



# **Communication Systems for E- Business**

**Name, Surname:** Rasa Gulbe, Guna Puisāne, Ilja Semenčenko, Irēna Skārda

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## **1. Introduction**

In today's dynamic business landscape, establishing effective communication with customers is essential for achieving success. One of the most efficient ways to accomplish this is through the integration of a communication system into the overall IT landscape of a company. Past research has shown that by implementing such systems businesses can significantly enhance their customer relationships, brand strength, and ultimately drive revenue growth (Manser Payne, Peltier, & Barger, 2017). In this research, we will discuss various communication systems available, analyze their respective benefits and potential challenges, and provide an estimation of the associated costs for integrating the chosen system into a company's projects.

## 2. Existing Communication Methods for Customer Interaction

In this section, we review various communication systems that are commonly used in customer interaction. By understanding these systems, businesses can optimize their communication strategies and enhance customer interactions.

**Cross-channel marketing** is a dynamic approach to customer interaction that involves utilizing a diverse range of channels to engage with customers (Beck & Rygl, 2015). Unlike traditional (single-channel), cross-channel marketing allows both customers and providers to engage in partial interactions across multiple customer touchpoints. **Customer touchpoints** include *traditional media, store interaction, printed materials, phone, customer service and returns, payment, loyalty and incentive programs, digital, e-mail, organic and paid search, display ads and banners, trade shows and interactive TV* (Manser Payne, Peltier, & Barger, 2017). Channels that can be used in a cross-channel communication strategy also include *web, SMS, call center, in-store marketing and direct mail* (DX Adobe, 2021). Whether it's through *physical stores, social media or online platforms, mobile apps or instant messaging*, businesses can establish touchpoints where customers can browse, inquire, purchase, and seek support. For example, a customer's shopping journey might start with researching products online, continue with a physical store visit, and conclude with an online purchase.

Manser et al. (2017) present an *Integrated Marketing Communications (ICM)* framework, which illustrates various communication methods for customer interaction, grouped by whether they are personal or nonpersonal. When assessing communication systems for interaction automation we mainly focused on **non-personal touch points** enabled by digital technologies.

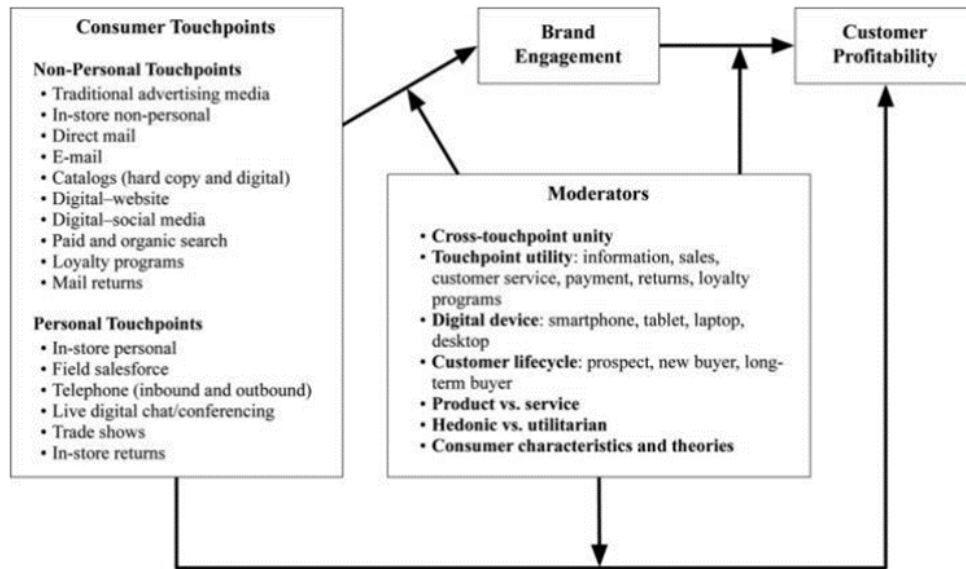


Image credit: Manser Payne, Peltier, & Barger, 2017

**Customized email marketing** can increase website traffic (Kannan & Hongshuang, 2017). Most content management systems nowadays have ready-made integrations with email communication solutions to send out mass emails, automate email interaction, as well as gather insight about communication patterns. Email marketing tools include such solutions as **Mailchimp**, **Mailigen** by **Pipedrive**, **MailPoet**, and such open source solutions as **Mautic**.

**Digital-website** interaction can be enhanced with personalized *recommendations* as well as *chatting features*. *Chatbots* can be employed to increase efficiency of communication and provide personalized content. Some chatbot solutions include **Botsify**, **Collect.chat**, **Chatfuel** among others.

In recent years, the significance of **social media** has experienced a remarkable surge, particularly in the field of customer communication (Rohm, Kaltcheva, & Milne, 2014). Social media platforms offer businesses opportunities to provide timely support and product information, entertainment, and help build relationships with their target audience. With billions of active users across various social media platforms like **Facebook**, **Instagram**, **Twitter**, **LinkedIn**, and **YouTube**, businesses can leverage social media for communication in the form of *posts*, *stories*, *videos*. Additionally, these platforms can be used for indirect communication via *user created and shared content*, *comments*, *reviews*.

