

## A Study on Customer Relationship Management (CRM) and its Impact on Customer Satisfaction at Darling Showroom

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### Abstract

*Customer Relationship Management (CRM) has become a critical strategic tool for retail businesses operating in highly competitive markets, where products, prices, and promotional offers are often similar across outlets. This study examines the impact of CRM practices on customer satisfaction at Darling Electronics Showroom, a smartphone (Oppo) retailer in Tamil Nadu. A descriptive research design was adopted, and primary data were collected from 136 customers using a structured questionnaire built around a five-point Likert scale, supplemented by secondary data from books, journals, and prior research. Percentage analysis, descriptive statistics, and the chi-square goodness-of-fit test were used to analyse the data. The results show an overall favourable perception of the showroom's CRM practices, with customer feedback collection recording the highest mean score and after-sales communication among the lowest, and the chi-square tests confirm that respondents' opinions are not evenly distributed across response categories for any of the statements tested. The study concludes that customer service quality, complaint handling, after-sales support, and consistent communication are the CRM dimensions most closely associated with customer satisfaction, and it offers practical suggestions for strengthening these areas.*

**Keywords:** Customer Relationship Management, Customer Satisfaction, Electronics Retail, Customer Loyalty, After-Sales Service, Complaint Handling, Chi-Square Test.

### Introduction

Modern organisations increasingly recognise that managing relationships with customers, rather than competing on product or price alone, is central to long-term survival. Customer Relationship Management (CRM) is the combination of people, processes, and technology that businesses use to understand, serve, and retain their customers. In the electronics retail sector, where showrooms typically offer overlapping product ranges from the same manufacturers at broadly similar prices, the quality of the customer relationship — from product enquiry through to after-sales support — often becomes the deciding factor in customer satisfaction and repeat purchase. This study focuses on Darling Electronics, a consumer-electronics and home-appliance retail chain operating over 185 outlets across Tamil Nadu and Puducherry, with particular reference to its Cumbum branch (Theni District), and examines how its CRM practices, including customer information management, communication, complaint handling, and after-sales service, relate to customer satisfaction. The findings are intended to help electronics retailers identify which CRM dimensions most strongly influence customer perceptions and to guide practical improvements in customer-facing operations.

The Cumbum branch serves customers from Cumbum, Gudalur, Uthamapalayam, Chinnamanur, and surrounding areas across a wide product range, and its sales staff combine enquiry handling with ongoing follow-up, complaint resolution, and after-sales support, making it a representative setting for examining day-to-day CRM practices.

### **Review of Literature**

Berry (1983) introduced the concept of relationship marketing and argued that retaining existing customers and building customer trust are central to long-term business success. Building on this, Morgan and Hunt (1994) proposed the Commitment-Trust Theory of Relationship Marketing, identifying trust and commitment as the key drivers of lasting buyer-seller relationships, while Sheth and Parvatiyar (1995) suggested that organisations strengthen customer relationships by understanding customer needs and encouraging continuous interaction.

Mahnam (2014) studied CRM effectiveness in star-category hotels in Karnataka and found that successful CRM implementation requires close alignment between company operations, strategy, and staff, and that strong customer relationships create a competitive advantage that rivals cannot easily replicate. Garg (2018), examining hotels in Punjab, similarly concluded that CRM tools play an important role in building customer relationships and that transforming transactional exchanges into emotionally committed relationships requires both relationship-marketing practices and high service quality. Chamola (2020) reported that CRM practices such as responsiveness, transparency, feedback handling, and support services have a significant impact on customer satisfaction in the hotel industry, which in turn influences customer loyalty.

Zeithaml, Bitner and Gremler (2006) linked service quality directly to customer satisfaction and loyalty, while Kotler and Armstrong (2010) defined CRM as the process of building and maintaining profitable customer relationships by delivering superior value and satisfaction. Winer (2001) highlighted the role of customer databases, feedback mechanisms, and personalised marketing in CRM practice, and Verhoef et al. (2010) found that retailers who systematically collect and analyse customer data are better able to understand preferences, improve service quality, and increase loyalty.

More recent work has extended these findings to digital and technology-enabled CRM. Kumar (2018) reported that Electronic CRM (E-CRM) positively influences customer satisfaction, retention, and loyalty by improving organisation-customer communication. Kasunthika and Dissanayake (2026) found that efficient service, reliable information, and prompt support significantly improve satisfaction and repeat purchase in consumer electronics retailing specifically, while Mahapatra et al. (2023) showed that integrating CRM with point-of-sale systems helps retailers personalise offers and improve operational efficiency. Broader literature reviews by Ngai (2005), Kevork and Vrechopoulos (2009), Soltani and Navimipour (2016), and Reinartz (2026) trace the evolution of CRM research from a technology-centred discipline toward a customer-centric business strategy increasingly concerned with customer experience, engagement, and long-term value.

