



# The Effect of Electronic Customer Relationship Management on Organizational Performance with Mediating Role of Customer Satisfaction

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## ABSTRACT

The purpose of this paper is to investigate the impact of E-CRM on Organizational Performance. The Information technology plays an important role in the organizational settings and customer satisfaction is based on the use of Digital technologies which are prevailing in current organizational environment. The ECRM has also become a major source to collect data from customers and providing value-added services to its client's in-order to obtain competitive advantage. The study gives proposal to elements of ECRM, techno customer service, and customer satisfaction. The research was conducted by randomly sampling technique in Pakistan. Quantitative and Qualitative methods were used for research process in conducting questionnaire. A sample of 220 questionnaires designed and interviews conducted to get responses, through a well-organized strategy. The question asked that How Technology Effect the customers and it provides satisfaction and improves a company performance. The structured interviews conducted from Managers in different banks through observation technique. This shows that the effect of electronic customer relationship is positively associated with organizational success due to increase in competition it is compulsory for organization to maintain the ECRM system. Our finding shows that Customer satisfaction providing mediation effect to ECRM and organizational performance with the use of technology. This model has a practical implication on services based industry organizations that it reduces human work that would result in unemployment of workforce due to digitalization. The firms are using ECRM technique to acquiring new customers and maintaining relationships with existing customers.

**Keywords:** Electronic Customer Relationship Management, Organizational Performance, Customer Satisfaction

**JEL Classifications:** M310, M1, M0

## 1. INTRODUCTION

The Problem statement investigates the effect of ECRM application on organizational performance as it plays an important role in the organizational environment. The ECRM got huge recognition in worldwide organizations for up gradation in its prevailing system. It is not easy to implement ECRM technique in an organization because it requires a lot of effort and money. Whenever an organization adopts ECRM system it focuses on reducing the overall cost of system for providing value added services to customers. As ECRM application saves cost and

time of our valuable customers and improves the level of loyalty with client. It facilitates the companies to achieve competitive advantage by providing online services through a web based system to its customers. The problem has been identified in the banking sector that the ECRM application gives challenges to its customers because they are not provided proper guidance about it. Therefore many customers hesitate to use ECRM technique due to lack of necessary skills required for operating system. This Research was aimed to get the response about Electronic customer relationship management application system for organization effectiveness. When it would be easy and appropriate to adopt

ECRM system then organization would prefer to make this decision. Research Question was designed to get the response from Bankers to measure the effect of ECRM on Organizational performance. There are different questions which asked for getting response like:

RQ1: The adoption of ECRM technique is helpful to my firm's business?

RQ2: Using ECRM application enables my firm to increase customer satisfaction?

Internet technology plays an important role in organizational development and providing customer satisfaction. Many companies are trying to achieve the competitive advantage by providing online goods and services at a convenience price. The great numbers of services are offered in the global market to meet the demands of customers for which maximum benefits are provided to customers. The companies are trying to obtain data from web/Internet and store it for Analysis to use it in decision making process. Most Markets have broadened their scope as they are facilitating all goods and services on their websites that a particular consumer need or want. Now, the world has changed people prefer to use online techniques because they save their time and money from being wastage. The Information System is very prominent in every organization as they used to Collect data and process it for further use. It provides reliability to its customers because they have Short time and Cost to measure its benefits in terms of facilitation. The organization provides data electronically and provides ease of use. In now a days ECRM is considered the Dynamic topic of new millennium and considered to be successful factor for implementation of its policies (Heinonen, 2014; Jan and Abdullah, 2014; Thakur, 2014).

The Use of internet to provide goods and service to customers forced to correctly identify the needs of customers in-order to provide valuable services (Mahdavi et al., 2008). The ECRM Strategy devised a company plan to acquire the information, storing, and Analysis the data for implementation of strategy in long term for achievement of goals. Now the businesses are focused on Customer oriented rather than Product oriented because they try to maximize the customer satisfaction. On the same way Companies are well aware of the techniques that may influence the Customer satisfaction.

The customers focus on prime quality of products that may provide them satisfaction and reliability. The secret behind the success of an organization depends on Effective management of Electronic Customer Relationship system. Electronic Customer Relationship management focuses to meet the demands of customers as they may improve value of Firm and as well as customer. The Internet technology produce a large impact on social life and induce a new revolt in the 21<sup>st</sup> century where every person gets everything online (Navimipur and Zareie, 2015; Nguyen and Simkin, 2013). The sources of data are Intranet, Extranet, Cookies, and web spiders for analyses and change into useful information. They provide the plan for efficient functioning of team for satisfying customer needs. It also provides better infrastructure capabilities and customer support through its well organized structure. Companies collected and evaluate the needs of its customers to integrate improved

decisions in its marketing policy through variant types of Data processing (Mahdavi et al., 2011).

