The Impact of Electronic Customer Relationship Management on Improving Marketing Performance of Private Banks

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Abstract
Successful organizations are always looking for new techniques and tools as competitive advantage to achieve the development and continuous improvement. One of these tools is customer relationship management that with development of communication and technologies, today would be described as electronic customer relationship management. ECRM effective implementation can increase customer satisfaction, loyalty and their attraction and in result more sales and repeat purchase. Studies have shown that ECRM system deployment will lead to improve marketing performance. This study is discussed to investigate the impact of electronic customer relationship management (ECRM) on improving marketing performance in the banking industry. To establish ECRM system is considered three independent variables including appropriate processes, the quality of customer data, technology and ECRM systems and marketing performance is considered two dependent variable including improving customer behavior performance and improving financial performance. After the study of relevant literature, six hypotheses were formulated that analyzes using inferential statistic. Data required to measure mentioned variables were collected by questionnaire containing 28 items as field in branches of private bank such as Parsian, Pasargad and Eghtesad Novin in Guilan (Iran). The sampling method in this study is a random sampling and statistical population is considered 112 managers and experts from the private banks of Parsian, Pasargad and Eghtesad Novin in Guilan that is selected 92 samples. To investigate the relationships between variables and testing hypotheses were used confirmatory factor analysis and path analysis and considering that the data have normal distribution, Pearson's test was used to assess relationships between variables and analysis was done using software of LISEREL. Analysis results show that confidence level 95% of all research hypotheses were confirmed and appropriate processes has greatest impact on improving customer behavior performance in private banks of Guilan province.

Keywords: Electronic Customer Relationship Management, Marketing Performance, Customer Orientation, E-Marketing, Internet

1- introduction
Modern world during the past few decades has been the scene of constant transformation that distinguishes it from all previous eras. Consequences and impacts of new communication society based on advanced technologies has affected human life so that has made unavoidable using new strategies and procedures. Meanwhile field of marketing over other areas is influenced the modern world changes. With the growing expansion and evolution of the marketing concept is created new technologies in this field. Customer relationship management and recently electronic customer relationship management is one of these techniques in the past decade that have become important hot topic among marketing theorists and researchers (Kheiri & et al,2009).

Attitude of companies and institutions due to the expansion of a competitive environment has focused inevitably to attract more customer satisfaction for sales and earn more profit. By passing a traditional economy and intense competition in all aspects of modern, customer has become main element and center of all organizational activities; so that from a competitive standpoint, viability and survival of organizations depends on identifying and attracting new customers and retain existing customers (Taherpour Kalantari & et al, 2010). Necessary to create and maintain strong, long-term relationships with customers, much heavier cost of finding new customers than to retain old customers and thus need to focus on key customers as the most important source of profitability have forced organizations to huge investments on customer relationship system. So now the need to maintain a high level of regular contact with customers and respond timely and favorable to their needs and demands is main issue of organizations (Kheiri & et al,2009).
2. Statement of Problem
In the past few years due to various problems of economic, social and public of the banking system and most of all excess demand over supply, the country's banks neglects customer-oriented and its components. People due to lack of attention to their needs and wants and offer similar services by all branches of the country's banks don’t have any incentive to go to branches of banks. Therefore, customers go to the bank to resolve their basic needs inevitably. In other words, the people serve banks not banks serve the people (Shahraki, 2009).

Today attract new customers is more expensive than keeping existing customers. Companies in various industries are moving markets of keeping customers and to gain their loyalty, because most world markets are at their mature stage and the cost of attracting new customers have risen sharply. Retaining customers and attracting their loyalty is considered critical to continue business. Meanwhile banking industry is no exception to the rule. Therefore, banks to improve its customer loyalty should seek to different management strategies (Noori Naeini, 2013).

To be more effective and more efficient of performance, organizations seek to foster and build strong relationships, utility, deep and long term with their customers. This issue requires knowledge about current clients and potential profitability of customers, products preferences and services of customer, channels and and priorities contact to customers and their evaluation. It also requires the integration and customization of customer interactions across all contact points with customers and ability to predict their needs in order to provide additional sales to specific customers (Omidvarian, 2007).

Customers in banking system are main axis and in fact everything is to ask satisfaction and their attention. Therefore in bank's competitive environment, banks are more successful that can achieved more customer loyalty. On the other hand, seems to become more sensitive customers to provide service by the banks, they always wanted better services and better (Mohammad Beigi, 2006).

In the past two decades, new technologies have played a vital role in human life and have changed their lifestyle greatly. With revolution of electronics business, perspectives of customer relationship management (CRM) has changed. in recent decades effective deployment of information technology has led to be useful ECRM (Electronic Customer Relationship Management) significantly in global (Bagheri & et al, 2012).

