
The Strategic e-Customer Relationship Marketing Model for retaining customers on online

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Utilizing e-mail as the tool of the e-customer acquisition has brought up various problems in the e-business situation. We consider that e-mail must be used to retain e-customers rather than to acquire new e-customers. The e-customer retention to bring a company a long-term profit becomes very key issue. Therefore, in this paper we propose the strategic e-customer relationship marketing model for retaining e-customers. In our model, while describing standpoints that should be considered in the e-customer segmentation for visualizing the image of e-customers who must be retained, we insist that companies must strengthen the relationship with e-customers thorough a continuous and frequently-repeated communication by e-mail.

Key words : e-mail, e-customer retention, e-marketing strategy, communication tool, e-customer relationship, e-CRM model.

◆ I . INTRODUCTION

The development and widespread use of the internet in a short time is making the market of e-business a large scale. By the white paper on information and communications published by the government of Japan in 2006, the e-business global market scale grew 13 times during 5 year, and the annual average growth rate is more than 70 % . Therefore, we can feel that the e-business has rapidly developed in the economic environment. However, it is highly regrettable that even though the e-business has accomplished the rapid growth, the corresponding effective e-marketing strategy, especially for retaining e-customers with utilizing e-mail has not been mapped out yet. As the main reason, there are several problems such as the difficulty on performing a marketing strategy on the internet, and the misuse of e-mail as the e-marketing tool. One reason of the difficulties on carrying out an e-marketing strategy is the gap between the online and the offline environments in the customer behavior. The one distinctive feature on the online as opposed to the offline environment is that not only the e-customer can easily and freely hop from the visited website to other global one by only one click but the e-customer is invisible. In other words, it is very difficult to acquire and retain customers on the online. These circumstances concerned make the development of the effective e-marketing difficult.

The e-mail is strategically utilized as the customer acquisition

tool on the internet because cost is very cheap. According to the research on the comparison of cost per the type of communication tools by the Contact Babel [15], the cost of automated e-mail used generally is 0.25 dollar, whereas the interactive voice response (IVR) is 1.1 dollar and the telephone is 9.5 dollar [10]. That is, the cost of IVR is about 4.4 times of e-mail cost, and the cost of telephone is about 38 times. Therefore, we can soon find out that e-mail is the cost-effective tool. However, it causes a nuisance to the receiver because e-mail is used as a promotion tool to acquire new e- customers.

This means that a lot of marketers induce the critical fault of merely replacing traditional direct mail by e-mail only because it is cheaper without considering the strategic e-marketing concept. As a result, most of the receivers treat the promotion e-mails as spam. In fact, according to the study report by Radicati Group Inc. [17], spam mails sent every day in 2006 became 122 billion messages, which is equivalent to about 70% of e-mail traffic, and by 2010, the spam rate will increase to 79 % .In the situation that the spam mails are flooding, the distrust on e-mails sent from companies for getting e-customers has broadly spread to e-customers. However, we consider that it is possible to make a best use of the essential e-mail strength by reviewing the use of e-mail. That is, a marketer must be use the e-mail to retain the e-customer rather than to acquire the e-customer. It is known well that the cost of customer retention is actually less than the customer acquisition cost, and contributes to improve profitable sales.

Therefore, we describe that you should utilize e-mail as a means to encourage the mutual understanding and build a confidence with customers and companies on the e-business. And then we will discuss the communication and relationship needed for developing long-term relation with e-customers, and next discuss the segmentation of target e-customers that must be retained

Consequently, we will suggest the model, which is the strategic e-customer relationship marketing (e-CRM) model for retaining customers by utilizing the e-mail as a communication tool on e-business.

◆ II . THE ROLE OF COMMUNICATION AND E-MAIL IN THE PROCESS FOR BUILDING UP THE MOST VALUABLE E-CUSTOMER RELATIONSHIP

In this section we discuss on the interrelation between the communication which is an invaluable element and the e-customer relationship built up for realizing e-customer retention, and disclose that e-mail is a very powerful communication tool to more effectively develop the relationship with the e-customer. In addition, we explain the necessity to segment an e-customer group worth for improving the relationship because it is very important to pick out the customer as the target which should be retained on e-business. Then, we suggest briefly the analysis criterion of the most valuable e-customer segmentation.

