



African Journal of Biological Sciences

Journal homepage: <http://www.afjbs.com>



Research Paper

Open Access

## Role of E-CRM in effectiveness of Strategic Marketing Planning for customer Retention: An Empirical Study

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Volume 6, Issue 6, May 2024

Received: 01 March 2024

Accepted: 7 April 2024

Published: 13 May 2024

[doi: 10.33472/AFJBS.6.6.2024.1600-1609](https://doi.org/10.33472/AFJBS.6.6.2024.1600-1609)

### Abstract

In India, strategic marketing strategy for customer retention is more effective when it incorporates Electronic Customer Relationship Management (E-CRM). Businesses can collect and analyze enormous volumes of client data using E-CRM systems, giving them deep insights into the preferences, actions, and buying patterns of their customers. Customer satisfaction and loyalty are raised by the more individualized and focused marketing techniques made possible by this data-driven approach. In the Indian context, E-CRM assists companies in catering to the distinct requirements of different client segments in an extremely competitive and diverse market. Stronger relationships are fostered via E-CRM, which guarantees timely and consistent customer involvement by automating customer interactions and optimising communication channels. By cultivating a devoted clientele, this all-encompassing strategy fosters long-term growth in addition to improving customer retention. E-CRM is therefore essential for strategic marketing strategy targeted at retaining customers in the ever-changing Indian market. A sample of 231 respondents was collected from people in business and marketing sector. The factor that identifies the role of E-CRM in effectiveness of Strategic Marketing Planning for customer Retention are Loyalty Programs and Rewards, Customer Feedback and Engagement, Enhanced Customer Service, and Data-Driven Decision Making.

**Keywords:** Strategic marketing, Customer retention, Electronic Customer Relationship Management (E-CRM), Data analysis, Customer satisfaction, Market segmentation, Long-term growth

**Introduction**

Electronic customer relationship management, or E-CRM, is crucial for strategic marketing planning that is client retention-focused in the competitive and diverse Indian market of today. Businesses may collect and analyse vast volumes of customer data by using E-CRM systems, which enables more targeted and customised marketing efforts that boost customer happiness and loyalty. E-CRM provides valuable insights through data analytics and reporting. Businesses can track key performance indicators (KPIs) related to customer behavior, sales, and marketing effectiveness. E-CRM ensures timely and reliable client involvement by streamlining communication and automating interactions. After "Electronic Customer Relationship Management" (or "E-CRM") technologies were introduced, the strategic marketing plan for customer retention in India significantly improved. Das et al. (2018) showed that the association between effective "Customer Relationship Management" (CRM) tactics and client retention was mediated by customer satisfaction. Thanks to e-CRM systems, businesses were able to gather a vast amount of consumer data, which allowed them to construct customized marketing campaigns based on the preferences of individual customers. This tailored approach improved client satisfaction and fostered loyalty, ensuring long-term retention.

According to Kumar and Mokha (2022), E-CRM systems improved customer satisfaction, which in turn enhanced customer loyalty. The seamless integration of several client touchpoints via E-CRM ensured consistent and customised communication, which was crucial in the competitive banking sector. By leveraging E-CRM data analytics to obtain a more comprehensive insight of customer behaviour and preferences, banks were able to offer tailored financial goods and services. Apart from fulfilling the distinct needs of the customers, this tailored strategy established enduring relationships of trust, both of which were crucial for retaining customers in the banking industry.

Kaur and Kaur (2016) evaluated the competitive advantage that E-CRM provided to the Indian banking sector. They asserted that the effectiveness of E-CRM was significantly increased by this competitive edge, leading to greater client retention results. By automating and streamlining customer contacts, banks were able to reduce operating costs and improve service performance. Because E-CRM systems can react quickly and effectively to consumer inquiries and problems, overall customer happiness has grown. Kaul (2017) elaborated on the wider consequences of CRM in the retail industry, establishing a connection between it and "Customer Lifetime Value" (CLV). Businesses in the retail industry were able to track client preferences and purchase histories thanks to E-CRM systems, which made it possible to launch highly focused marketing campaigns. Retailers improved the shopping experience by providing tailored promos and recommendations, which raised customer satisfaction and loyalty. Retailers were able to improve retention and long-term profitability by using E-CRM to forge closer ties with their customers. As a result, E-CRM was essential to strategic marketing planning for customer retention in India's diverse industries.

