

Research Paper

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The Impact of Electronic Customer Relationship Management on Marketing Performance with the Analysis of the Mediating Role of Product Innovation and Emphasis on Customer Knowledge

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Abstract

The purpose of this study is to examine how electronic customer relationship management affects marketing performance, with a particular focus on the mediating influence of product innovation and the significance of customer knowledge. The research method is a descriptive survey and applicable in terms of purpose. The statistical population of the study includes managers and supervisors of Dana Insurance's central office, branches, and representatives in Mashhad. Based on Morgan's table, 165 samples were simple-randomly selected. Data were collected through a standard questionnaire and then analyzed using structural equation modeling (SEM) through Smart PLS 3 software. The findings demonstrate that electronic customer relationship management significantly and positively influences product innovation development. Furthermore, product innovation development has a positive and significant effect on marketing performance. Additionally, customer knowledge positively and significantly affects both marketing performance and product innovation development. In conclusion, both electronic customer relationship management and customer knowledge play a vital role in positively and significantly influencing marketing performance through the development of product innovation.

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Extended Abstract

Introduction

The condition of survival and durability of any organization depends on trying to improve its performance in the form of growth and profitability indicators. Organizations utilize various mechanisms to enhance their performance (Hilton et al., 2021). Companies that demonstrate outstanding performance can successfully attain their objectives, boost profits, enhance product quality, and expand their market share (Jannopat et al., 2022). Marketing performance comprises two components: customer satisfaction and trust (Yasa et al., 2020). Customer trust develops through repeated customer interactions over time (Rahman et al., 2020). Organizations seek success and promote their marketing performance by paying attention to customers as their reserves in competitive markets and identifying their needs, getting their satisfaction and creating long-term relationships (Mohammadi & Sohrabi, 2016). On the other hand, organizations aim to improve their marketing performance by establishing long-term relationships with customers (Mohammadi & Sohrabi, 2016). Conversely, seeking customer satisfaction is achieved by swiftly and accurately understanding customer needs (Herman et al., 2020). Organizations regard customer relationship management as a crucial element that reinforces effective marketing and sales endeavors (Alshourideh, 2022). Also, the rapid development of technology has led to the emergence of the concept of electronic customer relationship management, which actually maintains implementing the principles of traditional customer relationship management with the aid of Internet technology (Hanif et al., 2020). Nowadays, electronic customer relationship management creates strong customer relationships by understanding customer needs and monitoring their behavior (Al-Ghasawneh et al., 2021). It is a tool that assists organizations in strengthening their marketing communications to enhance marketing performance (Salameh et al., 2020). By doing so, companies can improve the quality of services provided, leading to customer loyalty, trust, and satisfaction, ultimately increasing marketing performance (Asli Beigi et al., 2016). On the other hand, one of the secure steps to gain and maintain a competitive advantage is constant innovation based on customers' tastes in the supply of services and products (Ata, et al., 2018). Product innovation can have a crucial impact on a company's marketing performance (Erlangga, 2022), representing a significant process that aids companies in their survival and continuous improvement (Bidgholi et al., 2019).

Establishing close and continuous communication with customers stands as a fundamental activity within the realm of electronic customer relationship management (Salameh et al., 2020). Product innovation, by updating and offering better product quality that meets customer expectations, can directly and positively impact marketing performance. The better the quality of electronic customer relationship management and the greater the capacity for customer knowledge sharing, the better the product development will be, ultimately positively affecting marketing performance (Herman et al., 2020). Considering the importance of the aforementioned issues and the fact that insurance is one of the essential and critical needs of families, insurance companies must be able to influence product innovation by improving the quality of electronic customer relationship management and increasing customer knowledge, and transfer these effects to customer-oriented marketing performance (Herman et al., 2020). Given the above explanations, the main question in this research is: "How does electronic customer relationship management and customer knowledge impact marketing performance in insurance companies through product innovation?"

