

Chapter 7

The Influence of the Adoption of Electronic Customer Relationship Management on Quality of Relation

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ABSTRACT

This chapter aims to determine the quality of relations after the adoption of electronic customer relationship management in the service sector by applying the multidimensional concept of the quality of relations based on satisfaction, trust, and commitment. This study used survey data from 220 customers of a service company. The theoretical model was tested and confirmed via structural equation modeling (SEM). Results indicated that after the implementation of the e-CRM system, the quality of relations between the company and customers was improved. Satisfaction and trust have a direct significant impact on commitment. Customer commitment has a positive effect on loyalty to service companies. Theoretical and managerial implications as well as the limits and future directions of the study are discussed.

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I. INTRODUCTION

Advances in technology and the widespread use of the Internet have forced business organizations to leave mass marketing and the isolated thinking in production to shift towards adopting a culture of customer empowerment (Peppers & Rogers, 2017).

Currently, companies are constantly looking for more rigorous ways to effectively manage their relationships with customers (Cadiat, de Moerloose, 2002). They are increasingly involved in relational marketing and offer a privileged field for innovation around electronic Customer Relationship Management “e-CRM” (Des Gares., Paqueront and Sueur., 2009) which enables companies to provide their customers with personalized service, acquire new customers, retain existing customers, and maximize their lifetime value.

This solution improves the levels of interaction between the customer and the service encouraging the deployment of techniques of data collection and personalization through the Web.

Electronic customer relationship management is a strategic issue. The effective and complete use of the system weaves a critical link between investments in technology and the performance of the company (Devaraj and Kohli, 2003). Despite, the undisputed role of the adoption of e-CRM, it does not cause a continuous use of all these services and therefore, the expected profitability is achieved. For service companies, it is not the transaction itself that drives profitability, but rather the quality of the relationship with customers. Maintaining lasting relationships with customers is a privilege (N’Goala, 2010). It would be wise to take advantage of e-CRM technologies to build and develop lasting and profitable relationships with their customers.

In order to understand this customer relationship, the relationship marketing literature mentions a frequently used indicator: the quality of the relationship (Ivens and Pardo, 2004), which is considered a major determinant of customer loyalty (Palmatier et al., 2006). This concept is composed of three relational dimensions: satisfaction, trust and commitment (N’Goala, 2000).

Faced with high competitiveness, the service sector is often considered to be one of the most exposed to IT changes (Asli, 2012).

The adoption of electronic customer relationship management “e-CRM” is a crucial phase in service companies but does not justify the continued use of these systems. It is necessary for companies to develop strategies likely to maintain their long-term growth. Understanding customer behavior is

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