Moreover, Bradshaw and Brash (2001) has suggested that companies are more efficient in expanding marketing relationships through use of web based technology. Further, Feinberg and Kadam (2002) has suggested the correct use of technology represent an opportunity as a medium of commerce and information for businesses to use the technology as a rostrum for the delivery of the E-CRM services on the websites (Sivaraks et al., 2011). The organization has to learn a lot from its customer attitude in order to meet the Market confrontations which they faced as an entity. A company should analyze the 'customer behavior towards the products which are being offered in Market in-order to provide unique quality of services. The ECRM will lead the firm to obtain competitive edge and leads the company to achieve success (Sin et al., 2005). The company makes the decision on the basis of research conducted in a specific market place and organization should involve its employees in every set of business activities to increase effectiveness of its products and services. Reichheld" referred that the Fundamental aim of building ECRM is to maintain customer adherence as it positively influence the profitability and long term growth of company.

The main reason to involvement of customers is to find appropriate information in a disciplinary action to solve the different problems arise in a business environment. The main objective of the study is to find a relationship between ECRM on organizations performance through customer satisfaction and technology acceptance. Whenever the customer would be satisfied by better performance, the productivity, profitability, Market share of organization will improve. Internet and web services provide information and assigning the data for allocation of resources to create customer value (Souri and Navimipour, 2014). The most organization using technology that is reached and affordable for the Client. It is essential to maintain the customer relationships through web based technology as Application software are widely used in all over the world. Such technologies would help the company to know their customers before it change into a long term relationship (Ramesh, 2013).

A company tries to maximize its efforts, as the competitors have identified the whole market needs and updated technology and maintained the system of accurate practices all across the organization. Improved customer relationship would leads to better retention rates and loyalty of customers. The maximum employees show the positive impact on ECRM because every individual has a limited amount of time in order to deal with daily activities of business and market competitiveness focusing individual needs to adopt the modern methods for connecting customers. The primary goal of ECRM is understanding the customers and the conditions that effect on Customer loyalty and retention rate of customers for maintaining long lasting relationships with customers (Thakur, 2014; Al-hawari, 2015) The organizations are using Electronic methods for maintaining loyalty of customers and created a great impact on the organization. Customer loyalty, Manager Competence, and the cost and technology acceptance have come across the challenges of modern society.

## 2. LITERATURE REVIEW

In competitive environment the survival of a firm is possible when they are capable to attain and maintain competitive advantage over their adversary firms (Benitez-Amado et al., 2010). Technological innovation is the important factor for achieving the competitive advantage (Bergek et al., 2008). Modernization in the Information technology refers to creativity in goods, services, processes, and other IT programs. (e.g. different systems of the IT which have appeared since the beginning of IT) (Wang and Ramiller, 2009). Benitez-Amado et al. (2010) have studied the effect of IT on improvement of firms' competencies, accentuating the mediating role of technological modernization and customer satisfaction. It was resulted that innovation devotes to enhance the improvements of firms' competencies to increase a firm capabilities and skills. Today, firms have a need for modernization in-order to grow and they need to be determined in developing their creative activities by understanding the observable patterns (Sweetman et al., Luthans, Avey, & Luthans, 2011). According to Ortt and van der Duin (2008), Modernization decreases the competitiveness in a dynamic business environment. Lumpkin and Dess (1996) also defined modernization as supporting and getting indulge in new ideas through creative accesses in order to solve problems and meet market needs. Technological innovations are growing fastly, now accepting new technology is more difficult than firms originally assumed (Slone et al., 2007), particularly when the technology is considered important (Mostaghel et al., 2015). The customer satisfaction depends on research and development practices; some of the factors that contribute to customer satisfaction are the introduction of modernized goods and services approach. Value producing such as decrease the costs to customers may depend on changes to Establishing processes due to introduction of price controls and unique services. (Jutla et al., 2001).

Today the companies are searching for better ways to interact with their customers to meet current requirements. The CRM has been defined as the Identifying, attracting, developing, and maintaining long term relationship with customers. It enables to improve customer satisfaction by providing maximum value added services. Today's companies are profoundly searching for techniques to better interact with customers and dealing with them (Javadi and Azmoon, 2011). The ECRM is defined as the approach that involves identifying, developing, and maintaining successful customer relationship for longer period of time to increase profitability of organization through customer satisfaction (Bradshaw and Brash, 2001). The activities and techniques are delivered to customer through web based services, (e.g. e-mail, forums). The E-CRM is very helpful in meeting those needs which are prevalent in our society (Lee-Kelley et al., 2003; Sigala, 2011). The issue of Electronic Customer relationship has numerous implications as it has major contribution in the success of an organization (Bull 2003 et al.,; Turban et al., 2004).

