



Chapter V

Personalized Relationship E-Marketing and the Small Medium-Sized Enterprise

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Abstract

Many small businesses are beginning to adopt at least tactical solutions to enhance relationships between themselves and their customers. This chapter focuses on a UK-based marketing communications company which has developed an innovative personalized relationship e-marketing tool, utilizing mobile technology aimed at the SME sector. Current marketing practices, such as database marketing and CRM systems, are discussed in terms of SME adoption and whether the tool, Sign-Up.to is an effective replacement for established CRM systems. The authors conclude that while the case study company has developed a tool that will aid SMEs with their relationship marketing, the philosophy of relationship marketing must already be imbedded within the SME. The authors' intention is to illustrate how

technology can be implemented in the SME sector and to explore how technology and marketing can help each other.

Introduction

It is recognized that the small business demonstrates certain characteristics that are not conducive to long-term strategic planning. Indeed, many small businesses perceive that the level of risk associated with marketing and marketing decisions is prohibitive and any marketing undertaken by a small business tends to be limited to a more tactical marketing communications approach as opposed to a strategic approach.

Studies (Ritchie & Brindley, 1999) indicate, however, that the **small or medium-sized enterprise (SME)** is rapidly becoming aware of the potential for competitive advantage that can be gained via e-marketing. Research has indicated that the initial primary impact of e-marketing is in terms of the business-to-customer relationship, with SMEs developing Web sites to provide basic product range information (Ritchie & Brindley, 2000). The evidence suggests that while some SMEs are developing their strategic thinking about the potential use of the Internet, this is still primarily focused on the marketing communications and sales strategies. Changes in the wider business environment have led to significant adaptations of technological advancements in the field of marketing, such as the use of specific software. Much of these developments have taken place alongside the shift from transactional aspects of doing business with a customer to relational aspects. Technology has therefore provided businesses with a means of collecting and manipulating customer data that will aid loyalty management, such as the introduction of sophisticated measurement systems, customer targeting based on lifetime value, and defection analysis. In confirmation of this, Zineldin states "Relationship marketing will not be established without IT-based relationships using advanced technological tools" (2000, p. 7). As a consequence, therefore, the use of **CRM** software systems is becoming more widespread. At the same time, smaller businesses are starting to address the wider opportunities associated with e-marketing (Brindley & Ritchie, 2001), and many are beginning to adopt at least tactical solutions to enhance relationships between themselves and their customers.

This chapter focuses on a case study of a UK marketing communications company which has developed an innovative personalized relationship **e-marketing** tool, utilizing mobile technology aimed at the SME sector. The majority of current technological systems designed to aid the marketing efforts of organizations are geared to the larger companies rather than to the SME sector.

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