




Article

Customer Engagement and Customer Relationship Management Capabilities' Effects on Innovation Performance and Customer Distrust's Moderating Role

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Abstract: This research aims to investigate how customer relationship management capabilities (CRMCs) improve customer engagement and innovation performance. Customer engagement is also tested as a mediator between CRM capabilities and innovation performance. Furthermore, the distrust moderating role was studied towards the relationship between CRMCs and customer engagement. Data were collected from 491 owner/managers of SMEs working in Saudi Arabia. The findings revealed that CRMCs positively predict customer engagement and innovation performance. Customer engagement directly affects innovation performance and acts as a mediator as well. In addition, the findings proved that distrust moderates on the link between CRMCs and customer engagement. This research adds to the marketing management theory and practices and highlighted the role of CRMCs in achieving innovation performance. It explored, considering the data base collected from SME owners and managers, the mechanism of innovation performance achievement through CRMCs and customer engagement. CRMC improvements allow businesses to have sustainable development and a better integration in the market.

Keywords: customer relationship management capabilities; customer engagement; innovation performance; customer distrust



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1. Introduction

Customer relationship management capabilities have been gaining wider attention from researchers over the last two decades [1]. Particularly, CRM capabilities are critical in the era of digitalization as they ensure the creation of improved value for stakeholders via appropriate relationships with key customers [2]. The capabilities of business organizations regarding CRM play an important role for the success of new products [3]. Existing studies documented that organizations with CRM capabilities are more inclined towards the development of new products or processes, which is largely acceptable to the key customers [4,5]. The digital transformation and adoption determined consistent hinges on the tools used for CRM processes and the communication paradigm with the customers [6,7]. All the technologies developed to reach and contact potential customers more easily changed the business environment and models.

Advancements in marketing techniques exert pressures on business organizations to adopt CRM mechanisms for marketing activity [1]. The development of advanced marketing techniques has brought various changes to the operational activities of organizations [8].

In the advanced business environment, CRM capabilities enable business organizations to integrate customer data and implement business transformations from traditional to digital, stimulating e-commerce activities [9]. In the recent decade, organizations have mostly adopted CRM mechanisms in order to improve relationships with customers [10]. Furthermore, business organizations can accelerate their marketing techniques and innovation activities by developing emerging techniques, such as CRMCs [5].

Although the commercial landscape carries out advertising campaigns based on various marketing techniques, the role of CRMCs in innovation performance was ignored by the management and marketing specialists. In recent years, high-tech solutions have proposed various advanced digital opportunities to business organizations for faster interactions with customers [11]. To improve customer relationships, under the new technology context, organizations are making consistent efforts to adopt digital techniques, to create or adapt CRM procedures, to integrate customer engagement and to reshape their strategic planning [12]. CRMCs have gained a strategic role for business organizations [13], which increases CE [14]. The aim of the present study was to evaluate the relationship between CRMCs and customer engagement and the improvements they are generating.

Customer engagement improves the customer's attachment/preference towards products and services, as well as enables the customer to accept the changes made by the organization in their products or services [15]. When customers are highly attached to an organization, they provide valuable inputs for innovation activities and business activity improvement [16]. The organizations with CRM programs offer facilities and opportunities to their customers to involve themselves in their strategic decisions [17]. The existing studies highlighted that CRM mechanisms increase customer engagement; in the companies that are using strategic planning and CRM programs [18], these are also positively impacting innovation performance.

Mostly, strategic decisions are based on the information from both internal and external sources of the business organization [3]. Customers are the primary source that provides valuable information and feedback on the decisions of business organizations [5]. The CRMCs of an organization are part of the strategic movement plan developed for the acquisition of valuable information from customers [16]. A sustainable business is built on two pillars: customer trust and partner loyalty. The exchange of information between customers and business organizations becomes successful when customers trust business organizations [19]. Therefore, the successful implementations of CRM programs largely depend on customer trust [20]. Customer distrust damages the relationship between customers and business organizations [21]. Customers with a higher level of distrust feel hesitation to share information regarding business products and processes [20]. The distrust of customers has a negative impact on CRMCs relationship with customer engagement, and this paper analyzes the moderating role of distrust on CRMCs and customer engagement relations.

