

Utilizing Customer Relationship Management in E-Tailing: Enhancing Sales of Two-Wheeler Products in the Indian Market

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ABSTRACT

In aftermath of the COVID-19 pandemic, there has been a notable shift in consumer behavior towards online platforms for product exploration and purchasing. E-commerce retailers, particularly in the two-wheeler industry, are increasingly adopting customer relationship management (CRM) strategies, with a focus on leveraging social media channels, to boost sales. In this study the researchers have delved into understanding the impact of CRM on two-wheeler sales in India, specifically examining the effectiveness of social media marketing and its influence on purchasing decisions. By employing demographic analysis and statistical methods on data collected through Google Forms surveys, this research aims to uncover the crucial factors driving successful CRM implementation in the two-wheeler market.

Keywords: CRM, E-tailing, Two-Wheeler Products, Social Media Marketing, Post-COVID-19, Consumer Behavior, Demographic Analysis.

1. Introduction

In technological dominated digital age, the use of social media has emerged as a powerful tool for engaging with consumers and using it for promoting brands. Its ability to connect people across the globe has seen a significant increase in usage, particularly during the COVID-19 pandemic when individuals were encouraged to stay home to prevent the spread of the virus.

The influence of social media on online shopping habits is undeniable. According to a report by Deloitte, 29% of social media users prefer to make purchases on the same day using the available platforms. Projections are indicating a substantial growth in social media users, with an estimated figures of 1.4 billion Instagram users expected by 2024. Major platforms like Facebook, Instagram, and WhatsApp collectively boast approximately 3.78 billion users, highlighting the widespread engagement with these platforms daily.

Businesses have recognized the importance of social media in customer engagement, with the top 10 platforms utilized for marketing activities including Facebook, Instagram, and YouTube. In India, social media platforms are playing an important role in building loyalty for customers. The Facebook leading at 94% of retailer marketing activities, followed by Twitter (39%) and Instagram (28%).

The Two-Wheeler industry in India has witnessed a surge in demand driven by evolving consumer lifestyles and preferences. To meet these demands, new companies have entered the market with innovative strategies to promote products such as motorcycles, scooters, and electric bikes.

In response to changing consumer behavior and the need for enhanced customer satisfaction, the implementation of Customer Relationship Management (CRM) systems has become essential in the Two-Wheeler industry. CRM enables companies to effectively manage interactions with customers, analyse data to improve relationships, and drive sales growth. In this study the researcher aims to explore the social media impact on customers for online shopping of Two Wheelers, while also examining the integration of CRM in the sales process. The objectives include the assessment of social media marketing influence on the behaviour of consumer, analysing online sales trends of Two-Wheeler products, and evaluating the effectiveness of CRM in driving sales and customer engagement.

During the pandemic, strict lockdown measures limited physical shopping, prompting consumers to turn to social media for both socialization and shopping. As a result, companies redirected their advertising efforts towards social media platforms to promote Two-Wheeler products.

Conducted in July 2023 in Bhubaneswar, Odisha, this study collected responses via an online questionnaire distributed through Google Forms. Out of 200 respondents, 184 were suitable for further analysis.

The global Two-Wheeler market encompasses motorcycles, scooters, and electric bikes, with distribution channels including online and retail sales. Market segmentation also considers factors such as gender and geography. The decision-making process model for Consumers was adapted from the extensive work done by Philip Kotler (2008). It was used as a framework for understanding various stages. The first stage is about need recognition, it is followed by information search, next stage is evaluation of alternatives, it is followed by purchase decision, and final stage is post-purchase evaluation. Integration of CRM in each stage facilitates stronger customer relationships and drives sales growth in the Two-Wheeler industry.

