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## *Impact of Social Media Marketing Capabilities on Customer Relationship Performance*

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*Abstract: This paper explores the impact of Social Media Marketing (SMM) capabilities on customer relationship performance in businesses operating in Haryana, India. Utilizing an exploratory and descriptive research approach, data were collected from 300 marketers across six revenue zones in Haryana. The study employed structured questionnaires to capture perceptions of SMM capabilities and customer relationship performance. Results indicate strong internal consistency among the measures used to assess SMM capabilities and customer relationship performance. Correlational analysis reveals significant positive relationships among various SMM capabilities and customer relationship performance. A regression analysis demonstrates that SMM pricing capability, communication capability, planning capability, and implementation capability significantly predict customer relationship performance. However, the impact of SMM product development capability is not statistically significant. These findings underscore the importance of leveraging specific SMM capabilities to enhance customer relationship performance in businesses.*

*Keywords: Social Media Marketing Capabilities, Customer Relationship Performance etc.*

### I. INTRODUCTION

In the realm of strategic and Social Media Marketing literature, businesses engage in fierce competition with the aim of securing a competitive edge through leveraging their resources and capabilities. Extensive research underscores the profound impact of social media on various facets of business marketing, including strategy formulation, operational practices, procedural frameworks, and information dissemination (Ali et al., 2019). Moreover, businesses must adeptly harness their resources and capabilities to accommodate and adapt to the evolving landscape of technological advancements. An emphasis on Social Media Marketing Capabilities underscores the significance of specific marketing resources and capabilities, particularly in aligning these with the broader business processes (Chinakidzwa and Phiri, 2020). Recent studies within the domain of Digital Marketing Capabilities predominantly focus on the foundational aspects of social media marketing capabilities, particularly concerning customer interaction points and mediums (Tarsakoo and Charoensukmongkol, 2020). In the digital era, Luxton et al. (2015) advocate for a broader conception of social media marketing capabilities beyond mere advertising. They argue for the integration of multiple channels, both online and offline, in the e-market business environment, such as omnichannel approaches, to enhance consumer engagement. For business-to-business (B2B) interactions, the establishment of web portals is essential, enabling the creation of unique data resources conducive to value co-creation activities, thus conferring a competitive advantage that rivals cannot easily replicate. Similarly, in the business-to-customer (B2C) domain, leveraging specific engagement channels equipped with marketing-sensing capabilities is crucial. This enables businesses to monitor market trends, consumer behaviors, and environmental changes dynamically, thereby identifying and capitalizing on emerging business opportunities (Chinakidzwa and Phiri, 2020). Consequently, the formation of online community groups, particularly during

events, yields novel capabilities that can be leveraged to attain and sustain competitive advantage in the marketplace. Thus, the paper underscores the impact of Social Media Marketing Capabilities on Customer Relationship Performance.

## II. REVIEW OF LITERATURE

Numerous studies have provided evidence of factors associated with Social Media Marketing Capabilities (Ricci et al., 2020). The exploration of an organization's resources, capabilities, and outcomes within the context of digital marketing has been a focal point over the past year. Academic endeavors have largely focused on understanding the adoption of digital platforms, offering a conceptual framework that extends the knowledge frontier of business owners. Concurrently, practitioners have emphasized practical tasks, with digital capacity-building often commencing with an assessment of the impact of digital transformation on business performance. Organizations are increasingly investing in state-of-the-art digital tools and technologies, including social media (SM) and marketing tools, which facilitate marketing activities across various online and offline channels (Dolega et al., 2021). Additionally, there is a growing emphasis on multi-channel/platform strategies (Lee et al., 2019a, b) and e-marketing/commerce, alongside the implementation of monitoring, measurement, and analysis tools (Chinakidzwa and Phiri, 2020). The strategic integration of marketing strategy and technology is pivotal in crafting digital transformation strategies. Extensive research has examined various aspects, including marketing alliances, supply chain dynamics, ecosystem development, business model transitions, and innovation initiatives. Scholars have proposed key elements of a digital transformation framework, aiming to integrate digital technologies with existing business strategies (Ageron et al., 2020; Bicen et al., 2021; Chinakidzwa and Phiri, 2020; Ritter and Pedersen, 2020; Zhang and Watson IV, 2020). Initially, research on Social Media Marketing Capabilities focused on virtual communities, aiming to foster transparency in communication and establish meaningful relationships with customers through SM channels. This digital framework of communication and collaboration has been adapted and applied in various contexts, including traditional customer relationship management (CRM) and loyalty programs, through integration with Social Media Marketing Capabilities and analytical tools. However, challenges persist regarding the capacity of leaders to effectively manage digital marketing resources and capabilities at operational and managerial levels (Chesbrough, 2020; Mikalef et al., 2020), highlighting a significant research gap that warrants further exploration. The evolving landscape of digital technologies has the potential to revolutionize customer behavior and pave the way for data-driven marketing strategies. However, such endeavors necessitate a nuanced understanding of the digital marketing process and sophisticated knowledge of technological tools. Many businesses view research on Social Media Marketing Capabilities, incorporating insights from various marketing disciplines, as instrumental in coordinating and integrating employee activities seamlessly (Chu et al., 2019).

