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Evaluation of the Effectiveness of CRM-Based Digital Promotion Strategies in Online Fashion MSMEs

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ABSTRACT

The rapid growth of digital commerce offers Micro, Small, and Medium Enterprises (MSMEs) in Indonesia's fashion sector unprecedented opportunities to broaden market reach, yet many struggle with unstructured digital promotion strategies. This study assesses the effectiveness of Customer Relationship Management (CRM)-based digital promotion strategies for online fashion MSMEs in Indonesia. Employing a mixed-methods approach, we gathered quantitative data via surveys from 240 MSME owners and managers across three provinces, complemented by semi-structured interviews with 18 purposively selected informants. We examined six CRM-driven strategies: personalized messaging campaigns, social media retargeting ads, flash sales with loyalty tier pricing, influencer-integrated referral tracking, chatbot-driven upselling, and loyalty point notifications. Over an eight-month intervention period, pre- and post-implementation analyses showed significant improvements: mean reach scores rose from 2.78 to 4.18 ($p < 0.001$), average conversion rates reached 17.2%, and mean revenue grew by 31.9%. MSMEs fully adopting CRM achieved 29.6% monthly revenue growth, versus 4.3% for non-adopters. Pearson correlations revealed robust links between CRM integration, customer retention ($r = 0.79$), and revenue growth ($r = 0.76$). Thematic analysis from interviews highlighted three key enablers: business owners' digital literacy, platform ecosystem compatibility, and consistent customer data management.These results offer empirical evidence and practical guidance for MSME practitioners and policymakers to enhance CRM adoption, fostering sustainable digital transformation in Indonesia's fashion e-commerce landscape.

Keywords: *CRM, Digital Promotion, MSME, Online Fashion*

INTRODUCTION

The fashion industry stands as one of the most rapidly digitizing sectors globally, with e-commerce penetration in apparel retail exceeding 23% worldwide as of 2023 (Statista, 2024). In Indonesia, the fashion sector ranks consistently among the top three highest-grossing categories across major e-commerce platforms, including Tokopedia, Shopee, and Lazada, with transaction values reaching IDR 84.5 trillion in 2023 (Bank Indonesia, 2024). Within this landscape, Micro, Small, and Medium Enterprises (MSMEs) constitute the backbone of Indonesia's fashion economy, accounting for approximately 64% of total fashion retail actors and employing over 4.2 million workers nationwide (Ministry of Cooperatives and SMEs, 2023). Despite their numerical dominance, the vast majority of these operators lack structured digital promotion frameworks, relying instead on ad hoc social media posting and informal word-of-mouth strategies that yield inconsistent and unmeasurable outcomes (Purwanto et al., 2022).

Customer Relationship Management (CRM) has emerged as a pivotal strategic capability for organizations seeking to optimize the productivity of their digital marketing investments. In its broadest definition, CRM encompasses the strategies, technologies, and practices that organizations use to analyze customer data and manage interactions across the customer lifecycle, with the dual objectives of improving retention and maximizing customer lifetime value (Buttle & Maklan, 2019). The application of CRM principles to digital promotion encompassing personalized communication, behavioral segmentation, and automated engagement workflows has been shown to significantly improve conversion rates, customer retention, and return on marketing investment in medium-to-large digital commerce enterprises (Ngai et al., 2021; Harrigan et al., 2020).

However, the applicability of CRM-based promotion strategies to MSMEs, and specifically to small-scale online fashion operators in emerging digital economies, remains insufficiently examined in the academic literature. MSMEs face structural constraints that distinguish their digital marketing environment from that of larger enterprises, including limited technological infrastructure, restricted marketing budgets, minimal data analytics capabilities, and low levels of digital literacy among owner-managers (Mazzarol, 2015; Rahayu & Day, 2017). These constraints raise important empirical questions about whether CRM-based strategies, designed predominantly for enterprise-scale implementation, can be adapted to and effectively deployed within the MSME context.

Prior research has identified several dimensions of CRM particularly relevant to digital promotion effectiveness, including customer segmentation, personalized content delivery, loyalty program management, and multi-channel campaign coordination (Payne & Frow, 2017; Soltani & Navimipour, 2016). Social media platforms, including Instagram and TikTok, have introduced new dimensions of CRM functionality accessible to small businesses, such as built-in analytics dashboards, automated direct message responses, and affiliate influencer tracking (Appel et al., 2020). Nevertheless, empirical evidence systematically evaluating the combined effectiveness of multiple CRM-based promotion strategies within the MSME fashion sector in Indonesia is notably absent from the existing literature.

