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IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON E-MARKETING GROWTH

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ABSTRACT

Since e-marketing comprise of marketing activities that are executed virtually, the link between the company and the market through Customer Relationship Management is paramount. Unfortunately, most customers switch their patronage to competitors as a result of negative experience they have with the personnel in the Customer Relationship Management department. This study was aimed at identifying the relationship between Customer Relationship Management and growth of an e-marketing company. To achieve this, a structured questionnaire was utilized to elicit the opinion of statistically selected employees of an online trading firm in Nigeria. Descriptive statistics was used for data analysis, while Pearson Product Moment Correlation Coefficient was utilized for testing the hypothesis postulated through the application of SPSS version 26. The major findings include that: Customer Relationship Management attracts business growth for e-marketing; and that there is a strong and significant relationship between Customer Relationship Management and business growth for e-marketing. Based on the findings, the study recommends that: the personnel in the Customer Relationship Management department should be adequately trained in marketing and data management; e-marketing companies should utilize Livechat and Zendesk software to ensure 24/7 customer complaint receipt and response; all customer complaints, enquiries or request must be responded to spontaneously; and Customer Relationship Management personnel should be in regular contact with customers so as to ascertain their level of satisfaction with the company product.

KEYWORDS: Business growth, Customer, Customer Complaint, Customer Satisfaction, Customer Relationship, E-marketing, Management.

1.1   BACKGROUND OF THE STUDY

The marketing concept holds that all company planning and operations should be customer oriented; profitable sales volume should be the goal of the firm and not just volume for the sake of volume alone; and all marketing activities in the firm should be organizationally coordinated". The implication of these is that marketing concept represents a business philosophy which states that the customer's want satisfaction is the economic and social justification of a company's existence. Therefore, all company activities must be geared towards identifying what customers need and want and then satisfying these needs and wants while still making a reasonable profit over a long run (Stanton, 1981).

Modern marketing has been revolusioned by the internet. The internet now determines the sources of every business activity. E-Marketing means marketing electronically and not physically. It is also nick-named e-commerce. Relevant definitions of e-marketing and e-commerce abound. The World Trade Organization (WTO), 1998 describes e-commerce to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means. "Also, Tan, Tyler and Manica, 2007 as quoted in Anukam & Iweka, 2018 describe e-commerce in four perspectives including communication, service, online and business. From a communication prospective, e-commerce is perceived as the delivery of information, product and or payment over varied communication lines such as telephone, computers, networks, or other electronic channels; from a service prospective, e-commerce is seen as a tool that caters for consumers and management of firms to reduce service costs in an effort to improve quality of goods and forester the speed of delivering services; from an online perspective, e-commerce makes possible and enabling atmosphere for products transaction, services and information through the internet and other services that are available online; and from a business perspective, e-commerce is seen as an application of technological innovation towards the automation of business transaction and flow of work.

These and many other definitions prove that e-marketing is dominated by the exchange of information that leads to the conceptualization, payment, promotion and delivery of goods and services through an electronic means with little or zero physical contact between the parties in the transaction. Since the transaction in virtually consummated, the marketer in represented by the customer relationship manager. Customer Relationship Management (CRM) represents an articulation of activities and application of strategies and technologies that firms employ or practice to manage and analyze customer relationships and data management throughout the customer lifecycle. It is aimed at improving customer service relationships aimed at attracting customer retention for profitable sales growth (Ehrens & Kiwak, 2022). This implies that customer relationship management (CRM) is not merely for customer data management but also for customer relationship and retention. Unfortunately, most

customers switch their patronage to competing products as a result of negative experience from virtual and even physical interaction with customer care managers. This creates a huge concern for e-marketing practice where 50% of the business success is attributable to customer relationship management (Tapp, 1998). The success of e-marketing relies on virtual interaction between the company and the customer through customer relationship management. Without adequate management, a customer relationship system can become a mere glorified database where customer information is stored but not utilized profitably.

1.2 AIM OF THE STUDY

The aim of the study was to determine the relationship between customer relationship management and E-marketing growth.

1.3 RESEARCH HYPOTHESIS

HO_1: There is no significant relationship management between Customer Relationship Management (CRM) and E-marketing growth.

2.0 LITERATURE REVIEW

This section contains a summary of studies related to this study. They are arranged under conceptual review, empirical review and theoretical framework.

