

## Impact of Social Customer Relationship Management (SCRM) on Consumer Behavior: an Empirical Study on SMEs in Iran

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### Abstract

**Purpose:** This study investigates the impact of Social Customer Relationship Management (SCRM) on consumer behavior in small and medium-sized enterprises (SMEs) in Iran. It specifically examines the influence of SCRM key consumer behavior variables: satisfaction, loyalty, engagement, retention, and word-of-mouth (WOM).

**Method:** The research employed an applied and descriptive survey design. Data were collected through an online questionnaire distributed to consumers of SMEs in Khuzestan province, Iran, using convenience sampling method. The questionnaire included 25 items measuring six constructs: SCRM, satisfaction, loyalty, engagement, retention, and WOM. Structural equation modeling (SEM) was employed via Smart-PLS3 software to analyze the data and test the hypotheses.

**Findings:** The results indicate that SCRM exerts a significant positive impact on all five consumer behavior dimensions. Path coefficients were high and statistically significant: satisfaction ( $\beta = 0.848$ ,  $p < 0.01$ ), loyalty ( $\beta = 0.827$ ,  $p < 0.01$ ), engagement ( $\beta = 0.871$ ,  $p < 0.01$ ), retention ( $\beta = 0.901$ ,  $p < 0.01$ ),

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and WOM ( $\beta = 0.914$ ,  $p < 0.01$ ). The model fit indices (GOF = 0.68) confirmed the robustness of the research model.

**Conclusion:** The study concludes that SCRM is a powerful tool for enhancing consumer behavior outcomes in SMEs. By leveraging social media technologies, SMEs can improve customer interactions, personalize services, and foster long-term relationships, leading to increased satisfaction, loyalty, engagement, retention, and positive word-of-mouth. These findings highlight the importance of adopting SCRM strategies to gain a competitive advantage and achieve sustainable business growth in the digital era.

**Keywords:** Social Customer Relationship Management, SCRM, Consumer Behavior, SMEs, Empirical Study



## **Introduction**

Customer-centricity is a determinant aspect of success in contemporary business, as it focuses on putting the customers at the center of all operations and decision-making processes. By understanding and meeting the needs of customer, businesses can build stronger relationships and drive growth (Rane et al., 2023). Traditional market research tools, such as surveys and interviews have long been used by firms to gather insights into customer needs and enhance their innovation processes. However, with the advancement of technology, new tools like online brand communities and social media have revolutionized how customers can provide feedback and participate in the innovation process. These platforms enable real-time interactions, data collection, and integration of customer information, allowing businesses to be more responsive to customer feedback and preferences, ultimately leading to more customer-centric innovation (Cheng & Shiu, 2019). The need for organizations to retain profitable customers is indeed a driving force behind the investment in business information systems. These systems play a crucial role in collecting and managing customer data, which in turn helps businesses understand their customers better and build stronger relationships with them. By leveraging information systems effectively, companies can personalize their offerings, improve customer service, and ultimately increase customer retention and loyalty. This customer-centric approach is essential to long-term success in today's competitive business landscape (Nadube & Ordah, 2023).

In recent times, a growing number of businesses have been implementing social customer relationship management (SCRM) strategies to incorporate the possibilities of Web 2.0 into their marketing. Upon integrating social CRM into their operations, businesses can enhance communication and foster collaborative interactions with their customer base. Additionally, by leveraging social CRM, companies can establish a dynamic, interactive, and multi-channel approach to co-create products with customers, enabling them to develop market-driven products and achieve customer satisfaction and loyalty (Malki et al., 2023).

Customer Relationship Management (CRM) involves overseeing comprehensive data about individual customers and meticulously handling all interactions with customers to enhance customer loyalty. Essentially, CRM is the integration of marketing, sales, and customer service activities aimed at generating value for the company (Rahmasari et al., 2024).

Customer relationship management supported by principles of relationship marketing is a notable area of study that has captured the interest of both researchers and industry professionals. Recent technological advancements have given rise to a new framework known as social customer relationship management (SCRM) or CRM 2.0, which is built on the foundations of Web 2.0. The terms CRM 2.0 and SCRM are often used interchangeably to describe modern e-CRM practices influenced by social media (Hettiarachchy & Udunuwara, 2021).