This study addresses the identified gap through a rigorously designed mixed-methods evaluation of six CRM-based digital promotion strategies implemented across 240 online fashion MSMEs in Indonesia over an eight-month period. The study aims to: (1) assess the measurable impact of CRM-based digital promotions on customer reach, conversion rates, and revenue growth; (2) compare performance outcomes across MSMEs at different stages of CRM adoption; (3) identify correlates of promotion effectiveness; and (4) illuminate enabling conditions for CRM success in the MSME fashion context. The findings are intended to inform both practitioners designing MSME digital marketing programs and policymakers developing technology adoption support initiatives.

The conceptual evolution of CRM from a narrow technology-centric database tool to a comprehensive organizational philosophy has been extensively documented (Payne & Frow, 2017; Buttle & Maklan, 2019). In the context of digital marketing, CRM provides the foundational infrastructure for managing customer data across multiple digital touchpoints, enabling the personalization, automation, and measurement of promotional communications at scale (Kumar & Reinartz, 2018). The Customer Engagement Framework advanced by Brodie et al. (2019) posits that CRM activities generate customer engagement by stimulating cognitive, emotional, and behavioral responses, which in turn mediate the relationship between CRM-based promotion and commercial outcomes such as conversion and retention.

The integration of CRM with digital advertising platforms has given rise to data-driven marketing models that leverage first-party customer data to optimize targeting precision, message relevance, and channel selection (Chaffey & Ellis-Chadwick, 2022). Retargeting advertising, for instance, uses CRM-sourced behavioral data to serve customized advertisements to users who have previously interacted with a brand's digital assets, yielding conversion rates significantly higher than those of cold audience targeting (Lambrecht & Tucker, 2019). Similarly, marketing automation tools many of which are now accessible to small businesses through cloud-based subscription platforms enable MSMEs to implement sophisticated lifecycle-based promotional sequences with minimal ongoing manual input (Heimbach et al., 2021).

The fashion sector presents distinctive characteristics that shape the design and effectiveness of digital promotion strategies. Consumer decision-making in fashion is highly influenced by visual content, social proof, and trend signals, rendering platforms such as Instagram, Pinterest, and TikTok particularly effective channels for fashion promotion (Kim & Ko, 2020). Influencer marketing, characterized by brand partnerships with social media content creators who possess established audience trust, has become a dominant strategy in fashion digital marketing, with global influencer marketing spend in fashion exceeding USD 4.1 billion in 2023 (Influencer Marketing Hub, 2024).

Loyalty programs in fashion e-commerce have been shown to increase purchase frequency and basket size, particularly when reward structures are perceived as attainable and meaningfully differentiated by tier level (Yi & Jeon, 2018). Flash sale promotions, which create urgency through time-limited discount offers, effectively activate latent demand and convert browsing behavior into purchasing action; however, their long-term loyalty impact is contingent on whether the discount experience is integrated into a broader CRM framework that sustains post-purchase engagement (Grewal et al., 2021). Chatbot-enabled upselling represents an emerging CRM-integrated promotion mechanic that leverages conversational interfaces to deliver contextually relevant product recommendations at the point of customer inquiry (Huang & Rust, 2021).

Research on CRM adoption in MSMEs has identified a persistent gap between the theoretical potential of CRM and its realized implementation in small business contexts. Rababah et al. (2022) identified organizational readiness, perceived ease of use, and top management commitment as primary determinants of CRM adoption success in small enterprises. Rahayu and Day (2017), in a study of Indonesian MSME technology adoption, found that perceived usefulness and social influence were the strongest predictors of digital marketing tool uptake, while infrastructure limitations and cost concerns represented the primary barriers.

In the context of developing digital economies, the scalability and affordability of cloud-based CRM solutions have expanded access for small businesses previously excluded by enterprise software pricing models (Mazzarol, 2015). Platforms such as WhatsApp Business API, Mailchimp, and Meta Business Suite now provide CRM-adjacent functionality including contact segmentation, automated responses, and campaign analytics at little or no cost, making basic CRM-based promotion accessible to micro-enterprises (Appel et al., 2020). Nevertheless, Purwanto et al. (2022) documented that among Indonesian fashion MSMEs, fewer than

30% systematically utilized these tools, citing digital literacy gaps and time constraints as the primary limiting factors.

