



International Journal of Research Publication and Reviews

Journal Homepage: www.ijrpr.com ISSN 2582-7421

The Influence of Digital CRM on Customer Engagement Among Generation Z Consumers in Hyderabad

Dr. Md. Mazhar¹ and Duppati Namrutha²

¹Assistant Professor, Department of Management, Koneru Lakshmaiah Education Foundation, Vaddeswaram, Andhra Pradesh, India
drmazhar28@kluniversity.in

²Research Scholar, Department of Management, Koneru Lakshmaiah Education Foundation, Vaddeswaram, Andhra Pradesh, India
duppatinamrutha@gmail.com

ABSTRACT

Digital Customer Relationship Management (Digital CRM) has emerged as one of the crucial digital means for brands to engage with customers via social networks, mobile platforms, customized offers, tips and advice, communications and more. Digital interactions are shaping the relationship Generation Z has with brands, and they are very comfortable with digital platforms. In this study, the relationship between Digital CRM and Customer engagement among Generation Z consumers in Hyderabad is studied. The research method used was quantitative research--cross sectional research, with the technique of a structured questionnaire and 91 respondents were retrieved. The responses were analyzed by descriptive statistics, mean, median, mode, standard deviation, reliability analysis, correlation and regression. The results indicate that there is a significant positive correlation in customer engagement with Digital CRM practices ($r = 0.685$, $p < 0.001$). The regression analysis also shows that Digital CRM practices explain 46.9% of the variation in customer engagement among the respondents. High positive customer engagement also strongly correlated with other digital CRM variables, such as personalized messages and notifications ($r = 0.702$) and perceived influence of Digital CRM on brand relationships ($r = 0.707$). The result bolsters the need for a more tailored and consistent approach to digital engagement in the market, looking at involvement from the point of view of Generation Z consumers in Hyderabad. It offers valuable knowledge for brands who want to enhance their digital customer relationship strategies.

Keywords: Digital CRM, Customer Engagement, Generation Z, Personalization, Digital Marketing, Customer Relationship Management, Hyderabad

1. INTRODUCTION

With customers coming and going, businesses are now interested in creating, nurturing and fostering cultivation of long-term relationships, which has made Customer Relationship Management (CRM) an important aspect of modern marketing. CRM doesn't just refer to managing the data of existing customers or responding to customer complaints, it also entails knowing what customers need, providing messages to customers and generating value in the customer relationship [1][10]. These activities were traditionally done in person, in-store, over the phone and via the traditional manner. But, with the advancement in digital technologies, the approach that businesses adopt to deal with customers has definitely evolved. Organizations today reach out to customers through websites, social media, mobile apps, email, digitally triggered notification, personalization, etc. and many other online channels. This is leading to the increasing significance of Digital Customer Relationship Management (Digital CRM) [1][2][12][13]. Digital CRM now means that companies have more ways to touch a customer's life virtually every day, at a variety of digital contact points. Conversations with customers can happen practically anytime at all and can be fine-tuned based on their tastes, prior engagement, and on the web conduct. Unlike traditional CRM, digital communications can happen at almost any time and may be tailored based on the customers preferences, previous interactions, and behaviors online. Brands can leverage digital channels to give customers personalized offers, suggest related product offers, send relevant notifications, answer questions and offer convenient services. These interactions can impact a customer's brand perception and trigger more or less interaction with a brand. Thus, Digital CRM has evolved to be an essential aspect of digital marketing and customer relations approaches [1][2][5][12][18]. The prevalence of social media and their mobile counterparts have enhanced yet again Digital CRM's significance. No longer are the customers just recipients of a brand's message; they can engage with the brand, express their opinion, give their feedback, recommend products, and offer their experiences when it comes to using products among other users. Social media sites have then, thus, made more interactive connection amongst brand names as well as customers. Customers are now expecting brands to send out timely, relevant and personalized communication, and organizations can observe these preferences and reactions during their interactions. Effective change management of these relationships can be significant in building better customer relationships [2][5][12][13]. Customer engagement has become an increasingly significant concept in the field of marketing research because of the advent of Digital CRM. Customer engagement isn't about any one purchase; it's about the various interactions and connections customers have with a brand that happen beyond that sale. This can be expressed in a variety of ways, such as repeated interactions, willingness to buy more, recommending a brand to friends and family, loyalty, involvement in digital platforms and emotional connections with brands. In the digital world, customer engagement can be likes, comments, reviews,

