to be slow in its implementation in the clothing retail companies in Zimbabwe. The clothing retail shops mainly use text messages and voice calls to communicate with their customers. The extent of eCRM, in terms of partnerships, empowerment, relations with customers, personalization, understanding customer expectations, customer prospecting, and interactive management, do have a positive and direct effect on business development.

The results showed that there is little or no presence of these clothing retail businesses on the internet. The presence on the Web is international by definition because Web sites allow a company to attract international customers. Business globalization is supported by utilising the opportunities found on the Web and partnerships between firms from different countries are a common occurrence. A Web site presented in many languages and available 24 hours a day will help to develop stronger links between companies and their customers.

V. Conclusion

Electronic CRM supports the collection of customer information and the interaction with customers through Internet, so the core technologies of eCRM will be network and IT facilities. An organisation should provide efficient network and sufficient IT facilities for employees to be able to support the use of eCRM. In this fast growing technology society, eCRM technologies must be one of other priorities that an organisation should consider. This is because eCRM is the system that runs 24 hours a day and 7 days a week and if it fails, it can cost some loss to the organisation. To maintain eCRM and improve customer relationship continuously, organisations must run and operate the network and customer databases smoothly. In order to use eCRM to enhance customer relationship, organisations have to contemplate all the eCRM factors and their relationships.

VI. Recommendations

There are many different ways of using IT to help an organisation develop customer relationship. Electronic CRM is one of the IT practices to enhance customer relationship. Using eCRM is not only to create good relationship with customers but also to reduce cost of CRM and other benefits like gaining competitive advantage over competitors. However, in order to enhance customer relationship, an organisation should consider all related factors because each factor is capable of supporting each process and performance.

Customer relationship is considered as one of the targets that every organisation would like to achieve and can bring lots of positive benefits to organisation. However, different kinds of organisations will choose different kinds of IT practises and technologies suitable for their organisation. The technologies must fit within their business strategy as well. There are many ways that an organisation can employ to improve their eCRM in order to enhance the customer relationship.

The top management of the clothing retail outlets must fully involve itself and support eCRM since top managers are the leaders and the strategy controllers. They must persuade their employees to have a full attention and understanding of eCRM. The top management should lead their employees to the same direction of the company's goal and vision of eCRM. The organisation should also train their employees to have knowledge and ability to work on eCRM continuously and efficiently. Being knowledgeable about customers (behaviours, characteristics, and trends), work process in organisation, organisation strategy, eCRM system,

eCRM network or the operation of IT facilities are good means to persuade employees' capabilities and enhance their outcome. Continuous training and giving knowledge will be beneficial to employees as well. This is because whenever employees have high abilities they also increase their efficiency in their work. Good management support will be a driver of eCRM in a positive way. Together with an effective plan, an organisation can persuade and attract customers and increases the usability of eCRM through customer touch points.

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