

The influence of social media on customer relationship management (CRM) in Beijing : The issues and challenges

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ABSTRACT

The aim of this conceptual paper is to highlight the influence of social media on customer relationship management (CRM) through digital marketing strategy, in Beijing, China and to explain the significance of the digital marketing tools on the customer relationship marketing where the outcome could be accurately quantified. The findings of this paper has been based on literature evidences which found that the use of social media is having a significant relationship with customer relationship management and further enhanced through the digital marketing strategy undertaken by the companies. The findings that have been established is based on the current usage of the social media among the Chinese population in their daily lives leading to the optimal exposure and impact that the companies are able to obtain from the use of the social media as a component of the digital marketing strategy by the companies.

Keywords: *Social media, customer relationship management (CRM), digital technology, China, digital marketing strategy*

1.0 INTRODUCTION

In response to economic reforms and opening up in China, the nation's economy has seen 40 years of extraordinary development, propelling it to the top of the world's most populous country rankings. Through this transformation, China went from a planned economy to a "socialist market economy," and went from being an impoverished country to one that is now in the upper-middle-income bracket (Zhou et al., 2021). Chinese economy is now the world's second biggest, with a middle class of 400 million people that is growing in significance at an alarming rate. China's consumer market has grown at a quick pace, and the country's advertising business has grown at a rapid pace as well. China is now the world's second biggest advertising market behind the United States, and there are many prospects for Chinese enterprises to succeed as a result. Significant advancements have been achieved in China's advertising sector during the course of the past forty years (Diaz et al., 2021). However, as China's digital economy continues to expand, new and inventive advertising formats, particularly on mobile platforms, are emerging on a regular basis, posing a threat to the country's conventional advertising business. Advertising in this new digital context, both in China and outside, must be innovative and adaptable if it is to prosper in this competitive market. International advertising and branding research should focus a heavy emphasis on digitization and globalisation as a result of these developments.

Every day for billions of people all over the globe, the internet and other digital communication technologies such as social media, smartphone applications, and other kinds of digital communication technology have become a vital part of their daily lives. According to data from January 2020, around 4.54 billion people throughout the globe utilise the internet, accounting for 59 percent of the world's population (Statista, 2020a). Many people's lives have become tightly connected as a result of their use of social media platforms in recent years. Globe Social Media Statistics Report 2019 estimates that there are 2.95 billion active social media users in the world. By 2023, it is expected to have expanded to about 3.43 billion people worldwide (Statistica, 2020b). Companies may accomplish their marketing goals at the lowest feasible cost by using digital and social media marketing strategies and tactics (Ajina, 2019). The number of Facebook accounts owned by companies has topped 50 million, while more than 88 percent of businesses use Twitter to promote their products and services (Lister, 2017). Since the beginning of the decade, digital and social media technologies, as well as mobile apps, have been extensively employed to raise public awareness and to assist political campaigns, particularly in the United States (Grover et al., 2019). The practise of individuals spending substantial amounts of time online seeking for information, discussing goods and services with other customers, and connecting with businesses is becoming increasingly commonplace. As a result of this shift in customer behaviour, businesses have made digital and social media a key and fundamental component of their entire marketing strategies (Stephen, 2016).

Communication with consumers, brand recognition, consumer attitudes, feedback collection and improvement of existing goods and services are all possible goals for businesses that utilise social media to connect with customers. The use of social media is getting more prevalent (Algharabat et al., 2018). Due to the demise of traditional communication channels and the societal reliance on brick-and-mortar operations, businesses must seek out best practises in digital and social media marketing in order to preserve and expand market share, among other things. This is especially true for small and medium-sized enterprises (Naylor et al., 2012; Schultz & Peltier, 2013). Organizations aiming to develop their social media strategy and goals must struggle with significant difficulties in a new environment characterised by increasing consumer power and a greater understanding of cultural and societal norms and expectations (Kietzmann et al., 2011). Consumer complaints may now be broadcast in real time to millions of people (negative electronic word-of-mouth), which can have a negative impact on a company's image as a result (Javornik et al., 2020).