◆ **A. The communication for improving the e-customer relationship**

We can develop the relationship with e-customers to retain through the communication. As Peppers & Rogers Don [3] stated, the most indispensable element of your relationship with each of your customers is the dialogue and feedback, and to find out what this customer really wants. Through the communication process like conversation and the feedback, we can seek and understand an e-customer needs and wants. By providing what based on this needs and wants, we can strengthen the trust relation and the mutual understanding with the e-customer, and can build up a reciprocal relationship.

We explain how communication is involved in the building process of relationship (see Fig. 1) which is remodeled in reference to the Duncan and Moriarty illustration [4]. As shown in the Fig.1, a company sends a valuable message to e-customers through various channels such as products or media. This is the beginning of a communication process from the company towards e-customers. When e-customers receive one or multiple messages, and if they feel the sympathy and the relief with these messages, they will trust the company and the interrelation between an e-customer and the company is created through the communication.

Although this is merely a connection to begin with, we can start an "interactive communication" by strengthening this mutual trust at the point when the "interrelation" is created through the communication. Through the interactive communication, the company can get a lot of valuable information from e-customers on their consent, and by making good use of these information, the company can provide useful information to their e-customer at an appropriate time. As a result, it becomes possible to develop a good "relationship" with the reciprocity.

In other words, the relationship with the e-customer is started from the e-customer's trust towards the company. By beginning and keeping continuing the interactive communication gradually, it is possible that the company can

offer what suits e-customer's demands. Through this way, the company can increase an e-customer benefit as well as connect to find out a new value of e-customers, and eventually strengthen the relationship between both sides. Therefore, we can say that there is a close connection between a strong relationship and communication frequency.

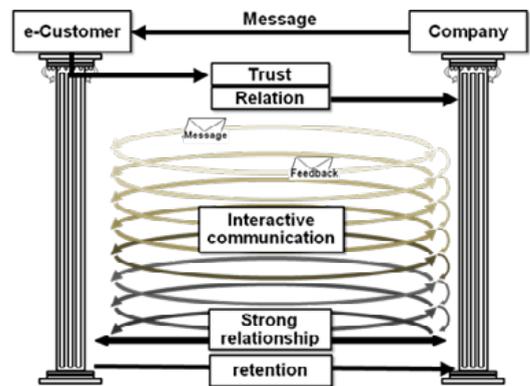


Figure 1 Interrelation between the profundity of communication and e-customer relationship

◆ **B. Role of the e-mail as a communication tool**

Today, the percentage of e-mail users has increased to 90% on internet according to The Ministry of Internal Affairs and Telecommunications, Japan government [16]. In other words, we can say that many internet users admit the value of e-mail as a communication tool. The e-mail has not only the advantages such as interactivity and quickness but has a superior feature which is low cost, particularly in comparison with the other existing communication tools.

At present, many companies have adopted the e-mail marketing method focused only on the fact that it is a low cost option. Consequently, a lot of one-way e-mail aimed for e-customer acquisition has caused spam. It is hard to say whether the e-mail is being effectively utilized as a communication tool, because the dumping large quantity of one-way e-mails on e-customers is very difficult to get the desired level of feedback. To utilize e-mail as a communication tool with its maximum potential, the interactivity enabling mutual dialogue is very important. Because it is easier to get the feedback from e-customers by making use of interactivity, a company can build up a stronger relationship with e-customers by strengthening the mutual understanding and trust. Accordingly, a company should make use of e-mail as a means of communication for building up the strong relationship with e-customers.

Actually, we can look at the Amazon site to be a good example of how a company should utilizes e-mail in reality. The Amazon site uses e-mail as a tool for directly conforming the e-customer's purchase action. This way supports to

perform the almost all dealing communication on Amazon site. Moreover, the Amazon site tries to communicate by e-mail with e-customers or contest participants with who the relation has been already built up. For example, the Amazon site promotes sales by sending the recommendation e-mail to e-customers based on items that the e-customer has previously purchased or browsed. Though such a strategy might obtain the good result as the sales promotion, the effect of communication attribute for retaining e-customers is not actually very far-reaching. This is why there are only two possible choices to this recommendation e-mail that is, the e-customer either buys a recommended item, or the e-customer ignores the recommendation e-mail. Therefore, it is difficult to say that this is a feedback in communication. But even if we assume that this is some sort of the feedback, the company cannot get further information on the e-customer's needs and wants that can be utilized for a next communication message, and consequently it does not work as the mutual dialogue.