2. Literature Review

Customer relationship management refers to the comprehensive process and policy of acquiring, retaining and partnering with discriminating customers to add worth to a company through customer service, marketing and sales to obtain customer value [22]. The new business models are considering the best way to achieve sustainability and a long-term run. CRMCs support different emphasizing processes so as to spread new information and knowledge in enterprises to make new products and adopt technologies [23]. CRMCs can uphold businesses to maintain and organize information to send to the correct people for a quick understanding and to share it with pertinent users [16]. Customer engagement refers to a motivational context-dependent situation of the mind with particular levels of emotional, behavioral and cognitive processes, which lead to direct interaction with a company [11]. Customer engagement is defined as customers' behaviors and attitudes and their connectedness level to other customers, employees and within the firm [24]. Customer

engagement behaviors are voluntary actions that underlie the transaction base and are focused on purchases [25].

2.1. CRMCs and Innovation Performance

Innovation performance refers to a business's involvement in innovation-related activities by developing new business processes, products and services [26]. The innovation performance of an organization is largely based on customers and the company through direct communication [27]. CRMCs refer to the meaningful and useful capabilities that unify customers tasks, such as customer retention, customer development and acquisition [28]. CRMCs are used to control large customer data and understanding and make strategic business decisions [20]. CRMCs are used to increase information acquisition, in advertising campaigns and to develop customer relationships, which enhance innovation performance [28]. CRM helps in directing customer interaction through IT base platforms for developing trust and strong relations between customers and organizations [29]. CRMCs are mechanisms used by the business organization for data tracking and taking information regarding customers to provide them with services, and these CRMCs improve innovation activities successfully [16]. CRMCs are part of a planned approach concerned with developing shareholder value through suitable relationships with customers and applying CRM strategies for obtaining business objectives [5]. CRMCs are measured by different factors, such as customization, rewards, online communities, site security and payment options; these factors help in the attainment of the valuable information necessary for the implementation of new processes [16]. According to the strategic perspective, CRMCs are part of a company's plan to form strong relations that link the company and customers and obtain value and increase benefits [2]. CRMCs form a complete process of maintaining beneficial customer relations that bring satisfaction and value for customers [30]. Technological development continues to rapidly grow, which changes the operational management of companies, including the way they create relations with customers [8]. Innovation performance is observed through the involvement of business organizations in innovation activities [31]. Companies want to enhance innovation performance because it helps in increasing sale performance and business profitability and this is dependent on CRMCs [32]. CRMCs provide a foundation for the improvement of innovation performance through the collection of valuable information from customers. CRMCs are implemented in numerous organizations now as an important strategy to develop relationships via platforms [9]. From the above arguments, we found a positive relationship between CRMCs and innovation performance.

H1: *CRMCs and innovation performance are positively linked.*

2.2. Customer Relationship Management Capabilities and Customer Engagement

The people with CRMCs in an organization are considered computational agents who respond, behave and act intelligently and that can perform tasks such as learning, interpreting and analyzing data and solving customer's problems based on collected data [28]. Customer engagement is a method of customer involvement through sensorial, emotional and social responses toward a company [25]. Customer's obtain satisfaction with CRMCs, which leads to customer engagement because customers obtain relevant information on a 24/7 basis [14]. Customers are more likely to engage while they obtain pleasure and enjoyment and have an outstanding experience with CRMCs [15]. These experiences encourage customers to engage more in activities mentally, emotionally and physically associated with a firm and brand [33]. CRMCs are a set of all the processes and strategies that are a means to manage and develop customer engagement [34]. The objective of CRMCs is to enhance and increase relationships with customers for achieving CE [35]. The CRMC function benefits business through customer engagement and information received from customers about the products and services offered [27]. CRMCs can provide smart recommendation engines to a company for enhancing revenue and productivity and

increasing customer engagement [36]. CRMCs help to improve search results and solutions for customers and make it possible to improve customer engagement through the purchase, sharing and visibility of products [37].