The E-CRM is a collection of ideas, tools, and operations that permits an organization to maximize its worth by utilization of unique resources. It helps companies to enhance the effectiveness with customer satisfaction through communication while making the individual interaction through individualization (Mahadavi

et al., 2008). It develops the company's performance interaction intimate through individual appraisal system (Mahdavi et al., 2008). It enhances the company's performance by utilization of maximum resources and tools to maintaining a strong relationship by individual satisfaction and customized communication services.

A Research shows that the electronic strategy plays a vital role in developing Customer relationship management. (Javadi and Azmoon, 2011) has aimed to performing the Research to regulate the attention and effectiveness of major factors to E-CRM competencies through organized system. The Research has empirical based study on various aspects of technology and gives awareness about E-culture. The study has shown that E-CRM have played an important role in Banking industry that enables a business to develop trust, loyalty, developing long term relationship with satisfaction, commitment and overall relationship quality. If the Banks uses its ECRM system at operational level then it would create understanding about Electronic methods and enhance organizational abilities. As the service quality has a huge impact on organizations and price, communications techniques are also plays important part in organizational development, it is necessary to develop effective ECRM system for creating market attraction. Mekkamoletal et al. (2013) has prepared a quantitative measurement of the E-CRM system for community of tourism in North east. Basically, Electronic Customer Relationship has a profound effect on organizational performance with the technology acceptance. While using these kinds of techniques a business should always be more beneficial to incorporate all things that have a profound effect on large scale businesses. The organizations are trying to achieve the success through ECRM practices due to wide spread of market structure.

The acceptance of technology has caused to improve the existing literature and improvising the effect of ECRM has grown in today's world. This study shows the Role of ECRM on customer satisfaction and it's also depend on easiness to use and convenience services offered by the company. Many companies used the electronic methods for managing its customers which help the customer to save their cost and time by managing applications. It shows the effect of ECRM that it would help in Retention and optimizing operations, meeting demands of customers'. ECRM enables an organization to understand its customers in an effective way to build long term relationship. Company uses the method of attracting existing customers rather than creating new customers as it is not difficult to acquire existing customers (Reichheld, 2006). The complaint management system would help an organization to learn the experience from customer feedback and this will enhance customer satisfaction, Loyalty and commitment.

The complaint system will help an organization to reduce the weaknesses and improve the performance of company in future. When some firm ignore customer dispensation and customer focused approach of ECRM than they are required to work hard to obtain customer satisfaction and organization growth. So, Firms improve the quality of services in order to compete in the market place. Hence, the customer dispensation leads to competitive advantage and provides satisfaction to customers for longer period. We have evaluated that the ECRM is essential in every organization because

no one can get success without the managing the needs of people through internet. The effective strong relation with customers would leads to improvement in the productivity and organizational capabilities. The companies are trying to achieve success through maintaining profitable customers and obtaining feedback against rendering services. First the company gives the value to its customers through perceived quality services and can create an impact over their rivals. The way to obtain the competitive advantage in market place to provide the superior services and communication that would attract the prospective customers and maintain profitable customers. The previous literature showed the ECRM application effective tools for developing long term relationship with customers. Another Research has proposed and calculates the Results of ECRM importance in Thai banking industry from customer point of view (Sivaraks et al., 2011). The results showed that E-CRM implementation to be valuable source of increasing the Banks outcomes and quality, which consist of overall trustworthy relationship, Satisfaction, commitment, loyalty of customers. They showed that if banks implement the ECRM applications, their customer will obtain additional services attributes and would get freedom of operating the account. Some other industries are also using ECRM application to manage its customers; they tend to gain the competitive advantage over their rival firms.

### 3. THEORETICAL FRAMEWORK

We have conducted different Hypothesis for testing the results in a disciplinary action. These are the assumptions of our variable for testing. These five hypotheses show the cause and effect of Electronic customer relationship. How these variables will be used to achieve the competitive advantage. The questionnaires were asked by using the Five Likert scales.

H1.1: The technological innovation leads to the growth of firms in the global market. Technology identified as key handler technique to E-CRM (Jutla et al., 2001). At the core perceived ease-of-use(PEOU), which means that adoption of technology would be free from effort and it would increase the commitment of employees (Persico et al., 2014). The customer will be satisfied when he gets the services conveniently while making decision to adopt Electronic customer relationship. In case of deficiency of resources the firm cannot meet the demands of its customers over their rivals. Cost is the most important element of the firm to adoption of ECRM application for maintaining the competitive advantage over their rival firms.

H1: The technology innovation has a positive influence on organizational performance.