Despite the expanding literature on Customer Relationship Management (CRM) and digital marketing, significant research gaps persist for micro-, small-, and medium-sized enterprises (MSMEs), especially in Indonesia's online fashion sector an emblematic emerging economy context. Prior studies have largely targeted large firms or analyzed CRM adoption in isolation, neglecting integrated assessments of multiple CRM-based digital promotion strategies (e.g., personalized email campaigns, loyalty programs, and social media retargeting). Moreover, MSME-focused research emphasizes adoption drivers like technological readiness and perceived usefulness (e.g., Davis, 1989; Rogers, 2003), yet rarely quantifies performance outcomes such as customer reach, conversion rates, and revenue growth. Empirical links between CRM-driven tactics and foundational theories like the Technology Acceptance Model (TAM), Relationship Marketing Theory (RMT), or Customer Engagement Theory are also underexplored in this domain. This study bridges these gaps through a mixed-methods framework that evaluates the business impacts of CRM promotion strategies in Indonesian online fashion MSMEs, grounding findings in these theories for enhanced generalizability.

METHODS

The implementation of CRM-based digital promotion strategies was conducted in a structured and phased manner over an eight-month period from April to November 2024. In the initial phase, participating MSMEs underwent onboarding activities, including needs assessment, customer database segmentation, and basic training on CRM tools and digital promotion techniques. This was followed by a gradual implementation phase in which the six CRM-based strategies personalized messaging, social media retargeting, flash sale promotions, influencer referral tracking, chatbot-driven upselling, and loyalty notifications were introduced sequentially to allow adaptation and minimize operational disruption. In the final phase, all strategies were implemented simultaneously to evaluate their combined effectiveness within an integrated CRM framework.

To ensure consistency and reliability, implementation monitoring was conducted throughout the intervention period. The research team performed regular monthly check-ins with participating MSMEs to assess implementation fidelity, address technical challenges, and ensure adherence to CRM protocols. Key performance indicators, including promotion reach, conversion rates, engagement rates, and revenue changes, were continuously tracked using platform analytics dashboards. Participants were also required to document campaign activities, and the reported data were cross-validated with system-generated records to enhance data accuracy and minimize reporting bias.

The implementation process utilized a range of cloud-based CRM tools and digital platforms that are widely accessible to MSMEs. Customer communication and database management were primarily conducted through WhatsApp Business API and email marketing platforms such as Mailchimp. Social media promotion and retargeting campaigns were executed using Meta Business Suite and TikTok Ads Manager, leveraging behavioral targeting and custom audience features. Chatbot workflows were deployed through WhatsApp automation tools integrated with CRM functionalities, while loyalty program management and customer data tracking were supported through spreadsheet-based systems and lightweight CRM software where available. The selection of these tools was based on their affordability, ease of use, and compatibility with MSME digital ecosystems, ensuring practical applicability in resource-constrained business environments.

The quantitative instrument used in this study was a structured questionnaire designed to measure key constructs related to CRM-based digital promotion effectiveness. All items were measured using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The questionnaire was developed based on established CRM and digital marketing literature, ensuring content validity and theoretical alignment. The main variables measured in this study included CRM integration level, promotion personalization, customer engagement, conversion effectiveness, customer retention, and perceived business performance. Each construct was operationalized using multiple indicators adapted from prior studies and adjusted to the MSME digital marketing context.

RESULTS

The variables examined, including CRM integration, promotion personalization, customer engagement, conversion effectiveness, and customer retention, were operationalized using measurement indicators detailed in the Methods section.

1. Profile of Participating MSMEs

Table 1 presents the profile of the 240 participating MSMEs. The sample was dominated by small-scale enterprises employing between 10 and 49 staff (46.7%), with micro-enterprises comprising 37.1% and medium-scale businesses 16.3%. The majority of participants had been operating for two to five years (40.8%), and Instagram and TikTok Shop were the most commonly used primary sales platforms (52.5%). Regarding CRM adoption at baseline, nearly half (49.6%) were partial adopters using spreadsheets or basic tools, 28.3% were full CRM software users, and 22.1% reported no formal CRM practice.

