

## Customer Relationship Management Systems and the Mediating Role of Digitalization in Philippine Real Estate Marketing



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### INTRODUCTION

#### Background of the Study

The Philippine real estate market is undergoing a period of unprecedented growth and transformation. As of the third quarter of 2023, residential property prices surged by 12.9%, marking a significant trend in the nation's economic landscape (Santos Knight Frank, 2024). This market expansion is primarily driven by rapid urbanization, a process that has been intensifying since the 1990s. The demand for both residential and commercial properties has soared, fueled in part by a burgeoning middle class and substantial remittances from Overseas Filipino Workers (OFWs), both of which contribute increasingly to disposable incomes and real estate investments.

Urbanization has also paved the way for the development of mixed-use spaces and townships. These developments blend residential, commercial, and leisure facilities into cohesive environments, attracting both local and international investors. Consequently, the property sector now represents a critical component of the country's economic engine, generating employment opportunities and contributing significantly to GDP growth (Colliers, 2023).

Within this dynamic market, real estate firms face mounting pressure to differentiate themselves and enhance competitiveness. A key strategy employed to achieve this is the adoption of Customer Relationship Management (CRM) systems, which are vital in managing customer interactions, improving service personalization, and optimizing sales processes. CRM tools enable firms to not only track leads but also analyze customer preferences to deliver tailored services, thus fostering stronger customer relationships and enhancing brand loyalty.

Post-2015, the digital transformation era has further catalyzed the evolution of CRM systems, integrating advanced analytics, artificial intelligence (AI), and mobile compatibility. These advancements are crucial for real-time customer interaction tracking, predictive analytics for buyer behavior forecasting, and seamless communication between clients and agents via mobile applications (Zalamea, 2023). For instance, AI-driven tools allow firms to assess and anticipate client needs more accurately, significantly improving customer satisfaction and retention.

Moreover, the digitalization trend within the Philippine real estate sector is not confined to CRM systems alone. Online property portals, virtual tours, and social media marketing have become standard features, revolutionizing property marketing and consumption patterns. In this competitive environment, CRM platforms are indispensable for managing online inquiries and enhancing sales strategies, particularly for targeting tech-savvy millennials and overseas buyers who demand comprehensive digital interactions (Lamudi Philippines, 2022).

The integration of these digital tools with CRM systems points to a broader trend of digitalization in the sector. Today's market heavily relies on digital channels, such as social media platforms including Facebook and Instagram, to broaden audience reach through targeted advertising and interactive content. Furthermore, influencer marketing and AI-driven chatbots handling inquiries 24/7 have transformed customer engagement, ensuring continual interactions between buyers and sellers (Uy, 2020).

In this evolving landscape, mobile applications are playing an increasingly pivotal role. Many developers have embraced this trend by introducing dedicated mobile apps, which offer functionalities ranging from property viewing to mortgage calculations and complete online transactions. This shift towards m-commerce solutions aligns with consumer expectations of convenience and efficiency in real estate dealings, especially valuable during periods such as the COVID-19 pandemic when physical property visits were restricted (Castillo, 2021).

Looking ahead, the role of CRM systems in the sector is likely to expand alongside advancements in AI technology, particularly machine learning algorithms. These technologies are anticipated to refine customer segmentation, improve service

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delivery, and drive innovation within CRM platforms, thereby meeting the evolving expectations of consumers and maintaining growth momentum in the real estate market (Colliers, 2023).

Despite the clear benefits of digital integration, many firms are yet to fully capitalize on the potential synergies between CRM systems and digital tools. While CRM effectively manages customer relations, the juxtaposition with digitalization—acting as a mediating factor—remains underexplored. Real-time data collection and predictive analytics amplify CRM capabilities, allowing firms to anticipate client needs and market trends with significant precision (Chen, 2020).

Navigating these changes within the context of the Philippine real estate market, particularly in urban centers like Metro Manila, poses unique opportunities and challenges. Firms are tasked with adopting digital tools compellingly and efficiently to remain competitive and deliver exemplary customer service. Understanding and leveraging these digital tools effectively can provide significant advantages in a market characterized by high-value transactions and trust-driven relationships.

In summary, the Philippine real estate market is not only vibrant and thriving but also at a critical juncture of digital integration. The evolution of CRM systems and the broader digitalization trends represent significant opportunities for real estate firms aiming to meet the demands of a tech-savvy consumer base. As the industry continues to innovate and expand, the strategic deployment of CRM and digital tools will likely become increasingly pivotal to sustaining growth and operational excellence.

### Research Gap

Despite the significant developments and technological integration in the Philippine real estate market, a substantial research gap exists concerning the synergistic impact of Customer Relationship Management (CRM) systems combined with digitalization on organizational performance. While there has been extensive focus on the adoption of CRM systems and digital tools individually, their combined impact, particularly within the unique context of the Philippine market, remains underexplored.

Existing literature primarily examines how CRM systems improve customer management through the organization of client data, personalization of services, and streamlining sales processes (Aquino, 2022). Simultaneously, studies on digitalization highlight how social media, mobile applications, and online platforms have revolutionized the property market by enhancing accessibility, transparency, and consumer engagement (Chen, 2020). However, most studies stop short of investigating how the integration of these technologies can generate a stronger, synergistic effect that advances comprehensive customer engagement strategies and data-driven marketing.