H1.2: The Electronic customer relationship have a much great influence on organizational performance because every organization is using these kinds of application for managing their customers and much greater influenced by its members. The Electronic customer relationship has a great influence in developing the organization structure. The European Commission defines e-communication system as the use of internet and new technologies to broaden the quality of communication by facilitating access to resources (Dominici and Palumbo, 2013). The more variety of applications will be given the more secure the organization will be in managing relationships. The ECRM

is positively influenced in day to day activities of an individual to increase organizational performance due to growing problems it has become a need.

H2: Electronic Customer Relationship management has a significant effect on organization performance.

H1.3: The ECRM have a great significant effect on customer satisfaction. The Easiness to use the information technology influences the user performance and satisfaction while acceptability effect on the product and service. A number of studies are found for testing the process of how it affects the organizational effectiveness. Technology is the basic need of current organizations as it increases the effectiveness and efficiency of businesses. The hypothesis relates to convenience to use the technology and electronic system in an organization. The success of system depends on ease of use the technology (Wahab et al., 2010). The use of technology must be convenience for managing relationships of its customers that would be a reliable source of information for the customer. We tested the effect of Easiness of use of ECRM application through different questions.

H3: The Electronic Customer Relationship management is influenced by easiness to use technology.

H1.4: Electronic customer relationship has a positive effect on the organizational performance. Some customers are habitual of using the old methods of techniques rather than innovative techniques. When organizations pressurize the employees to adopt the ECRM methods than the productivity would be reduced. The acceptance of the technology will leads to the growth of the firm in young and motivated employees but it would give a divers effect on the old employees because they dislike the updated techniques. There can be many reasons of non- acceptance of technology many customers are not well aware about the usage of mobile application. It has been observed that the customers are lacking the attention to the utilization of ECRM application due to non-awareness about applications.

H4: Electronic customer relationship is negatively associated with organization performance.

H1.5: Customer can be satisfied by making the technological effect in the growing world. Electronic systems are trending as famous learning strategy utilizing by numerous organizations (Navimipour & Zareie, 2015). Measuring the satisfaction of customers is also the great challenge because it will give the feedback of customers. Electronic customer relationship enables distance services that is properly utilized through the medium of Electronic Channel (Lara et al., 2014). When the company will use the ECRM technique in every perspective of delivering superior quality services to its customer than the customer needs would be satisfied. The large businesses have completely focused on adoption of ECRM technique and promoting the culture of web based services. The customers are intended to make safer payment and receipts through a well-organized structure. Currently, every organization is trending new ways to adopt latest and effective application software system to achieve success of businesses. This tends an organization to achieve the competitive advantage over their rival firms.

H5: The Electronic Customer Relationship Management has positively influence on customer satisfaction and organizational performance.

H1.6: Technology innovation is positively associated the customer satisfaction. The efficient use of technology will positively

influence the customer satisfaction because it directly facilitates the customers in making their transactions safer. So, with the growing needs of the ECRM technique the customer demands the latest updated technology for meeting its needs. No one wants to waste his time in the growing inventions of the world. Thus, the Current organizations across the world prefer Electronic services because they are cost-effective and timely systems and training the force performing different areas in the country (Chen, 2014). The responses gathered were based on actual observations and interviews to gather the data about habit of their customers. The Technology is positively associated with customer satisfaction. During our study, we have found employees less motivated towards acceptance of technology because the people are not aware about the methods to use the ECRM system.

H6: The technology innovation plays an important role in customer satisfaction.

#### 4. METHODOLOGY

The Research methodology aims to answer the question that what methods have used for conducting the research. The purpose

**Table 1: KMO and Bartlett’s test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.462
Bartlett’s Test of Sphericity	Approx. Chi-Square	5.510
	df	3
	Sig.	0.138

**Table 2: Communalities**

Demographics factors	Initial	Extraction
Gender	1.000	0.805
Education	1.000	0.669
Organization	1.000	0.707

Extraction method: Principal component analysis

**Table 3: Total variance**

Component	Initial Eigenvalues			Extraction sums of squared loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.128	37.585	37.585	1.128	37.585	37.585
2	1.053	35.111	72.696	1.053	35.111	72.696
3	.819	27.304	100.000			

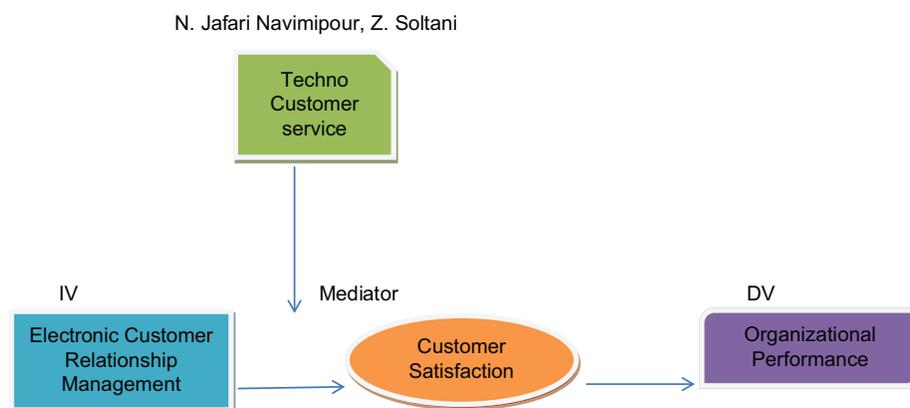
Extraction method: Principal component analysis

