The Effect of Social Customer Relationship Management (Social CRM) and Customer Orientation of Service Employee (COSE) On Customer Satisfaction

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Abstract
The aim of this study is to analyze the effect of Social Customer Relationship Management (Social CRM) and Customer Orientation of Service Employee (COSE) on Customer Satisfaction in the optical retail industry; specifically, at Amazon Optical in Padang, Indonesia. This study used a quantitative explanatory design. Data were collected from 138 customers who had purchased eyeglasses at Amazon Optical, followed its official Instagram account, and interacted through Instagram Direct Message (DM). A purposive sampling technique was used and the research instruments were adapted from validated previous studies. Furthermore, data analysis was conducted by using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The results show that both Social CRM and COSE have a positive and significant effect on Customer Satisfaction. Social CRM practices, particularly personalized interactions via Instagram DM can enhance customer perceptions and satisfaction levels. Furthermore, employees' customer-oriented behavior in face-to-face services significantly contributes to higher satisfaction among customers. Effective implementation of Social CRM strategies combined with strong customer orientation by service employees is crucial in order to improve customer satisfaction in the optical retail industry. In addition, the results emphasize the need for integrating social media-based relationship management with high-quality in-store service in order to strengthen customer relationships and sustain competitive advantage.

Keywords: *Social CRM; Customer Orientation of Service Employee; Customer Satisfaction*

1. Introduction
The eyewear industry in Indonesia has experienced significant growth in recent years which is driven by increasing public awareness of eye health and the shift towards a digital lifestyle. According to Statista Market Insights (2024), the Indonesian eyewear market is projected to reach USD 728.10 million with an annual growth rate of 3.22%. The largest segment, eyewear frames, is expected to generate USD 411.40 million by 2025 while total market demand is projected to reach 105.6 million units by 2029. This growth is encouraged not only by medical needs related to refractive errors, but also by the increasing role of eyewear as a fashion and lifestyle accessory. Furthermore, data from the Central Bureau of Statistics (BPS, 2022) reveals that approximately 700,000 Indonesians experience severe visual impairment and 7.4 million experiences mild visual impairment. Meanwhile, around 50% of Indonesians have worn glasses, with a tendency to replace them annually and own at least two to three pairs for alternating use (Zahroh et al., 2022). Therefore, these statistics emphasize the vast potential of Indonesia's optical retail sector, both in offline stores and in the growing e-commerce market.

Beyond medical needs, eyewear trends have expanded to consumers with normal vision. One notable example is the growing popularity of photochromic glasses, which automatically adjust lens darkness based on surrounding light intensity. These products offer not only visual comfort, but also versatile and stylish designs (Zahroh et al., 2022). They have influenced consumer behavior, particularly in how they seek information and make purchasing decisions. In the digital era, consumers increasingly rely on social media

as a primary source of information before making a purchase. According to We Are Social (2024), over 60% of Indonesia's population is active on social media, positioning these platforms as strategic tools for brand-consumer interaction.

This shift in consumer behavior requires that businesses adopt personalized and interactive digital marketing strategies one of approach is Social Customer Relationship Management (Social CRM), which integrates traditional CRM principles with the engagement capabilities of social media in order to build long-term relationships with customers (Dewnarain et al., 2019; Malki et al., 2023). Social CRM enables two-way communication, real-time feedback management, and emotional connections with customers which potentially enhancing satisfaction, loyalty, and positive word-of-mouth (Jalal et al., 2021).

Amazon Optical, a retail optical store in Padang City, uses Instagram as a primary communication channel, particularly through Direct Messages (DMs). This channel is used for inquiries about product details, stock availability, refractive error consultations, and after-sales services. A preliminary survey of 20 customers revealed that 40% made purchases following DM interactions, while 15% planned to purchase in the near future. These findings emphasize the importance of personalized and responsive communication in influencing purchasing decisions.

Meanwhile, digital marketing plays a vital role, face-to-face interactions in physical stores remain essential for building customer satisfaction. The Customer Orientation of Service Employee (COSE) concept reflects the extent to which employees understand, assess, and meet customer needs through direct, friendly, and efficient interactions (Hennig-Thurau, 2004; Imannury & Syafrizal, 2020). In addition, COSE highlights the importance of employees' interpersonal skills in creating positive in-store experiences. Previous research has shown that high service orientation can significantly increase customer satisfaction and foster brand loyalty (Lestari et al., 2019; Imannury & Syafrizal, 2020).

