# CUSTOMER RELATIONSHIP MANAGEMENT, SERVICE QUALITY

# AND FIRM PERFORMANCE OF SELECTED

# STANBIC BANK (U) BRANCHES

# IN UGANDA

A Thesis

Presented to the School of

Postgraduate Studies and Research

Kampala International University

Kampala, Uganda

In Partial Fulfilment of the Requirements for the Degree

Master of Business Administration

By:

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December, 2010

# DECLARATION B

"I confirm that the work reported in this dissertation was carried out by the candidate under my supervision".

Dr: ANDREW MUSIIME

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Date: 09/02/11

# APPROVAL SHEET

This dissertation entitled "CUSTOMER RELATIONSHIP MANAGEMENT, SERVICE QUALITY AND FIRM PERFORMANCE" prepared and submitted by ABDIKADIR AHMED MOHAMED in partial fulfilment of the requirements for the degree of MASTER OF BUSINESS ADMINSTRATION (MBA) IN MARKETING has been examined and approved by the panel on oral examination with a grade of <u>PASSED</u>.

Name and Sig. of Chairman

Name and Sig of Supervisor

Name and Sig. of Panelist

Name and Sig. of Panelist

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Date of Comprehensive Examination: _____

Grade: _____

Name and Sig of Director, SPGSR

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Name and Sig of DVC, SPGSR

# DEDICATION

I dedicate this thesis to my dear parents who sowed the seeds of love, compassion, patience, care and all transforming my life into what it is today and their unending prayers, I say thank you, you have been more than just parents.

Also to my dear  brother, Mohamed Ahmed Adde  who support me financially and morally during in my study, I say it is through you that I am what I am today, and my Allah reward you.

# ACKNOWLEDGEMENTS

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# ABSTRACT

The study investigated the relationship between Customer Relationship Management (CRM), service quality and firm performance in selected Stanbic bank Uganda branches. The study adopted a correlation study design using mainly a quantitative approach on a sample of staff and management of the bank and its customers.

The data was collected using a questionnaire and was analyzed using frequencies, percentages, correlation, regression analyses. The study found out that CRM had a significant relationship with service quality in Stanbic Bank and CRM was a significant predictor of the variance in service quality as it predicted 66.5% of the variance in service quality in the bank while Service quality had a significant relationship with performance of Stanbic Bank and was a significant predictor of performance of the bank as it predicted 26.6% of the variance in the performance of the bank.

Customer Relationship Management had a significant relationship with performance of Stanbic Bank and was a significant predictor of bank performance at it predicted 61.1% of the variance in the performance of the bank. The study recommends that the management, shareholders and other relevant stakeholders should ensure that: Commercial banks develop and articulate CRM strategy development, value creation, multi-channel integration, performance assessment and information management to achieve effective service quality indicators of customers perceived service reliability, responsiveness, assurance, empathy and tangibles; Commercial banks develop and articulate effective service quality attributes of reliability, responsiveness, assurance, empathy and tangibility for enhanced performance indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention; and that commercial banks develop and articulate CRM for enhanced indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention. Other studies need to be carried out to identify such factors other than those under this study that predicted the variance in service quality and bank performance.

# CHAPTER ONE

## THE PROBLEM AND ITS SCOPE

**Background of the study**

In this chapter, the author provides some background of information about the research area for readers, and then we would begun by discussing the background concept of customer relationship management and its relationship with the service quality, followed by the problem discussion and overall purpose of the study at the end of this chapter the researcher used t0 operationalise the conceptual framework in order to achieve set objectives of the study.

Since the mid 1980s, financial liberalization in several African countries has been implemented largely. However in 1999, the government of Uganda had completed the 93 divestiture of enterprise in the industrial, commercial, agricultural and hotel sector (Collier & Reinikka, 2001). Sambage (2010) observed that in most cases privatizations led to increase output and efficiencies, higher taxes payment, significance new investment and encouraging entrepreneurial issues, the incremental of service sectors have been impressive.

In keeping with the global growth in services both in absolute term and relative to the growth of in goods and services, in service sector in Uganda accounted for 51.2% of GDP. In 2008 when compared to the growth of the other sectors, 24.5 and agriculture 26%, so in the last years the service sector is the fastest growing sector in Uganda. The above coupled with the dynamics of the customer enterprise relationship have changed dramatically overtime customer always have been at the heart of an enterprises long term growth strategy marketing and sales efforts, product development, labour and resource allocation and overall directivity (Peppers & Rogers, 2004 ).

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In fact there have been shift from transaction relationship to the marketing relationship, as Professor Kotler (2006) indicated. In his definition the relationship marketing; is the combinations of and tools that drive relationship orient the entire organizations to concentrate focus on satisfying customer it leverages technology as means to manage customer relationship and to integrate stakeholders into a company's product design an development.

During the 1980s, the concept of the CRM was completely unknown the first time emerged from the Scandinavian school of relationship management and it has been developed by the Professors Christian Gronroos at Hanken Business School, Helsinki, and Evert Gummeson, Stockholm School of Business (Carl-Erik, 2008).In historical prospective of marketing the marketing relationship concept under which organizations conduct marketing was:

First Stage: production concept; is one of the oldest concept in the business, holds that consumers will prefer products that are widely available and inexpensive Managers of productions oriented business consented apply on achieving high productions efficiencies; low cost and mass distribution.

Second Stage: product concept; this concept is more advanced from the previous one , it  holds that; the consumer favour those products that offered, the most quality performance or innovatively features, managers of this organizations focuses on the superior products  and improving them over time , with considering the customer.

Third Stage: marketing concept; from there the concept has developed more and often holds that consumer and business if left alone, will ordinarily not buy enough of the enterprise's product, to cover the costs and earn profits, the enterprise must therefore, undertake and aggressive selling and promotion efforts, this concepts assumes that consumers must be coaxed

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onto buying (Kotler, 1987) from the marketing concept primarily we have seen spited into two impressions in vigorously.

In transaction-based marketing means buyers and seller's exchanges characterized by limited communications and little or no on going relationship between the parties. (Peppers & Rogers, 1992), In transaction based Relationship marketing looks at customers as the priority for the enterprise to enter long term relationship in which they repeat purchases or buy multiple brands from the firm to enhance the competitive advantage in the competitive market. As the interactive age progresses traditional marketing concepts must give way to new principles of relationship marketing, in this study will be guided by the theory of relationship marketing developed by the (Payne & Frow, 2005), the theory postulates that the relationship marketing as attracting maintaining and enhancing the customer relationships, recently (Berry, 1983) forwarded that marketing relationship which is emerged as a part of an intellectual framework although its roots are much older than any other concepts and we concentrated about the growing compartmentalization of knowledge about the marketing discipline, that despite obviously differences among many theories generated last three decades (Kotler, 1987).

The last several years saw the rise of CRM as a strategy that goes beyond increasing transaction volume. Its objectives are to increase profitability, revenue and customer satisfaction, to achieve CRM, a companywide set of tools, technologies and procedures promote the relationship with the customer to increase sales (Witt, 2000). With advancing information technology, there are modern systems that can help to increase the organization power with the purpose of decreasing internal expenses, making better interaction with the environment and finally obtaining the economic profit (Thompson, 2006), a long side with the CRM service quality is the leverage link between the CRM and Firm performance.

Service Quality is the conformance of the service to customer specifications and expectation (Leonard L. Beery, David R. Bennett, and Carter W. Rown ) Service quality brings many advantage to the company it allows the company to differentiate itself from the its competitor by increasing sales and market shares, opportunities for cross selling, improving customer relationship and thus enhancing the corporate image in results in the satisfaction and retention of customer and employees thus reducing the turnover rate (Lewis, 1991, Newman 2001, Corwara, 2002), the actual performance of services takes place in service at an any operational level, services management is crucial to the overall strategic and tactical management of business operations, the assessment of Quality is made during the service delivery process each customer contact is referred to as a moment of truth.

However CRM and Service quality has become an increasingly important factor for success and survival in the banking sector, provision of high quality services aids in meeting several requirements such as customer retention, employee retention consequently market share increments of the bank (Onut & Hosver 2007), but the researcher will be modelled on the postulated of systems that CRM via Service Quality has direct effects on the performance of the banks. Firm performance is considered as," the ability of firm to produce results in relation to the set target, such as Return On Investment (ROI), customer retention, sales growth and profitability" (Tippins & Sohi, 2003), It would be interesting to articulate the major differences between service quality and customer satisfaction; is that service quality reflects to managerial side of service delivery whilst customer satisfaction reflects to the customer experiences, in this study the researcher believes that the essence of CRM is basically to deal with this two tasks.

For this study it should be given sufficient attention on services sector institutions in Uganda although there is CRM philosophy, and also there is no

clear role of CRM and Service Quality on the banking Performance. In general, firm performance can be defined as the process of measuring the efficiency and effectiveness of past actions (Neely, 1998). But measuring the effect of CRM, Service Quality on the firm performance is challengeable; it is difficult to define the causal connections between CRM and Service Quality activities and the company's results. These difficulties attributed to the qualitative nature and it is therefore difficult to prove their influence on the firm performance.

Although there is inadequate studies concentrated on CRM and Service Quality in developing countries and then my destiny is to indicate the interrelationship between CRM and Service Quality on the Firm Performance putting the slight on the marketing performance such as Customer Live time Value, Market share, Sales Growth, Brand Equity and Employee Retention.

**Statement of the Problem**

Stanbic bank recorded key performance achievements significant in 48% growth in net profit, cost containment below 6.2% inflation, 20.8% total assets growth, 48.3% ROE, and cost income rescue by 9%. To this effect, there is no evidence of how CRM and service quality could have contributed to the realised performance of the bank, in the study therefore intends to investigate the relationship between CRM, service quality and performance of Stanbic Bank Uganda.

**Purpose of the Study**

The Major purpose of the study was to determine the relationship between CRM, Service Quality and firm performance in the banking services in Uganda in particularly Stanbic bank (U) Ltd as well as how CRM and Services Quality could serve as a business strategy that would lead customer live time value and to increase the general performance in the Stanbic Bank.

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## Research Objectives

The study pursued the following specific objectives:

1) To determine the profile of the respondents in terms of a) Age.

b) Occupation. C) Level of Education. d) Monthly income. e) Work experiences

2) To outline if there is a relationship between:

   a. CRM and Service Quality at the Stanbic Bank, (U) Ltd.

   b. Service Quality and Firm Performance at the Stanbic Bank, (U) Ltd.

   c. CRM and Firm Performance at the Stanbic Bank, (U).Ltd.

3) To formulate development program based on the findings of the Study.

## Research Questions

The study sought answers to the following research questions

1. What is the profile of the respondents at the Stanbic Bank in terms of A) Age B) Occupation C) Level of education D) Monthly income E) Work experiences?

2. What is the level of relationship between

   d. CRM and Service Quality at the Stanbic Bank, (U) Ltd.

   e. Service Quality and Firm Performance at the Stanbic Bank, (U) Ltd.

   f. CRM and Firm Performance at the Stanbic Bank, (U).Ltd.

3. What is the development program based on the findings of the study?

**Hypothesis**

The following hypotheses tested in the study

$H_0$. If there is no significant relationship between CRM, Service Quality and Firm Performance at the Stanbic Bank, (U) Ltd.

$H_A$. There is a significant relationship between CRM Service Quality and Firm Performance at the Stanbic Bank, (U) Ltd.

**Scope of the Study**

*Geographical Scope*

The research was conducted on three branches of Stanbic bank (U) Ltd in Kampala district, this is where the population of elite local and international consumer are available which is a good sample for the study, having assumption that the branch offices in the rest of the districts follows the headquarters guidance and procedure of applying the business activities.

*Theoretical Scope*

In this study CRM and Service Quality is given to provide for our studies, emphasizing on their relationship on the firm performance. Service quality is tracked by the design developed by the Parasuraman et al  is "intangible", and it's difficult to assess the performance before a sales (Lovelock, 1981; Khan, 2003); moreover, as a result of this intangibility, service providers can have difficulty in ascertaining how consumers perceive their services (Parasuraman et al., 1985), where CRM is based on the approach developed by Payne and Frow, 2005, which is meant  business philosophy towards customers, relates to strategy, managing the dual-creation or value, the intelligent use of data and technology, the development of appropriate relationships with specific customers and/or customer groups,

and the integration of processes across the network of firms that collaborate to generate customer value to focus on their needs and improve relationships with them.(Payne & Frow, 2005).

## Significance of the Study

For academia point of view the researcher provides start point for those wishing to carry out research on conceptualizing CRM and the service quality on the Firms' performance. The study also contributed new knowledge to the existing CRM literature in the understanding of effects of CRM and service quality on the firm performance in Uganda. The study also will delineate the critical factors of CRM in Stanbic Bank (U) Ltd. which will enable the bank to offer efficiency and effectiveness of high quality banking services to satisfy its customer, and also in this study presented strategies and tactics that Stanbic Bank (U) Ltd can implement to enhance CRM objectives.

## Scheme of the study:
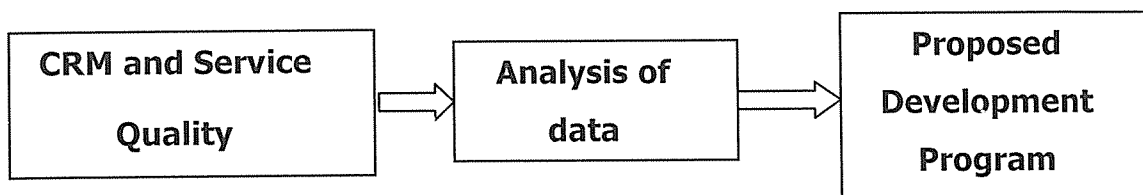


Figure: 1.1 scheme of the study

The above figure showed the input of the study which is CRM and Service Quality Although there has been a significant knowledge about the CRM and Service quality, correlation design represent the tool used to analyse the data, lastly the out put was geared towards development of the program based on the findings of the study only a few studies have focused on how CRM canenhance firm performance through Service Quality to create superior customer value on the perspective of customers (Wagetel 2004 ). However, The Major purpose of the study was to determine the relationship between CRM, Service Quality and Firm performance in the banking services in Uganda

in particularly Stanbic bank (U).Ltd. as well as how CRM and Services Quality could serve as a business strategy that would lead customer live time value and to increase the general performance in the Stanbic Bank. As such the study pursued the objectives of the study by using correlation design this aims to establish the degree of relationship between the variables in quantitative terms which describes the degree to which the variables are related (Amin 2005).

As Stanbic banking environment has been characterised by increased competition which has resulted in consolidation in the banking s sector whereby some smaller banks have been taken by larger banks and several new foreign banks have been licensed to offer commercial banking services, Stanbic banks remains a dominate bank in the Uganda and they are confident that they will retain the position as the bank with the widest network. (Stanbic Bank 2008). As the findings of the study suggested that Stanbic bank undertook efforts to put in place an effective CRM strategy encompassing core values in the customer service and employee empowerments which were the customer satisfied with the service quality aspects of physical facilities, attractiveness, responsiveness and deployment of the knowledgeable and the skilled contact personnel, due to these findings we have formulated the development program

**Operational definitions of the key terms**

**CRM** is a comprehensive strategy and process that enables the organization to identify, acquire, retain and nurture profitable customer by building and maintain long term relationship with them(Leo y, M.et L,), In this study we defined CRM as a comprehensive strategy process and knowledge that enables an organization to identify, acquire, retain and nurture profitable customer by building and maintain long term relationship through high service quality and meeting the endless need of the customer

**Service Quality** Business leaders define service quality as "the manner in which service is provided as it influences the degree of satisfaction with a good or service."(Robert W. Sexty,) Service quality has roots in the total quality management (TQM) movement. conceptualization and measurement of service quality has been the most debated and controversial topics in the service marketing literature to date however, in our study we track service quality as (Parasuraman et al 1988). The service quality instrument measures the following five dimensions of service quality:

**Tangibles**: appearance of physical facilities, equipment, personnel, and communication materials.

**Reliability**: ability to perform the promised service dependably and accurately.

**Responsiveness**: willingness to help customers and provide prompt service

**Assurance**: knowledge and courtesy of employees and their ability to convey trust and confidence

**Empathy**: caring, individualized attention the firm provides its customers.


**Firm performance:** Performance can be defined as the process of quantifying the efficiency and effectiveness of past action (Neely 1998) the performance can be measured either in quantitative in terms of economic performance attributed to the firms achievements, incomes and profitability that are related directly and indirectly to the firm's relational strategy and also qualitative performance refers to the improvement of the firm in terms of marketing performances (Srivostava et al, 1999).