That is, we consider that the Amazon's recommendation e-mail is based on only the purchase information. However, because the e-customer's preferences and values are changed as time goes by, it is necessary to cope with these changes. If cannot handling or predicting these changes, there is a potential riskiness that the e-customer will most likely regard an e-mail as unrelated, and then consider the recommendation e-mail as spam. Therefore, it is very doubtful that whether the Amazon's way is the best use of e-mail as an effective communication tool for retaining e-customers. To utilize e-mail as the communication tool which builds up the solid relationship with customers on the online, it is very crucial that a two-way continuous communication, not just a one-way, should be done to keep an eye on receiving the e-customer's feedback.

In addition, it is very important to correctly utilize e-mail as a bilateral communication tool for keeping the continuous mutual dialogue which strengthens the relationship with e-customers and then results in the e-customer retention. Therefore, we consider that an e-customer retention process model, which gives attention to the communication with e-customers and utilizes e-mail as a two-way communication tool, is very important on the e-business.

◆ C. Necessity for the e-customer segmentation to realize higher profitability ■

According to the research survey for various industries by Reichheld [5], it is known that the profit is increased by 25-95 percent when the retention rate of customers is improved by 5 percent. This result shows that the strategy which continues

the relationship with customers for a long time is effective because of yielding the higher profits. However, handling e-customers by paying the equal attention with equal cost to all e-customers is inefficient, because the profitability which each e-customer brings to a company is different. Generally, handling an e-customer with a higher profitability and an e-customer with not so by the equal cost and efforts is not very efficient.

Therefore, it is necessary to invest intensively for retaining e-customers with a high return over the long term. To draw out the maximum ROI from e-customers retained in the long term, it becomes very important that a company should provide services tailored to the needs and wants of each e-customer after segmenting the most valuable e-customer strategically.

However, it is hard to say that the existing customer segmentation techniques which are generally used by marketers carry out the original function well. As stated by Christensen et al. [1], customers do hardly behave according to the average tendency in the joined demographic segment even if customers are forcibly classified into a specific lifestyle group. In other words, even though segmenting e-customers based on the demographic data, an e-customer behaves according to the behavioral pattern by the personal values. Therefore, we consider that it is very difficult to get the high profitability from segmented e-customers even if utilizing the segmentation technique which does not perform the function based on the e-customer's characteristics. Hence, in our paper that we consider to propose the e-customer relationship marketing model, we distinguish the peculiar behavior characteristics of customers on the online as an example of an e-customer portfolio which is one of the e-customer segmentation ways. By this working, we can discriminate the criterion variable needed in segmentation and identify the each e-customer image. And to conclude, we can retain the target e-customers and get the effects of new e-customer acquisition by buzzing of the most valuable e-customers, and then as a result, achieve a long-term high profitability by assigning efficiently the e-business resources.

◆ D. Consideration on the criteria of e-customer portfolio analysis ■

We consider that the e-customer portfolio analysis is one of the tools which is able to smartly select the most valuable e-customers. However, it is very important to visualize the relationship with e-customers and an e-customer's profitability when analyzing the e-customer portfolio. Since the stronger the relationship with an e-customer is, the more the profitability from the e-customer is increased. Accordingly, we need to set

up analysis criteria of an e-customer portfolio based on these facts. As the analysis criteria of the e-customer portfolio, we consider a relationship factor which quantifies the relationship strength of an e-customer, and an e-customer's net revenue ratio which is the net rate of return. The reason is that the more the relationship between an e-customer and a company becomes strengthened, the more the e-customer's net revenue ratio becomes high.

Generally the RFM analysis widely has been used in the offline as the customer segmentation technique. However, with the RFM analysis, it is hard to measure the potential purchasing power of an e-customer and the trust relation with customers on the online, such as the frequency of visiting a company's website and the frequency of checking and responding to an e-mail sent by a company [9]. Therefore, to carry out the e-customer segmentation reflecting the e-customer's behavior characteristics which is showed up on cyberspace, we accept the visit frequency which is the frequency of visiting to the website and the e-mail frequency which is the frequency of e-mail transmission from an e-customer that are suggested by Ko et al [9] as the important factors for evaluating e-customers. Consequently, we consider that the value level of relationship with e-customers is distinguishable more precisely by adding these two factors to the traditional RFM analysis.