The concept of customer relationship management in a consecutive period of time has expanded from the beginning up to now that leads us to the correct business performance. In today's highly competitive business world, customer relationship management can be considered as the ultimate solution for the customer and for the organization. In customer relationship management do not consider customers as an external component rather, they are considered as domestic member of business and it aim is to establish a long-term relationship with them. So much contact with the customer, commitment and service delivery is an essential feature of customer relationship management. CRM is an ongoing process of identifying and creating new value for customers and then sharing the benefits over the life of the company (Khosropour, 2012).

Electronic Customer Relationship Management is a marketing strategy, sales and integrated online service that plays role in identifying, acquiring and keeping customers as the company's greatest asset. Electronic customer relationship management will improve and increase communication between the company and customers by creating and enhancing customer relationships through new technology (Yaghoobi, 2013).

Application of this technology can facilitate and develop communication with customers by different ways. But ultimate goal is to achieve some form of customization that builds service basis of a customer-oriented in organization. For many organizations, using practical software in form of Electronic Customer Relationship Management (ECRM) is major way for implementing of CRM. Electronic customer relationship management software is the combination of hardware, software, applications and management commitment (Lederer, et al, 2000). But these softwares are not the only means of implementing ECRM and in this connection it can be mentioned such tools as mobile phones, internet and so on (Lederer, et al, 2000).

Researcher in this study are looking for whether Ecrm affect improving marketing performance in banks?
3. Research Model and Definition of Research Variables

![Research Model Diagram]

**Electronic Customer Relationship Management**

- 1- appropriate processes
- 2- quality of customer data
- 3- ECRM system technology

**Improving Marketing Performance**

- 1- improving customer behavior performance
- 1- improving financial performance

*Figure 1: Research model*

**Appropriate processes:** It is part of technological suitability topic that specified a set of processes and technologies that can be used in systems (Kheiri & et al, 2009). Appropriate processes is ability that improves performance of ECRM system through an appropriate level of customer interaction process, processing sales channels, personalization of process and after-sales service process (Roh, et al., 2005).

**Quality of customer data:** Part of value created by this system is related to the users of the system. Therefore customer perception of the service provided to assess the success of the system is a necessity (Pitt & Watson, 1995). Quality of customer data is ability that improves ECRM performance through integrity, usefulness, release, reliable and understandable of the information (Roh, 2005). Delone & Mclean emphasized the relationship between qualities of customer data with success of electronic customer relationship management and of course, they said that major part of the relationship between quality and success is intuitive (Delone & Mclean, 1992).

**ECRM system technology:** It is ability that can improve ECRM system performance through ease of use, response time, data dissemination, integrity, flexibility of system (Roh etal., 2005).

**Customer behavior performance:** Study of customer behavior is to determine loyalty, satisfaction and willingness of customers to purchase the product or service (Elahi Shaaban, 2005).

**Financial performance:** In an enterprise with goal to increase the wealth of its owners, attention to the increase in income leads to achieving the goal. In fact, calculating the financial performance means the achievement of organizational goals (Rezaei, 2010).

4. Research Hypotheses

**H1:** appropriate processes affect improving customer behavior performance.

**H2:** appropriate processes affect improving financial performance.

**H3:** quality of customer data affects improving financial performance.

**H4:** quality of customer data affects improving customer behavior performance.

**H5:** ECRM system technology affects improving financial performance.

**H6:** ECRM system technology affects improving customer behavior performance.

5. Research Methodology

In the present study is applied research and In terms of implementation is descriptive. In terms of methodology is causal research and method of data collection is field. The sampling method in this study is a random sampling and statistical population is considered 112 managers and experts from the private banks of Parsian, Pasargad, and Eghtesad Novin in Guilan that is selected 92 samples. In this study to collect views of managers and experts is used questionnaire. In order to investigate the validity of questionnaire, the initial questionnaire was given to the experts in this the field and using their comments and modifications was designed the final questionnaire. Cronbach's alpha was used to assess reliability and considering that Cronbach's alpha of variables obtained greater than 70%, Therefore questionnaire is reliable. In order to analyze the data and testing research hypotheses is used structural equation modeling.
6. Research Findings

6.1. Testing Research Model in the Standard Numbers

Figure 2: Testing research model in the standard numbers

Chi-Square=518.53, df=341, P-value=0.00000, RMSEA=0.071

Figure 2 illustrates the relationship between latent variables of research in estimating standard.
6.2. Testing Research Model in the Significant Numbers

Using this mode can be found significant relationships between variables. In this case, the numbers will be significantly that be outside the range (-1.96 and 1.96). This means that if in t-test a number be between -1.96 and 1.96 thus will be meaningless.

6.3. Testing Hypothesis
H1: Appropriate processes affect improving the customer behavior performance.
According to the research model in significant status, is observed that value of t-statistics between appropriate processes and improving customer behavior performance is equal to 3.54 and since this value is outside of range [-1.96 & 1.96], thus this hypothesis is confirmed. According to the standardized coefficients can say that impact amount of appropriate processes on improving customer behavior performance is equal to 0.45.