## III. RESEARCH METHODOLOGY

This study utilized an exploratory and descriptive research approach to investigate the relationship between social media marketing capabilities and customer relationship performance among businesses operating in Haryana, India. A sample size of 300 participants (Marketers) was conveniently selected from six revenue zones in Haryana, ensuring representation across various industries and geographic areas. A marketer for the study is someone who uses social media to promote their business or corporation. Data were collected through structured questionnaires distributed to marketers, capturing their perceptions of social media marketing capabilities and customer relationship performance. Employing a cross-sectional research design, the study analyzed the data using descriptive statistics, correlational analysis, and multiple regression analysis. Limitations of the study include potential selection bias due to convenience sampling. Despite these limitations, the study provides valuable insights into the dynamics between social media marketing capabilities and customer relationship outcomes in the context of businesses in Haryana.

IV. FINDINGS

4.1 Reliability statistics

The reliability statistics presented in Table 1 demonstrate the internal consistency of the measurement scales used to assess various constructs related to social media marketing capabilities and customer relationship performance.

Table1: Reliability statistics of variables under study

Reliability Statistics		
Constructs	Number of Items	Cronbach's Alpha
SMM Pricing Capability	05	.781
SMM Product development capability	06	.865
SMM communication capability	04	.783
SMM marketing planning capability	05	.896
SMM implementation capability	07	.856
Customer relationship performance	09	.735

The reliability statistics highlighted the generally good to very strong internal consistency among the measures used to assess different aspects of social media marketing capabilities and customer relationship performance. These statistics reveal Cronbach's alpha coefficients ranging from .735 to .896, indicating generally good to very strong reliability among the items within each construct under investigation.

4.2 Relationship between SMM capabilities and Customer relationship performance

This section displays the correlations between different social media marketing (SMM) capabilities and customer relationship performance. The Pearson correlation coefficients reveal significant positive relationships among the constructs, indicating that higher levels of SMM capabilities are associated with enhanced customer relationship performance.

Table 2: Correlations between SMM capabilities and Customer relationship performance

Correlations							
		SMM pricing capability	SMM Product development capability	SMM communication capability	SMM planning capability	SMM implementation capability	Customer relationship performance
SMM pricing capability	Pearson Correlation	1	.443**	.255**	.537**	.294**	.606**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
SMM Product development capability	Pearson Correlation	.443**	1	.493**	.658**	.379**	.518**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
SMM communication capability	Pearson Correlation	.255**	.493**	1	.521**	.617**	.526**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
SMM planning capability	Pearson Correlation	.537**	.658**	.521**	1	.464**	.587**
	Sig. (2-tailed)	.000	.000	.000		.000	.000

SMM implementation capability	Pearson Correlation	.294**	.379**	.617**	.464**	1	.503**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
Customer relationship performance	Pearson Correlation	.606**	.518**	.526**	.587**	.503**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Null Hypothesis (H<sub>06</sub>): There is no statistically significant relationship between social media marketing capabilities and customer relationship performance.**

Starting with SMM Pricing Capability, it shows significant positive correlations with SMM Product Development Capability (r = .443, p < .01), SMM Communication Capability (r = .255, p < .01), SMM Planning Capability (r = .537, p < .01), SMM Implementation Capability (r = .294, p < .01), and Customer Relationship Performance (r = .606, p < .01). Similarly, SMM Product Development Capability exhibits significant positive correlations with all other constructs: SMM Pricing Capability (r = .443, p < .01), SMM Communication Capability (r = .493, p < .01), SMM Planning Capability (r = .658, p < .01), SMM Implementation Capability (r = .379, p < .01), and Customer Relationship Performance (r = .518, p < .01). Moreover, SMM Communication Capability is positively correlated with SMM Pricing Capability (r = .255, p < .01), SMM Product Development Capability (r = .493, p < .01), SMM Planning Capability (r = .521, p < .01), SMM Implementation Capability (r = .617, p < .01), and Customer Relationship Performance (r = .526, p < .01). SMM Planning Capability demonstrates positive correlations with SMM Pricing Capability (r = .537, p < .01), SMM Product Development Capability (r = .658, p < .01), SMM Communication Capability (r = .521, p < .01), SMM Implementation Capability (r = .464, p < .01), and Customer Relationship Performance (r = .587, p < .01). Similarly, SMM Implementation Capability is positively correlated with SMM Pricing Capability (r = .294, p < .01), SMM Product Development Capability (r = .379, p < .01), SMM Communication Capability (r = .617, p < .01), SMM Planning Capability (r = .464, p < .01), and Customer Relationship Performance (r = .503, p < .01). Finally, Customer Relationship Performance demonstrates significant positive correlations with all other constructs: SMM Pricing Capability (r = .606, p < .01), SMM Product Development Capability (r = .518, p < .01), SMM Communication Capability (r = .526, p < .01), SMM Planning Capability (r = .587, p < .01), and SMM Implementation Capability (r = .503, p < .01). Hence, the null hypothesis is rejected which stated that there is no statistically significant relationship between social media marketing capabilities and customer relationship performance