Next, we ponder about the e-customer's net revenue ratio (e-CNRR). We consider the e-CNRR as the ratio which indicates the accumulated net profit of an e-customer occupied in the net gains of a company over a given period of time. By combining this e-CNRR with relationship factor, we can visualize the strength of relationship with e-customers and the profitability which each e-customer brings to the company on the online. For example, in the e-customer portfolio analysis with putting the relationship factor on the X axis and the e-CRNN on the Y axis, we can easily find out candidates for the most valuable e-customers who are targeted because they are belong into the A segment where the e-CRNN is high and the relationship factor is high. On the other hand, we judge from the B segment with a high e-CNRR and a low relationship factor that e-customers classified into this segment have a high possibility of becoming valuable e-customers by utilizing a strategy to strengthen the relationship.

However, we must be careful that the e-customer value image considered is only made visible by drawing out the limited information from a lot of information concerned on e-customers. That is, our visualized e-customer value image does not reflect the information which comes from other sources concerned. Therefore, it is necessary to provide another indicator which also includes information to be an impending factor to the above-mentioned criteria. If that

happens, the segmenting accuracy for selecting the most valuable e-customer will be higher.

Furthermore, with the rapid shift of business environments, any attribute value of factors for determining the most valuable e-customer might be attenuated with the time passage. To select correctly the most valuable e-customer who brings in higher profits while coping with business environment changes, it is necessary to line up a concerned system. That is, the segmentation must be maintained with the best conditions. Thus, we must check periodically up whether the analysis criterion of e-customer portfolio keeps validity and handling timely with.

Like this way, by visualizing the relationship with each e-customer, a company can identify e-customers who should be retained and know what kind of actions should be taken. In the next chapter, we explain our e-marketing process model, which brings higher profitable sales with retaining e-customers through the interactive communication by e-mail.

◆ III . THE STRATEGIC E-CUSTOMER RELATIONSHIP MARKETING MODEL

We have discussed about the roles of communication for maintaining the relationship with e-customers and of e-mail as a communication tool, and the ways of selecting the most valuable e-customer who should be retained. Based on these concepts, we propose the strategic e-CRM model for bringing long-term profits to a company. First of all, we will consider five prerequisites necessary to carry out this strategic e-marketing process model.

◆ A. Prerequisites for performing the strategic e-CRM model

We focus on realizing a continuous communication by e-mail which is used as a communication media. Because the relationship with e-customers will be strengthened through the continuous communication, it can directly and steadily plug into the retention of target e-customer. Since the continuous interactive communication needs to be kept, it is necessary to create environments concerned. That is, we need some prerequisites for developing our strategic e-marketing process model as follows.

Prerequisite 1 : Realizing the e-customer empowerment

In general, the empowerment is considered in two viewpoints: the relational concept and the motivational concept. However, there are quite different views about empowerment. In most

popular opinions, it is almost taken as a synonymous meaning as the power shift. That is, we could understand the empowerment as that the person who has the power or authority vests it to a powerless or unauthorized person [11]. Based on this concept, we define the empowerment that a company vests the power or the authority to an e-customer to collaborate closely with the company, because the closer partnership will be built up as the e-customer is empowered.

Urban [8] stated that the internet increased an e-customer power surprisingly, and reformed the interrelation between the e-customer and a company from the root. Moreover, Drucker [12] said that formerly, the supply side having information concerned with products and services, especially the manufacturer held the supremacy in the market. Though customers could not have this information and need not either, these all situations have reversed since about 1970. Now customers have the information, and anyone who has the information holds a power. Accordingly, the power has shifted to customers. Therefore, we can consider that there will be the influences on the partnership in the aspects of relationship and emotions between an e-customer and a company by the empowerment.

We first think about the influences on the partnership in the aspect of relationship. Although offline customers have carried the loyalty to a company so far, it is very preferable that companies must try to convey the loyalty to their own most valuable customers in the e-business circumstances. For example, it will be necessary that a company must cope positively and seriously with most valuable e-customers' needs and wants to be claimed regardless of costs.