Crucially, the potential synergy between CRM systems and digitalization lies in their combined ability to create seamless and personalized customer journeys. Real estate firms operate in a highly competitive environment where meeting the evolving expectations of tech-savvy consumers—who demand rapid and reliable access to information—is vital. An unexplored area is how the integration of CRM with digital tools like online property portals, virtual tours, AI-powered chatbots, and automated marketing systems enhances customer experiences, improves client retention, and drives business growth (Dela Cruz & Ramos, 2023).

In addition to the need for more detailed examination of synergy creation, there is limited research exploring the mediating role of digitalization in enhancing CRM effectiveness in emerging markets like the Philippines. Digital tools, when used effectively, can elevate CRM functionality by enabling real-time data collection, applying predictive analytics, and offering insights that allow firms to anticipate client needs with greater accuracy (Chen, 2020). This integration has the potential to influence crucial performance indicators such as customer trust, loyalty, and long-term relationship-building—essential factors in the real estate industry, where transactions are often high-value and relationship-driven (Martinez & Perez, 2022).

Moreover, there is a paucity of studies that consider how this convergence influences consumer behavior and alters market dynamics in emerging markets like the Philippines. While the rise of mobile apps and online property platforms provides fertile ground for examining optimized business strategies, understanding how these tools, when integrated with CRM systems, can enhance marketability and foster stronger customer relationships remains largely unexplored (Lim & Torres, 2021).

This research gap presents a significant opportunity to delve deeper into how CRM systems and digital tools are increasingly crucial in shaping the Philippine real estate landscape. By examining their integration, the research could illuminate how these technologies collectively affect key business metrics, setting the stage for improved operational strategies and customer interactions.

Furthermore, while CRM systems have proven effective in managing customer relationships on an operational level, the role of digitalization as a mediating factor has not been comprehensively studied. The potential amplification of CRM platforms through digital advancements such as real-time data monitoring and AI-powered insights remains underexplored. These capabilities could drastically alter the accuracy and effectiveness with which firms meet market demands and client expectations.

In summary, addressing these research gaps could provide valuable insights into how real estate firms can more effectively harness the convergence of CRM systems and digital technologies. Such exploration would enhance our understanding of technology-mediated customer interactions, potentially propelling the industry towards unprecedented efficiencies and customer service standards. These insights are not only vital for business strategy formulation but also contribute significantly to academic discourse surrounding the future of CRM in an increasingly digital world.

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## Research Problem

The Philippine real estate market is at a pivotal point where the integration of Customer Relationship Management (CRM) systems with emerging digital technologies is reshaping how firms operate and engage with clients. Despite the rapid expansion of the market and the widespread adoption of CRM systems, there remains a limited understanding of how digitalization mediates the effectiveness of these systems in enhancing organizational performance. Given this context, several critical research problems emerge that require exploration.

### 1. Impact of Digitalization on CRM Effectiveness

The first research problem pertains to understanding how digitalization influences the effectiveness of CRM systems in the Philippine real estate industry. While CRM systems are implemented to foster customer relationships, the extent to which digital technologies enhance their functionality is not thoroughly investigated. For example, digital tools such as AI-driven analytics, mobile applications, and online property platforms could provide valuable insights, allowing firms to offer more personalized services and streamline their customer engagement strategies. However, without empirical evidence demonstrating this relationship, firms may struggle to optimize their CRM initiatives effectively.

### 2. Integration of Digital Tools and CRM Systems

The second research problem addresses the factors that drive successful integration between CRM systems and digital tools in Philippine real estate firms. The existing literature lacks comprehensive analysis on the internal and external motivators that facilitate or hinder this integration. Understanding these factors is vital for firms seeking to leverage technology efficiently. Are firms facing challenges such as technical limitations, resistance to change among staff, and high implementation costs? Conversely, what opportunities arise from effective integration, such as improved customer insights and operational efficiencies? Addressing this problem can provide valuable guidance for real estate firms as they navigate the complexities of CRM and digital tool implementation.

### 3. Mediating Role of Digital Technologies

Another significant area of inquiry is to explore how various digital technologies, including mobile apps, online property listings, and social media platforms, mediate the effectiveness of CRM systems in achieving organizational goals. While it is acknowledged that CRM systems enhance customer relationship management, the synergistic effects when integrated with digital tools remain largely unexamined. Specifically, how do these digital technologies amplify CRM functions, leading to increased customer satisfaction and retention? By exploring this dynamic, the study could illuminate pathways through which firms can improve their engagement strategies and customer service offerings.

### 4. Challenges and Opportunities of Integration

The fourth research problem investigates the common challenges and opportunities associated with the integration of CRM and digital technologies within the local real estate context. As firms endeavor to adopt these technologies, they may encounter numerous hurdles, including difficulties in aligning technology with business processes, training employees, and ensuring data privacy compliance. Identifying these challenges is crucial for developing strategies to mitigate risks and enhance the likelihood of successful implementation. Moreover, the exploration of potential opportunities that may arise, such as enhanced data-driven decision-making and improved operational efficiency, can provide a balanced perspective on the implications of integration.

