

# The Antecedents of Electronic Customer Relationship Management Performance (e-CRM) in Electronic Services

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**Abstract.** It is very important to measure the performance of ECRM in organization. Not many researches have been done to measure the performance of ECRM in the organization. Previous researcher believe that ECRM performance should be measured ultimately in terms of customer behaviors since they are the underlying sources of value of current customers in a firm and have the potential to increase the future revenue streams associated with them and those prospective customers. This conceptual paper suggests that customer trust, privacy, usefulness, service quality as the antecedents of electronic customer relationship management performance in electronic services.

**Keywords:** e-CRM, customer privacy, service quality, customer trust and usefulness

## 1. Introduction

It is very important to measure the performance of ECRM in organization. Not many researches have been done to measure the performance of ECRM in the organization. Previous researcher believe that ECRM performance should be measured ultimately in terms of customer behaviors since they are the underlying sources of value of current customers in a firm and have the potential to increase the future revenue streams associated with them and those prospective customers (Wang, Lo, Chi, & Yang, 2004). This argument is supported by Grant & Schkesinger (1995) he mentioned that the fundamental of ECRM is to ensure steady streams of revenue and maximization of customer lifetime value or customer equity. In this case, customer behaviors become strategically significant (Grant & Schkesinger, 1995).

According to Wang 2004 there are two types of benefits to be captured from establishing and maintaining customer relationship; tangible benefits and intangible benefits. Tangibly, customer will figure out a positive relationship length, relationship depth and breadth behaviors as a result of a good management of customer relationship by the firm. Intangibly, customer will figure out a positive relationship quality behavior as one of the benefits of firm customer relationship activities. The operational definition of ECRM performance in this study is “the intention of customers to figure out their positive relationship length, depth, and breadth behavior and a positive relationship quality behavior along their contacts with the firms”. In other way behavior-based ECRM performance means “the tangible and intangible benefit arises from the activities of maintaining and establishing customer relationship by a firm such as relationship length, relationship depth and breadth and relationship quality”.

## 2. The Model for Customer Relationship Management Success

ECRM is an integration of technologies and business processes use to satisfy the needs of customer during any given instruction (Bose, 2002). ECRM normally involves business process change and the introduction of new information technology, consequently effective leadership is important (Galbreath and Rogers, 1999).

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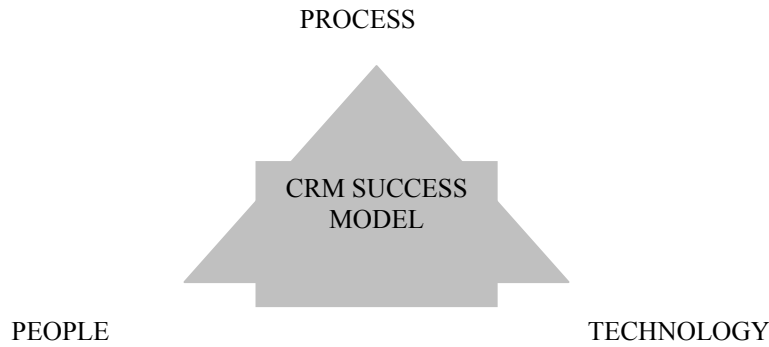


Fig. 1: CRM Success Model (Chen and Popovic, 2003).

ECRM evolved from business processes such as relationship marketing and the increased emphasis on improved customer retention through the effective management of customer relationships (Bull, 2003). Since the discussion of ECRM becoming popular, in 2003 the model of Customer Relationship Management Success has been introduced (Chen and Popovich, 2003). This model highlights the important of people, technology and process factors as the main pillars of successful ECRM (Chen and Popovich, 2003).

### 3. The Antecedents' of Electronic Customer Relationship Management Performance

Since most researchers highlighted the important of technology, processes and peoples factors are the pillars of customer relationship management performance this paper proposed four technology factors as the main antecedents of customer relationship management performance. The factors are customer trust, electronic service quality, privacy and usefulness.

#### 3.1 Customer Trust

The lack of trust is a critical issue that needs addressing pertaining to the internet and E-commerce adoption (CommerceNet, 1997). Evidently, Gummerus et al, (2004) mentioned that lack of trust has been one of the most significant reasons for customer not adopting online services involving financial exchanges. Researchers have suggested that online customers generally stay away from vendors whom they do not trust (Reichheld and Schefter, 2000). Researchers warn that a lack of trust may be the most significant long-term barrier for realizing the full potential of electronic commerce (Keen 1997; Hoffman et al. 1999; Roy et al. 2001). Trust is a dynamic process that must be built over time. Since business-to-consumer electronic commerce is still in its infancy, trust in this new market is still relatively scarce. However, various approaches have been suggested to help accelerate the trust building process for the online consumer. Literatures have proven that trust is even more difficult to be built in an online environment (Hoffman et al. 1999).

