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**EVALUATING THE NEW PRACTICES OF CUSTOMER RELATIONSHIP  
MANAGEMENT IMPLEMENTED IN E-COMMERCE COMPANIES: THE CUSTOMER  
PERSPECTIVE STUDY IN TAMILNADU**

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**ABSTRACT**

**Purpose:** The study evaluates the approaches to CRM practices implemented in e-commerce companies after the pandemic situation from the customer's viewpoint. **Design, methodology, and approach:** This study was conducted in Tamil Nadu with 400 sample respondents. Online purchasing customers are unknown in the research location. Non-parametric convenient sampling was used to pick sample respondents. **Findings:** The hypothesis testing demonstrates that the company's pleasant and trust-building strategy is not important. The presented hypothesis is rejected due to the portal's user friendliness, customer feedback, and customer retention efforts. According to the report, e-commerce enterprises' customer interaction practices work. **Social implications:** As a consequence of this article's concepts, more environmentally and socially conscious customers will act ethically, and companies' operations and offers will become more ecologically and socially accountable.

**KEYWORDS:** CRM practices, E-Commerce companies, Customer feedback, trust and Customer retention.

## **INTRODUCTION**

Companies wishing to implement CRM will need to restructure their customer relationship management processes to be more environmentally friendly. Despite certain advancements in the research of CRM, practitioners still encounter difficulties when attempting to integrate sustainability into customer relationship management because there are few examples of CRM applications to real-world situations. As a result, the idea of long-term success in CRM is inaccurate and incomplete. Additionally, Social CRM favours marketing over other CRM tasks like sales and post-sale assistance. Consequently, more investigation is required. Hazen et al. (2020), Businesses everywhere are feeling the pressure to become more customer-centric and socially conscious in addition to striving to grow their bottom lines. A result of this is the emergence of sustainable customer relationship management, an offshoot of CRM. Socially responsible marketing is the technique of maximizing profits while also minimizing negative effects on society and the environment. Azad and Ahmadi (2015). CRM seeks to include sustainability-minded consumers and raise awareness of corporate sustainability challenges among the general public.

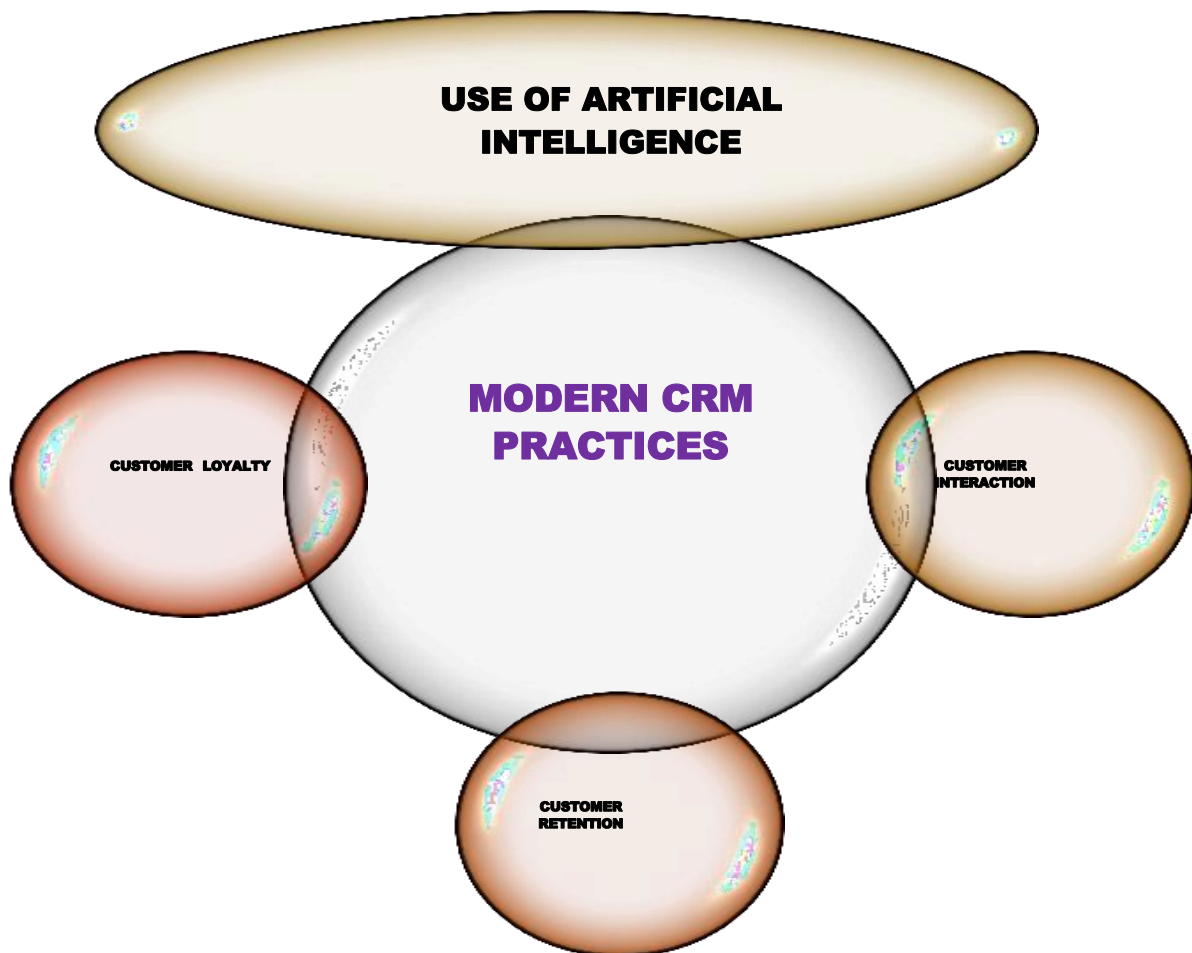
## **E-Commerce and Modern CRM Practices in India**