Implementing effective social CRM strategies allow companies to strengthen customer relationships, involve customers in innovation processes and achieve better results in business-to-business and business-to-customer settings. This is particularly vital for small and medium-sized enterprises facing limitations in social network resources compared to larger competitors (Cheng & Shiu, 2019). Social CRM serves as a platform for disseminating information, particularly regarding current events and perspectives, through the internet. Users of Social CRM not only consume and distribute this information to others but also generate and share their own content (Jalal et al., 2021).

SMEs play a crucial role in every economy and are recognized in many developed countries as the primary employers and creators of wealth (Torugsa et al., 2019). The adoption of SCRM strategies have become a prominent research focus in academic and professional circles, especially for SMEs constrained by limited resources. Social CRM offers SMEs a valuable tool to enhance their performance. Due to their limited financial resources compared to larger firms, social media technology becomes especially critical for SMEs as cost-effective resources (Ahani et al., 2017). Social media emerges as suitable CRM technology for SMEs as it aligns well with their natural approach to customer relationship management. Moreover, SMEs find social media technologies more affordable than traditional CRM tools. By embracing social media, SMEs can access global markets at minimal costs and effort, fostering closer connections with their customers (Marolt, et al., 2018). It is clear that there is a rising demand for ongoing research to deepen the understanding and improve the connection between SMEs and CRM, a relationship that benefits both SMEs and the economic development of the country (Hassan et al., 2019).

SMEs are pivotal for economic growth and job creation. Entrepreneurial Management (EM) offers individuals and SMEs unprecedented opportunities for successful business ventures. Over the last

thirty years, researchers and professionals have been deeply engaged with small enterprises due to their substantial impact on global economic progress, garnering attention from industry experts. Additionally (Alharthey, 2023), Customer Relationship Management (CRM) enables MSMEs to efficiently handle customer data, monitor interactions, and deliver tailored customer service, leading to improved customer relationships and increased effectiveness in sales and marketing efforts.

Thus, this study has been carried out to investigate the impact of social customer relationship management on consumer behavior in SMESs.

### **Literature Review**

Developing the theoretical or experimental research framework is mainly based on the information obtained from previous researches and existing theories related to the problem. By carefully examining the research literature, it is possible to better understand the key concepts of the problem, as well as identify the research gaps of previous studies and use them to advance the research goals. In this section the main concepts and previous studies have been investigated and research hypotheses and a theoretical model have been presented.

### **CRM**

CRM is a strategic approach aimed at building and enhancing relationships with consumers to optimize the value and profitability of a company. It involves selecting customers who can bring higher profits, increasing both current and future value, while also tailoring interactions and nurturing customer relationships. While the term CRM gained popularity in the late 1990s, its foundational principles have existed since the early days of commerce. Rooted in relationship marketing, CRM focuses on establishing mutually beneficial relationships between suppliers and customers. Even today, CRM remains the preferred approach for identifying, satisfying, retaining, and maximizing the value of a company's top customers (Miguel & Crespo, 2023).

CRM is employed to cultivate enduring relationships with customers via conventional and digital platforms, ensuring customer loyalty and fostering trust in the brand (Mahrinasari et al., 2023). CRM involves collecting and centralizing customer data from diverse sources like surveys, ratings, and purchase history to enhance customer representation. It gathers customer details, records their attributes, and links these attributes to targeted marketing activities (Singh et al., 2023).

## **SCRM**

Social CRM is a business approach that leverages social media to engage customers, aiming to maintain trust and loyalty towards the brand. This strategy enables companies to prioritize customers, attract them through user-generated content, boost engagement via online interactions, and foster new relationships among customers. Furthermore, it empowers customers to share their opinions swiftly and freely through blogs and forums, influencing other customers and advertisers about their purchased products and services (Malki et al., 2023). Social CRM involves integrating common social media technologies into the CRM toolkit. These technologies facilitate closer interactions between marketers and customers through bidirectional communication. Popular social media applications such as Facebook, Twitter, LinkedIn, YouTube, and Pinterest are commonly used in this context (Hettiarachchy & Udunuwara, 2021). Social CRM technologies enable the identification of customer relationship dynamics in ways not achievable with traditional CRM tools. This allows companies to engage customers in collaborative activities, enhancing relationships by involving them in company processes (Al-Gasawneh et al., 2021).

