

Chapter 31

B2C Market: Development of a CRM Scale

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ABSTRACT

Given the strategic relevance of Customer Relationship Management (CRM) as a way to improve customer relations in the cyber era and also the lack of instruments customized for the Business-to-Consumer (B2C) market in general, the main objective of this study is to develop and validate a reliable and valid scale to measure customers' perceptions regarding aspects they consider relevant in their relationship with companies in general that might influence their shopping experiences. A study has been conducted with an American sample for the development and validation of the Customer Relationship Management Scale (CRMS) by using Exploratory Factor Analysis (EFA). The result was a one-factor model with high-reliability. This research is a starting point to provide a comprehensive measure of customer relationship management based on customers' perspectives.

INTRODUCTION

Kotler and Keller (2012) pointed out the CRM as one of the most important new marketing's trend of the XXI century, in other words, the cyber era. Hence it follows that a complete revision of current business and marketing principles is required if organizations are to continue to thrive, especially as technology moves on at an ever-increasing pace.

The main authors of CRM (McKenna, 1999; Ngai, 2005; Payne, 2006; Vavra, 1993; Wilson & Vlosky, 1997) agree on the relevance of managing the relationship between organizations and its customers, especially in the Cyber Era where

new trends of marketing strategies are required. Thus the adaptation of the organizational capacity to detect opportunities in the market and the constant effort of companies on establishing long term relationships with its business partners, especially with its customers, has been established as a priority on enterprises (Demo & Ponte, 2008).

Considering both the strategic relevance of CRM for organizations nowadays, and the lack of measuring scales customized for the B2C market as well as the importance of validating a scale in different countries for improved generalizability, the main objective of this study is to validate the Customer Relationship Management

Scale (CRMS) in the US, based on the previous CRM scales that Rozzett and Demo (2010, 2011) developed and validated in Brazil.

Some CRM scales were found in the literature (e.g., Wilson & Vlosky, 1997; Sin, Tse & Yim, 2005; Zulkifli & Tahir, 2012) but none focused on the customer's relationship marketing perception in the B2C market in general, not focused on a specific firm or industry. Moreover, the development of scales that allow an estimation of the perception of CRM strategies aims to identify to what extent they are applicable to various organizations and aligned to the organization's strategy as a whole. In addition, a scale can translate how CRM strategies are perceived by customers, because only so they will be effective. Also, a scale can work as a diagnostic by identifying CRM areas where specific improvements are needed.

Furthermore, if the CRMS shows theoretical consistency and also good psychometric indexes when validated in a different country (US), it will be a psychometrically and operationally valid measure to be used in relational studies from both Marketing and Consumer Behavior fields. Additionally, it could be used as a diagnostic tool to identify CRM aspects where specific improvements are needed, as well as an instrument of evaluation to help managers better understand how to meet client's needs and deliver high-value products and services.

THEORETICAL BACKGROUND

According to Rohner (1998), the shift from a customer society toward a networked one and the evolution of marketing in the cyber era are driven by electronic media. Kotler and Keller (2012) cite many electronic medias that lead today the communication of value to customers, such as well-designed websites, advertisements in search engines, banners, emails and mobile marketing. As new trends, the authors point the buzz market-

ing and viral marketing, driven by social media in the form of communities and online forums, blogs and social networks like Facebook, Twitter and Youtube.

Companies must go where the customers are, and increasingly they are on the Internet. Consumers define what information is needed, which offers interest them and how much they are willing to pay for them (Ansari & Mela, 2003; Bonfrer & Drèze, 2009). Besides, Ranchhod, Gurau and Rackney (2004) studied the challenge of cyber-marketing planning and implementation regarding strategies driven by electronic networks generated through the internet, concluding that the firm implementing a cyber marketing strategy will have to consider the fit between organizational systems, procedures and objectives and the new challenges raised by the online transaction channel.

On such context, the Customer Relationship Management (CRM) offers businesses and consumers the opportunity for greater interaction and customization to enhance the benefits offered by the cyber era.

Grönroos (1994), Sheth and Parvatiyar (2002), and Payne (2006) agreed that relationship marketing or CRM represents a paradigm shift on marketing concepts, a change on marketing orientation from just attracting customers to having customer's retention and loyalty. For Payne (2006), CRM provides opportunities to use information, know clients better, offer value by customized sales and develop long-term relationships. The company should have know-how on processes, operations and integration in order to allow that the core of marketing become the philosophy that guides the business. This vision confirms the holistic idea of relationship marketing, where there is interaction among all parts of the organization.

On the same line, McKenna (1999) presents a strategic relationship marketing approach placing the customer in first and changing the marketing role of manipulating customers to making a real commitment with them. The author emphasizes

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