

e-CRM and e-Loyalty: A Case Study in Kuala Lumpur Metropolitan University College (KLMUC)

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ABSTRACT

The emergence of technology in the modern world has profoundly transformed various aspects of life, industries, and society. It has led to substantial advancements and changes across various domains, enhancing efficiency, accessibility, and connectivity including in educational institutions. However, it also presents challenges that society must navigate, such as ethical concerns, potential job displacement, and the digital divide. e-CRM goes beyond traditional CRM by leveraging the internet, social media, mobile applications, and other online platforms to enhance customer engagement and experience. e-CRM in educational institutions plays a critical role in building strong students' relationships in the digital age, allowing students to enhance their loyalty, improve service delivery, and increase sales through better targeting and engagement strategies. This paper delves into the realm of electronic customer relationship management (e-CRM) in KLMUC that focusing on the impact of digital transformation on e-loyalty. With the advent of current situations, evolving expectations of tech-savvy students, establishing and maintaining e-loyalty has become crucial for private IHLs. This article explores the pivotal role of e-CRM in enhancing e-loyalty and presents it as a strategic imperative for businesses. Drawing on theoretical frameworks and empirical evidence, this research article provides insights into how businesses can leverage e-CRM to elevate their brand image, build customer trust, and foster long-term relationships. By understanding the significance of e-CRM as a catalyst for e-loyalty enhancement, KLMUC can develop effective strategies to thrive in today's dynamic marketplace.

Key words: e-Loyalty, e-Customer Relationship Management, Institutes of Higher Learning, drive engagement, and improve overall customer satisfaction. Bystaying current with trends, organizations can effectively

Introduction

Aligned with the digitization era of teaching advancement, CRM also has undergone through the process of digitalization, now known as e-CRM that has been implemented by educational institutions for example in their e-learning or online learning (Setiawan & Widaryanto, 2018). The goal of e-CRM is to be used inversely by different companies. Some of them use it to increase short-term revenue or decrease costs through the mechanization of sales or service processes, eventually putting more responsibility on the customer for self-service.

In an era where digital technology blurs the boundaries between data platforms, the concept of e-CRM opens opportunities for customers to engage with companies through multiple information channels, many of which are interconnected with information and communication technologies applications available on the Internet (P. Kumar, Mokha, & Pattnaik, 2022). Dotan (2008) posited that e-CRM holds the potential to elevate customer-service interaction levels. The overarching objective of e-CRM is to enhance customer relationships through improved service provision and the retention of valuable customers. Furthermore, e-CRM facilitates the cultivation of loyalty and the extension of the customer life cycle by augmenting customer value and satisfaction, as noted by Dyche (2001) and Ravi & Marcia (2001).

Furthermore, the COVID-19 pandemic has presented significant challenges to various industries, including private IHLs, impacting their service performance (UNESCO, 2020). This, in turn, has a direct impact on customer satisfaction and experience, particularly regarding the students' learning process, as limitations in internet access and digital devices directly influence their satisfaction and loyalty (UNESCO, 2020). Consequently, there is a pressing need especially for private IHLs to prioritize service quality and enhance customer satisfaction to effectively address these issues. Given the significance of e-CRM for private IHLs, there is a growing focus on studying the e-CRM concept, which emphasizes fostering profitable relationships between KLMUC and students. As KLMUC embrace e-CRM, there is a shift towards managing customer interactions digitally, leading to enhanced technological and organizational capabilities. This evolution provides opportunities for firms to leverage big data and gain a deeper understanding of how these capabilities can positively impact performance (Swathi, 2020). The richness of big data handled by e-CRM contributes to this knowledge and facilitates more effective e-CRM strategies for KLMUC.

E-CRM in the KLMUC

Digital transformation plays a crucial role in enhancing students e-loyalty and competitiveness for KLMUC. By leveraging digital technologies and strategies, KLMUC can create a strong online presence, engage with their target audience, and differentiate themselves from competitors. Through effective digital marketing efforts, such as social media campaigns, search engine optimization, and content marketing, KLMUC can build strong connections with students, attract their attentions more, reach a wider audience, and communicate their unique value propositions. By embracing digital transformation, KLMUC can also optimize their administrative processes, streamline operations, and provide seamless online services, enhancing overall efficiency and customer satisfaction. Ultimately, by staying ahead in the digital landscape, KLMUC can establish a positive brand image, foster competitiveness, and attract students in an increasingly digital-driven world. This transformation involves the adoption of advanced digital tools and platforms such as learning management systems, online course delivery methods, virtual classrooms, and interactive e-

learning resources to facilitate remote learning, collaboration, and engagement among students and faculty members.

In KLMUC, the students consisted of postgraduates (Doctorate and Master) and undergraduates (Foundation, Diploma and Degree). The implementation of teaching was both in face to face and online learning. Along with variety of program structures and diverse background of their students, KLMUC recognize the importance of meeting student expectations but sometimes they faced problem in recruiting numbers of students. As the evidence highlighted by Manogharan & Varadarajan (2018), private IHLs undertake various programs to fulfil their customers' needs however, despite these efforts, a significant number of students fail to adhere to the required timelines, resulting in a more challenging journey for these institutions to retain their student population.