Introduction and spread of digital technology have had enormous effects on the business environment, particularly when it comes to communication and collaboration. Consumer behaviour and interactions are the primary focus of research in this discipline, which focuses on the impact of online media and digital marketing communications on customer behaviour and interactions. Increased technological advancements and the widespread use of mobile devices have had a huge effect on consumer behaviour in recent years, which has had a direct impact on how consumers engage and use social commerce to make choices and make purchases online. Consumer attitudes about online buying have improved as a result of growing usage of digital marketing and social media, which has resulted in higher market share for eCommerce-centric businesses as a result (Alam et al., 2019). Hossain et al. (2019) found that the expanding number of shopping channels has had an impact on customer behaviour, which has resulted in a more fragmented consumer buying experience (Hossain et al., 2019). Due to the usage of mobile tools, shopping applications, location-based services, and mobile wallets, mobile channels have become the standard and are now intertwined into consumers' everyday lives as a consequence of the widespread use of mobile channels, all of which have an influence on the customer experience (Shukla & Nigam, 2018).

Similarly to conventional marketing, it is necessary to recognise the demands of users, as well as their views and attitudes about different types of messaging and communications. Organizations should make an effort to understand the needs of members of online communities, offer specialised services in order to meet those requirements, and communicate effectively with members in order to raise member satisfaction levels, according to Kang (2018, 2018). When Bae & Zamrudi (2018) investigated the social fulfilment components of social media marketing, they found that these traits are seen favourably by consumers when it comes to fulfilling their motivations. When the researchers looked at beliefs, community engagement, and psychological components, they discovered that these were all key motivators for preceptive social media marketing and relevance for both customers and researchers. Customers' opinions of a business or brand may be influenced by their impressions of the company or brand on social media. The findings of a study conducted by Gaber et al. (2019) on customer experiences with Instagram advertising revealed that consumer perceptions of the utility of the content, its amusement, its legitimacy, and the lack of aggravation caused by the Instagram commercial itself all have an impact on attitudes toward companies and advertisements. In response to the rising popularity of targeted personal advertising, customers' worries over their personal information have grown.

2.0 ISSUES IN CRM

As shown by Gironde et al. (2018) customer behaviour intention connected with privacy concerns was directly impacted by the invasiveness, privacy control, perceived advantage, and consumer innovativeness of the product or service. Business owners should take consumer privacy and security in mind while developing their advertising tactics and cultivating long-term customer connections (Mandal, 2019). The findings of Abou-Elgheit (2018)'s study, despite the fact that the majority of consumer research in the literature has been conducted on consumers in rich nations, highlight the need of understanding shifting consumer behaviour in the context of a broader variety of countries. Following the conclusions of the study, social media marketing in Egypt is essential because it highlights the relevance of cognitive, emotional, and experiential aspects in influencing customer decision-making as well as confidence in online providers, among other things. According to the author, when a company's social media marketing operations are carried out, distinct demographic, cultural, geographical, and behavioural customer groups should be taken into mind. A beneficial development has resulted from the rise of social media, which has provided consumers with an even stronger voice that can now be heard by an even larger number of people. To better understand how consumers interact in the digital world, researchers have looked at factors such as brand engagement (Algharabat et al., 2018), brand image congruency (Seo & Park, 2018), and self-brand image congruency (Islam et al., 2018).

Among other things, customers' desire to share on social media platforms seems to be highly impacted by their own personal qualities and psychological reasons such as self-esteem, life fulfilment, narcissism, and the urge to belong (Kim and Jang 2019). It is possible that digital marketing communications will have an influence on a variety of consumer information adoption, customer attitude, purchase intention, brand loyalty, and trust indicators (Ismagilova et al., 2020). Mazzucchelli et al. (2018) discovered that peer recommendations had a substantial impact on consumer trust and brand loyalty intentions after conducting a research of 277 millennials. According to Liu et al. (2018), expressing subjectivity in online evaluations may improve the possibility that a customer would make a purchase after reading the assessment. The use of digital marketing communications may provide great advantages to organisations, but organisations must also overcome major challenges. The use of digital marketing

communications that are not advantageous to a company's brand may have serious effects, such as corrupted customer perceptions and a reduction in earnings. Consumers often prefer personalised responses to unfavourable social media comments rather than generic ones, which helps to sustain a company's brand reputation and confidence in its goods and services (Lappeman et al. 2018).

