



# **Techno Based Innovation for Enhanced Relationship: A Study in Footwear Industry**

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ARTICLE INFO	ABSTRACT
	In India owing to the diversity and the large number of intermediary the customer response at times fail to provide the companies with the in time support for coping up the spontaneity of the fashion industry. This lays down the quintessence of this paper. The paper is an attempt to laid down the conceptual framework about the Techno based relationship using e-CRM tool and to chalk out the value addition by techno based innovation tool implementation in the companies. It also aims to analyse the benefits derived from innovation tool such as personalisation and how some of the benefits in-turn provide the companies with the competitive edge in the prevailing dynamic market. We also try to acknowledge the challenges posed to the organisations and how e-CRM adoption and implementation has powered the organisation to cater it.

## **Introduction:**

The vowel 'e' - Electronic has become the most commonly used adjective to the various fields or disciplines of management. In today era where technology is spontaneously changing manufacturer are in constant pressure to keep up the pace . Regarding which they need to constantly enhance their innovation capabilities to better meet the ever changing preferences of the customers and maintain their competitive edge. This situation is even more critical in the consumer fashion industry and Customer relationship management (CRM) is no stranger to it.

CRM is more about to recognize best customers and the value addition by satisfying them. CRM is deep rooted concept of relationship marketing with an aim of long term profitability by adoption of customer retention approach through improved customer relations rather than marketing based upon transactions. (Kennedy, 2006). In the recent scenario where most of us follows a hectic schedule CRM can be improved with the aid of Information technology. The information technology has provided the a new platform that is 'e' platform not only to better manage the customer relation but primarily to help the organisations to attain customisation, the very essence of customer-centric companies. As an essential and critical part of customer oriented marketing e-CRM focuses on information pertaining to customer with the aim of providing effective services. e- CRM is a blend of information technology and business. (Anumala & Bollampally, 2007)

## **Objective of the study**

Though, several strategies are in place to add value for customer but it is big challenge to maintain a relationship with customer and gaining competitive advantage in fashion industry. The objective if the paper is to analyse the value derived from innovation tool such as personalisation and how some of the benefits in-turn provide the companies with the competitive edge in the existing dynamic market.

## **Review of literature:**

### **Understanding e-CRM**

"Electronic markets are evolving from "first order" transactional value exchanges through "second-order" informational value exchanges into "third-order" relational value exchanges. These relational value exchanges are central to success and competitive advantage for firms and customers that engage in eCommerce" (Jr. & Fjermestad, 2009). In the light to this it would not be wrong to state that current market scenario and technological advancement has left the organisations merely with any choices but to go for adoption of electronic medium for customer relationship management. e-CRM tries to cater to the need of hour, as it

aims to combine the management commitment with its resources in form of software and hardware to deliver efficiently.

e-CRM may be seen as the extensive use of technology in support of customer relationship management (Kennedy, 2006). e-CRM as a technology driven initiative for better customer relationship management has enabled or helped the organisations to become more proactive service provider rather than being reactive service providers (Grinath & Ravi, 2013). Organisations are now in better position to contact the customer themselves and to take the desired action for solving problems. Earlier organisations were providing reactive services that is when the customer contacts the company then only company takes the necessary steps.

### What differentiates e-CRM from CRM

Some of the distinguishing aspects of CRM and e-CRM so listed out(Grinath & Ravi, 2013) :