### 5. Impact on Customer Metrics

Finally, assessing how the integration of CRM systems and digitalization influences essential customer metrics, such as satisfaction, loyalty, and trust, is a vital research problem. The real estate industry relies heavily on long-term relationships driven by trust. Hence, understanding this relationship is paramount. Do digital tools and integrated CRM systems positively influence customer perceptions? By exploring these metrics correlating with integrated technologies, the study aims to provide insights on enhancing customer experiences and fostering sustained loyalty.

In conclusion, the research problems outlined above illustrate the complexities and nuances of CRM and digitalization within the Philippine real estate landscape. Addressing these problems is essential to developing a comprehensive understanding of how technology can enhance customer relationship strategies in a rapidly evolving industry. As the market continues to grow and adapt to digital trends, the insights derived from this research can empower real estate firms to utilize CRM systems effectively, integrate digital tools, and ultimately deliver superior customer experiences. By doing so, firms can not only meet but exceed the evolving expectations of consumers, thus gaining a competitive advantage in the marketplace.

## Objectives of the Study

The general aim of this study is to understand the role of digitalization in enhancing CRM system effectiveness within the Philippine real estate market. The specific objectives are:

1. To examine the current state of CRM systems used by real estate firms in the Philippines.
2. To explore how digitalization is integrated into CRM systems within the local real estate sector in the Philippines.
3. To analyze the effect of digitalization on customer satisfaction in real estate marketing in the Philippines.

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## Scope and Limitations

The scope of this study is defined regarding the focus on the integration of Customer Relationship Management (CRM) systems and digital tools within the Philippine real estate industry, specifically targeting urban centers such as Metro Manila. This region has demonstrated significant advancements in technology adoption and urbanization, making it an ideal context for exploring how CRM and digitalization intersect to enhance business performance and customer engagement. The research will cover the period from 2015 to 2023, a timeframe marked by substantial transformations in the real estate market due to rapid technological advancements, evolving consumer expectations, and shifts in marketing strategies.

**Focus on CRM Systems and Digital Tools:** The study will primarily investigate the functionality and effectiveness of CRM systems in relation to various digital tools such as mobile applications, social media platforms, online property listings, and AI-driven analytics. This focused approach will allow for a deeper understanding of how these technologies enhance customer engagement strategies and streamline operations.

**Geographic Concentration:** The research will specifically hone in on Metro Manila, which is the economic hub of the Philippines. This concentration is critical as the urban landscape in Metro Manila reflects rapid technological progress and a significant influx of real estate development, creating unique opportunities and challenges related to CRM and digitalization. The findings from this urban setting may yield insights that are less applicable to rural or less urbanized areas where real estate operations and customer interactions differ markedly.

**Target Participants:** The study will primarily gather data from real estate professionals, including agents, brokers, and managers who interact directly with CRM systems and digital technologies. By focusing on these key stakeholders, the research aims to obtain nuanced insights into the operational aspects, challenges, and benefits associated with CRM and digital integration. Importantly, the perspective will be that of industry professionals rather than end-users (customers), which will shape the nature of the findings.

**Timeframe:** The chosen timeframe, from 2015 to 2023, captures the critical period during which digital transformation has notably accelerated in the Philippine real estate sector. This period has seen the introduction and evolution of various technological tools and platforms that have altered how real estate transactions are conducted and customers engage with service providers. Exploring this timeframe will lend relevance and context to the findings regarding technology adoption and integration.

**Exclusion of Customer Perspectives:** One of the significant limitations of this research is the exclusion of direct input from customers or clients who utilize CRM systems. While the insights from real estate professionals are invaluable for understanding internal dynamics, this study may miss critical aspects of the customer experience and the ultimate impact of CRM and digital tools on customer satisfaction and loyalty. The absence of customer perspectives could limit the ability to provide a holistic view of CRM effectiveness and the real estate transaction experience.

**Generalizability of Findings:** Since the research is focused primarily on Metro Manila, the findings may not be easily generalizable to other regions of the Philippines, particularly those that are less urbanized or have not yet embraced digital technologies to the same extent. Variations in technological infrastructure, regulatory conditions, and market competition in other areas may lead to different outcomes that are not captured in this study.

**Narrow Technological Focus:** The scope of the research intentionally limits itself to CRM systems and select digital tools that directly enhance customer relationship management processes. Topics such as e-commerce platforms, blockchain technology, and advanced analytics beyond the realm of CRM will not be explored in depth unless they have a direct and significant impact on CRM functions. This focused approach, while allowing for detailed analysis within defined parameters, may omit broader developments in digital transformation that could also influence the real estate market.

**Dynamic Market Conditions:** The real estate market is inherently dynamic and influenced by various external factors, including economic conditions, regulatory changes, and technological advancements. While the research aims to analyze the integration of CRM systems and digital tools, any findings may reflect conditions specific to the study's timeframe and may evolve as new technologies emerge or market conditions change. As such, the outcomes of this research should be understood within the context of these limitations and the rapidly changing landscape of the industry.

**Potential Bias in Participant Responses:** Since data collection will rely on self-reported information from real estate professionals regarding their experiences and perceptions of CRM and digital technologies, there is a potential for response bias. Participants may have differing levels of familiarity with the technologies in question, and their responses may be influenced by personal or organizational experiences. This variability could impact the consistency and reliability of the data collected.