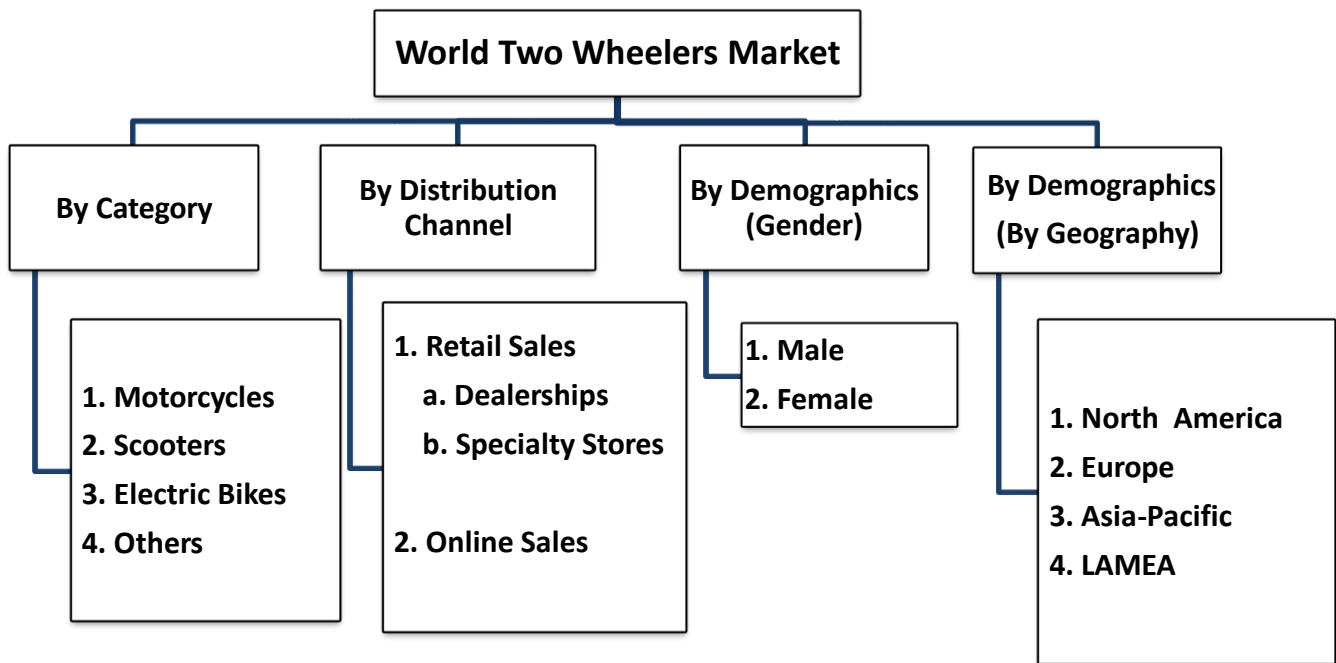


Fig1: World Two Wheelers Market



Fig 2: The Consumer Decision making process
(Source: Philip Kotler,2008)

The hierarchical structure provided is based on general knowledge of the Two-Wheeler industry and its market segmentation. It reflects common categorizations and distribution channels typically observed in the industry. However, for specific and detailed market research, it is essential to refer to industry reports, market analysis studies, and authoritative sources such as market research firms, industry associations, and government publications. These sources can provide up-to-date and accurate information on the segmentation and distribution channels within the World Two Wheelers Market.

2. PROBLEM STATEMENT

The online sale of Two-Wheeler products encounters various challenges, particularly concerning the differential impacts of Social Media Marketing (SMM) on the behaviour of the consumer. To tackle these challenges effectively, an exploratory survey is proposed to gain insights into the problems identified by doing a through a review for secondary data and also for primary data sources. Due to the COVID-19 pandemic it is catalysed as a significant change in the shift reflected in the consumer behaviour, there by prompting companies to adapt for innovating their products and the services to meet the market demand as it is evolving. Social media has emerged as a crucial tool for corporate planning and marketing, especially within the Two-Wheeler industry, facilitating the establishment of customer relationships and enhancing engagement.

Research studies have shown that platforms such as Facebook, Twitter, and Instagram play a pivotal role in influencing consumer purchasing decisions, with millions of users relying on social media for product recommendations and purchases. The surge of brands especially the new ones on social media platforms underscores the competitive nature of the industry and highlights the necessity for innovative marketing strategies. Given the ever-changing consumer needs and the trend towards globalization, it has become imperative for the Two-Wheeler industry in India to harness the potential of various social media platforms to maintain competitiveness.

Furthermore, effective Customer Relationship Management (CRM) practices are essential for managing interactions with customers and fostering strong business relationships. The proposed survey aims to delve into the challenges and opportunities presented by social media marketing and CRM in the online sale of Two-Wheeler products. By addressing these factors, businesses can gain a deeper understanding of consumer behavior, refine their marketing strategies, and drive growth in sales.