Later work extended these foundations: Parasuraman, Zeithaml and Berry (1988) identified tangibility, reliability, responsiveness, assurance, and empathy as core service-quality dimensions, while Payne and Frow (2005) argued that successful CRM requires integrating strategy, process, technology, people, and customer knowledge rather than treating it as a purely technological tool.

### **Research Gap**

Much of the existing CRM literature is concentrated in the hospitality and hotel sector, or addresses CRM at a general, cross-industry level. Comparatively few studies examine CRM practices within electronics retail showrooms in India, and fewer still focus on a single-brand smartphone retail context such as Darling Electronics Showroom. In addition, most prior work evaluates CRM dimensions such as communication, complaint handling, or feedback collection in isolation, with limited attention to how these dimensions collectively shape customer satisfaction in a competitive, price-sensitive retail environment. This study addresses that gap by examining, in one setting, how customer information management, communication, complaint handling, and after-sales service relate to customer satisfaction at an electronics showroom.

### **Objectives of the Study**

The primary objective of the study is to examine the effectiveness of Customer Relationship Management practices at Darling Electronics Showroom. The secondary objectives are:

- To study the applications and methods used by the showroom to maintain customer data.
- To identify customer expectations while purchasing smartphones from the showroom.
- To analyse why Customer Relationship Management is essential for the electronics retail business.
- To create awareness of effective CRM practices among retail management.

### **Hypothesis**

The following hypotheses were framed around the CRM-related statements included in the customer questionnaire and were tested at the 5% level of significance using the chi-square goodness-of-fit test.

#### • **Hypothesis 1**

Null Hypothesis ( $H_0$ ): There is no significant difference in customers' observed responses towards CRM practices such as information storage and feedback collection.

Alternative Hypothesis ( $H_1$ ): There is a significant difference in customers' observed responses towards CRM practices such as information storage and feedback collection.

#### • **Hypothesis 2**

Null Hypothesis ( $H_0$ ): There is no significant difference in customers' responses regarding the quality of customer service received at any point of contact.

Alternative Hypothesis ( $H_1$ ): There is a significant difference in customers' responses regarding the quality of customer service received at any point of contact.

### **Methodology**

#### **Research Design**

The study adopts a descriptive research design, which is appropriate for describing and analysing customers' opinions, perceptions, and satisfaction levels regarding CRM activities such as customer service, after-sales support, complaint handling, and communication.

#### **Sampling Methodology**

Population: Customers of Darling Electronics Showroom who have purchased or enquired about smartphones and were exposed to the showroom's customer service and CRM practices.

Sample size: 136 respondents, selected using the convenience sampling technique, a non-probability method in which customers who visited the showroom during the data-collection period and were willing to participate were included in the sample.

#### **Data Collection**

Primary data were collected directly from customers using a structured questionnaire administered in two sections: a demographic profile (age, gender, educational qualification, occupation, and purchase frequency) and a CRM/satisfaction section covering customer service quality, employee responsiveness, product information, after-sales service, complaint handling, communication, and loyalty programmes. Secondary data were drawn from books, research journals, company records, and previous studies to provide background context for the primary findings.

#### **Measurement Scale**

Most items in the CRM/satisfaction section were measured on a five-point Likert scale ranging from Strongly Disagree to Strongly Agree, allowing responses to be scored and summarised quantitatively.

#### **Statistical Tools**

The data were analysed using percentage analysis to summarise the demographic profile of respondents, descriptive statistics (mean and standard deviation) to summarise CRM-related responses, and the chi-square goodness-of-fit test to determine whether respondents' opinions were evenly distributed across the five response categories for each CRM statement.

#### **Ethical Considerations**

Participation in the survey was voluntary, and respondents were informed of the purpose of the study before completing the questionnaire. Responses were treated confidentially and used solely for academic research purposes, and findings are reported in aggregate rather than at the level of individual respondents.

### Analysis and Interpretation

#### • Demographic and Usage Profile

The respondent profile and the showroom's customer-handling practices are summarised in Table 1, with Analysis and Interpretation presented in separate columns.