The social CRM strategy seeks to leverage the features of social media technologies to cultivate and oversee valuable relationships grounded in high customer engagement (Ahani et al., 2017). Social Customer Relationship Management involves integrating customer-facing activities, processes, systems, and technologies with emerging social media applications to engage customers in collaborative interactions and improve customer relationships. This approach views social networks as a valuable information source for driving innovation within CRM. While Social CRM is well-suited for innovation, the specific impact on how it enables Small and Medium Enterprises (SMEs) to enhance innovation performance through customer engagement via social media remains unclear (Cheng & Shiu, 2019). Social Customer Relationship Management (SCRM), also known as "CRM 2.0," emphasizes empowering customers. This approach fosters transparency within companies, leading to increased customer trust, loyalty, and potentially turning customers into advocates (Massoud & Al-Dulaimi, 2023).

An example of Social CRM involves a company utilizing social media platforms such as Facebook, Twitter, Line, or Instagram as networking tools (like a fan page or discussion forum) for the development of new

products or services. Interested individuals sign up as users to participate in discussions related to the new offerings. The company can monitor these discussions in real-time to gather feedback, while users can contribute ideas, information, or knowledge about current or future products/services. This exemplifies how Social CRM serves as a strategic resource and process to establish enduring relationships between a company and its customers via social media technologies (Cheng & Shiu, 2019).

### **Satisfaction- SCRM**

Customer satisfaction is defined as customers' evaluation of how well a product or service meets their expectations and the level of enjoyment they derive from using it. In the online realm, satisfaction is a key metric for Customer Loyalty and overall business success. Satisfied online customers are more inclined to make repeat purchases and recommend online retailers to others (Malki et al., 2023). Consumer satisfaction is the emotional response of pleasure or disappointment that occurs when an individual compares the actual performance of a product to their expected performance (Rahmasari et al., 2024). Satisfaction and dissatisfaction stem from the feelings of pleasure or disappointment that result from comparing the perceived outcome of a product with the consumer's prior expectations. Satisfaction is linked to consumers' evaluation of how well product attributes perform in meeting their needs and desires (Miguel & Crespo, 2023). Customer satisfaction pertains to the reactions and feelings linked to customer expectations post-purchase (El Naby & Khalaf, 2024).

It is a crucial component of marketing strategy, and a key objective of electronic Customer Relationship Management (e-CRM) is to enhance customer satisfaction (Singh et al., 2023). Customer Relationship Management (CRM) is recognized as a tool that can offer a competitive edge to companies by fostering customer satisfaction and loyalty (Miguel & Crespo, 2023). The foundation of Customer Relationship Management (CRM) is centered around achieving customer satisfaction (Bhatti et al., 2019). Through the use of electronic Customer Relationship Management (e-CRM), service providers strive to achieve Customer Satisfaction (CS), which in turn contributes to business growth and success. This highlights the importance of establishing a positive relationship between e-CRM practices and customer satisfaction (Singh et al., 2023). A strong relationship between a customer and an organization leads to increased customer satisfaction. Businesses prioritize improving this relationship as customers are vital for sustaining the business. CRM systems play a key

role in enhancing customer satisfaction and creating the competitive edge necessary for attracting and retaining customers (Naim, 2022).

The implementation of a Customer Relationship Management (CRM) approach is expected to impact customer satisfaction and customer knowledge for various reasons (Aljahwari, 2023). According to (Malki et al., 2023 & Miguel & Crespo, 2023) Social CRM dimensions have a direct and positive effect on satisfaction. The results of a study (Singh et al, 2023) also demonstrated that there is a significant positive relationship between e-CRM and customer satisfaction. The results of the study by Bhatti et al (2019) indicated a statistically significant and positive relationship between Social Customer Relationship Management (SCRM) and customer satisfaction, mediated through customer empowerment. The research suggested that both traditional CRM practices and social media platforms have substantial effects on customer empowerment and satisfaction concurrently.

So, the following hypothesis is presented:

- Hypothesis 1: SCRM has a positive and significant impact on customer satisfaction .

