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Exploring Customer Perspectives on CRM Practices in India's E-Commerce Sector

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Abstract

The main objective of relationship management is to retain current customers rather than prioritize attracting new ones. Loyal customers frequently share their experiences with potential customers, thereby acting as drivers for new customer acquisition. This study investigates the relationship management approaches and techniques utilized by three e-commerce companies to strengthen customer retention. It evaluates three independent variables customer acquisition methods, customer retention strategies, and service quality and their influence on the dependent variable, customer satisfaction. A carefully designed questionnaire was employed to gather data from 240 respondents using a purposive sampling method. Statistical measures, including mean, standard deviation, and t-tests, were applied for data evaluation. The results reveal a strong connection between customer relationship management strategies and customer satisfaction. To achieve customer loyalty, companies must nurture robust connections with their clientele by emphasizing these critical independent variables.

Keywords: E-Commerce, Customer Satisfaction, Customer Retention, CRM Practices Service Quality.

I. INTRODUCTION

Organizations aim to cultivate lifelong customers by prioritizing customer satisfaction. In today's highly competitive global market, coupled with the rapid advancement of customer intelligence technologies, businesses are compelled to adopt innovative marketing tools to harness insights from customer transactions and experiences. Companies that focus solely on acquiring new customers without ensuring their retention are unlikely to achieve sustainable success. Consequently, retaining customers becomes critical for organizational survival. To address this, organizations implement a structured approach known as "customer relationship management" (CRM). The ultimate goal of this framework is to foster customer loyalty, thereby lowering customer acquisition costs and amplifying positive word-of-mouth. This framework is pivotal in securing a competitive edge in the global marketplace.

E-Commerce Sector in India

India has an internet user base of about 50 million as of May 2020, about 40% of the population. This number is expected to be 627 million by the end of 2021. Despite being second-largest user base in world, only behind China (650 Million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), France (54 million, 81%) but is growing, adding around 6 million new entrants for every month. The industry consensus is that growth is at an inflection point. In India, cash on delivery is the most preferred payment method accumulating 75% of the e-retail activities. Demand for international consumer products is growing faster than in-country supply from authorized distributors and e-commerce offerings. In 2017, largest e-commerce companies in India were Flipkart, Snapdeal, Amazon. In 2018 Amazon and Flipkart were recorded the biggest e-commerce companies in terms of revenue.

The Role of CRM Practices for E-Commerce Companies

CRM practices analyze a wide range of information on the people. And it is for those who visit website and can help to create different audience groups. This might be based on the pages they view, how they find you, search terms, social interactions, and much more. CRM can identify these elements and look for patterns to help to understand each different group. The tool that select should have straightforward ways to help to look at current and past customers. To understand who purchased from your website, then apply this to the new audiences that it identifies. The entire content of this research is the relationship management practices and strategies implemented by three e-commerce companies i.e. Flipkart, Snapdeal, and Amazon.

Literature Review

Siby, A. George, J.P. (2022) studied that customer relationship management has recently been one of the key factors in the success of many organizations. Organizations have realized the importance of customer satisfaction and are integrating their operations with that of customer relationship to serve the customers in a better way. They emphasized to understand the importance of CRM in e-business. It also talks about the importance of customer relationship for an organization in its growth. Relationship marketing has been studied to show how customer relationship management practices can be made use of for the benefit of an organization..

Teshita Uke Chikakao and GemediTesfayeHamu (2021) the study emphasizes on the existence of a relationship between the OCSSCO, Bule Hora branch, and its customers measured by customer relationship management practices. Empathy involves caring and individual attention, while the company provides its services for the customers. Customers become loyal to their office when they get respect and individual attention which is one the main parts of quality service. In microfinance, empathy and providing microfinance quality services are the basis of sound CRM. From the results obtains, customers of the employees of microfinance openly speak their feeling during service provision. However, it is difficult to arrive at such conclusion and generalize that the employees of the institution show empathic relationship during the service provision well.

Hermenegildo Gil-Gomez (2020)analysed the innovation customer relationship management, digital transformation and sustainable business model. Understand customer relationship management (CRM) as a set of key technologies for efficient business management, the advantages of which, highlighted by previous work, are presented here and defined as crucial for business success. Of particular interest for this purpose are existing studies on sustainability, which represent a workable research model for assessment and validation the possible impact of each CRM component (sales, marketing and services) on the three dimensions of sustainability (economic, environmental and social). The benefits associated with CRM can increase the positive impact of its components on any dimension of sustainability regarded as a kind of green IT geared towards the digital transformation and innovation of the sustainable business model. Indeed, this research model may form the basis of a more specific methodology for measuring the impact and benefits of CRM application, which, as we well argue, is understood both in terms of sustainability.

Hasan and Hin-Nashwan (2017)examined the impact of customer relationship management (CRM) on customer satisfaction and retention CRM is a set of practices that companies use to maintain and grow their customer base. The results differ in terms of publishing trend, CRM classification and industries and countries examined. The three dimensions that have been widely used in previous studies that address the impact of CRM on customer satisfaction and loyalty are quality of service, service access and complaint processing. It has been found that these factors influence customer satisfaction and retention. The study will benefit both

academics and practitioners as it complements the existing CRM literature and provides insight into the real impact of CRM in practice.

Shanthi (2014) examined the development of Indian retail and described the increasing vitality and awareness of brands that prevail among consumers. A remarkable expansion of urban and semi-urban retail markets can be observed here. Additionally, the study focuses on government support and future requirements reforms that will support retail development. Like the large medium-sized consumers and their retail initiative, they were excited to enter the new markets that resulted in the rapid growth of the Indian retail industry. This study describes the expansion, modern strategies, influence, opportunities and challenges presented to the Indian retail sector and is presented by examining the collision of the engagement of global competitors in the retail sector and future crises and disputes that are drawing the attention of require completed future industries.