Due to recent advances in the fields of artificial intelligence, processing capacity of even small devices some **personal touchpoints** can now be leveraged using communication systems. With consumers relying more on their mobile devices, a wealth of communication solutions can be used to automate and enhance mobile communication. **Mobile advertising**, for example, sending *SMS messages* to potential customers has been shown to boost engagement and customer satisfaction in some cases (Tsang, Ho, & Liang, 2014). Applications that enable businesses to send SMS automatically include **TextMagic, SimpleTexting, Sakari** and others.

Communication systems can be used to automate phone interaction, both when it comes to selling and customer support. According to McKinsey (2018), up to 40% of call center calls received could be automated using **callbots**. Initial reach out to potential customers can also be automated using such callbot solutions as **Kavkom Robot Dialer** or **Callbot App**.

**Display ads** are often perceived by businesses as a communication channel, which helps to initiate a conversation. However, Dinner, Van Heerde, and Neslin (2014) claim that customers tend to perceive them not as a communication tool, but rather a bill-board that functions as means of raising awareness, not direct interaction. Thus, further solutions for creating and showcasing display ads shall not be considered as communication systems.

### 3. Method Selection

**Email communication** was chosen as the main customer touchpoint for our business, due to its effectiveness and convenience. As a small business with a freshly created website ([www.tinytrips.com](http://www.tinytrips.com)), there is no physical store or in-person interaction with customers yet. Therefore, leveraging email as a communication method allows our business to efficiently manage and track customer interactions, inquiries, and feedback.

Another factor that influenced the decision to choose email communication as a communication system is the chosen ecommerce solution - WooCommerce. Wordpress plug-in WooCommerce already offers built-in email sending functionality via **MailPoet** plug-in. Considering the chosen ecommerce solution for our online business, it seemed reasonable to leverage the existing capabilities of the plug-ins and use email communication to its full extent. This integration allows us to automate various email notifications, ensuring that our customers receive timely and accurate information regarding their requests and needs.

In addition to the previously listed reasons, another factor that led us to choose email communication as a customer touchpoint is the fact that we collect user's email addresses through our website's form. By gathering email addresses from our customers, it becomes easier for us to establish and maintain communication with them.

Having access to customers' email addresses allows us to proactively reach out to them with updates, news, and relevant information about our products or services.

## 4. Benefits and Threats of the Selected Method

Research has indicated that more effective interaction between a company and its customer leads to higher customer satisfaction, larger sales, profits and in turn better firm competitiveness long-term (Rohm, Kaltcheva, & Milne, 2014). One of the communication systems that can be used to reap these benefits is an **emailing solution**. The benefits and threats of the chosen method are presented in *Table 1* below.

*Table 1. Benefits and Threats of Email Communication Solution*

<b>Benefits</b>	<b>Threats</b>
Timeliness of information and service, which is greater than that of sending direct mail or in-store communication (Rohm, Kaltcheva, & Milne, 2014).	If email marketing is over-used, it has been shown to have a negative impact on engagement (customer fatigue and alienation) (Kannan & Hongshuang, 2017).
The ability to send and link message content to additional product information, which only those interested can read in detail.	While MailPoet takes measures to ensure high email deliverability rates, there is always a possibility of emails being marked as spam or not reaching the recipient's inbox.
Less traditional communication channels can provide entertainment value to customers, via interesting updates in a newsletter or links to social media activities (Rohm, Kaltcheva, & Milne, 2014).	As with any software or service, there is always a possibility of technical issues or downtime with MailPoet.
Customized email marketing is shown to increase website traffic (Kannan & Hongshuang, 2017).	It's essential to ensure that email campaigns are optimized for mobile viewing. Failure to do so can result in a poor user experience, low click-through rates, and reduced engagement.
Email marketing messages have shown to lead to increases in both online and offline purchasing activity (Dinner, Van Heerde, & Neslin, 2014).	If email campaigns are perceived as spammy, irrelevant, or overly aggressive, it can harm brand image and reputation.
With MailPoet, it is possible to set up automated email campaigns such as welcome emails, abandoned cart reminders, follow-ups, and more. This helps develop customer relationships and encourage repeat purchases.	In the crowded landscape of email marketing, messages compete for attention with other marketers.



<p>MailPoet provides a range of professional and customizable email templates that can be used to create visually engaging emails. This helps capture the attention of the customers.</p>	<p>Implementing an email marketing system like MailPoet may involve costs, including the initial setup and ongoing operating expenses.</p>
<p>MailPoet allows to personalize email content and segment customer base based on various criteria such as purchase history, location, interests, and more.</p>	<p>Using advanced features and automation in email marketing requires a certain level of knowledge and expertise.</p>

## 5. Scenario of Communication System Integration

Based on the insights provided by the Adobe computer software company (2021), the integration of a communication system involves several key steps:

1. *Current technology stack assessment* - identifying and understanding the various tools and platforms currently used for communication.
2. *Communication gaps identification* - identifying any existing communication gaps with customers. This involved analyzing customer interactions and feedback to determine where the company may be falling short in delivering a seamless and consistent experience across different channels. Understanding these gaps helps in finding strategies to bridge them effectively.
3. *Integration* - integration of the communication system with company database and data flow set-up between different channels.
4. *AI and Machine learning integration* - with the help of the AI integration predictions regarding customer behavior, personalized messaging and responding in real-time is possible.
5. *Customer segmentation* - by collecting and analyzing data on customer interactions, preferences, etc., detailed customer profiles can be created and targeted campaigns developed based on customer interests.