recommendations, responding to digital communication, engagement in mobile-app, and others different types of participation online. When there's a high degree of customer engagement, it can lead to more meaningful and sustainable relationships with their customers [3][4][9][10][11][14]. The correlation between Digital CRM and customer engagement is even more prominent in the case of Generation Z consumers, who have been surrounded by rapid technological growth, and have experienced a predominantly mobile lifestyle, with a strong grasp of social media, mobile applications, and online shopping. Digital platforms play a crucial role in their day-to-day life and interactions with brands often occur online. This digital-first mentality has led to some difference in expectations of how to communicate with Gen Z. They can also look forward to recommendations and offers that are personalized to them, relevant offers, rapid response, convenient services, and regular digital interaction instead of just traditional communication [6][7][15][16]. Personalization becomes particularly pertinent in this case. The customer gets a lot of information via digital channels which makes relevant and tailored communication stand out. Inserted personalized product suggestions/offers or messages and notices can make customers feel that brands understand their needs and preferences. Meanwhile, there could be too much or inappropriate communication. Hence, it is crucial to comprehend the perception of businesses about these Digital CRM practices among Gen Z consumers for businesses trying to enhance customer engagement [6][16]. Customer engagement also has the potential to impact key customer metrics like recommender behaviour, willingness to buy from a brand again and loyalty. Customers who have positive digital experiences will be likely to stay engaged with the brand and recommend it to others. Likewise, frequent digital interactions could be contributing to deeper emotions of connection between consumers and companies. This makes Digital CRM more a pertinent solution for communication and for customer relationships in general [3][4][9][10][11][14][17]. An interesting context is Hyderabad where this relationship has been explored. Hyderabad is a city with a large youth base and is widely used to digital platforms, engaging in online business activities as a useful urban and technology-driven city. In Hyderabad, Generation Z consumers can interact with brands via social media, mobile apps, customized promotions, digital messaging, and notifications. But digital interactions don't necessarily guarantee high engagement with customers. It is therefore important to examine whether the Digital CRM practices experienced by these consumers are associated with their level of engagement with brands [7][15]. Other studies touch upon concepts of CRM, social CRM, customer experience, personalization and customer engagement, but digital CRM practices and their linkages with Generation Z consumers in Hyderabad are overlooked. Current research offers some suggestions on how to build digital customer relationships, but consumer behaviour might vary among each age group, depending on geographical location and the current frequency of digital usage. Due to their high digitization usage, personalization and digital communication could have an impact on Generation Z consumers. This gives a rationale for studying the association between the Digital CRM and Customer engagement of this specific consumer group empirically in greater detail [4][6][7][15][16]. Thus, the influence of using Digital CRM on customer engagement among Generation Z consumers in Hyderabad is the focus area of the present study. The study focuses on the degree of digital interaction respondents have, their exposure to personalized offers and recommendations, their use of brand's mobile apps, and their exposure to personalized messages and notifications. It also discusses various factors in customer engagement such as higher brand engagement, discovering products, brand loyalty, recommendation, re-purchasing, emotional attachment and overall positive impact of Digital CRM. Additionally, the study attempts to find out whether Digital CRM practices have any significant relationship with customer engagement of the Generation Z consumers. Using primary survey data, the study aims to analyze these relationships and seek to throw light on the processes behind digital customer relationships and their influence on young consumers' interactions with brands. These insights could inform business models that cater to the way that Generation Z interacts with the company in the digital space and how these young people anticipate stronger customer relationship management strategies, such as personalization, relevant communication and continuity of digital experience [1][5][6][9][17][18]. As such, the research offers both an academic and practical view of Digital CRM's rising importance in the way of customer engagement. It aims to add to the learning about digital customer relationships and provide valuable insights to brands with the aim of strengthening relationships with 'Generation Z' consumers in Hyderabad [2][3][6][12][14][15].

2. REVIEW OF LITERATURE

Customer Relationship Management has evolved from its traditional definition of customer records and customer handling as a strategic approach to provide value to customers. Payne and Frow [1] introduced CRM as a cross-functional approach and a processes approach, focusing on relevant processes including strategy development, value creation, multichannel integration, information management, and performance assessment. Their approach highlights that using CRM is not just about one department or one type of communication but rather about the various processes in an organization that are involved in building more powerful relationships with customers. It's an essential bit of the foundation for understanding Digital CRM, where a variety of digital channels are now coming into play when it comes to engaging with customers [1][18]. Digital technologies add to the ways people practice CRM. Trainor et al. [2] study on social media technology usage and customer relationship performance came up with the concept of social CRM capability. Following study indicated that social media technologies and customer-centric management systems are related to social CRM capabilities and capabilities are in turn positively correlated with customer relationship performance. This means digital platforms go beyond being communications channels and can be a valuable asset for organizations to understand customers, engage with them and enhance relationship results [2][12][13]. In marketing research, there has also been much attention to the concept of customer engagement. Brodie et al. [3] explored the conceptual underpinning of Customer Engagement and emphasized its relevance in an interactive business context and in co-development of Customer Experience and Value co-creation. They have worked on the concept that customer engagement is not just about one purchase moment, but a phenomenon related to customer engagement. Considering this perspective is especially relevant in the 'digital world' - where customers can interact with the brand in a multitude of ways including online, giving feedback, making recommendations, giving a review and using a brand community [3][11][14]. A systematic review of customer engagement research was carried out by Ng, Sweeney and Plewa [4] and several conceptualizations and manifestations of customer engagement were found in the literature. They examined customer- and firm-related antecedents and the outcomes of customer engagement, and pinpointed areas for future research. That suggests that there are multiple factors that can impact on customer engagement, and that can result in varied results both for the customer, and for the organization. The results serve as a useful backdrop to analyzing the Digital CRM practices as possible factors that affect customer engagement

[4][9][10]. By the same, the entire customer journey has been shifted to counting with a variety of digital touchpoints. As per Lemon and Verhoef [5] Lemon has described that a customer journey through the firm includes a lot of different touchpoints of multiple channels and media. They didn't nail the significance of comprehending and handling these interactions within the total context of customer experience. For Digital CRM, social media, websites, apps, notifications and personalized communication can thus be interwoven components that contribute to a customer's relationship with a brand [5][18]. Another major aspect of digital customer engagement that has emerged is personalization; this is especially for young customers. Saha, Sengupta and Gupta [6] explored Gen Z culture's reactions to personalized social media advertisements and explored the effect of perceived personalization on Gen Z intention to click on personalized advertisements. In addition, their study included the perceived usefulness and privacy issues with individually targeted advertisements. The results emphasize the need of personalization in digital communication for Generation Z consumers, and the fact that consumers can react differently to personalized content and the use of their personal data [6][16]. Digital customer relationships are especially crucial for Generation Z, partly due to the nature of these customers. Consumers born in Generation Z are highly exposed to social media and often interact with brands digitally. Choubey and Gautam [7] provided a South Asian generation Z perspective on omnichannel retailing and studied the relationships between omnichannel retailing and customer satisfaction, as well as customer engagement and customer retention. Their research offers valuable data from a unique South Asian perspective and shows why enhanced customer experience is crucial to Gen Z shoplives [7][15][17]. The relevance of social CRM with regard to the customers' outcomes has been discussed in Indian context in the recent research. Thomas et al. [8] studied the impact of social CRM on customer outcomes such as brand reputation, brand love and customer advocacy in the bank customers industry in India. They also analyzed how social media perceived interactivity is affecting their study framework and concluded that in the case of social CRM, positive relationships existed with some customer-based outcomes. While the study is aimed at banking customers and not Generation Z consumers in particular, it still proves another point – the significance of interactive social CRM in developing positive customer outcomes in the Indian context [8][12]. Thus, literature review in the present context suggests a gradual shift in the direction of CRM towards a more integrated and digitally connected approach. CRM research had taken forward the notion that customer value creation and strategic customer relation management is crucial, and the social CRM research had highlighted the need of digital technologies to enhance customer relationship management capabilities. Earlier research in CRM identified that the creation of customer value and strategic management of customer relations is pertinent and the research conducted in social CRM showed how digital technologies could increase the capabilities of CRM. More research has been conducted about customer engagement and has indicated that communicating with brands doesn't rely only on behavioural engagement, but on emotional and interactive engagement as well. Meanwhile, research in customer experience highlights the need to ship the customer experience from different points of touch [1–5, 9–14, 18]. The literature also shows that, when discussing generation Z consumers, there is a particular relevance in focusing on personalization and digital interaction. The resulting high propensity to use digital may enable brands to reach them with personalized offers, recommendations, mobile apps and digital notifications. The presented research on personalized advertising for the Gen Z and the research conducted on South Asian youth Gen Z show how relevant the issue of personalization is for the generation Z and how important it is to have integrated customer experience as well as customer engagement for this generation [6][7][15][16][17]. However, most of these studies focus on either personalized advertising or omnichannel experience instead of investigating Digital CRM practices as a whole in relation to customer engagement in a specific city. Thus, the literature analyzed is considered to have solid conceptual ground for studying the relationship between Digital CRM and customer engagement of the Gen Z consumers, in Hyderabad. Current studies offer valuable baseline information via the CRM strategy, social CRM, customer engagement, customer experience, and Generation Z study. For the customer engagement of Generation Z consumers particularly in Hyderabad, there is comparatively limited direct empirical attention with regard to the individual-to-mutuality relationship of the different Digital CRM practices. The present study seeks to cover this aspect by analyzing digital interaction frequency, personalized offers and recommendations, brand mobile-app usage and personalized messages and notifications and their relationship to customer engagement.