The modern CRM Practices could have been made to benefit e-company by increasing opportunities through marketing automation for many of the tedious chores related to data entry and lead monitoring. This will lessen the likelihood of errors entering system, and it will free up your team from spending productive time on time-consuming duties. More significantly, combining marketing automation with your CRM practices can give a potent tool for converting leads into sales chances without the need for needless manual labour. India witnessed an enormous rise in the popularity of online shopping in recent years as a result of the widespread use of smartphones, broadening access to the internet, and rising disposable income. Few key competitors, like Amazon, Flipkart, and Reliance Retail, dominate the fiercely competitive Indian online retail business. More than 80% of the market is held by Amazon and Flipkart, despite Reliance Retail is rapidly growing its e-commerce footprint through its JioMart platform. There are a huge variety of goods and services accessible in India's extremely dispersed online retail market. Fashion, electronics, household appliances, and groceries are the most widely purchased items online in India. Marketplaces on the internet in India provide a large selection of goods at affordable costs, as well as alluring discounts, cash back deals, and free shipping. The growing use of mobile devices is one of the major factors driving the Indian online buying business. India has more than 700 million smartphone users, therefore online shopping platforms there have changed their services to be mobile-first, with mobile websites and apps. In order to improve the purchasing experience for customers, Indian online shopping platforms have also implemented cutting-edge technologies like voice search, augmented reality, and virtual try-ons. The growing use of digital payments is another important factor driving the Indian online purchasing business.

### Emergence of New CRM Practices

One of the most important aspects of any e-commerce business is customer relationship management. In order to improve customer happiness and loyalty and eventually boost sales and revenue, it requires managing customer interactions, data, and feedback. The following elements make up a conceptual foundation for CRM practices in e-commerce businesses:

Figure 1: Modern CRM practices in the E-Commerce



#### 1. Use of Artificial Intelligence

AI characteristics that enhance customer intelligence will be important in the development of CRM practices and methodologies. It may be used to analyse client information right down to location and interests, assess client needs, pinpoint client pain points, and much more. Many customers relationship

management (CRM) platforms will employ artificial intelligence (AI) to assist corporate goals. By utilising a massive amount of unstructured data, AI helps businesses make decisions more quickly and accurately.

