

مركز التجارة الإلكترونية
البنية التحتية
البرامج المستضافة
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What are the benefits of EC to Consumers

- 1) Electronic commerce enables customers to shop or do other transactions 24 hours a day, all year round, from almost any location.
- 2) Electronic commerce provides customers with more choices; they can select. Electronic commerce frequently provides customers with less expensive products and services by allowing them to shop in many places and conduct quick comparisons.
- 3) In some cases, especially with digitized products, EC allows quick delivery.
- 4) Customers can receive relevant and detailed information in seconds, rather than days or weeks.
- 5) Electronic commerce makes it possible to participate in virtual auctions.
- 6) Electronic commerce allows customers to interact with other customers in electronic communities and exchange ideas as well as compare experiences.
- 7) Electronic commerce facilitates competition, which results in substantial discounts.

5x5=25
Student can identify only
5

STEP 3: SELECTING A DEVELOPMENT OPTION EC applications can be

developed through several alternative. The major options are:

1. Build the system in-house.

Student can identify only
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5x5=25

2. ▶ Have a vendor build a customized system.
3. ▶ Buy an existing application and install it, with or without modifications, by yourself or through a vendor.
4. ▶ Lease standard software from an application service provider (ASP), lease as a service (SaaS), or lease via utility computing.
5. ▶ Enter into a partnership or alliance that will enable the company to use someone else's application.
6. ▶ Join a third-party e-marketplace, such as an auction site, a bidding (reverse auction) site, or an exchange, that provides needed capabilities to participants (e.g., Yahoo! Store).
7. ▶ Use a combination of approaches.

Five-stage Model of Customer Loyalty:

$$5 \times 5 = 25$$

- ✓ **Awareness:** Customers who recognize the name of the company or one of its products are in the awareness stage of customer loyalty.
- ✓ **Exploration:** In this stage potential customers learn more about the company or its products.
- ✓ **Familiarity:** Customers who have completed several transactions and are aware of the company's policies regarding returns, credits, and pricing flexibility are in this stage.
- ✓ **Commitment:** After experiencing a considerable number of highly satisfactory encounters with a company, some customers develop a fierce loyalty or strong preference for the products or brands of that company.
- ✓ **Separation:** Over time, the conditions that made the relationship valuable might change. The customer might be severely disappointed by changes in the level of

service (either as provided by the company or as perceived by the customer) or product quality.

Customer life cycle: The three phases of CRM

23 Marks

① There are three phases of CRM: Acquisition, Enhancement and Retention. Each has a different impact on the customer relationship and each can more closely tie a firm to its customers. The three phases of CRM have been explained below:

1. Acquiring New Customers

⑧ You acquire new customers by promoting product/service leadership that pushes performance boundaries with respect to convenience and innovation. The value proposition to the customer is the offer of a superior product backed by excellent service.

2. Enhancing the Profitability of Existing Customers

⑧ You enhance the relationship by encouraging excellence in cross-selling and up-selling. This deepens the relationship. The value proposition to the customer is an offer of greater convenience at lower cost.

3. Retaining profitable customers for life

⑧ Retention focuses on service adaptability - delivering not what the market wants, but what the customer wants. The value proposition to the customer is an offer of a proactive relationship that works in his or her best interest.