3. RESEARCH METHODOLOGY

3.1. Research Problem

As technology advances, businesses are communicating with their customers in different ways and keeping relationships with them alive through technology. Generation Z is especially active with digital channels, and they often engage with brands through Social, Mobile Apps, personalized offers and recommendations, messages and notifications. These digital interactions have also led to new avenues for businesses to continue a strong customer relationship and drive ongoing engagement. But having multiple digital channels doesn't always mean that customers will build their relationships or stay loyal to a brand. What works in Digital CRM could vary based on how often customers engage with brands as well as how relevant they believe personalized communication to be and how pleased they are with Digital services. Additionally, due to their more extensive exposure to digital technology and digital communication, Generation Z consumers are likely to have different expectations from brands. Personalized recommendations, digital convenience, timely messaging, and frequent interactions can impact their loyalty, likelihood of recommending a brand, re-purchasing, and emotional relationship with the brand. The value of CRM, social CRM, personalization, CX and CEng has been previously proven [1][2][3][5][6]. Yet, it is important to understand the association, to what level, of these Digital CRM practices and engagement with customers among Generation Z consumers within a specific local context. Thus, the current study's problem was to understand if there is a significant relationship between Digital CRM practices and Customer engagement for Generation Z customers in Hyderabad. It analyzes the popularity of digital interaction frequency, personalized offers and recommendations, use of the brand's mobile app, and personalized messages and notifications, and its connections to various customer engagement factors.

3.2 Research Gap

While there have been some studies on Customer Relationship Management (CRM), Social CRM, customer engagement, customer experience, personalization and digital consumer behaviour, there is a need to be more in-depth than just one area at a time with Gen Z consumers. Previous studies on CRM have mainly concentrated on the strategic component of CRM and customer value [1][2] while works in social CRM have pointed to the necessity of digital technologies and interactive tools in the enhancement of the customer relationship [1] [2]. Likewise, research on customer engagement also indicates that engagement is more than an act of buying; it can also be behavioural, emotional, or interactive in nature related to the customer-brand relationship [3-4]. Previous studies have also pointed out the need to handle interactions with the customer through various touchpoints. Brands can use digital platforms to reach customers via social media, mobile apps, custom product suggestions and digital notifications [5]. Research specifically Gen-Z has also pointed to the importance of personalized digital communication and seamless customer journey for this generation of consumers [6][7]. But most of the present studies have been focused on one of these “elements”, including individualized advertising, multi-channel retailing, social CRM or customer engagement. Empirical studies that provide insights on the relationship of multiple digital CRM practices towards customer engagement within the context of Hyderabad specifically among generation Z customers are few. Though research in this field exists, there are important insights from existing studies on digital customer relationships, and consumer behaviour and expectation might differ across age groups, geographic context and usage of digital channels. Specifically, there is a need to know how these digital interaction modes – digital interaction frequency, offer and recommendation personalization, brand mobile-app usage, and personalized messages and notifications – relate with customer engagement for Generation Z consumers. Thus, the present study tries to bridge this gap and looks at the relationship between Digital CRM practices and customer engagement amongst the Generation Z consumers in Hyderabad. In doing so, the study relies on primary survey data to explore the Digital CRM experience of respondents and various elements of their branding experience, offering empirical substantiation of the Digital CRM experience from one group of Generation Z consumers and geographic area.

3.3 Research Design

The study is of quantitative type because it investigates the relationship between Digital CRM Practice and Digital Customer Engagement among the Generation Z consumers in the city of Hyderabad. A quantitative approach was selected since the study gathers structured responses from the respondents and transforms their perceptions and experiences to measurable data that can be statistically analyzed. The study adopted a cross-sectional survey design where the needed information was gathered from the respondents at a given time and not following them over a period of time. Primary data was gathered using a structured questionnaire which solicited information on the demographic profile of the respondents, their awareness of Digital CRM, the frequency with which they interact with brands digitally, the use of digital channels, exposure to personalized offers/recommendations, usage of brand mobile applications, personalized communication/notification, and various aspects of customer engagement. The questionnaire was divided into two types of questions: categorical as demographic and digital usage information, and five-point scale as perception and experience to Digital CRM related factors and customer engagement. Descriptive and inferential statistical methods were used for analyzing the gathered answers. Descriptive data related to the responses was obtained by frequency and percentage analysis and the distribution patterns of the measured variables were obtained by mean, median, mode, and standard deviation. In addition, reliability analysis was carried out for the Digital CRM Practice and Customer Engagement constructs. For the analysis of Digital CRM practices and Customer engagement, Pearson correlation and Regression analysis were used. The study is thus descriptive and analytical with the purpose of both describing the respondent's characteristics and the digital experiences that arose, and of examining the statistics between the practice of Digital CRM and customer engagement.

