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Social Media and the dynamism of customer relationship marketing: An empirical analysis of customers' acceptance of the realm of virtual CRM

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ABSTRACT

Purpose-The advancement of social media in the servicing of customers has made it an unwritten rule for organizations to use virtual platforms for CRM purposes. However, the extent to which customers are accepting virtual CRM is something worth investigating in order to ensure that organizations do not move away from traditional ways of providing CRM to their customers without knowing the feelings and perceptions of customers with regards to virtual CRM. "Service quality is a crucial facet of information system success in e-commerce in which customer service is essential", (DeLone and McLean, 2003), as quoted by (Kang and Kim, 2017). The provision of "service" is detrimental to successful Customer service, therefore determining the role information systems play, through social media that is cardinal to business survival.

Design/Methodology/Approach- Data was collected via an online survey administered through social media platforms, as well as observation and interviews. A total of 170 surveys were answered, as well as 10 interviews conducted and 10 businesses on various social media platforms were observed. The study takes on an explorative design using mainly qualitative data. The research used grounded theory as an approach to analyse the data for final interpretation.

Findings- Results showed that the more a customer interacted with a particular business on social media the more the customer built a relationship with that company thereby enhancing CRM. The results are proof that virtual platforms are in actual fact, helping businesses enhance CRM and build or enhance customer brand acceptance. The study also shows that customers generally have a positive perception towards the use of virtual CRM.

Originality/Value- This study is of value to organizations all over the world who may feel or be anxious with the use of social media platforms for CRM purposes. The idea behind the use of CRM for the building of long lasting customer relationships is vital because without the knowledge needed to administer CRM through social media can be devastating and may cause irreparable damage to a business not vested in the role social media plays in CRM.

Key words- Customer relationship management; Social media; Virtual; Brand acceptance.

Paper Type- Research paper

1. INTRODUCTION

In an era were companies no longer have to be physically present to provide customer service, an understanding of how customer service is impacting on customers is needed, in the virtual world. Because the utmost realm of CRM is to have customer intimacy (Kaur et al, 2017). Is this attainable via virtual platforms? And if it is, are customers arguably happy about it? Businesses are constantly trying to keep track of customers and enhance CRM in the most convenient way possible. Social media has taken away the walls of a business

in a virtual world (Enyinda et al, 2018), it has given customers the power to complain, elate and applaud businesses at any time. It is for this reason that Marketers have to constantly monitor and update themselves with the best software and platforms to provide CRM to their customers that are easily available via various platforms.

It has become norm that a customer does not have to wait for a shop to open its doors before they can go shopping. As such, businesses are realizing the importance of Building long term relationships with customers and using virtual platforms to do that, as noted by Capitello et al (2013). A customer can go shopping or gain access to a service any time anywhere from any location as long as they have access to the internet. However, the internet on its own, without a social media platform such as "chat" may not provide feedback to a customer. Having a social media platform attached to a website means that a customer is able to seek attention from the platform at any one given time. The availability of a social media site of a business, means it also has to interact with its customers on these various sites (Enyinda, et al 2018). This makes it absolutely inevitable for us to investigate the use of CRM through these sites in order to understand how far businesses can go in enhancing CRM to its customers virtually anywhere at any time.

Virtual CRM is a fairly new way of providing customer service and of course this would come with its own challenges. Imasiku (2016) observed that one of the challenges facing businesses on virtual platforms is the fact that they may not have a face to face opportunity of resolving issues with clients through social media. It is common knowledge that it's easier to read a customer's emotions through face to face than virtually. Even if a person is asked to describe their feelings through an emoji it would be difficult to interpret how a customer is feeling about the business or product at that instance. This creates a problem for businesses. How then are we able to genuinely discover our customers' feelings towards CRM via virtual platforms? What guarantee is there that customer intimacy can be attained through virtual platforms without knowing and seeing how our customers are feeling at that particular moment? This is the challenge this paper will try to investigate and solve so that businesses are able to understand and appreciate how Virtual CRM has become part of the package businesses need to offer its customers.

The study focused on virtual use of CRM by businesses and its repercussions from customers building long lasting relationships through social media. The study was generally for those with access to social media platforms regardless of location however domiciled in Zambia. It was limited to gauging customer perception, positive and negative feelings with regards to virtual CRM and brand acceptance based on the use of CRM.

2. LITERATURE REVIEW

Various studies have shown the importance and strength of social media platforms and have explicitly shown their prowess in influencing customer engagement and building on customer relationships. This study looks at three aspects of Virtual CRM.

2.1 Virtual Customer Relationship Management

Payne (2005), in her description of CRM emphasized the fact the CRM can be defined in the same manner except that e-CRM includes CRM via e-commerce. It can be noted that due to technological advancement and the evolving of phrases in CRM at the time this particular book was written clearly shows that CRM via e-commerce was a more logical term. The use of cyber space in providing CRM in this time and era allows us to use the term Virtual CRM to classify Customer relationship Management conducted in cyber space or on virtual platforms.

Payne (2005) defines CRM as a "business approach that seeks to create, develop and enhance relationships with carefully targeted customers in order to improve customer value and corporate profitability and thereby maximize shareholder value". Every business has a focus when it comes to increasing its customer value. Most also do focus on enhancing profitability. When virtual CRM means providing more customer services and building relationships with customers (Enyinda, et al 2018), it makes the process much more convenient for all concerned, cutting costs for the business and providing flexibility for the customers. Therefore the term "Virtual CRM" is an adoptable term that can be used to widely describe the use of CRM virtually.