H2: *CRMCs are positively linked with customer engagement.*

2.3. Customer Engagement and Innovation Performance

Customer engagement is a psychological process of the effective and cognitive commitment of a customer to a business organization [34]. Customer engagement is a multi-dimensional notion that focuses on the products and services of a company and acts as a significant foundation for innovation performance [38]. Engaged customers participate in communicating valuable information about products and services and execute voluntary behaviors for other customers and organizations [39]. Customer engagement is described as repeated communication and interaction between customers and firms that generates strong psychological, physical and emotional speculation between organizations, brands and customers and improves innovation performance [40].

Customer engagement represents the process through which innovative activities of business organizations are created for specific products and services [41]. Customers experience more optimistic feelings and attachment to a company and then they show more loyalty to the company [28]. Engaged customers maintain strong connections with the company, offering feedback and suggestions with regard to the improvement of a product or service; hence, customer engagement improves innovation performance, allowing it to have a sustainable development [40]. Innovation reflects the business organization's behavior to engage in innovative activities and update and improve work practices and productivity [26]. Innovation performance is concerned with the company's ability to execute innovation activities [21]. Customer engagement strengthens the exchange relationship between customers and businesses [24]. The innovation process of business organizations is based on the information received from customers related to specific products [19]. Innovation performance is considered to be an outcome of the business coming out of customer engagement; a few studies have proved that innovation performance could come from customer engagement [21,26]. In the present study, we explored the existence and consistency of this connection:

H3: *Customer engagement has positive connection with innovation performance.*

2.4. Customer Engagement Mediates between CRMCs and Innovation Performance

Customer engagement plays a mediating role between CRMCs and innovation performance. Innovation performance is growing to be an emerging fact for the businesses landscape [40]. The reason is the involvement of CRMCs in economic and business activities to enhance innovation performance through customer engagement [32]. Customer engagement and credibility regarding CRMCs support the execution of innovation activities; CRMCs increase customer engagement through which customers are more likely to participate and provide feedback for the adoption of new ideas, which consequently improves innovation performance [26,35]. When organizations improve CRMCs, they directly increase customer engagement, which leads to an improved innovation performance. Moreover, an advanced level of customer engagement increases the participation of customers in the strategic decisions of the business organization. Due to enormous CRMCs around the globe, customer engagement acts as an important part of an organization's life in an economy [42]. CRMCs create valuable long-term relations, which is more beneficial for companies in comparison to occasional exchange and transaction processes [43].

Firms want to generate customer engagement by implementing CRMCs that are able to be a factor for the enhancement and achievement of innovation performance [32,38,40]. Customer engagement in response to CRMCs facilitates the exchange of valuable information between customers and business organizations, which has a positive influence

on innovation performance [16]. However, customer engagement is a valuable source to ensure the acquisition of novel ideas from customers that play a significant role and act as a link between CRMCs and innovation performance [26,32]. The mediating role of customer engagement is validated with the aid of CRMCs, which encourage customers by giving confidence, which is the base of innovation performance [38]. From the above discussion, it is found that customer engagement acts as a medium between CRMCs and innovation performance. Innovation-related ideas are acquired through customer engagement and customer engagement is derived from CRMCs. CRMCs capture customer engagement, which consecutively affects innovation performance.

H4: *Customer engagement positively mediates between CRMCs and innovation performance.*

2.5. Moderating Role of Distrust

Distrust hinders the establishment of good CRMCs to enhance and increase customer engagement. It is anticipated that the positive effect of CRMCs on customer engagement can be reduced under distrust [20]. Trust acts as a vital factor for CRMCs to acquire customer engagement and strengthen customers' relations with companies [19]. Trust between customers and business organizations must be strong to successfully attain customer engagement through CRMCs [44]. The environment of distrust emerges when customers feel that business organization strategies and decisions are unfair and not aligned with their requirements [45]. Companies motivate their employees through providing CRMCs in the company for the proper functioning of the business; however, customer trust plays an important role in the improvement of customer engagement [46]. The implementation of CRMCs helps companies in inquiring about customer expectations and needs for increasing customer engagement, but when customers have lower levels of trust they have lower levels of customer engagement [47]. However, CRMCs assist companies in adapting to new technological changes and remove obstacles that are in the way of engaging customers, though distrust damages the relationship among customers and organizations [44]. Our study about the moderating role of distrust between CRMCs and customer engagement is presented for the first time in the literature, to the extent of our information and knowledge. Companies offer both tangible/intangible services; however, intangible services given by employees rely on the trust of management decisions in enhancing these services for improving relations between customers and companies and obtaining engaged customers [45].