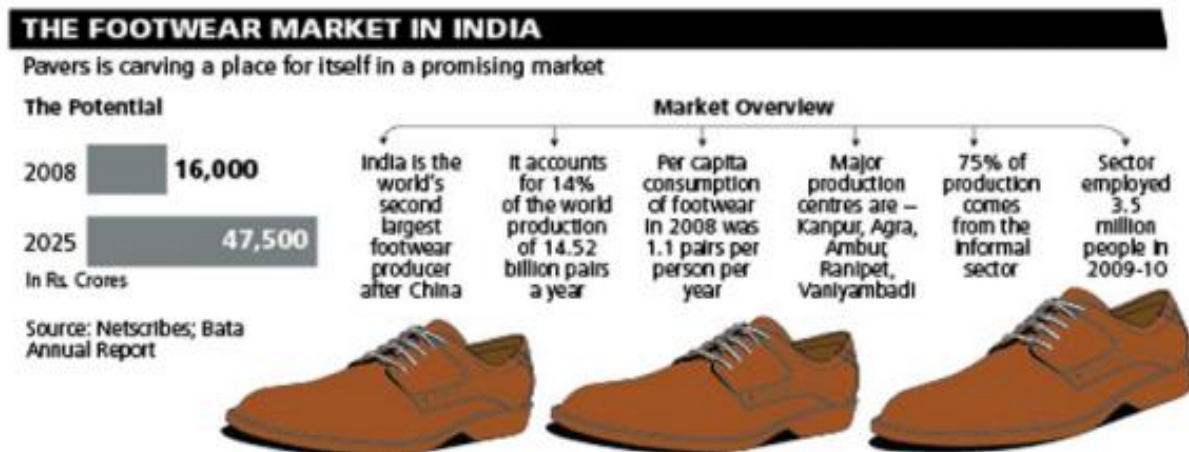
**Table-1**

	<b>CRM</b>	<b>e-CRM</b>
Customer contacts	Retail outlets, phone and fax	Apart from all traditional ways it uses internet, email, wireless and PDA
System Interface	ERP system. Majorly focuses on back end.	Inclined towards front end, use ERP system, data warehouse and data mart for interaction with back end.
Client computers	Several applications needs to be downloaded	Client uses the browser hence no such requirement as in case of CRM
Information Customization and personalisation	Different views depending upon the audience. No personalised view.	Personalised view as per purchase history and preferences. Individual has option to customise the view
System Focus	Based on job function and products system are designed for internal use	Based on customer needs system designed for external use
Maintenance and modification	More time required for implementation. It is expensive owing to system existence at different location	Less time and cost relatively. Single server and location may be used.

### Understanding Footwear Industry:

Footwear Industry has blossom over the period of time and is among the fastest growing consumer sector. Global market was valued at \$20 billion in 2014 which is estimated to touch \$258 billion in 2023 (Studying the Global & India's Footwear Market 2017). India is only second to China in terms of global footwear production and accounts for approx 13% of global production (Adesh Gupta, 2014). Also the global integration, dynamic lifestyle, income growth, the sector is expected to register robust growth. As per economic times (Amarnath, 2012) "per capita consumption of shoes in India has gone up from 1.1 shoes a year in 2011 to about 2.5 shoes per year". The below mentioned figure gives a brief outlook of the industry and its potential in terms of growth in near future.

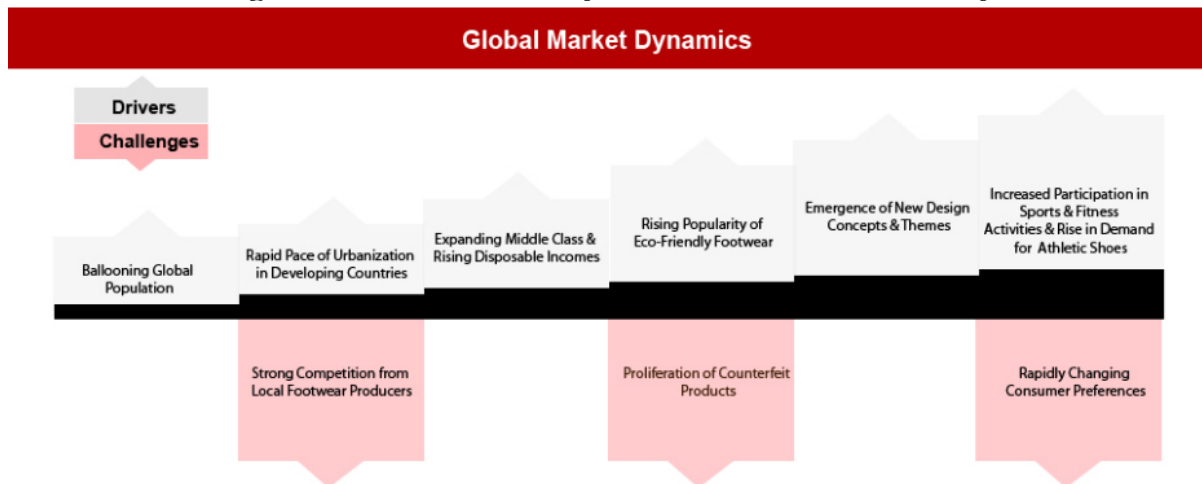
**Figure - 1 Footwear Market in India**



Source: (Chaturvedi, 2015) <http://www.informaticsjournals.com/index.php/gjeis/article/view/2963/2048>

The tremendous growth and the characteristics of the sector has made it highly dynamic. the improved demand for innovative footwear alongside the emergence of brands both at the global and domestic level has driven the market. The technological advancement has made it possible for the leading manufacturer constantly launches the new and innovative footwear keeping the pace with the trends in the market. technological advancements has made it feasible (Studying The Global & India's Footwear Market, 2017). The Global Industry Analysts, Inc. (a world wide Business strategy & Market Intelligence Source, USA) has summarised the dynamic of the Footwear industries in the below figure.

