

Chapter 20

Mobile Customer Relationship Management (mCRM): Constraints and Challenges

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ABSTRACT

Customer Relationship Management is conducive to providing customer information and the correct way to deal with customers. After the advent of the world-wide-web (www), which brought an increase in customer data and intensified CRM discussions in its wake, we are now entering the age of computerized mobile communication with diverse possibilities to enlist the services of mobile people. This chapter outlines the new and latest technological developments and the resultant capabilities of mobile CRM. Looking to a future in which mobile marketing efforts may become increasingly important, the erosion of personal freedom and the threat to this freedom becomes all the more significant. The findings from reactance research do not only specify the reactance conditions but also the reactance consequences. Previous research has sometimes pointed to self-determination as an acceptance factor yet failed to analyze the reactance risk more closely. This chapter will attempt to close this gap. In this respect, the initial findings of an empirical study will be presented, revealing that the acceptance of mobile services is surprisingly low and the reactance risk for mobile services is not to be underestimated, and that reactance involves the corresponding behavior on the part of the user. The plea is to consider the acceptance risk in the mobile CRM of the future and select a customer-friendly permission policy.

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CRM AS A FACTOR OF SUCCESS

The relationship between the supplier and his customers is crucial for the success of both the supplier and the customer. Consequently, customer relations have to be nurtured as a symbiotic relationship with mutual benefits for both parties. This transpires through good benefits and acceptable prices, as well as need-based channels of distribution and presentations and pointed communication. The mixture of these measures is vital over a longer period of time (for CRM as System cf. (Meyer, 2005; Paulissen et al, 2007)). Anyone who is looking to cultivate customer relations has to know what the customer wants, what he rejects and what he is prepared to spend. Consequently, CRM not only entails an action mix but also an analysis mix (Silberer, 2001, pp. 161-176 (especially on Data quality see (Missi, 2005))). The variety of CRM definitions in different disciplines (e.g. Information System (IS) or Marketing literature) must not belie this (Boulding et al, 2005, pp. 155-166; Ngai, 2005, pp. 582-605; Paulissen et al, 2007; Payne & Frow, 2005, pp. 167-176). Payne und Frow (2005, p. 167) also criticize the many partly contradictory or incomplete definitions. Based on an analysis of various sources (twelve different definitions in total), the authors worked out the relevant aspects and similarities and came up with the following work definition: "CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate [...]. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships [...]. CRM provides enhanced opportunities to use data and information to both understand customers and cocreate value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications." (ebda). The definition reflects the current state of knowledge and

the essence of CRM particularly well and will also be taken as a basis here.

This chapter focused on the adoption of CRM in mobile communication and the acceptance and reactance of mobile services. Therefore, we outline the role of CRM in the age of mobile communication in the next section. Afterwards, we specify the technical parameters of mobile CRM, before highlighting possibilities of context-aware Services. In the following, we deal with the state of acceptance and reactance within the mCRM and using mobile services. Furthermore, we present the findings of empirical concerning mobile services, acceptance and reactance. The chapter finished with a conclusion.

CRM IN THE AGE OF MOBILE COMMUNICATION

The spread of mobile communication, which has become a global mega-trend, has opened up fresh opportunities to get to know the customer, attract new customers and cultivate customer relations (Silberer, 2004, pp. 453-470). This applies to suppliers of goods and services on the classical market and providers of services on the electronic market alike. Mobile communication means that people with a mobile device can be reached both at home and on the road and are capable of reaching other people and institutions when they are at home or on the road themselves. Access to web pages and other information services can be offered to the customer anytime and anywhere, which generate sales themselves or promote sales for other services (Attwood et al, 2000). Approximately 50% of mobile network users can already access mobile services today. Furthermore, various studies predict that the number of mobile Internet users is set to increase to about one billion by the year 2011 (Schäfer & Toma, 2008, p. 18). As a result, it is worth considering the possibilities of mobile CRM (mCRM) and trying them out (Frolick & Chen, 2004, pp. 53-61; Homburg & Bruhn, 2003,

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