## **2. Customer Interaction**

Customer interaction includes satisfying client needs and securing satisfaction through the supply of good or service. Companies frequently employ salespeople with the necessary training to conduct these client encounters. In general, a competitive edge in the market can be gained through better understanding customers. Systems for managing customer interactions handle contact via a variety of channels, including but not limited to social media, email, SMS, phone, and messaging.

## **3. Customer Retention**

The ability of a business to keep customers interested in its goods or services is known as customer retention. It also serves as a commercial approach for customer relationship management that aims to boost client loyalty and lower client churn. The personalization of the customer experience, re-engaging at-risk consumers, and placing a high emphasis on customer service are numerous instances of customer retention strategies. In order to keep customers from leaving, organisations and companies utilise customer retention strategies and tactics.

## **4. Customer Loyalty**

For informing customers about new products, restocks, and limited-time offers, e-commerce sites also employ electronic marketing. Companies that offer online shopping can boost consumer engagement, loyalty, and revenue by delivering pertinent and timed emails.

Finally, loyalty programmes are used by internet retailers as a CRM strategy to recognise and keep their most devoted clients. Exclusive discounts, early access to new products, free shipping, and loyalty points that customers can exchange for rewards are just a few of the benefits that loyalty programs offer. Online retailers utilize loyalty programs to promote recurring purchases, recommendations, and social media activity.

## **RESEARCH OBJECTIVES**

The research aimed to accomplish the following:

1. To study the new CRM practices of the e-commerce companies in Tamilnadu.
2. To evaluate the level of modern CRM practices achieved by the companies from the customer point of view.

## **RESEARCH METHODOLOGY**

The purpose of the research is to evaluate the modern methods used by e-commerce businesses to maintain healthy relationships. The study has been carried out in Tamil Nadu with a sample of 400 respondents. The customers of the e-commerce companies are unknown population in the study area. Therefore, the sample respondents were chosen using a non-parametric convenient sampling approach. The main data came from in-depth interviews with the sample population.

### **Impact of New Practices and Methods of Customer Relationship Management**

The best CRM methods employed by e-commerce companies involve rendering web sites and mobile applications easy to use for customers so they are able to use them, receiving customer feedback for increasing their satisfaction and fix their problems, establishing trust through branding and providing the best service, improving relationships with customers and the customer retention process through the best offers and on-going follow-ups. A 5-point Likert scale is used to evaluate the respondents' views of CRM procedures. The result of the contest is listed below.

**Table 1: Perception towards new CRM practices**

Practices	Mean	Std. Deviation	Mean Rank	Rank
Easy to use	3.22	1.406	3.02	I
Customer feedback	2.86	1.137	3.03	II
Establishing trust	2.74	1.158	2.86	IV
Friendly approach	2.47	1.106	2.62	V
Customer retention	2.86	1.296	3.20	III

The above table depicts that the opinion of the respondents about the CRM practices of the online shopping companies. The result shows that easy to use of the company site to find the product, and their information is most successful practice of the online shopping companies (3.02). The customers' feedback system and review of the product is also ranked as best practice (3.03). Thirdly, the customer retention practices (3.20) is given as best CRM practices of the companies. Building trust among the customers and the friendly approach of the of the company are ranked subsequently. The significance is tested below.

**Table 2: Result of Friedman Test**

N	400
Chi-Square	119.369
df	4
Asymp. Sig.	0.000

The result of the Friedman test shows that the calculated Chi-Square value is 119.369 for the degree of freedom 4 is significant at 1% level (p-0.000). The result revealed that the difference in the mean rank is significant. It is concluded that the ranks given to the Easy to use, customer’s feedback system and customer retention activities are the best practices followed by the companies.

**Proposed Hypotheses**

The study has the following null hypothesis for the Model.

- The modern CRM practices of the E-Commerce companies do not influence significantly on the Customer relationship
- The hypothesis is tested with the help of the (SEM) to know the significant influence of the CRM practices on the achievement.
- The model is explained below with the fitness of the model and the result of the out of the regression weights.