This study focuses on assessing how the integration of CRM systems and digital technologies can enhance business performance in the Philippine real estate market. By concentrating on Metro Manila and targeting industry professionals, the research aims to provide valuable insights relevant to the local context. However, the study also acknowledges its limitations, including the exclusion of customer perspectives, challenges related to generalizability, and potential biases in participant responses. Acknowledging these boundaries is essential for interpreting the findings.

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## Significance of the Study

This study holds substantial significance across multiple domains, including the real estate industry, academic research, and the broader research community.

For industry practitioners, this research provides invaluable insights into the integration of Customer Relationship Management (CRM) systems with digital tools, offering practical strategies for enhancing customer engagement and operational efficiency. As the real estate market in the Philippines, particularly in Metro Manila, continues to evolve with digitalization, understanding how these technologies can be effectively harnessed is crucial. The findings can guide real estate firms in optimizing their CRM practices, leading to improved customer satisfaction, loyalty, and ultimately, business performance. By identifying best practices and potential pitfalls in the integration process, this study serves as a roadmap for firms aiming to navigate the complexities of modern real estate marketing and customer relationship management.

In the academic sphere, this study contributes to the existing body of literature by addressing a notable research gap concerning the combined impact of CRM systems and digitalization in the Philippine real estate context. While previous studies have often focused on either CRM or digital tools in isolation, this research explores their synergistic potential, enriching theoretical frameworks related to technology adoption and customer relationship strategies. Furthermore, it encourages future researchers to explore the nuances of CRM integration in other sectors and geographical contexts, potentially expanding the scope of knowledge within the field of business and technology studies.

For researchers, this study provides a foundation for further investigation into the dynamic interplay between technology and customer relationship management. By highlighting the mediating role of digitalization, the research opens avenues for exploring various dimensions of CRM, such as customer data analytics, the influence of social media on customer engagement, and the impact of mobile applications on customer experiences. Additionally, the findings can serve as a benchmark for comparative studies in different markets or industries, facilitating a broader understanding of how digital tools can transform traditional business practices.

Lastly, the study may have implications for policymakers and industry regulators by providing insights into the evolving landscape of digital transformation within the real estate sector. Understanding how firms adapt to digitalization and CRM integration can inform policies that support technology adoption, promote competitive practices, and enhance consumer protection in the real estate market.

In summary, this study holds significant value for industry stakeholders, academics, and researchers alike, offering a comprehensive exploration of the integration of CRM systems and digital tools in the Philippine real estate market. Through its findings, the research aims to contribute to improved business practices, enriched academic discourse, and informed policymaking in an increasingly digital world.

## REVIEW OF RELATED LITERATURE

The integration of Customer Relationship Management (CRM) systems and digital technologies within the Philippine real estate market is an increasingly pivotal area of research. This comprehensive review evaluates existing literature, highlighting both published and unpublished materials pertinent to the research problem. By examining the current landscape and identifying gaps in the literature, this chapter lays the foundation for the forthcoming study.

### Current State of Research

Research indicates a significant transformation in the Philippine real estate industry due to digitalization. Santos Knight Frank (2024) reveals that the housing market is recovering, primarily attributable to technological advancements that enhance property marketing and consumption. The Global Property Guide (2024) supports this assertion by indicating that this recovery is heavily influenced by digital platforms facilitating online interactions between buyers and sellers. Shang Properties (2023) further notes that increased reliance on digital tools has rendered property information more accessible, thus driving market growth.

Aquino (2019) emphasizes that CRM systems are revolutionizing the real estate sector by streamlining operations and improving customer engagement. In his 2022 study, Aquino expands on how leveraging CRM systems can bolster customer relationship strategies that ultimately enhance loyalty and trust. Similarly, other research highlights the effectiveness of mobile applications for real-time updates, allowing customers to schedule viewings conveniently. The use of online chatbots also appears prevalent, with findings indicating that they help reduce wait times and improve customer satisfaction.

The integration of CRM systems with digital tools fosters a comprehensive, customer-centric approach to real estate marketing. By combining data-driven insights from CRM with real-time engagement from digital platforms, firms can create targeted marketing campaigns, personalize recommendations, and provide excellent customer service. The collective findings underscore the imperative of technology for real estate firms in cultivating robust customer relationships and sustaining long-term success.

### Digitalization and CRM Synergy

The synergy between CRM systems and digital technologies is a focal point in current literature. Dela Cruz and Ramos (2023) investigate this emerging synergy, suggesting that integrating CRM with digital tools can lead to improved organizational

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performance. Their research indicates that unified data pools enable real estate firms to better understand customer behaviors, preferences, and needs.

Gupta and Kumar (2022) complement this view through a literature review highlighting the positive impact of CRM and digital technologies on customer satisfaction. The authors emphasize that this synergy is vital in the competitive landscape, where delivering exceptional customer experiences is essential for differentiation. Their research methodologies involved quantitative surveys assessing customer satisfaction scores pre- and post-CRM implementation, revealing a marked improvement in customer interactions and retention.

The research further illustrates how the integration of CRM with digital analytics enhances decision-making capabilities. By merging CRM data with insights derived from digital channels, organizations can attain a comprehensive perspective of their customer base, thus guiding marketing strategies, product development, and resource allocation. This informed approach allows businesses to identify emerging trends and tailor their offerings accordingly.