### **Engagement-SCRM**

Researchers and practitioners have acknowledged the growing significance of customer involvement in the process of developing new products and services (Cheng & Shiu, 2019). Customers who actively interact with companies on social media platforms tend to exhibit higher levels of loyalty and are likely to spend more with those companies compared to customers who do not engage on social media (Hettiarachchy & Udunuwara, 2021). Customer engagement involves ongoing interactions between customers and firms, known as customer engagement. This engagement leads to loyalty, which is characterized by a consumer's positive attitude towards a service and their tendency to make repeat purchases (Shah et al., 2021). Customer involvement, facilitated by Social CRM, social media networks, and customer information processing capabilities, leads to increased innovation. Thus, the fusion of social media with CRM is expected to boost the efficacy of customer involvement. In this scenario, SMEs leveraging customer involvement within the realm of social media are likely to increasingly depend on fresh insights from external customers that are not internally accessible. Consequently, the potential for SME customer involvement through social media to enhance their innovation performance is contingent on the implementation of

Social CRM (Cheng & Shiu, 2019). Customer engagement with an institution's products and services positively impacts its performance. Likewise, customer engagement reflects the satisfaction and loyalty levels of customers, which in turn boost firm performance, especially in the context of social media. Establishing an effective relationship with customers is crucial for enhancing customer engagement with the business, ultimately leading to improved firm performance within the institution (Bhatti et al., 2019). As Shah et al (2021) stated SCRM Capabilities have a significant relationship with customer engagement.

So, the following hypothesis is presented:

- Hypothesis 2: SCRM has a positive and significant impact on customer engagement .

### **Loyalty- SCRM**

Loyalty, a well-established concept in customer behavior, is defined as a behavioral manifestation involving repeat purchases of company products or services. Customer loyalty is viewed as a multifaceted construct encompassing attitudinal and behavioral elements. The behavioral aspect of loyalty entails repeat purchase behavior driven by a positive attitude towards the unique value offered by a product or service. In the study, loyalty is assessed behaviorally, measuring the extent to which a customer displays repetitive purchasing behavior and maintains a positive attitude towards the products/services provider in terms of Social CRM and customer satisfaction (Malki et al., 2023). Loyalty is characterized by customers having a positive attitude towards a brand, demonstrating commitment to it, and intending to sustain future purchases. It gauges the strength of consumer association with a specific brand and influences direct purchasing decisions by decision-making units periodically. Repeat purchases are common among loyal customers, who prioritize customer rights. Customer loyalty is evaluated through word-of-mouth recommendations, rejection of alternative products, and repeated purchases (Rahmasari et al., 2024). Customer loyalty is the commitment of customers to a brand or company based on positive attributes, leading to long-term purchases by these customers (Annahli et al., 2023).

Interactions between organizations and their valued customers help promote loyalty and commitment from these customers (Chatterjee et al., 2021). Emphasizing the cultivation of loyal customers is crucial as it shapes customer behavior and ensures sustained, long-term purchases (El Naby & Khalaf, 2024).The relationship between e-CRM and customer

loyalty suggests that the happier customers are the more positive word-of-mouth they spread about the service provider (Singh et al., 2023). Loyalty is vital for businesses as acquiring new customers is typically more expensive than retaining existing ones. Elements such as client retention, trust, and emotional connections to a brand influence customer loyalty. Customer retention is determined by how well a business meets or exceeds a customer's expectations (Alayli, 2023).

The findings of a study conducted by Hettiarachchy & Udunuwara (2021) demonstrated that the utilization of Social Customer Relationship Management (SCRM) has an influence on customer loyalty among domestic tourists. The results of the study (Singh et al., 2023) also demonstrated that there is a significant positive relationship between e-CRM and customer loyalty. According to Haudi et al (2022) e-CRM has a positive effect on e-Loyalty.

So, the following hypothesis is presented:

- Hypothesis 3: SCRM has a positive and significant impact on customer loyalty .

### **Retention- SCRM**

Customer retention is a primary objective of Customer Relationship Management (CRM). CRM implementation enables companies to gain a deeper understanding of customers by addressing factors such as their focus, needs, and objectives within the company relationship (Miguel & Crespo, 2023). The research on Customer Relationship Management (CRM) highlights a substantial and positive impact of various social CRM elements on customer satisfaction, ultimately influencing customer retention. Customers who switch to another service provider typically exhibit low customer loyalty, as loyal customers are characterized by their resistance to competitors. Transportation service providers can leverage CRM techniques to cultivate customer loyalty (Rahmasari et al, 2024). Customer retention, the practice of maintaining current customers' satisfaction and encouraging continued business with a company over time, is crucial for organizations. Retaining customers typically incurs lower costs than acquiring new ones. Customer retention plays a vital role in a company's long-term success by increasing sales, reducing customer acquisition expenses, and enhancing brand reputation. Businesses can implement various strategies to enhance client retention rates, with providing high-quality products or services that meet or exceed customer expectations being one of the most critical actions to take (Alayli, 2023).