2.1 CONCEPTUAL REVIEW

CONCEPT OF E-MARKETING

E-marketing comprises of all company efforts aimed at conceptualizing, pricing, communicating or promoting and consummating sales of a company's product over the internet (Kotler & Armstrong, 2005). As stated earlier, E-marketing is most times referred to as e-commerce or e-business. Professionally, they do not mean exactly the same, but they are similar. Again Kotler & Armstrong, 2005 state that while E-business 'includes all electronics based information exchange within or between companies and customer'; "E-commerce involves buying and selling processes supported by electronic means, primarily the internet". These definitions show that E-marketing is not restricted to electronic buying and selling or information exchange, but involves wider activities such as identifying customer needs and providing appropriate products to satisfy these needs, attaching the appropriate price to the product, utilizing the appropriate promotional tools and the appropriate mode to ensure products reach customers.

All these marketing activities are realized electronically or though the internet. E-marketing attracts numerous benefits to both customers and the company. Some of the major advantages of E-marketing to the customers include: it is convenient as customers don't have to battle for traffic, seek parking space or walk for a long time to identify products; customers can do comparative shopping by surfing the website of the company; buying is easy and private as customers don't have to face salespersons or give up to persuasion and emotional drives; buyers have to open access to select product of their choice; customers have access to large cooperative information about the company, its products and even competitors; and it is interactive and immediate as order can be placed immediately the needed information is provided with anticipated and corresponding price stated and made. The major advantage of E-marketing to the company include: it is a tool for customer relationship building given its interactive nature that ensures the company retain customers during identifying and satisfying customer needs instantly through product refinements; it reduces cost and increases speed and efficiency by by-passing rents, insurance and other utilities associated with maintaining middlemen and deliveries which will also reduce or eliminate functions such as order processing, inventory handling and trade promotion; communication and promotion activities are achieved at less cost; it offers greater flexibility as it allows the company to make ongoing adjustments to its offers and programs; and finally, it is a truly global medium that allows buyers and sellers to click for one country to another in seconds (Kotler & Keller, 2006). All these can only be realized through an efficient and effective customer relationship management.

CONCEPT OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer Relationship Management (CRM) includes all activities aimed at managing the company's relationship with both potential and prospective customers. It is the technique through the company ensues that customers are satisfied with the company's offerings for higher customer retention. It is the study of need and expectations of the customers and providing them with the right solution.

PRACTICAL TIPS FOR REALIZING CUSTOMER RELATIONSHIP MANAGEMENT

According to Juneje, 2022, the following tips for realizing customer relationship management are relevant and require strict compliance.
The sales representatives or personnel of the company's customer relationship management desk must:

    i.   understand the needs, interact and financial capabilities if the customers;

    ii.   never tell lies to customers or exaggerate product features;

iii.   never keep customers waiting either for a meeting or sales discussion or enquiry;

iv.   not be selfish and should always think from the customers perspective and suggest what is right for the customer;

v.   not bug the customer with too much calls to buy, but give the customer time to think and decide to buy the company's product;

vi.   never be rude or angry to customers, but always handle customers with patience and care;

vii.   always greet customers with a smile and try to solve their quarries at the shortest possible time;

viii.   always keep in touch with the customers even after the transaction, device customer loyalty programs to reward repeat purchase;

ix.   be adequately trained on how to interact with customers; and

x.   always promote the company and its product.

PROBLEMS AND CHALLENGES ASSOCIATED WITH CUSTOMER RELATIONSHIP MANAGEMENT

Some of the problems associated with Customer Relationship Management as listed by Tylor, 2022, Kampus-Roman, 2022 and Chai, 2022 are as follows:

1. Lack of proper management of customer data base which results to duplication of customer data and utilization of outdated information about customers.

2. Lack of clear goals and objectives setting to be utilized by personnel at all levels of the company.

3. Appointment of the core team to guide, monitor evaluate and adjust implementation of CRM according.

4. All processes that will be undertaken in achieving the set goals and objectives should be clearly defined and relayed to everyone.

5. Application of management which includes assessing the nature of operations, evaluating the results by comparing them against set goals and objectives adjusting the process.

6. Finding the right solution and solution partner will determine whether the processes will produce the desired result or not. An example is copying what other businesses are doing may eventually result to failure because of lack of customization which is fundamental to ensure that solutions are suited to the specific nature of the company.

7. Lack of adequate knowledge about customers and appropriate CRM equipment to manage customers and make good business decisions.

8. Choosing CRM based on what fits manages need today without thinking about tomorrow and beyond.

9. Inability to plan for adjustments when there are changes.

10. The CRM must be utilized as the center point of the company. All interactions with customers and other important public must be done through CRM.

DIMENSIONS OF CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship management (CRM) can be achieved through the following measures.

