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Consumer perceptions and satisfaction with personalized marketing and CRM initiatives in E- Commerce

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Abstract

E-commerce has changed modern retail by making it easier, cheaper, and more personalized. In this cutthroat market, personalization and Customer Relationship Management (CRM) have become essential ways to make customers happier and more loyal. This paper examines consumer perceptions and satisfaction regarding personalized marketing and CRM initiatives on e-commerce platforms. The study examines the impact of personalization, facilitated by data analytics, artificial intelligence, and consumer insights, on customer experiences, utilizing secondary data and literature-based insights. It emphasizes the psychological and behavioral determinants influencing consumers' perceptions of CRM practices. The results show that personalization greatly boosts satisfaction when done openly and ethically. On the other hand, privacy issues can hurt consumer trust. The paper concludes that effective CRM strategies rooted in personalization cultivate more robust relationships and increased satisfaction and improving customer retention in the e-commerce sector.

Keywords: Personalized Marketing, CRM, Consumer Perception.

Introduction

The fast growth of e-commerce has changed how people all over the world shop and talk to brands. Digital platforms can now do things that used to require going to stores in person in just a few minutes. People today expect shopping experiences that are quick, easy, and tailored to their needs, whether they're getting groceries delivered every day or buying high-end electronics. Because of this change in what customers want, online businesses are under a lot of pressure to provide not only useful services but also personalized and meaningful interactions that consider each customer's preferences, purchase history, and behavior patterns. As a result, Customer Relationship Management (CRM) and personalized marketing have become important tools for e-commerce businesses that want to stand out in a digital marketplace that is becoming more competitive. These tools help businesses build stronger relationships with customers and provide better shopping experiences.

Using data analytics, browsing patterns, demographic information, and behavioral insights, personalized marketing creates messages, recommendations, and offers that are directly relevant to each user. Companies make customers feel recognized and valued by customizing content in this way, which makes their experience better overall. CRM systems also work in the background to store, organize, and analyze customer data. These systems help companies understand the different stages of the customer journey, find service gaps, and make sure that interactions are timely and useful. CRM and personalization work together to help businesses improve customer satisfaction, loyalty, and long-term engagement.

Personalization is convenient and makes users more interested, but it also raises concerns about privacy, data transparency, and the ethical use of customer information. More and more people are learning how their data is collected and used, and they often weigh the pros and cons of personalized suggestions against the risk of their data being misused or shared without their permission. Because of this, it's important for businesses to know how customers feel about personalized and CRM driven interactions. Finding the right balance between personalization and trust is very important for keeping customers happy and trusting you.

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Consequently, this paper seeks to conduct a comprehensive analysis of how personalized marketing and CRM initiatives affect consumer perceptions, impact satisfaction levels, and foster long-term customer loyalty within the e-commerce sector. The research integrates perspectives from global trends and the Indian e-commerce sector to offer a thorough comprehension of the effects of personalization strategies on consumers across various markets.

Review of Literature

Tam and Ho (2020)^[1] assert that personalized marketing strategies enhance consumers' purchase intentions and satisfaction levels. Their research on online shopping found that personalized recommendations make things seem more relevant and interesting, which makes the shopping experience more enjoyable. The study also warned, though, that too much personalization without openness can raise privacy issues. This shows that personalization has two effects: it makes people happier when they think it helps them, but it makes them less trusting when they think it is intrusive.

Kumar and Reinartz (2018)^[2] examined CRM as a mechanism for cultivating customer relationships via personalization. Their study showed that combining CRM data analytics with targeted marketing makes customers happier by meeting their specific needs. They said that personalization lets brands offer more than just price competition by making people feel emotionally and functionally connected to them. Personalization driven by CRM increases loyalty because customers feel like they are being recognized and getting service that is tailored to their needs.

Bleier and Eisenbeiss (2015)^[3] analyzed online personalization through the lens of consumer psychology. Their results show that personalization works better when consumers feel like they have control and the marketing content is relevant. When personalization is appropriate for the situation and seen as helpful, it makes people happier and more trusting of the brand. On the other hand, when people feel like their data is being used too much or in the wrong way, they become uncomfortable and lose trust. This shows that being open and getting permission are very important for making customers feel good about personalized CRM efforts.