Consumer retention in marketing involves staying connected with existing customers to ensure continued purchases. Effective customer retention strategies focus on fostering long-term relationships with customers, turning them into loyal brand advocates who share positive word-of-mouth within their networks. Utilizing electronic customer relationship management is essential for maintaining relationships with these loyal customers (Massoud & Al-Dulaimi, 2023). The utilization of Customer Relationship Management in conjunction with relationship marketing strategies leads to enhanced customer retention. Implementing CRM systems is linked to higher customer confidence in the brand and improved customer retention (Miguel & Crespo, 2023).

Consumer retention is examined throughout the online buying process, facilitated by the ability to track online purchase records through Internet properties and statistical analysis. Online analysis tools help in processing purchasing activities, and Consumer Relationship Management (CRM) programs aid in managing these processes. Electronic Customer Relationship Management (E-CRM) offers strategic solutions to address issues encountered by consumers during their online purchases (Massoud & Al-Dulaimi, 2023). The significance of customer retention primarily stems from the strong connection customers have with the company (Aljahwari, 2023).

So, the following hypothesis is presented:

- Hypothesis 4: SCRM has a positive and significant impact on customer retention .

### **WOM-SCRM**

Word-of-mouth (WOM) has been a topic of interest for a long time and is considered one of the most significant and impactful sources of information for consumers. WOM entails informal communication aimed at other consumers, discussing aspects such as the usage, ownership, characteristics of a product or service, the sellers, and even the brand itself. Establishing strategically aligned Customer Relationship Management (CRM) relationships can enhance positive word-of-mouth (WOM) recommendations (Miguel & Crespo, 2023). The findings of the study by (Miguel & Crespo, 2023) study showed that an integrated implementation of CRM dimensions significantly and positively influences WOM.

So, the following hypothesis is presented:

- Hypothesis 5: SCRM has a positive and significant impact on customer WOM .

Based on the theoretical background, the literature review, and the research hypotheses, the research model is presented as follows:

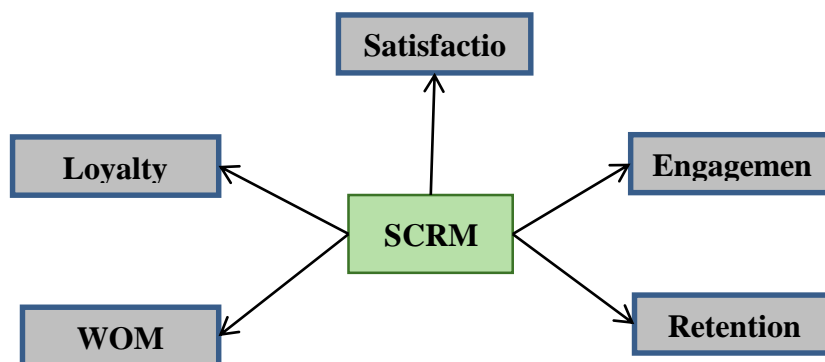


Figure 1. Conceptual Model

### Method

This study is conducted as an applied and descriptive survey. The population of the study was the consumers of SMEs in Khuzestan province, Iran. Data collection was done through a questionnaire using a convenience sampling method. The questionnaire comprised two main sections: the first section aimed to collect demographic information from the participants, while the second section included six research constructs with a total of 25 items.

We applied the questionnaire of Arora et al. (2021) for measuring engagement, retention and social CRM; Goyette et al. (2010) and Maisam & Mahsa (2016) for word of mouth, Arora et al. (2021) and Malki et al (2023) for satisfaction and loyalty.

The participants' perceptions of the items in the measurement model were evaluated using a 5-point Likert scale. The research hypotheses were subsequently analyzed through structural equation modeling (SEM) with the assistance of Smart-PLS3 software.

### Findings

#### Demographic Characteristics of Participants

The population under examination consisted of consumers of SMEs. The demographic characteristics of the participants are outlined in Table 1.