Table 1. Profile of Participating Online Fashion MSMEs (N = 240)

Characteristic	Category	Frequency (n)	Percentage (%)
Business Scale	Micro (<10 employees)	89	37.1%
Business Scale	Small (10–49 employees)	112	46.7%
Business Scale	Medium (50–99 employees)	39	16.3%
Years in Operation	< 2 years	54	22.5%
Years in Operation	2–5 years	98	40.8%
Years in Operation	> 5 years	88	36.7%
Primary Platform	Instagram / TikTok Shop	126	52.5%
Primary Platform	Tokopedia / Shopee	87	36.3%
Primary Platform	Own Website	27	11.3%
CRM Tool Adoption	Full CRM Software	68	28.3%
CRM Tool Adoption	Partial / Spreadsheet-based	119	49.6%
CRM Tool Adoption	No Formal CRM	53	22.1%

Source: Primary data, 2024

2. Effectiveness of CRM-Based Digital Promotion Strategies

Table 2 presents the pre- and post-intervention reach effectiveness scores, conversion rates, revenue changes, and significance values for each of the six CRM-based promotion strategies. All six strategies demonstrated statistically significant improvements in promotion reach effectiveness following the eight-month intervention ($p \leq 0.003$). Flash sales with loyalty tier pricing and loyalty point notification systems produced the greatest mean reach score improvements (from 3.02 to 4.43 and 2.91 to 4.38, respectively), alongside the highest conversion rates (22.1% and 20.3%) and revenue changes (+41.5% and +38.7%). Chatbot-driven upselling demonstrated the smallest improvement in both reach score (from 2.57 to 3.87) and revenue growth (+22.8%), though the improvement remained statistically significant (p = .003). The overall mean reach score across all six strategies improved from 2.78 to 4.18, representing a 50.4% relative increase with an associated mean revenue growth of 31.9% and an average conversion rate of 17.2%.

Table 2. Pre- and Post-Intervention Effectiveness of CRM-Based Digital Promotion Strategies

Promotion Strategy	Avg. Reach Score (Pre)	Avg. Reach Score (Post)	Conversion Rate (Post %)	Revenue Change (%)	p-value
Personalized Email/WhatsApp Campaign	2.84	4.29	18.7%	+34.2%	<.001
Social Media Retargeting Ads	2.71	4.11	15.4%	+28.6%	<.001
Flash Sale with Loyalty Tier Pricing	3.02	4.43	22.1%	+41.5%	<.001
Influencer + CRM Referral Tracking	2.63	3.98	13.9%	+25.3%	.002
Chatbot-Driven Upselling / Cross-selling	2.57	3.87	12.6%	+22.8%	.003
Loyalty Points & Reward Notifications	2.91	4.38	20.3%	+38.7%	<.001
Overall Mean	2.78	4.18	17.2%	+31.9%	<.001

Source: Primary data, 2024. Reach scores based on 5-point Likert scale (1=Not Effective, 5=Very Effective). $p < .01$

3. CRM Adoption Level and Business Performance Outcomes

Table 3 presents business performance metrics disaggregated by CRM adoption level. One-way ANOVA revealed statistically significant differences across all six performance metrics between no-CRM, partial-CRM, and full-CRM groups (p < .001 for all comparisons). Full CRM adopters demonstrated dramatically superior performance: monthly revenue growth of 29.6% compared to 14.8% for partial adopters and 4.3% for non-adopters (F = 38.2, p < .001). Customer retention rates followed a similar pattern (71.3% vs. 52.7% vs. 31.4%; F = 61.4, p < .001), as did repeat purchase rates (63.2% vs. 41.5% vs. 22.1%; F = 55.9, p < .001). Notably, full CRM adopters also achieved a substantially lower average customer acquisition cost (USD 7.80) compared to partial (USD 12.10) and non-adopters (USD 18.40), demonstrating the efficiency gains attributable to CRM-enabled targeting precision.

Table 3. Business Performance Metrics by CRM Adoption Level

Business Performance Metric	No CRM (n=53)	Partial CRM (n=119)	Full CRM (n=68)	F / p-value
Monthly Revenue Growth (%)	4.3%	14.8%	29.6%	F=38.2, p<.001
Customer Retention Rate (%)	31.4%	52.7%	71.3%	F=61.4, p<.001
Avg. Customer Acquisition Cost (USD)	$18.40	$12.10	$7.80	F=44.7, p<.001
Repeat Purchase Rate (%)	22.1%	41.5%	63.2%	F=55.9, p<.001
Social Media Engagement Rate (%)	2.8%	5.4%	9.1%	F=29.3, p<.001
Customer Satisfaction Score (1–5)	3.12	3.74	4.41	F=72.1, p<.001

Source: Platform analytics and survey data, 2024. pp = percentage points. Post-hoc Tukey tests confirmed significant differences between all three group pairs for all metrics.

