

The Influence of Internet-based Customer Relationship Management on Customer Satisfaction

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Abstract

Internet is a huge potential marketing space, the market introduction of a new marketing mode, to the Company brought new opportunity, at the same time also brought new challenges. This time concentrating on the intervening job of customer relationship management impact on customer satisfaction and improve on customer relationship management.

Keywords

Network marketing, Customer relationship management, Satisfaction, Communication, Product, Service system.

1. Introduction

1.1. Research Background

Network marketing refer to through website, Apps, or others online activities to build up customer relationship, is a component of Companies overall marketing strategy, with the Internet as the basic means to create online business environment of a variety of activities. Internet is a huge potential marketing space, the market introduction of a new marketing mode, to the Company brought new opportunity, at the same time also brought new challenges. From the point of view of practical application, network marketing is focus on operating methods and skills, so easy to give a feeling, which is difficult to capture the core idea of network marketing, network marketing seems just listed some operation methods, rather than a website online management system, is the direct result of the resulting network marketing lack of systemic and difficult to establish the status of network marketing in the Company marketing strategy, the value of the Internet in the business will not be able to give full play to. In the new era of marketing, network marketing ideas, methods and tools to be a breakthrough and innovation, to bridge business and customers through the network for Companies to better understand the needs of customers, satisfy customer's personalized needs, to provide quality customer service. (Andreas, 2015)

With the deepening of the development of electronic commerce, online customers will become the goal of all businesses compete, therefore, customer relationship management will become the important content of Company management. In an age of electronic commerce rapid development, expanding its business relationship with customers and network control network of the new technology application breakthrough the limitation of the traditional CRM implementation, for the relationship between the customers and the Companies to further improve injection boundless power. (Non, 2013)

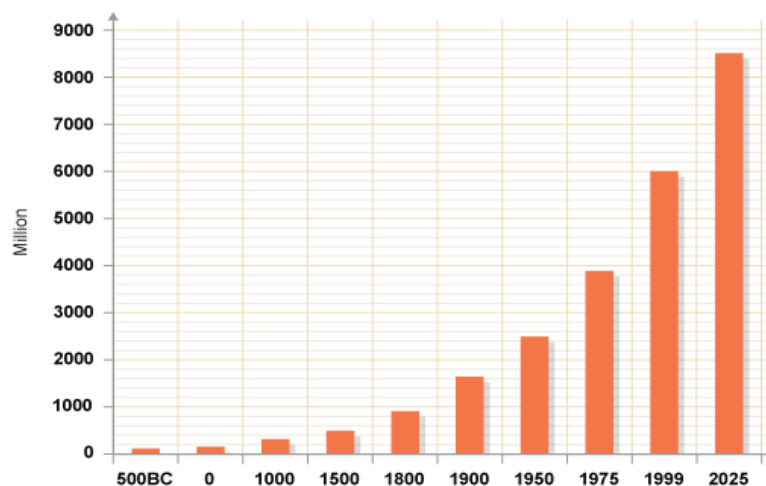


Figure 1. Population of Network Marketing

1.2. Research Questions

How does Customer Relationship Management impact on Customer Satisfaction based on Network Marketing?

How should companies improve their Customer Relationship Management based on Network Marketing?

1.3. Research Objectives

To identify Customer Relationship Management impact on Customer Satisfaction based on Network Marketing.

To identify companies improve their Customer Relationship Management based on Network Marketing.

1.4. Significance of Research

Network not only make the Company face more severe living environment, changing the Company business model, also changed people's life, study habits and work and consumption patterns. Company customer relationship management under the network environment, therefore, the research has very realistic significance, not only can help Companies to master the methods of communication with customers, also can make the Company mining under the network environment the real needs of customers, effective management of the customer, to establish good relations, finally realizes the Company and create the value of customers. In this paper based on the network background, customer relationship management processes as the basic train of thought, analysis of network technology and the combination of customer relationship management produced by the advantage, build in "customer communication, customer trust, value realization" three core elements for the research of system framework, include the matching the respective business model and business process, put forward the suitable for the requirements of the network economy harmonious customer relationship management mode network. (Chowdhury, 2011)

1.5. Potential Limitations to Research

Firstly, because everyone's individuation, objective factors can cause some deviation to the results of the study, such as personal consumption habits, living habit, age, gender, culture and so on. All these external factors will cause certain influence to the study.