Next, we consider the influences on the partnership in the aspects of emotions. According to Kotler [14], the anticipation of customers is changed with how customers were deeply related themselves to the offering process of service. Moreover, Chaffery [2] said that the feeling of achievement responded when the full customer support and the customer desire are realized is the important factor which strengthens the relation between a customer and a company.

Because of the influences in the respects of the relationship and the emotions, it is considered that the target e-customer will behave in cooperation with the company for achieving the own desire aggressively. As a result, we consider that this cooperative relationship further strengthens the partnership.

Prerequisite 2 : Understanding the learning relation

To satisfy the former prerequisite helps to understand and keep the learning relation. It is because that the empowered e-customer is able to behave more actively. Moreover, the e-

customer try to convey his /her own needs and wants to the company more aggressively with understanding the concept of learning relation that giving the own concerned information and making the company to learn become the own profits. Through this process, a company will learn e-customer's needs and wants, and then the e-customer is able to obtain something which is best suited for his/her own desires from the company.

Kotler [13] also said that the more a customer conveys information to a company, the more the company comes to be able to offer the thing as the customer just desires. The company is also able to improve the own capability for handling e-customers' desire by learning the e-customer's needs and wants through the interactive communication. At the same time, it becomes possible to offer a personalized product or service and as a result, it brings about an immeasurable competitive advantage.

Prerequisite 3 : Visualizing an e-customer's privilege

In the e-business environment, it is necessary to visualize an e-customer's privilege so that let the e-customer actually perceive the empowerment. However, it is not easy to visualize an e-customer's privilege on the online, because companies do not have the recognition for the real privilege service yet. Kotler [14] said that a customer doesn't understand the service easily because the service is intangible. Then, the customer tries to look for the clue that shows the quality of service, and the company handles this situation with the quality of service. However, it has not been clearly offered by a company with lacking the understanding of privilege, because the concept of the privilege service is still new and unfamiliar in e-business. Therefore, it is necessary to have the means to make an e-customer privilege visible on the online to show the loyalty to the e-customer so that the empowered e-customer can forward his/her needs and wants to the company.

For example, offering a premium website is considered as one of the visible privilege. As the case, we can give the Dell's premium page which is customized for and offered to the most valuable e-customers and the most promising prospects. The purpose of setting up this premium website is supporting to promote a purchase and achieve a remarkable result in the improvement of a customer's asset management related with a sale [6]. However, the visualized privilege to be offered by the Dell's premium website is very far away from the most valuable e-customer's privilege to be targeted to visualize.

In this paper, we consider that the premium website is not for the sales promotion purpose, but is a space to reinforce a secretarial factor for offering a convenience to the target e-customers to realize the needs and wants of

target e-customers for retaining. Moreover, we propose that a company must make the privilege of the target e-customer visible as the major premise so that the e-customer selected may make an own privilege easy to recognize.

Prerequisite 4 : Recognizing the boundary with a company’s handling cap ability.

Kotler [14] said that a company that offers a service is evaluated by reliability. However, the trust is indispensable to keep the continuous relationship with all existing customers on the online not only in companies related to service but in all companies. Little things destroy the trust relation in an instant even if the mutual trust has been built for a long-term. That is, there is a great possibility not to be able to comply with the requests from an e-customer when the e-customer’s needs and wants are over the handling capability of a company.

As a result, it may create the rift in trust relation between an e-customer and a company, and then there is possibility not only to connect to the e-customer’s churning but to cause the heavy loss to a company.

Therefore, to continue the trust relation by returning the anticipated results to an e-customer, it is necessary that the company must shows clearly the own adaptive range and get an e-customer’s understanding for the limits of company’s handling capability.

Prerequisite 5 : Companies must have a perception that the expense for retention is investment.

It costs more when a company communicates closely with existing e-customers and carries out requests from the target e-customers for retaining. Sometimes, e-customers may push their needs and wants to be unprofitable to a company. However, in the long-term view point, we can expect that even if there will be a situation with a temporary loss, coping positively with an e-customer’s needs and wants keep the retention of the e-customer and can bring the long-term profits. That is, e-customers in our strategic e-marketing model are the 20% most profitable and valuable e-customers who give a company 80% of the profits. Furthermore, they give additional profits as to bring new e-customers to the company through the buzzing.