1. Use of lifechat software: This will be enable the CRM personnel provide proactive customer support and also guide the company's website visitors to the products they are looking for livechat software enables the CRM personnel to communicate with customers 24/7 even when the CRM personnel is not physically present because it is a programmed application.

2. Use of Zendesk Software: This provides a self service system where customers can find solutions of their enquiries by utilizing the resources the company has set in place.

3. Rate of responsiveness to customer complaints by the company. This determines customers satisfaction and repeat patronage.

4. Consistency in contacting customers through reliable customer data base to ascertain their level of satisfaction and how to satisfy their needs.

2.2 EMPIRICAL REVIEW

In the course of this study, the Researcher reviewed many studies related to customer relationship management. One of these studies is titled "Benefits of customer relationship management (CRM) on customer satisfaction". This study was executed in Malaysia in 2018 by Nastaran M.H, Mohammed N. A., and Nor H.Z, and published as part of a book chapter titled "Digital marketing and customer engagement (Pages 1532-1553) by Researchgate. The aim of the study was to investigate the efficacy of customer relationship management (CRM) benefits for customer in relation to customer satisfaction.

To achieve the aim of the study, a model was developed and empirically tested with data collected from a survey of 150 customers of three Malaysian companies. The result of study shows that customer relationship management (CRM) variables such as personalized services, responsiveness to customer needs, customer segmentation, customization of marketing, and multichannel integration affect customer satisfaction and improve marketing performance, while time savings and improvement in customer knowledge do not. This study is relevant to our study because it was able to identify the variety of benefits of customer relationship management with regards to attracting customer satisfaction which is the fulcrum of this study.

2.3 THEORETICAL FRAMEWORK

For the purpose of the study, the cognitive dissonance theory was utilized as the theoretical framework. This theory was originally developed by Festing in 1957. Dissonance is a psychologically uncomfortable state that arises from the existence of contradictory relations among cognitive elements. It is an uncomfortable feeling of a customer caused by holding two contradictory ideas about a product or company simultaneously. The theory beliefs that customers have a motivational drive to reduce dissonance by changing their attitude, belief, behavior or by justifying them such as switching patronage to competing products or company. The implication of this theory is that dissonance occure when customer experience of a product or company is less than the expectations. This theory is relevant to our study because dissonance can be curbed through customer relationship management (CRM).

3.0 RESEARCH METHODOLOGY

The survey method was adopted for this study with a target population of 510 employees of an online trading company in Nigeria. A sample size of 220 was obtained at 5% (0.05) significant level through the Raosoft statistical technique. The questionnaire was utilized as the research instrument to obtain primary data. The respondents were randomly selected with the assistant of the Human Resources Department of the chosen firm who pleaded to be anonymous. The Respondents were reached electronically. The descriptive statistics was utilized for data analysis, while the Pearson Product Moment Correlation Coefficient was used to test the hypothesis postulated. The result of data analysis and hypothesis testing formed the basis for further discussion which resulted to conclusion and recommendation.

4.0 DATA ANALYSIS

This section is dedicated to the analysis of data collected for the purpose of this study, and the interpretation of the various results arrived at from the analysis.

4.1 UNIVARIATE ANALYSIS

This section is primarily concern with the analysis of the univariate variables relating to the respondents' views on the questions contained in the various sections and items on the research instruments. The primary analysis entailed the assessment of the distribution and application of statistical analysis on each variable as a means of examining the tendencies of these variables. The research instrument generated data that showed the degree of agreement of the major variable, as well as the dimensions and measures. The data obtained from the field was measured using a 5-point Likert scale based on (VHE) Very High Extent (5), (HE) High Extent (4), (ME)

Moderate Extent (3), (LE) Low Extent (2) and (VLE) Very Low Extent (1). As such interpretations for each variable is premised on the extent to which its mean distributions reflect either significant evidence (where x > 3.00) or the extent to which it reflects insignificant evidence (where x < 3.00).

Table 4.1: Distribution for indicators of Customer Relationship Management Tools

Descriptive Statistics

Items	N	Min	Max	Sum	Mean	Std. Deviation	Variance
CRM TOOLS ON BUSINESS GROWTH	220	1.00	5.00	819.40	3.7245	1.13891	1.297
Good CRM attracts business growth for e-marketing.	220	1	5	899	4.09	1.101	1.212
The use of Livechat software attracts business growth for e-marketing.	220	1	5	702	3.19	1.328	1.762
The use of Zendesk software attracts business growth for e-marketing.	220	1	5	700	3.18	1.301	1.693
The rate of Responsiveness to customer complaints attracts business growth for e-marketing.	220	1	5	899	4.09	1.092	1.193
Contacting customers through their documented personal data to ascertain their level of satisfaction attracts business growth for e-marketing.	220	1	5	897	4.08	1.114	1.241
Valid N (listwise)	220						