H5: *Distrust reduces the relationship between CRMCs and customer engagement.*

3. Research Design

This section of the research describes the strategy we used to complete this study in a systemic way. This study was conducted using a cross-sectional approach and data collected from a sample are applicable to the whole population. One of the main data collection tools used here in this study was a questionnaire, which is a reliable and valid tool for drawing conclusions and can be used as a reference for future research. The questionnaires were kept simple and to the point and the questions asked in the questionnaires were in an easy and understandable wording so that there was no ambiguity in the minds of readers while understanding or answering them, because the simpler the words, the easier it will be to understand and answer them with proper care and instructions, resulting in more accurate research findings.

3.1. Study Respondents

The current study was conducted on the owners/managers of manufacturing SMEs (small and medium enterprises) of Saudi Arabia. Initially, we approached the Chamber of Commerce for obtaining details about the registered SMEs. In the current study, we focused on SMEs with manufacturing concerns engaged for the production of products. A list of

1530 owner/managers was generated on the information obtained from the office of the Chamber of Commerce. We selected 710 owner/managers of SMEs using random sampling techniques. With the help of five research assistants, we distributed the questionnaire to the selected respondents. A total of 523 responses were received during the data collection process. Finally, 491 responses were considered for analysis, which was completed in all respects.

3.2. Theoretical Framework

Figure 1 presents the theoretical framework of the current study. The theoretical framework explains the direction and relationship among the study constructs. In this study, we used four variables, i.e., customer relationship management capabilities (Independent), customer engagement (Mediator), customer distrust (Moderator) and innovation performance (Dependent).

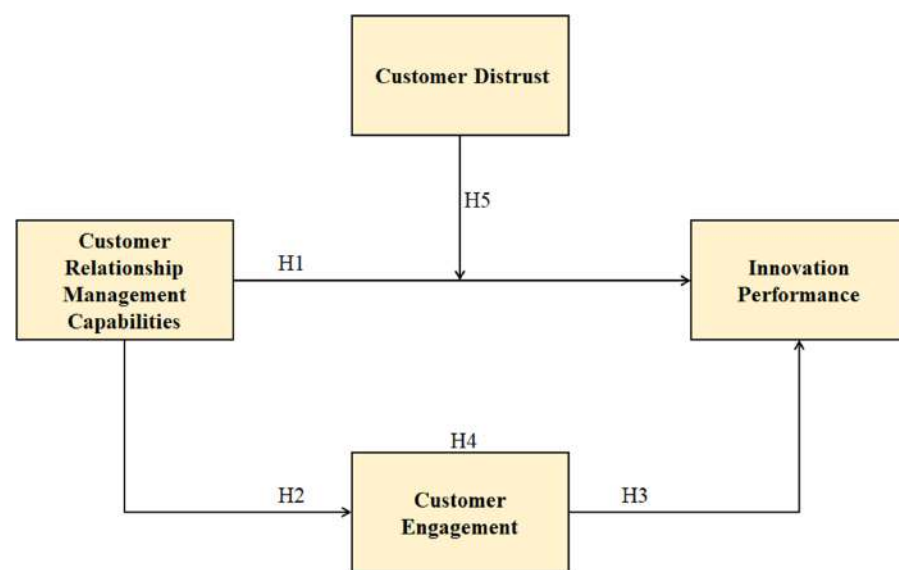


Figure 1. Theoretical framework. Source: authors' concept.

3.3. Study Measures

In the current study, we establish the impact of CRMCs on customer engagement and innovation performance. Table 1 presents the detail of the study measures regarding the respondent's characteristics.

Table 1. Respondents' characteristics.

		N	Percentage
Age—Years	25–30	91	18.53
	21–35	129	26.28
	36–40	141	28.71
	31–45	96	19.56
	Above 45	34	6.92
Experience	5–10 years	97	19.76
	11–15 years	107	21.90
	16–20 years	163	33.19
	More than 20 years	124	25.26
Education	14 years	27	5.49
	16 years	54	11.00
	18 years	143	29.12
	20 years	216	44.00
	More than 20 years	51	10.39

Source: authors' results.