The combination of Social CRM and COSE presents a strategic opportunity for optical retailers in order to optimize customer relationships across both digital and in-store touchpoints. Therefore, by effectively using these two dimensions, companies can deliver consistent, personalized, and high-value customer experiences. Based on this background, this study aims to examine the effect of Social CRM and Customer Orientation of Service Employee (COSE) on customer satisfaction at Amazon Optical.

2. Literature and Hypotheses
2.1 Social Customer Relationship Management (Social CRM)
2.1.1 Social CRM Definition
The rapid advancement of social media technology has transformed the way businesses; particularly, small and medium enterprises (SMEs) which manage customer relationships and create business value (Ahani et al., 2017). Unlike traditional CRM, Social CRM integrates the principles of "connect and collaborate" by using various digital tools, platforms, and applications in order to gather data on all social interactions between customers and the company, with the aim of improving service quality and customer support (Alshurideh et al., 2023; Yasiukovich & Haddara, 2021). Trainor et al. (2014), as cited in Alshurideh et al. (2023), conceptualized Social CRM as the integration of customer-related activities through processes, systems, and technologies, particularly social media applications in order to enhance interaction, engagement, and collaborative conversations between businesses and customers.

Social CRM is not only limited to monitoring conversations and generating digital content, but it also emphasizes seeking customer feedback, encouraging participation, and fostering personalized relationships which build positive brand perception (Adriel et al., 2024). As an integral part of marketing strategies, Social CRM can be used to plan, execute, and evaluate promotional activities through direct interaction on social media, ultimately improving brand awareness, trust, and loyalty (Novita, 2023). The overarching goal of Social CRM is to maximize the lifetime value of customers in the social media environment and convert them into loyal advocates (Malki et al., 2023). In addition, for SMEs, effective adoption of Social CRM can strengthen customer relationships, encourages active customer participation in innovation, and beneficial in both business-to-business (B2B) and business-to-consumer (B2C) contexts (Cheng & Shiu, 2019).

2.1.2 Social CRM Dimensions
Ahmed et al. (2021) discovered three dimensions of Social CRM:
1. Customer Service Quality: The responsiveness, speed, and effectiveness in handling customer inquiries or complaints through social media channels.

2. Integrated Marketing Channels: The alignment of online and offline marketing channels in order to deliver consistent messages and seamless customer experiences.
3. Value-added Services: Additional services; such as, free consultations, fast delivery, or superior after-sales support in order to enhance customer satisfaction and loyalty.

2.2 Customer Orientation of Service Employee (COSE)
2.2.1 COSE Definition
Customer orientation refers to a firm's ability in order to identify, assess, understand, and respond to customer needs (Aburayya et al., 2020). When this orientation is reflected specifically in the behaviors and attitudes of service employees during customer interactions, it is referred to as Customer Orientation of Service Employee (COSE) (Emmanuel & Walter, 2018). COSE emphasizes the role of employees as the direct interface between the company and customers, highlighting interpersonal skills, responsiveness, and the ability to create positive and satisfying customer experiences (Lestari et al., 2019; Nurfarida et al., 2021). In addition, high COSE not only strengthens customer satisfaction, but it also builds trust and loyalty, as customers feel valued and understood (Imannury & Syafrizal, 2020).

2.2.2 COSE Dimensions
Hennig-Thurau (2004) and Aburayya et al. (2020) outline four core dimensions of COSE as follow:
1. Technical Skill: The specialized knowledge and abilities required in order to deliver effective services.
2. Social Skill: The ability to understand and consider customer perspectives during interactions.
3. Motivation: The willingness of employees in order to actively engage in behaviors that meet customer needs.
4. Decision-making Authority: The empowerment of employees in order to make independent decisions which address customer concerns promptly.

2.3 Customer Satisfaction
2.3.1 Customer Satisfaction Definition
Customer satisfaction is defined as the customer's emotional response—pleasure or disappointment—which arises from a comparison between expected and actual performance of a product or service (Kotler & Keller, 2012). Positive satisfaction occurs when performance meets or exceeds expectations while dissatisfaction arises when expectations are not met (Darmayasa & Yasa, 2021). It encompasses both the functional and emotional evaluations of service experiences; such as, responsiveness, friendliness, and service speed (Akroush & Mahadin, 2019). Hereafter, customer satisfaction serves as a key indicator of service effectiveness and a driver of loyalty (Hamzah & Shamsudin, 2020).