of the methodology is to elaborate an insight for defining the effectiveness of ECRM systems. Firstly, it represents the Research objectives for clear understanding of Relationship. Two variables with the mediating role of one variable have discussed here. Six, hypotheses are identified for measuring the relationship among the components variables. Detailed hypothesis illustrated which define the complete effect of ECRM system. On the basis of previous studies (ECRM, Customer Satisfaction, organization performance) have discussed in the rest of these variables. The Questionnaires was conducted by visiting every individual branches in-order to get correct amount of work done. The Data was gathered through simple random sampling technique. Longitudinal method has used because the data was gathered from different population in the same year.

The tests were conducted on the Regression analysis in the SPSS software but there was no separate identity of the variables. The Factor analysis has run and results were identified as normal because each variable like KMO test are below 0.50 which predict the normal condition. The purpose of the Research is used as Explanatory Method. In Research the Data were obtained from different banks in Pakistan. The data are gathered from different banks and as well as different customer oriented organizations. The objective of the research is to find a problem whether the ECRM has a great impact on customer satisfaction.

The Research design is measured through Quantitative approach. In which close ended as well as open ended questionnaire are asked for measurement of true effect of variables. The Questionnaires propose the individuals to mention all the information which are given to them? They have provided the entire questionnaire to fill the knowledge gap. Data Collection Method was used as primary. The Questionnaires were conducted with the 220 sample size. And Most of the respondents show a positive behavior to the adaptation

**Figure 1: Proposed research model**



of the ECRM. And 205 respondents show the concentration on the questionnaire. These questionnaires were conducted by visiting different branches in different banks. The standard assessments of questionnaires are followed and the content of questionnaire was completed based on research hypothesis. The targeting sample was based on Male and Female employees in the banking industry. To run the Nominal scale test and component analysis about gender, education the SPSS software was used. The results show that 0.805 was the Gender results which were more reliable but it needs to be improved in the future research. All questionnaire was designed according to Likert – scale where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.

The target sample was employees of different banks in Pakistan. In recent trends the need of Electronic Customer relationship management has got importance and used of application software has also increased. The customer likes to use Internet system to save their cost and time and also encourage other peoples to use the ECRM application software. A Research model has shown in Figure 1 that relates to N. Jafari Navimipour, Z. Soltani and it shows the effect of ECRM on Organizational performance with the mediating Role of Customer Satisfaction and techno customer service is taken as moderator.

## 5. DATA ANALYSIS

The model shows the ECRM as Independent variable and Organizational performance as a Dependent variable with the mediating effect of customer Satisfaction. And Techno customer relationship is the used as a moderator. The analysis was conducted by regression, and the method of factor analysis is used and the KMO have been identified. This Analysis was <1 so these are favourable cases. The study shows the relationship between two variables that have the value of below .50. it is acceptable.

### 5.1. Factor Analysis

#### 5.1.1. Nominal analysis

The KMO analysis shows in Table 1 the percentage of gender 0.805, and Education shows the 0.669, the organization result shows 0.707 in Table 2. These are normal values because it is less than 1. KMO analysis shows that there was no biasness and in Table 3, defines the values of Component 1 shows the more than 1. Which are quite reasonable but not all due to limited usage of data.

The KMO Analysis shows that figure of .799 which is greater .50 as shown in Table 4. So it shows the possibilities of positive relationships between the ECRM and the organization performance. And Bartlett analysis is 290.469 which is a huge figure in term of respondents. The rest of the questions which were not perceived by the respondents they need to Deleted according to the SPSS results. The component matrix explained in Table 5 shows the gender figure to .195 and Education is analyzed by .791 more over Organization has -.681 figures under the component matrix. In the second component, the figure is high as compared to first matrix of .876 as shown in Table 5.

#### 5.1.2. Variable analysis

These results are just the ECRM Advantage, variables because it must be measured in accuracy and corrected results. The Extractions are greater than 0.50 but some variables shows the greater figures so have the implications to measure the cause and effect of the numbers as shown in Table 6. The KMO Analysis is 0.07 which is very accurate and this figure shows the favourable results to the variables and Bartler test shows the possibility to overcome the negative points with overall test run was the best and give the comprehensive Analysis.