3.4 Sample

The respondents are comprised of 91 individuals who belong to Generation Z and were through with the structured survey. The target group of respondents were determined by their relevance to the study, including being in touch with the Generation Z consumer group and brands on digital platforms. The survey targeted consumers in the Hyderabad set and gathered data on digital engagement with consumers, their Digital CRM experiences in addition to their interactions with brands. This questionnaire comprised of questions that spanned the following areas: Demographic characteristics; familiarity and use of the Digital CRM; ways to reach brands digitally; interactions with brands on digital channels; offers and recommendations that customers had been given their own; usage of mobile apps; personalized messages and notifications; various dimensions of customer engagement. The primary data was obtained from the responses obtained from an online questionnaire. 91 responses were received and saved for analyses. The numbers of valid responses differ somewhat between questions since not all respondents who were contacted were able to respond to all items. A set of 83 full responses was available on both Digital CRM Practice and Customer Engagement for the construct-level statistical analysis. Thus, individual descriptive statistics, and complete cases for the relation and regression analysis, are employed in the analysis in valid answers. The sample serves as the foundation to look at experiences and customer engagement that s. Y. (Generation Z) customers in Hyderabad have with Digital CRM. The results should, however, be taken with the nature of the collected sample and should not be presumed to represent all Hyderabad-based Generation Z consumers.

4. DATA ANALYSIS AND INTERPRETATION

4.1 Demographic Profile of Respondents

Table 1. Age of Respondents

Age Group	Frequency	Percentage
18–20	44	48.9%
21–23	38	42.2%
24–26	3	3.3%
27–28	5	5.6%
Total Valid Responses	90	100.0

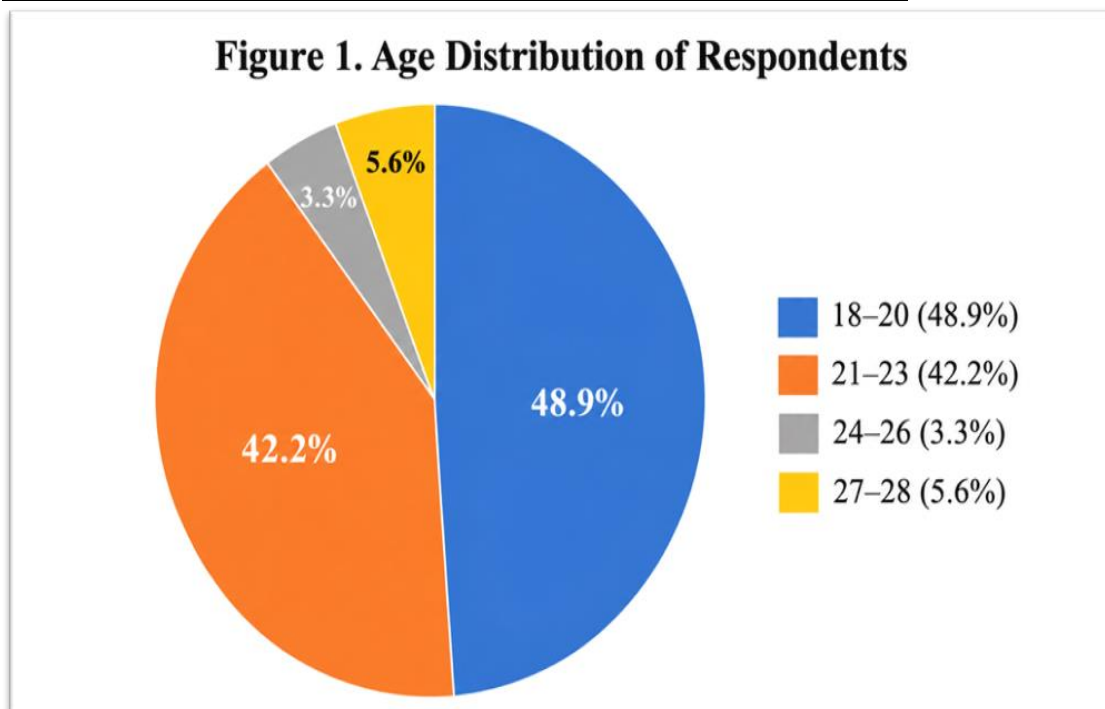


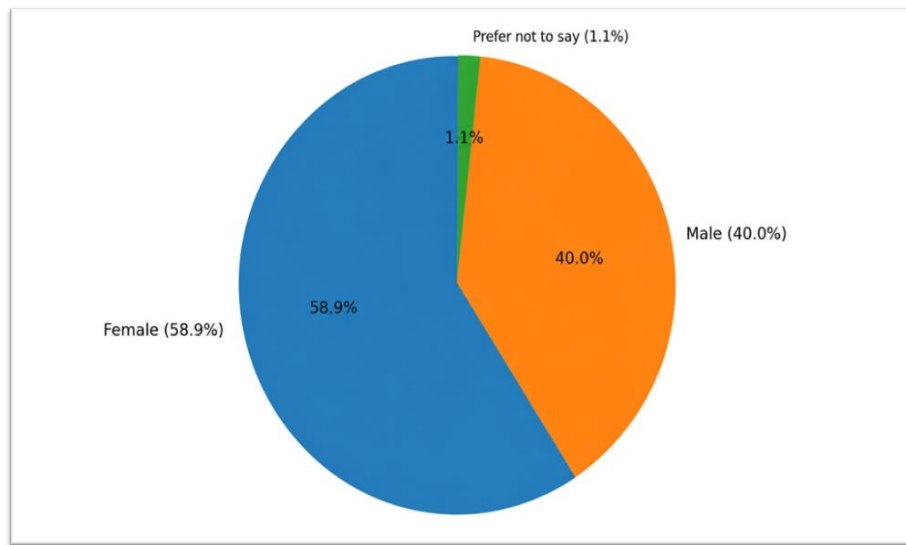
Figure 1. Age Distribution of Respondents

Interpretation:

The majority of the respondents are from 18-20 age group, that is 48.9% of the valid responses followed by respondents from 21-23 age group 42.2%. A smaller percentage of people are in the age groups 24 to 26 and 27 to 28. This suggests the sample is mainly made up of younger Generation Z consumers.