Another crucial finding is the improved operational efficiency stemming from integration. The automation of routine tasks—like lead generation and follow-up processes—enables teams to allocate their time and resources more effectively. This automation reduces human error, streamlining workflows that ultimately lead to cost savings for real estate enterprises.

Personalized marketing emerges as an additional benefit of integrating CRM with digital channels. The study reveals that businesses leveraging customer data can deliver targeted messages tailored to individual preferences, resulting in heightened engagement and conversion rates. This personalization fosters a deeper connection between brands and customers, significantly enhancing customer loyalty.

### Challenges and Opportunities

Despite the evident advantages of integrating CRM systems with digital technologies, several challenges may impede this transformation. Lim and Torres (2021) identify barriers such as technical limitations due to outdated systems or inadequate infrastructure to support new technologies. The costs of implementing such solutions pose further challenges, often necessitating substantial investments in software, hardware, and specialized training.

Resistance to change among staff members also poses a significant obstacle. Employees may hesitate to adapt to new processes or technologies for reasons including a fear of the unknown, concerns about job security, or lack of familiarity with digital tools. These challenges underscore the need for firms to approach digital transformation thoughtfully. By fostering a culture of change, providing adequate training, and investing in the right technology, organizations can better position themselves to navigate both the opportunities and difficulties inherent in this process.

### Gaps in the Literature

A marked gap exists in the literature regarding the combined impact of CRM systems and digital technologies, particularly within the Philippine context. Most studies focus on these systems in isolation, neglecting the potential synergies resulting from their integration. Addressing this research gap opens avenues for further exploration into how digitalization mediates the effectiveness of CRM practices within the real estate industry.

This gap is pronounced considering the interplay between CRM and digital technologies could yield critical insights into customer experiences. There is a shortage of empirical studies investigating how these two elements work in tandem to influence key outcomes such as customer satisfaction, loyalty, and trust. Addressing this gap will not only contribute to academic discourse but also provide practical implications for businesses striving to optimize customer engagement strategies.

### Synthesis

The review of related literature suggests that specific variables and indicators—including customer satisfaction, operational efficiency, marketing personalization, and employee engagement—will be pivotal for this study. Below is an outline of how previous authors' methodologies, indicators, and results will inform the current research, along with new elements to be introduced in the study.

#### Variables and Indicators:

**Customer Satisfaction:** Building on Gupta and Kumar's (2022) focus, this study will explore customer satisfaction as a primary outcome of CRM and digital integration. Previous studies have measured satisfaction through quantitative surveys and customer feedback mechanisms, assessing the impact of CRM implementations on customer experiences. This study will expand on their approach by also incorporating qualitative interviews to gain deeper insights into customer perceptions.

**Operational Efficiency:** The work of Dela Cruz and Ramos (2023) emphasized improved organizational performance through data unification from CRM and digital tools. This study will examine specific operational metrics that indicate efficiency gains, such as lead conversion rates, time spent on customer interactions, and overall productivity metrics, utilizing both pre- and post-implementation comparisons.

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**Marketing Personalization:** Previous research has demonstrated the role of data analytics in creating targeted campaigns (Gupta & Kumar, 2022). This study will quantitatively measure the effectiveness of personalized marketing efforts by tracking engagement rates and conversion statistics resulting from tailored communications.

**Employee Engagement:** Recognizing the challenges of resistance to change identified by Lim and Torres (2021), this study will also evaluate employee engagement and training effectiveness as variables influencing the success of CRM and digital integration. These will be assessed through surveys that gauge staff perceptions of new technologies, their readiness to adapt, and any resulting changes in job satisfaction and performance.

### Methodologies:

The current study will adopt a mixed-methods approach, combining quantitative data collection (surveys and pre- and post-implementation metrics) with qualitative data (interviews and focus groups). This dual approach allows for a comprehensive analysis that captures both numerical trends and personal insights, addressing the limitations of solely quantitative or qualitative studies.

In contrast to previous studies that mainly focused on one aspect of integration, this study will explore the interconnectedness of CRM systems with various digital technologies. The integration of a broad range of digital tools—such as artificial intelligence, mobile applications, and social media—into the CRM framework will be examined in-depth.

**Case Study Analysis:** As part of the qualitative methodology, case studies of select real estate firms that have successfully integrated CRM with digital tools will be included. This will allow for an analysis of best practices and lessons learned, offering practical insights for other firms in the industry.

In conclusion, this synthesis demonstrates that the variables and methodologies utilized in previous research provide a solid foundation for understanding the dynamics of CRM and digital integration within the Philippine real estate market. However, the current study aims to fill critical gaps by adopting a comprehensive mixed-methods approach, integrating new variables such as employee engagement, and employing longitudinal and case study methodologies. By doing so, this research anticipates unearthing deeper insights into how these systems work synergistically to enhance customer experiences and drive organizational success in a rapidly digitalizing market.

## FRAMEWORKS OF THE STUDY

This chapter presents the foundational theories and concepts that underpin the research problem, specifically addressing the integration of Customer Relationship Management (CRM) systems and digitalization in the Philippine real estate market. Theoretical frameworks provide structured perspectives for analyzing CRM systems and digitalization, while the conceptual framework visually represents how these elements interact to influence CRM effectiveness within the local real estate context.