The variables are measured on the accumulated results and the findings are cumulative in percentage. The greater value is 2.889 (Table 7) which is greater than 1 so it shows the positively relationship these variables that how to identify the measurement of these variables.

Although the percentage variance and cumulative variance was 32% so these were analyzed on the basis of questionnaires.

#### 5.1.3. Framework analysis

The communalities Analysis shows the .617 which is quit reliable estimated figure. The ECRM1 Ease variable give the .617, ECRM2 Ease gives .612, ECRM1 compt shows .520, ECRM2 shows the .581, and ECRM1 Observe shows the .446 figure and ECRM1 finance shows the .706. The Lowest value was 0.493 which is very favorable in SPSS results shown in Table 8 and Table 9. And Component Matrix defines the ECRM advantage to elaborate the three matrix first matrix have positive values and second matrix considers a combination of both the highest value of ECRM analysis is 0.651 in first matrix as shown in Table 10 and 0.516

**Table 4: KMO and Bartlett's test**

Kaiser-Meyer-Olkin measure of sampling adequacy		0.779
Bartlett's test of sphericity	Approx. Chi-Square	290.469
	Df	36
	Sig.	0.000

**Table 5: Component matrix**

Demographics factors	Component	
	1	2
Gender	0.195	0.876
Education	0.791	0.209
Organization	-0.681	0.493

Extraction method: Principal component analysis, a. 2 components extracted

**Table 6: Communalities**

ECRM (Independent variable)	Initial	Extraction
ECRM1Advntg	1.000	0.626
ECRM2Advntg	1.000	0.639
ECRM3Advntg	1.000	0.692
ECRM4Advntg	1.000	0.561
ECRM5Advntg	1.000	0.520
ECRM6Advntg	1.000	0.516
ECRM7Advntg	1.000	0.576
ECRM8Advntg	1.000	0.447
ECRM9Advntg	1.000	0.605

Extraction method: Principal component analysis

**Table 7: Total variance explained**

Component	Initial Eigenvalues			Extraction sums of squared loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.889	32.102	32.102	2.889	32.102	32.102
2	1.243	13.813	45.916	1.243	13.813	45.916
3	1.050	11.664	57.579	1.050	11.664	57.579
4	0.825	9.170	66.750			
5	0.703	7.811	74.561			
6	0.657	7.303	81.863			
7	0.578	6.422	88.285			
8	0.534	5.938	94.223			
9	0.520	5.777	100.000			

Extraction method: Principal component analysis

is considered to be the lowest, secondly the -0.530 is lowest in the second matrix and it shows a mediation effect of all variables (Table 10).

The Variance shows that the 1 to 18 variable depicts that the results are greater than one and have expected to be cumulative frequency of 33.68. and some questionnaires are considered to be the wrong in which the respondent did not consider to give the answer and so it need to be analyzed that the test run on the best result got from the respondents as shown in Table 11.

The component Matrix shows the relationship between Different variables that 0.635 the highest figure in the analysis. The KMO analysis shows the effect on the table in findings and had conclusive evidence. The most influential factor was the commonalities and total expected variance was explained here and all the system figures were below the .90 which shows the better results in the KMO and bartler analysis in (Table 12). The component matrix shows the negative figures of all variables. And have an impact on the overall results. The purpose of analysis is to measure the response rate of respondents which were positively involved in understanding the ECRM system (Table 12).

## 6. RESEARCH IMPLICATIONS AND DISCUSSION

The Research tracks some complexities and practical suggestions for organizations on how to develop Electronic customer relationship management. This requires an increasing effectiveness in ECRM system to improve their customer satisfaction and organizational development. This study assists employees to communicate with their customers and proportionate their resources effectively to develop a balance between Electronic marketing services to new customers through Electronic customer relationship management. Further, periodic reviews can help the organization to update their system and improvement in the organizational abilities. The applicability of ECRM application not only satisfied the customer needs but also assist the Human Resource Managers to formulate the policies which would help them to train staff to improve understanding about ECRM application. Further, the top management can use new strategies and tactics in delivering superior and unique services to customers. The management needs to formulate and identities those customers who have not installed the applications and should guide them about operations of ECRM application. It is less costly to retain

**Table 8: KMO and Bartlett’s test**

Kaiser-Meyer-Olkin measure of sampling adequacy		0.851
Bartlett’s test of sphericity	Approx. Chi-square	1144.560
	Df	153
	Sig.	0.000