**Market share:** market share is the portion or percentage of sales of particular services in a given region that are controlled by the company (terui, 2000.

# CHAPTER TWO

## REVIEW OF RELATED LITERATURE

### Introduction

The previous chapter provided the background and the problem discussion of the area of the study leading down to the specific objectives of the research, in this chapter focuses main ally on the CRM and service quality and their interrelationship with the firm performance in the Stanbic Bank, these are the main issues in this study.

### The Origins and Definitions of the CRM

Customer Relationship Management (CRM) is based on the principles of relationship marketing (RM) which is regarded as one of the key areas of modern marketing and has generated great research interest (Sheth 2000). As reviewed RM is a paradigmatic shift in marketing (Grönroos, 1997; Gummesson, 1997; Parvatiyar and Sheth, 1997). The increased interest in 'one to one' marketing (Peppers and Rogers, 1993) raised the potential for shifting from a mass to individualize or 'one-to-one' marketing. Relationship-based approaches have been increasingly advocated over the last fifteen years (e.g., Grönroos, 1994; Gummesson, 200; Webster, 2002; Vargo and Lusch, 2004). With its roots in RM, CRM is a relatively new management discipline. Parvitiyar and Sheth (2001) point out the two terms are often used interchangeably. Contributors to this literature emphasize the key role of multiple stakeholders (Christopher, Payne and Ballantyne, 1991; Kotler, 1992; Buttle 1999; Gummesson, 1999). ware adopted the perspective of Ryals and Payne (2001) who propose that RM is concerned with relationships with multiple stakeholders, while the focus of CRM should be primarily on the customer.

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(Jabber & fuhy, 2006) defined that the Relationship Marketing is the process of creating developing and enhancing relationship with customers and other stakeholders.

The Relationship Marketing refers to the development, growth, maintenance of long term cost effective exchange relationship with customer supplier employees and other partner for mutual benefits (Boone & Kurtz, 2007). Developing excellent service quality creates the opportunity to build an ongoing relationship with customers. The customer-seller bonds developed in a relationship marketing situation, on the other hand, last longer and cover a much broader scope than those developed in transaction marketing. Customer contacts are more frequent, a company emphasis on customer service contributes to consumer satisfaction, (Armstrong & Kotler, 2007). However, recently CRM is emerged more commonly used in the context of technology solutions and has been described as "information-enabled relationship marketing" (Ryals and Payne 2001) emphasised CRM as "a philosophically-related offspring to relationship marketing which is for the most part neglected in the literature," and they conclude that "further exploration of CRM and its related phenomena is not only warranted but also desperately needed." A significant problem that many organizations deciding to adopt CRM face stems from the great deal of confusion about what constitutes CRM.

The definitions and descriptions of CRM that different authors and authorities use vary considerably, signifying a variety of CRM viewpoints. CRM can be defined from at least three perspectives: narrowly and tactically as a particular technology solution, wide-ranging technology, and customer centric. Accurate customer data is essential to successful CRM performance (Abbott et al., 2001) and, consequently, technology plays an important role in CRM in adding to firm intelligence (Boyle, 2004).

In relevant, viewpoint is to consider CRM only as seeking customer retention by using a variety of after marketing tactics that lead to customer bonding or staying in touch with the customer after a sale is made (Vavra, 1992). A more popular approach with the recent application of information technology is to focus on individual or one-to-one relationships with customers that integrate database knowledge with a long-term customer retention and growth strategy (Peppers & Rogers, 1993). Berry's notion of customer relationship management resembles that of other scholars studying services marketing, such as Gronroos 1990; Gummesson 1987; Levitt 1983). Although each one of them has espoused the value of interactions in marketing and its consequent impact on customer relationships, Gronroos and Gummesson take a broader perspective and advocate that relationships with customers be the focus and dominant paradigm of marketing. For example, Gronroos (1990) states: "Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met.

This is achieved by a mutual exchange and fulfillment of promises" (p. 138), the implication of Gronroos' definition is that forming relationships with customers is the "raison deetre" of the firm and marketing should be devoted to building and enhancing such relationships. Similarly, Morgan and Hunt (1994) draw upon the distinction made between transactional exchanges and relational exchanges by Dwyer, Schurr, and Oh (1987) to suggest that relationship marketing "refers to all marketing activities directed toward establishing, developing, and maintaining successful relationships."

The core theme of all CRM and relationship marketing perspectives is its focus on a cooperative and collaborative relationship between the firm and its customers, and/or other marketing actors. Dwyer, Schurr, and Oh (1987) have characterized such cooperative relationships as being interdependent and long-term orientated rather than being concerned with short-term

discrete transactions. The long-term orientation is often emphasized because it is believed that marketing actors will not engage in opportunistic behaviour if they have a long-term orientation and that such relationships will be anchored in mutual gains and cooperation (Ganesan, 1994).

Another important facet of CRM is "customer selectivity." As several research studies have shown, not all customers are equally profitable for an individual company (Storbacka, 2000). However, the objective of a company is not really to prune its customer base but to identify the programs and methods that would be the most profitable as it creates value for the firm and the customer.

Hence, our working definition of CRM is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. it involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.

As is implicit in the above definition, the purpose of CRM is to improve marketing productivity. Marketing productivity is achieved by increasing marketing efficiency and by enhancing marketing effectiveness (Sheth & Sisodia, 1995). In CRM, marketing efficiency is achieved because cooperative and collaborative processes help in reducing transaction costs and overall development costs for the company. Two important processes of CRM include proactive customer business development and building partnering relationships with the most important customers. These lead to superior mutual value creation. (CRM) is defined as a firm's practices to systematically manage its customers to maximize value across the relationship lifecycle.

## Strategy Development Process

In operational sing CRM, we followed (Payne & Frow, 2005) as independent variable and they measured CRM as key generic Process This process requires a dual focus on the organization's business strategy and its customer strategy. How well the two interrelate fundamentally affects the success of its CRM strategy.

## Business Strategy

The business strategy must be considered first to determine how the customer strategy should be developed and how it should evolve over time. The business strategy process can commence with a review or articulation of a company's vision, especially as it relates to CRM (Davidson 2002). Next, the industry and competitive environment should be reviewed. Traditional industry analysis (e.g., Porter 1980) should be augmented by more contemporary approaches (e.g., Christensen 2001; Slater and Olson 2002) to include co-opetition (Brandenburger and Nalebuff 1997), networks and deeper environmental analysis (Achrol 1997), and the impact of disruptive technologies (Christensen and Overdorf 2000).

## Customer Strategy

Customer strategy involves examining the existing and potential customer base and identifying which forms of segmentation are most appropriate. As part of this process, the organization needs to consider the level of subdivision for customer segments, or segment granularity.

This involves decisions about whether a macro, micro, or one-to-one segmentation approach is appropriate (Rubin 1997). Several authors emphasize the potential for shifting from a mass market to an individualized, or one-to-one, marketing environment. Exploiting e-commerce opportunities

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and the fundamental economic characteristics of the Internet can enable a much deeper level of segmentation granularity than is affordable in most other channels (e.g., Peppers and Rogers 1993, 1997). In summary, the strategy development process involves a detailed assessment of business strategy and the development of an appropriate customer strategy. This should provide the enterprise with a clearer platform on which to develop and implement its CRM activities.

## Value Creation Process

The value creation process is concerned with transforming the outputs of the strategy development process into programmes that both extract and deliver and co-produce (or co-create) value. (Payne and Frow 2005), developed three key elements of the value creation process are

1. Determining what value the company can provide to its customer;

2. Determining what value the company can receives from its customers and

3. The Value the Organization Receives and Lifetime Value

*The Value the Customer Receives*

The value the customer receives from the organization draws on the concept of the benefits that enhance the customer offer (Levitt 1969; Lovelock 1995).

However, there is now a logic, which has evolved from earlier thinking in business-to-business and services marketing, that views the customer as a co-creator and co-producer (Bendapudi & Leone 2003; Prahalad & Ramaswamy 2004; Vargo and Lusch 2004). These benefits can be integrated in the form of a value proposition (Lanning & Michaels 1988; Lanning & Phillips 1991) that explains the relationship among the performance of the product, the fulfillment of the customer's needs, and the total cost to the

customer over the customer relationship life cycle (Lanning and Michaels 1988). Lanning's (1998) later work on value propositions reflects the co-creation perspective.

Fundamental to this concept of customer value are two key elements that require further research. First, it is necessary to determine how existing and potential customer profitability varies across different customers and customer segments. Second, the economics of customer acquisition and customer retention and opportunities for cross-selling, up-selling, and building customer advocacy must be understood. Hogan, Lemon & Rust 2002; Rust, Lemon & Zeithaml, 2004). Calculating the customer lifetime value of different segments enables organizations to focus on the most profitable customers and customer segments. The value creation process is a crucial component of CRM because it translates business and customer strategies into specific value proposition statements that demonstrate what value is to be delivered to customers, and thus, it explains what value is to be received by the organization, including the potential for coo creation.

## The Value the Organization Receives and Lifetime Value

From this perspective, customer value is the outcome of the coproduction of value, the deployment of improved acquisition and retention strategies, and the utilization of effective channel management. Fundamental to this concept of customer value are two key elements that require further research. First, it is necessary to determine how existing and potential customer profitability varies across different customers and customer segments. Second, the economics of customer acquisition and customer retention and opportunities for cross-selling, up-selling, and building customer advocacy must be understood. How these elements contribute to increasing customer lifetime value is integral to value creation. Customer retention represents a significant part of the research on value creation. For example, Reichheld and Sasser (1990) identify the net present value profit

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improvement of retaining customers, and Rust and Zahorik (1993) and Rust, Zahorik, and Keiningham (1995) outline procedures for assessing the impact of satisfaction and quality improvement efforts on customer retention and market share.

## Multi-channel Integration Process

The multi-channel integration process is arguably one of the most important processes in CRM because it takes the outputs of the business strategy and value creation processes and translates them into value-adding activities with customers. However, there is only a small amount of published work on the multi-channel integration in CRM (e.g., Friedman and Furey 1999; Funk 2002; Kraft 2000; Sudharshan and Sanchez 1998; Wagner 2000). The multi-channel integration process focuses on decisions about what the most appropriate combinations of channels to use are; how to ensure that the customer experiences highly positive interactions within those channels; and when a customer interacts with more than one channel how to create and present a single unified view of the customer.

### *Channel Options*

Today, many companies enter the market through a hybrid channel model (Friedman and Furey 1999; Moriarty and Moran 1990) that involves multiple channels, such as field sales forces, Internet, direct mail, business partners, and telephony. There are a growing number of channels by which a company can interact with its customers. Through an iterative process, we categorized the many channel options into six categories broadly based on the balance of physical or virtual contact, these include (1) sales force, including field account management, service, and personal representation; (2) outlets, including retail branches, stores, depots, and kiosks; (3) telephony, including traditional telephone, facsimile, telex, and call center contact;  (4) direct marketing, including direct mail, radio, and traditional television (but

excluding e-commerce); (5) e-commerce, including e-mail, the Internet, and interactive digital television; and (6) m-commerce, including mobile telephony, short message service and text messaging, wireless application .

Having established a set of standards for each channel that defines an outstanding customer experience for that channel, the organization can then work to integrate the channels, the concept of the "perfect customer experience," which must be affordable for the company in the context of the segments in which it operates and its competition is a relatively new concept (Payne and Frown 2005). Therefore,

multichannel integration is a critical process in CRM because it represents the point of co-creation of customer value. However, a company's ability to execute multichannel integration successfully is heavily dependent on the organization's ability to gather and deploy customer information from all channels and to integrate it with other relevant information.

**Information Management Process**

Information technology (IT) has long been recognized as an enabler to radically redesign business processes in order to achieve dramatic improvements in organizational performance (Davenport & Short, 1990; Porter, 1987). IT assists with the re-design of a business process by facilitating changes to work practices and establishing innovative methods to link a company with customers, suppliers and internal stakeholders (Hammer & Champy, 1993). CRM applications take full advantage of technology innovations with their ability to collect and analyze data on customer patterns, interpret customer behavior, develop predictive models, respond with timely and effective customized communications, and deliver product and service value to individual customers. Using technology to "optimize interactions" with customers, companies can create a 360 degree view of customers to learn from past interactions to optimize future ones (Eckerson & Watson, 2000).

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Innovations in network infrastructure, client/server computing, and business intelligence applications are leading factors in CRM development. CRM solutions deliver repositories of customer data at a fraction of the cost of older network technologies. CRM systems accumulate, store, maintain, and distribute customer knowledge throughout the organization. The effective management of information has a crucial role to play in CRM. Information is critical for product tailoring, service innovation, consolidated views of customers, and calculating customer lifetime value (Peppard, 2000). Among others, data warehouses, enterprise resource planning (ERP) systems, and the Internet are central infrastructures to CRM applications.

**Data Warehouse Technology**

A data warehouse is an information technology management tool that gives business decision makers instant access to information by collecting "islands of customer data" throughout the organization by combining all database and operational systems such as human resources, sales and transaction processing systems, financials, inventory, purchasing, and marketing systems. Specifically, data warehouses extract, clean, transform, and manage large volumes of data from multiple, heterogeneous systems, creating a historical record of all customer interactions (Eckerson & Watson, 2000). The abilities to view and manipulate set data warehouses apart from other computer systems. Constantly extracting knowledge about customers reduces the need for traditional marketing research tools such as customer surveys and focus groups. Thus, it is possible to identify and report by product or service, geographic region, distribution channel, customer group, and individual customer (Story, 1998); information is then available to all customer contact points in the organization.

Data warehousing technology makes CRM possible because it consolidates correlates and transforms customer data into customer

intelligence that can used to form a better understanding of customer behaviour. Customer data includes all sales, promotions, and customer service activities (Shepard et al.,1998).

In addition to transaction details, many other types of data generated from internal operations can make significant contributions. Information related to billing and account status, customer service interactions, back orders, product shipment, product returns, claims history, and internal operating costs all can improve understanding of customers and their purchasing patterns. The ability of a data warehouse to store hundreds and thousands of gigabytes of data make drill-down analysis feasible as well as immediate.

A brief outline of organizational benefits with a data warehouse are: accurate and faster access to information to facilitate responses to customer questions; Data quality and filtering to eliminate bad and duplicate data; . extract, manipulate and drill-down data quickly for profitability analysis, customer profiling, and retention modelling; advanced data consolidation and data analysis tools for higher level summary as well as detailed reports; and calculate total present value and estimate future value of each and every customer.

**Analytical Tools**

The analytical tools that enable effective use of the data warehouse can be found in general data-mining packages and in specific software application packages. Data mining enables the analysis of large quantities of data to discover meaningful patterns and relationships (Groth 2000; Peacock 1998). More specific software application packages include analytical tools that focus on such tasks as campaign management analysis, credit scoring, and customer profiling.

