

## Chapter 8

# CRM as Antecedent of Electronic Retailing and Online Customer Satisfaction

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### **ABSTRACT**

*As location-based banking continues to give way for online banking globally, this chapter examines whether e-tailing practices yield customer satisfaction. The chapter also examines how CRM influences e-tailing and whether e-tailing can serve as a medium through which CRM yields customer satisfaction. Data, conveniently collected from 681 bank customers, were used for this study and analysed with PLS-SEM. The study found that CRM practices lead to better customer retail buying experiences for banks. E-tailing, mostly perceived by customers as an innovation in the service delivery process of banks, improved the image perceptions of banks. The study suggests that as part of a digital channel configuration, banks must build customer relationship marketing technologies as a backbone.*

### **INTRODUCTION**

Location-based customer engagements continue to become less relevant, particularly in the current COVID-19 pandemic. Banks have to invest more in digital sales channels to drive performance significantly. This investment is necessary because it is clear

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that digital sales channels have become key drivers of overall sales (Narayanaswamy & Heiens, 2021). Therefore, innovative strategic tools such as customer relationship management, electronic retailing (E-tailing) of banking services and loyal customer relationship management have become popular in most banks and insurance firms (Saxena, Gera, Nagdev & Fatta, 2021). Banks provide most of their retail services via E-tailing channels in order to reduce the cost associated with banking. For instance, customer relationship marketing is one of the banking services that has been moved to E-tailing channels as a self-service. What is unclear, however, is whether the shift of relationship management (relationship marketing activities) to E-tailing channels has been effective or not. No study has examined the connection between relationship marketing and E-tailing in the Ghanaian context. This study aims to close this knowledge gap. While CRM technologies aim to promote interpersonal relationships between banks and their customers, E-tailing technologies seek to promote self-service banking activities, which can invariably hinder interpersonal relationships. However, it is uncertain how this trend of relationship marketing activity is affected by E-tailing channels. Some studies (Amoako, Arthur, Bando & Katah, 2012; Anabila & Awunyo-Vitor, 2013; Asante & Achiaa, 2018; Klutse, 2016) have examined relationship marketing in Ghana. However, none of these studies has discussed the E-tailing channel or its effect on CRM. This creates a knowledge gap about the effect E-tailing technologies has on CRM technologies in the banking sector for academics as well as industry practitioners. Therefore, this study aims to close this knowledge gap by assessing the effect of E-tailing on relationship marketing and, therefore, customer satisfaction. In doing so, we examine whether E-tailing practices yield customer satisfaction. We also seek to examine how CRM influences E-tailing and whether E-tailing can serve as a medium through which CRM can yield customer satisfaction.

In general terms, this study provides an insight into how E-tailing affects relationship marketing. Specifically, it clarifies whether customers are more satisfied with the relational benefits of E-tailing channels or not. The output of this study highlights the need for organisations to invest resources in innovative E-tailing technologies.

## **LITERATURE REVIEW**

### **1. Ghana's Banking Industry**

Ghana's banking industry has seen some major reforms between the 1980s and 1990s with the aim of mitigating the country's ailing economy through the Structural Adjustment Programme (SAP) (Sowa, 2003; Nartey, 2013), Financial Sector

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