The next section of the questionnaire had items to measure CRMCS, customer engagement, innovation performance and distrust. All the items were examined on a five-point Likert scale with values of 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The following scales were adopted/adapted/self-developed for data collection from the respondents.

CRMCS were used as an independent variable and measured with a 19-item scale formulated and validated by Wang and Feng [5]. The construct of customer engagement was measured with a 10-item scale adapted from the work of Chu et al. [48]. The responses regarding innovation performance were obtained with the help of 11 items adapted from the work of Alegre and Chiva [49]. These items produce an alpha value of 0.89. The measurement of distrust was obtained with a five-item scale with a reverse code adapted and modified from Choi et al. [50]. Table 2 displays the information about study constructs.

Table 2. Scale measurement.

Construct	Adapted/Adopted/ Self-Made	Scale Originally Developed by	Items
CRMCS	Adapted	Originally developed by Wang and Feng 2012 [5]	19 items
Customer engagement	Adapted	Developed by Chu et al., 2020 [48]	10 items
Innovation performance	Adapted	Originally developed by Alegre and Chiva 2008 [49]	11 items
Distrust	Adapted	Developed by Choi et al., 2008 [50]	5 items

Source: authors' synthesis. Note: CRMCS, customer relation management capabilities.

4. Study Results

4.1. Measurement Model

In the current research, we applied SEM and correlation for the analysis of the data. Correlation statistics confirmed the connection among study constructs. Correlation coefficients provide the route of association, while path analysis calculates the dependency of dependent variables that occur due to independent variables. Table 3 depicts the statistics of the measurement model.

Table 3. Composite reliability and average variance extracted.

Variable Details	Factor Loading	A-V-E	CR	Value of α
CRMCS	0.64–0.86	0.647	0.941	0.811
Customer engagement	0.68–0.84	0.751	0.967	0.862
Innovation performance	0.74–0.93	0.786	0.923	0.884
Distrust	0.66–0.87	0.724	0.986	0.829

Source: authors' results.

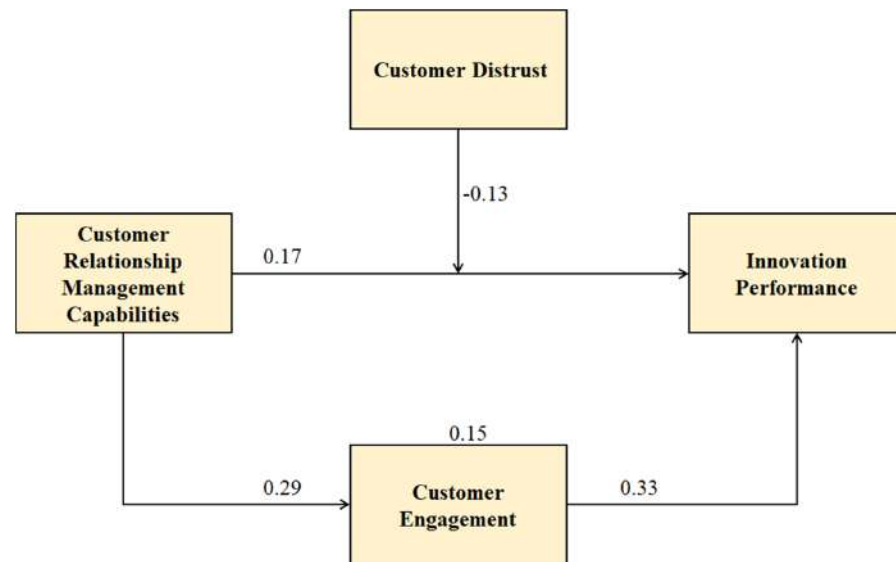
4.2. Correlation

The correlation analysis findings are presented in Table 4. They revealed that CRMCS have a positive relation to customer engagement (0.29 **) and innovation performance (0.19 **), while they have a negative relationship with distrust (0.14 **). Moreover, the positive relationship of customer engagement to innovation performance (0.33 **) and negative relationship of it to distrust (−0.21 **) were also presented. Direct and indirect effects are presented in Figure 2.