Table 2. Gender of Respondents

Gender	Frequency	Percentage
Female	53	58.9%
Male	36	40.0%
Prefer not to say	1	1.1%
Total Valid Responses	90	100.0%

Figure 2. Gender Distribution of Respondents**Interpretation:**

The female respondents (58.9%) are the largest percentage of the sample followed by the male respondents (40.0%). One of the respondents did not want to reveal their gender.

Table 3. Occupation of Respondents

Occupation	Frequency	Percentage
Student	68	76.4%
Working Professional	13	14.6%
Self-employed	6	6.7%
Other	2	2.2%
Total Valid Responses	89	100.0%

Interpretation:

Students make up the biggest proportion of respondents in the sample with 76.4% of the valid answers. Next, 14.6% of working professionals are under the category of working on their own while 6.7% are self-employed. The majority of students are due to the younger make-up of the sample compared to Generation Z.

Table 4. Monthly Income

Monthly Income	Frequency	Percentage
Below ₹5,000	45	50.6%
₹5,001–₹10,000	13	14.6%
₹10,001–₹20,000	6	6.7%
Above ₹20,000	26	29.2%
Total Valid Responses	90	100.0%

Interpretation:

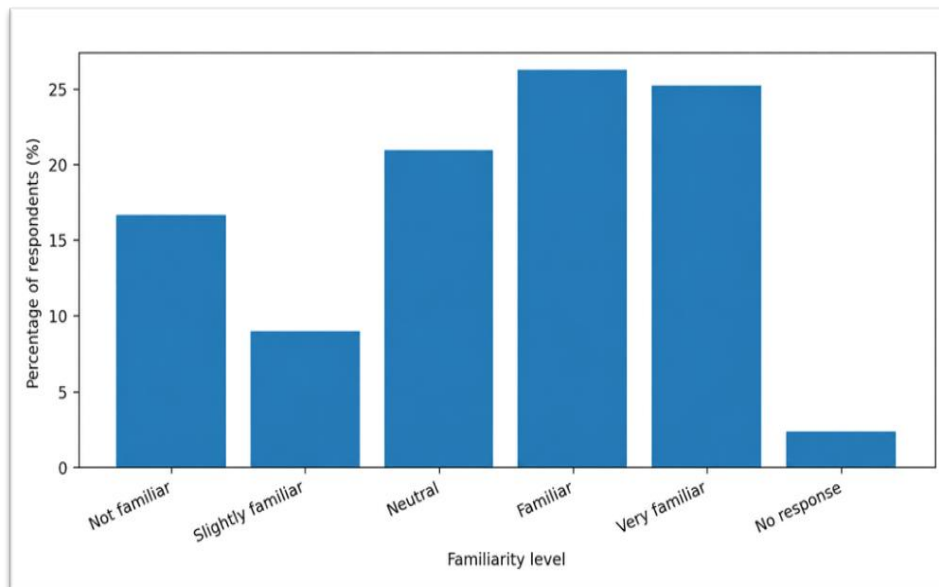
More than half of those who receive income or pocket money (excluding invalid) earn below ₹5,000 per month. Meanwhile, respondent income has distributed to show high-income families (above ₹20,000) form 29.2%, indicating variance in the monthly income/pocket money levels of respondents.

Table 5. Duration of Residence in Hyderabad

Duration	Frequency	Percentage
Less than 1 year	66	73.3%
1–3 years	17	18.9%
4–6 years	4	4.4%
More than 6 years	3	3.3%
Total Valid Responses	90	100.0%

Interpretation:

The vast majority of people are present in Hyderabad for a period of less than 1 year as 73.3% of the respondents said so. 18.9% of Hyderabad residents have lived in the city for 1-3 years, and a smaller proportion of respondents have been residents for 4+ years.

4.2 Digital CRM Usage and Experience**Figure 3. Familiarity of Respondents with Digital CRM****Table 6. Familiarity with Digital CRM**

Familiarity Level	Frequency	Percentage
Very familiar	23	25.3%
Familiar	24	26.4%
Neutral	19	20.9%
Slightly familiar	8	8.8%
Not familiar	15	16.5%
No response	2	2.2%
Total Responses	91	100.0%

Interpretation:

The results indicate that 52.8% of the valid respondents are either familiar or very familiar with Digital CRM. Yet, 16.9% were unfamiliar with Digital CRM. It means, while consumers might be engaging in Digital CRM practices quite routinely, they might not necessarily be aware of the formal concept of Digital CRM.

Table 7. Frequency of Interaction with Brands Through Digital Channels

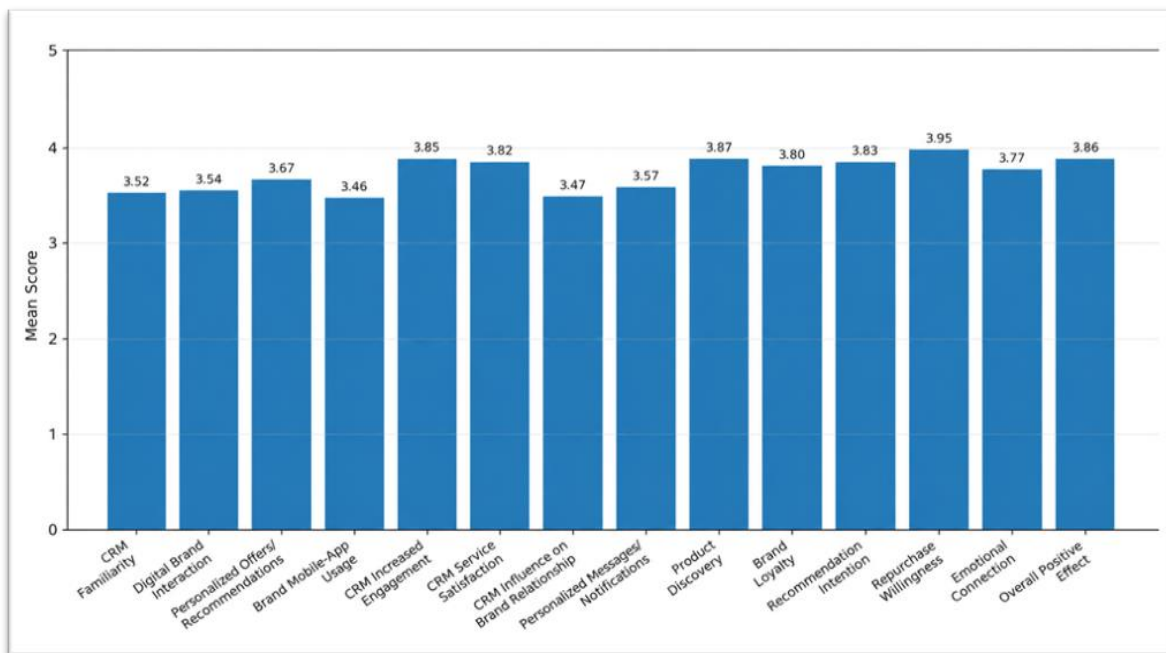
Interaction Frequency	Frequency	Percentage
Very frequently	21	23.6%
Frequently	27	30.3%
Sometimes	27	30.3%
Rarely	10	11.2%
Never	4	4.5%
Total Valid Responses	89	100.0%