**Table 9: Communalities**

ECRM(IV), CS(Mediator), OP(DV)	Initial	Extraction
ECRM1Ease	1.000	0.617
ECRM2Ease	1.000	0.612
ECRM1Compt	1.000	0.520
ECRM2Compt	1.000	0.581
ECRM1Obsrve	1.000	0.446
ECRM2Obsrve	1.000	0.590
ECRM1Techinno	1.000	0.697
ECRM2Techinno	1.000	0.607
ECRM3Techinno	1.000	0.704
ECRM1Finance	1.000	0.706
ECRM2Finance	1.000	0.622
ECRM1Techexp	1.000	0.537
ECRM1Compmpres	1.000	0.478
ECRM2Compmpres	1.000	0.544
ECRM1Cuspres	1.000	0.493
ECRM2Cuspres	1.000	0.632
ECRM1Industpress	1.000	0.602
ECRM2industpress	1.000	0.716

Extraction Method: Principal Component Analysis

**Table 10: Component matrix**

ECRM (Independent Variable)	Component		
	1	2	3
ECRM1Advntg	0.526	-0.530	0.263
ECRM2Advntg	0.586	-0.537	-0.091
ECRM3Advntg	0.518	0.022	0.650
ECRM4Advntg	0.581	-0.211	-0.423
ECRM5Advntg	0.651	-0.134	-0.279
ECRM6Advntg	0.582	0.258	-0.331
ECRM7Advntg	0.550	0.513	-0.100
ECRM8Advntg	0.516	0.118	0.408
ECRM9Advntg	0.576	0.518	0.074

Extraction Method: Principal Component Analysis. a. 3 components extracted

existing customers rather than acquiring new customer every new customer is not Risk taker. Customers has different perceptions, in order to deal with all such kind of people a Manager needs to motivate its subordinates and employees to maintain a strong relationship between their customers.

**Table 11: Total variance explained**

Component	Initial Eigenvalues			Extraction sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	6.064	33.686	33.686	6.064	33.686	33.686
2	1.336	7.422	41.109	1.336	7.422	41.109
3	1.181	6.562	47.671	1.181	6.562	47.671
4	1.098	6.098	53.769	1.098	6.098	53.769
5	1.025	5.695	59.464	1.025	5.695	59.464
6	.846	4.698	64.162			
7	.807	4.485	68.646			
8	.748	4.155	72.801			
9	.686	3.812	76.613			
10	.654	3.631	80.244			
11	.618	3.433	83.677			
12	.582	3.232	86.909			
13	.507	2.819	89.729			
14	.463	2.571	92.299			
15	.427	2.374	94.673			
16	.398	2.211	96.884			
17	.309	1.717	98.601			
18	.252	1.399	100.000			

Extraction Method: Principal Component Analysis

The importance of internet has increased gradually in the past due to easy access of technology (Navimipour and Milani, 2015). The E-CRM has approved as one of the most important technological system that enables an organization to collect, store and analyze the data in order to provide detailed overview to customers (Romano and Fjermestad, 2003). It enables the firm to take complete benefit of data and convert it into useful information, as data are analyzed to obtain understanding of not only utilizing trends, but also attributes and preferences (He et al., 2014; Romano, 2000). The data have been analyzed and put into proper shape and the hypothesis was formulated for empirical testing. It shows that ECRM has a great influence on the organizational performance and that is the basic necessity of present situation. First one was that the ECRM has the significant effect on organizational performance as it is the basic need of present organizations and second variables were easy to use which defines that the customers are not convenient to use the ECRM application due to noticed effect in literacy rate in Pakistan. Many citizens in our country are not educated, so it creates difficulty for organization to Adopt ECRM system. Third one, the ECRM does not have a significant effect on the organizational performance due to non-acceptability of technology because the hypothesis tested was realized that the population of our country is illiterate so they cannot develop understanding of the ECRM technique and does not know how to use that particular application which is facilitated to customers. In order to successful implementation of the ECRM application the customer should use that particular application.

The fourth one was, the ECRM is most affected on the customer satisfaction means it facilitates the availability of resources to adopt the ECRM approach. Fifth one was, the modernization will positively effect on Customer satisfaction as the use of new technology will leads a firm to compete its rival firms.

As the indication is given in table 12, the results obtained in the sample test has a significant positive effect on E-CRM (0.492 < 0.05). thus the findings supported that the Electronic Customer Relationship management has a significant effect on