Secondly, since the study was done by oneself, ability is limited, the amount of data collected is not enough, so will cause certain influence to the research.

2. Literature Review

2.1. 4C Theory

In 1990, based on the theory of traditional marketing, the marketing expert Professor Lauterborn put forward 4C theory, the 4C theory put the consumers in the first place, the content including of the four basic factors: consumer, cost, convenience and communication. 4C theory by put the customer first, strive to customers to reduce the cost of buying the goods, make full use of it, in order to get the consumer to the brand credibility, dependence, and effective marketing communication, so as to better do a good job in marketing.

1. Customer

Put the customer first, because the 4 c theory mainly consider the customer's needs and desires, build customer-oriented sales ideas, focuses on "customer-oriented", throughout the marketing activities.

2. Cost

When customers buy a commodity, in addition to spend a certain amount of money in the goods from the outside, at the same time, customers can also take some time, energy and physical strength, but all of these consumption, make up the total customer cost. So, the customer total cost including monetary costs, energy costs, time costs and physical costs, etc.

3. Convenient.

Consumption patterns in the past, if customers need to purchase a property, usually choose a convenient way, such as near their stores, there is need to consider the location of the customers, merchants should choose to set up shop in the places where the transportation is convenient, convenient and the client's time cost and energy cost, at the same time, on the store design and layout, to consider the convenience of our customers in and out of, or up and down, the convenience of our customers to visit, browse, select, and convenience of our customers for payment and settlement and so on.

4. Communication

When customers are interested to buy goods, the company should be timely communication with customers, for customers and strive for potential users, so the company must constantly communicate with customers, and set a good brand image in the eyes of the customers, increase credibility. After customers to buy the goods at the same time, more should obtain the customer's contact information, so as to further communication, understand customer experience of items, get feedback information, thus to improve the product or innovation, in short, in today's era of intense competition, only to establish good relationship with customers can be helpful for the long-term development of the company. (Albert and Sanders, 2003)

2.2. Network Marketing Model

Network marketing refers to the company via the Internet or mobile phone network, computer, mobile phone or other electronic communication equipment, software or web sites on the marketing goals of a marketing approach. Network marketing is a kind of based on network technology and two-way interactive marketing, target marketing, the virtual marketing, decentralized marketing, direct marketing, customer orientation, remote or global marketing, paperless, customer participation marketing integrated marketing model. Network marketing throughout all the company's marketing activities in the process, at the same time, it also involves network marketing, network investigation, network services, network distribution, network communication and other electronic business activities of each link. (Barber, 1994)

1. Service Time

Successful business is occupied the most market share as possible, as traditional marketing mode most of the marketing channel is an entity shop, so that model had limited by time. But the network marketing is working on Internet, so marketing activity beyond time and space constraints, network for marketing from the limitation of time and space, make the company have more time and more space for marketing, don't have to worry about the store rent, at the same time also can carry on the marketing for 24 hours every day.

2. The Interactivity

Internet sales could exhibit picture and information of commodity on the website or Apps by internet, which also offer the inquiry system for customer to achieve supply-demand interaction and two-way communication. Meanwhile, network marketing also can process product testing online with customer, such as customer satisfaction survey, product feedback survey. Internet provide the joint-design, Product information conference and technical service support for product. (Cribbs, 2017)

3. The personalized

The sales promotion of network marketing is one-to-one, rational, dominated by customer, customer voluntary performance, step by step. Otherwise, it is low cost promotion and humanization promotion. In especial, which also avoid the interference from the promotion workers.

4. The Growth

The population of internet user is rapid growth as worldwide, most of users are young people, middle class, and high education, due to all these people dominated the marketing and with strong impact on market, therefore, network marketing is huge and potential market. (wameyo, 2012)

5. Advanced

The Internet is a kind of the most powerful marketing tool, it also combines channel, promotion, and electronic transactions, interactive customer service, and analyze the market information and provide a variety of functions.