A study by Srinivasan and Moorman (2019)^[4] examined the utilization of CRM-based personalization by e-commerce firms to bolster customer loyalty. Their research showed that personalization makes people happier when it meets their needs and when brands use data in a fair way. They also discovered that customers who viewed personalization as value-oriented rather than manipulative exhibited greater loyalty and enhanced brand advocacy. Their results show how important ethical personalization is for keeping customers for a long time.

In India, Mehta and Arora (2022)^[5] looked at how happy customers were with personalized marketing in Indian e-commerce companies. The study showed that customers like recommendation systems, loyalty offers, and staying in touch after they buy something. However, customers who trusted the company's data-handling practices were happier. The researchers found that CRM-based personalization boosts satisfaction and loyalty when data privacy policies are made clear. This shows that there is a strong link between personalization, trust, and satisfaction in new markets.

Statement of the Problem

The problem of the study is to understand how consumers perceive personalized marketing and CRM initiatives in e-commerce and whether these efforts are viewed as helpful or intrusive.

Objectives of the Study

1. To analyze consumer perceptions toward personalized marketing and CRM initiatives in e-commerce.
2. To understand the review of literature in the related areas.

Research Methodology

This study utilizes secondary data obtained from peer-reviewed journals, online publications, and business reports. The study employs a qualitative descriptive design, utilizing thematic analysis to elucidate findings concerning consumer perception, satisfaction, and CRM strategies.

Data were gathered from academic databases including Scopus, Elsevier, and ResearchGate, concentrating on studies related to personalization, CRM technology, and consumer psychology. The analysis classifies data into three primary themes: (1) perceived personalization, (2) consumer satisfaction, and (3) data privacy concerns. This method is based on secondary data and research shows how consumers in India and around the world feel about personalized CRM initiatives in e-commerce.

Findings and Discussion

1. Positive Perception of Personalization

When personalized recommendations and offers match their interests, most people find them useful and convenient. This kind of personalization makes shopping more enjoyable and strengthens the bond between the customer and the brand.

2. Satisfaction Driven by Relevance

Research indicates that relevance is the primary factor influencing satisfaction. Personalized communication that takes into account the needs and timing of customers builds trust and leads to repeat purchases.

3. Trust and Privacy Balance

Personalization makes people happy, but collecting too much data raises privacy issues. Customers like brands that are clear about how they will use their data. Trust is what makes CRM practices last.

4. Cultural Context Matters

In India, personalization works best when it takes into account the country's unique cultural differences, like language preferences, festival-based promotions, and value-driven engagement. Localized personalization is a successful way for e-commerce companies like Amazon India and Flipkart to make customers happier.

5. Technology-Enabled CRM

AI, machine learning, and predictive analytics make CRM better by allowing for hyper-personalization. But how well these technologies work depends on how honestly and openly they are used to get people to buy things.

6. Emotional Engagement and Loyalty

Customers who see personalization as caring and useful feel more emotionally connected to the brand, which leads to long-term loyalty and support.

Conclusion

In the e-commerce industry, personalized marketing and CRM efforts have become the most important things for keeping customers happy. In the digital marketplace of today, customers expect brands to know what they want and need. Personalization helps businesses meet these expectations well. The research finds that people like personalized experiences when they offer real value, make things easier, and suggest products or services that are relevant to their interests. CRM systems are very important for making these experiences happen because they help businesses collect, analyze, and understand customer data. This data can then be used to customize communication, promotions, and shopping trips. But the results also make it clear that personalization should be used with care. If businesses use customer data too much or in ways that aren't clear, customers may feel uneasy or think the brand is intrusive. Too much personalization can make people worry about their privacy, security, and data misuse, which can lead to less trust and lower satisfaction levels. Successful CRM strategies must therefore strike a balance between personalization and ethical data practices, making sure that customers feel valued without feeling watched or taken advantage of.

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