Therefore, the company must have a perception that the expense on handling the e-customer’s requests is not cost but investment. More concretely to say, to consider the expenditure generated by handling these e-customers’ requests as the investment can be connected to the realization on the visualization of e-customers’ privilege, and then can comply

generously with an e-customer’s own way. Accordingly, the relationship based on mutual trust between the company and the e-customer becomes stronger and more powerful. As a result, the increase of long-term profits through the e-customer retention as the ROI can be expected.

◆ B. The strategic e-customer relationship marketing model

When the above-mentioned five prerequisites are met, we can carry out the strategic e-CRM model (see Fig. 2). The strategic e-CRM model is basically composed of five stages, three phases and the relationship strength. At first, we explain the stages and the phases by showing the changes of the relationship strength between a company and an e-customer according to the time passing. In figure 2, time is taken in x axis and retention rate is taken in y axis.

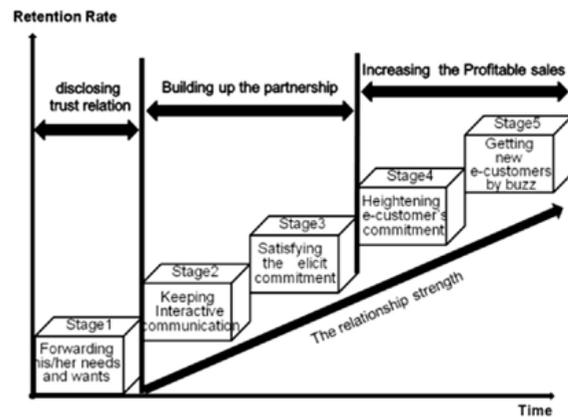


Figure 2. The strategic e-customer relationship marketing model

Stage 1 : Forwarding an e-customer’s needs and wants

The stage 1 is the trigger stage where the most valuable e-customer who has already taken some communications with a company conveys his/her needs and wants that become a motive of the e-marketing process beginning to the company.

The e-customer behavior in this stage is done through the site of visualized privilege service based on the empowerment and the understanding of learning relation, and show that an e-customer trust to the company is came up to the surface. Consequently, to realize the requests forwarded by an e-customer within the range of company’s capability will become an important driving force which can draw out another needs and wants from the e-customer, and at the same time, will strengthen the trust relation with the e-customer.

Stage 2 : Learning an e-customer's needs and wants through the interactive communication

This stage is the place where the learning relation between an e-customer and a company is carried out on the e-customers' needs and wants forwarded based on the trust relation at the trigger stage.

In other words, through the continuous interactive communication with e-mail, an e-customer tries to make a company discern his/her needs and wants, and also the company tries to understand the e-customer's requests correctly. Therefore, the company strengthens the relationship with the e-customer more based on the strong mutual understanding by taking concrete shape of the e-customer's requests. As a result, the company can recognize the state of the partnership with the empowered e-customer.

Stage 3 : Maintaining the commitment of e-customers

In this stage, dealing with an e-customer based on his/her needs and wants learned in the former stage take the e-customer's commitment out.

There have been various views on the commitment. Dwyer et al. [7] stated on the commitment as follows. The commitment is the implicit and explicit contract to retain the relationship between exchange partners. In this stage, we consider on the commitment that it is the implicit contract concerning with keeping the relationship which is generated by keeping contacting a company's web site.

When a company acquires the commitment from the target e-customer, it is very important to consider the cost of handling a most valuable e-customer as the investment.

Because, the satisfaction level of an e-customer who obtained emotional and functional advantage as to realize the e-customer's own request by the faithful company more strengthen the relationship with the company and forward the new requests, and then result in the long-term profit. Furthermore, the partnership based on the mutual trust is going to strengthen as the e-customer who reached this stage makes the cooperative relation with the company strong further.

Stage 4 : Retaining an e-customer by improving the e-customer's commitment

As the strong partnership generated in the stage 3 makes the realization of a further request repeat for the e-customer with whom the commitment was met once, an emotional and functional benefit of the target e-customer improves more,

and the higher e-customer's commitment will be brought out. Through this continuous process, the relationship with an e-customer strengthens more, and then the situation with retaining the e-customer more certainly is taken place. Consequently, the most valuable e-customer retention in this stage not only brings a long-term sales improvement or profit increase to the company but also connects to the new e-customer acquisition.

