

Chapter 2

The Role of E-CRM in Building Customer Satisfaction and Repurchase Intention: Evidence From the FMCG Industry

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ABSTRACT

In this era of technology, electronic customer relationship management (E-CRM) is becoming more prominently used by businesses in various industries. This chapter aims to investigate the effect of E-CRM on customer satisfaction and repurchase intention in the fast-moving consumer goods (FMCG) industry in Malaysia. Five important E-CRM elements of service quality, customisation, transaction security, online feedback, and website features will be explored as antecedents to customer satisfaction and its effect on repurchase intention. Stimulus-organism-response (S-O-R) theory offered the underpinning theoretical explanation in the development of the conceptual framework for this study. By using empirical study to prove the relationship effect, the study provides better understanding of consumers' experiences on E-CRM strategies implemented by the FMCG firms, and its roles in building customer satisfaction and repurchase intention. FMCG firms can leverage on the proposed strategies to improve their E-CRM planning, implementation, and controlling to achieve desired business performance.

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INTRODUCTION

Customer relationship management (CRM) has been widely used by businesses to acquire new customers, retain customers and grow relationship with customers (Anshari et al., 2019). CRM is focusing on creating and building long-term profitable customer relationships. The technology advancement has transformed CRM to online system, known as electronic customer relationship management (E-CRM), for better management, implementation and control. Furthermore, the changing business landscape and environment pressures have contributed to the need for organisations to have more effective communication tool, better target market segment and prioritised on personalised marketing through the utilisation of E-CRM (Pradana et al., 2017). There are significant differences between CRM and E-CRM in its approaches, tools and processes in creating and building customer satisfaction and repurchase intention in the FMCG industry (Adejumo, 2019). E-CRM has provided platforms for seamless business transactions and customer interfaces through the usage of internet, email, wireless and latest technologies, while CRM leveraged on traditional mean of telephone, fax and retail store (Eltahir et al., 2021; Pradana et al., 2017). Therefore, both CRM and E-CRM have utilised different strategies, as well as can be used as tools that complement each other to achieve customer satisfaction and repurchase intention.

The increasing competitive business environment and growing importance of E-CRM, businesses boost their global market presence by leveraging on E-CRM to influence customer behaviour to purchase the products or services. E-CRM has three core functions of contact and information (e.g., site customisation, local search engine, alternative channels, membership, site tour, mailing list, chat, forum and electronic bulletin board), e-commerce (e.g., online purchasing, preview product and external links), and post-sales support (e.g., frequent asked questions, problem solving, complaining ability and spare parts ordering) (Feinberg et al., 2002). Effective E-CRM comprises the overall process of building and maintaining customer relationships by delivering superior customer value and satisfaction through various electronic touch points (Dawn & Chowdhury, 2011). E-CRM contributes to costs savings in marketing, generation of sales, increased personalisation, enhanced customer service and improved customer loyalty (Dehghanpouri et al., 2020).

The fast-moving consumer goods (FMCG) industry is growing rapidly through the innovation of E-CRM (Adejumo, 2019). FMCG are defined as relatively inexpensive, frequent purchased and rapidly consumed items by consumers with minimal purchasing efforts (Dibb et al., 2006, pp. 298). FMCG is a product produced at relatively low cost and sold quickly to consumers (Miralam, Junnaini & Moizuddin, 2019). Better known as consumer-packaged goods, the three main product categories under FMCG are food and beverages, personal care and household care products

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