**Table 1. Demographic Attributes of Participants**

Demographic Variable	Valid percent	
Gender	Male	41%
	Female	59%
Age	30 & below	30.8
	31-40	45.9
	41-50	18
	51 & above	5.3
Education	Associate & below	13.6
	BA	39.5
	MA & higher	46.9

### Normality

Data normality test is a method to determine that the distribution of the collected data has a normal distribution or not. In inferential statistics, the main condition for all types of parametric and non-parametric statistics tests depends on the data distribution. If the data distribution is normal, then parametric methods are used, and if it is not normal, parametric methods should not be used. Before any test that is done with the assumption of normality of the data, a normality test should be done. There are several methods for this purpose. The normality of the research data was evaluated using the Kolmogorov-Smirnov test. According to the results depicted in Table 2, it can be inferred that the research data is not normally distributed, as evidenced by the significance value ( $\text{sig} < 0.05$ ).

**Table2. Normality**

Variable	K.S Coefficient	Sig
Satisfaction	0.318	0.000
Loyalty	0.285	0.000
Engagement	0.272	0.000
WOM	0.309	0.000
Retention	0.296	0.000
SCRM	0.291	0.000

### Reliability and Validity

To assess the internal consistency of constructs, Cronbach's alpha ( $\alpha$ ) and composite reliability (CR) were utilized. Convergent validity was evaluated through the average variance extracted (AVE). The results displayed in Table 3 indicate that both  $\alpha$  and CR values exceeded the threshold of 0.7, while AVE values surpassed the cutoff of 0.5, thus

establishing the convergent validity of the scales. Discriminant validity was tested using the Fornell-Larcker criterion. As per the results, the square roots of AVE for all latent variables were greater than the correlations between the respective variable and any other variables, confirming discriminant validity. The findings of the discriminant validity analysis are detailed in Table 4.

**Table3. Reliability and Convergent Validity**

Variable	Cronbach's alpha	CR	AVE
Satisfaction	0.94	0.96	0.86
Loyalty	0.80	0.87	0.67
Engagement	0.95	0.96	0.83
WOM	0.78	0.87	0.65
Retention	0.94	0.96	0.82
SCRM	0.94	0.96	0.90

**Table 4. Discriminant Validity**

	1	2	3	4	5	6
Engagement (1)	0.92					
Loyalty (2)	0.90	0.91				
Retention (3)	0.90	0.87	0.91			
Satisfaction (4)	0.87	0.87	0.87	0.94		
SCRM (5)	0.87	0.82	0.80	0.84	0.95	
WOM (6)	0.86	0.82	0.82	0.83	0.91	0.96

### Analysis of the Fitness of the Research Model

In this study, various indices including R square, construct cross-validated redundancy, and construct cross-validated communality were employed to assess the quality of the research model. A high  $R^2$  value suggests that a substantial portion of the variance in variables can be elucidated by variations in SCRM. The Goodness-of-Fit (GOF) index was utilized to evaluate the overall fit of the model. The GOF value provided in Table 5 (0.68) suggests that the structural model adequately fits the data, thereby affirming the quality and appropriateness of the research model.

**Table5. Model Fitness Indices**

	CVC	CVR	$R^2$	GOF
Engagement	0.69	0.59	0.75	
Loyalty	0.46	0.39	0.68	

Retention	0.68	0.62	0.81	0.68
Satisfaction	0.70	0.58	0.71	
WOM	0.47	0.52	0.83	
SCRM	0.69	-	-	

### HYPOTHESES TESTING AND DISCUSSION

Figures 2 and 3 represent the standard and T-value models, which are utilized to test the research hypotheses and further analyze and discuss the results. These figures play a crucial role in illustrating the relationships between variables and interpreting the outcomes of the analysis. As the figures 2 demonstrates, path coefficients are positive for all paths. It can also be seen in figure 3 that the path coefficients obtained at the 99% confidence level are greater than 56.2, which means these coefficients are significant and the hypotheses of the research have been well confirmed.

