Chapter IV

eCRM: Understanding Internet Confidence and the Implications for Customer Relationship Management

Terry Daugherty, University of Texas at Austin, USA
Matthew Eastin, Ohio State University, USA
Harsha Gangadharbatla, University of Texas at Austin, USA

Abstract

As we enter the 21st century many firms implementing Customer Relationship Management strategies have turned to the Internet as a primary means for collecting consumer data. Consequently, understanding when consumers are willing to comply with data requests has become increasingly important to e-marketers. However, current research has failed to explore how self-confidence with using the Internet impacts a consumer’s willingness to provide personal information online. Therefore,
this chapter reports findings from an online consumer panel survey designed to investigate how perceived Internet confidence influences consumer attitudes toward divulging personal information and their willingness to comply with data requests online \((n=500)\). The results largely support the notion that enhancing Internet confidence can lead to more favorable attitudes toward information requests and increased willingness to provide information.

**Introduction**

With over half of the U.S. population online and a growth rate of in excess of two million users per month, the Internet has become an important mainstream medium (NTIA, 2002). This widespread adoption signifies the convergence of two long-term trends in business: the rapid expansion of the information economy and the rise of customer service over the Web (Rust & Kannan, 2002). Accordingly, there has been radical change in the field of marketing as many companies recognize the potential of this unique medium for efficiently delivering targeted messages, generating sales, and facilitating two-way communication with consumers. One such change has been the emergence of the Internet as a powerful electronic customer relationship management (eCRM) tool.

As we enter the 21st century, technological innovations have enabled marketers to collect large amounts of information and build databases full of consumer profiles (Pardun & Lamb, 1999). In fact, many firms implementing customer relationship management (CRM) today have turned to the Internet, in particular the Web, as a primary means for collecting customer information (Masci, 1999). When you consider as many as 90 million Americans use the Internet daily, it is not surprising to learn that 97% of all commercial Web sites attempt, in some form or another, to collect personal information from their visitors (Federal Trade Commission, 2000). The type of information Web sites collect in order to build their databases for consumer research and relationship marketing varies from gender, age, marital status, educational level, ethnicity, occupation, household income, Internet usage, and even buying patterns (Turban, Lee, King & Chung, 2000). Academicians and practitioners alike have been vociferous in pointing out the importance of such data gathering with regard to the successful implementation of any CRM strategy (Abbott, Stone