Therefore, trust is an important factor in the buyer-seller relationships in electronic commerce (Sonja and Ewald, 2003). Trust is also one of the most frequently cited reasons for consumers not willing to purchase online (Lee and Turban, 2001) and plays a critical role in facilitating online transactions. Recently, there have been a number of empirical researches investigating the role of trust in the specific context of e-commerce. However, we still lack of the understanding about the relationships between trust, its antecedents and consequents.

#### 3.2 Customer Privacy

Another technology factor had been chosen as antecedent variable in the present study is *customer privacy*. Privacy is a difficult concept to describe and define since privacy has been used to indicate a wide number of interests including personal *information control, reproductive autonomy, access to places and bodies, secrecy, and personal development*. Privacy interests also appear to be culturally relative – for

instance, in some culture opening a door without knocking might be considered a serious privacy violation and yet permitted in another, that's mean culture some time can effect privacy, (Kemp, and Moore,2007).

People logging on to the Internet are on the rise. The Internet browsers activities are bringing new threats to personal privacy. Customer activities, whether passive or active, can provide company a great deal of information about customer (Attaranm and VanLaar, 1999). It is clearly that information security and privacy is the most critical problem faces the dealers over the Internet. Study by Singh and Hill (2003) found that the customers have very strong views about protecting their privacy on the internet. They belief that company are responsible to protect their consumer information and privacy. They suggest that consumer's behaviors about internet use are depended on many factors in addition to privacy.

Based on the above literature we notice that privacy is a significant ECRM concern, and it is clear that privacy is very important factor influencing e-businesses and e commerce (since E-businesses is E-ECRM). Therefore there is a relationship between customer privacy and ECRM. This research proposes customer privacy as one of antecedents of ECRM performance.

### **3.3 Perceived Usefulness**

Davis (1989) has also found that there is a relationship between users' beliefs about a technology's usefulness and the attitude and the intention to use the technology. However, perceived usefulness exhibited a stronger and more consistent relationship with usage than did other variables reported in the literature (Ramayah and Muhamad, 2004), therefore ease of use is not selected as one antecedent variable in this study. The importance of perceived usefulness has been widely recognized in the field of electronic and service sector, usefulness is the subjective probability that using the technology would improve the way a user could complete a given task. In the same way, perceived usefulness is defined as consumers' perceptions of functional and practical dimensions (Menon & Kahn, 2002). Perceived usefulness is one of the technology values as being perceived by the customers since it brings the value of technology towards them.

Empirical studies on the adaptation of technologies have found consistently positive relationships between usefulness and the adaptation of a variety of specific technologies, ranging from computer software to e-mail on the other hand, they recognized the link and stated that high degrees of computer and Internet self-efficacy proved to have an attenuating effect on the relationship between usefulness and attitude toward adopting the Internet. Recently, Shih and Fang (2004) tested the both TPB and TRA models in Taiwan and found that two technological aspects of the Web site interface, namely perceived ease of use and perceived usefulness significantly affect customer adaptation intentions. Seem this research investigate customer adoption of electronic banking, it is also possible to proposed perceived usefulness as one of the factors contribute to customer relationship management performance especially in the electronic banking services.

### **3.4 Perceived Online Service Quality**

The study by Snellman and Vihtkari (2003) found that there are a same number of complaints about unsatisfactory service in traditional banking and technology based banking. In interpersonal service encounters, unfriendly or impolite service or time factors were the most frequent causes of dissatisfaction. In technology-based encounters dissatisfaction was most commonly related to failures in technology, service design or in the service process. It could be argued that technology related complaints should diminish over time with increased familiarity and technology has the advantage of being more consistent than the behavior of individual staff (Curry and Penman, 2004).

The study by Ibrahim et al (2006) explore the key factors of the electronic service quality (e-SQ) perceptions of UK banking customers and to evaluate the customers' perceptions of their banks' actual performance on the identified e-SQ dimensions. A survey has been used to collect primary data and 135 usable questionnaires were used in the analysis. Their study found that among the e-SQ dimensions that really effectively customers are the provision of convenient/accurate electronic banking operations; the accessibility and reliability of service provision; good queue management; service personalization; the provision of friendly and responsive customer service; and the provision of targeted customer service. Their finding shows that the customers are very aware on the certain characteristics of electronic service. Previous study proves there is a relationship between service quality and customer satisfaction. So that, there is a possibility automated service quality can have positive effects on ECRM performance.

## 4. Conclusion

The purposes of this paper are to conceptually explain the influence of technological factors on customer relationship management performance in electronic services. Conceptually this concept article successfully justified the important of technology factors as the main antecedent for e CRM performance in mobile phone services such as technology trust, usefulness, privacy and service quality. As a contribution for the industry, it is possible for them to revise their ECRM strategies for the purpose of creating the value from mobile services offered. The failures of industry to create trust element, and privacy also the usefulness of the services will end up with their customer intention to leave their company.

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