**4.3 Impact of Social Media Marketing Capabilities on Customer relationship performance**

This section explores the impact of social media marketing capabilities on customer relationship performance.

Table 3: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 <sup>a</sup>	.555	.548	.71147
a. Predictors: (Constant), Social media marketing implementation capability, Social media pricing capability, Social media Product development capability, Social media marketing communication capability, Social media marketing planning capability				

The model summary presented in Table 3 indicates that the regression model accounts for a significant proportion of the variance in customer relationship performance, with an R-square value of .555. This suggests that approximately 55.5% of the variability in customer relationship performance can be explained by the independent variables included in the model. The adjusted R-square value of .548 indicates that the model's predictive power remains robust even after adjusting for the number

of predictors. Additionally, the standard error of the estimate, which measures the accuracy of the regression predictions, is 0.71147.

Table 4: ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	185.855	5	37.171	73.432	.000 <sup>b</sup>
	Residual	148.821	294	.506		
	Total	334.676	299			
a. Dependent Variable: Customer relationship performance						
b. Predictors: (Constant), Social media marketing implementation capability, Social media marketing pricing capability, Social media marketing Product development capability, Social media marketing communication capability, Social media marketing planning capability						

The ANOVA results demonstrate the overall significance of the regression model. The regression model is statistically significant, as indicated by the F-value of 73.432, which is significant at the 99 percent confidence level ( $p < .001$ ). This suggests that the model provides a better fit to the data than a model with no predictors. The significance value of 0.000 further confirms the model's statistical significance.

Table 5: Coefficients of Multiple Regressions

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.073	.178		.411	.681
	Social media marketing pricing capability	.392	.047	.394	8.414	.000
	Social media marketing Product development capability	.090	.053	.093	1.722	.086
	Social media marketing communication capability	.222	.056	.215	3.990	.000
	Social media marketing planning capability	.125	.058	.128	2.177	.030
	Social media marketing implementation capability	.174	.055	.159	3.134	.002
a. Dependent Variable: Customer relationship performance						

**Null Hypothesis ( $H_{07}$ ):** There is no significant impact of social media marketing capabilities on customer relationship performance.

Analyzing the coefficients of multiple regressions in Table 5, it is evident that all independent variables, including social media marketing pricing capability, product development capability, communication capability, planning capability, and implementation capability, significantly contribute to predicting customer relationship performance. Specifically, social media marketing pricing capability ( $\beta = .394, p < .001$ ), communication capability ( $\beta = .215, p < .001$ ), planning capability ( $\beta = .128, p = .030$ ), and implementation capability ( $\beta = .159, p = .002$ ) show significant positive standardized coefficients, indicating their positive impact on customer relationship performance. However, the coefficient for social media marketing product development capability ( $\beta = .093, p = .086$ ) is not statistically significant at the conventional level of .05. Moreover, the constant term in the model is not statistically significant, indicating that when all independent variables are zero, the predicted value of customer relationship performance is not significantly different from zero. Thus, the null hypothesis is partially accepted.

**V. CONCLUSION**

This study highlights the significant impact of Social Media Marketing (SMM) capabilities on customer relationship performance in businesses operating in Haryana, India. The findings reveal strong correlations between various SMM

capabilities and customer relationship performance, emphasizing the importance of effectively leveraging these capabilities to foster positive customer relationships. Specifically, SMM pricing capability, communication capability, planning capability, and implementation capability emerge as key predictors of customer relationship performance. These insights offer valuable guidance for businesses seeking to optimize their SMM strategies to achieve better customer relationship outcomes. However, further research is warranted to delve deeper into the nuances of SMM capabilities and their specific effects on customer relationships, particularly in different industry contexts and geographic regions. Overall, this study contributes to the growing body of literature on SMM capabilities and underscores their significance in driving customer relationship performance in contemporary business environments.

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