

Identifying the primary elements and components affecting electronic customer relationship management

Mehdi Asadi¹ , Mohammad Mahmoudi Meymand² , Mehdi Zakipour³ 

1-Department of Business Management, Qazvin Branch, Islamic Azad University, Qazvin, Iran
2- Professor, Department of Business Management and IT, Payame Noor University, Tehran, Iran
3- Department of Business Administration, Qazvin Branch, Islamic Azad University, Qazvin, Iran

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Abstract

The purpose of this research is to identify the primary elements and components effective on electronic customer relationship management. According to its purpose, the research method is applicable; and in terms of nature, it is descriptive; and its implementation method is Delphi technique. The statistical population of the research includes 35 lecturers, professors, and faculty members of the Faculty of Management, as well as senior experts and managers of private banks; and the interviews continued until reaching theoretical saturation. Delphi panel members were selected through purposeful sampling. A semi-structured interview was used to collect information. The Delphi method was used to analyze the data and to reach a consensus on the components obtained from previous research and articles published on scientific sites in the field of electronic customer relationship management. The results showed that variables related to causal factors including human factors, technology factors, support factors; and background factors including cultural factors and industry factors; organizational factors including organization design factors and customer factors were identified and categorized as effective variables on electronic customer relationship management. Also, satisfaction and loyalty were recognized as consequences of using electronic customer relationship management.

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Corresponding Author: Mohammad Mahmodi Meymand

Email: drmahmoudim@pnu.ac.ir

Extended Abstract

Introduction

Fierce competition, globalization, increasing customer demand, and exposure to higher credit risks have forced banks to provide the best possible services in a fast and efficient manner to retain their customer base and turn them into loyal patrons (Mang'unyi et al, 2018) and try harder to improve their profitability (Joju et al, 2017). At the same time, product homogeneity has also added to the burden of the banking industry and has proven to be a challenge for banks to maintain customer loyalty during such a significant change in technological behavior as well as in consumer behavior (Singh & Chauhan, 2022). Also, the changes caused by the rapid transformation in technology and adaptation by customers, followed by the greater penetration of the Internet and the increase in the use of smart phones, have put banks under serious challenges in countless ways (Mathew et al, 2020). As the traditional banking model declines, the traditional approach to electronic customer relationship management may not be compatible with the new banking model. Electronic customer relationship management is a reactive approach that lacks transparency, so it needs improvement. The emergence of electronic customer relationship management is one of these phenomena. Electronic customer relationship management, as a preventive approach, is the only solution to the current situation in which banks can operate (Singh & Chauhan, 2022). Electronic customer relationship management enables customers to interact with their banks remotely through Internet communication platforms and devices. Electronic customer relationship management increases profitability through customer retention, cost reduction, and valuable engagement (Abu-Shanab & Anagreh, 2015). Stating that customer retention is the main driver of a company's profit growth, a 5% increase in retention leads to an increase in profit in the range of 50% to 100% (Bezhovski & Hussain, 2016).

In this regard, the main question of the research is: What are the primary elements and components that affect the management of communication with electronic customers?

Theoretical framework

Electronic customer relationship management

Electronic customer relationship management involves thorough investigation and practice of knowledge among customers to sell products and services (Ling & Yen, 2001; Hong Kit Yim et al, 2004). Given that in today's competitive environment, companies pay more attention to meeting customer needs through digital platforms, many different companies are implementing electronic customer relationship management systems with the aim of meeting growing customer service expectations (Azila & Noor Neeraj, 2011).

Electronic customer relationship management and customer satisfaction

When customers are satisfied with the services provided by their service providers, this relationship becomes stronger, which further leads to positive word-of-mouth advertising (Adnan et al, 2021, Mulyono & Situmorang, 2020). Electronic customer relationship management services help customers interact with their bank, which increases their satisfaction level and thus leads to the creation of a loyal customer base (Mulyono & Situmorang, 2020).

Customer relationship management and loyalty

Organizations that seek to implement customer relationship management to gain customer loyalty in their organization should consider the benefits of having loyal customers to get a more tangible picture of the customer. Loyal customers can lead to increased revenue for the company by spending more money than non-loyal customers. In addition, loyalty leads to less customer turnover to other competitors; it also creates positive word of mouth advertising and a plays supportive role in the decision making of others (Al-Shoura et al, 2017).

Customer satisfaction and loyalty

Customer satisfaction is considered as one of the key factors that lead to customer loyalty (Kaur Mokha, 2022). In fact, when customers are satisfied with the services provided by banks, they are willing to recommend it to others (Mulyono & Situmorang, 2018). Customer satisfaction leads to customer retention, customer loyalty, high revenue, and high profits. Long-term customer loyalty is useful for creating a familiar environment for customers who have few problems and objections about commercial products (Al-Shoura et al, 2017).

Singh & Anuradha (2022) investigated the operation of electronic management of customer relations and customer satisfaction in the insurance sector. The results of their findings showed that among the thirteen identified components; five factors: brand popularity to create attractiveness for customers, innovative product offering, quick and honest response, relationship building, and financial security are the most effective factors affecting customer satisfaction. They have the greatest effect on buying an insurance policy and increasing satisfaction.

Kumar & Kaur Mokha (2022) investigated the interactions between electronic customer communication management and customer experience, satisfaction and loyalty. The results of the findings showed that all relationships were meaningful and positive, and also customer experience and customer satisfaction are mediators in the relationship between E-CRM and customer loyalty. They claimed that the empirical results of their research had both theoretical and managerial implications that provided useful insights for bank managers to improve their long-term relationships with customers.

Research methodology

According to its purpose, the research method is applicable; and in terms of nature, it is descriptive; and its implementation method is Delphi technique. The statistical population of the research includes 35 lecturers, professors, and faculty members of the Faculty of Management, as well as senior experts and managers of private banks; and the interviews continued until reaching theoretical saturation. Delphi panel members were selected through purposeful sampling. A semi-structured interview was used to collect information.

Research findings

The Delphi method was used to analyze the data and to reach a consensus on the components obtained from previous research and articles published on scientific sites in the field of electronic customer relationship management. The results showed that variables related to causal factors including human factors, technology factors, support factors; and background factors including cultural factors and industry factors; organizational factors including organization design factors and customer factors were identified and categorized as effective variables on electronic customer relationship management. Also, satisfaction and loyalty were recognized as consequences of using electronic customer relationship management.

Conclusion

The current research was conducted with the aim of identifying the primary elements and components effective on electronic customer relationship management. The results of this research are in agreement with the researches of Ahmadi et al, (2024), Gholipour domyeh (2023), Singh & Anuradha (2022), Kaur Mokha (2022), Kumar & Kaur Mokha (2022), Kumar et al, (2021), Naim & Faiz Khan (2021), Rao & Reddy (2021), Ebrahimi & Yegangi (2021), and Baskabadi & Tosli (2021). Kumar & Kaur Mokha (2022) in their research considered customer experience and customer satisfaction as prerequisite tools for improving and strengthening long-term relationships with customers and showed that all relationships

are meaningful and positive, as well as customer experience and customer satisfaction are mediators in the relationship between E-CRM and customer loyalty. They claimed that the empirical results of their research had both theoretical and managerial implications that provided useful insight for bank managers to improve their long-term relationships with customers.

According to the results obtained from the research, the following suggestions are presented:

- Aggregation and software integration of technologically integrated interactive channels for customer relationship management;
- Determining the training system for customers and managing the analysis of customer needs based on interaction through social media in electronic customer relationship management;