Chi-square=518.53, df=341, P-value=0.00000, RMSEA=0.071

Figure 3: Testing research model in the significant numbers
**H2**: Appropriate processes affect improving financial performance.

According to the research model in significant status, is observed that value of t-statistics between appropriate processes and improving financial performance is equal to 3.58 and since this value is outside of range [-1.96 & 1.96], thus this hypothesis is confirmed. According to the standardized coefficients can say that impact amount of appropriate processes on improving financial performance is equal to 0.40.

**H3**: quality of customer data affects improving financial performance.

According to the research model in significant status, is observed that value of t-statistics between quality of customer data and improving the financial situation is equal to 2.83 and since this value is outside of range [-1.96 & 1.96], thus this hypothesis is confirmed. According to the standardized coefficients can say that impact amount of customer data quality on improving financial situation is equal to 0.26.

**H4**: quality of customer data affects improving the customer behavior performance.

According to the research model in significant status, is observed that value of t-statistics between quality of customer data and improving the customer behavior performance is equal to 2.16 and since this value is outside of range [-1.96 & 1.96], thus this hypothesis is confirmed. According to the standardized coefficients can say that impact amount of customer data quality on improving the customer behavior performance is equal to 0.22.

**H5**: ECRM system technology affects improving financial performance.

According to the research model in significant status, is observed that value of t-statistics between ECRM system technology and improving financial performance is equal to 5.01 and since this value is outside of range [-1.96 & 1.96], thus this hypothesis is confirmed. According to the standardized coefficients can say that impact amount of ECRM system technology on improving financial performance is equal to 0.41.

**H6**: ECRM system technology affects improving customer behavior performance.

According to the research model in significant status, is observed that value of t-statistics between ECRM system technology and improving the customer behavior performance is equal to 3.95 and since this value is outside of range [-1.96 & 1.96], thus this hypothesis is confirmed. According to the standardized coefficients can say that impact amount of ECRM system technology on improving customer behavior performance is equal to 0.35.

7. **Conclusions and Recommendations**

Objective of this study was to identify impact of ECRM on improving marketing performance in private banks of Guilan Province. As the results show, at 95 percent confidence level, appropriate processes has greatest impact on improving customer behavior performance in private banks of Guilan Province. This indicates if the private banks increase their interaction with customers and develops the possibility of communication among different branches in terms of geographic locations, can increase the loyalty of their customers and with reducing their complaints will improve the possibility of opening new accounts. at this regard, it is suggested that: 1- reducing the time to perform the work processes can increase quality of customers decision-making. 2-correct order and at the same time transparent delivery of services can have a positive impact on favorable reactions and behaviors of bank customers. 3- On the other hand shorter of the banking services and related processes may provide service delivery to more customers that will lead to consensual behavior by their customers. After appropriate processes, ECRM system technology has greatest impact on improving financial performance in private banks of Guilan Province. Thus, it is suggested that: 1- providing information through electronic systems and attention to customer needs will increase their satisfaction 2- Deliver a message of congratulations on the occasion is including strategies to attract customers and will form deep relationship between the bank and the client. 3- Maintaining bank customers by deploying ECRM systems and provide better customer service will improve interests of the bank. Appropriate processes followed by two previous factors will have the greatest impact on the improving financial situation in banks. However, it is recommended that 1- Work time reduction processes can reduce costs and improve financial situation in a better position. 2- Removal of unnecessary procedures in providing banking services will be increased financial transfers through attracting more clients. 3- The proper definition of routine work processes and knowledge of customers from them will lead to increase speed action of employees and customers in providing and receiving banking services and have financial benefits.

Positive impact of ECRM systems technology on improving behavior performance of bank customers indicates that whatever banks provide possible and basis for customer relationship management and with implementing appropriate policies and guidelines lead this communication system, can made necessary trust in the customer and with increase the likelihood of sustainability of the customers, encourage them to use other banking services. In this regard, it is recommended that 1- Establish systems for electronic customer relationship will be an essential step to receive the customer comments. 2- Establish a system to respond to customer complaints will be an important approach to meet their needs. 3- To establish suggestions system will be another important step to get customers suggestions and to improve the performance of the banks. In the subsequent analysis, it was found that the quality of
customer data is affecting to improve the financial situation of private banks. Thus it is recommended: 1- to increase customer information about the types of financial services in banks helps to correct choice of banking services and continuity customer relationship with the bank. 2- Accurate distribution and comprehensive of information will provide faster and more possible attract customers than competitors. 3- Provide information at the right time and faster than other competitors represents the leading banks in attracting and retaining customers that it is caused to more profitable for banks. Finally, the results showed that the quality of customer data affects improving customer behavior performance. Therefore, it is recommended that 1- Providing accurate information to customers increase their confidence and enable them to maintain. 2- Receiving information from customers will improved their relationship with the bank. 3- Provide timely information to customers and to deliver it at the right time will reduced wrong decisions and behaviors.
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