## Impact of the Internet

The explosive growth of the Internet has also brought new meaning to building customer relationships. Greater customer access to the organization, such as online ordering and around the clock operations, has set the stage for a shifting paradigm in customer service. A recent report describes how successful Web sites are in building lasting relationships with "e-customers" by offering services in traditionally impossible ways (Peppers Rogers, 2000). Using a series of richly detailed case studies, they also contended that in the broad arena of business-to-business commerce, organizations would rise or fall on the basis of their capabilities to cultivate one-to-one relationships with their customers (Peppers and Rogers, 2001). Customers expect organizations to anticipate their needs and provide consistent service at levels above their expectations.

## Front Office and Back Office Applications

Front office applications are the technologies a company uses to support all those activities that involve direct interface with customers, including SFA and call centre management. Back office applications support internal administration activities and supplier relationships, including human resources, procurement, warehouse management, logistics software, and some financial processes. A key concern about the front and back office systems offered by CRM vendors is that they are sufficiently connected and coordinated to improve customer relationships and workflow.

## Performance Assessment Process

The performance assessment process covers the essential task of ensuring that the organization's strategic aims in terms of CRM are being delivered to an appropriate and acceptable standard and that a basis for future improvement is established. This process can be viewed as having two

main components: shareholder results, which provide a macro view of the overall relationships that drive performance, and performance monitoring, which provides a more detailed, micro view of metrics and key performance indicators.

## Shareholder Results

To achieve the ultimate objective of CRM, the delivery of shareholder results, the organization should consider how to build employee value, customer value, and shareholder value and how to reduce costs. Recent research on relationships among employees, customers, and shareholders has emphasized the need to adopt a more informed and integrated approach to exploiting the linkages among them. The service profit chain model and related research focuses on establishing the relationships among employee satisfaction, customer loyalty, profitability, and shareholder value (e.g., Heskett et al. 1994; Loveman 1998). Organizations also need to focus on cost reduction opportunities. Two means of cost reduction are especially relevant to CRM: deployment of technologies ranging from automated telephony services to Web services and the use of new electronic channels such as online, self-service facilities.

## Performance Monitoring

Recent efforts provided cross-functional measures, such as the balanced scorecard (Kaplan and Norton 1996), the format of the balanced scorecard enables a wide range of metrics designs. Indicators that can reveal future financial results, not just historical results, need to be considered as part of this process, and key performance indicators for CRM should reflect the performance standards necessary across the five major processes to ensure that CRM activities are planned and practiced effectively and that a feedback loop exists to maximize performance improvement and

organizational learning, consideration of "return on relationships" (Gummesson 2004).

## Service Quality

Managers in the service sector are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. Given the financial and resource constraints under which service organisations must manage it is essential that customer expectations are properly understood and measured and that, from the customers ' perspective, any gaps in service quality are identified. This information then assists a manager in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on a critical decision given scarce resources (Brysland and Curry, 2001).

Service quality is an important topical issue in service management (Clottey and Collier, 2008). Goods quality is tangible and can be measured by objective indicators like performance, features, and durability. Service quality, however, is intangible. Hence, the service quality literature defines service quality in terms of subjectivity, attitude, and perception. Zeithaml (1987) explains: Service quality is the consumer's judgment about an entity's overall excellence or superiority. It is a form of attitude, and results from a comparison of expectations to perceptions of performance received. Lewis and Booms' (1983) definition clearly states: Service is a measure of how well the service level delivered matches customer expectations.

Delivering quality service means conforming to customer expectation on a consistent basis. The definitions make it clear that service quality revolves around customer expectations and their perceptions of service performed. Parasuraman et al. (1991) explain that consistent conformance to expectations begins with identifying and understanding customer expectations. Developing a system to identify customer expectations is critical.

From the literature two main theoretical constructs are obvious before the reconciliatory work of Brady et al., (2002). The European school of thought led by the work of Gronroos (1984), arguably served as the theoretical point of departure for studies on the conceptualisation of service quality. This school of thought believes that consumers perceive service quality from two perspectives: the technical quality and the functional quality of the service. Technical quality asks the question of whether the service meets customers' expectations. The functional quality measures how consumers perceive the production and delivery of the service. While this distinction is technically feasible, both are required to influence consumers' service quality evaluations and loyalty behaviours (Richard & Allaway, 1993).

The European school attracted criticism because it excludes the service physical environment. Later conceptualisation of service quality- the American school of thought leans on the work of Parasuraman et al., (1985, and 1988). This view has since been adopted by many scholars researching SERVQUAL. Parasuraman et al., (1985, 1988) conceptualised SERVQUAL as overall assessment of the difference between perception and expectation of service delivery. In operatinalizing our service quality we followed Parasuraman et al., (1985) on the service quality dimensions as posited by Parasuraman et al., (1988).including the following dimensions without regarding the discussion of the SERV QUAL gaps which is not more related to our study.

(1) Reliability: ability to perform the promised service dependably and accurately.

(2) Responsiveness: willingness to help customers and provide prompt service.

(3) Assurance: employees' knowledge and courtesy and their ability to inspire trust and confidence.

(4) Empathy: caring, individualised attention given to customers.

(5) Tangibles: appearance of physical facilities, equipment, personnel, and written materials.

## Firm performance

Performance can be defined as the process of quantifying the efficiency and effectiveness of past action (Neely 1998) the performance can be measured either in quantitative in terms of economic performance alludes to the firms benefits, incomes and profitability that are related directly and indirectly to the firm's relational strategy and also qualitative performance refers to the improvement of the firm marketing positions (Srivostava et al, 1999).

## CRM and Service Quality

CRM is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer (Parvatiyar and Sheth, 2004). Also, according to Anton (1996) and Anton and Hoeck (2002), CRM is a comprehensive business and marketing strategy that integrates technology, process, and all business activities around the customer (Anton, 1996; Anton and Hoeck , 2002). It is mostly defined in terms of the acquisition and retention of customers and the resulting profitability (Menconi, 1999; Nykamp, 2001).

Brown (2000) defines CRM as "the key competitive strategy you need to stay focused on the needs of your customers and to integrate a customer-facing approach throughout your organization". Chatterjee (2000) also points out that CRM is a discipline which focuses on automating and improving the business processes associated with managing customer relationships in the area of sales, management, customer service, and support sales/profit.

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This point sharply emphasises to empower CRM capabilities and seeking the opportunities of integrating it with other approaches, by this integration; CRM becomes more efficient and more effective. CRM and quality approaches one of the forces driving the adoption of CRM has been the total quality movement this needed close working relationships with customers, suppliers, and other members of the marketing infrastructure.

Quality is considered as the ability to meet the stated and implied requirements of customers rather than elegance. Crosby (1979) points out that "instead of thinking of quality in terms of goodness or desirability we are looking at it as a means of meeting requirements". CRM may enable a business to understand better the stated and, especially, the implied requirements of its customers.

With this understanding, a business may have a better opportunity to provide its customers with products or services that are more in tune to their requirements and their view of CRM may provide for a business the opportunity of informed continuous quality improvement at a higher level. Russel (1999) argues that it is important for a business to understand not only the view of its internal stakeholders, but also that of its external stakeholders such as customers in order to have a clearer sense of direction and prevent changes in the wrong direction, thus quality may be continuously improved in the light of better customer knowledge provided by CRM.

CRM may also contribute to business excellence and Peters (1988) points out that being close to customers and listening to them are important for a business when it would like to manage change and pursue excellence. Waterman (1987) also emphasizes the importance of regarding information such as customer knowledge as a business's main strategic advantage, and also looking at the business itself from a different perspective, such as that of its customers, for the pursuit of businesses excellence. In addition, Kanji

(1998) and Kanji and Wallace (2000) argue that customer satisfaction is a critical success factor for business excellence. Therefore, CRM that may create value for customers, inform further quality improvement and enhance customer satisfaction plays an important role in the pursuit of business excellence and a close examination of the CRM strategies of a business is very important for that reason.

According to the mainstream literature, the service quality has a particular meaning for the buyer's decision. Thus, the service provider must identify and understand what quality means for the service customer, in the 20th century, Gasvin (1984,1987), Parasumaran, Berry, Zeithamel, (1985, 1986, 1991) suggested the multidimensional character of the service quality. The reliability involves consistency of performance and dependability, i.e. the firm performs the service right the first time, accuracy in billing, keeping records correctly, and performing the service at designated time.

The responsiveness concerns the willingness or redness of employees to provide service. It involves timeliness of service, for example mailing a transaction ship immediately, calling the customer back quickly, giving prompt service, e.g. setting up appointments quickly. The competence depends upon possession of the required skills and knowledge to perform the service, i.e. knowledge and skill of the contact personnel knowledge and skill of operational support personnel, research capability of the organization.

CRM as a management philosophy that focuses on the nurturing of customer relationships emerged as a response to decreasing customer loyalty and increasing competition. Implementing CRM is expensive, as it demands high investment in organizational change activities and information technology (IT) and companies thus expect visible, measurable results.

## Service Quality and Firm Performance

Quality is considered to be one of the management's topmost competitive priorities and a prerequisite for sustenance and growth of firms. The quest for quality improvement has become a highly desired objective in today's intensively competitive markets. Quality management has been reckoned as the Prime mover towards enhanced business performance and several researchers have underlined the quality improvement initiatives resulting in a sustainable competitive in the firms (sureshachandar et al, 2002). In recent years the topic of quality has also reached the literature on organizational culture has been used to describe the extent to which quality is important and valued in an organization. Firms that are clearly interested in providing outstanding customer value would be expected to have culture that reinforces high, therefore measurement and management of service quality is the fundamental issue for survival and growth of firms but in order to value the service quality that supports the firms performance a firm has to know what its customer value what kind of service  high quality for them , knowledge about the content and formation of perception of service quality enables organizations to deal with the fields that directly influence their performance and not to west too many resources on unimportant field.

The indicator value of customer an in organizational performance has been the reason why both academicians and practitioners alike have been interested in the construct of "service quality"  but even though the number of articles about service quality is huge , there is no agreement  about service is and how it should be measured. Assessment of quality in service industries, unlike traditional physical product industries, become more complicated "it is not a function of statistical measures of quality including physical defects or managerial judgments. Rather, it is a function of customers' perceptions about the service"(Cumminghan & Young, 2002). Service Quality evolution and measurement are highly complex process that may operate at several levels

of abstraction, which makes the conceptualization and measuring of service quality a really difficult task (Brady & Cronin, 2001).

An analysis of publications on the topic of service quality and its relations to the firm performance reveals several heated debates leaded by the nature of the service quality; the issues are still up for discussion (Suuroja, 2003).

## CRM and Firm Performance

CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, repricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses. Under this case CRM is a management philosophy focusing on customer orientation. One of the attracting literatures (Shaw & Reed 1999.) provides a comprehensive definition of CRM that captures its multiple aspects as well as deftly describing what CRM is about.

Our work is in line with their definition of CRM as an interactive approach that achieves an optimum balance between corporate investments and the satisfaction of customer needs to enhance the performance of the firm. It entails measuring inputs like marketing, sales, and service costs as well as outputs in terms of customer live time `value and it entails acquiring, continuously updating and applying knowledge on customers to improve performance. Each of the three dimensions (profitability, customer satisfaction, and market effectiveness) was measured using five items based on Vorhies and Morgan (2005). Industry services the literature mentions four distinct aspects as characterizing high industry service. The first aspect is low switching costs as a combination of buyers' economic risk, evaluation, learning, set-up, and loss costs (Burnham et al. 2003). The second is high

price sensitivity, as buyers in highly commoditized industries are looking for the best price for a standard product on the assumption that products with essentially equivalent quality and features will continue to be available (Alajoutsijärvi et al. 2001; Davenport 2005). The third characteristic is high product homogeneity, as customers perceive products in highly commoditized markets to be interchangeable (Bakos 1997; Greenstein 2004; Pelham 1997; Robinson et al. 2002), and the fourth is high industry stability, which includes predictable market demand and few product- and technology-related changes (Day & Wensley 1983; Pelham 1997).

Day and wensley developed multi-item scales to measure the four firstorder dimensions of the type II industry commoditization construct (reflective first-order, formative second-order). for the switching costs construct, we created an item pool based on Burnham et al (2003). We based the items for price sensitivity on Lichtenstein et al. (1988), while the items for the product homogeneity construct were based on Sheth (1985) and Hill (1990). Finally, we based the items for the industry stability construct on the indicators used by Achrol and Stern (1988) and Gilley and Rasheed (2000). A list of all items is provided in the  this demands an integration of marketing, sales, and service activities and the implementation of appropriate systems to support customer knowledge acquisition, sharing, and the measurement of CRM effectiveness.

This demands an integration of marketing, sales, and service activities and the implementation of appropriate systems to support customer knowledge acquisition, sharing, and the measurement of CRM effectiveness. Processes and information systems help to implement the strategic objectives of CRM. We therefore provide a brief overview of CRM processes and systems. CRM architecture (Geib et al. 2004) is comprised of CRM processes which have been identified through a comprehensive analysis of research literature from the areas of relationship marketing.  Shaw/Reed 1999, and

technology-oriented CRM (e.g. Swift 2000). We distinguish between different categories of CRM processes: CRM delivery processes are those processes with direct customer contact (i.e. campaign management, sales management, service management, and complaint management). CRM analysis and support processes are processes that consolidate and analyze the customer knowledge that has been collected in other CRM processes.

The findings of the analysis are passed on to the CRM delivery processes to improve the latter's effectiveness (i.e. Customer live time Value, the terms customer lifetime value and customer profitability are important to interactive marketing because they are both used to talk about and measure customer differences.

According to (leeflang Rueyl 1984) market share and sales growth is used by business to determine their competitive strength in a sector as compared to other companies in the same sector, it's also allow you to accurately assess your performance, by measuring market share and sales growth you can determine either you are in a better or worse situation compared to other companies which are facing the same challenges and opportunities in the market environment.

As Peppers and Rogers stated, "some customers are more equal than others," and firms can prosper by learning how to "identify and capitalize on customer differences". Given the importance to interactive marketing of recognizing customer differences, it is critical to use precise language to talk about those differences and thereby avoid Schultz's "worst of all possible worlds." Kotler (2006) argued that there is a challenge in applying Customer lifetime value (CLV) concepts that is to arrive at a reliable cost and revenue estimated , marketers who use CLV concept must also take account the short term ,brand building ,marketing activities ,that help increase customer loyal. CRM could solve this problem since it supports strategy implementation by

defining concrete objectives and measures. Furthermore, the clear statement and communication of strategic objectives promotes swifter implementation of activities (Neely et al. 2000,) market share, were commonly utilized by large firms well before the 1950s. Oxenfeldt (1959) lamented the common use of market-share objectives and discussed the logical and practical flaws of pursuing such objectives.

Economists frown on competitor-oriented objectives (Mueller 1992). They consider the proper objective of business to be profits, not market share. Business school academics, however, have rushed to support market share objectives, market share is the portion or percentage of sales of a particular service in a given region that are controlled by a company (terui, 2000), noting that higher market shares are correlated with higher profitability. Influential support came from two Harvard Business Review papers: Buzzell, Gale, and Sultan (1975) and Porter (1979).