2.2 Social Media Marketing

Capitello et al (2013) articulates the use of social media marketing as inevitable for businesses in this technological era. As customers expect to be able to use some kind of application to alleviate problems and find solutions to issues without the stress of traveling long distances to get customer services, this is true for a developing country such as Zambia. In order for relationships to be enhanced, CRM must be managed in any way possible including virtually. Because social media marketing provides and enhances customer interaction being a two way communication (Kim & Ko, 2012) tool, it's one of the fastest growing technological trends to hit the marketing industry, especially with the use of "e-word of mouth" (Torres et al, 2018). Social media has changed the way customers interact with brands, (Lamberton & Stephen, 2016).

2.3 Brand Acceptance

Brand acceptance is simply how customers are willing to accept or associate themselves to a brand (Vashisht, 2019; Xie, 2008; Reast, 2005). Businesses want customers to remember their brand when wanting to purchase a product or service, this is why most advertise. The probability that a customer will buy a product off the cuff without any prior knowledge of the brand leaves much to be desired and highly debatable. However, the ability of a customer buying a product they have never tried but have seen in an advertising campaign is higher. Social media platforms are helping brand acceptance because customers are able to learn from brand communities (Kaur et al, 2017) on various social media platforms as observed by Imasiku (2016). This ensures brand acceptance as customers are usually able to develop a relationship with a brand they have known either physically or virtually. There are studies showing that brands would have a turn around on brand loyalty as well due to intensified interactions with customers through social media as observed by Tümer, Aghaei, Öney, & Nasser Eddine, (2019). The more customer interaction the more trust is also built.

3. METHODS

The study took on an explorative research design inorder to incoporate insights and breadth in terms of understanding both virtual CRM and the customers perceptions towards its use. Data was collected virtually via various social media platforms. The study covered 170 respondents who filled out an online survey, 10 in depth interviews were conducted as well as 10 businesses in various industries were observed.

Zikmund et al (2013) allows for the use of qualitative research medthods inorder to "interpret phenomena" without using statistical or "numerical measurements". Based on the study at hand, the justification for the use of mainly qualitative data was justifiable for this study. The researcher was merely trying to understand the perceptions customers have towards the use of virtual CRM in its enterity. By using this method the researcher was able to understand the feelings, perceptions and attitudes customers have towards the use of virtual CRM.

4. ANALYSIS AND RESULTS

4.1 Discussion of Findings

With regards to brand acceptance and positivity the study found that the vast majority of users who use virtual platforms for customer servces are between the ages of 35-44. Women were more likely to access Customer services through Social media platforms. There is a higher chance that businesses dealing in female friendly products have a higher chance of developing long lasting relationships with their customers based on the high number of females seeking customer services through virtual platforms thereby enhancing virtual CRM however, this argument may require further study.

4.2 Perceptions in terms of Virtual CRM

Prelimenary findings observed that over 70% of Customers are happy to recieve CRM via social media platforms with most citing convenience for its rampant use. Customers feel if they are able to avoid queues, travel time and other costs by accessing customer services virtually, hence enhancing CRM. When customers where asked "if they were satisfied with the customer services they got through social media sites", 81% answered in the affirmitive that they felt happy about Virtual services offered by various businesses. Businesses that generally have mastered the art of Virtual CRM have shown that this is true for their customers. Virtual CRM does enhance long lasting relationships with customers, it has been proved to mutually benefit both parties (Gummesson, (1999), Achen (2019)).

4.3 Positivity towards the use of Virtual CRM

At least 80% of respondents admited having a positive outlook towards the use of Virtual CRM to access customer services. The need for virtually accesible customer services and having a lasting relationship with a business has proved to be creating a lasting bond between customer and business (Enyinda et al, 2018). However, this seems to be a problem for new customers who may for example post a question on a companys social media platform and not get a response as some businesses opt to respond to queries via inbox. This creates anxiety for new customers. It can be observed that most Zambian businesses especially those that sell high value goods do not like to post prices of products. This is prevalanet in instances were those particular products are available and cheaper elsewhere.

The most used social media platform was identified as Facebook with 68% of users identifiying Facebook as the platform the use they most in seeking customer services.

4.4 Influence on Brand Acceptance

The study results indicate that there is a positive influence on brand acceptance from customers including brand loyalty. At least 60% of users felt a positive affirmation towards brand acceptance for those with available customer service channels on social media. This was also concluded by Achen, (2019) whose study also made similar findings with regards to respondents forming a bond with a particular athlete through the use of social media platforms. We are able to conclude that the use of social media platforms creates a bond with a brand that makes a user or customer constantly want to be associated with a brand and this in turn enhances CRM. Therefore the study concludes that virtual CRM creates brand acceptance.

5. CONCLUSIONS

Even though the use of Virtual challenges poses problems for businesses, the opportunities have over and over outweighed the challenges. This means that in order for businesses to strive and use virtual CRM to enhance its relationships with customers, businesses have to constantly keep up to date with latest trends in software and applications that can constantly enhance virtual CRM. The study concludes that the customers perceive virtual CRM in a positive way and that it helps with brand attachment. This is an eye opener for managers around the globe as it validates the use of virtual CRM as a tool they need to embrace. It also goes to show that regardless of the cultural background Virtual CRM creates a positive outlook for a brand regardless of cultural affiliation, as seen in the review of literature examined during the study.

The use of social media platforms for enhancing CRM is highly recommended based on the various testimonies of various studies in social media.

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