**Table 1: Demographic profile and CRM-related usage patterns, with Analysis and Interpretation shown in separate columns**

| Item                                               | Analysis                                                                      | Interpretation                                                                                                                                    |
|----------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Age of respondents                                 | 18–25: 42.5%; 26–35: 51.5%; 36–45: 6%                                         | The customer base is predominantly young, with over 90% of respondents under 36 years, which is relevant for digital and communication-based CRM. |
| Gender of respondents                              | Male: 83.1%; Female: 16.9%                                                    | The respondent base is heavily male-skewed, which may reflect purchase-decision patterns at this branch rather than the full customer population. |
| Staff experience (promoter/employee)               | <1 yr: 14%; 1–2 yrs: 38.2%; 3–4 yrs: 32.4%; 5+ yrs: 15.4%                     | Most staff have 1–4 years of experience, suggesting a moderately experienced sales team is handling day-to-day CRM tasks.                         |
| Tools/applications used to follow up customers     | Handbook: 17.6%; Digital Notepad: 22.1%; Social Media: 18.4%; Contacts: 41.9% | Follow-up relies heavily on informal phone contact lists rather than a dedicated CRM system, pointing to an opportunity for digital upgrade.      |
| Post-sale updates sent to existing customers       | New launch: 36%; Occasional: 19.1%; Regular/Festival: 35.3%; None: 9.6%       | The large majority of staff provide some form of update, though nearly 1 in 10 customers receive none at all.                                     |
| Purchase incentives offered to customers           | Discount: 16.2%; Gifts: 26.5%; Free products: 15.4%; All the above: 41.9%     | Combination offers are the most common incentive, suggesting bundled promotions are the preferred retention tool.                                 |
| Customer information captured at sale              | Name/contact: 44.9%; Email: 8.8%; Address: 5.1%; All the above: 41.2%         | Basic contact capture is near-universal, but email and address collection remain limited, restricting multi-channel follow-up.                    |
| Rating of CRM database confidentiality (1–5 scale) | Rated 4: 36.0%; Rated 5: 36.8%; Rated 3: 20.6%; Rated 1–2: 6.6%               | Nearly 73% rate confidentiality as 4 or 5, indicating strong staff confidence in how customer data is safeguarded.                                |

#### • Descriptive Analysis

Mean scores for the CRM statements ranged from 3.53 to 4.41 on the five-point scale, indicating that responses were generally above the neutral midpoint and reflect a favourable overall perception of the showroom's CRM practices. The Analysis and Interpretation for each statement are presented separately in Table 2 below.

**Table 2: Descriptive statistics for CRM statements, with Analysis and Interpretation shown in separate columns.**

| CRM Statement                                      | Analysis (N, Mean, Std. Deviation) | Interpretation                                                                                                                                 |
|----------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer information stored in company database    | N=136, Mean=4.10, SD=0.90          | Customers strongly agree that their information is maintained in the company database, reflecting confidence in the showroom's record-keeping. |
| Customer feedback is collected                     | N=136, Mean=4.41, SD=0.82          | Highest-rated item overall; customers feel their feedback is genuinely and actively sought.                                                    |
| Excellent customer service at any point of contact | N=136, Mean=3.90, SD=1.00          | Service quality is viewed positively, though consistency across touchpoints could improve.                                                     |
| Competitor promotional activities are reviewed     | N=134, Mean=3.59, SD=1.33          | Wider spread of opinion (highest SD) suggests inconsistent customer awareness of competitor benchmarking.                                      |

|                                                            |                           |                                                                                                           |
|------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------|
| Competitor new product/service launches are reviewed       | N=135, Mean=3.81, SD=1.09 | Moderate agreement that the showroom keeps pace with competitor launches.                                 |
| Reliable customer information is collected/transmitted     | N=134, Mean=3.99, SD=0.97 | Customers are fairly confident that their information is accurately captured and passed along internally. |
| Customer problems and suggestions are gathered/transmitted | N=135, Mean=3.93, SD=0.96 | Reasonable confidence that complaints and suggestions are logged and forwarded for action.                |
| After-sales service needs are gathered/transmitted         | N=135, Mean=3.56, SD=1.22 | One of the weaker areas; customers are less convinced that post-purchase needs are actively followed up.  |
| Customer thoughts toward products/services are gathered    | N=135, Mean=3.53, SD=1.19 | Lowest-rated item; customer opinions on products/services are the least actively solicited.               |
| Effort is made to collect/transmit customer information    | N=136, Mean=3.82, SD=1.11 | Customers perceive moderate, visible effort in ongoing information management.                            |
| Changing customer trends/behaviour are gathered            | N=136, Mean=3.60, SD=1.08 | Only moderate confidence that the showroom tracks evolving customer behaviour and trends.                 |

### • Chi-Square Analysis

The chi-square goodness-of-fit test was applied to each CRM statement's five response categories (Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree) against equal expected frequencies. The Analysis and Interpretation for each statement are presented separately in Table 3 below.