In respect to the competitions aggressiveness is concerned with the interaction between an organization and its competitors, prescriptions grounded in the growth-share matrix (Boston Consulting Group 1972), and Porter's (1980) generic cost leadership strategy emphasizes the importance of aggressiveness in seeking market share. This aggressive or competitive orientation is often cast in military terms. Kotler and Achrol (1981), for example, describe "attack strategies" aimed at increasing market share. Defensiveness, adaptability, and specialization focus on the interaction between an organization and its customers. Defensiveness refers to the emphasis placed on preserving current products and markets. Fornell and Wernerfelt (1988) indicate that defensive marketing strategy involves reducing customer exit and product/brand switching through switching barriers and customer satisfaction Defensiveness also reflects the notion of "defense'; (Kotler and Achrol 198 1) and "hold" (Buzzell, Gale, and Sultan 1975) strategies aimed at holding current customers and thereby maintaining

relative market share. Adaptability reflects the extent to which a business attempts to identify and capitalize on emerging market opportunities.

A basic premise of brand equity is that the power of a brand lies in the minds of consumers and what they have experienced and learned about the brand over time. Brand equity can be thought of as the "added value" endowed to a product in the thoughts, words, and actions of consumers. Brands represent enormously valuable pieces of legal property, capable of influencing consumer behaviour, being bought and sold, and providing the security of sustained future revenues to their owner, the value directly or indirectly accrued by these various benefits is often called brand equity (Kapferer, 2005; Keller, 2003).

High brand equity allows a company to enjoy reduced marketing costs because of high brand awareness and loyalty, gives a company more leverage in bargaining with distributors and retailers, permits the firm to charge more because the brand has higher perceived quality, allows the firm to more easily launch extensions because the brand has high credibility, and offers some defence against price competition (Ailawadi et al., 2003 ).

In general Brand is provides a number of valuable functions to firms. Fundamentally, it serves an identification purpose to simplify product handling or tracing for the firm. Operationally brand also helps customer to differentiate from the other competing firms. A brand also offers the firm legal protection for unique features or aspects of the product Grover and Srinivasan, (1992).

# Conclusion

The concept of customer relationship management (CRM) resonates with managers in today's competitive economy. Yet recent articles in the business press have described CRM implementation failures, and consequent company reluctance to invest in CRM. The potential for substantially improved customer relationship management, organizations pursue a CRM strategy for the purpose of increasing business performance and value.

However, firms face a multitude of organizational challenges associated with this endeavour. To reduce their risk of failure, it was suggested that firms undertake a deep analysis of organizational readiness prior to committing to a CRM initiative. A model to assess readiness was developed based upon the premise that business value is enhanced through the alignment of complementary factors occurring along three dimensions (intellectual, social, and technology).

Throughout this discussion we argued service Quality dimensions can be helpful for CRM successful in the firm performance, thus, service quality, as perceived by consumers, stems from a comparison of what they feel service providers should offer with their perceptions of the performance of service provided by service providers (Parasuraman, Zeithaml and Berry, 1988). We also regarded five dimensions for measuring the service quality. The following is a list of the five dimensions and a brief description of each:

Tangibles: (physical facilities, equipment, and appearance of personnel). Reliability: (ability to perform the promised service dependably and accurately). Responsiveness: (willingness to help customers and provide prompt service). Assurance: (knowledge and courtesy of employees and their ability to inspire trust and confidence). Empathy (caring, individualized attention the firm provides its customers) as far as enhancing the performance of the firm is concern CRM is achievable through the service quality.

# CHAPTER THREE

## METHODOLOGY

### INTRODUCTION

In this chapter, the researcher presents detailed idea about the research design conducted in this study. That includes research design, population of the study, sample size and sampling techniques, research instrument that is used in data collection, research procedure, validity and reliability, data analysis method and ethical consideration.

### Research Design

This research study used correlation design to identify the interrelationship of CRM and Service Quality on the Firm Performance in particularly Stanbic Bank (U). Ltd The correlation research design is ideally suitable for this studies where we are not involve to manipulate the variables, but the variables are measured taking their natural values (Dooly, 1995) in other words to Amin (2005).

### Research Population

Since my Study has been chosen to conduct for Selected Stanbic Bank (U).Ltd branches in Uganda, in particularly, Kyambogo, Nakivubo, Nakawa, assuming that the rest of the branches falls in way capital city branches follows, and where there population are elite cosmopolitan customers that can make a good sample for the study. The population of the study included: Management; each branch of Stanbic bank has one or two managers so the researcher selected four managers in deferent positions regarding about their availability, more related to the study, and also they are well knowledgeable to the business strategies in the bank, 49 employees; whose are illegible been respondents for the questionnaire because they are the eventual provider of

the services and continued support to the customer  and lastly 97 from the customers who is the ultimate recipients of the services . These are considered appropriate for providing focal point for the study by helping marketing department and service managers in the Stanbic bank.

**Table 3.1: population and sample used in the study**

| No. | Categories | Population | Sample size |
|---|---|---|---|
| 1. | **Stanbic Bank Kyambogo Branch** | | |
| | Management | 2 | 2 |
| | Employees | 18 | 15 |
| | Customer | 30 | 25 |
| 2. | **Stanbic Bank Nakawa Branch** | | |
| | Management | 1 | 1 |
| | Employees | 14 | 14 |
| | Customer | 35 | 20 |
| 3. | **Stanbic Bank Nakivubo Branch** | | |
| | Management | 1 | 1 |
| | Employees | 17 | 10 |
| | Customer | 32 | 20 |
| **Total** | | **150** | **108** |

Source: Researcher's Primary Data

**Sample Size and  sampling techniques**

The sample size of the study consisted of 108 participants from the 150 target population based on Sloven 1990 formula, for the purpose of obtaining a reprehensive sample the study employed the probability sampling in stratify sampling way. The probability sampling procedures involves selecting a sample in such a way that all elements in the population have the same probability of being selected (martin A min 2005).

Stratify sampling used to select sample size according to the Amin (2005, P 245) stratify sampling defined a population divide in to sub population such as the elements which each which each population homogeneous simple random sampling are then selected independently from each population. To determine the sample size from the population the researcher employed the Slovene's approach Fredrick (1990).

$$n= (N/1+N*e2)$$

N = the population size

1= Constant

e= the confidence interval /error margin i.e. 95% = 0.05

= Square.

## Research instrument

The researcher devised Questionnaires as the main tool for collecting the data; such these instruments have been guided by the nature of data to be collected and also easily to collect the information needed in a short period of time.

## Validity and Reliability of the study instrument

The questionnaire was pre-tested before administering it on the respondents. The reliability and validity was tested using Cronbach's alpha to test if the variables used in the questionnaire consistently measure what they are supposed to measure. Alpha coefficient values of 0.70 accepted as the minimum accepted for social sciences. The reliability results are presented in table below.

**Table 3.2: Reliability results**

| Variable | Number of items | Cronbach's alpha value |
|---|---|---|
| CRM | 20 | 0.97 |
| Service Quality | 20 | 0.73 |
| Firm performance | 20 | 0.96 |

Source: Primary data

Table 3.2 Above show the alpha values of CRM = 0.97, service quality = 0.73 and firm performance = 0.96 which are higher than 0.70 recommended for social sciences meaning that all the items used to measure each variable were consistent in measuring the variable.

The content Validity Index (CVI) was used to measure the relevance of the questions on the study variable using expert judgment. The CVI was arrived at using the formula:

$$\frac{\text{Number of items declared valid}}{\text{Total number of items}}$$

The results are presented in table below:

Table 3.3: CVI results

| Variable | Number of items | CVI |
|---|---|---|
| CRM | 20 | 0.90 |
| Service Quality | 20 | 0.80 |
| Firm performance | 20 | 0.95 |

Source: Expert judgment

Table 3.3 Above show the CVI of CRM =0.90, Service quality = 0.8 and firm performance = 0.95 which are higher than 0.70 recommended for social sciences meaning that all the items used to measure each variable were relevant in measuring the variable.

## Data gathering procedure

After the research proposal approved the researcher obtained a letter of introduction from the university as a proof that the researcher is a student of school of post graduate studies of Kampala International University (KIU), the researcher have shown the latter before administrating the questionnaire respondents to the authority of the Stanbic Bank, where the they provided the approval letter the researcher showed both later to the respondents guarantying the utmost confidentiality for their responses and also the researcher have shown gratitude the respondents after they have participated into the study.

## Data Analysis

The researcher used quantitative approaches in the analysis of the data according to Creswell (1994), quantitative research focuses on examining a problem based on testing a theory and analysing it using statistical techniques. In order to investigate the relationships in this study also used descriptive statistics as well such frequencies, mean, standard deviation using Statistical Package for the Social Sciences (SPSS) version 10. Pearson's correlation coefficient which is a parametric measure of correlation rather than spearman ranked correlation which does not assume normality in the distribution of data (Amin, 2005).

Regression analysis techniques using adjusted $R2$ values, beta, significance and t-value were used to determine the influence of the independent variable on the dependent variable.

## Ethical consideration

Bearing in mind the ethical issues, the researcher treated the respondents with ultimate confidentiality by keeping the privacy of the respondents. As far as our research was for academic purposes, did not ask respondents to give their names, there was no reward associated with responding to the questionnaire and it was fully voluntary. This was to instil confidence in respondents to give reliable responses, rather the researcher got permit from the authority to give the information behalf on their institution. And also the respondents were provided in advance with necessary information regarding the main purpose of the research.

## Limitations of the study

In spite of the contributions this study has made to business research in general and Service Quality management in particularly, there are limitations associated with the research to be highlighted:

First the sample is based on 108 respondents this may be woefully inadequate to generalise findings to the entire banking industry since the study used rule of thump approach of targeting 150 achievable respondents. Ideally, Stanbic Bank has 11 branches at Kampala selecting 3 branches only was not adequate enough to represent the real portrayal of the bank, this was however due to limited resources and time constraints especially since the period allotted for the thesis work was to access the respondents was limited.

Secondly The researcher encountered constraints to access the respondents especially staff of the bank due to their tight, busy schedules arising from their job responsibility and strict protocol of the bank.

# CHAPTER FOUR

## PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

### Introduction

This chapter attempts to clearly analyses and interprets the study findings arising from the field information collected from respondents on Customer Relationship Management; service Quality on the Firm Performance of selected SBUL branches in Kampala. The data is presented in using frequency, percentages, correlation and regression. The first section presents the response rate. This is followed by background information about the respondents and a presentation and analysis of the study findings in relation to the specific objectives.

### Response rate

The results reveal that out of the 105 valid respondents making a response rate of 97.2% which according to Amin (2005) is a good representation of the sample used in the population of study. The reminders of the distributed questionnaires were either partially filled, not returned in time by the respondents.

### Background information about the respondents used in the study

This section gives the characteristics of the respondents in using cross tabulations of the profile of the staff, management and customers of the Stanbic Bank (U) branches in Kampala  using a questionnaire filled by the respondents themselves.

## Distribution of the profile of the staff and management of SBUL respondents used in the study

As the study pursuing in the first objective to determine The profile of the respondents which included aspects of gender, age, occupation, level of education, income and working experience filled on the questionnaire and the results are presented and analysed in table 4.1 below.

**Table 4.1: Profiles of staff and management respondents used in the study**

| Profile | Description | GENDER | | Total |
|---|---|---|---|---|
| | | Female | Male | |
| Age | <30Yrs | 9(22.5% ) | 12(30.0%) | 21(52.5%) |
| | 31-35Years | 7(17.5%) | 11(27.5%) | 18(45.0%) |
| | 36-40Years | | 1(2.5%) | 1(2.5%) |
| | Total | 16(40.0%) | 24(60.0%) | 40(100%) |
| Occupation | Professional employee | 14(38.9%) | 22(61.1%) | 36(100%) |
| | Total | 14(38.9%) | 22(61.1%) | 22(61.1%) |
| Level of education | Diploma | 1(3.1%) | 1(3.1%) | 2(6.3%) |
| | Undergraduate | 8(25.0%) | 11(34.4%) | 19(59.4%) |
| | Postgraduate | 5(15.6%) | 6(18.8%) | 11(34.4%) |
| | Total | 14(43.8%) | 18(56.3%) | 32(100%) |
| Average income (Ug shs) | Below 1.000.000 | 7(17.9%) | 12(30.8%) | 19(48.7%) |
| | 1000.000-1.500.000 | 8(20.5%) | 10(25.6%) | 18(46.2.%) |
| | 1.500.000-2.000.000 | | 2(5.1%) | 2(5.1%) |
| | Total | 15(38.5%) | 24(61.5%) | 39(100%) |
| Working experience | <1year | 3(7.5%) | 4(10.0%) | 7(17.5%) |
| | 1-2years | 6(15.0%) | 7(17.5%) | 13(32.5%) |
| | 2-3years | 6(15.0%) | 10(25.0%) | 16(40.0%) |
| | 3-4years | | 2(5.0%) | 2(5.0%) |
| | 4-5years | | 1(2.5%) | 1(2.5%) |
| | >5years | 1(2.5%) | | 1(2.5%) |
| | Total | 16(40%) | 24(60%) | 40(100%) |

Source: Primary data

Table 4.1 above shows that 60% of the respondents were male while the female constituted 40% of the total number of respondents. Among the male and female staff and management respondents, a majority of 52.5% were aged below 30 years followed by 45% who were aged between 31-35 years while the least (2.5%) were aged between 36-40 years.

Table 4.1 above further shows that a majority of 59.4% had attained a university degree education level followed by 34.4% who had attained a post graduate education level while only 6.3% had attained a diploma as the highest level of education. This finding suggests that the staff and management of Stanbic bank were of reasonable education level. Similarly, the table shows that a majority of 48.7% earned below 1.000.00/= while 46.2% earned between 1.000.000-1.500.000/= and only 5.1% earned between1.500.000-2.000.000/=. This finding suggested that the staff and management earned some reasonable income.

Table 4.2 further shows that a majority of 40% of the respondents had worked for 2-3 years followed by 32.5% who had worked for 1-2 years and 17.5% had worked for less than a year. A total of 5% of the respondents had worked for 3-4 years while 2.5% had worked for 3-4 years and 2.5% had worked for more than 5 years. This finding revealed that on overall the majority (90%) of staff had worked for less than three years.

**Distribution of the profile of the customers of SBUL respondents used in the study**

As the study pursuing in the first objectives The profile of the customer respondents which included the aspects of gender, age, occupation, level of education, income and working experience filled on the questionnaire and the results are presented and analysed in table 4.2 below.

**Table 4.2: Profiles of Stanbic Bank customer respondents**

| Profile | Description | Gender | | Total |
|---|---|---|---|---|
| | | Female | Male | |
| **Age** | <30Yrs | 10(15.4%) | 16(24.6%) | 26(40%) |
| | 31-35Years | 5(7.7%) | 16(24.6%) | 21(32.3%) |
| | 36-40Years | 6(9.2%) | 6(9.2%) | 12(18.5%) |
| | 41-45Years | 3(4.6%) | 3(4.6%) | 6(9.2%) |
| | **Total** | **24(36.9%)** | **41(63.1%)** | **65(100%)** |
| **Occupation** | Student | 3(5.2%) | 3(5.2%) | 6(10.3%) |
| | Professional employee | 8(13.8%) | 16(27.6%) | 24(41.4%) |
| | Business person | 6(10.3%) | 14(24.1%) | 19(34.5%) |
| | Self employed | 5(8.6%) | 3(5.2%) | 8(13.8%) |
| | **Total** | **22(37.9%)** | **36(62.1%)** | **58(100%)** |
| **Levelof education** | Certificate | 1(1.6%) | 3(4.9%) | 4(6.6% ) |
| | Diploma | 8(13.1%) | 5(8.2%) | 13(21.3%) |
| | Undergraduate | 9(14.8%) | 21(34.4%) | 30(49.2%) |
| | Postgraduate | 5(8.2%) | 7(11.5%) | 12(19.7%) |
| | Ph d | | 2(3.3%) | 2(3.3%) |
| | **Total** | **23(37.7%)** | **38(62.3%)** | **61(100%)** |
| **Average income(Ug Shs)** | Below 1.000.000 | 10(16.1%) | 17(27.4%) | 27(43.5%) |
| | 1.000.000-1.500.000 | 14(22.6%) | 10(16.1%) | 24(38.7%) |
| | 1.500.000-2.000.000 | | 9(14.5%) | 9(14.5%) |
| | More than 2.500.000 | | 2(3.2%) | 2(3.2%) |
| | **Total** | **24(38.7%)** | **38(61.3%)** | **62(100%)** |
| **Working experience** | <1year | 10(15.6%) | 12(18.8%) | 22(34.4%) |
| | 1-2years | 4(6.3%) | 11(17.2%) | 15(23.4%) |
| | 2-3years | 10(15.6%) | 6(9.4%) | 16(25%) |
| | 3-4years | | 7(10.9%) | 7(10.9%) |
| | 4-5years | | 2(3.1%) | 2(3.%) |
| | >5years | | 2(3.1%) | 2(3.1%) |
| | **Total** | **24(37.5%)** | **40(62.5%)** | **64(100%)** |

Source: Primary data

Table 4.2 above shows that the female customers responded more to this study as they constituted 63.1% as compared to 36.9% of the male respondents. Among the male and female respondents, a majority of 40% were aged below 30 years while 32.2% were aged between 31-35 years and 18.5% were aged between 36-40 years. Those who were aged between 41-45 years constituted only 9.2% of the total number of respondents.