3. OBJECTIVES

Objective 1: Assessing the Impact of CRM Factors on Consumer Buying Decisions.

- Investigate the influence of CRM factors on consumer buying decisions for Two-Wheeler products during the COVID-19 pandemic. This objective aims to understand how CRM strategies and practices affect consumers' purchasing behaviors in the online marketplace.

Objective 2: Identifying Key CRM Factors Affecting Online Consumer Buying Decisions.

- Identify and analyze the key CRM factors that impact online consumer buying decisions for Two-Wheeler products. This objective seeks to uncover the specific CRM strategies and practices that most significantly influence consumers' purchasing behaviors in the context of the Two-Wheeler industry.

4. LITERATURE REVIEW

Reinartz et al. (2004) identified three fundamental elements of CRM processes at the customer-facing level: relationship inception, maintenance, and termination. Their research revealed that each of these dimensions entails the execution of nine actions. Payne, Storbacks, & Frow (2008) emphasized the necessity for enterprises to adopt a long-term view of CRM, which is integral to evaluating processes effectively. Plakoyiannaki & Saren (2006) highlighted the importance of considering relationship and change elements in inquiries related to CRM development.

Payne & Frow (2006), Frow & Payne (2007), Lin & Huang (2007), and Yim, Tse, & Chan (2008) focused on offline customer care culture, emphasizing service consciousness and customer-centric organizational strategies conducive to CRM success. Strategic alignment of these processes has also been recommended in various studies.

CRM literature underscores the significance of processes and related concerns. According to Morgan and Hunt (1994), Kumar et al. (2006), and Palmatier et al. (2006), an organization's emphasis on strengthening existing customer relationships and acquiring new clients can significantly impact performance.

Several studies have delved into customer engagement procedures, including acquisition and retention strategies, as highlighted by Reinartz et al. (2004) and Lewis (2006). Thompson (2005) pointed out the risks associated with acquiring and retaining unprofitable customers, emphasizing the importance of sustainable acquisition practices to avoid high customer churn rates, low profit margins, and brief customer life cycles.

Zheng Wang et al. (2022) emphasized the value of competitive analysis in understanding the market and customer preferences, ultimately leading to increased customer satisfaction through predictive models. S. Mohanty et al. (2019) stressed the importance of gaining insights into consumer preference patterns for maintaining a healthy CRM. Similarly, M. Saglam & SE Montaser (2021) highlighted the significance of consumer marketing relationships in acquisition and retention efforts.

5. RESEARCH DATA AND METHODOLOGY

Design:

In this research study, the investigators utilised an exploratory and descriptive research approach to examine the influence of social media marketing and CRM on online consumer purchasing behavior within the Two-Wheeler industry.

Selection of Sample:

Primary Data was collected through a questionnaire distributed using the forms designed on Google.

The secondary data were collected from a variety of published sources, including journals, reports, books, and case studies.

Sampling Design:

The methodology employed was stratified random sampling. The respondents were chosen based on information obtained during the exploratory study. The target demographic included individuals aged 18 to 40 who actively use social media platforms. For this survey, 184 respondents were chosen to participate in the study, representing the sample size.

Area of Sampling:

The survey was carried out in Bhubaneswar, Odisha, subsequent to a pilot survey undertaken between March 2023 and April 2023. Responses were collected utilizing an online questionnaire created with Google Forms.

Variables:

The study examines various variables such as gender, expenditure, purchasing frequency, age, occupation, social media usage, social media marketing, and the range of Two-Wheeler products. Primary and secondary data analysis identified encouragement, price, and product line as significant factors impacting online consumer purchasing decisions. These variables are depicted in the researcher devised conceptual framework.

Major Hypothesis:

H1: Positive impacts on online consumer purchasing behaviour arise from effective CRM practices that provide consumer encouragement for social media usage.

H2: Setting product prices through CRM strategies within social media marketing positively affects online consumer purchasing behaviour.

H3: The presentation of product lines in social media marketing, informed by CRM insights, enhances online consumer buying behaviour.