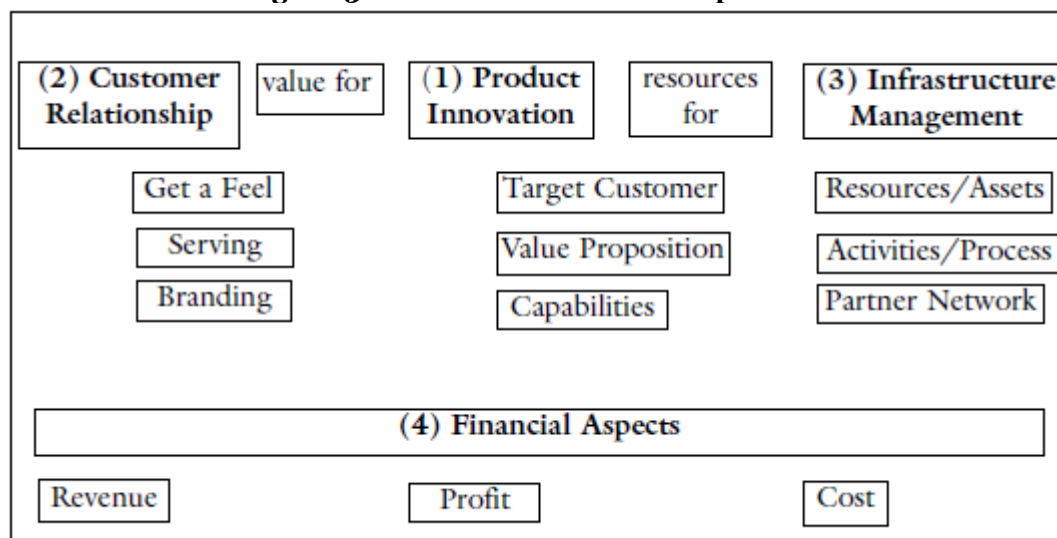
**Figure - 2 Global Market Dynamics of Footwear Industry**



Source: [http://www.strategyr.com/MarketResearch/Footwear\\_Market\\_Trends.asp](http://www.strategyr.com/MarketResearch/Footwear_Market_Trends.asp)

In the light of the constant changes and dynamism a organisation need to frame a business model that can help the organisation to be more flexible and responsive to the customer needs along with the ability to forecast future development without losing the competitive edge in this Internet driven era. The e-Business model (Dubosson-Torbay, Osterwalder, & Pigneur, 2002) has similar objectives.

**Figure-3 E-Business Model Decomposition**



Source: Thunderbird International Business Review (Torbay, Osterwalder, & Pigneur, 2002)

The model is distributed in four parts:

1. Product and services offered: - it states what value organisation wants to make available to the customer. For delivering it considers

o Value Proposition - information and communication technology has made a critical impact on the ways of value creation and its delivery, the advancement has made it feasible for the organisation to add feature of customisation.

- Target Customer- the advancement of technology has made organisations to expand its reach. Though it also has created difficulty for the small firms in terms of developing and implementing differentiated strategies based on geographical regions.
- capabilities- it focus on the capabilities that organisation needs to possess in order to deliver.
- 2. The relationship between firm and customer - the model above includes customer relationship and acknowledges its importance which at times is skipped by the business model aimed on products.
- Get a Feel - it states an attempt to unravel new opportunities and improved relation by exploiting customer information gathered.
- Serving- it refers to fulfilment, support and relation management.
- Branding- It is critical, but has registered a shift by means of relationship dynamics.
- 3. The infrastructure Management- it caters to what all is required by the organisation to create and deliver.
- Resources/Assets- it states that the human resource refers to the people organisation needs for value creation through tangible and intangible resources.
- Activities/ Process- it clarifies that the articulation of both inside and outside activities lead to value the customer pays for.
- Partner Network - It speaks about how the process of value creation is spread across the partner.
- 4. The financial aspects - It is placed as the last component reason being as per the model it is considered as an outcome of above described parameters. it may be understood in two questions - how much expenditure needed for value creation and at what price it should be available to the customers, keeping in mind the profits.