Source: **SPSS output** (Based on questionnaires' data 2022)

Significant evidence x ≥ 3.00 (reject H_0).insignificant evidence x ≤ 3.00 (accept H_0)

The data in table 4.1 illustrates the summary of the statistics for customer relationship management tools and business growth for e-marketing. The analysis revealed that all items in the scale had weighted mean scores above the criterion mean of 3.00 based on 5-point likert scale. This indicated that the respondents accept that customer relationship management tools attract business growth for e-marketing. The grand mean of 3.72 indicates that the respondents agreed to a high extent that customer relationship management tools attract business growth to e-marketing.

4.2 BIVARIATE ANALYSES

The bivariate relationship determination in this section was done using Pearson Product Moment Correlation Coefficient (PPMC) in the assessment of the relationship between the dimensions of the independent variables. Thus, in determining the respective strength and statistical relationship of the association between these variables, the researcher was guided by the work of Sharma, 2010. The coefficient of correlation (effect size), the strength of association and statistically significant decision according to Sharma, 2010 is interpreted below.

Table 4.2: Statistical correlation decision scale frame

S/N	Statistical Significance	Association
i.	0.1 – 0.29	Very Weak
ii.	0.3 – 0.49	Weak
iii.	0.5 – 0.69	Moderate
iv.	0.70 – 0.79	Strong
v.	0.80 – 1.00	Very strong

Sharma, 2010 further states that, effect size is an easy way to quantify both relationship and difference between two groups and at the same time to measure the effectiveness and statistical significance. Generally, the decision rule for the acceptance or rejection of hypothetical statements is premised on the adoption of a 0.05 significance threshold due to its 95% test on the hypotheses.

Hypothesis testing

There is no significant relationship between Customer Relationship Management tools and business growth for e-marketing.

Table 4.3: Computation of relationship between Customer Relationship Management Tools and business growth for e-marketing

Correlations

		BUSINESS GROWTH	CUSTOMER RELATIONSHIP MANAGEMENT TOOLS
BUSINESS GROWTH	Pearson Correlation	1	.824**
	Sig. (2-tailed)		.000
	N	220	220
CUSTOMER RELATIONSHIP MANAGEMENT TOOLS	Pearson Correlation	.824**	1
	Sig. (2-tailed)	.000	
	N	220	220

**. Correlation is significant at the 0.01 level (2-tailed).

Source: *SPSS-generated Output*

Table 4.3 shows a correlated result of an analysis on Customer Relationship Management tools and business growth for e-marketing. The result indicates that Customer Relationship Management tools has a very strong positive significant correlation with business growth for e-marketing (r = .824) which is significant at 0.05 level. Based on this result, the hypothesis that there is no significant relationship between customer relationship management tools and business growth for e-marketing is rejected. Thus, there is a very strong positive significant relationship between customer relationship management tools and business growth for e-marketing

4.3 SUMMARY OF FINDINGS

Based on the analysis of data, the following findings were made:

(i) That customer relationship management tools attract business growth to e-marketing to a high extent.

(ii) That there is a very strong positive significant relationship between customer relationship management tools and business growth for e-marketing.

5.1 CONCLUSION

From the discussions above, most activities aimed at consummating profitable e-marketing are executed virtually, and depend mainly on effective and efficient Customer Relationship Management (CRM). In e-marketing,

Customer Relationship Management (CRM) department and personnel represent the company's product and image because it is the most fundamental promotion tool for the company. Apart from developing a strong and reliable customer data, Customer Relationship Management utilizes customer data to attract and sustain customer patronage profitably and for a long time.

5.2 RECOMMENDATIONS

Based on the findings and conclusions, the following are recommended.

(i)   Personnel of Customer Relationship Management department must be adequately trained in marketing and proficiency in digital management of customer data.

(ii)   Customer care softwares such as lifechat and zendesk should be utilized as both a promotional tool and for handling customers compliant promptly and satisfactorily by e-marketing firms so as to achieve 24/7 receipt and response to customer complaints, enquiries and request or order to enable the firm attract and maintain profitable and long lasting patronage and relationship.

(iii)   Customer Relationship Management personnel must ensure they respond to customer complaint, request or enquiry as soon as they are received.

(iv)   Customer Relationship Management personnel of e-marketing firms should maintain regular contact with customers so as to ascertain their level of satisfaction and areas that can be possibly amended.

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