The above-mentioned steps were assessed for the business case. Currently the communication channels used are the created website ([www.tiny-trips.com](http://www.tiny-trips.com)), which has an integrated chatbot functionality automating initial communication. The website was built using *Wordpress* and is hosted with a corresponding database using *Hostinger* services. Chatbot was created using an available Wordpress-native plug-in *Chatbot*. E-commerce functionality is provided using the plug-in *WooCommerce*. Migration from *Wordpress* or *Hostinger* is not planned.

Communication with customers at the moment is limited to interaction with the website and chatbot. No communication tools are used to provide additional information about the products, updates and news, there are no centralized solutions to initiate interaction with customers, such as inviting customers to events, offering loyalty bonuses, etc.

After initial solution research a few emailing tools were identified. Considering the existing technology stack used, solutions that had integrations with *Wordpress* were preferred. From available plug-ins those that could initially be used free of charge were chosen, since the business

case is for a small enterprise with little to no revenues yet. Based on this evaluation and considerations mentioned in Chapter 3 the *MailPoet* plug-in was chosen. Initially *MailPoet* would be used to create a template email for the following scenarios: abandoned cart (customer does not complete check-out), monthly newsletter with promotions and product information, purchase confirmation email.

AI and machine learning integrations were used when creating the chatbot, however at the initial step of emailing tool deployment were not considered crucial. Hence, the fourth and fifth steps of the communication system integration process as proposed by Adobe (2021) were not considered.

## 6. Cost Calculation for Select System Integration

### Assumptions:

1. The business utilizes *WooCommerce* for its online operations, which already has built-in email sending functionality via the plug-in *MailPoet*.
2. The company employs a single person. The employee's hourly cost is 25 EUR/h.
3. The above-mentioned 3 email templates at initial launch shall be considered.
4. For CRM integration the *Jetpack CRM* which has a built-in integration option with *MailPoet* shall be considered.
5. The cost calculation focuses on the expenses associated with implementing and maintaining the email communication system. Further expansion or additional integrations with other tools are not considered.

### Calculations:

#### Initial Setup Cost:

- Evaluation and selection of email communication tools:  $8\text{h} \times 25\text{ EUR/h} = 200\text{ EUR}$  (X)
- Configuration and integration of email system with WooCommerce:  $4\text{h} \times 25\text{ EUR/h} = 100\text{ EUR}$  (Y)
- Design and customization of email templates:  $3 \times 8\text{h} \times 25\text{ EUR/h} = 600\text{ EUR}$  (Z)
- **Total Initial Setup Cost: 900 EUR** (X + Y + Z)

#### Ongoing Operational Costs:

- Subscription or licensing fees for the chosen email communication tool: 10 EUR/per month (A) (MailPoet, 2023)
- Staff training using online marketing trainings, support for using the email system effectively: 500 EUR / per person per year (C)
- **Total Ongoing Operational Costs: 620 EUR / per year** (A + B + C)

#### Additional Costs:

- Integration with customer relationship management (CRM) system or other tools: 10.22 EUR / per year (E) (Jetpack CRM, 2023)

Total Cost is the sum of initial set up costs, ongoing operational costs and additional costs incurred. Total cost for the first year of using said emailing system is **1530.22 EUR**.

## 7. Conclusions

In conclusion, communicating effectively with customers is critical to the success of a business in today's competitive environment. By using an email solution such as MailPoet, businesses can enjoy a number of benefits such as timely delivery of information, the ability to provide additional product details, and the potential to increase website traffic and sales.

However, it is important to be aware of the potential threats associated with email marketing. Overuse of email campaigns can lead to customer fatigue and alienation, and there is always the risk of emails being marked as spam or not reaching the intended recipient's inboxes. It is critical to optimize email campaigns for mobile viewing, avoid spam or irrelevant content, and ensure the deliverability and technical reliability of the email communication tool of choice.

Speaking of overall costs, it is important to acknowledge that the associated costs, including initial setup, ongoing operating expenses, and potential integration with other tools, can be a challenge for small businesses, especially at the beginning stages. But, despite this, the benefits of implementing an email communications system can be significant. Higher customer satisfaction, increased sales and improved long-term competitiveness of a firm are some of the benefits that effective customer interaction can bring.

Overall, while costs can be a concern, the potential benefits of a well-integrated email communication system make it a good business investment, even for small businesses like ([www.tiny-trips.com](http://www.tiny-trips.com)). By understanding the benefits, eliminating threats, and carefully integrating and managing the communications system of choice, businesses can strengthen customer relationships, drive revenue growth, and increase their overall market success.

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