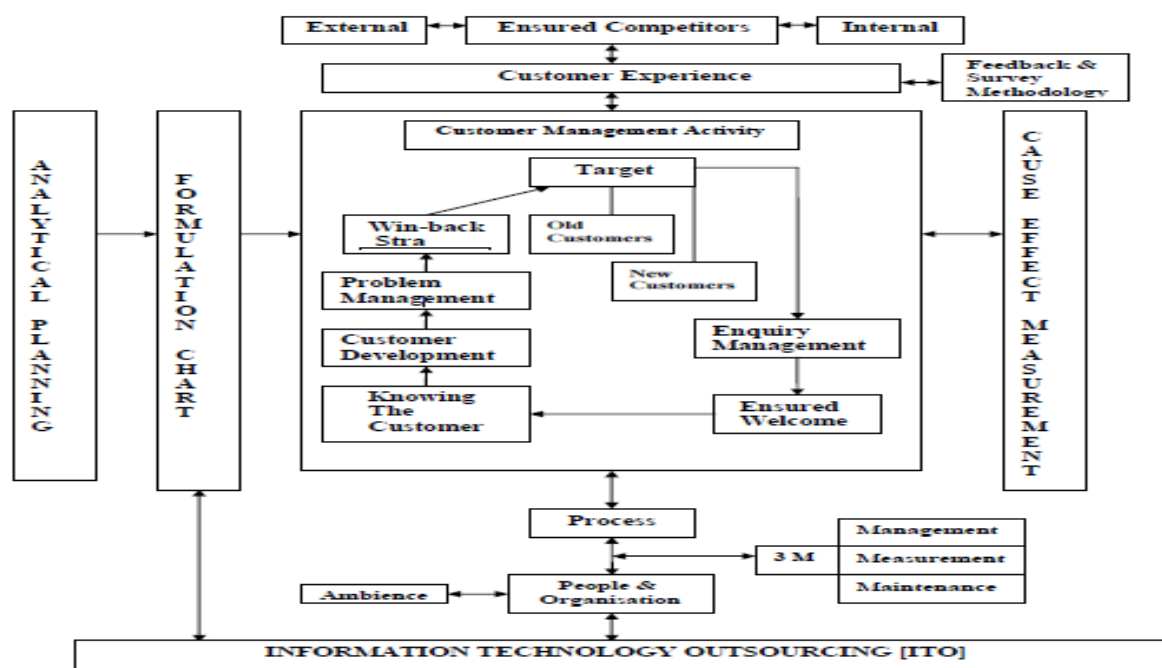
### Role played by e-CRM

Technological dynamism has become one the very strong systematic parameter for the organisations. Organisations definitely cannot control the changing technology as it cannot control its rivals, then what best the organisations can do to sustain? they can manage the way they interacts with its customers (Chen, Chen, & Kazman, 2008)

Footwear industry being the part of fashion industry makes it necessary for the organisations to be apt for agile manufacturing in order to sustain itself with the fast changing trends and style. Quick response is what is required (perry, Sohal, & Rumpl, 1999), that is organisation should be able to swiftly move through production and make the goods available to end customer.

In the recent years, scholar and practitioners suggests that e-CRM has become imperative for some companies depending upon the nature, characteristics and the environment they operate in. e-CRM provides the organisation with the comprehensive approach that aims for seamless incorporation of each and every aspects of business by which customer can be touch. unleashing the impact made by internet, e-CRM focuses on creation of mutual benefit relationship with the customers. Organisation have also realised that their competitiveness in today's environment depends heavily on their relation with the customers via internet. (Dawn & Chowdhury, 2011). Catering to the same an e-CRM model is stated below:

**Figure-4 e-CRM Model For Modern Business**



Source: Electronic Customer Relationship Management (E-CRM): Conceptual Framework and Developing a model (Dawn & Chowdhury, 2011)

e-CRM is considered as a weapon for modern day business and as a strategic tool that enable the organization to articulate clearly what achievement they have made in customer relationship management by analysis where they stand with peers and how they can improvise. E-CRM adds flexibility and convenience to the customer offerings by companies through cost 300optimization . The above diagram gives the blueprint of the essential aspect keeping in mind the inter-relation they possess in order to enable the organizations to deliver improved performance and customer retention in long run.

### Conclusion

Worldwide changes in fashion and lifestyle makes the individual to continuously update themselves. Footwear is an essential part of attire and is directly related to the personality. This makes industry not only a customer centric one but also make it critical to respond aptly and timely. e-CRM as an web-based CRM helps the organisation to meets is objective of knowing what customers wants and to provide them with the same as early as possible. Thereby e-CRM is utilising the techno based innovations as the tool for enhancing the customer relation and ultimately meeting the organisational goals.

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