**Literature Review**

Farmania et al. (2021) examined the conversion of CRM operations into "E-CRM" in the context of strategic marketing planning for client retention in India. They emphasized how important it is to use "E-CRM" to boost customer loyalty and promote open innovation by utilizing digital technology. E-CRM systems can manage loyalty programs by tracking customer purchases and rewarding repeat customers with points, discounts, or special offers. In line with the changing market dynamics of India, this transformation signifies a strategic move towards customer relationship management that is more dynamic and flexible. Enterprises can effectively leverage the power of "E-CRM" to customize marketing strategies and activities based on individual consumer preferences and behaviors by fusing traditional CRM techniques with digital technologies. Strategic marketing planning for client retention in the Indian market is critical, and this tailored strategy not only improves consumer happiness but also fortifies long-term loyalty. They also emphasised how adopting "E-CRM" promotes shared consumer interaction, which fosters innovation. Enterprises must consistently innovate to remain competitive and relevant in India's quickly changing market environment, where consumer expectations are ever-changing.

Singh et al. (2023) examined the effect of E-CRM services on customer loyalty in the Indian healthcare sector. It was shown that by boosting client satisfaction and trust, E-CRM services had a favorable impact on customer persistence. The implementation of E-CRM systems allowed healthcare providers to provide individualized care and keep thorough patient data. Patient satisfaction increased and the healthcare provider's credibility was strengthened by this individualized care. In order to keep clients in the healthcare industry, they emphasised the vital role that E-CRM plays in strategic marketing plans.

A customer-centric strategy can be created by examining the idea of "Social E-CRM" (SECRM), as discussed by Naim (2022). For more effective and dynamic client engagement, SECRM combined social media platforms with standard E-CRM procedures. By interacting with customers on social media, firms who used SECRM in India were able to learn a great deal about their preferences and behavior. The efficiency of strategic marketing planning was improved by this method, which also brought value to the customer connection. Businesses could increase customer satisfaction and retention rates by utilizing SECRM to forge closer bonds with their clientele. Mehta and Tajeddini (2016) used the "CRM Magic Quadrant" with the "Readiness Matrix Model" to show how E-CRM systems helped Indian SMEs gather and process customer data efficiently. SMEs were able to create and implement customized marketing plans based on the requirements and preferences of specific customers thanks to this capacity. SME customer satisfaction increased as a result of E-CRM adoption, which guaranteed long-term retention and encouraged loyalty. E-CRM techniques had a major effect on client retention and satisfaction in the insurance business.

Anuradha and Singh (2022) assessed that E-CRM procedures significantly increased customer satisfaction in the Indian insurance sector. Insurance providers were able to deliver prompt, individualized services because E-CRM technologies made communication more effective and reduced procedures. Customers' trust and loyalty were subsequently enhanced by the rapid resolution of their complaints thanks to this personalized service approach. Well-structured loyalty programs can significantly boost customer loyalty and lifetime value. Insurance firms were able to maintain client retention by satisfying their individual needs and provide an exceptional customer experience through the efficient use of E-CRM.

The key to strategic marketing planning's efficacy for client retention in India is "E-CRM". The need of utilising "e-CRM" technologies and tactics to strengthen client relationships in the digital age was highlighted by Joju and Joseph (2016). Businesses may adjust their marketing strategies to suit the changing demands and tastes of Indian consumers by incorporating electronic channels into customer relationship management. Kaur (2016) underlined the value of "electronic-customer relationship marketing (e-CRM)," stressing the platform's capacity to promote tailored interactions and cultivate lifetime client loyalty. A more sophisticated method of comprehending and interacting with clients is provided by "e-CRM" in a nation as diverse as India, where consumer behaviors differ among demographic groups and geographical areas.

The "e-CRM" services offered by service providers were the focus area of Manjunatha and Naidu's (2020) which showed the important success elements that are essential for successful deployment. Companies can customize their "e-CRM" plans to suit the distinct socio-cultural characteristics of the Indian market. Dasgupta and Sahai (2021) showed the significance of "Electronic Customer Relationship Management (eCRM)" in the digital transformation of India's society and economy, highlighting the revolutionary potential of this technology in advancing customer-centric marketing approaches. In order to improve strategic marketing planning and support customer retention initiatives, organizations are turning more and more to digital technology for customer engagement. Analyzing this feedback helps businesses understand customer needs and areas for improvement. Engaging customers by responding to their feedback shows that the company values their opinions, fostering a stronger customer relationship.