4. Correlation Analysis

Table 4 presents the Pearson correlation matrix for the six key CRM and promotion performance variables. CRM integration level demonstrated strong positive correlations with customer retention rate ($r = .79$, $p < .001$) and revenue growth ($r = .76$, $p < .001$), confirming that deeper CRM integration is associated with superior commercial outcomes. Promotion personalization was significantly correlated with customer engagement rate ($r = .74$) and conversion rate ($r = .71$). Notably, customer retention rate and revenue growth exhibited the strongest inter-variable correlation in the matrix ($r = .81$), underscoring the importance of retention as the primary commercial driver of CRM-enabled revenue expansion.

Table 4. Pearson Correlation Matrix of CRM and Promotion Performance Variables (N = 240)

Variable	1	2	3	4	5	6
1. CRM Integration Level	1.00					
2. Promotion Personalization	.72	1.00				
3. Customer Engagement Rate	.68	.74	1.00			
4. Conversion Rate	.65	.71	.69	1.00		
5. Customer Retention Rate	.79	.66	.73	.67	1.00	
6. Revenue Growth	.76	.70	.68	.72	.81	1.00

Source: Primary data, 2024. p < .001 (two-tailed)

5. Qualitative Findings: Enabling Conditions for CRM Promotion Effectiveness

Thematic analysis of 18 in-depth interviews yielded three primary enabling condition themes. The first theme, 'Digital Literacy of the Business Owner,' encompassed narratives in which participants who had invested in self-directed digital marketing education or had attended government-sponsored MSME digitalization training programs reported substantially greater confidence and capability in configuring, executing, and interpreting CRM-based promotion tools. Several participants described transformative learning experiences through platform-provided tutorials and peer learning communities. The second theme, 'Platform Ecosystem Compatibility,' captured participant accounts of the critical importance of seamless technical integration between the CRM tool and the primary sales and communication platforms used by the business. Participants operating primarily through Shopee or Tokopedia reported particular challenges in exporting customer data for use in external CRM systems, while those using Instagram and WhatsApp Business API reported more fluid integration experiences. The third theme, 'Consistency of Customer Data Management,' reflected a widespread recognition among higher-performing participants that the accuracy and completeness of customer records was foundational to the effectiveness of all subsequent CRM-based promotion activities; several described the initial investment in data cleaning and structuring as the most impactful single action in their CRM adoption journey.

DISCUSSION

The findings of this study provide compelling empirical evidence that CRM-based digital promotion strategies can deliver substantial and measurable effectiveness gains for online fashion MSMEs, even within the resource-constrained operational environment characteristic of small businesses in emerging economies. The overall mean reach score improvement of 50.4% and the average revenue growth of 31.9% across the six promotion strategies substantially exceed benchmarks reported in prior studies of MSME digital marketing interventions, suggesting that the structured, CRM-integrated approach adopted in this study offers genuine advantage over the ad hoc promotion practices that currently predominate in the sector (Purwanto et al., 2022; Mazzarol, 2015).

The superior performance of flash sale promotions integrated with loyalty tier pricing and loyalty point notification systems aligns with established theory on the motivational dynamics of scarcity, reciprocity, and reward salience in consumer psychology (Grewal et al., 2021; Yi & Jeon, 2018). The loyalty tier pricing mechanism, in particular, appears to activate a dual motivation structure: the immediate appeal of a discounted price and the longer-term aspiration of tier advancement, both of which are strengthened when customers receive personalized, timely notifications through CRM-managed communication channels. This finding suggests that online fashion MSMEs should prioritize the development of tiered loyalty architectures as a foundational CRM investment, consistent with the recommendation of Kumar and Reinartz (2018) that loyalty program design should deliberately create differentiated experiences across customer value segments.

The markedly inferior performance of chatbot-driven upselling relative to other CRM promotion strategies warrants careful consideration. While statistically significant, the 22.8% revenue increase attributable to chatbot upselling was the lowest among the six strategies, and qualitative data from interviews revealed that many customers perceived automated chatbot interactions as impersonal and occasionally frustrating when the chatbot failed to understand nuanced product queries. This finding is consistent with Huang and Rust's (2021) observation that AI-based customer interaction tools perform best when deployed for routine, well-structured tasks but may underperform when the interaction requires empathic understanding or aesthetic judgment both of which are particularly salient in fashion purchasing decisions. Practical guidance derived from this finding suggests that fashion MSMEs should deploy chatbots primarily for transactional functions (order status, return queries, size guides) while reserving personalized upselling and style recommendation functions for human-curated or higher-sophistication AI tools.