Table 4. Correlation results.

Variables	1	2	3	4
CRMCs	1			
Customer engagement	0.29 **	1		
Innovation performance	0.19 **	0.33 **	1	
Distrust	-0.14 **	-0.21 **	-0.11 *	1

Note: * $p < 0.05$, two-tailed; ** $p < 0.01$, two-tailed; CRMCs, customer relation management capabilities. Source: authors' results.

**Figure 2.** Direct and indirect effect. Source: authors' results.

4.3. Hypotheses Testing

For the purpose of testing the study hypotheses, we conducted a path analysis estimate using the structural equation modeling (SEM) technique. The results of path analysis using SEM are shown in Table 5.

Table 5. Results of path analysis.

Description	Beta Value	S.Error	C.R [T-Value]
CRMCs \leftarrow innovation performance	0.17	0.063	2.698 **
CRMCs \leftarrow customer engagement	0.29	0.057	5.087 **
Customer engagement \leftarrow innovation performance	0.33	0.059	5.593 **

Note: CRMCs, customer relation management capabilities; ** $p < 0.01$, two-tailed. Source: authors' results.

H1 proposed that CRMCs are a positive predictor of innovation performance and the results were proved analytically ($\beta = 0.17$). Similarly, H2 proved that CRMCs have a significant positive effect on customer engagement ($\beta = 0.29$). Furthermore, it is examined that customer engagement is a significant and positive predictor on innovation performance ($\beta = 0.33$). Based on these conclusions, the study H1, H2 and H3 were accepted.

To investigate the significance and size of the indirect effects of CRMCs on innovation performance, we applied normal test theory approach analysis. Table 6 displays the statistics generated through a normal test theory approach. Statistical data explained the total effect ($\beta = 0.32$ **), direct effect ($\beta = 0.17$ **) and indirect effect ($0.32 - 0.17 = 0.15$) of CRMCs on innovation performance through customer engagement. The outcome of a Sobel test, i.e., $Z = 3.72$, established the indirect effect of CRMCs on innovation performance via customer engagement. On the basis of these findings, we accept the study H4.

Table 6. Direct and indirect effects of CRMCS on innovation performance.

Mediation Models	Total Effect			Direct Effect			Indirect Effect		
	<i>B</i>			<i>B</i>			Normal Test Theory		
	0.32	<i>T</i>	<i>p</i>	<i>B</i>	<i>T</i>	<i>p</i>	<i>B</i>	<i>Z</i>	<i>p</i>
CRMCS → customer engagement → IP	0.32	8.72	0.00	0.17	1.39	0.09	0.15	3.72	0.00

Note: CRMCS, customer relation management capabilities; IP, innovation performance). Source: authors' results.