### Theoretical Framework

The study is guided by three key theoretical perspectives that explain the integration of CRM systems and digitalization in the real estate industry:

#### - Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), developed by Davis (1989), is a robust framework for understanding how individuals and organizations adopt and use technology. It suggests that two primary factors—Perceived Usefulness (PU) and Perceived Ease of Use (PEOU)—drive technology acceptance. PU refers to the degree to which a person believes that using a system will enhance job performance, while PEOU indicates the belief that using the system will be free from effort.

In the Philippine real estate market, the relevance of TAM is evident as firms increasingly integrate CRM systems with digital technologies such as AI-driven analytics and virtual property tours. Research shows that firms perceiving digital CRM systems as enhancing their sales and operational efficiency are more likely to adopt these systems (Ozturk et al., 2016). Furthermore, PU and PEOU can be influenced by external factors like organizational support and training (Lee & Lee, 2018), suggesting that increased training and tech familiarization can drive acceptance rates within agencies.

#### - Resource-Based View (RBV)

The Resource-Based View (RBV), introduced by Barney (1991), emphasizes that a firm's competitive advantage stems from its internal resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Within this framework, integrated CRM and digital tools act as strategic resources that enable firms to differentiate themselves in the marketplace.

For example, digital CRM systems powered by AI and data analytics provide firms with unique capabilities to personalize customer interactions, streamline sales processes, and foster operational efficiency (Alshamaila et al., 2019). The RBV framework posits that these capabilities are not easily replicable, allowing firms that integrate CRM and digital technologies to develop sustainable competitive advantages over their rivals (Hitt et al., 2016).

#### - Customer Loyalty and Trust Theory

Customer loyalty and trust are critical success drivers in high-value markets like real estate. This theory highlights the role of building strong, long-term relationships with customers through consistent, personalized interactions. In the Philippine real estate context, trust is paramount due to the high financial stakes involved in property transactions.

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CRM systems, when integrated with digital tools (e.g., automated communication platforms), allow firms to engage with clients through timely information and transparency, helping to foster trust (Mukerjee, 2018). As highlighted by Lariviere et al. (2017), personalized communication enhances customer satisfaction as clients feel valued. Additionally, real-time engagements and transparent transaction practices bolster trust and loyalty in the real estate sector (Molinillo et al., 2020).

### **Components of the Conceptual Framework**

#### **Independent Variable: Digitalization**

Digitalization refers to the adoption of digital tools such as mobile applications, online property listings, virtual tours, and social media platforms. These tools enhance customer relationship management by providing real-time data, improving customer engagement, and streamlining communication processes.

In the real estate market, digitalization allows firms to offer clients more convenient, accessible, and personalized services. By utilizing online platforms and data-driven technologies, real estate professionals can respond more effectively to customer needs, provide up-to-date property information, and engage clients through multiple channels.

#### **Mediating Variable: CRM Systems**

CRM (Customer Relationship Management) systems act as the backbone of customer data management, tracking interactions, managing leads, and providing insights into customer preferences and behavior.

When integrated with digital tools, CRM systems enhance the firm's ability to personalize services, increase customer engagement, and improve operational efficiency. By centralizing customer data, CRM systems allow real estate firms to anticipate client needs and create more tailored marketing strategies, resulting in stronger customer relationships.

Digital tools enhance the functionality of CRM systems by automating processes, enabling real-time engagement, and offering insights based on data analytics. For example, a mobile app integrated with a CRM system can provide instant updates on property availability or schedule appointments, streamlining customer service.

#### **Dependent Variables: Customer Satisfaction, Loyalty, and Trust**

Defined as the extent to which a customer feels that their needs and expectations have been met, customer satisfaction is influenced by how well CRM systems and digital tools work together to provide seamless, efficient service.

Loyalty stems from consistently positive customer experiences. In real estate, loyalty can result in repeat transactions, referrals, and positive word-of-mouth. Effective use of CRM and digitalization enhances this by making customer interactions more responsive and personalized.

Trust is especially critical in high-value transactions like real estate. The integration of CRM systems with digital tools can build trust by providing transparency (e.g., real-time property updates) and reliability (e.g., streamlined, accurate communication), fostering a sense of security in customers.

The hypothesis is that firms with strong CRM-digitalization integration will experience higher levels of satisfaction, loyalty, and trust from their customers. This is essential in competitive markets like Metro Manila, where digitalization is a key driver of buyer behavior.

#### **External Factors: Organizational Readiness, Market Competition, and Consumer Preferences**

The successful implementation of CRM and digital tools depends on factors such as a firm's technological infrastructure, employee training, and leadership support. Firms with higher organizational readiness are better positioned to leverage CRM and digitalization to their advantage.

Competitive pressures in the real estate market can drive the adoption of new technologies. Firms in highly competitive environments are more likely to invest in CRM systems and digital tools to differentiate their services and capture a larger market share.

As customer preferences shift toward more digital interactions and convenience, firms that embrace digitalization and CRM integration are better equipped to meet these evolving expectations. Particularly in tech-savvy markets, adapting to consumer preferences is critical for maintaining customer loyalty and trust.