It is widely acknowledged that the absence of personal and social features, as well as the absence of consumer connection, is a key hindrance to the expansion of e-commerce as an industry. A lack of personal and social signals such as emotions, facial expressions, and body language, as well as a lack of trust and involvement in e-commerce transactions, it is also regarded to be a contributing factor to poor trust and participation (Lu et al., 2016). Before the emergence of Web 2.0, this was the most major hindrance in the field of research. It was Web 2.0 (Participatory or Social Web) that originally presented the notion of social commerce, a subclass of e-commerce that combines social and online media to provide a more seamless shopping experience (Chocarro et al., 2021). It stimulates social engagement and stakeholder participation in order to aid with online product and service purchasing and selling (digital marketing). New capabilities enable users to cooperate and communicate with others in socially mediated spaces, as well as to produce user-generated content in virtual communities (Lu et al., 2010). However, despite the fact that social commerce has transformed e-commerce with features such as suggestion lists, comments, social proof, and ratings, it still lacks the presence of human-human contact to some degree, owing to the emergence of avatars that resemble human behaviour (Huang & Benyoucef, 2013). By incorporating consumer experience-live streaming into business-to-consumer and business-to-business commerce (consumer experience-live streaming), we have created an online transactional environment that is more trustworthy and sociable. We have also established an otherwise impossible link between offline and online marketing (in-person or real time interaction between humans), as well as enhancing the social presence of e-commerce businesses. Consumers may now enjoy a new sort of media experience thanks to live streaming, a new media genre that combines real-time activity broadcasting with cross-modal video-mediated communication to deliver a new kind of media experience (Recktenwald, 2017).

When companies sell products and services directly to customers through an online platform, this is known as a business-to-consumer model. When a customer sells or buys a product from another customer by viewing its description on an online platform, this is known as a consumer-to-consumer model, as discussed in this study. Live streaming, in contrast to television and YouTube streaming, is an interactive, engaging, user-centric, and synchronous environment that allows viewers and streamers (e-vendors) to communicate with one another in real time. Live streaming is becoming more popular (HilvertBruce et al., 2018). The widespread acceptance of live-streaming has revolutionised entertainment and social commerce in recent years, to the point that more individuals now watch others engage in live-streaming activities than actively participate in them, according to generally accepted research (Kaytoue et al., 2012; Sun et al., 2019). Individuals are more likely to learn about products and services from one another than they are from photos and text (likes, ratings, and comments), as is the case with Facebook. Traditional online shops are being phased out in favour of a more modern and dynamic social arena in which individuals are more likely to learn about products and services from one another than they are from photos and text (likes, ratings, and comments), as is the case with Facebook (Ho & Rajadurai, 2020). In terms of enhancing intimacy (social presence and engagement), communication, and co-creation among their consumers, many firms are starting to see the benefits of social commerce and live streaming. Conclusion: Live streaming and social commerce provide new potential and difficulties for academics, companies of all

sizes, and consumers in general as they expand their use of the internet (Felix et al., 2017; Mcmillan, 2013). By encouraging customers to concentrate on the main product being marketed through live streaming, customer engagement in real-time interactions with e-vendors boosts the credibility of digital marketing. Small merchants may also reap the benefits of live streaming in order to create a more intimate relationship with their customers. It is important to remember that having a closer relationship with e-vendors is vital in order to make the best purchasing option (Ho & Rajadurai, 2020).

In the previous few years, there have been a number of studies conducted on the live streaming phenomena in social media and gaming, as well as on business-to-consumer digital platforms (Wang & Li, 2020). A psychological element of the incidents was studied in another B2C research that included questionnaires and focus-group interviews, and the results were published (Ho & Rajadurai, 2020). Many others focused on the technical difficulties associated with real-time streaming, with a particular emphasis on popular platforms such as Periscope, YouNow (as well as Twitter and Twitch), YouTube Live (as well as Facebook Live), AfreecaTV (as well as YY.com and Douyu TV), Flipkart (as well as Qoo10, 11th Street), and Ustream (as well as Germany, Japan, and the United States) (Pires & Simon, 2015). When dealing with actual purchase intention decision making, a live streaming environment that is solely business-to-consumer or business-to-business delivers the full experience of interaction and dealing with actual purchase intention decision making, which cannot be obtained through any survey or interview-based dataset. If you participate in the survey, it is quite probable that you will get responses from people who have no prior knowledge of the subject matter or who have lost contact with the topic under inquiry. A testament to the rigour of these studies is the fact that none of them went to the trouble of viewing and collecting true live data from a B2C and C2C consumer-experienced site like Taobao and JingDong (JD), which were both among the first and few pure e-commerce platforms to incorporate the live streaming phenomenon. There was a strong focus put on the significance of using genuine web data to assess the actuality of purchase intent, as well as the importance of integrating data from several data sources (Lu et al., 2016). It was this strategy that was used in the present research, which included real-world internet data as well as information from two important players in the e-commerce company. The outbreak of the COVID-19 virus has provided an opportunity for a variety of enterprises to reach out to current and potential consumers through live streaming during lockdowns, social isolation, and physical isolation. Market trends are projected to be significantly influenced by this move to the internet in the next years, with China expected to be the leader in this regard.