2.3.2 Customer Satisfaction Indicators
Malki et al. (2023) propose four main indicators as follow:
1. Satisfaction with after-sales service.
2. Enjoyment of the usage experience.
3. Positive evaluation of the purchase decision.
4. Positive feelings while using the product.

2.4 Hypotheses Development
2.4.1 Social CRM and Customer Satisfaction
Social CRM enhances customer satisfaction by facilitating personalized interactions and improving brand perception through strategic use of social media technologies (Adriel et al., 2024; Malki et al., 2023). It allows companies in order to adapt quickly to customer needs, respond in real time, and strengthen relationship which ultimately leads to higher satisfaction (Arora et al., 2021).
H1: Social CRM has a positive and significant effect on customer satisfaction at Amazon Optical.

2.4.2 COSE and Customer Satisfaction
COSE reflects the extent to which service employees understand and fulfill customer needs during direct interactions. Previous studies (Imannury & Syafrizal, 2020; Lestari et al., 2019; Gonu et al., 2023) confirm

that high levels of COSE significantly improve customer satisfaction by fostering positive experiences and emotional bonds.

H2: COSE has a positive and significant effect on customer satisfaction at Amazon Optical.

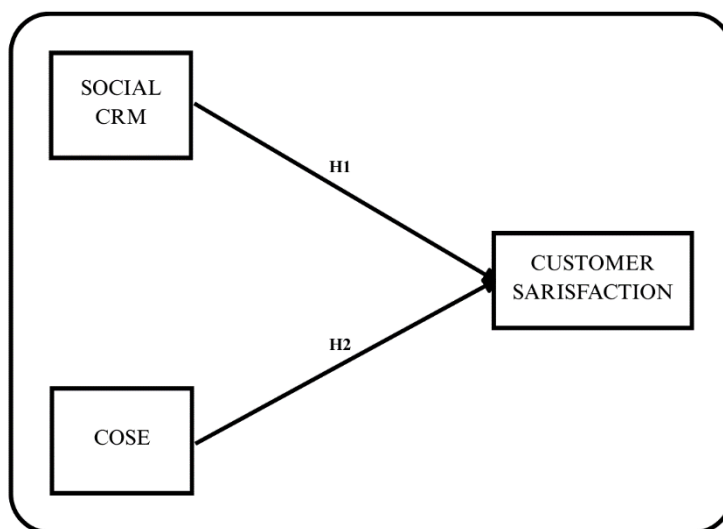Based on all the hypotheses proposed, the research framework is presented in Figure 1.

Figure 1. Conceptual Framework

3. Research Methodology

This study used a quantitative approach with an online survey method in order to examine the effect of Social Customer Relationship Management (Social CRM) and Customer Orientation of Service Employee (COSE) on customer satisfaction. Data were collected through a closed-ended questionnaire by using a 5-point Likert scale which distributed to Amazon Optical customers. Moreover, the sample was determined by using a purposive sampling technique with the following criteria: customers who had purchased products at Amazon Optical's physical store, followed the official Amazon Optical Instagram account, and interacted via the Direct Message (DM) feature. A total of 138 respondents participated in this study.

4. Results

4.1 Instrument Testing

Validity was assessed by comparing the correlation value of each indicator with the r-table value. At a significance level of 0.05 and with 138 samples, the r-table value is 0.166. The analysis of 37 statement indicators shows that all correlation coefficients are positive and exceeded the r-table value, with p-values below 0.05 which indicates validity. In addition, reliability testing shows that all variables have Composite Reliability values above 0.70 which confirms reliability of the instrument.