Stage 5 : Getting new e-customers with the buzzing

In this stage, a company can not only bring the sales or profit increase by an e-customer retention but also get a new e-customer acquisition which is the synergy effects caused by the e-customer retention with the gradual heightening of the commitment in the stage 4. Because, it is expected that as the commitment is reached to a constant level, the retained e-customer takes the special behavior that a general e-customer doesn't. That is, the most valuable e-customer voluntarily and positively takes a buzz activity to recommend the company to neighbored persons.

As a result, the company can acquire new e-customers without the promotion cost through this buzzing, and the effects on the sales improvement or the profit increase by this new customer acquisition can be expected.

Phase 1 : Actualizing of the trust relation

This phase shows the situation that an e-customer can not only take the action in the stage 1 but also move to the next stage. Namely, it is the situation that the e-customer's trust to a company has been actualized. In other words, the e-customer's trust to the company forwards their needs and wants to the company based on the trust relationship, and at the same time, creates the environment of interactively communicating with the company.

Phase 2 : Building up the partnership

In the phase 2, an e-customer and a company mutually understand the relationship as the partner by making the company to learn the e-customer's needs and wants as the e-customer empowered forwards his/her own request more actively to the company. The relationship like this makes the e-customer's commitment to be accomplished by giving the situation where the both can behave mutually as the partner. Through this process, the partnership based on the strong relationship between the e-customer and the company is strengthened.

Phase 3 : Increasing the profitable sales

We can look at the phase 3 that the situation is happened, where the e-customer retained with the strong relationship built up through the stage process brings the long-term effects to the company. Namely, the effect of the long-term sales improvement is expected through the retention of the most valuable e-customer and the new e-customer acquisition by the buzz as results in the stage 4 and 5.

Therefore, so long as the desires from an e-customer empowered are generated, the process from the stage 1 to the stage 3 is repeated endlessly by interactive communications, and then the relationship with the e-customer is further strengthened.

There are various expected effects of the e-customer retention resulted in the very strong relationship built up by this continuous communications. But first and foremost, the most valuable benefits of this model are the direct sales increase from the e-customer retained and the profitable sales by new e-customers acquired with buzzing.

As described in the above prerequisites, the high satisfaction and the feeling of achievement to be perceived when an e-customer's desires with the awareness of joining the plan is realized will sprout the high commitment to the relationship with a company. Moreover, the e-customer will do not only his/her purchase activity but also the promotion activity by keeping the gradual increase of the commitment through the partnership with the company. Ultimately, a buzzing effect from the e-customer is yielded.

As a result, the company can realize the improvement of long-term sales as well as get a new e-customer acquisition generating a new effect of increasing profits by the most valuable e-customer retention.

◆ IV . CONCLUSION

As the appearance of online shopping mall passed away ten years, various commodities keep overflowing on the Internet, and the commoditization and the competition between companies keep on intensifying. In these situations, if a company grasps e-customer's needs and wants and can build up the good relationship with the e-customer, we can expect that the company can get the strong competitive advantages.

We insist that the ceaseless communications are needed for keeping the relationship with the most excellent customer on e-business. Besides, we previously made it clear that e-mail is a tool with high cost-effectiveness for communicating with a customer on the online. In the internet questionnaire survey carried out at this time, the 88.7 percent experienced

answered that it is e-mail when inquired of the experienced "Which is the most to use as the tool of forwarding your desires to a company. Hence, we can judge that e-mail is the communication tool with excellent cost-effectiveness, and the needs of e-consumer's use are high.

However, e-mail is not showing its own essential merit due to utilize for aiming at the e-customer acquisition. Thus, we reconsider that the use of e-mail must be reviewed from the customer acquisition to customer retention. Based on this consideration, we propose the strategic e-CRM model. We believe that this e-CRM model is applicable to the real world, not theoretical, as the e-business marketing strategy model.

Finally, we do not consider the side-effects of this model. But, we believe that our paper offer a wide research area on the study of serviceable e-business marketing model in the future.

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