Strategic marketing planning for customer retention in India works better when it includes "Electronic Customer Relationship Management," or "E-CRM." In their examination of "E-CRM" in e-commerce, Maxwell and Khan (2018) stressed the role, influence, and advantages of this technology as well as how crucial it is for creating and maintaining customer relationships. Customising marketing techniques according to individual consumer preferences through "E-CRM" enables firms to increase customer satisfaction and extend the duration of their client loyalty. Personalised communication and efficient data management are the means by which this is accomplished. In the competitive and dynamic Indian e-commerce sector, organisations seeking to maintain their clientele may find that carefully implementing "E-CRM" makes all the difference.

According to Mokha and Kumar (2022), the relationship between "E-CRM," customer experience, contentment, and loyalty is extremely important when it comes to strategic marketing planning for client retention in India. They demonstrated the significance of "E-CRM" in generating positive client experiences, which influence satisfaction and foster loyalty. By facilitating seamless interactions across several touchpoints, the deployment of "E-CRM" improves the customer journey and raises satisfaction and retention rates.

### **Objective**

For identifying “Role of E-CRM in effectiveness of Strategic Marketing Planning for customer Retention”

### **Study’s Methodology**

231 respondents are considered for this study which was collected from from people in business and marketing sector. Random sampling method was used to collect data and examined by “Explanatory Factor Analysis” for results.

### **Findings of the Study**

Below table shows demographic details of participants it shows that 52.81% are male, and 47.19% are female participants. Regarding age of the respondents, 29.87% are between 26 to 30 years, 35.93% are 30 to 36 years, and 34.20% are above 36 years of age. About Types of Business sector, retail sector is 51.08%, and wholesale sector is 48.92%.

**Details of Participants**

<b>Variable</b>	<b>Participants</b>	<b>% age</b>
<b>Gender of Participants</b>		
Male	122	52.81%
Female	109	47.19%
<b>Total</b>	<b>231</b>	<b>100</b>
<b>Age in years</b>		
26 to 30	69	29.87%
30 to 36	83	35.93%
Above 36	79	34.20%

<b>Total</b>	<b>231</b>	<b>100</b>
<b>Type of Business sector</b>		
Retail sector	118	51.08%
Wholesale sector	113	48.92%
<b>Total</b>	<b>231</b>	<b>100</b>

**“Factor Analysis”****“KMO and Bartlett's Test”**

“Kaiser-Meyer-Olkin Measure of Sampling Adequacy”		.769
“Bartlett's Test of Sphericity”	“Approx. Chi-Square”	3647.769
	df	91
	Significance	.000

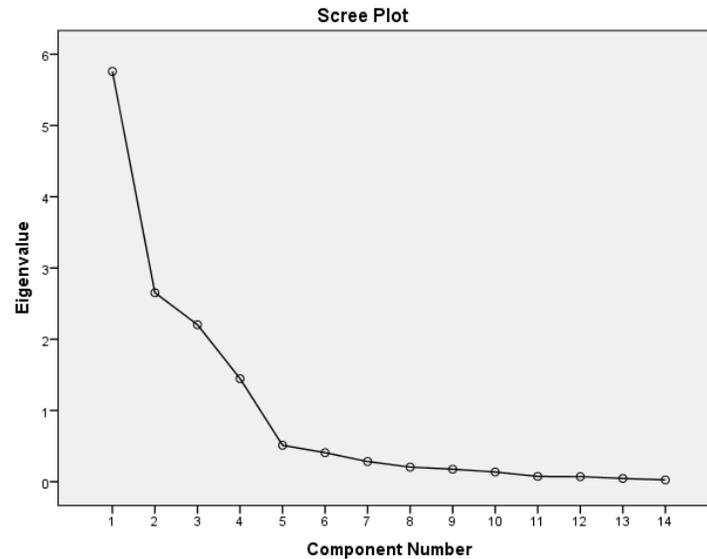
“KMO and Bartlett's Test”, value of KMO is .769

**“Total Variance Explained”**

“Component”	“Initial Eigenvalues”			“Rotation Sums of Squared Loadings”		
	“Total”	“% Of Variance”	“Cumulative %”	“Total”	“% Of Variance”	“Cumulative %”
1.	5.759	41.139	41.139	<b>3.713</b>	26.523	26.523
2.	2.653	18.947	60.085	<b>3.665</b>	26.178	52.701
3.	2.204	15.743	75.829	<b>2.390</b>	17.070	69.771
4.	1.447	10.339	86.167	<b>2.295</b>	16.396	<b>86.167</b>
5.	.511	3.652	89.820			
6.	.407	2.911	92.730			
7.	.283	2.024	94.754			
8.	.205	1.467	96.221			
9.	.176	1.255	97.476			
10.	.136	.971	98.448			
11.	.075	.533	98.980			
12.	.071	.510	99.490			

13.	.046	.328	99.819			
14.	.025	.181	100.000			

All the four factors are making contribution in explaining total 86.167% of variance. The variance explained by Loyalty Programs and Rewards is 26.523%, Customer Feedback and Engagement, is 26.178%, Enhanced Customer Service is 17.070%, and Data-Driven Decision Making is 16.396%.