In, ensuring student e-satisfaction and fostering e-loyalty within the institution is of utmost importance, as highlighted by Snijders, Wijnia, Rikers, & Loyens (2019). To attain a competitive edge, it is required to find a good strategy to give the best and build strong relationship with their customers i.e., students. This situation has somewhat created a marketing warfare including KLMUC to attract as many students as possible. The fact that private institution does not have the “privilege” to receive any form of financial assistance from the government has made the quest to recruit and retain students harder (Azman & Abdullah, 2020). To sustain their presence in the industry, KLMUC must adopt a more creative approach in promoting their services and embrace digitalization as a strategic imperative (Oppong, Singh, & Kujur, 2020). By leveraging modern technology, KLMUC can tap into the transformative potential of digital technologies, particularly in the context of e-CRM. These technologies have emerged as instrumental factors in driving global transformations in both business and society, offering numerous benefits for companies and customers alike (Swathi, 2020). Through the implementation of e-CRM practices and the utilization of digital tools, KLMUC can enhance their ability to deliver tailored and personalized experiences, build stronger relationships with students, and ultimately improve their overall satisfaction and loyalty.

Leveraging E-CRM for e-Loyalty in KLMUC

By leveraging digital technologies and implementing e-CRM strategies, KLMUC can enhance their interactions with students, provide personalized support, and foster long-lasting relationships. e-CRM enables KLMUC to collect and analyze valuable data about students' preferences, behaviors, and feedback, allowing them to tailor their offerings and services to meet individual needs (Setiawan & Widaryanto, 2018). This personalized approach not only enhances the student experience but also contributes to a positive brand perception and reputation. According to a study by Azila (2011) and Prima Zani (2013), the effective implementation of e-CRM in higher education institutions positively influences students' perceptions of service quality. Moreover, e-CRM enables timely and targeted communication with students through various digital channels, such as email, chatbots, and social media, fostering engagement and building a strong brand image (P. Kumar et al., 2022; Matarazzo, Penco, Profumo, & Quaglia, 2021).

The availability of these digital communication platforms allows students to conveniently seek support, ask questions, and provide feedback, resulting in improved satisfaction and an enhanced KLMUC reputation. Additionally, e-CRM facilitates efficient management of student inquiries, applications, and enrolment processes, streamlining administrative operations and further contributing to a positive brand image (Jafari Navimipour & Soltani,

2016). Additionally, e-CRM provides KLMUC with effective tools to enhance brand image and reputation by personalizing interactions, fostering engagement, and streamlining administrative processes.

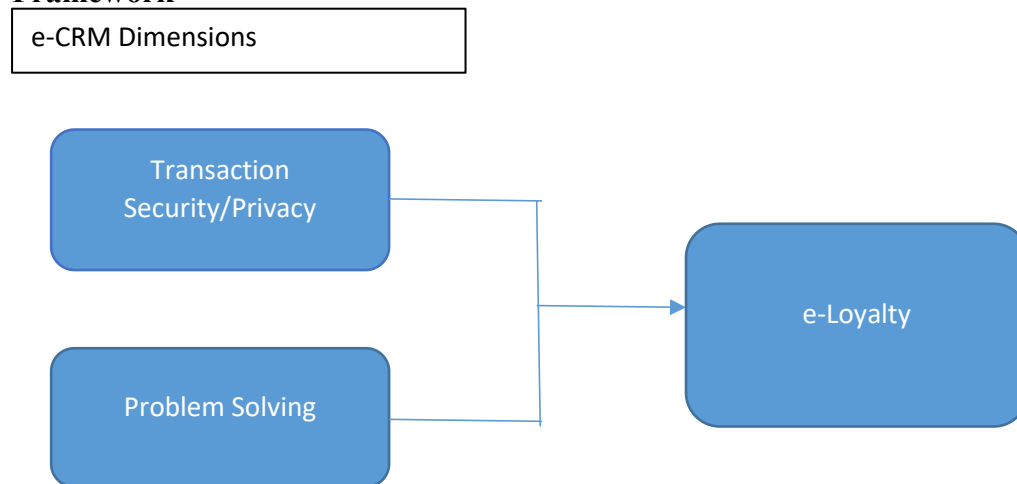
Transaction Security and Privacy

Transaction security and privacy are critical components of e-CRM (Kumar & Mokha, 2020). Customers need to trust that their personal information and payment details are secure when interacting with a business online. When businesses ensure strong security protocols and data privacy, it builds customer confidence, trust, and loyalty (Hanumesh & Sunder, 2000). Customers are more likely to stay loyal to companies that prioritize their security and protect them from potential breaches or fraud (Alqahtani & Albahar, 2022).

Problem Solving

Problem solving is another important element in e-CRM dimension that influence e-loyalty. Problem solving refers to the efficient and responsive problem-solving is a key driver of customer loyalty (Chumpitaz & Paparoidamis, 2020). When customers encounter issues, such as product defects or service disruptions, they expect quick and effective solutions. A business that handles customer problems promptly and satisfactorily enhances the overall customer experience, which in turn fosters greater trust and loyalty (Shaban & Alfayez, 2024). Businesses that excel at resolving customer issues demonstrate their commitment to customer satisfaction.