**Model Fit**

Every model has its own structure and needed to prove its fitness to shows its reliability. The parameters used for the model fitness are checked and verified as below.

**Table 3: Parameter value for model fit measures**

Name of the Parameter	Value	Suggested value
CMIN/DF	2.532	<3 (Wheaton et. al. 1977)
Goodness of Fit Index (GFI)	0.856	>0.9 (Hu & Bentler, P. M. (1999)
Adjusted Goodness of Fit Index (AGFI)	0.834	>0.9 (Tanak & Huba (1985)

Comparative Fit Index (CFI)	0.861	>0.9 (Bentler, P. M., & Yuan, K. H. (1999)
Tucker-Lewis Index (TLI)	0.848	0.9 (Bentler, P. M., & Yuan, K. H. (1999
Root Mean Square Error of Approximation	0.06	Browne and Cudeck (1993).

The result of the Structure Equation Model using SPSS 20, it is found that Chi-square (CMIN) = 53.172, Degree of freedom (DF) = 21 and significant level is found at 1% which is evidence against the proposed hypotheses is significantly supported. CMIN/DF is called as the minimum discrepancy which is 2.532. Wheaton et al. (1977) research, a model is considered to have a satisfactory fit if the minimal discrepancy is less than 3.

As per the studies of the Bentler and Bonett (1980), Joreskog, and Sorbom (1974), Bollen's (1989) and Bentler (1980)), GFI, AGFI, CFI and TLI values should be greater than 0.9 and if RMSEA values is less than 0.05 it indicates model is fit and accepted. In overall the proposed model is found absolutely fit.

### Findings of the Model

The result of the model is shown in the following table. It is discussed below:

**Table 4: Regression weights**

	Estimate	S.E.	C.R.	P
Easy to use	0.300	.070	4.311	***
Customer feedback	0.239	0.075	3.179	0.001
Establishing trust	-0.051	.068	-.752	0.452
Friendly approach	-0.030	0.057	-0.525	0.599
Customer retention	0.207	0.059	3.488	***
CRM	1.000	-	-	-
CRM	0.891	0.069	12.945	***



CRM	1.047	0.065	16.130	***
CRM	0.889	0.066	13.459	***

## **DISCUSSION AND RESULT**

From the above result the hypothesis testing result is shown below:

The parameters of the CRM practices (elements), behaviour of the employees, quality of product and services, relationship management and the interaction management are significantly contributing the customers' satisfaction towards the CRM practices. The critical ratios are more than critical value (2.56); hence, the significance is found at 1% level (0.000).

The impact of the practices on the satisfaction of the customers or achievement of the practices is shows that user friendliness of the online shopping companies' portal or application is attractive and successful in contributing the satisfaction (4.311), customers feedback system or product review system followed by the companies are also significantly influencing (3.179) and the customer retention efforts through offers and coupons are also having significant influence (3.488). Other practices do not have significant influence on the customer satisfaction towards the customer relationship management. The t values are more than the critical value and found significant at 1% level.

The result of the hypothesis testing shows that the building trust and friendly approach of the company is not significant as the hypothesis is accepted. But the user friendliness of the portal, customers feedback and the customer retention activities are found significant and the proposed hypothesis is rejected. It is determined that the practices of the E- commerce companies to improve the customer relationship is successful with the user friendliness, feedback system and customer retention programmes.

## **CONCLUSION**

Companies could improve management and deliver great customer service by leveraging multichannel communication, personalisation, prompt response, and customer feedback. The study offers numerous implementation options for CRM to consulting firms and business managers. This will also have an ethical conduct in addition to contributing to the number of ethically-conducting clients who are socially and environmentally compassionate. This change may lead to improved customer and employee service, more job and training opportunities in the neighbourhood, increased opportunities for public participation, and cheaper costs related to the environment and other resources. The study came to the conclusion that user friendliness, feedback systems, and customer retention programmes are crucial to the success of e-commerce enterprises' customer interaction practices.



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