Interpretation:

Over half, (53.9%) of respondents engage with brands on a regular or very regular basis on digital channels. Another 30.3% interact sometimes. This means that the respondents' consumer habits involve digital interaction with a brand, and that this is common practice for them.

4.3 Descriptive Statistical Analysis**Table 8. Descriptive Statistics of Major Study Variables**

Variable	Valid N	Mean	Median	Mode	SD
Digital CRM Familiarity	89	3.52	4	4	1.400
Digital Brand Interaction	89	3.54	3	3	1.107
Personalized Offers/Recommendations	89	3.67	3	3	1.082
Brand Mobile-App Usage	89	3.46	4	5	1.215
CRM Increased Engagement	88	3.85	4	4	1.000
Satisfaction with Digital CRM Services	89	3.82	4	4	0.948
CRM Influence on Brand Relationship	89	3.47	3	3	1.178
Personalized Messages/Notifications	89	3.57	3	3	1.064
Product Discovery	89	3.87	4	4	0.991
Brand Loyalty	88	3.80	4	4	0.989
Recommendation Intention	88	3.83	4	4	0.953
Repurchase Willingness	88	3.95	4	4	1.011
Emotional Connection	88	3.77	4	4	1.003
Overall Positive Effect of Digital CRM	88	3.86	4	4	0.965

Figure 4. Mean Scores of Major Study Variables**Interpretation:**

The descriptive results indicate a positive overall trend in the responses to Digital CRM and customer engagement in general. Willingness to purchase from a brand again was seen to have the highest mean score of the engagement indicators (3.95), and product discovery and the overall positive effect of Digital CRM (3.87 and 3.86 respectively) were also increasingly high. CRM also, with a relatively high mean of 3.85, had increased engagement. The median score is "4" for most engagement variables, suggesting that the scores around the middle of the scale were mostly positive. The standard deviations are mostly close to or less than 1.2, which implies they exhibited moderate variation in the respondents' responses.

4.4 Reliability Analysis**Table 9. Cronbach's Alpha**

Construct	Number of Items	Cronbach's Alpha	Complete Cases
Digital CRM Practice	4	0.825	89
Customer Engagement	7	0.890	83

Interpretation:

Digital CRM Practice has Cronbach's alpha of 0.825, and Customer Engagement has Cronbach's alpha of 0.890. The internal consistency of all these items, representing each construct, is good in both values. As a result, the items have an adequate basis for further statistical analysis.

4.5 Construct-Level Analysis**Table 10. Digital CRM Practice and Customer Engagement**

Construct	N	Mean	Standard Deviation
Digital CRM Practice	83	3.663	0.899
Customer Engagement	83	3.797	0.753

Interpretation:

The mean score is 3.663 for Digital CRM Practice, suggesting the average level of digital CRM experience among the respondents for the complete-case analysis is generally positive. Customer Engagement had the highest mean score at 3.797, indicating a positive level of customer engagement towards brands on average.

4.6 Correlation Analysis

Table 11. Correlation Between Digital CRM Practice and Customer Engagement

Variables	Pearson Correlation (r)	Significance
Digital CRM Practice and Customer Engagement	0.685	$p < 0.001$

Interpretation:

It has been found that there is a strong positive relationship between Digital CRM Practice and customer engagement as the Pearson correlation coefficient is 0.685. There is an association at the 1% level of probability. This suggests a positive correlation between stronger digital CRM practices and higher levels of engagement with customers amongst respondents.

4.7 Regression Analysis

Table 12. Regression Analysis

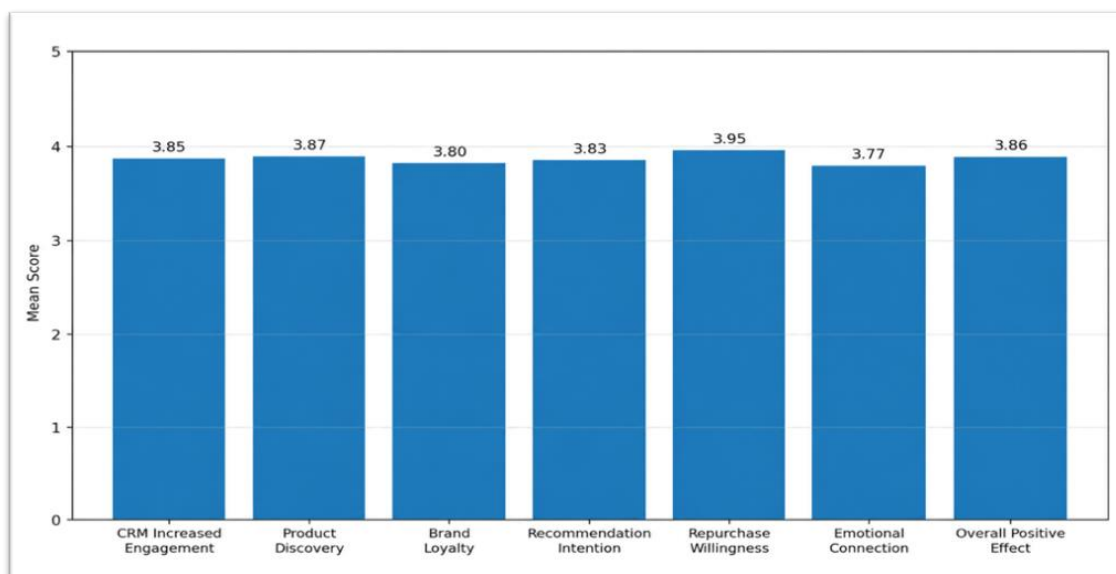
Statistic	Value
R	0.685
R ²	0.469
Regression Coefficient (B)	0.584
p-value	< 0.001
N	83