Table 4.2 above further shows that a majority of 42.1% of the customer respondents were professional employees followed by 33.4% who were business persons and 15.8% who were self employed. Those who were students constituted only 8.8% of the total clientele respondents who participated in this study. Similarly, table 4.2 above shows that a majority of 49.2% of the customer respondents had attained a university degree education level followed by 21.3% who had attained a diploma education level and 19.7% who had attained a post graduate university education while only 6.6% and 3.3% had attained a certificate and PhD level of education respectively.

These finding revealed that Stanbic Uganda served arrange of different customers who have different service expectations based on their occupation and education levels.

Table 4.2 above shows the majority of 43.5% of the Stanbic customers who responded to this study earned below 1.000.000/= while 38.7% had earned between 1.000.000-1.500.000/= yet 14.5% earned between 1.500.000-2.000.000/=. Those who earned more than 2.500.000 constituted only 3.2% of the total number of customer respondents. Similarly, table 4.2 above shows that a majority of 34.4% had worked for less that year, followed by 25% who had worked for 2-3years and 23.45 who had worked for 1-2 years with their organisations. A total of 10.9% of the respondents had worked for 3-4 years while those who worked for 4- 5 years and 5 years and

above each constituted 3.1% of the total number of respondents. These findings suggested that most Stanbic customers earned below 1.500.000/= and had worked for short time with their employers and which could affect their perceptions of customer services offered by the bank.

**Presentation of the study findings in relation to the study objectives**

The Major purpose of the study was to determine the relationship between CRM, Service Quality and Firm performance in the banking services in Uganda in particularly Stanbic bank (U).Ltd. as well as how CRM and Services Quality could serve as a business strategy that would lead customer live time value and to increase the general performance in the Stanbic Bank. As such the study pursued in the second objectives; to outline if there is a relationship between:

a. CRM and Service Quality at the Stanbic Bank, (U) Ltd.

b. Service Quality and Firm Performance at the Stanbic Bank, (U) Ltd.

c. CRM and Firm Performance at the Stanbic Bank, (U).Ltd.

**The relationship between CRM and Service Quality at SBUL**

To establish the relationship between CRM and Service Quality at Stanbic Bank (U) Ltd was the first objective of the study. CRM according to the conceptual framework included dimensions of Strategy Development Process, Value Creation Process, Multichannel Integration Process, Performance Assessment Process and Information Management Process.

While service quality according to conceptual framework included dimensions of Reliability, Responsiveness, Assurance, Empathy and Tangibles. The study collected data using a questionnaire scored on a Likert scale ranging from 1 = Strongly Agree, 2 = Agree, 3 = Not certain, 4 = Disagree

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and 5 = Strongly Disagree for on each of these study variables and the findings are presented below.

CRM was measured using 20 items and the findings are presented in table 4.3 using mean and standard deviation measures.

**Table 4.3: Mean and standard deviation results on CRM at Stanbic Uganda**

| CRM Strategy development of CRM | N | Min | Max | Mean | S.D |
|---|---|---|---|---|---|
| Our bank's culture emphasizes the values of honesty, transparency and fairness. | 42 | 1 | 2 | 1.71 | 0.46 |
| Our training programs are designed to develop the skills required for acquiring and deepening customer relationships. | 42 | 1 | 2 | 1.88 | 0.33 |
| We trained and empowered (both financially and in terms of additional authority) to resolve complaints on the first contact | 39 | 1 | 3 | 2.00 | 0.73 |
| Employs should get continues training as the customer needs is changing | 41 | 1 | 3 | 1.59 | 0.55 |
| **Value Creation of the CRM** | | | | | |
| Our bank uses technology to automate marketing, sales and service functions | 40 | 1 | 4 | 2.23 | 0.97 |
| We strive to constantly surprise and delight our key customers. | 35 | 1 | 4 | 2.06 | 0.76 |
| Our employees are aware of the drivers of Customer Lifetime Values (CLVs) and constantly try to improve them. | 40 | 1 | 4 | 2.45 | 0.81 |
| Customers can expect prompt services from employees of my bank | 41 | 1 | 4 | 2.12 | 0.81 |
| **Multichannel Integration of the CRM** | | | | | |
| My bank has a process in place to obtain and validate customers' permission to interact with them through various channels. | 41 | 1 | 4 | 2.00 | 0.87 |
| My bank provides channels to enable ongoing, two- | 42 | 1 | 2 | 1.86 | 0.35 |

| | | | | | |
|---|---|---|---|---|---|
| way communication with our key Customers and us | | | | | |
| Interaction with the customer is possible when there is a interaction among employees. | 36 | 1 | 3 | 1.78 | 0.64 |
| I have full cooperation with other functions of the bank that I'm exciting to work with them. | 41 | 1 | 4 | 1.73 | 0.71 |
| **IT management Process** | | | | | |
| My bank has processes to identify key customers | 36 | 1 | 4 | 1.81 | 0.82 |
| Our databases are dynamic in nature and provide comprehensive real-time information about all our customers | 40 | 1 | 4 | 2.20 | .09 |
| We have a well-developed privacy policy to ensure confidentiality of data collected from customers | 38 | 1 | 5 | 2.05 | 1.06 |
| Our computer technology can help create customized offerings to our customers. | 41 | 1 | 5 | 2.22 | 1.05 |
| **Performance Assessment** | | | | | |
| Policies and procedures critical to managing customer relationships are well-documented and consistent across all customer touch points. | 38 | 1 | 5 | 1.76 | 0.79 |
| I am happy for the current payment | 36 | 1 | 5 | 2.00 | 0.93 |
| Employees are getting a adequate support from the bank to do their jobs well | 38 | 1 | 3 | 1.63 | 0.67 |
| I am happy because my client are satisfied with the performance of the Bank | 42 | 1 | 4 | 2.17 | 1.10 |

Source: Primary data.

On CRM strategy development for CRM, table 4.3 above shows that the staff and management agreed that the bank's culture emphasizes the values of honesty, transparency and fairness (Mean = 1.71, standard deviation = 0.46) while they also agreed that their training programs were designed to develop the skills required for acquiring and deepening customer relationships (Mean = 1.88, standard deviation = 0.33). The respondents equally indicated that they were trained and empowered (both financially and in terms of additional authority) to resolve complaints on the first contact with customers (Mean = 2.00, standard deviation = 0.73) while they also indicated that

employees should get continues training as the customer needs change (Mean = 1.59, standard deviation = 0.55). These findings on CRM strategy development revealed that the Stanbic bank undertook efforts to put in place an effective CRM strategy encompassing core values in the customer service culture, employee training and empowerment.

On value creation practices of CRM table 4.3 shows that the respondents agreed that the bank used technology to automate marketing, sales and service functions (Mean = 2.23, standard deviation = 0.97) while they equally agreed that the bank strived to constantly surprise and delight its key customers (Mean = 2.06, standard deviation = 0.76). The respondents equally agreed that employees were aware of the drivers of Customer Lifetime Values (CLVs) and constantly try to improve them (Mean = 2.45, standard deviation = 0.81) while they equally agreed that customers can expect prompt services from employees of the bank (Mean = 2.12, standard deviation = 0.81). These findings revealed that the Stanbic bank undertook to efforts to create value for customer delight through technology use in marketing and service delivery, continuous improvement and prompt service from the bank which could contribute to service quality and its overall performance.

On the CRM aspect of multi channel integration, table 4.3 above shows that the staff and management of Stanbic bank agreed that their bank had a process in place to obtain and validate customers' permission to interact with them through various channels (Mean = 2.00, standard deviation = 0.87) while they equally indicated that the bank provided channels to enable ongoing, two-way communication with their key Customers and bank personnel (Mean = 1.86, standard deviation = 0.35).

The staff and management respondents also agreed that interaction with the customer was possible when there was interaction among employees

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(Mean = 1.78, standard deviation = 0.64) while they also agreed they had full cooperation with other functions of the bank that are exciting to work with them (Mean = 1.73, standard deviation = 0.71). These findings revealed that the bank undertook considerable efforts to put in place integrated multi channels for customer relationship management through use of processes that allow customer interactions with bank personnel and facilities, two-way communication and cooperation with other functions of the bank which could contribute to service quality and its performance.

On the CRM aspect of IT management process, table 4.3 above shows that bank had processes to identify key customers as far as some customers are worth than others (Mean = 1.81, standard deviation = 0.82) while they also indicated that Stanbic bank databases were dynamic in nature and provide comprehensive real-time information about all customers (Mean = 2.20, standard deviation = 1.09).

The staff and management of the bank equally indicated that had a well-developed privacy policy to ensure confidentiality of data collected from customers (Mean = 2.05, standard deviation = 1.06) while they also agreed that their computer technology could help create customized offerings to their customers (Mean = 2.22, standard deviation = 1.05). These findings revealed that the bank was conscious of the need to deploy technology use in customer identification; databases to provide real time information all enabled by use of computers in its CRM efforts which could contribute to service quality and firm performance.

On the CRM aspect of performance assessment, the respondents agreed that there were policies and procedures critical to managing customer relationships and they were well-documented and consistent across all customer touch points (Mean = 1.76, standard deviation = 0.76) while they also agreed that they were happy with their current payment (Mean = 2.00,

standard deviation = 0.93). The staff and management of the bank equally agreed that employees were getting adequate support from the bank to do their jobs well (Mean = 1.63, standard deviation = 0.67) while they also agreed that they were happy because their clients were satisfied with the performance of the Bank (Mean = 2.17, standard deviation = 1.10). These findings on generally revealed that efforts were undertaken to put in place CRM performance measures and assessment which could contribute to service quality and firm performance.

## Service quality

Service Quality was measured using 20 items and the findings are presented in table 4.4 using mean and standard deviation measures.

**Table 4.4: Mean and Standard Deviation results for Service Quality at Stanbic Uganda**

| Tangibility | N | Min | Max | Mean | S.D |
|---|---|---|---|---|---|
| My bank's physical facilities are visually appealing | 65 | 1 | 5 | 1.89 | 0.66 |
| My bank uses state of the art technology and equipments in their service delivery | 65 | 1 | 5 | 2.38 | 1.17 |
| The employees are well dressed and neat in appearance | 64 | 1 | 3 | 1.80 | 0.48 |
| My bank has operating hour convenient to all their customers | 64 | 1 | 5 | 2.2 | 1.15 |
| **Reliability** | | | | | |
| When customers have a problem, the bank shows sincere interest in solving it | 64 | 1 | 5 | 2.19 | 0.91 |
| My bank delivers its services promptly at the time it promises to do so | 65 | 1 | 5 | 2.31 | 1.00 |
| My bank always performs the service right the first time | 64 | 1 | 5 | 2.38 | 0.98 |
| The bank should not expect to give the customers individual attention | 65 | 1 | 5 | 2.89 | 1.21 |
| **Responsiveness** | | | | | |
| The employees of the bank always tell me exactly when | 64 | 1 | 5 | 2.30 | 1.24 |

| services will be performed | | | | | |
|---|---|---|---|---|---|
| The bank employees give me a prompt service | 64 | 1 | 5 | 2.6 | 0.0 |
| The bank employees are always willing to help me | 65 | 1 | 5 | 2.26 | 0.94 |
| The bank employees are never too busy to respond to my requests | 63 | 1 | 5 | 2.86 | 1.16 |
| **Competence** | | | | | |
| The bank employees give customers individual attention | 65 | 1 | 5 | 2.14 | 0.90 |
| Customers should be able to feel safe in their transaction with firm's employees. | 64 | 1 | 5 | 1.88 | 0.70 |
| Knowledge and the skills of the of the contact personnel are convenient | 65 | 1 | 5 | 2.25 | 0.85 |
| Customers should be able to feel safe in their transaction with this firms employees | 65 | 1 | 3 | 1.80 | 0.54 |
| **Customer Retention** | | | | | |
| I am completely satisfied with the services delivered by my bank | 65 | 1 | 4 | 1.94 | 0.5 |
| I feel very pleased with services offered by my bank | 65 | 1 | 5 | 2.09 | 0.98 |
| I would like to remain as a customer of my present bank | 65 | 1 | 5 | 2.11 | 1.08 |
| I will say positive things about my bank to other people | 65 | 1 | 5 | 2.15 | 1.11 |

Source: Primary data

Tangibility was one of the dimensions of service quality this study undertook to assess and according to table 4.4 above, the customers agreed that their bank's physical facilities were visually appealing (Mean = 1.89, standard deviation = 0.66) while they also agreed that the bank used state of the art technology and equipments in their service delivery (Mean = 2.38, standard deviation = 1.17). The customers equally agreed that the employees were well dressed and neat in appearance (Mean =1.80, standard deviation = 0.48) yet they were they were not sure if the bank has operating hour convenient to all their customers (Mean = 2.92, standard deviation = 1.15). These findings suggested that the customers were satisfied with the service

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quality aspects of physical facilities attractiveness, use of state of the art technology and smartness of staff.

Reliability was one of the measures of service quality and as indicated the customers indicated that when customers have a problem, the bank showed sincere interest in solving it (Mean = 2.19, standard deviation = 0.91) while they equally felt that the bank delivers its services promptly at the time it promises to do so (Mean = 2.31, standard deviation = 1.00). The customers equally felt that their bank always performed the service right the first time (Mean = 2.38, standard deviation = 0.98) but they were not sure it the bank should not expect to give the customers individual attention (Mean = 2.89, standard deviation = 1.21). This finding suggested that the bank had achieved a reasonable level of service quality aspect of reliability significant in timely delivery of service, sincerity in service and total quality management.

Responsiveness was one of interests in this study to measure service quality and as indicated in table 4.4 above, the respondents agreed that the employees of the bank always told them exactly when services will be performed (Mean = 2.30, standard deviation = 1.24) while they equally indicated that the bank employees gave customers a prompt service (Mean = 2.16, standard deviation = 0.80). The respondents equally agreed that the bank employees were always willing to help customers (Mean = 2.26, standard deviation = 0.94) yet they were not sure if the bank employees were never too busy to respond to their requests (Mean = 2.86, standard deviation = 1.16). These findings revealed that the bank was responsive to the clients' needs significant in prompt services, communicating time of service and willingness to help customers which contributes to its performance.