**Table 3: Chi-square goodness-of-fit results for CRM statements, with Analysis and Interpretation shown in separate columns.**

| CRM Statement                                              | Analysis (Chi-Square, df, Sig.)  | Interpretation                                                                                                    |
|------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Customer information stored in company database            | $\chi^2=104.956$ , df=4, p=0.000 | Strong, highly significant clustering of responses indicates a robust, shared customer view on data storage.      |
| Customer feedback is collected                             | $\chi^2=157.897$ , df=4, p=0.000 | The strongest result of all statements, confirming overwhelming consensus that feedback is collected.             |
| Excellent customer service at any point of contact         | $\chi^2=63.485$ , df=4, p=0.000  | Significant clustering, though comparatively weaker, reflecting broad but less unanimous agreement.               |
| Competitor promotional activities are reviewed             | $\chi^2=36.746$ , df=4, p=0.000  | The weakest (though still significant) clustering, consistent with the higher variability observed for this item. |
| Competitor new product/service launches are reviewed       | $\chi^2=60.370$ , df=4, p=0.000  | Significant clustering supports a moderate level of consensus among respondents.                                  |
| Reliable customer information is collected/transmitted     | $\chi^2=79.358$ , df=4, p=0.000  | Fairly strong consensus that information handling is perceived as reliable.                                       |
| Customer problems and suggestions are gathered/transmitted | $\chi^2=85.481$ , df=4, p=0.000  | Strong consensus that complaint- and suggestion-handling mechanisms are functioning as expected.                  |
| After-sales service needs are gathered/transmitted         | $\chi^2=41.704$ , df=4, p=0.000  | Comparatively weaker consensus, consistent with this item's lower mean score.                                     |
| Customer thoughts toward products/services are gathered    | $\chi^2=40.519$ , df=4, p=0.000  | Weak consensus, consistent with the lowest mean recorded for this item.                                           |
| Effort is made to collect/transmit customer information    | $\chi^2=56.868$ , df=4, p=0.000  | Moderate consensus regarding visible, active information-gathering effort.                                        |
| Changing customer trends/behaviour are gathered            | $\chi^2=59.221$ , df=4, p=0.000  | Moderate consensus that trend-tracking activity is taking place.                                                  |

For every statement tested, the chi-square value was significant at  $p < 0.001$ , indicating that respondents' opinions are concentrated in particular response categories rather than distributed evenly, and that both null hypotheses (H1 and H2) are rejected.

### Findings

The majority of respondents (51.5%) belong to the 26–35 years age group, and 83.1% are male. In terms of educational qualification, 41.2% are degree graduates, and 38.2% have 1–2 years of association with the showroom. Customer feedback collection received the most favourable response (mean = 4.41), followed by storage of customer information in the company database (mean = 4.10) and excellent customer service at any point of contact (mean = 3.90). After-sales service communication and gathering customer thoughts about products recorded the lowest means among the statements tested (3.56 and 3.53), pointing to after-purchase engagement as a comparatively weaker area of the showroom's CRM practice. All chi-square tests were significant at the 5% level, confirming that customers' responses are not randomly distributed and reflect genuine, patterned opinions about the showroom's CRM practices rather than indifference.

### Suggestions

- Sales staff should carefully understand customer requirements, budget, and preferences before recommending products.
- The showroom should maintain genuine, quality products from reliable brands and ensure adequate stock of frequently demanded items.
- Prices and promotional offers should remain competitive with other physical and online retailers.
- Product demonstrations and clear information on features, warranty, and pricing should be strengthened to help customers make informed decisions.
- Employees should receive regular training on new products, technology, and customer-handling techniques.
- After-sales support, including installation, warranty assistance, and replacement procedures, should be made faster and more transparent, as this was identified as a comparatively weaker area.
- Customer complaints should be handled quickly and customers should be kept informed of the progress of their complaints.
- The showroom should continue and further strengthen its customer feedback collection process, since this practice already receives the most favourable customer response.
- Post-purchase follow-up calls, digital CRM tools, and customer databases should be used more extensively to gather product feedback, personalise communication, and track customer preferences over time.

### Conclusion

This study set out to examine the impact of Customer Relationship Management on customer satisfaction at Darling Electronics Showroom. The findings indicate that customers generally hold a favourable view of the showroom's CRM practices, particularly its feedback collection and information management processes, while after-sales communication and post-purchase engagement present clear opportunities for improvement. Customer service quality, product knowledge among staff, transparent pricing, timely delivery, and effective complaint resolution together shape the customer's overall experience and their likelihood of returning or recommending the showroom to others. The results reinforce the broader literature's view that CRM is not confined to the point of sale but extends across the entire customer journey, from initial enquiry through to after-sales support. For Darling Electronics Showroom, sustained investment in staff training, complaint handling, and post-purchase communication is likely to yield the greatest improvement in customer satisfaction and loyalty.

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