**ScreePlot**  
**“Rotated Component Matrix”**

S. No.	Statements	Factor Loading	Factor Reliability
	<b>Loyalty Programs and Rewards</b>		<b>.972</b>
1.	E-CRM systems can manage loyalty programs by tracking customer purchases	.955	
2.	It rewards repeat customers with points, discounts, or special offers	.947	
3.	These programs incentivize customers to continue purchasing from the company, enhancing retention	.932	
4.	Loyalty programs can significantly boost customer loyalty and lifetime value	.924	
	<b>Customer Feedback and Engagement</b>		<b>.955</b>

1.	It facilitates collection of feedback through surveys, reviews, and social media	.958	
2.	Engaging customers by responding to their feedback shows company values their opinions	.912	
3.	Analyzing feedback helps understand customer needs and areas for improvement	.894	
4.	Engaging customers fosters a stronger customer relationship	.894	
	<b>Enhanced Customer Service</b>		<b>.868</b>
1.	Provide tools for improved customer service such as live chat, email, social media	.888	
2.	Prompt and efficient customer support enhances customer satisfaction, and retention	.850	
3.	Customers who receive excellent service are more likely to remain loyal	.807	
	<b>Data-Driven Decision Making</b>		<b>.830</b>
1.	Provides valuable insights through data analytics and reporting	.921	
2.	Can track key performance indicators related to customer behavior, sales, and marketing	.906	
3.	Data-driven insights help companies refine their strategic marketing plans	.707	

### Factors and the associated variables

The first factor of the study is Loyalty Programs and Rewards, the variables under this factor are E-CRM systems can manage loyalty programs by tracking customer purchases, It rewards repeat customers with points, discounts, or special offers, These programs incentivize customers to continue purchasing from the company, enhancing retention, and Loyalty programs can significantly boost customer loyalty and lifetime value. Second factor is Customer Feedback and Engagement, it includes variables like It facilitates collection of feedback through surveys, reviews, and social media, Engaging customers by responding to their feedback shows company values their opinions, analyzing feedback helps understand customer needs and areas for improvement, and Engaging customers fosters a stronger customer relationship. Enhanced Customer Service is the third factor of the study, it includes variables like Provide tools for improved customer service such as live chat, email, social media, Prompt and efficient customer support enhances customer satisfaction, and retention, and Customers who receive excellent

service are more likely to remain loyal. Last and fourth factor is Data-Driven Decision Making, its variables are Provides valuable insights through data analytics and reporting, can track key performance indicators related to customer behavior, sales, and marketing, and Data-driven insights help companies refine their strategic marketing plans.

### **“Reliability Statistics”**

“Cronbach's Alpha”	“Number of Items”
.879	14

Total reliability of 14 items that includes variables for Role of E-CRM in effectiveness of Strategic Marketing Planning for customer Retention is 0.879

### **Conclusion**

In conclusion, E-CRM (Electronic Customer Relationship Management) plays a "paramount" role in the efficacy of strategic marketing strategy for retaining customers in India. Businesses may better understand their consumers' demands, personalise their interactions with them, and adjust their marketing plans with the help of E-CRM. Stronger ties are fostered by this "personalised" approach, which increases client loyalty and retention. Moreover, E-CRM systems enable companies to monitor consumer behaviour, preferences, and trends by offering insightful data analytics. By anticipating customer demands, addressing concerns proactively, and providing timely answers, organisations can increase customer happiness and loyalty through the use of this "data-driven" approach. Furthermore, E-CRM becomes "indispensable" in a country like India that is quickly changing its digital landscape and seeing an increase in online purchases and digital interactions. Through a variety of digital platforms, including social media, email, and mobile apps, it helps businesses to interact with customers in a seamless and consistent manner. Businesses may maximise ROI, streamline resource allocation, and improve strategic marketing planning procedures by utilising E-CRM successfully. In the end, including E-CRM into strategic marketing planning improves client retention while also fostering competitiveness and sustainable growth in the ever-changing Indian market environment. The factor that identifies the role of E-CRM in effectiveness of Strategic Marketing Planning for customer Retention are Loyalty Programs and Rewards, Customer Feedback and Engagement, Enhanced Customer Service, and Data-Driven Decision Making.

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