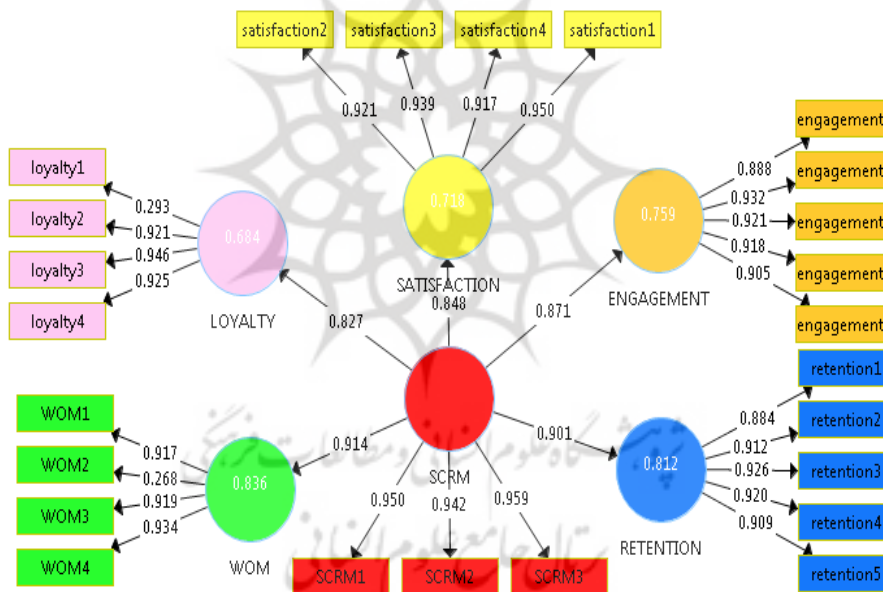
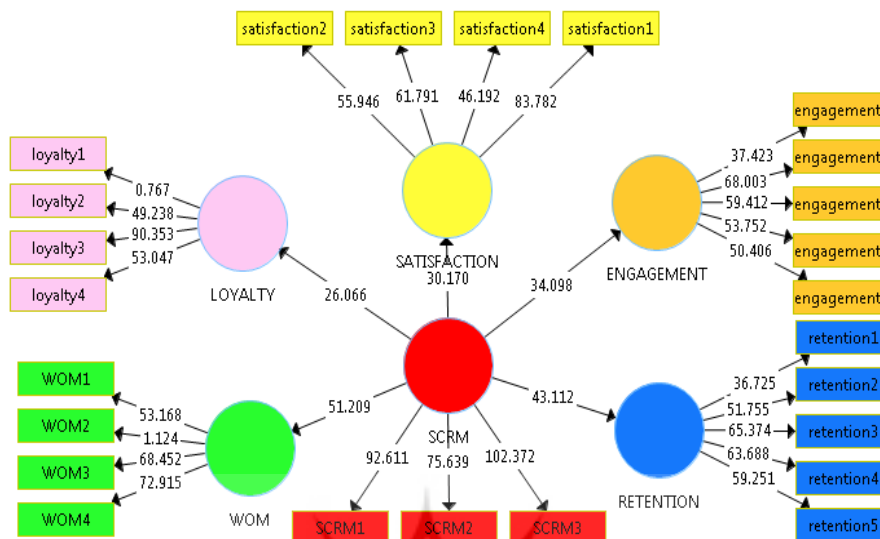


Figure 2. Standardized Model



**Figure 3. T-value Model**

The positive impact of SCRM on customer satisfaction demonstrates a high level of significance ( $\beta = 0.848$ ,  $CR = 30.170$ ,  $P < 00.00$ ). The positive impact of SCRM on customer loyalty is at high level ( $\beta = 0.827$ ,  $CR = 26.066$ ,  $P < 00.00$ ). With implementing SCRM, SMEs can better understand their clients, customize their experiences, enhance their conversation, growth performance, and make better decisions. Those factors in the long run result in multiplied consumer satisfaction and loyalty. SCRM allows SMEs to customize their interactions with customers by providing applicable data, offers, and recommendations. Personalization performs a major position in consumer satisfaction and can boom patron loyalty.

The positive impact of SCRM on customer engagement is at high level ( $\beta = 0.871$ ,  $CR = 34.098$ ,  $P < 00.00$ ). Social media presents rich facts approximately your customers, together with other brands they follow, the posts they have interaction with, and how they speak along with the corporation. Integrating social media into the CRM offers the SMEs insight into their buying conduct, critiques approximately your brand, and persona tendencies. Social engagement involves likes, comments, direct messages, and another communication that signifies a connection among logo and its target audience

The positive impact of SCRM on customer retention is at high level

( $\beta = 0.901$ ,  $CR=43.112$ ,  $P<00.00$ ). The positive impact of SCRM on customer WOM is at high level ( $\beta = 0.914$ ,  $CR=51.209$ ,  $P<00.00$ ).