Competence was one of the dimensions of service quality which this study undertook to study assess and as indicated in table 4.3 above the customers agreed that the bank employees gave customers individual

attention (Mean = 2.14, standard deviation = 0.90) while they felt that customers should be able to feel safe in their transaction with firm's employees (Mean = 1.88, standard deviation = 0.70). The respondents equally felt that knowledge and the skills of the of the contact personnel were convenient (Mean = 2.25, standard deviation = 0.85) while they equally agreed that Customers should be able to feel safe in their transaction with this firms employees (Mean = 1.80, standard deviation = 0.54). These findings generally revealed that the bank exercised a reasonable degree of competence though giving customers individual attention, safety in their transaction, deployment of the knowledgeable and the skilled contact personnel.

Customer retention was one of the dimensions of service quality this study undertook to establish and as shown in table 4.4 above, the customers felt that they were completely satisfied with the services delivered by my bank (Mean = 1.94, standard deviation = 0.85) while they equally felt very pleased with services offered by their bank (Mean = 2.09, standard deviation = 0.98). The customers further felt they would like to remain as a customer of Stanbic bank (Mean = 2.11, standard deviation = 1.08) while thy equally felt that would say positive things about Stanbic bank to other people (Mean = 2.15, standard deviation = 1.11). These findings generally revealed that the Stanbic bank had achieved a reasonable level of service quality significant in customer retention as the customers felt satisfied and pleased with the bank services and products yet they would also remain getting their banking services from Stanbic bank and promote the banks image.

## Table 4.5 Correlation results between CRM and Service Quality at Stanbic Uganda

To establish if there was any significant relationship between CRM and service quality a correlations analysis was conducted. Pearson's correlations statistics was used to analyze the relationship and the findings are shown in table 4.5 below.

Table 4.5 below.

| | | Customer Relationship Management | Service Quality |
|---|---|---|---|
| Customer Relationship Management | Pearson Correlation | 1000 | **.820 |
| | Sig. (2-tailed) | | .000 |
| | N | 42 | 42 |
| Service Quality | Pearson Correlation | .820** | 1.000 |
| | Sig. (2-tailed) | .000 | .42 |
| | N | 42 | 65 |

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Table 4.5 above shows Pearson's correlation coefficient r= 0.820** between CRM and service quality suggesting that the two variables were related. The r = 0.820** and significance p = 0.000 revealed that the CRM had a significant relationship with service quality in Stanbic Bank. This had CRM and service quality implications in that to improve on service quality in the bank, there is need to put in place CRM processes relating to strategy development, value creation, multi-channel integration, performance assessment and information management.

## Regression results between CRM and service quality

To establish the extent to which CRM impacted on the prevailing service quality levels, a regression analysis was conducted using adjusted $R^2$ values, standardized beta values, t values and the significance measured at 0.05 confidence level of which the findings are presented in table 4.6 below.

**Table 4.6: Regression results between CRM and service quality**

| Predictor | Adjusted R Square | Df | Mean square | F | Sig. |
|---|---|---|---|---|---|
|  | 0.665 | 1 | 5.530 | 82.349 | 0.000[a] |
|  |  |  | **Standardized coefficients** | **t** | **Sig.** |
|  | **Adjusted R square** | **Std error** | **Beta ($B$)** |  |  |
| Constant |  | 0.126 |  | 5.443 | 0.000 |
| CRM | 0.665 | 0.059 | 0.820 | 9.075 | 0.000 |

a. Predictor: (constant), CRM

b. Dependent Variable: Service quality

The regression model in table 4.6 above shows adjusted $R^2$ value of 0.665between CRM and service quality suggesting that CRM alone predicted 66.5% of the variance in service quality. Thus a unit increase in CRM aspects of strategy development, value creation, multi-channel integration, performance assessment and information management will will result in a more than half (0.665) improvement in service quality in Stanbic bank. The $R^2$ = 0.665, beta 0.820, t = 9.075, and significance p=0.000 suggested that CRM was a significant predictor of service quality indicators of customers perceived service reliability, responsiveness, assurance, empathy and tangibles.

The above study findings and observations are supported by other study who noted that CRM is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer (Parvatiyar and Sheth, 2004). Similary, Anton (1996) and Anton and Hoeck (2002), contend that CRM is a comprehensive business and marketing strategy that integrates technology, process, and all business activities around the customer (Anton, 1996; Anton and Hoeck , 2002). It is mostly defined in terms of the acquisition and retention of customers and the resulting profitability (Menconi, 1999; Nykamp, 2001).

Brown (2000) defines CRM as "the key competitive strategy you need to stay focused on the needs of your customers and to integrate a customer-facing approach throughout your organization". Chatterjee (2000) also points out that CRM is a discipline which focuses on automating and improving the business processes associated with managing customer relationships in the area of sales, management, customer service, and support sales/profit. This sharply emphasizes to empower CRM capabilities and seeking the opportunities of integrating it with other approaches, by this integration; CRM becomes more efficient and more effective. CRM and quality approaches one of the forces driving the adoption of CRM has been the total quality movement this needed close working relationships with customers, suppliers, and other members of the marketing infrastructure.

Service quality is considered as the ability to meet the stated and implied requirements of customers rather than elegance. Crosby (1979) points out that "instead of thinking of quality in terms of goodness or desirability we are looking at it as a means of meeting requirements". CRM may enable a business to understand better the stated and, especially, the implied requirements of its customers. With this understanding, a business may have a better opportunity to provide its customers with products or services that

are more in tune to their requirements and their view of CRM may provide for a business the opportunity of informed continuous quality improvement at a higher level. Russel (1999) argues that it is important for a business to understand not only the view of its internal stakeholders, but also that of its external stakeholders such as customers in order to have a clearer sense of direction and prevent changes in the wrong direction, thus quality may be continuously improved in the light of better customer knowledge provided by CRM.

In conclusion as Peters (1988) observed CRM may also contribute to business excellence by being close to customers and listening to them are important for a business when it would like to manage change and pursue excellence. Waterman (1987) also emphasizes the importance of regarding information such as customer knowledge as a business's main strategic advantage, and also looking at the business itself from a different perspective, such as that of its customers, for the pursuit of businesses excellence. In addition, Kanji (1998) and Kanji and Wallace (2000) argue that customer satisfaction is a critical success factor for business excellence. Therefore, CRM that may create value for customers, inform further quality improvement and enhance customer satisfaction plays an important role in the pursuit of business excellence and a close examination of the CRM strategies of a business is very important for that reason. To Parasumaran (1985) responsiveness concerns the willingness or redness of employees to provide service. It involves timeliness of service, for example mailing a transaction ship immediately, calling the customer back quickly, giving prompt service, e.g. setting up appointments quickly. The competence depends upon possession of the required skills and knowledge to perform the service, i.e. knowledge and skill of the contact personnel knowledge and skill of operational support personnel, research capability of the organization.

## The relationship between Service Quality and Firm Performance at the (SBUL)

To establish the relationship between Service Quality and Firm performance at Stanbic Bank (U) Ltd was the second objective of the study. In the subsection above, we discussed service quality and it conceptualization. Firm performance according to the conceptual framework used in this study included dimensions of customer Live Time Value, market Share, sales Growth, brand Equity, and employee Retention. The study collected data using a questionnaire scored on a Likert scale ranging from 1 = Strongly Agree, 2 = Agree, 3 = Not certain, 4 = Disagree and 5 = Strongly Disagree for on each of these study variables and the findings are presented below.

**Table 4.7: Mean and standard deviation results for performance of Stanbic bank**

| Market share | N | min | max | mean | S.D |
|---|---|---|---|---|---|
| CRM is aimed at holding currant customer and thereby increasing market share | 36 | 1 | 3 | 1.75 | 0.65 |
| Competitive position, in terms of market share, has also been found to directly impact business performance | 41 | 1 | 4 | 2.02 | 0.65 |
| Market share gains can be achieved by investing employee's competency. | 37 | 1 | 3 | 1.89 | 0.77 |
| We evaluate the effectiveness of our business over the past year relative to our major competitors. | 40 | 1 | 3 | 2.03 | 0.73 |
| **Customer Live Time Value** | | | | | |
| Our competitive advantage is based on building and maintaining profitable customer relationship. | 41 | 1 | 4 | 2.02 | 0.79 |
| My organization regards assess the live time value of each customer by using comprehensive data base of our customer. | 42 | 1 | 4 | 2.12 | 0.83 |
| We make an estimation of all monitory and non monitory benefits created by the particular customer relationship | 40 | 1 | 5 | 2.17 | 0.93 |

| | | | | | |
|---|---|---|---|---|---|
| Monitory benefits of customer relationships are also taken into account. | 37 | 1 | 5 | 3.76 | 1,14 |
| **Brand Equity** | | | | | |
| Customers can easily recall our brand. | 39 | 1 | 3 | 1.92 | 0.53 |
| We pursue a differentiation strategy by branding our products. | 39 | 1 | 3 | 1.90 | 0.55 |
| Brand represent an enormous valuable and legal property | 38 | 1 | 5 | 2.45 | 1.08 |
| Our brand is different from all other brands in terms of overall perceived quality (incl-tangible, psychological perceptions of the customers). | 41 | 1 | 4 | 1.95 | 0.80 |
| **Employee Retention** | | | | | |
| My bank's Policies and procedures critical to managing customer relationships are well-documented and consistent across all customer touch points. | 42 | 1 | 5 | 2.12 | 0.99 |
| I am happy working with my bank as the way of my career development | 38 | 1 | 4 | 1.79 | 0.74 |
| Employees are getting a adequate support from the management to remain with them. | 41 | 1 | 4 | 1.83 | 0.67 |
| Employees feel respected, valued and appreciated for their problem solving with the customer. | 40 | 1 | 4 | 1.70 | 0.65 |
| **Sales Growth** | | | | | |
| We evaluate our major performance by sales growth relative to our major competitors. | 38 | 1 | 3 | 1.65 | 0.66 |
| We try systematically to extend our "sales" with high-voluble customers in the relationship. | 41 | 1 | 3 | 1.68 | 0.65 |
| Sales increases can be reflected from a Customer Relationship Management applications | 40 | 1 | 4 | 1.90 | 0.78 |
| Obviously Non monitory investments to the customer and employees can impact on sales growth customer can increase. | 39 | 1 | 3 | 1.72 | 0.65 |

Primary data

Market share was on the one of the indicators of firm performance and as indicated in table 4.7 above shows that staff and management of (SBUL) indicated that CRM was aimed at holding current customer and thereby increasing market share (Mean = 1.75, standard deviation = 0.65). As a documentary review revealed that the investing of the service quality and customer care increased the sales growth to register strong financial performance for the year ended 31 December 2008, with a pre-tex income of Ushs 35 billion from the results of the year ended 31 December 2007. Profit after tax increased by 48.1 percent from UShs 53 billion in 2007 to UShs 78.6billion in 2008. As a result, earnings per share for the year increased from Shs 10.36 per share to Shs 15.35 per share, (Annual report 2008).

While they equally agreed that Competitive position, in terms of market share, has also been found to directly impact business performance (Mean = 2.02, standard deviation = 0.65). The respondents further indicated that market share gains can be achieved by investing employee's competency (Mean = 1.89, standard deviation = 0.77) while they equally indicated that they evaluated the effectiveness of their business over the past year relative to their major competitors (Mean = 2.03, standard deviation = 0.73), in support from the literature market share often associated with profitability and thus many firms seek to increase their sales relative to competitors.

These findings qualified the view that market shared considerations of firm performance needs considerations of CRM for retaining customers, sustained employee competencies all achieved through evaluation of the firms market position in relation to the competitors.

The study equally considered Customer Live Time Value considerations as an indicators of firm performance and as shown in table 4.7 above, the staff and management of Stanbic Uganda indicated that their competitive advantage was based on building and maintaining profitable customer

relationship (Mean = 2.02, standard deviation = 0.79) while they also indicated that the bank regarded assessing the live time value of each customer by using comprehensive data base (Mean = 2.12, standard deviation = 0.83). Similarly, the respondents indicated that they made an estimation of all monitory and non monitory benefits created by the particular customer relationship (Mean = 2.17, standard deviation = 0.93) while they disagreed that if only monitory benefits of customer relationships were taken into account by the SBUL. (Mean = 3.76, standard deviation = 1.14). These findings generally revealed that the bank was conscious of customer live time value through efforts such as maintaining profitable customer relationships, use of individual customer databases, establishing monitory and non monitory benefits to customers.

The study considered brand equity indicator of the bank's performance and as indicated in table 4.7 above the staff and management of the bank indicated that Customers could easily recall their brand (Mean = 1.92, standard deviation = 0.53) while they equally agreed that they pursued a differentiation strategy by branding their products (Mean = 1.90, standard deviation = 0.55). The staff and management of the bank indicated that their brand represented an enormous valuable and legal property (Mean = 2.45, standard deviation = 1.08) while they also indicated that their brand was different from all other brands in terms of overall perceived quality (Mean = 1.95, standard deviation = 0.80). These findings revealed that the bank undertook to put in place effective brand equity considerations of creating customer awareness of the available brands in the banks, product and service differentiation, brand value and rights, and customer perceived brand quality among those offered by the competitors in the industry.

Employee retention was one of the considerations of the bank's performance that this study intended to assess and as indicated in table 4.7 above , the staff and management indicated that the bank's Policies and

procedures critical to managing customer relationships were well-documented and consistent across all customer touch points (Mean = 2.12, standard deviation = 0.99) while they also agreed that they were happy working with their bank as the way of their career development (Mean = 1.79, standard deviation = 0.74). The staff and management also indicated that employees were getting adequate support from the management to remain with them (Mean = 1.83, standard deviation = 0.67) while they equally indicated that employees felt respected, valued and appreciated for their problem solving with the customer (Mean = 1.70, standard deviation = 0.65). These finding revealed that efforts was undertaken to retain staff as a core competitive strategy.

Sales growth was the last consideration in firm performance and as indicated in table 4.7 above, the staff and management of the bank indicated that they evaluated their performance by sales growth relative to their major competitors (Mean = 1.65, standard deviation = 0.66) while they equally indicated that they tried systematically to extend their "sales" with high-voluble customers in their relationship (Mean = 1.68, standard deviation = 0.65). The respondents further indicated that their sales increases could be reflected from a Customer Relationship Management applications (Mean = 1.90, standard deviation = 0.78) while they equally indicated that obviously non monitory investments to the customer and employees could impact on sales growth customer can increase (Mean = 1.72, standard deviation = 0.65). These findings generally revealed that the bank was conscious of its sales growth considerations and as such considered comparisons of sales volumes in the market and their extensions, investment in monitory and non monitory aspect of sales.

# Correlation between Service Quality and Firm Performance at the SBUL

To establish if there was any significant relationship between service quality and performance of the Stanbic bank a correlations analysis was conducted. Pearson's correlations statistics was used to analyze the relationship and the findings are shown in table below.

**Table 4.8: Correlations matrix between service quality and performance of Stanbic bank**

|  |  | Service Quality | Firm Performance |
|---|---|---|---|
| Service Quality | Pearson Correlation | 1000 | .533** |
|  | Sig. (2-tailed) |  | 000 |
|  | N | 65 | 42 |
| Firm Performance | Pearson Correlation | .533** | 1.000 |
|  | Sig. (2-tailed) | .000 |  |
|  | N | 42 | 42 |

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Table 4.8 above shows Pearson's correlation coefficient r= 0.533** between service quality and firm performance suggesting that the two variables were related. The r = 0.533** and significance p = 0.000 revealed that the service quality had a significant relationship with performance of Stanbic Bank. This had service quality and firm performance implications in that to improve on performance of the bank, there is need for sustained service quality attributes of reliability, responsiveness, assurance, empathy and tangibility.