4.2 Descriptive Statistics of Research Variables

The results of the descriptive analysis show that the Social CRM variable has an average score of 3.98 from 138 respondents, which is categorized into the high category. It reflects that respondents have a positive perception of the implementation of Social CRM at Amazon Optical, particularly in aspects of customer engagement and the use of social media as an interactive communication channel. The indicator with the highest score is the statement "Customers can provide product testimonials for Amazon through social media" with a score of 4.10 which indicates that customers feel comfortable sharing their experiences openly so that it can strengthen brand credibility. Meanwhile, the lowest-scoring indicator is the statement "Customers can cancel or change orders placed via telephone by contacting customer service on Instagram" with a score of 3.79 which suggest that flexibility in managing orders through various channels still needs improvement in order to optimize and enhance the responsiveness of services.

Based on the descriptive analysis results, the Customer Orientation of Service Employee (COSE) variable has an average score of 4.08, which is also classified as high which shows that respondents provide a positive assessment of the quality of direct interactions delivered by Amazon Optical employees in physical stores. Moreover, the highest average score is recorded for the statement "Amazon Optical employees are

able to consider their customers' perspectives and needs well" with a score of 4.20 which reflects empathy and personal understanding from staff toward customers. On the other hand, the lowest score is found in the statement "Amazon Optical employees are allowed to make their own decisions in handling customer matters" with a score of 3.80 which indicates that the level of employee authority in resolving customer issues still requires enhancement in order to support more efficient and responsive service delivery.

Furthermore, the Customer Satisfaction variable obtained an average score of 4.27 which is categorized into the very high category which indicates that respondents have a very high level of satisfaction with Amazon Optical's products and services. Meanwhile, the highest score is recorded for the statement "I am satisfied with the after-sales services provided by Amazon Optical" with a score of 4.33 which reflects customers' strong appreciation for post-purchase services; such as, repairs or product adjustments. Meanwhile, the lowest score is found for the statement "I have positive feelings every time I use Amazon Optical's products" with a score of 4.13. Although this score is still considered high, it indicates that the emotional aspect experienced by customers when using the product still has room for improvement. These findings highlight the importance of strengthening brand image and creating pleasant experiences in order to foster emotional attachment and sustain customer satisfaction in the long term.

4.3 Instrument Testing Results

Convergent validity was used in order to assess the extent to which the indicators are able to reflect the measured constructs, as indicated by outer loading values above 0.70 and Average Variance Extracted (AVE) values above 0.50. Based on the test results, all indicators in this study met the convergent validity criteria, with outer loading values exceeding 0.70. This indicates that each indicator has a strong correlation with the latent construct it represents. The measurement model used in this study is presented in Figure 2.
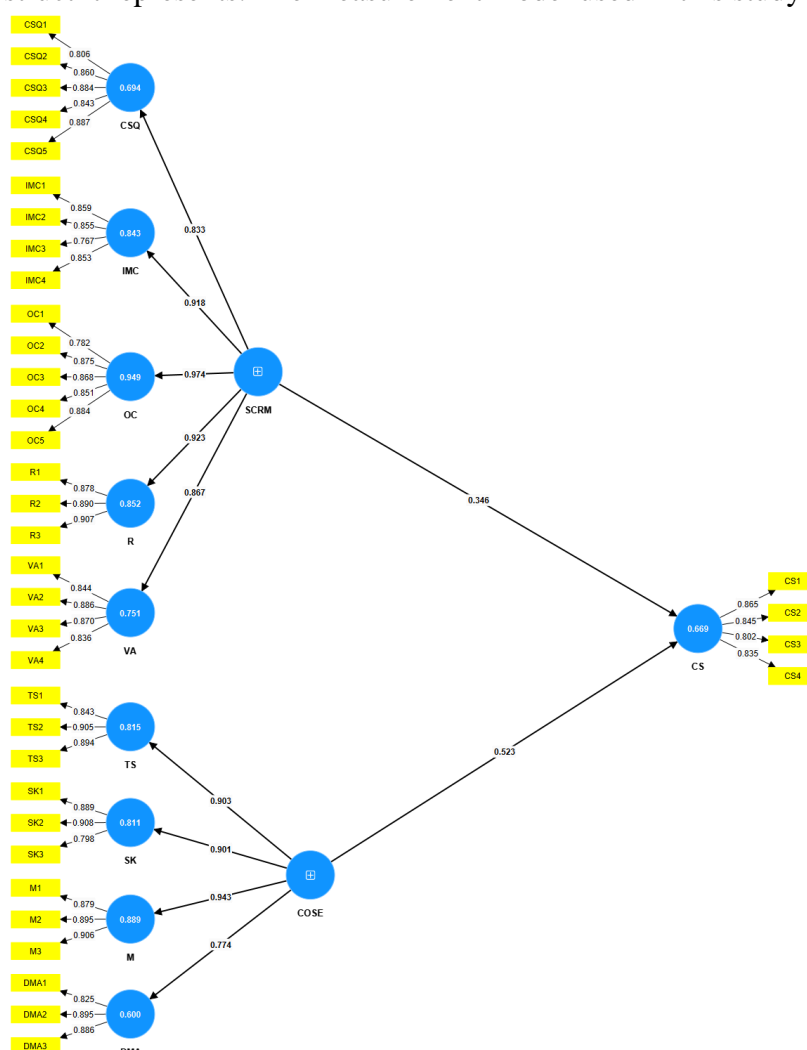