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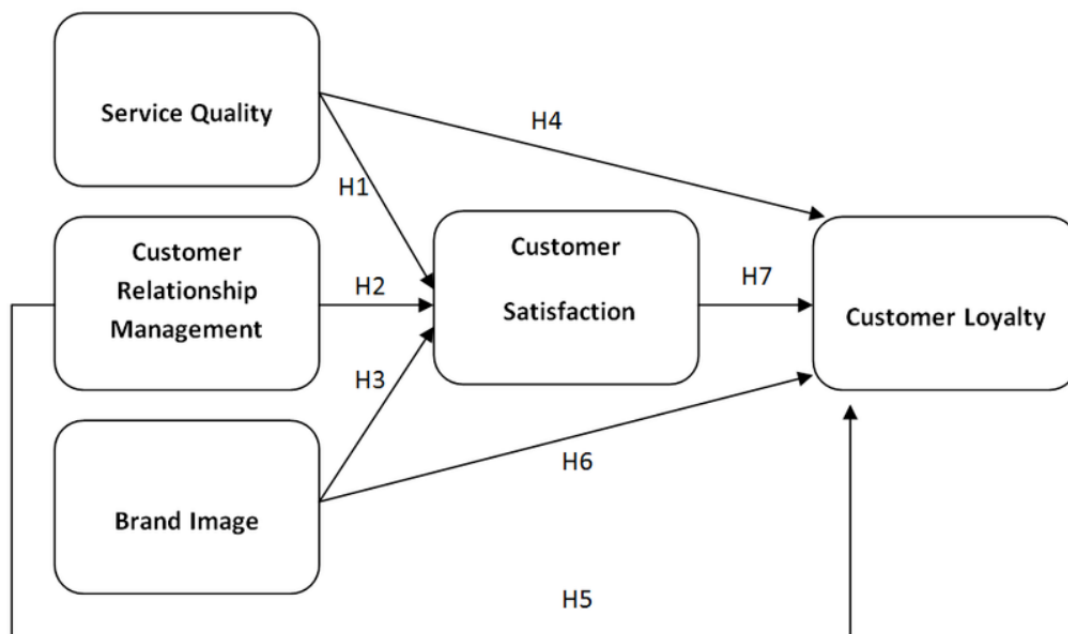


Figure 1. Components of the Conceptual Framework

The relationships illustrated in the conceptual framework are articulated through several hypotheses:

**H1: Digitalization positively influences the effectiveness of CRM systems.**

Research indicates that integrating digital tools enhances the functionality of CRM systems, leading to improved overall effectiveness (Dela Cruz & Ramos, 2023).

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**H2: The effectiveness of CRM systems positively affects customer satisfaction.**

Numerous studies have established that improved CRM effectiveness directly correlates with increased customer satisfaction levels (Gupta & Kumar, 2022). When firms utilize CRM systems efficiently, they can better understand and fulfill customer needs, leading to enhanced satisfaction derived from personalized and responsive service.

**H3: Customer satisfaction positively influences customer loyalty.**

The literature consistently demonstrates a direct relationship between customer satisfaction and loyalty. Satisfied customers are more likely to make repeat purchases and advocate for the brand (Lariviere et al., 2017). This hypothesis suggests that heightened levels of customer satisfaction resulting from effective CRM practices will foster greater loyalty among clients.

**H4: Customer loyalty positively influences customer trust.**

Building on the notion that loyalty strengthens customer trust, this hypothesis posits that loyal customers develop greater trust in a brand due to consistent, positive experiences (Mukerjee, 2018). In high-value sectors like real estate, such trust is critical for establishing long-term relationships.

**H5: Digitalization enhances customer engagement through CRM systems.**

As highlighted by prior research, digital tools facilitate improved customer engagement when integrated with CRM (Molinillo et al., 2020). This hypothesis posits that the incorporation of digitalization allows CRM systems to interact with customers more effectively, resulting in increased engagement metrics.

**H6: Service quality mediates the relationship between CRM effectiveness and customer satisfaction.**

Service quality is an essential factor that influences customer satisfaction within the real estate sector. This hypothesis suggests that higher CRM effectiveness leads to better service quality, which in turn contributes to greater customer satisfaction (Wade & Hulland, 2016).

**H7: Brand image reinforces the relationship between digitalization and customer loyalty.**

In increasingly digital markets, a firm's brand image significantly influences customer loyalty. This hypothesis posits that a robust brand image, bolstered by effective digital strategies, enhances the loyalty of existing customers (Hitt et al., 2016).

The theoretical frameworks—Technology Acceptance Model, Resource-Based View, and Customer Loyalty and Trust Theory—provide substantial insights into the integration of CRM systems and digital technologies within the Philippine real estate market. The conceptual framework emphasizes the key variables, with digitalization as the independent variable, CRM systems as the mediating variable, and customer satisfaction, loyalty, and trust as essential outcomes.

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This framework also identifies external factors, such as organizational readiness, market competition, and consumer preferences that influence the core relationships. By formulating hypotheses H1 through H7, the study delineates clear paths for empirical investigation, thereby setting the stage for further exploration of the mediating role of digitalization in enhancing CRM effectiveness and improving customer outcomes. This comprehensive approach ensures that the research is well-grounded in established theories while addressing the unique dynamics of the Philippine real estate market.

## METHODOLOGY

This chapter outlines the research methodology employed in the study, focusing on how digitalization and Customer Relationship Management (CRM) systems impact customer outcomes—namely customer satisfaction, loyalty, and trust—within the Philippine real estate industry. The methodology encompasses the research design, population and sampling methods, data collection techniques, and data analysis strategies aligned with the research objectives and hypotheses.

