DIGITAL MARKETING IMPACT ON CUSTOMER RELATIONSHIP MANAGEMENT (CRM) : AN EMPLOYEE PERSPECTIVE

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ABSTRACT Customer relationship management (CRM) is a concept for managing a company's interactions with customers, clients, and sales prospects which can achieve financial institutions goal such as customer satisfaction. It involves using technology to organize, automate, and synchronize business processes. The objectives of CRM are to enhance profitability, income, and customer satisfaction. To attain CRM, many organizations use set of tools, technologies, and procedures to support the relationship with the customer to enhance sales. Therefore, CRM is an issue of strategic business and process rather that a technical one. Customer relationship management (CRM) is a concept for managing a company's interactions with customers, clients, and sales prospects. Due to the tough competition in the banking industry in Jordan, it is very necessary for financial institutions to build and maintain a strong relationship with the customers in order to achieve the ultimate goal of customer satisfaction. The significance of customer satisfaction cannot be dismissed while happy customers are like free advertising for the financial institutions. It is necessary to put the customer at the centre of the business according to its strategies, events and processes. In fact, it is easier and more profitable to sell to present customers than to find new ones.

Introduction:

Customer relationship management has come to represent more balanced emphasis on continuing relationships rather than simply having individual transactions. The higher the rate an organization practices good customer relationship, the higher would be the rate of customer loyalty to its brands or products. Ragins and Greco (2003) noted that CRM offers organizations' several advantages and benefits. They opined that a committed customer has an emotional attachment to the seller. These emotions can include trust, likings and believing in the organization's ability to respond effectively and promptly to customer's problem. A customer can be viewed as an organization's asset because they are likely to be a source of favourable word-of-mouth referral. A new customer can only be made through a complex process of creating awareness of the existence of the firm's products and channels of distribution (Achumba, 2004). Therefore an organization will improve sales, profit and market share by increasing customer's identification and retention through effective and efficient CRM. The points of view are the process, the strategy, the philosophy, and the technology. It demonstrates the most important differences among the above points of view (Zablah, 2004). it also demonstrates that since there are various points of view related to CRM concept, writers have not reached an agreement on that concept. In the light of the above, then, the researcher has tried to put a definition that suits the goal of the present study. This definition is "CRM is the activity which is interested in the main customers of the organization, in the efficiency of organization and in the customer knowledge management, with the aim of enhancing the effectiveness of the organization decisions related to customers, leading, therefore, to the improvement of the marketing performance in particular and the organizational performance in general."

Literature Review:

In order to understand the concept of Customer Relationship Management, one must also understand the dynamics of customers because customers are not consistently what they are theoretically hypothesized to be (Greenberg, 2009). CRM is a business strategy, which aims to understand, anticipate and manage the needs of the organization's current and potential customers. It is a journey of stages; strategy, process, organizational and technical change where an organisation seeks to better manage its own business around customers behaviours. The end goal is to acquire, retain and grow profitable customers. It requires a clear focus on the service attributes that represent value to customers and create loyalty. CRM allows organisations to develop a robust targeting and enquiry management processes that helps to boost new businesses significantly (Adiele & Gabriel, 2013). According to Kubil & Doku

(2010), a number of benefits could be associated with good customer relationship management, they include: i. It allows gross selling opportunities, leading to low customer expenditure over time. For many organisations, the attraction of building customer relationship is the promise of gross selling; selling additional products and services to existing customer base and that it is generally believed that in the long run customers will buy more if satisfied with the company / its product(s). ii. Building relationship with customers reduces competitors from acquiring them because satisfied and retained customers may be less susceptible tocompetitors appeal and indicates that a satisfied customer may demonstrate immunity to the pull of competition. iii. Sales, marketing and set up cost are amortised over a longer customer life time. Linked to this point is that associated with acquiring a new customer which incurs initial set up cost which can be recouped over time. Customer economics generally improve over time which is why it is important to take a lifetime value perspective which considers the potential life time income from customer relations. Similarly, Keith et al. (2008) noted the following benefits of customer relationship management:

I. Improved ability to target profitable customers;
ii. Integrated offerings across channels;
iii. Improved sales force efficiency and effectiveness;
iv. Individualized marketing messages;
v. Customized products and services;
vi. Improved customer service efficiency and effectiveness; and
vii. Improved pricing.

Research Methodology:
Objectives:
1) To know the role of CRM to improve marketing effectiveness in Hyderabad.
2) To study contribution of Digital marketing in this regard.
3) To empirically study digital marketing impact on CRM success.

Hypothesis:

H_{01}: There is no significant relation between age group of respondents and their views on shifting to digital marketing.

H_{02}: There is no association between income and their preference on technical services in digital marketing.

H_{03}: There is no association between gender and their preferences in quality of product in digital marketing.