6. Economy

The exchange of information through the Internet, instead of the previous physical exchange, on the one hand, can reduce the printing and mailing costs, cannot store sales, exempt from the rent, saving water and electricity and labor costs, on the other hand can reduce the loss caused by the multiple exchange weave. (Martin, 1996)

2.3. Customer Relationship Management Theory

First of all, CRM must be based on customer as the center, the core of his philosophy is customer satisfaction. Is the Company, focusing on the customer relationship by conducting systematic customer research, through the optimization of Company organization system and business process, improve customer satisfaction and loyalty, improve business efficiency and profit level of work practice. CRM production and marketing mode of marketing model change the past, but formed to every customer's demand has been buying experience as the foundation, analysis of customer demand, to match every customer's demand of goods and services put forward Suggestions and solutions. (Aalst, 2004)

2.4. The Core Concept of CRM - Customer Satisfaction

2.4.1. Customer Satisfaction and the Degree of Satisfaction

Customer relationship management refers to through constant communication with customers, to understand customer needs, and in a timely manner to product, service improvements or innovation, to meet customer needs a process. Philip Kotler thinks,

Customer satisfaction refers to the customer before buying a product, there will be a certain degree of expectations, and after customers to buy the product, the experience of product's perception of the income effect. After the contrast before and after there will be a state of pleasure or disappointment, so as to determine whether the customer satisfaction. (Srivastava, 2011)

Henry Assael also think that when the actual consumption effect is achieved when consumer expectations, can lead to satisfactory, otherwise, will cause the customer not satisfied. Customer satisfaction is the customer of a product or service perceived practical experience and the comparison between their expectations of a product or service. The measurement of satisfaction is the degree of customer satisfaction. Thus, customer satisfaction is the customer's expectations of the product or service with the customers to buy the products or services perceived two factors determine the actual experience. (Assael and Han de Chang, 2000)

2.4.2. The Influence Factors of Customer Satisfaction

There are several factors that affect customer satisfaction, so the corporate image, product, marketing and service system, the Company and customer communication as well as a variety of factors such as customer care. According to the principle of "bucket" a bucket with water biggest is decided by the shortest board. The height of the Company to achieve customer satisfaction, must make all the links and departments can exceed the value of his expectations for the customer creation. Factors that affect customer satisfaction induction is divided into the following:

1. The Company factors and product factors

Company is the provider of products and services, its scale, efficiency, image, brand and public opinion in internal or external things affect consumer's judgment. Product factors mainly with competitors of similar products in the aspect of function, quality, price comparison. The second is the product of consumer attributes, customer is demanding for high value and durable goods. How much is include service again. The last is the product of external factors, such as packaging, transport, accessories, etc. (Terhi, 2013)

2. Marketing and Service system

The company's marketing system and service system is efficient for customers to save time; whether convenient to customers save tedious operation; whether the post-sale service in a timely manner, do not affect customer dependence: whether the personnel of the service attitude positive, let customer satisfaction. These are the crucial factors that affect customer satisfaction.

3. Communication Factors

In many cases, customers do not understand the performance of the product, cause improper use, need to manufacturers to provide consulting services; Because of the problems existing in the quality and service to customer complain to the manufacturer, and contact the manufacturer if you lack the necessary channel or channel is not smooth, easy to cause customer dissatisfaction.

4. Customer Care

Customer care refers to whether or not the customer consultation, complaints, companies are active contact with customers and possible problems of products, services, etc. the initiative to solicit comments from customers, help customers to solve the problem. (Boon, 2014)

3. Research Methodology

3.1. Introduction

The chapter three is mainly about the research methods used in the present study. All of the data used in the research is collected from the answer of those respondents rovided in the questionnaires. This chapter will present the methodological details of the study.