# Regression results between service quality and performance of (SBUL)

To establish the extent to which service quality impacted on performance of Stanbic bank, a regression analysis was conducted using adjusted $R^2$ values, standardized beta values, t values and the significance measured at 0.05 confidence level of which the findings are presented in table below

**Table 4.9: Regression results between service quality and firm performance**

| Predictor | Adjusted R Square | D f | Mean square | F | Sig. |
|---|---|---|---|---|---|
| | 0.266 | 1 | 9.459 | 15.837 | 0.000[a] |
| | | | **Standardized coefficients** | **t** | **Sig.** |
| | **Adjusted R square** | **Std error** | **Beta ($B$)** | | |
| Constant | | 0.493 | | -0.063 | 0.000 |
| Service Quality | 0.266 | 0.270 | 0.533 | 3981 | 000 |

a. Predictor: (constant), service quality

b. Dependent Variable: performance of Stanbic bank

The regression model in table 4.9 above shows adjusted $R^2$ value of 0.266 between service quality and performance of Stanbic bank suggesting that service quality alone predicted 26.6% of the variance in performance of the bank. Thus a unit increase in service quality aspects of reliability, responsiveness, assurance, empathy and tangibility will result into 2.66 improvements in performance of Stanbic bank. The $R^2$ = 0.266, beta 0.533, t

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= 3.981, and significance p=0.000 suggested that customer service was a significant predictor of firm performance indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention.

The above study findings are similarly to previous works view that quality is considered to be one of the management's topmost competitive priorities and a prerequisite for sustenance and growth of firms. The quest for quality improvement has become a highly desired objective in today's intensively competitive markets. Quality management has been reckoned as the Prime mover towards enhanced business performance and several researchers have underlined the quality improvement initiatives resulting in a sustainable competitive in the firms (sureshachandar et al, 2002).

Firms that are clearly interested in providing outstanding customer value would be expected to have culture that reinforces high, therefore measurement and management of service quality is the fundamental issue for survival and growth of firms but in order to value the service quality that supports the firms performance a firm has to know what its customer value what kind of service  high quality for them , knowledge about the content and formation of perception of service quality enables organizations to deal with the fields that directly influence their performance and not to west too many resources on unimportant field (Brady & Cronin, 2001)..

The indicator value of customer an in organizational performance has been the reason why both academicians and practitioners alike have been interested in the construct of "service quality"  but even though the number of articles about service quality is huge , there is no agreement  about service is and how it should be measured. Assessment of quality in service industries, unlike traditional physical product industries, become more complicated "it is not a function of statistical measures of quality including physical defects or managerial judgments. Rather, it is a function of customers' perceptions about

the service"(Cumminghan & Young, 2002). Service Quality evolution and measurement are highly complex process that may operate at several levels of abstraction, which makes the conceptualization and measuring of service quality a really difficult task (Brady & Cronin, 2001).

## The relationship between CRM and Firm Performance at the (SBUL)

The third objective of the study was to establish the relationship between CRM and firm performance and to establish if there was any significant relationship between CRM and Stanbic bank performance a correlations analysis was conducted. Pearson's correlations statistics was used to analyze the relationship and the findings are shown in table below.

**Table 4.10: Correlations matrix between CRM and performance of (SBU**

|  |  | Customer Relationship management | Firm Performance |
|---|---|---|---|
| Customer Relationship Management | Pearson Correlation | 1.000 | .533** |
|  | Sig. (2-tailed) |  | 000 |
|  | N | 65 | 42 |
| Firm Performance | Pearson Correlation | .533** | 1.000 |
|  | Sig. (2-tailed) | .000 |  |
|  | N | 42 | 42 |

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Table 4.10 above shows Pearson's correlation coefficient r= 0.788** between CRM and firm performance suggesting that the two variables were related. The r = 0.788** and significance p = 0.000 revealed that the CRM had a significant relationship with performance of Stanbic Bank. This had CRM and firm performance implications in that to improve on performance of the bank, there is need for effective CRM interventions of strategy development, value creation, multichannel integration, performance assessment and information management.

# Regression results between CRM and performance of SBUL

To establish the extent to which CRM impacted on performance of Stanbic bank, a regression analysis was conducted using adjusted $R^2$ values, standardized beta values, t values and the significance measured at 0.05 confidence level of which the findings are presented in table below.

**Table 4.11: Regression results between CRM and performance of Stanbic Bank**

| Predictor | Adjusted R Square | Df | Mean square | F | Sig. |
|---|---|---|---|---|---|
| | 0.611 | 1 | 20.675 | 65.318 | 0.000[a] |
| | | | Standardized coefficients | t | Sig. |
| | Adjusted R square | Std error | Beta (*B*) | | |
| Constant | | 0.274 | | -0.835 | 0.409 |
| CRM | 0.611 | 0.129 | 0.788 | 8.082 | 0.000 |

a.     Predictor: (constant), CRM

b.     Dependent Variable: performance of Stanbic bank

The regression model in table 4.11 above shows adjusted $R^2$ value of 0.611 between CRM and performance of Stanbic bank suggesting that CRM alone predicted 61.1% of the variance in performance of the bank. Thus a unit increase in CRM aspects of strategy development, value creation, multichannel integration, performance assessment pprocess and information mmanagement will result into 6.11 improvements in performance of Stanbic bank. The $R^2$ = 0.611, beta 0.788, t = 8.082, and significance p=0.000 suggested that CRM was a significant predictor of firm performance indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention.

The above study findings and observations are similar to what other scholars have found. For example Shaw and Reed (1999) CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, repricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses. Under this case CRM is a management philosophy focusing on customer orientation.

Other studies contend that CRM through measuring inputs like marketing, sales, and service costs as well as outputs in terms of customer live time `value and it entails acquiring, continuously updating and applying knowledge on customers to improve performance. Each of the three dimensions (profitability, customer satisfaction, and market effectiveness) was measured using five items based on Vorhies and Morgan (2005). Industry services the literature mentions four distinct aspects as characterizing high industry service. The first aspect is low switching costs as a combination of buyers' economic risk, evaluation, learning, set-up, and loss costs (Burnham et al. 2003). The second is high price sensitivity, as buyers in highly commoditized industries are looking for the best price for a standard product on the assumption that products with essentially equivalent quality and features will continue to be available (Alajoutsijärvi et al. 2001; Davenport 2005). The third characteristic is high product homogeneity, as customers perceive products in highly commoditized markets to be interchangeable (Bakos 1997; Greenstein 2004; Pelham 1997; Robinson et al. 2002), and the fourth is high industry stability, which includes predictable market demand and few product- and technology-related changes (Day & Wensley 1983; Pelham 1997).

In support of the above observation a basic premise of brand equity is that the power of a brand lies in the minds of consumers and what they have

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experienced and learned about the brand over time. Brand equity can be thought of as the "added value" endowed to a product in the thoughts, words, and actions of consumers. Brands represent enormously valuable pieces of legal property, capable of influencing consumer behaviour, being bought and sold, and providing the security of sustained future revenues to their owner. The value directly or indirectly accrued by these various benefits is often called brand equity (Kapferer, 2005; Keller, 2003).

High brand equity allows a company to enjoy reduced marketing costs because of high brand awareness and loyalty, gives a company more leverage in bargaining with distributors and retailers, permits the firm to charge more because the brand has higher perceived quality, allows the firm to more easily launch extensions because the brand has high credibility, and offers some defence against price competition (Ailawadi et al., 2003 ).

In conclusion, Prescriptions grounded in the growth-share matrix (Boston Consulting Group 1972), and Porter's (1980) generic cost leadership strategy emphasizes the importance of aggressiveness in seeking market share. This aggressive or competitive orientation is often cast in military terms. Kotler and Achrol (1981), for example, describe "attack strategies" aimed at increasing market share. Defensiveness, adaptability, and specialization focus on the interaction between an organization and its customers. Defensiveness refers to the emphasis placed on preserving current products and markets. Fornell and Wernerfelt (1988) indicate that defensive marketing strategy involves reducing customer exit and product/brand switching through switching barriers and customer satisfaction Defensiveness also reflects the notion of "defences'; (Kotler and Achrol 198 1) and "hold" (Buzzell, Gale, and Sultan 1975) strategies aimed at holding current customers and thereby maintaining relative market share. Adaptability reflects the extent to which a business attempts to identify and capitalize on emerging market opportunities.

# CHAPTER FIVE

# FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

## Introduction

This chapter states the major study findings generally on CRM, service quality and firm performance. It also presents summary of findings, the conclusion and recommendations of the study arising from the study findings. The first section presents the summary of findings. This is followed by a presentation of the conclusion and recommendations in relation to the study objectives.

## Summary of findings

## CRM and Service Quality

On CRM, the study findings suggested that Stanbic bank undertook efforts to put in place an effective CRM strategy encompassing core values in the customer service culture, employee training and empowerment while is equally undertook to efforts to create value for customer delight through technology use in marketing and service delivery, continuous improvement and prompt service from the bank which could contribute to service quality and its overall performance under its value creation strategy of CRM.

The bank equally undertook considerable efforts to put in place integrated multi channels for CRM through use of processes that allow customer interactions with bank personnel and facilities, two-way communication and cooperation with other functions of the bank which could contribute to service quality and its performance as multichannel approach of CRM while it equally undertook efforts to put in place CRM performance measures and assessment which could contribute to service quality and firm performance.

On service quality, the study findings suggested that the customers were satisfied with the service quality aspects of physical facilities attractiveness, use of state of the art technology and smartness of staff as tangibles while they had achieved a reasonable level of service quality aspect of reliability significant in timely delivery of service, sincerity in service and total quality management thus reliable.

The bank was responsive to the clients' needs significant in prompt services, communicating time of service and willingness to help customers which contributes to its performance while they equally exercised a reasonable degree of competence though giving customers individual attention, safety in their transaction, deployment of the knowledgeable and the skilled contact personnel. Stanbic bank had achieved a reasonable level of service quality significant in customer retention as the customers felt satisfied and pleased with the bank services and products yet they would also remain getting their banking services from Stanbic bank and promote the banks image.

CRM had a significant relationship with service quality with r .820 at the 0.01 level in Stanbic Bank and CRM was a significant predictor of the variance in service quality as it predicted 66.5% of the variance in service quality in the bank.

## Service Quality and Firm Performance at the (SBUL) branches

The study findings on firm performance supported the view that market shared considerations of firm performance needs considerations of CRM for retaining customers, sustained employee competencies all achieved through evaluation of the firms market position in relation to the competitors while the bank was conscious of customer live time value through efforts such as maintaining profitable customer relationships, use of individual customer databases, establishing monitory and non monitory benefits to customers.

The bank undertook to put in place effective brand equity considerations of creating customer awareness of the available brands in the banks, product and service differentiation, brand value and rights, and customer perceived brand quality among those offered by the competitors in the industry while it made efforts was to retain staff as a core competitive strategy. The bank was equally conscious of its sales growth considerations and as such considered comparisons of sales volumes in the market and their extensions, investment in monitory and non monitory aspect of sales.

Service quality had a significant relationship with performance with r 0.533 at the level 0.01 at the Stanbic Bank and was a significant predictor of performance of the bank as it predicted 26.6% of the variance in the performance of the bank.

## CRM and Firm Performance at the (SBUL) branches

CRM had a significant relationship with performance with r 0.788 at the level 0.01 at the of Stanbic Bank and was a significant predictor of bank performance at it predicted 61.1% of the variance in the performance of the bank. Although economic performance alludes to the firm's benefit, incomes and profitability that are related, directly and indirectly, to the firm's relational strategy. Brand Equity and employee should have direct effects on economic performance. What is more, there is an indirect effect as far as market performance impacts directly on economic results. It has been demonstrated that it is far less expensive to retain a customer than to acquire a new one (Reichheld and Sasser, 1990) and that the longer the customer stays with a firm, the more profitable the relationship is to the firm. In fact its acknowledgeable that the Stanbic Bank

42 out of the 65 customer respondents answered yes were questioned them 'are you satisfied with the overall service you receive from your bank and only 2 respondents out of 7 are recommended they are credible to shift

from the bank. S was asked if they would consider switching to an other bank. Same wise the researcher asked to the staff of the Stanbic Bank "are you satisfied with the overall incentives you receive from the bank" 34 out of the 39 respondents were answered yes; ideally we can relate positively CRM and Service Quality to the firm performance.

**Conclusion**

The study made the following conclusions in relation to the study objectives:

- To improve on service quality in the bank, there is need to put in place CRM processes relating to strategy development, value creation, multi-channel integration, performance assessment and information management

- CRM was a significant predictor of service quality indicators of customers perceived service reliability, responsiveness, assurance, empathy and tangibles.

- To improve on performance of the bank, there is need for sustained service quality attributes of reliability, responsiveness, assurance, empathy and tangibility.

- Customer service was a significant predictor of firm performance indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention.

- To improve on performance of the bank, there is need for effective CRM interventions of strategy development, value creation, multi-channel integration, and performance assessment and information management.

- CRM was a significant predictor of firm performance indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention.

## Recommendations

The management, shareholders and other relevant stakeholders (Consultants, Bank of Uganda, Government, etc) should ensure that:

- Commercial banks develop and articulate CRM strategy development, value creation, multi-channel integration, and performance assessment and information management to achieve effective service quality indicators of customers perceived service reliability, responsiveness, assurance, empathy and tangibles.

- Commercial banks develop and articulate effective service quality attributes of reliability, responsiveness, assurance, empathy and tangibility for enhanced performance indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention.

- Commercial banks develop and articulate CRM for enhanced indicators of customer Live Time Value, market share, sales growth, brand equity, and employee retention.

### Recommendations for further studies

This study found out that CRM predicted 66.5% of the variance in service quality suggesting that other variable predicted 33.5% of the variance in service quality. Similarly, service quality predicted 22.6% of the variance in the performance of SUBL while CRM predicted 61.1% of the variance in the performance of Stanbic bank. Although the findings of this research revealed positive response which were slightly above average the bank should not be complacent; it should be creative and innovative creating new service and market strategies that can make to remain in the prominent market competition. Even if the new CRM are implemented generally it should mainly emphasise its efforts on targeting individual customers.

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Father more, although this study has investigated factors such as Strategy Development Process, Value Creation Process, Multi-channel Integration Process, Performance Assessment Process, Information Management Process based on by Payne and Frown 2005, through service Quality developed by Parasuraman service quality dimensions 1985 correlated to the firm performance particularly marketing performance such as Customer Live Time Value ,Market Share, Sales Growth, Bran Equity and Employee retention.

Other studies need to be carried out to identify such factors other than those under this study that predicted the variance in service quality and bank performance. There may be other determinants of CRM and Service Quality which need to investigate also, this would allow Service Providers and consultants to would toiler their service and products based on those new factors and would allow them greater opportunity of increasing the level of service quality through CRM practicing.

Finally further studies need to be carried out knowing that operationalizing of CRM and Service Quality are still new in the developing countries (Ganesan 1994 ), thus new issues, needs and demands may arise as the bank continuing to implement the previous strategy. Hence it is through research that those issues, needs and demands can be discovered, to appeal the last less needs of the customer.

Nevertheless the role of gender and age group in service quality, customer Relationship Management, should be researched into in future studies. This may serve as basis for market segmentation strategies by banks in order to provide the right service package to meet particular sex and age groups and also increase the banks competitiveness.

**Further Areas of the study**

● Operational sing CRM and Service Quality in the Public Institutions in Uganda.

● Comparative analysis CRM and service Providers in private universities.