Framework



According to Dehghanpouri, Soltani, & Rostamzadeh (2020), e-CRM possesses the capabilities to enhance customer service and retain valuable customers through networking. These networks have the potential to reduce communication costs for organizations in terms of both monetary expenses and time duration. Furthermore, a study by Dean et al. (2009) demonstrated that a significant number of organizations in the United States leveraged e-CRM to achieve higher customer satisfaction. As in the others study, the organizations aim to cultivate strong relationships with customers by providing them with the utmost satisfaction, leading to customer retention, repeated purchases, and loyalty (Dotan, 2008; Dyche, 2001; Mang'anyi, Khabala, & Govender, 2018; Mulyana, 2020).

Opportunity, Challenges and Consideration

The e-CRM finds as an application across all business levels that allow electronic interactions with customers, enabling organizations to engage with their customer base effectively

(Nguyen, 2012). Implementing e-CRM strategies in KLMUC, can enhance the student experience, strengthen brand image, and improve overall institutional effectiveness. How this e-CRM works for KLMUC is when it enables institutes to establish personalized and interactive communication channels with students, fostering engagement and enhancing their overall experience. As studied by Dubihlela & Molise-Khosa (2014) that e-CRM systems has emerged as a significant advancement in marketing, aiming primarily to establish and nurture enduring customer relationships. Moreover, several studies have highlighted the ability of e-CRM systems to make significant contributions to business successes and competitive advantage (Azila, 2011; Das, 2012; Dubihlela & Molise-Khosa, 2014; Mang'unyi, Khabala, & Govender, 2017), as customer can access product or service more convenient and less expensive as compare with traditional way (K. C. J. S. Kumar & Vikkraman, 2011).

Challenges

One of the primary challenges in implementing e-CRM systems is ensuring the privacy and protection of customers data (Romano & Fjermestad, 2007). Higher education institutions must comply with relevant data protection laws and regulations, such as the Personal Data Protection Act (PDPA) in Malaysia. It is crucial to establish robust data security measures, including encryption, access controls, and regular audits, to safeguard student information. Implementing transparent data handling practices and obtaining explicit consent from students will also foster trust and confidence in the institution's e-CRM initiatives (Dehghanpouri et al., 2020; Romano & Fjermestad, 2007).

Introducing e-CRM into a private higher education institution may face resistance from faculty, staff, and administrators. Common concerns in digital transformation like e-CRM may include the perceived complexity of the system, fear of job displacement, and unfamiliarity with digital tools (Anaam et al., 2021; Kitsios, Giatsidis, & Kamariotou, 2021; Rashwan, M. Mansi, & Hassan, 2019). To overcome resistance, it is essential to communicate the benefits and purpose of E-CRM clearly. Conducting training programs and workshops to familiarize stakeholders with the system's functionalities can help alleviate concerns. Involving key stakeholders in the decision-making process and highlighting the potential positive impact on brand image and student experience can foster organizational buy-in.

In addition to the above challenges, other factors to consider include the need for ongoing staff training and development to ensure a competent e-CRM team, integration of e-CRM with existing information systems and processes, and aligning e-CRM initiatives with the institution's overall strategic objectives. This is because behind all the benefit gain through adopting e-CRM system, there also unsuccessful story that need to be highlight. Anaam et al., (2021) in their review had reported that the significant problem behind the failure of e-CRM organizational change, company policy, and lack of CRM understanding. However other study stated that the failure of e-CRM system due to the company members hard to change from traditional way or practice (Bhanu & Magiswary, 2010; Nguyen, 2012).

By addressing these challenges and considerations, private institutes of higher learning in Malaysia can navigate the complexities associated with e-CRM implementation and maximize its potential to enhance brand image, improve student satisfaction, and foster long-term loyalty.

Conclusion

Based on the present case study's findings, the e-CRM dimensions are classified into two (2): transaction security/privacy and online problem solving. As e-CRM proven and lasting strategy to ensure e-loyalty of customers towards e-business (Kumar, Mokha & Pattnaik, 2021), this study proved also the positive result in which indicated that there was influence of e-CRM dimensions (transaction security/privacy and online problem solving to e-loyalty in KLMUC. In summary, effective e-CRM can enhance e-Loyalty among students by fostering personalization, engagement, and satisfaction. However, institutions must also navigate certain challenges to maximize these benefits.

Discussion Questions:

1. How does the implementation of e-CRM systems in KLMUC enhance personalized customer interactions and influence customer loyalty?
2. In what ways can e-CRM analytics help KLMUC identify students' needs and preferences, thereby improving retention rates?
3. What role does students feedback, collected through e-CRM platforms, play in building trust and loyalty among customers?
4. How can e-CRM strategies contribute to improving customer service response times in KLMUC and their effect on students e-loyalty?
5. What are the potential challenges KLMUC face when integrating e-CRM systems, and how can these challenges affect student e-loyalty?

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