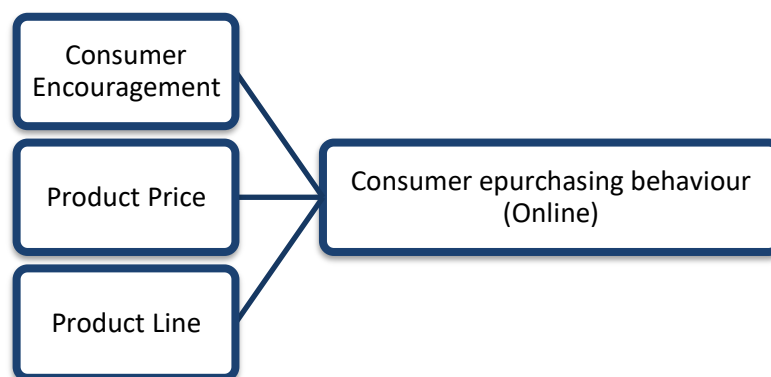


Figure.3:- Conceptual Framework

To investigate the influence of social media drivers on online consumer buying decisions, the researchers utilised correlation and regression methods. Their objective was to discern the nature of the relationship and draw inferences concerning both independent and dependent variables. The study population consisted of individuals aged 14 to 40 who actively engage with social media platforms. Following data editing, 184 valid respondents were included for further analysis. The study currently incorporates both descriptive and analytical methodologies.

6. RESULTS

Table-1.1: Statistic Factors Investigation of Participants

No#	Variables	Distribution	Frequency	%
1	City	Bhubaneswar	135	73.4%
		Cuttack	32	17.4%
		Others	17	9.2%
2	Gender	Male	91	49.5%
		Female	93	50.5%
3	Age	< 20 years	46	25.0%
		21-30 Years	120	65.2%
		31 to 40 Years	18	9.8%
4	Profession	Employed	130	70.7%
		Unemployed	40	21.7%
		Business	3	1.6%
		Student	11	6.0%
5	Mode of Buying	Online	154	83.7%
		Offline	30	16.3%
6	Social media Account	Yes	184	100%
		No	0	0%

(Source: Survey data, 2023)

According to Table 1.1, most of the respondent's accost from Bhubaneswar City locale, comprising 73.4%, taken after by 17.4% from Cuttack city, and the remaining 9.2% from other cities in Odisha. In terms of gender distribution, 50.5% are female, whereas male respondents make up 49.5%. The age dispersion uncovers that 65.2% drop inside the 21 to 30 a long-time bracket. With respect to occupation, 70.7% of respondents are utilized. The inclination for online buying stands at 83.7%, and all respondents have social media accounts.

Table 1.2: Descriptive Statistics

	Mean	Std. Deviation	Skewness Stat	Std. Error
Consumer Encouragement	1.11	.336	2.877	.179
Product Line	2.20	1.028	.197	.179
Product Price	2.59	1.229	-.007	.179
Consumer Buying	2.19	.555	.051	.179

(Source: Survey data, 2023)

Descriptive measurements were utilized to get it the common nature of the investigate factors. The analyst pointed to gage the level of reactions from the test for each autonomous and subordinate variable. Investigation of the table uncovers that the cruel values for all autonomous factors propose respondents transcendently concurred or unequivocally concurred with the given questions. Strikingly, the cruel for the subordinate variable closely mirrors that of the autonomous variables.

Table 2: Age of Respondent and Social Media Inclination – Cross Tabulation

	Count	Face book	Instagram	You tube	Total
< 20		39	7	0	46

Age of	21 to 30	107	12	1	120
Respondent	31 to 40	18	0	0	18
Total		124	19	1	184

(Source: Survey data, 2023)

Examining the information of 184 respondents in Table 2 uncovers a relationship between age socioeconomics and the social media stages utilized to accumulate data approximately Two Wheelers. Facebook develops as the overwhelming choice, with 107 respondents (65.2%) falling inside the 21 to 30 a long-time age run. Furthermore, 39 respondents (23.8%) are beneath 20 a long time ancient, whereas 18 respondents (11%) are matured between 31 to 40 years.

