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## **A STUDY ON THE EFFECT OF ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT (ECRM) ON CUSTOMER SATISFACTION OF E – COMMERCE WEBSITES**

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### **ABSTRACT**

E-CRM, or Electronic Customer Relationship Management, is an integrated CRM functions with the use of online environment to identify, attract and retain an organization's customers. Electronic Customer Relationship Management (e-CRM) plays an important role in managing the activity of e-commerce websites. E-CRM options vary from advanced applications, such as database-driven product customization tools to simple ones, like a line of contact information on a web page. The interactive internet applications, particularly e-commerce websites, have modified the way of doing processes in all business. The internet platform offers firms new opportunities to boost customers' services and to gain competitive advantage by providing customers' requirements and needs through internet-based services Customer satisfaction is defined as a result of a cognitive and effective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is below than expected, customers will be dissatisfied. Customer satisfaction has been recognized as a critical factor affecting long-term relationships between firms and consumers in e-commerce business environments like traditional. On the other hand, if the perceived performance exceeds expectations, customer will be satisfied. The aim of this paper is to identify the effect of electronic customer relationship management on customer satisfaction.

**KEYWORDS:** E-CRM, Customer Satisfaction, Ecommerce websites, Internet applications

## **INTRODUCTION**

Electronic Customer Relationship Management playing an important role in managing the activity of e-commerce websites. The interactive internet applications, especially the e-commerce websites, have modified the means of doing processes in all business. The internet platform offers firms new opportunities to improve customers' services and to gain competitive advantage by providing customers' requirements and needs through internet-based services. Customer satisfaction is a critical factor affecting long-term relationships between firms and consumers in online business environments like traditional. E-CRM is a body of knowledge that dealt with the application of CRM principles in the new e-commerce environment context. E-CRM features range from advanced applications to simple ones on a web page. To understand customer satisfaction in the digital context, we need to have a clear understanding of what is the meaning of customer satisfaction. Customer satisfaction is defined as a cognitive evaluation, where some comparison standard is compared to the actually perceived performance to expect. If the perceived performance is lower than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customer will be satisfied. The aim of this paper is to identify the effect of Electronic customer relationship management on customer satisfaction in E-commerce websites.

## **REVIEW OF LITERATURE**

\* **Feinberg, R. and Kadam, R., (2002)** Business is moving online, not as a matter of choice, but as a matter of necessity. The use of the Internet as a channel for commerce and information presents an opportunity for business to use the Internet as a tool for customer relationship management (CRM)/ (e-CRM). Despite widespread agreement that CRM/e-CRM has direct and/or indirect impact on customer satisfaction, sales, profit, and loyalty, the significance of e-CRM and the various e-CRM features in influencing customer satisfaction has not been well researched. This study attempted to uncover relationships between e-CRM and customer satisfaction by determining the presence of e-CRM features on retail Web sites for which we have customer satisfaction data, and determining if the amount of e-CRM is related to customer satisfaction or which, if any, of the various features of e-CRM are related to customer satisfaction. It was found that retailers differ in the presence of the 42 different e-CRM features; that there is a positive relationship between the amount of e-CRM on a Web site and customer satisfaction with the Web site; and that not all e-CRM attributes are equal – some are related to satisfaction and some are not. There was no relationship between the

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\* Feinberg, R. and Kadam, R., "E-CRM Web service attributes as determinants of customer satisfaction with retail Web sites", *International Journal of Service Industry Management*, pp. 432-451, 2002.

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level of e-CRM on a retail Web site and sales and profit.

<sup>†</sup>**Ranjit Bose, (2002)**. This article is directed towards information technology (IT) and marketing managers considering implementation of a customer relationship management (CRM) solution. The goal of this article is not to provide an all-inclusive tutorial on CRM, but rather to provide a high level insight of the fundamental principles behind CRM and critical aspects of the IT development process. The article begins with an IT manager's introduction into the basic CRM business and marketing principles. At the heart of the article is a proposed system development lifecycle that highlights the aspects unique or critical to CRM. Finally, it concludes with some final thoughts for long-term success. After reading this article, the reader will be mindful of the major issues needed for success and be equipped to discuss primary development matters with vendors, staff and management.