SCRM allows SMEs to connect with their through tailored content, enhanced targeting, boosts conversion rate. SMEs can determined the preferred communication methods for each customer and engage them through those channels. Customer retention also known as churn rate measures how long customers continue to stay with a brand or company over a specific period. Building strong relationships helps create a loyal customer base that is more likely to make repeat purchases and promote the brand.

**Table 6. Results of Hypotheses**

Path	Hypothesis	Path Coefficient	T-statistic	Result
SCRM – Satisfaction	1	0.848	30.170	supported
SCRM –Loyalty	2	0.827	26.066	supported
SCRM-Engagement	3	0.871	34.098	supported
SCRM –Retention	4	0.901	43.112	supported
SCRM –WOM	5	0.914	51.209	supported

### Conclusion

The main purpose of this study is to investigate the impact of social CRM on consumer behavior. For this purpose, 5 research hypotheses are presented and supported as follows: The first hypothesis was the positive impact of SCRM on customers' satisfaction. This result agrees with the results of (Malki et al., 2023; Miguel & Crespo, 2023; Bhatti et al, 2019; Singh at al., 2023). The second hypothesis was the positive impact of SCRM on customers' loyalty. This result is in line with the findings of (Hettiarachchy & Udunuwara, 2021; Singh at al., 2023; Haudi et al, 2022). The positive impact of SCRM on customer engagement was supported as the next hypothesis that the results of previous studies (Shah et al, 2021) confirm this result. The positive impact of SCRM on customer retention was also supported in this study. This result was obtained in previous studies (Miguel & Crespo, 2023; Aljahwari, 2023). Finally, the positive impact of SCRM on WOM was confirmed that this is in accordance with (Miguel & Crespo, 2023).

Nowadays, businesses possess a greater capability to develop,

cultivate, and sustain customer relationships through the integration of prompt responsiveness to client needs and the provision of a personalized, interactive experience. This enables the establishment and maintenance of enduring consumer relationships like never before. These digital tools complement the personal touch provided by sales representatives, customer service agents, and call centers. Engaged customers play an active role in the design and development of new services. They contribute ideas, collaborate with others, and provide valuable knowledge, ideas, and preference information to support the company's growth. Many companies are convinced that utilizing social media marketing, which consumers perceive as more reliable, is crucial in persuading customers to embrace and spread positive brand-related content. Engaging in e-WOM activities such as contributing to online brand reviews, giving recommendations, and making referrals demonstrates proactive engagement. Social CRM has proven to be effective in enhancing customer engagement, ultimately leading to brand loyalty. By collaborating with customers to create unique service experiences, companies can generate positive word of mouth, reducing marketing expenses and increasing revenue.

To enhance their competitiveness and market share, companies must establish robust and enduring connections with their customers, thereby improving customer satisfaction and customer loyalty. Achieving this objective can be accomplished by adopting and implementing the best practices of SCRM. This tool enables them to engage with customers and enhance their service quality sustainably. Through the utilization of social CRM, businesses can adopt a dynamic, interactive, and multi-channel strategy to collaboratively create products with customers. This approach allows companies to innovate market-driven products, enhance customer satisfaction, and foster loyalty.

### **Managerial Implications**

SMEs need to consider the use of SCRM seriously. As this tool has many advantages such as Offering customer support on platforms preferred by customers, engaging with customers in real time, addressing issues by monitoring complaints on social media, identifying and rewarding fans and customers who assist others, expanding visibility on platforms frequented by the target audience, enhancing engagement and strengthening relationships with customers. Companies should concentrate their social CRM efforts on the social media platform that is most frequently utilized by their customers. Marketing managers should

devise strategies that enable customers to share their experiences and opinions, thereby aiding the company in comprehending and addressing their needs. This can increase the chances of promotion of word of mouth advertising.

Small and medium-sized enterprises should improve customer satisfaction by understanding their customer journey, ensuring transparency in the information they provide, offering 24/7 customer support, providing various communication channels for customer support, and promptly responding to customer inquiries. To ensure customer loyalty and retention, SMEs may offer tailored customer experiences, establish trust with their customers, establish a customer feedback loop, and initiate a customer education program. Some other strategies that can be implemented to enhance loyalty and retention include providing discounts, establishing a subscription service, and promoting referrals. The inclusion of personalization in the relationship marketing strategies of a company is crucial for effectively engaging customers. Managers can enhance customer engagement by utilizing tools for monitoring engagement, offering omnichannel interaction, and communicating updates and new features.

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