**Table 12: Component matrix**

ECRM(IV), CS(Mediator), OP(DV)	Component				
	1	2	3	4	5
ECRM1Ease	0.492	-0.522	0.137	0.284	0.051
ECRM2Ease	0.630	-0.303	0.336	0.091	-0.038
ECRM1Compt	0.618	-0.088	0.118	0.174	0.294
ECRM2Compt	0.562	-0.354	0.364	0.079	-0.025
ECRM1Obsrve	0.529	-0.065	0.380	-0.105	0.080
ECRM2Obsrve	0.603	-0.137	-0.290	0.323	-0.139
ECRM1Techinno	0.589	-0.092	-0.522	-0.174	0.195
ECRM2Techinno	0.635	-0.151	-0.314	0.106	0.265
ECRM3Techinno	0.600	-0.006	-0.091	-0.323	0.481
ECRM1Finance	0.635	-0.055	-0.200	-0.098	-0.501
ECRM2Finance	0.563	-0.068	-0.060	-0.428	-0.337
ECRM1Techexp	0.639	-0.045	-0.127	-0.064	-0.325
ECRM1Compmpres	0.583	-0.036	0.005	-0.367	-0.045
ECRM2Compmpres	0.556	-0.417	-0.019	-0.034	0.245
ECRM1Cuspres	0.586	-0.304	0.188	-0.145	-0.013
ECRM2Cuspres	0.571	-0.322	-0.193	0.406	0.025
ECRM1Industpress	0.502	-0.423	0.399	-0.104	-0.003
ECRM2industpress	0.521	-0.473	0.052	0.427	-0.189

Extraction Method: Principal Component Analysis. a. 5 components extracted

customer satisfaction and it increase the organization performance. This hypothesis were proved right because many respondent show optimistic behavior as there is no availability of opportunities in Pakistan that make the employees motivate to do the work and prove to be successful in their careers. The response were measured in the 5 likert scale that many respondents was positively answered the questions. So with the help of sample of 205 questionnaires it was tested in SPSS to measure the effect of these hypotheses. There is a need to do more research for future because now every organization is using the same kind of technology. The Electronic Management of Relationship has showed impact on organization performance with the mediating role of customer satisfaction. The Majority of respondents shows the favorable argument in the adoption of ECRM technology because it's a requirement of modern world without this the business could not touch the height of success. There is a need to develop a comprehensive

structure to support the system in the modern organizations. These hypotheses were tested and results were analyzed for giving the justification of the questionnaires which were evaluated in terms of responses. It has been observed that the most of the respondents showed that there must be implementation of ECRM to provide the convenience and reliability of services.

## 7. CONCLUSION AND RECOMMENDATION

Due to wide use of internet, many companies have the opportunity to adopt the ECRM system in their organization. The companies make a pattern that the customers are the drivers of their growth of business. Many companies are using the web based systems to deal with their clients. The use of ECRM method have increased customer satisfaction and able to obtain the competitive edge. The Methods of a firm that evaluate the organization strategy, and culture and structure will influence on the organization. These factors define that whether the ECRM application should be used or not for the effective management of relationships. The company would able to satisfy its customer by adopting innovative strategies. To bring the customer more comfortable zone the companies are trying to implement the creative strategies. The technological innovation will leads positively to the customer satisfaction because new methods of managing relationships can reduce the overall cost and make the huge impact on organization productivity. It may also help in retention of existing customers but some time acquiring new customers. It has a great impact on overall economy of the firm. The initial adoption of Electronic customer relation can create a difficulty but because it will arise burden on employees.

The organizational growth is also dependent on the effective use of ECRM systems Which are followed by its competitors, the best way to use the ECRM technology would leads a firm to manage its relationships efficiently. There is some limitation in the use of Web based technology like the no awareness in people about use of technology. The companies use electronic methods to evaluate the satisfaction of customers. The more data needs to be collected for efficiently managing the operations of the company. Many customers feel dissatisfaction for using the internet technology because they are not having the resources to deal with the web based technology. And many branch managers have showed the reason of stress to use the today's systems of web have made the life of people in trouble. As the ECRM method has revolutionized the world ,there are some limitations of ECR, it create difficulty in managing their accounts while others parties have not access to such kind of application. The population was banking industry in Pakistan. The sample size was 205 questionnaires and mostly respondents showed the positively relationships. The interviewed was conducted for the data collection; research was based on quantitative technique. The sample was chosen on the basis of simple random sampling technique. The data was collected from different banks not one type of bank.

We would recommend that Research of ECRM system should be measured on broader level. We have taken sample of 205 now the further research can be done with maximum sample size. And Data can be used variety of different industries of multi nationals

rather than one type of industry. It is limited to the banks only; it could be applied on every type of industry. The far essential thing in the organization is to measure the customer satisfaction that is the valuable thing in any company; it would increase the employee performance and organization abilities.

It is very important for the organization to use effective methods of ECRM to help the firm productivity and has a great impact on the employee productivity. Organization culture would define its existence towards the employee productivity. If innovation is encouraged in an organization than it would positively affect the performance of organization. Organizations should use different techniques to motivate its employees in terms of productivity. We would recommend using more analysis test and more use of data which would help the individual to identify the issues and techniques to resolves those issues. The more data could be used it would consider the effect of Regression analysis, and helping to identifying the critical issues in analysis. And further the sample size could be large for future studies for establishing notice the effect of Electronic customer relationship. ECRM has a great impact on the customer satisfaction as it allows the customers to access the main resources through the internet.

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