Interpretation:

The regression results indicate that Digital CRM Practice and Customer Engagement have an important and positive relationship, as the regression coefficient of Digital CRM Practice is found to be 0.584 and the p-value is less than 0.001. The R² value of 0.469 indicates that Digital CRM Practice explains 46.9% of the variation in Customer Engagement in this sample. The findings support the hypothesized positive relationship between companies' Digital CRM practices and customer engagement among the surveyed Generation Z consumers in Hyderabad.

4.8 Customer Engagement Indicators

Figure 5: Customer Engagement Indicators



5. FINDINGS

1. The study revealed that the largest proportion of the respondents were young Gen "Z" consumers with 48.9% of the age group 18-20 and 42.2% within 21-23 years. Additionally, the sample was heavily skewed toward students with 76.4% of the respondents being students.
2. The findings suggest that awareness about Digital CRM among the respondents was fairly adequate. 52.8% of the respondents were either familiar or very familiar with Digital CRM, whereas 53.9% indicated that they do interact with brands often or very often through digital means.
3. Personalized digital experiences were commonly experienced by the respondents. 55.1% of respondents reported using brand mobile apps "often" or "very often" and 53.9% reported receiving personal offers or personal recommendations "often" or "very often."
4. The overall level of customer engagement was positive. Among the engagement indicators, willingness to purchase from a brand again recorded the highest mean score of 3.95, followed by product discovery at 3.87 and the overall positive effect of Digital CRM at 3.86. Recommendation intention, brand loyalty, and emotional connection also recorded positive mean scores.
5. Good internal consistency for both major constructs was obtained by the reliability analysis. The Internal consistencies of the items used for each construct, indicated by Cronbach's Alpha score, were found to be 0.825 for the Digital CRM scale and 0.890 for the Customer Engagement scale, respectively, indicating good inter-consistencies among items in each scale.
6. The Digital CRM practices were found to have a strong positive relationship with customer engagement ($r = 0.685$, $p < 0.001$) and this correlation was of statistical significance. The other finding of regression analysis was that there was a significant relationship between Digital CRM practices and Customer Engagement ($R^2 = 0.469$ or 46.9% of the variance in customer engagement was explained by Digital CRM practices).
7. Additionally, individual factors relating to Digital CRM had significant positive relationships with customer engagement. Positive associations with customer engagement were found for personalized messages and notifications ($r = 0.702$, $p < 0.001$) and satisfaction with digital customer relationship services ($r = 0.611$, $p < 0.001$) and personalized offers and recommendations ($r = 0.530$, $p < 0.001$).

6. SUGGESTIONS

1. Enhance the value of customized communication: Sent personalized offers, recommendations, messages and notifications that are based on and aligned with customer interests, instead of generic marketing messages.
2. Improve personalized offers/ recommendations as it was found that personalized offers/recommendations have a positive impact on engagement – brands should enhance their recommendation systems to influence Generation Z customers to the products/services that are relevant for them.
3. Using personalized messages and notifications exhibited one of the strongest relationships with customer engagement, highlighting the need to improve the quality of digital notifications. Therefore, when designing a notification, brands will want to prioritize delivering timely, useful, and relevant information without over-communicating.
4. Improve brand mobile apps: A significant number of respondents use brand mobile applications on a regular basis, businesses need to make their applications easy to maneuver and access, offer convenient services, customize their customer experience and ensure seamless digital interactions via their apps.
5. Prioritize customer satisfaction: Brands should seek to continually enhance the quality of digital customer relationship services to be more effective in meeting the needs of their customers, as there is a positive link between customer satisfaction and customer engagement.
6. Promote repeat purchase and recommendation behaviour – Willingness to buy again and intention to recommend were two of the highest engagement scores which should suggest digital relationship strategies for brands to encourage repeated purchase and positive recommendations, as well as continued engagement.
7. Commit to one digital interaction, one digital engagement: The brand should continue to have meaningful and consistent digital interactions throughout their social media, mobile apps, notification, and other digital channels. Properly implemented action of Digital CRM can help build a better seamless customer journey for customers Generation Z.

7. CONCLUSION

Digital Customer Relationship Management has become a key element in the brand's communication of the Generation Z consumers and its relationship management. The present study explored the relationship between Digital CRM and customer engagement among customers belonging to the Generation Z segment in Hyderabad from primary data collected from 91 respondents. The research included whether the respondents interacted with brands digitally, whether they received personalized offers/recommendations, whether they used the brands' mobile app, whether they received personalized