Table 3: Independent sample t-test DV and gender

	Gender	N	Mean	T	Sig.
Consumer	Male	91	2.20	.183	.855
Buying	Female	93	2.18	.183	

(Source: Survey data, 2023)

An independent sample t-test was executed examine the potential refinement between gender with respect to online obtaining conduct. The discoveries recommend that there exists no measurably noteworthy relationship between gender and online buyer buying choices ($P > 0.05$).

Table 4: one-way AVOVA test for DV and Occupation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.871	3	.957	3.221	.024
Within Groups	53.472	180	.297		
Total	56.342	183			

(Source: Survey data, 2023)

Examining Table 4, a one-way ANOVA test was conducted to examine the impact of respondents' occupation on buyer buying choices inside the test. The gotten centrality esteem (sig. esteem) of 0.024 is less than the standard edge of 0.05, demonstrating factual significance.

Regression Analysis

Table 5 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.255 ^a	.065	.049	.541

(Source: Survey data, 2023)

Table 6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	3.665	3	1.222	4.175	.007
1	Residual	52.677	180	.293		
	Total	56.342	183			

(Source: Survey data, 2023)

According to the information in Table 5, the balanced R square esteem of the relapse investigation was decided to be 0.049. This infers that roughly 4.9% of the fluctuation in buyer buying choices is successfully clarified by the autonomous factors (support, cost, and item line).

Additionally, alluding to Table 6, the importance esteem (Sig. esteem) of the ANOVA test is detailed as 0.007. With this esteem being less than 0.05, it proposes that the created relapse demonstrate is strong sufficient to foresee the conduct of the subordinate variable (online buyer buying choices) based on changes in the autonomous factors (buyer support, item cost, and item line)

Table 7: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.212	.165		13.411	.000
Product Price	.085	.033	.189	2.574	.011
1 Product Line	.034	.040	.064	.852	.395
Consumer Encouragement	-.285	.121	-.173	-2.351	.020

(Source: Survey data, 2023)

According to the discoveries displayed in Table 07, the P values for Item Cost and Shopper Support are famous as 0.011 and 0.020 ($P < 0.05$) separately. These comes about show that both Cost and Support are noteworthy indicators affecting buyer buying choices. Then again, the P esteem for Item Line is calculated as 0.395 ($P > 0.05$), proposing that this variable does not altogether impact shopper buying choices. Subsequently, the consider acknowledges theories H1 and H2 whereas dismissing theory H3.

1. Conclusion

Based on the discoveries inferred from analyzing the collected information, a few vital bits of knowledge develop with respect to the impact of CRM on online buyer buying behavior for Two Wheelers products:

Demographic Examination: Most respondents were from Bhubaneswar city, basically female, matured 21 to 30 a long time, and utilized. They favored online buying and had social media accounts.

Descriptive Insights: The cruel values for free factors (support, item line, and cost) proposed a positive recognition towards social media showcasing variables. The cruel esteem for shopper buying was like autonomous variables.

Cross-Tabulation: Facebook was the most utilized social media stage, particularly among respondents matured 21 to 30 a long time, demonstrating a solid age-social media association.

Independent Test T-Test: Gender orientation had no critical distinction in online customer buying choices, suggesting gender did not impact shopper acquiring behavior.

One-Way ANOVA: Occupation altogether influenced shopper buying choices, showing work sort affected online obtaining behavior.

Regression Investigation: The relapse show clarified 4.9% of customer buying variety, with support and cost as critical indicators. The demonstrate viably anticipated customer behavior.

Coefficients Examination: Cost and support essentially affected buyer buying choices, whereas the item line did not. Speculations H1 and H2 were acknowledged, and H3 was rejected.

In conclusion, the ponder uncovers that support and estimating techniques driven by CRM have a critical positive affect on online customer buying behavior for Two Wheelers items. It highlights the significance of utilizing CRM strategies to improve shopper engagement and drive deals online.

This investigate sheds light on the effect of social media promoting and CRM in the Two Wheelers industry in Bhubaneswar city, especially amid the COVID-19 widespread. It gives important bits of knowledge for partners over the supply chain, supporting them in adjusting procedures to meet changing buyer preferences.

By understanding the impact of CRM and social media promoting, businesses can superiorly lock in with shoppers, construct brand dependability, and drive income development in a competitive commercial center. This think about offers noteworthy suggestions for leveraging computerized promoting methodologies to explore challenges and capitalize on rising patterns in the advanced age.

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