Sample & Sample Size:
A sample of 100 Bank officers perception was considered to measure

CRM impact on Digital marketing effectiveness.

Data Collection:
Secondary data was collected from reputed journals and related article on the topic Primary data was collected with the help of a structured questionnaire which is distributed randomly to bank officials in Hyderabad region.

Data Analysis:
H_{01}: *There is no significant relation between age group of respondents and their views on shifting to digital marketing.*

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.452[a]	12	**.004**
Likelihood Ratio	11.861	12	.457
Linear-by-Linear Association	2.016	1	.156
N of Valid Cases	102		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .06.

The above chi square test indicating the significant value less than 0.05 (0.004) , hence the **hypotheses rejected.** i.e the different age group people have different opinions to shifting from traditional marketing to other marketing like competitors and RoI etc...

H_{02}: *There is no association between income and their preference on technical services in digital marketing.*

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.497[a]	12	**.042**
Likelihood Ratio	21.669	12	.041
Linear-by-Linear Association	.269	1	.604
N of Valid Cases	102		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .35.

The above chi square test indicating the significant value greater than 0.05 (0.042) , hence the **hypotheses accepted.** i.e depend on various income group people have different opinions in technical preferences in their purchase of products.

H_{03}: *There is no association between gender and their preferences in quality of product in digital marketing.*

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.118[a]	3	.007
Likelihood Ratio	13.886	3	.003
Linear-by-Linear Association	1.741	1	.187
N of Valid Cases	102		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.68.

The above chi square test indicating the significant value less than 0.05 (0.007) , hence the **hypotheses rejected.** i.e there is a huge difference of quality of products varies in both male and female.

Regression (Social Media Impact on CRM) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.187a	.035	-.005	.981

a. Predictors: (Constant), Price , Quality of Product, Customer

Services, Security features

R: represents the multiple correlation coefficients with a range lies between -1 and +1. Since the R value of 0.187 it means dependent variable prefer to buy products which has good brand image in the market has a positive relationship with independent variables search information from various sources before buying, select the best product or brand among the alternatives, always check the lifetime of the products before buy, take decision myself about the products while purchasing without any references

R square: represents the coefficient of determination and ranges between 0 and 1. Since the R square value is 0.35, it means 35 % of the variation explained by dependent variable in terms of independent variables.

ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.386	4	.846	.880	.004[a]
	Residual	93.281	97	.962		
	Total	96.667	101			

a. Predictors: (Constant), Price , Quality of Product, Customer Services, Security features
b. Dependent Variable: The role of Social media In digital marketing?

The ANOVA table indicating the considered model was fit model with 0.004 (0.005), significance. Hence the model was adopted and fit for preset environment

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.494	.704		3.542	.001
	Customer Services	.036	.133	-.030	-.267	.790
	Security features	.185	.134	.161	1.378	.171
	Quality of Product	.110	.118	-.105	-.927	.356
	Price	-.101	.121	-.086	-.836	.405

a. Dependent Variable: The role of Social media In digital marketing?

The above coefficient model was fit as per the role of social media have impact on

$$Y = aX + b$$

Social Media Impact on CRM Succes = 2.49 + 0.36 (Customer Services) + 0.185 (Security features) + 0.110 (Security features) - 0.101 (Price).

Discussion of Results:
As digitization is a rather new and unstructured phenomenon and many companies are still considering how to reconcile their operations to the change, and how to take advantage of new social tools, the results of this study have several managerial implications. First, CRM might remain a purely selling tool, but organizations that manage to incorporate marketing and communication into the CRM system might be able to offer a more holistic service to their customers. As CRM increasingly targets harder outcomes like increased profit, marketing and communication might play a major role in supporting softer outcomes by providing an understanding of long-term consequences and a global understanding of the customer's business. The two functions should genuinely support each other, but achieving that objective would require facilitating an open atmosphere to foster efficient communication between different functions and also among customers. It is worth noting that the staff of the organization described as the most customer centric in this study worked for the firm assessed as having the most efficient internal communication and collecting the most descriptive data in

its CRM system. This result should also encourage companies to invest in internal communication practices and pay attention to the internal coherence of the company. That is a task perhaps best performed by a BI unit or the communication and marketing functions, which could monitor the web environment and refine the information gathered for CRM purposes. Again, efficient internal communication and an open atmosphere of communication seem to be central. It would also be wise to clarify the goals of using public social media channels. Although they enable online dialogue, companies should carefully consider how much effort they expend on serving existing and prospective customers through the social media channels. Companies must really know their stakeholders, and how that group utilizes digital channels, and then direct their efforts to serving the most important stakeholders strategically. A policy of simply generating as many leads as possible is unlikely to deliver lasting success, but careful use of digital and traditional strategies can increase the number of quality leads.

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