

The Impact of Inaccurate Color on Customer Retention and CRM

Kevin R. Parker, Philip S. Nitse, and Albert S.M. Tay
Idaho State University, Pocatello, ID, USA

parkerkr@isu.edu; nitsphil@isu.edu; taysion@isu.edu

Abstract

The number of Internet purchases continues to increase, making customer relationship management even more critical in today's Internet marketplace. Keeping existing customers satisfied is much more cost effective than acquiring new customers. However, the Internet has been plagued by inaccurate color representation since the advent of e-commerce. Color inaccuracy has many negative consequences, the most important of which is customer defections. This paper communicates the findings of a survey conducted to assess consumer opinions about Internet purchases. Results indicate that consumers are aware of color inaccuracies and that their reactions will negatively impact the marketer. Over 55% of the consumers surveyed indicate that they will not make future purchases from an online merchant that delivered an item in a color that did not match their expectations. With customer retention being one of the goals of customer relationship management, it is apparent that this issue must be acknowledged and acted upon.

Keywords: Customer relationship management (CRM), e-CRM, online customer retention, e-satisfaction, online customer satisfaction, visual merchandising, product presentation, e-tailing.

Biography



Dr. Kevin R. Parker is a Professor of Computer Information Systems at Idaho State University. He has taught both computer science and information systems courses over the course of his eighteen years in academia. Dr. Parker's research interests include e-commerce marketing, competitive intelligence, knowledge management, the Semantic Web, and information assurance. He has published in such journals as *Journal of Information Technology Education*, *Journal of Information Systems Education*, and *Communications of the AIS*. Dr. Parker's teaching interests include web development technologies, programming languages, data structures, and database management systems. Dr. Parker holds a B.A. in Computer Science from the University of Texas at Austin (1982), an M.S. in Computer Science from Texas Tech University (1991), and a Ph.D. in Management Information Systems from Texas Tech University (1995). Before entering academia Dr. Parker was a programmer/analyst with Conoco, Inc.



Dr. Philip S. Nitse is a Professor of Marketing at Idaho State University. His areas of research interest include competitive intelligence, knowledge management, healthcare marketing, and marketing management. He has been published in the *European Journal of Marketing*, *Competitive Intelligence Review*, *Marketing Intelligence and Planning*, *Journal of Health Care Marketing*, *Journal of Direct Marketing*, and *Advances in Marketing*. He has a BS in Marketing from Arizona State University, an MBA and a Ph.D. in Marketing from The University of Memphis. In addition, he has over 18 years of sales and sales management experience with organizations such as Carrier Air Conditioning, Georgia Pacific, Mass Merchandisers, and VR Business Brokers.



Dr. Albert Tay is an Assistant Professor of Computer Information Systems at Idaho State University. His areas of research interest include Global Information Systems, Organizational Impact of IT, Software Development and Support, and Technology Adoption. His research has been presented in academic conferences such as HICCS, AMCIS, and NACRA and has appeared in journals such as *Journal of Issues in Informing Science and Information Technology* and *Business System Journal*. He has a B.S. in Information Systems from Brigham Young University-Hawaii (1992), a M.S. in Decision and Information Systems from Arizona State University (1993), and a Ph.D. in Communication and Information Sciences from University of Hawaii at Manoa (2006). Albert has over six years of IT management experience with organizations such as Adaptec Inc, Applied Materials Inc., and Koeneman Capital Management.