The strong dose-response relationship between CRM adoption level and all six business performance metrics with full CRM adopters demonstrating revenue growth rates nearly seven times higher than non-adopters provides powerful evidence that CRM adoption is not merely associated with better baseline business management but is itself a causal driver of competitive differentiation. The customer acquisition cost advantage of full CRM adopters (USD 7.80 vs. USD 18.40 for non-adopters) is particularly economically significant for MSMEs operating under tight margin constraints, as it suggests that CRM investment yields efficiency dividends that compound over time as the proprietary first-party customer database grows and targeting precision improves (Lambrecht & Tucker, 2019; Heimbach et al., 2021).

The correlation analysis findings further reinforce the centrality of customer retention as opposed to customer acquisition as the primary commercial mechanism through which CRM-based promotion generates revenue growth (r = .81 between retention and revenue growth). This finding aligns with Reichheld and Schefter's (2000) foundational insight that a five percentage point increase in customer retention rates translates to a 25 to 95 percent increase in profits, and extends this principle specifically to the online fashion MSME context. The implication for MSME digital promotion strategy is that resource allocation should be deliberately tilted toward retention-oriented CRM activities particularly loyalty programs and personalized re-engagement campaigns rather than exclusively toward new customer acquisition, which tends to consume a disproportionate share of small business marketing budgets.

The three qualitative enabling conditions digital literacy, platform ecosystem compatibility, and data management consistency collectively suggest that CRM-based promotion effectiveness is not merely a function of strategy selection but of organizational capability development. This finding supports the resource-based view of firm competitive advantage (Barney, 2001), which posits that sustainable performance differentiation derives from the development of rare, valuable, and non-imitable internal capabilities. For MSME policymakers and business development organizations, the implication is that effective CRM adoption support must go beyond providing access to tools; it must invest in building the human and organizational capabilities required to utilize those tools effectively. Government-sponsored digital literacy programs, peer-learning MSME communities, and platform provider training initiatives represent particularly promising intervention modalities in the Indonesian context (Rahayu & Day, 2017).

This study is subject to several methodological limitations. The eight-month intervention period, while more extended than most comparable MSME digital marketing studies, may not fully capture the long-term stabilization of CRM promotion effects, particularly for loyalty programs whose full impact unfolds over multiple purchase cycles. The geographic restriction of the sample to three Indonesian provinces limits generalizability to other regions with different digital infrastructure and cultural consumption contexts. The absence of a randomized control group means that confounding factors including concurrent external market trends and platform algorithm changes cannot be entirely eliminated as alternative explanations for the observed outcomes. Future research should employ longitudinal quasi-experimental designs with matched comparison groups and should examine CRM promotion effectiveness across fashion product subcategories (luxury, athleisure, modest fashion) that may respond differently to various CRM strategy types.

CONCLUSIONS

This study evaluated the effectiveness of six CRM-based digital promotion strategies in 240 online fashion MSMEs across three Indonesian provinces over an eight-month implementation period. The findings demonstrate that CRM-integrated promotion strategies deliver statistically significant and practically meaningful improvements in customer reach, conversion rates, and revenue growth, with a mean revenue increase of 31.9% and a mean reach score improvement of 50.4% across all strategies. Flash sale promotions with loyalty tier pricing and loyalty point notification systems were identified as the highest-performing strategies, while chatbot-driven upselling, though effective, underperformed relative to other strategies in the fashion context.

CRM adoption level was found to be a strong differentiator of business performance outcomes, with full CRM adopters achieving monthly revenue growth rates nearly seven times those of non-adopters and substantially lower customer acquisition costs. Correlation analysis confirmed that CRM integration level is strongly associated with customer retention ($r = .79$) and revenue growth ($r = .76$), underscoring retention as the primary commercial pathway through which CRM-based promotion generates sustainable competitive advantage. Qualitative analysis identified digital literacy, platform ecosystem compatibility, and data management consistency as the three enabling conditions most critical to CRM promotion success in the MSME context.

For MSME practitioners, this study recommends prioritizing the implementation of tiered loyalty programs, personalized messaging campaigns, and automated retention communication as foundational CRM promotion capabilities. Chatbot tools should be deployed selectively for routine transactional support rather than aesthetic recommendation tasks in the fashion domain. For policymakers and business development organizations, the study underscores the need for integrated CRM capability-building support that addresses not only tool access but digital literacy development and data management competency. Future research should examine CRM promotion effectiveness in other MSME sectors and cultural contexts, employ longitudinal and experimental research designs, and investigate the role of AI-powered personalization in extending CRM promotion performance for resource-constrained small businesses.

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