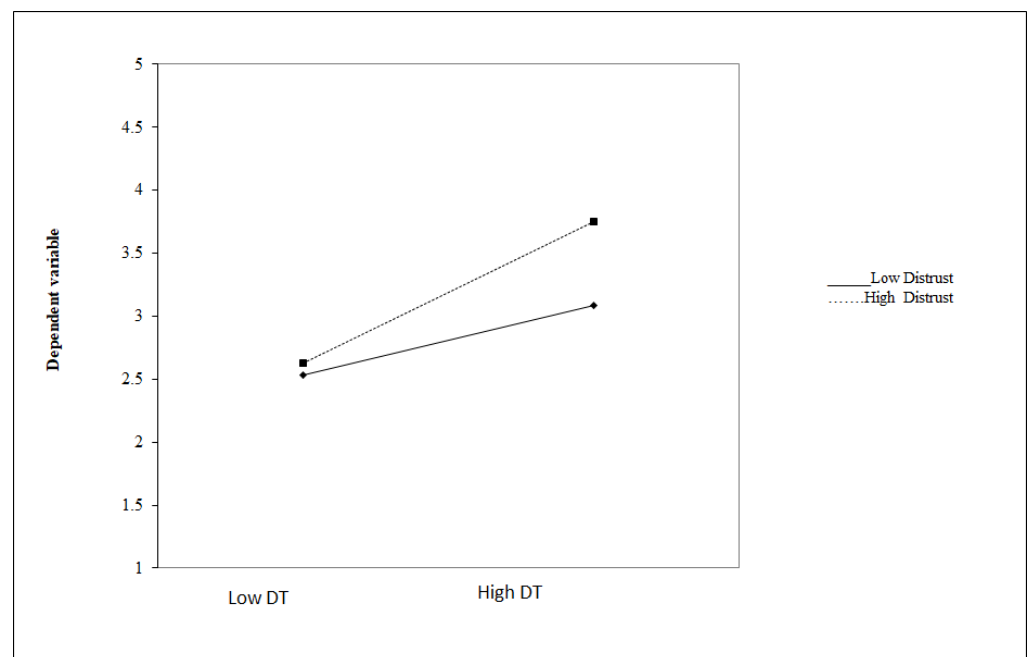
A hierarchical regression approach was used to check the moderation of distrust. The results of hierarchical regression are found in Table 7. Step 3 of Table 7 provides information about the moderation of distrust on the association between CRMCS and customer engagement. Table 7 also contains the coefficient of the interaction term, i.e., CRMCS × distrust, which shows that distrust reduces the relationship between CRMCS and customer engagement ($\beta = -0.13, p < 0.01$).

Table 7. Moderating effect of distrust between CRMCS and customer engagement.

	Step 1	Step 2	Step 3
Moderating role of distrust			
Age	0.032	0.011	0.005
Experience	0.025	0.021	0.015
Education	0.027	0.020	0.017
CRMCS		0.18 **	0.21 **
Distrust		-0.16 **	-0.20 **
CRMCS × distrust			-0.13 **
R ²	0.009	0.191	0.198
Adjusted R ²	0.003	0.159	0.175
Δ R ²	0.007	0.163	0.028

Note: ** $p < 0.01$, two-tailed; CRMCS, customer relation management capabilities. Source: authors' results.

Slope analysis also shows the moderating effect of customer distrust between CRMCS and customer engagement, as shown in Figure 3.

**Figure 3.** Slope analysis of effect of distrust on CRMCS and innovation performance. Source: authors' results.

5. Discussion

The purpose of the current study was to identify how CRMCs help in increasing and enhancing customer engagement and innovation performance. Our study consists of five hypotheses for the direct, indirect and moderating effect among the study constructs. First, CRMCs are means of increasing opportunities for firms and customers to engage and improve innovation performance. CRMCs facilitate customers and companies by providing them valuable information for decision making. CRMCs influence customers' judgment and perceptions about companies and attract customers to become engaged with companies. Previous findings support this relation that CRMCs are part of companies' plans to form strong relations linking companies and customers to obtain value and increase benefits [2]. CRMCs form a complete process of maintaining beneficial customer relations that bring satisfaction, loyalty, attachment, trust and value for customers [33]. Strong relationships with customers continue to rapidly grow, which changes the operational management of companies, including the exchange of valuable information and new ideas regarding company processes and products [8].

The second hypothesis supports that CRMCs help business organizations develop customer engagement. Customer engagement is the thoughtful, cognitive, physical and effective participation of customers in company products and services. CRMCs help firms in giving information to customers, which is important for decision making, and customers suppose the information is accurate and correct and the customer becomes engaged with the company. The prior findings suggest that CRMCs are a set of all the processes and strategies that are a means to manage and develop customer engagement [40]. The objective of CRMCs is to enhance and increase relationships with customers for achieving customer loyalty, value and revenue growth through customer engagement [41]. CRMCs help in enhancing marketing functions for benefiting businesses through customer engagement with increased levels of information [42]. The strength of the relation between the company and its customers creates the context and the culture to build a sustainable business model together.

The third hypothesis is linked to customer engagement and innovation performance. Customer engagement influences sociological, psychological and organizational behavior through particular participation, attachment and connection with a company, and it helps in improving the adoption of innovative activities. Customer engagement acts as an important means for the acquisition of information about the operational activity of a company and the improvement of innovation performance. This study finding is consistent with previous research that customer engagement refers to the psychological process through which customers are ready to share information necessary for the organization to formulate and implement innovation activities and enhance innovation performance [5]. Innovation performance is based on the involvement of innovative activities, which is linked with the information received from the customers due to their engagement with the business entity, its products and its processes [16].