2.0 FUTURE CHALLENGES

The digital marketing has been regarded as the future in marketing due to the reach and increase in the investment that governments across the world has towards the Internet infrastructure with the aim of driving the efforts of digitalization to benefits economically and socially. The use of digital marketing has evolved to be integrated with the marketing activities that are in-place to establish, develop, and strengthen the customer relationship marketing activities that are being planned by the company. Therefore, there are several research that has been conducted in relations to the effect that digital marketing has on the customer relationship marketing in China where the research gaps are being identified for this research to fill.

The key in terms of understanding the impact of digital marketing towards the customer relationship has been based on the complex structure of the understanding layers in the company and customer relationship. Therefore, the research by Balkan (2021) has studied the

customer and company relationship focusing on the key dimension to leverage social media in building the relationship on the preferred platform. The researcher has focused on the aspects relating to the consumers such as trust, commitment, dependencies, relational norms, and conflict handling while the aspects that are being emphasized on the company perspectives are such as communication, timeliness, transparency, and sharing of contents. However, the research has lacked in terms of stating the ways that the customer and company factors could be integrated with one another leading to the gap that has been identified in terms of absence of the mediating factor in the ways that social media could be used in impacting the customer relationship marketing effectiveness. Therefore, this research has been conducted to fill the gap with the factor of customer engagement as the mediating factor that is being studied in the effect of digital marketing on the customer relationship marketing.

The research by Shaalan et al. (2020) has studied the impact that personal networks has as a potential interface towards the enhancement of customer relationship marketing among the customers. In the research, the personal network that has been emphasized on is *Wasta* which is a form of Arab personal network. The findings from the research has identified that *Wasta* or personal networks is significant in terms of attracting customers, nurturing early relationship, and enhancing relationship quality. However, such practice of *Wasta* is ineffective in retaining the customers but is able to build customer loyalty after the efforts has been placed. The research gaps and limitations have been identified is the presence of cultural differences based on the other countries and the impact that personal networks could lead to the impact on the customer relationship marketing. Furthermore, this research has been conducted based on the emphasis on digital marketing and its effect on the customer relationship marketing to fill the gap. This is as the digital marketing is known as the mass platform instead of the personal network that has been focused on the research by Shaalan et al. (2020).

According to Thaichon et al. (2019), the researcher has review the progress and transition of the online relationship marketing throughout the years. The researcher has focused on the key aspects of changes that are being developed from the online marketing channels in the ways that it has been impacting the customer relationship. Based on the outcome of the research, it has been identified that in the current times, the online relationship marketing has changed in terms of the customers being passive receivers of the online information and services that are being created by active producers and value creators. The research has identified gaps in terms of the future research areas, multiple layers of interactions, and development of the new technologies in enhancing the digital marketing effectiveness allowing for online communications to be established. Therefore, this research intends to close the gap through the study of the new technology which are the digital marketing on the impact that it is having on the customer relationship marketing. Furthermore, this research introduces the digital marketing components such as mobile marketing, e-mail marketing, and influencer marketing with social media as a moderating variable towards the impact that these variables are having on the customer relationship marketing.

Cheng & Jiang (2021) has investigated the customer and brand relationship based on the current era of artificial intelligence (AI) where it aims to understand the roles that chatbot marketing efforts are playing in terms of the impact that it has towards the customer relationship. The research has integrated the use of the latest technologies as a preface in building the relationship with the customers through the use of AI where it does not depend on the presence of humans in establishing the relationship. The results from the research has established the importance of interactions, information, accessibility, entertainment, and customization where it could be coded into the AI system to yield a positive response among

the consumers that are interacting with the AI chatbot. However, the research gap that has been identified is that the research have focused on a non-human component in the digital marketing channel to establish the customer relationship marketing framework for the company. This research has been conducted to fill the gap for the research of Cheng & Jiang (2021).

4.0 CONCLUSION

As a conclusion, this conceptual paper has established an overview about the topic that is the effect of social media on customer relationship marketing in China. The background informatin of this paper explains an insight on the development of digital marketing in China and the digital market in China based on the availability of the applications and software that are available to be impacting the customers in the country. The gaps that have been identified in past research is worth considering for further research on this topic. In addition, this topic is significant as it contributes towards the areas in the growth of digital marketing allowing for future researchers to understand the impact that social media has on the customer relationship management initiatives by the company. Based on the current issues that have been identified in this research, organizations are able to emphasize on the development of the social media where investments could bd directed towards the enhancement of the digital marketing strategy focusing on the customer relationship management initiatives that could be undertaken.

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