Theoretical Literature

Asgarnezhad et al. (2022) conducted a study titled "The Role of Social Networks in Electronic Customer Relationship Management and Marketing Performance," which revealed

a noteworthy and positive influence of electronic customer relationship management on marketing performance. Similarly, in their research titled "The Impact of Product Development and Innovation on Marketing Performance", Erlamgga et al. (2022) demonstrated a substantial relationship between product innovation and marketing performance. Hosseini (2020) also found significant effects of product innovation on marketing performance in their study. Setini et al. (2021), in their research titled "The Impact of Innovation on Marketing Performance in Sports Businesses," identified various forms of innovation with significant and positive effects on marketing performance in sports businesses. Additionally, Setini et al. (2021) observed in another study titled "The Effects of Knowledge Sharing, Social Capital, and Innovation on Marketing Performance" that knowledge sharing had a positive and significant impact on both innovation and marketing performance.

Research Methodology

The present study is applied in terms of purpose, and descriptive-correlative in terms of nature. It is field research using a questionnaire-based survey and based on structural equation modeling. The statistical population of the study consists of all managers and supervisors present in the central office, branches, and representatives of Dana Insurance in Mashhad, with a total of 286 individuals. Based on Morgan's table, a sample size of 165 participants was randomly selected. The data collection tool was a questionnaire containing 16 questions related to the main variables of the research. The questionnaire was validated and distributed after its primary distribution. It underwent Cronbach's alpha and composite reliability tests for assessing its reliability, both of which confirmed its reliability. To assess its validity, formal validity, and construct validity (through confirmatory factor analysis) were used and validated. Smart PLS version 3 software was used for data analysis in this study.

Research Findings

For examining and testing the research hypotheses or conceptual model, Smart PLS 3 software was utilized, and the findings indicated a favorable impact with a calculated strength of 0.46 for electronic customer relationship management on product innovation. The t-test statistic obtained (89.3) was greater than the critical t-value at a 5% level of significance (1.96), indicating a significant observed effect. The strength of the impact of product innovation on marketing performance was calculated as 0.67, indicating a desirable effect. The t-test statistic obtained (95.6) was greater than the critical t-value at a 5% level of significance (1.96), indicating a significant observed effect. The strength of the impact of customer knowledge on product innovation was calculated as 0.68, indicating a desirable effect. The t-test statistic obtained (95.7) was greater than the critical t-value at a 5% level of significance (1.96), indicating a significant observed effect. The strength of the impact of customer knowledge on marketing performance was calculated as 0.35, indicating a desirable effect. The t-test statistic obtained (42.2) was greater than the critical t-value at a 5% level of significance (1.96), indicating a significant observed effect. The strength of the impact of electronic customer relationship management on marketing performance through product innovation was calculated as 0.31, indicating a desirable effect. The t-test statistic obtained (5.43) was greater than the critical t-value at a 5% level of significance (1.96), indicating a significant observed effect. The strength of the impact of customer knowledge on marketing performance through product innovation was calculated as 0.46, indicating a desirable effect. The t-test statistic obtained (35.5) was greater than the critical t-value at a 5% level of significance (1.96), indicating a significant observed effect. The mediating role in recent hypotheses is confirmed.

Conclusion

The primary objective of this study was to explore the influence of electronic customer relationship management on marketing performance, with a focus on the mediating roles of product innovation and customer knowledge (Case Study: Insurance Company). The test results are consistent with the findings of previous research (ElFarmawi (2020), Herman et al. (2020), Pedron et al. (2018), Nazari (2018), Garanti et al. (2019), Asgari & Baghestani (2020), Tarabashkina et al. (2020), Hoseini (2020), Ghaderi & Rahimnia (2020), Ghahremanpour et al. (2019), Pramuki & Kusumawati (2021), Rahman et al. (2021), Soekotjo et al. (2021)).

Marketing performance consists of two components: customer satisfaction and trust. The ability of any company to gain customer satisfaction and loyalty justifies the organization's performance. Organizations, considering customers as their assets in competitive markets and aim to identify their needs, gain their satisfaction, and establish long-term relationships, striving for success and improvement in marketing performance. Since the most crucial key for success in businesses is establishing strong relationships with customers, the electronic customer relationship management system, through understanding customer needs and monitoring their behavior, achieves a sustainable competitive advantage. Product innovation and aligning products with customer expectations directly and positively influence marketing performance. Moreover, the greater the quality of electronic customer relationship management and the capacity for customer knowledge sharing, the more it contributes to product development, resulting in a favorable impact on marketing performance.