messages/notifications, and the various aspects of customer engagement. Results show that the study Generation Z consumers have high levels of digital brand exposure. Over half of the respondents stated that they had knowledge, or very knowledge, of Digital CRM and a significant percentage of the respondents reported that they had regular contact through digital channels with brands. Personalized and digital notifications, mobile applications and offers were also listed as frequent experiences by respondents. This means that digital practices of CRM have entered into the scope of the customer-brand relationship for the respondents. The investigation additionally revealed a positive extent of consumer involvement. Willingness to purchase from a brand again (3.95), product discovery (3.87) and the overall positive influence of Digital CRM (3.86) showed the highest average scores in the rank order of the different engagement indicators. Recommendation intention, brand loyalty and the emotional connection also had positive mean scores. These findings imply that digital interactions are related not just to the actual act of communication, but also to the larger scale of consumer-brand relationships. Additional support to conclude the significance of Digital CRM is given by the statistical findings. Digital CRM usage significantly and strongly correlated with customer engagement with $r = 0.685$ at $p < 0.001$. The regression analysis revealed that Digital CRM practices explained 46.9% of the variation in customer engagement ($R^2 = 0.469$) among the respondents. Personalized messages and notifications had a stronger positive correlation with Customer engagement ($r = 0.702$, $p < 0.001$). Additionally, personalized offers and recommendations ($r = 0.530$, $p < 0.001$) as well as satisfaction with digital customer relationship services ($r = 0.611$, $p < 0.001$) showed applicable positive relations with engagement. With that, the findings accentuate the significance of delivering pertinent, tailored, effortless and smooth transactions with Generation Z consumers across digital channels. Not only can digital CRM be used to engage customers, but it can also allow brands to gain insight into their preferences, suggest useful products, enhance digital experiences, boost repeat buying and augment recommendation and loyalty behaviour. Meanwhile, digital communication must be persistent and valuable; too much, or just the wrong kind of communication can detract from the value of the customer's experience. Therefore, overall Digital CRM has a significant and positive relationship with customer engagement among Generation Z consumers in the Hyderabad region. The findings will prove helpful to businesses who want to improve digital customer relationships and make their customer experience more engaging for the younger generation. The study is also a valuable addition to the debate on Digital CRM and Generation Z on the base of empirical evidence gained from this study from the context of Hyderabad. This study is not representative of all Generation Z consumers, so don't take the results as a reflection of the general population of the generation. Still, the findings illustrate the increasing importance of Digital CRM in fostering closer, more captivating relationships between customers and the brand in the digital realm.

8. REFERENCES

1. Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. *Journal of Marketing*, 69(4), 167–176.
2. Trainor, K. J., Andzulis, J. M., Rapp, A., & Agnihotri, R. (2014). Social media technology usage and customer relationship performance: A capabilities-based examination of social CRM. *Journal of Business Research*, 67(6), 1201–1208.
3. Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer engagement: Conceptual domain, fundamental propositions, and implications for research. *Journal of Service Research*, 14(3), 252–271.
4. Ng, S. C., Sweeney, J. C., & Plewa, C. (2020). Customer engagement: A systematic review and future research priorities. *Australasian Marketing Journal*, 28(4), 235–252.
5. Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6), 69–96.
6. Saha, S., Sengupta, S., & Gupta, A. (2024). Influence of personality traits on generation Z consumers' click-through intentions towards personalized advertisements: A mixed-methods study. *Heliyon*, 10(15), e34559.
7. Choubey, R., & Gautam, V. (2024). Evaluating omni channel retailing in the emergence of Industry 5.0: A perspective of South Asian Generation Z. *International Journal of Information Management Data Insights*, 4(2), 100257.
8. Thomas, A., Zakkariya, K. A., Sajid, M., & Surira, R. (2026). From interactivity to brand love: Unravelling the influence of social CRM on customer outcomes. *International Journal of Indian Culture and Business Management*, 39(1), 85–105.
9. Kumar, V., Aksoy, L., Donkers, B., Venkatesan, R., Wiesel, T., & Tillmanns, S. (2010). Undervalued or overvalued customers: Capturing total customer engagement value. *Journal of Service Research*, 13(3), 297–310.
10. Verhoef, P. C., Reinartz, W. J., & Krafft, M. (2010). Customer engagement as a new perspective in customer management. *Journal of Service Research*, 13(3), 247–252.
11. Hollebeek, L. D. (2011). Demystifying customer brand engagement: Exploring the loyalty nexus. *Journal of Marketing Management*, 27(7–8), 785–807.
12. Malthouse, E. C., Haenlein, M., Skiera, B., Wege, E., & Zhang, M. (2013). Managing customer relationships in the social media era: Introducing the social CRM house. *Journal of Interactive Marketing*, 27(4), 270–280.
13. Trainor, K. J. (2012). Relating social media technologies to performance: A capabilities-based perspective. *Journal of Personal Selling & Sales Management*, 32(3), 317–331.

14. Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of Interactive Marketing*, 28(2), 149–165.
15. Dwivedi, Y. K., Ismagilova, E., Hughes, D. L., Carlson, J., Filieri, R., Jacobson, J., Jain, V., Karjaluoto, H., Kefi, H., Krishen, A. S., Kumar, V., Rahman, M. M., Raman, R., Rauschnabel, P. A., Rowley, J., Salo, J., Tran, G. A., & Wang, Y. (2021). Setting the future of digital and social media marketing research: Perspectives and research propositions. *International Journal of Information Management*, 59, 102168.
16. Peter, A., Roshith, M., Lawrence, A., Mona, M., Narayanan, S., & Yusaira, M. (2025). Gen AI–Gen Z: Understanding Gen Z’s emotional responses and brand experiences with Gen AI-driven, hyper-personalized advertising. *Frontiers in Communication*, 10.
17. Siebert, A., Gopaldas, A., Lindridge, A., & Simões, C. (2020). Customer experience journeys: Loyalty loops versus involvement spirals. *Journal of Marketing*, 84(4), 45–66.
18. Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85(1), 31–41.

9. ANNEXURE

QUESTIONNAIRE

1. What is your age?
2. What is your gender?
3. What is your current occupation?
4. What is your monthly income/pocket money?
5. How long have you been living in Hyderabad?
6. How familiar are you with Digital CRM (Customer Relationship Management)?
7. How often do you interact with brands through digital channels?
8. Which digital channels do you use to interact with brands?
9. How often do you receive personalized offers or recommendations from brands?
10. Do you use brand mobile apps for purchases or services?
11. Digital CRM has increased my engagement with brands.
12. How satisfied are you with the digital customer relationship services provided by brands?
13. Overall, how much does Digital CRM influence your relationship with a brand?
14. How often do brands send you personalized messages or notifications?
15. Personalized recommendations from brands help me discover products that I like.
16. I remain loyal to brands that provide personalized digital experiences.
17. I am more likely to recommend a brand that provides good digital customer service.
18. Positive interactions with a brand increase my willingness to purchase from it again.
19. I feel emotionally connected to brands that interact with me regularly online.
20. Overall, Digital CRM has a positive effect on my engagement with brands.