### Research Design

This study utilizes a descriptive-correlational research design to explore the relationship between digitalization, CRM systems, and customer outcomes. The descriptive aspect delineates the current state of CRM-digital integration within the industry, while the correlational analysis aims to assess the strength and direction of relationships among the identified variables. The research design is structured to consider the mediating effect of CRM systems on the relationship between digitalization and customer outcomes.

Quantitative methods will be applied, with data collected through structured surveys distributed to real estate professionals, managers, and clients. The study aims to describe existing conditions and test specific hypotheses regarding the dynamics between the variables.

### Population and Sampling

The target population includes real estate professionals, managers, and clients across the Philippines, with a particular focus on Metro Manila. This area was selected due to its active real estate market, high levels of urbanization, and competitive landscape, which collectively provide a rich context for examining CRM and digitalization adoption.

A stratified random sampling method will be employed to ensure representation from both large and small real estate firms, as well as diverse customer demographics. The sampling will be categorized into two strata:

1. Real estate firms that have implemented both CRM systems and digital tools (e.g., mobile apps, social media platforms).
2. Clients who have engaged with real estate firms through digital platforms and CRM systems.

**Sample Size:** The sample size was determined using the Slovin's Formula to achieve a statistically significant result while maintaining manageable data collection efforts. Based on the total number of licensed real estate brokers and active clients in Metro Manila, a sample size of  $N = 50$  real estate professionals and 300 clients will be used.

### Data Collection

**Survey Instrument:** Data will be gathered via a structured questionnaire, adapted from validated instruments used in previous studies on CRM, digitalization, and customer outcomes. The questionnaire will be organized into the following sections:

- Section 1: Demographic information (age, gender, firm size, role, etc.).
- Section 2: Adoption of digital tools (mobile apps, online listings, social media).
- Section 3: Use of CRM systems (frequency, perceived ease of use, perceived usefulness).
- Section 4: Customer outcomes (customer satisfaction, loyalty, and trust).

The survey will include Likert-scale items (ranging from 1 to 5) to assess the degree to which respondents agree or disagree with statements related to the integration of CRM systems and digital tools.

**Data Collection Method:** Surveys will be distributed via email and online survey platforms (e.g., Google Forms) to both real estate professionals and clients in Metro Manila. Participants will be given two weeks to complete the survey, with follow-up reminders sent after one week to boost participation rates.

### Data Analysis

**Statistical Tools:** The collected data will be analyzed using descriptive and inferential statistical techniques with software tools such as SPSS or R. Specific analyses will be employed for each hypothesis as follows:

**Descriptive Statistics:** Summary statistics including frequency, mean, and standard deviation will be calculated to outline general trends in digitalization, CRM adoption, and customer outcomes.

**Correlation Analysis:** Pearson's correlation coefficient will be utilized to assess the strength and direction of relationships between digitalization, CRM systems, and customer satisfaction, loyalty, and trust. This analysis will address Hypotheses H1, H2, H3, and H4.

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Mediation Analysis: A mediation analysis will be performed using the Baron and Kenny (1986) method or the PROCESS macro for SPSS. This will determine if CRM systems mediate the relationship between digitalization and customer outcomes (H5 and H6).

Regression Analysis: Multiple regression will be performed to test the hypotheses regarding the influence of digitalization on customer outcomes, with CRM systems as a mediating variable. This analysis will also account for external factors like organizational readiness, market competition, and consumer preferences.

The following equation represents the mediation model that will be tested:

$$\text{Customer Outcomes} = \beta_0 + \beta_1(\text{Digitalization}) + \beta_2(\text{CRM Systems}) + \beta_3(\text{External Factors}) + \epsilon$$
$$= \beta_0 + \beta_1(\text{Digitalization}) + \beta_2(\text{CRM Systems}) + \beta_3(\text{External Factors}) + \epsilon$$

Hypothesis Testing: The statistical significance of relationships will be tested at a 95% confidence interval ( $p < 0.05$ ). Path coefficients will be evaluated to determine the direct and indirect effects of digitalization on customer outcomes, mediated by CRM systems.

This chapter has delineated the methodological framework for thoroughly examining the role of digitalization and CRM systems in influencing customer satisfaction.

### CONCLUSION

This dissertation proposal investigates the synergistic impact of Customer Relationship Management (CRM) systems and digitalization on the performance of Philippine real estate firms. It addresses a research gap by examining how digital tools mediate the effectiveness of CRM in enhancing customer satisfaction, loyalty, and trust, within the unique context of the Philippine market. The study employs a mixed-methods approach, combining quantitative and qualitative data collection techniques, to analyze the integration of CRM and digital tools and their influence on key business metrics. The findings will provide valuable insights for industry practitioners and contribute to academic discourse on CRM and digital transformation in the real estate sector.

This research will contribute significantly to the understanding of how CRM systems and digitalization work together to improve performance in the Philippine real estate market. By identifying best practices and challenges related to the integration of these technologies, the study will provide practical recommendations for firms seeking to optimize their operations and customer relationships. Furthermore, the research will enhance the theoretical understanding of the mediating role of digitalization within the CRM framework, enriching the existing body of literature in this area.

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