Fourth, customer engagement mediates between CRMCs and innovation performance. Engaged customers bring desirable outcomes using CRMCs and bring higher loyalty for the exchange of novel ideas with business organization. Firms are looking to stimulate customer engagement by enabling CRMCs, as a pleasant factor for the enhancement and achievement of innovation performance [27,36]. Customer engagement in response to CRMCs positively influences innovation performance [35]. However, customer engagement is a source to generate the innovation performance and plays an important role in linking the CRMCs and innovation performance [32].

The final and fifth hypothesis suggests that distrust plays a moderating role on the relationship between CRMCs and customer engagement. Distrust is the mechanism through which customers feel that company decisions are unfavorable [45]. The findings reveal that CRMCs play an important role for improvement customer engagement, but distrust reduces this association through the lower level of trust. The previous literature assists in confirming results that higher levels of customer trust aid in the establishment of good

CRMCs to enhance and increase customer engagement. It is anticipated that the positive effect of CRMCs on customer engagement can be higher when customers trust the decisions of the business regarding products and processes [19]. Anti-trust acts as negative factor that reduces the positive relationship between CRMCs and customer engagement [44].

5.1. Theoretical Contribution

The significant findings of the current study suggested valuable contributions for the field of marketing and innovation. The current study adds to the existing literature and provides a better understanding of the significant role of the marketing activities of business organizations for their innovation activities. The first contribution of the present study is the proposed model to highlight CRMCs importance in customer engagement and innovation performance improvement. The study fills in the existing literature and the lack of information regarding the role of CRMCs for the improvement of innovation performance. Furthermore, the study also contributes by examining the reducing effect of distrust on the relationship between CRMCs and customer engagement. Most of the existing studies focused on the positive role of trust. Additionally, the study offers a comprehensive explanation for innovation performance due to CRMCs and customer engagement.

Moreover, the findings of the study offer an innovation performance model for SMEs as a new perspective for the existing literature. This model expresses how CRMCs and customer engagement affect the innovation performance of SMEs. Third, knowing the role of CRMCs in bringing customer engagement into the strategic decisions of the business organization gives consistency to the investigation. The implementation of a new model for business organizations is strongly related to CE mechanisms, and its successful implementation plays an essential role [11]. In the existing literature, there is a limited deliberation on the determinants and outcomes of customer engagement. The gap identified in the existing knowledge is filled by this research, which focuses on CRMCs as potential determinants of customer engagement. Finally, the destructive role of distrust is also considered for business concerns. The distrust of customers reduces the positive relationship between CRMCs and customer engagement.

5.2. Practical Implications

We can identify a few practical implications for SMEs that arise from the findings of this research. Firstly, the management of SMEs can enhance innovation performance with the help of the development of a customer relation management system and through customer engagement. SMEs achieve innovation performance when these enterprises positively respond to the potential customers that interact with the help of customer relation management mechanisms. Second, this study suggests that the CRMCs of SMEs increased the engagement of customers in the strategic decisions. Therefore, proper customer relation management systems and customer trust strengthen customer engagement. A company's sustainable development depends on its capacity to answer customer needs and expectations and its awareness that customer engagement is vital.

6. Conclusions

CRMCs, which are the consequences of marketing strategies, have an important role in customer engagement and innovation performance enhancement. CRMCs are one of the important customer-centric mechanisms through which SMEs can easily interact with customers. CRMCs ensure the interaction and collaboration between SMEs and their customers and represent a powerful tool. The wise use of CRMCs is reflected in customer engagement. The positive effects found for CRMCs on both the customer engagement and innovation performance of SMEs denotes their strong potential. Furthermore, the findings also suggested that customer engagement also positively affects innovation performance. Behind these findings, the current study also empirically found the reducing role of distrust on the relationship between CRMCs and customer engagement. In summary, we concluded

that the CRMCs of SMEs increase customer engagement, which becomes the reason for the attachment of customers, which increases innovation performance.

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