Figure 2. Outer Loading

This study presents the Average Variance Extracted (AVE) results, as shown in Table 1.

Table 1. Average Variance Exctracted (AVE)

	Average Variance Extracted (Ave)
Social CRM (X1)	0.718
COSE (X2)	0.711
Customer Satisfaction (Y)	0.701

Based on Table 1, the Average Variance Extracted (AVE) values for the variables Social CRM, COSE, and Customer Satisfaction are all above 0.50. Therefore, it shows that each construct in this study possesses good convergent validity which means that the indicators used are capable of adequately explaining the latent variables. The study employs the Fornell–Larcker Criterion as one of the methods for assessing discriminant validity, with the results presented in Table 2.

Table 2. Fornell-Larcker Criterion

	Social CRM	COSE	Customer Satisfaction
Social CRM	0.843		
COSE	0.787	0.837	
Customer Satisfaction	0.762	0.745	0.847

Table 2 shows that the square root values of AVE for all research variables exceed 0.70. This result indicates that the measurement model (outer model) meets the criteria for convergent validity, discriminant validity, and adequate reliability. Therefore, the instrument used is deemed valid and reliable which allows the analysis to proceed to the next stage.

Table 3. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Social CRM -> Customer Satisfaction	0.346	0.348	0.077	4.508	0.000
COSE -> Customer Satisfaction	0.523	0.518	0.076	6.902	0.000

The results of the bootstrapping analysis show that all direct effect hypotheses in the model are statistically significant (p-value < 0.05). COSE emerged as the most dominant factor, exerting the highest direct effect on customer satisfaction ($\beta = 0.523$; t = 6.902; p = 0.000) which suggest that a customer-oriented service approach characterized by understanding customer needs, providing personalized attention, and demonstrating empathy remains a vital component in fostering satisfaction. Furthermore, Social CRM shows a significant direct effect on customer satisfaction ($\beta = 0.346$; t = 4.508; p = 0.000) which indicates that a responsive, accurate, and consistent social media–based customer relationship management strategy can create positive customer experiences and enhance satisfaction. Overall, the findings highlight that the combination of well-managed digital interactions and high-quality face-to-face service contributes synergistically in order to improve customer satisfaction at Amazon Optical.

5. Conclusion
It can be concludes that both Social Customer Relationship Management (Social CRM) and Customer Orientation of Service Employees (COSE) have significant positive effects on Customer Satisfaction at

Amazon Optical. The findings highlight that effective use of digital social platforms as a communication channel strengthens customer engagement which enables faster, more personal, and relevant responses, which enhance customers' perceptions of service quality. In parallel, the proactive and empathetic orientation of service employees in understanding and fulfilling customer needs contributes strongly to positive customer experiences, not only during transactions but also in after-sales service.

Social CRM's facilitation of active customer participation through testimonials on social media fosters transparency and builds stronger emotional bonds; particularly, among younger, digitally savvy generations such as Gen Z and millennials, who dominate the customer base. Similarly, the tailored and relevant offers delivered by service employees reflect a deep understanding of customer preferences so that it can increase satisfaction and loyalty. These insights in line with existing studies which emphasize the importance of interactive, technology-driven customer relationship management and employee customer orientation in driving satisfaction and sustained loyalty. Thus, Amazon Optical is recommended to continue optimizing its Social CRM strategies and employee service orientation in order to sustain competitive advantage and foster long-term customer relationships; especially, considering the rise of future digital native consumers.

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