3.2. Research Instrument/Measurement

Table 1. Research Instrument

Sample Type	Variables that need to be measured	Items	Scale	Resources
Costumers preference	DV • Effectiveness $\alpha = .710$	4	5-point	(Stephen Miller.2014)
Price	IV • IV 1 $\alpha = .689$	4	5-point	(Mario Nunez.2015)
Brand Name	• IV 2 $\alpha = .691$	4	5-point	(Hope-Hailey, V.2013)
After Sales Service	• IV 3 $\alpha = .723$	4	5-point	(Mullins, L. J.2010)
Performance	• IV 4 $\alpha = .625$	4	5-point	(Newcomer, T, 2013)

3.3. Pilot Study

The main reason to conduct Pilot study is data collection, for make sure the instructions and content of the questionnaire are understandable and clear to the respondents, as well as to test the validity and reliability. Cronbach's Alpha value will be conducted right after pilot study to examine the reliability of the test. Semi-structured interviews with those Huawei Smart phone users. Amendments are to make sure that the questionnaires are based on the feedback from the respondents.

3.4. Research Design

3.4.1. Sample Size

To design and point out the size of the sample for this study, a general and classic rules by Joseph F. Hair, Jr, William C. Black, Barry J. Babin, and Rolph E. Anderson will be used in this chapter. According to Hair. At least 20 cases of each variable are required, so the total number of 80 samples will be in this study (4 dimensions x 20 cases =80). As far as possible to ensure reliable of study quality, so respondents are the more, the better, the study based on 200 respondents (Joseph 2010).

3.4.2. Target Population

The targeted populations of this research were users from Huawei Smartphone around Klang Valley area, the questionnaires were handed out mainly in KLCC area, for example, Layout shopping plaza which is one of the biggest digital shopping center in Malaysia, KLCC Tower which is the business center of Malaysia, and other shopping mall where most of the middle-class people go to visit. Thusly, the targeted of people are from the different area of the business department which will make accurate and large information about costumer's preference. Meanwhile, other brand smartphone users will be researched.

3.4.3. Sampling Technique

The step of statistical and auditing analysis of data, usually sampling is a fundamental operation. (Oklen & Rotem, 1986). For purpose of evaluating the population at low cost, sampling is the very important technique to realize saving cost and time, sampling survey of the crowd is part of the people. There were many kinds of sampling method, whoever, in this study, the sampling technique used is "Simple Random Sampling", which is one of the primary types of sampling, also Simple Random Sampling is mainly used for building block for more complex sampling methods (Vitter 1985).

3.5. Research Approach

3.5.1. Descriptive Statistics

Descriptive statistics is mainly to describe and summarize the potential implications from the data, the data has been collect from the respondents. Descriptive statistics is different from inductive statistics or inferential statistics, descriptive statistics targeted to summarize a sample (Mann 1995). Generally speaking, the descriptive statistics means different with inferential statistics, descriptive statistics are not based on the probability theory. Even the result of data analysis using inferential statistics, also, descriptive statistics are presented (Aaker, 2013).

3.5.2. Reliability Testing

For purpose of obtaining quantification of the normalization, and then make the decision whether or not all the objects in each variable are dependable, the reliability of the text is very important. In this study, the test method was evaluated using a reliability testing. Due to it is a simple tool, other quantization inventions can be used. The most important thing is that it also involves the size of individual projects. Therefore, the reliability of this study should be tested reliably with a proportionality item showing excellent results equal to or greater than 0.7, and should be tested against the population as a whole Research Continuation (Ritter 2010).

Table 2. Explanation of Correlation Indices

Correlation Indices Size	Interpretation
<0.20	Very Low Correlation
0.2 – 0.4	Low Correlation
0.4 – 0.6	Moderate Correlation
0.6 – 0.8	High Correlation
0.8 – 1.0	Very High Correlation

3.6. Multiple Regression Analysis

The regression means that all variables have a normal distribution. The relationship and significance test cannot the normal distribution of variables (abnormal values of variables or variable height skewness or kurtosis and large). The strength between the two variables was shown by correlation coefficient r , but the problem is that it can't make sense of the difference in the dependent variable when it has been considered to affect at the same time. Correlation is the purpose of explaining the difference between the individual with multiple dependent variables, the important independent variable and the dependent variable, and the multiple regression analysis (Chiang 2003).

3.7. Conclusion

This chapter 3 mainly introduces the study methods and study framework, and discusses the study design, sample size, population, statistical techniques, study tools, and data collection procedures. This research uses the current related research, mainly to study the relationship between independent variables and dependent variables.

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