<sup>‡</sup>**Fjermestad, J. and Romano, N., (2003)**, Electronic customer relationship management (e CRM) has become the latest paradigm in the world of customer relationship management. Recent business surveys suggest that up to 50per cent of such implementations do not yield measurable returns on investment. A secondary analysis of 13 case studies suggests that many of these limited success implementations can be attributed to usability and resistance factors. The objective of this paper is to review the general usability and resistance principles in order to build an integrative framework for analyzing e CRM case studies. The conclusions suggest that if organizations want to get the most from their e CRM implementations they need to revisit the general principles of usability and resistance and apply them thoroughly and consistently.

<sup>§</sup>**M. M. Abd – Ellatif, etl (2010)**, Electronic Customer Relationship Management (e-CRM) plays an important role in managing the activity of e-commerce websites. Correct implementation of information technology in e-commerce websites design can have positive influence not only on data processing, but also on the efficiency of e-commerce websites. The implementation of e-CRM is quite an expensive investment project for most enterprises, so it is very important to evaluate the effect of e-CRM on customers' satisfaction. Customer satisfaction problem has multi hierarchal levels; each level includes many factors that have different weights. Therefore, the proposed approach based on multi levels, multi criteria, and cluster technique. In addition, a

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<sup>†</sup> [Ranjit Bose](#), (2002) "Customer relationship management: key components for IT success", *Industrial Management & Data Systems*, pp.89-97,

<sup>‡</sup>Fjermestad, J. and Romano, N., "Electronic Customer Relationship Management: Revisiting the General Principles of Usability and Resistance – An Integrative Implementation Framework", *Business Process Management Journal*, pp. 572 – 591, 2003

<sup>§</sup> M. M. Abd – Ellatif, etl , "Proposed approach to evaluate effect of e-crm on customers satisfaction of e-commerce websites", *International journal of intelligent and computing science*, June 2010

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proposed evaluation algorithm is presented to evaluate and analyze the effect of e-CRM on customers' satisfaction. Finally, a case study is used to explain and validate a proposed approach.

**\*\* Gurmeet Singh Sainia and Sushil kumarb (2015)**, One of the key developments in marketing has been the advent of electronic customer relationship management (e-CRM) systems, designed primarily to create and manage long lasting customer relationships. To remain competitive in this internet based environment it is imperative to attract new customers and increase customer's retention and to achieve these objectives it is crucial to implement e-CRM. The study was aimed to identify the effect of e-CRM strategies on customer satisfaction in context of online shopping. This study is based on the conceptual model that convenience, trust and security have significant effect on customer satisfaction. This study enables managers and marketers to implement the e-CRM in the best shape and match it with current needs and requirements of consumers. The conclusions suggest that if organizations want to get the most from their e-CRM implementations they need to revisit the general principles of usability and resistance which should be applied thoroughly and consistently.

#### **OBJECTIVES**

The following are the objectives of present research study:

- To analyze the demographic variables of online consumers
- To identify the effect of Electronic customer relationship management on customer satisfaction in E-commerce websites.

#### **HYPOTHESES**

- There is no significant difference between gender and effect of electronic customer relationship management on customer satisfaction in E-commerce websites.
- There is no significant difference between mean rank and effect of electronic customer relationship management on customer satisfaction in E-commerce websites.

#### **RESEARCH METHODOLOGY**

The research work is empirical in nature. In order to carry out the research work, random sampling has been used. For the purpose of research and for understanding, a sample size of 100 had been used for the study. The cronbach's alpha is 0.853, proving its reliability and validity. A well-structured questionnaire was carefully prepared for the collections of primary data. They were all considered fit for analysis. Data was entered into the Statistical Package of Social Sciences (SPSS) ver. 20.0 for analysis. The statistical techniques used for analyzing the data are Descriptive statistics, Independence sample T test and Friedman Test.

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**\*\* Gurmeet Singh Sainia and Sushil kumarb**, "The Effect of e-CRM on Customer Satisfaction: An Empirical Study of Online Shopping", Journal of Management and Science, June 2015

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**ANALYSIS AND INTERPRETATION**

**Table.1 Descriptive Statistics of Demographic Variables**

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	100	1	2	1.92	.273
Age	100	1	4	2.18	1.095
Income	100	1	4	2.47	1.058
Education Qualification	100	1	4	2.29	1.028
Valid N (listwise)	100				

Source: Primary data

**INFERENCE**

Table 1 shows the descriptive statistics of demographics variables of the online consumers.