Objectives of the Study

1. To assess the Perception of customers about the customer relationship management practices that is implemented at customer level.
2. To study the awareness of customers or users towards CRM practices by the e-commerce companies through its websites.
3. To understand the satisfaction level of the customers towards CRM practices.

Need of the Study

CRM practices facilities more chances for customers to communicate and explain their wants to the organization through various touch points. Customers get increased satisfaction and feeling of being special and important because of the increased personalization of services and customization of goods offered to them. The purpose of this study is to study whether customer relationship management practices followed by the various e-commerce companies satisfies to the needs of the users or not.

Scope of the Study

E-commerce sector adopts CRM practices and strategies to ensure better and long customer relationship. This study focuses from the view of customers on the point of practices and strategies in terms of customer acquisition practices, quality of services, customer retention practices. This study will be useful for an e-commerce company to know about the usage of CRM and the awareness and satisfaction level of the customers where the e-commerce company can modify according to the result.

Research Methodology

The present study, being conducted followed a descriptive design. Descriptive research describes about the population or phenomenon being studied. Descriptive research is pre-planned and structured. The data so collected has been analyzed with help of T-test. Chi-square test, and techniques to fulfill the research objectives. These include percentage tables, Mean and Standard Deviation keeping in context with the objectives of the study. The sample size for survey conducted is 240 respondents. The selection of respondents was done on the basis of Stratified random sampling technique.

Limitations of the Study

1. The customers may be biased and the sample size was limited.
2. The study is done only for customers of the selected e-commerce websites users.
3. As the project is also based on secondary data, possibility of unauthorized information.

Analysis and Interpretation**Table:1 Analysis of Demographic Profile**

Characteristics	Distribution	Frequency	Percentage
Gender	Male	128	54
	Female	112	46
Age	Below 25 Years	72	30
	25-40	55	23
	41-60	60	25
	Above 60 Years	53	22
Educational Qualification	Upto School	43	17
	Under Graduate	72	31
	Post Graduate	34	15
	Professional	41	17
	Others	50	20
Occupation	Private Employee	51	21
	Government Employee	40	17
	Business	39	16
	Student	64	26
	Homemaker	36	15
Income Level	Below Rs. 10,000	23	11
	Rs. 10,001 – 20,000	56	23
	Rs. 20,001 – 30,000	75	31
	Rs. 30,001 – 40,000	50	20
	Above Rs. 40,001	36	15

Assessing the perception level of the customers towards CRM practices adopted in various e-commerce companies. This study analysis three aspects of CRM practices of three e-commerce companies, such as, customer acquisition practices, quality of services, and customer retention. The use of t-tests is to assess the overall satisfaction of the customers towards CRM practices in relation with the above three factors.

Table 2: Perception of Customers towrds CRM Practices

CRM Practices	Mean	Standard Deviation	t-test
Customer Acquisition Practices	12.22	13.0789	12.5064
Quality of services	10.25	11.5589	11.4140
Customer Retention Practices	12.25	19.3258	12.8761

It is found in the table above that the estimated number of variables of the CRM practice related to customer acquisition, quality of service and customer retention is 12.5064, 11.4140 and 12.8761. It is found that t values are higher than 3 i.e., 12.5064, 11.4140 and 12.8761, which are statistically significant at 5 %. It can therefore be concluded that CRM practices followed by e-commerce companies is approved by customers.

Table:3 Chi – Square Test

Ho: There is no significant relationship between the factors of perception on CRM practices and customer satisfaction

Particulars	Value	Df	Asymp.Sig. (2-sided)
Chi-square test	10.02	8	.025

The calculated value is higher than 0.05, since it is concluded that there is significant relationship between the factors of perception and CRM practices which is implemented at customer level.

Findings and Discussions

This study has examined the attitude of CRM practices on customer acquisition practices, quality of service and customer retention and the mediating role of customer satisfaction. The findings have empirically proven that CRM practices of e-commerce companies have a significant association with customer acquisition practices, quality of service and customer retention practices. The researcher has found the four main findings of the study.

- Customer opinion on the CRM practices of e-commerce companies in relation customer acquisition practices is approved (t-value is 12.5064) by respondents.
- Customer opinion on the CRM practices of e-commerce companies in relation to quality of services is approved (t-value is 11.4140) by respondents.
- Customer opinion on the CRM practices of e-commerce companies in relation customers retention practiced is approved (t-value is 12.8761) by respondents.

- There is a significant relationship between the factors of perception and CRM practices of e-commerce companies.

Suggestions to the E-Commerce Company

Customer Acquisition Practices and Customer Retention

It is suggested to all e-commerce companies must implement an e-commerce loyalty program towards keeping and engaging existing customers and to new customers, so they will use e-wallet services more frequently. E-commerce companies must offer points and rewards like cash back rewards to their best customers who can be redeemed at checkout and earning discounts on purchases.

Quality of Services

Customer service representatives should offer knowledge and information about the brand and services. Sharing knowledge is a great way to give your customers some value and be foremost in their mind when they need advice or information. Social media platforms are the perfect tools to provide information. It is also suggested that proper training should be given to the employees regarding behavioral patterns to reach the high customer support service.

II. CONCLUSION

Most of clients are of the assessment that they feel genuinely great and excellent transport about CRM practices of e-commerce companies. It is obvious from the investigation that most of clients are of the assessment that their principle reasons for CRM are to improve clients' faithfulness and maintenance of existing clients. Appropriate direction about the offices and a decent marketable strategy is given as a significant accomplishment for CRM in web based business companies. Hence forth it is demonstrated that a decent strategy and proceeded with direction about offices accessible to clients in online business area, which has arisen as an effective customer relationship management.

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