**Development program**

Finally, the proposed development program was formulated based on the findings of the study as last objectives of the study which will serve as reference to the Stanbic bank, the most remarkable points of the study was the customer were not sure if the bank has operating hours convenient to all the customers, in (Mean = 2.92, standard deviation = 1.15)., secondly the customer agreed that they were not sure it the bank should not expect to give the customers individual attention in (Mean = 2.89, standard deviation = 1.21). As the output of the study the researcher proposed the development employees program

**Proposed employee development program**

Development programs designed to assist in developing and/or improving job skills and abilities of the employees, successful employee development requires a balance between and individual's career needs and goals and the organization's need to get the work done and it has positive contributions to organizational performance.

## i.     Time frame

a)    Proposed employees development program as a whole (1 year) from January 2011-December 2011.

## ii.    Budget

a)    Training on/of job. .......................................................$15000.

b)    Income : 10 percent of the participant employee salaries

-tuition costs for the facilitators ..........................................$9000

-honoraria of resource persons ..........................................$4000

-Materials, supplies and Snacks ..........................................$1000

## Personal proposed and activities and Potential Outcomes for Growth and Development of the bank

| Personal activities for Development program | Objectives of the development program | Potential Outcomes for development program | Consequences for those unwilling to work on them |
|---|---|---|---|
| On-going training development on/of job | Understanding job duties and work environment requirements | New skills, abilities and new alternatives to meet future needs of the bank | Ill prepared for future lack of relevant skills; perception of not engaging |
| Support for growth to: Increase credibility Increase visibility Increase competitive in job market | To create trust worthiness On the employees | Authorization in departments to Re-direct goals Re-New opportunities Re-Promote opportunities | Inappropriate environments for staff to apply newly acquired skills, "freeing up" staff time to work on a cross-departmental functions |
| Information exchange and leadership qualities | To meet department needs | to serve customers most effectively and to improve work processes | |
| Improving covenant time for all the customers | To work 24/7 | Make a determination of which positions may become obsolete, or need to be replaced or Redesigned. | Turnover of the employees |

**To meet Customer Expectations and Services required**

**In collaboration with leaders and staff, looks, two, and three years into the future to evaluate the following:**

- Determine what services and level of services will customers need and want.

- Evaluate how we can prepare now to meet the services and level of service required by our customers.

- Assess the skills, experiences, capacities and knowledge which are needed (e.g., interpersonal, technical, systems, leadership, and tentative talent).

- Talk with individual employees to determine how they can best acquire needed capabilities, and how you will support their efforts.

- Make a determination of which positions may become obsolete, or need to be replaced or redesigned.

- For obsolescence, work with employees to develop additional job skills that will enable them to move into other positions.

- Determine who is interested and willing to assume additional responsibilities to gain the experience and skills required to "step into" key positions that may become vacant.

- Promotions policies are based on the merit of the job and the qualifications of the employee

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# APPENDICES:

## Appendix I-    Transmittal Letter

### OFFICE OF THE COORDINATOR BUSINESS AND MANAGEMENT - SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH

27th August, 2010

Dear Sir/Madam,

### RE: REQUEST FOR ABDIKADIR AHMED MOHAMED, REG. NO. MBA/20010/82/DF TO CONDUCT RESEARCH IN YOUR INSTITUTION.

The above mentioned is a bonafide student of Kampala International University pursuing a Masters of Business Administration.

He is currently conducting a field research the title of which is **"Customer Relationship Management Service Quality and Firm Performance of Selected Stanbic Bank (U) Branches in Uganda".** As part of his research work he has to collect relevant information through questionnaires, interviews and other relevant reading materials.

Your institution has been identified as a valuable source of information pertaining to his research project. The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him will be used for academic purposes only and we promise to share our findings with your institution. Rest assured the data you provide shall be kept with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,

Mr. Malinga Ramadhan
Coordinator
**Business and Management-School of Postgraduate Studies and Research**

*"Exploring the Heights"*

# Appendix II Informed Consent

## Stanbic Bank

RE: ABDIKADIR AHMED MOHAMED

The above named is a student from KIU conducting research for academic purposes on Stanbic bank branches, please provide assistance upon his request and he'll use questionnaires only

MWESIGWA. BEN

27/11/2020

# Appendix III-    Research Instrument

## A). Questionnaire for Customers of Stanbic Bank

### Dear Sir / Madam Respondent

I am MBA student From Kampala International University (KIU), as part of my studies This questionnaire anticipated to facilitate the study on exposure of Customer Relationship management, service quality and firm performance of selected Stanbic Bank (U) branches in Uganda the study is for academic purpose and your response will be treated with utmost confidentiality, in order to accomplish the study, you are kindly requested to complete this questionnaire Please!

### Section A: Profile of the respondent

Tick which ever item is applicable to you by √

| Gender | Female | | Male | | | |
|---|---|---|---|---|---|---|
| | | ☐ | | | ☐ | |
| Age of respondent | <30 | 31-35 | 36-40 | 41-45 | 46-50 | >50 |
| | | | | | | |
| Occupation | Students | Professional employee | Business Persons | Self Employed | Other please identify | |
| | | | | | | |
| Level of education | Certificate | Diploma | Undergraduate | Postgraduate | PhD | Others Specify |
| | | | | | | |
| Average monthly income in Uganda | <1,000, 000. | 1,000,000- 1,500,000. | 1,500,000.- 2,000,000- | > 2,500,000 | Others Specify | |
| | | | | | | |
| Working experience | <1 year | 1-2 years | 2-3 years | 3-4 years | 4-5years | >5 years |

## Section B:

Please indicate the extent to which you agree or disagree by writing only the number option for each of the items or statement elaborated on the table below.

| Strongly agree (you agree with no doubt at all ) | Agree (you agree with some doubt ) | Not certain (undecided ) | Disagree (you disagree with some doubt) | Strongly disagree (you agree with no doubt at all) |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |

**Please tick the most appropriate box by** $\sqrt{}$

| No.1 | Tangibility | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| 1. | My bank's physical facilities are visually appealing | | | | | |
| 2. | My bank uses state of the art technology and equipments in their service delivery | | | | | |
| 3. | The employees are well dressed and neat in appearance. | | | | | |
| 4. | My bank doesn't have operating hour convenient to all their customers. | | | | | |
| No.2 | Reliability | | | | | |
| 1) | When customers have a problem, the bank shows sincere interest in solving it | | | | | |
| 2) | My bank delivers its services promptly at the time it promises to do so | | | | | |
| 3) | My bank always performs the service right the first time | | | | | |
| 4) | The bank should not expect to give the customers individual attention | | | | | |
| No.3 | Responsiveness | | | | | |
| 1. | The employees of the bank always they tell me exactly when services will be performed | | | | | |
| 2. | The bank employees give me a prompt service | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3. | The bank employees are always willing to help me | | | | | |
| 4. | The bank employees are never too busy to respond to my requests | | | | | |
| No.4 | **Competence** | | | | | |
| 1) | The bank employees give customers individual attention | | | | | |
| 2) | Customers should be able to feel safe in their transaction with firm's employees. | | | | | |
| 3) | Knowledge and the skills of the  of the contact personnel  are convenient | | | | | |
| 4) | Customers should be able to feel safe in their transaction with this firms employees | | | | | |
| No.5 | **Customer Retention** | 1 | 2 | 3 | 4 | 5 |
| 1. | I am completely satisfied with the services delivered by my bank | | | | | |
| 2. | I feel very pleased with services offered by my bank | | | | | |
| 3. | I would like to remain as a customer of my present bank | | | | | |
| 4. | I will say positive things about my bank to other people | | | | | |

**Section C:**

Are you satisfied with the overall service you receive from your bank?     Yes     No

If no, would you consider switching to another bank?               Yes     No

If Yes, why?.....................................................................................
.............................................................................................If No,
why?.....................................................................................
...................................................................................................

Thank you very much for your assistance!

## Section B: Customer Relationship Management measurements

Please indicate the extent to which you agree or disagree by writing only ne number option for each of the items or statement elaborated on the table below

| Strongly agree (you agree with no doubt at all ) | Agree (you agree with some doubt ) | Not certain (undecided ) | Disagree (you disagree with some doubt) | Strongly disagree (you agree with no doubt at all) |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |

**Please tick the most appropriate box by** √

| No.1. | CRM Strategy development of CRM | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| 1. | Our bank's culture emphasizes the values of honesty, transparency and fairness. | | | | | |
| 2. | Our training programs are designed to develop the skills required for acquiring and deepening customer relationships. | | | | | |
| 3. | We trained and empowered (both financially and in terms of additional authority) the resolve complaints fort the first contact. | | | | | |
| 4. | Employs should get continues training as the customer needs is changing. | | | | | |
| No.2. | Value Creation of the CRM | | | | | |
| 1. | Our bank uses technology to automate marketing, sales and service functions | | | | | |
| 2. | We strive to constantly surprise and delight our key customers. | | | | | |
| 3. | Our employees are aware of the drivers of Customer Lifetime Values (CLVs) and constantly try to improve them. | | | | | |
| 4. | Customers can expect prompt services from employees of my bank. | | | | | |
| No.3. | Multichannel Integration of the CRM | | | | | |
| 1. | My bank has a process in place to obtain and validate customers' permission to interact with them through various channels. | | | | | |
| 2. | My bank provides channels to enable ongoing, two-way communication with our key Customers and us. | | | | | |
| 3. | Interaction with the customer is possible when there is a interaction among employees. | | | | | |
| 4. | I have full cooperation with other functions of the bank that I'm exciting to work with them. | | | | | |

| No.4. | IT management Process | | | | | | |
|---|---|---|---|---|---|---|---|
| 1. | My bank has processes to identify key customers. | | | | | | |
| 2. | Our databases are dynamic in nature and provide comprehensive real-time information about all our customers. | | | | | | |
| 3. | We have a well-developed privacy policy to ensure confidentiality of data collected from customers. | | | | | | |
| 4. | Our computer technology can help create customized offerings to our customers. | | | | | | |
| No.4. | **Performance Assessment** | | | | | | |
| 1. | Policies and procedures critical to managing customer relationships are well-documented and consistent across all customer touch points. | | | | | | |
| 2. | I am happy for the current payment | | | | | | |
| 3. | Employees are getting a adequate support from the bank to do their jobs well in will. | | | | | | |
| 4. | I am happy because my client are satisfied with the performance of the Bank. | | | | | | |
| No.4 | **Employee Retention** | | | | | | |
| 1. | My bank's Policies and procedures critical to managing customer relationships are well-documented and consistent across all customer touch points. | | | | | | |
| 2. | I am happy working with my bank as the way of may career development | | | | | | |
| 3. | Employees are getting a adequate support from the bank to remain with | | | | | | |
| 4. | I am happy because my client are satisfied with the Bank | | | | | | |

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## Section C: Firm Performance Measurements

**Please tick the most appropriate box by** √

| No.1. | Market share | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| 1. | CRM is aimed at holding currant customer and thereby to increasing market share | | | | | |
| 2. | Competitive position, in terms of market share, has also been found to directly impact business performance. | | | | | |
| 3. | Market share gains can be achieved by investing employee's competency. | | | | | |
| 4. | We evaluate the effectiveness of our business over the past year relative to our major competitors. | | | | | |
| No.2. | Customer Live Time Value | | | | | |
| 1. | Our competitive advantage is based on building and maintaining profitable customer relationship. | | | | | |
| 2. | My organization regarding assess the live time value of each customer by using comprehensive data base of our customer. | | | | | |
| 3. | An estimation of all monitory and non monitory benefits created by the particular customer relationship | | | | | |
| 4. | Only monitory benefits of customer relationships are taken into account. | | | | | |
| No.3. | Brand Equity | | | | | |
| 1. | Customers can easily recall our brand. | | | | | |
| 2. | We pursue a differentiation strategy by branding our products. | | | | | |
| 3. | Brand represent enormously valuable of legal property. | | | | | |
| 4. | Our brand is different from all other brands in terms of over all perceived quality (incl-tangible, psychological perceptions of the customers). | | | | | |
| No.4. | Employee Retention | | | | | |
| 1. | My bank's Policies and procedures critical to managing customer relationships are well-documented and consistent across all customer touch points. | | | | | |
| | I am happy working with my bank as the way of may | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **2.** | career development | | | | | | |
| **3.** | Employees are getting a adequate support from the management to remain with them. | | | | | | |
| **4.** | Employees feel respected, valued and appreciated for their problem solving with the customer. | | | | | | |
| **NO.5.** | **Sales Growth** | | | | | | |
| | We evaluate our performance by sales growth relative to our major competitors. | | | | | | |
| | We try systematically to extend our "sales" with high-voluble customers in the relationship. | | | | | | |
| | Sales increases can be  reflected from a  Customer Relationship Management applications | | | | | | |
| | Obviously Non monitory investments to the customer and employees can impact on sales growth customer can increase. | | | | | | |

Are you satisfied with the overall incentives you receive from your bank?

Yes    No

If no would you consider switching to another bank which is good for their customers?                     Yes            No

If yes,why ...............................................................................

If no why ...............................................................................

Thank you very much for your assistance!

# CURRICULUM VITAE

## BIOGRAPHIC DATA

| | |
|---|---|
| **Name** | **Abdikadir Ahmed Mohamed** |
| **Sex** | **Male** |
| **Marital Status** | **Unmarried** |
| **Nationality** | **Somali** |
| **Date of Birth** | **22/6/1982** |
| **Telephone** | **+25647444333** |
| **E-mail** | muxsin2003@hotmail.com |

## PROFILE

A reliable, motivated and enthusiastic graduate with a solid academic background, ability to work as part of team and on own initiative, directing, flexible and open minded with proven communication and organizational skills. And well presented and multilingual, enjoying a challenging work environment and willing to accept responsibility.

## EDUCATIONAL BACKGROUND

2009-2010        Kampala International University (KIU), P.O. Box 2000,

Kampala, Uganda.

Master of Business Administration (MBA) in Marketing.

2007-2008        Somali Institute of Management and Administration

Development (SIMAD), Mogadishu Somalia.

Bachelor Degree   in Business Administration

2005-2007        Somali Institute of Management and Administration

Development (SIMAD), Mogadishu Somalia.

Diploma in Business Administration

2001-2003        AI-HIKMA Secondary School Mogadishu Somalia

                 Secondary Certificate.

1999-2000   ABDULAHI ISSE PRIMARY SCHOOL, Mogadishu Somalia

Certificate in Primary.

## WORK EXPERIENCES

2007-2008   Secretary   and coordinator of business administration

        Department at Somali Institute of Management and Administration

        Development (SIMAD) Mogadishu Somalia.

2007-2009   Teacher in Entrepreneurship and marketing subjects   at

        Somali  Institute  of  Management  and  Administration  Development
(SIMAD) Mogadishu Somalia.

## WORK CONDITION

Hardworking  with  strong  ambitious,  determination  and  commitment  for
services

Willingness to work in all conditions, at any time or place under the pressure,

Of Possible circumstances.

## ADDITIONAL SKILLS

- Computer literate
- Business communication skills
- Good understanding of Microsoft offices
- Familiar with SPSS packages
- Research Techniques and Report Writing
- Business and Marketing Plan Strategies

## INTERESTS

Business promotion and Marketing effort activities

Motivate for creating new venture, idea in the business.

Teaching Business subjects

Sports and watching Business news

## REFERENCES

Prof: Dr Sunday olwor - Senior lecturer Kampala International University, School of Post Graduate Studies.

Dr.Kerosi J. Bosire – Dean School of Business and Management, Kampala

International University. Tel: +256783686146.

Dr. Canane Angelita- Senior lecturer Kampala International University

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Mr Mallinga Ramadhan coordinator Business and Management –school of

Postgraduate Studies and Research and also lecturer at Kampala International University (KIU). +256712749471

Mr. Yusuf Mo'alim Ahmed Academic Director at Somali Institute of Management and Administration Development (SIMAD), Mogadishu Somalia. +252615557761.