**Table.2 T Test for significant difference Among Gender and the effect of Electronic customer relationship management on customer satisfaction in E-commerce websites**

Particulars	Male		Female		t value	p value
	Mean	SD	Mean	SD		
Trust	14.875	4.7340	16.076	4.0389	2.696	0.006**
Website quality	7.750	2.5495	8.793	3.8245	0.755	0.315
Content quality	10.875	4.2236	14.630	4.2185	2.412	0.041*
Online services	9.625	5.0691	12.423	3.4648	1.531	0.166
Usability	13.750	2.8660	15.184	3.3575	1.338	0.214

Source: Primary data

**Notes:**

1. \*\* denotes 1% level.
2. \* denotes 5% level.

**INFERENCE**

Table 2 indicates that since p value is less than 0.01, the null hypothesis is rejected at 1% level with regard to 'Website quality'. Hence there is significant difference between male and female with respect to effect of electronic customer relationship management on customer satisfaction in ecommerce websites. Based on the mean score, the female consumers have more effect on electronic customer relationship management on customer satisfaction in E-commerce websites than male consumers. Because, female consumers are highly satisfied with the qualities of the websites in the Ecommerce websites in the case of Visual appearance, Responses time, Page loading speed, 24 Hour availability than male consumers

Since p value is less than 0.05, the null hypothesis is rejected at 5% level with regard to 'Content quality'. Hence there is significant difference between male and female with regard to 'Content quality'. Based on the mean score, female consumers have more effect on electronic customer relationship management on customer satisfaction in E-commerce websites than male consumers. Because, Female consumers are highly satisfied with the content quality of E-commerce websites in the case of Up to date, Understandability, Timeliness and Preciousness than male consumers.

There is no significant difference between male and female with regard to 'Website quality', 'online services' and 'Usability'. Since p value is greater than 0.05. Hence, the null hypothesis is accepted at 5% level with regard to 'Trust', 'Online services' and 'Usability'.

**Table.3 Friedman test for ranking the effect of Electronic customer relationship Management on customer satisfaction in E-commerce websites**

Particulars	Mean rank	Chi-Square value	P value
Trust	3.91	158.378	<0.000
Website Quality	1.49		
Content Quality	3.38		
Online Services	2.60		
Usability	3.64		

**INFERENCE**

Since p value is less than 0.01 the null hypothesis is rejected at 1% level of significance. Hence there is significant difference among mean rank towards the effect of Electronic customer relationship Management on customer satisfaction in E-commerce websites. Based on the mean rank Trust (3.91) is the most important effect of electronic customer relationship management on customer satisfaction in E-commerce websites, followed by Usability (3.64), Content quality (3.38), Online services (2.60) and Website quality (1.49). Customer satisfaction is important in the midst of shopping in online. Among all the effect of Electronic customer relationship Management on customer satisfaction in E-commerce websites 'Trust' is the most important among the online consumers in E-commerce.

**SUGGESTIONS**

1. E-commerce security (data encryption) is a part of the information security framework and is to be improved by E-commerce Company. It includes computer security, data security and other wider realms of the information security framework. Today, privacy and security are a major concern for electronic technologies.

2. Although findings of this research revealed positive responses which were above the averages, Ecommerce websites have to pay attention in secured process, discount to its members, after sales service.

### **CONCLUSION**

Customer satisfaction is the key to carry out the marketing activities into a success full. Marketers have to satisfy the needs of the consumers in an optimistic approach. In traditional marketing, marketers are in direct contact and relationship with the consumer's is called customer relationship management. Since, emerging changes are taken place in the society by technologies; infrastructure etc. consumers are opting for digitalized world. So, it creates a massive impact among the marketers and consumers in the way of doing marketing itself. E- Commerce Companies are playing vital role in the hearts of the consumers. E-commerce marketers have to satisfy their customers by an efficient E- commerce websites and maintaining the relationship by electronically. In this paper the researcher has found out the effect on Electronic Customer Relationship Management on Customer satisfaction in E- commerce websites.

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