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Customer Relationship Management (CRM) practices in Financial sector: Role and implications to commercial bank performance in Zimbabwe (2008-2009)

Rangarirai Mbizi (lecturer)
Business Management & Entrepreneurship,School of Business Sciences and Management
Chinhoyi University of Technology
Donie Muzividzi (lecturer)
Accounting Sciences and Management, School of Business Sciences and Management
Chinhoyi University of Technology

Abstract
This article presents findings from an action research which sought to explore the subject customer relationship management paying particular attention to practices and how they can be applied in the financial service sector to attract and retain valuable clients (corporate). Special attention has been made to Key Account Management practices as a strategy to lock valuable customers. Related literature has been reviewed chief among the authorities are the works of Gummesson, Payne as well as Adrian who are the proponents and developers of CRM .A descriptive research design has been adopted and SPSS package used to analyse data & results point to positive effect of customer relationship management and customer retention and ultimately leading to better bank performance. The write up show the importance of different types of CRM practices in locking customers and increasing switching costs to defecting customers thereby enhancing long term values to commercial banks.
Key Words: CRM practices, financial sector, Retention, Bank Performance

1.0 Introduction and Background

Zimbabwe has undergone a phase when unorthodox practices were implemented to solve unorthodox problems. The previous years (pre 2008) have seen banks engaging in a number of strategies in order to outmanoeuvre the hyper inflationary environment. Some banks actually went out of their core banking activities and were engaging in speculative tendencies to make money, an example being of the recently relicensed Trust Bank which even tied depositors funds in bricks, empty bottle containers (Sunday mail issue of November 21-28 2003), in order to remain afloat. The year 2008 witnessed unprecedented changes in the financial sector, which saw emergence of the “burning” activity, which later proved to be a day light robbery to genuine savers since the monies were eventually locked up in accounts at the introduction of the multiple currency system early 2009. With the introduction of the multiple currency system a number of commercial banks lost substantial market share for example Agribank`s market share dropped from 11% to 8%, ZB bank from 13.5% to around 10% and NMB from 9% to around 7% as quoted by banks and banking survey 2009 of November 20- 26 2009, however other bank such as FBC, CBZ and Barclays Recorded increases in their market share by 3%, 6%, 4% respectively as customer switches banks as a result of the banking crisis. The crisis of confidence in the local banking sector, which set in during 2007 as a result of northward bound inflation, aggravated in 2008 after a severe cash crisis, coupled with hyperinflation, eroding bank balances forcing the transacting sector – household, firms and traders to prefer dealing in cash (Financial Gazette: May 14-21 2009 issue). During the first half of the year, the monetary authorities reported a total bank balances surging from US$376 million in March 2009 to US$700 million by June 30 and just above US$1 billion by November 2009 as quoted by the finance minister in his Budget presentation of December 2 2009 which is still low compared to US$4 billion in Botswana and US$2 billion in Zambia. Banking confidence has picked up as evidenced by upsurge in deposits- bank assets rose by 50% from December 2008 levels for every institution as quoted by the banks and banking survey of 2009- a supplement to the independent of November 20- 26 2009. Banker’s Association of Zimbabwe as quoted by the Financial Gazette Financial of May 14-21 2009 issue, page B6 said “the quality of deposit is still worrying as many depositors are “hot cash”, or “fly by night balances”. As a result banks have had to resort to off balance sheet financing which is not health.” Prior to the introduction of the multiple currency system, many bank’s balances were very low. In the outlook according to the business digest of the (The Independent: 16-23 October 2009), confidence in the banking institutions and their ability to mobilise private savings would depend largely on customer relationship management practices and average ratios of service charges to interest paid on deposits. According to O’Brian (2003), SkandiaBanken, a Swedish bank builds its base on customer centric view by adopting technology based CRM strategies. In the early 1990s the bank was lagging behind in terms of market share and thanks to its rich asset base the bank invested heavily in technology based CRM by automating its database management, front office operations, introducing telephone banking as well as internet banking. The clients could transact from the comfort of their homes, receive regular updates via their email, clients could also make their complaints through a twenty four help desk facility. To build customer relationship the bank often takes its top clients for special holidays wholly funded by the bank. The bank managed to capture a 7% market share from its competitors by 2000 and in 2003 it was rated amongst the top performers in Sweden and had grown internationally with branches in the Far East and Cyprus. Its profitability increased marginally.

Regionally, ABSA bank in South Africa managed to rise from a mere amalgamation of failed banks to be one of the largest banks in Southern Africa. The bank according to the Southern Times 14- 21 February 2007 issue, builds its success on technology based relationship marketing. With the turn of the new millennium the bank invested heavily in internet based data base management systems as well as keeping its clients informed and soliciting for information on their likely preferences of financial products. According the Economist a monthly magazine of June 2006, at the introduction of ATMs ABSA customers complained about the relatively high ATM fees, which were consequently reduced after the bank asked its customers to help in its quest to reduce expense. As highlighted in its mission statement, ABSA bank valued its customer; the customer is treated as a king. The bank solicited customer involvement in its operations. Thus through good CRM practices the bank realized its growth in performance.

Following the above cases of success factors of CRM, the researchers strongly believes that an exploration of the subject at this point is worthwhile.

2.1 The Concept of Customer Relationship Management (CRM)

The term CRM according to Berry (1997), originated in America as far back as 1987, and was largely an academic response to concern over the usefulness of the 4Ps model (Product, Price, Promotion, Place), and indeed its subsequent expansion to 5 or even 7Ps. In particular, the former was seen a development from the discipline of relationship marketing which originated in America as early as 1983. Berry (1997: 25) viewed CRM as *"attracting, maintaining and ... enhancing customer relationships ... The marketing mindset is that the attraction of new customers is merely the first step in the marketing process."* This was supported by Gummeson (1998, 48), when he argued that *"The boundaries of marketing responsibility are dissolved, and are no longer identical with the marketing department ... a new paradigm is required."* Both scholars viewed traditional marketing models as a mere starting point with many flaws in applications. The views were further supported by Copulsky and Wolf (2001:128), when they looked at CRM as encompassing *"... elements of advertising, sales promotion, public relations and direct marketing, to create more effective and efficient ways of reaching customers, by centering on developing continuous relationships across a family of related products, being above all a personalised form of communication."* Copuisky and Wolf (2001) moved a step further by outlining the development from traditional based marketing models to modern based relationship models and came up with the following figure.

THE CHANGING ROLE OF MARKETING TOWARDS A RELATIONSHIP PERSPECTIVE

FROM	***TO***
TRANSACTION MARKETING	**RELATIONSHIP MARKETING**
PHILOSOPHY:	**PHILOSOPHY:**
Product as the unit of planning	Customer as the unit of planning
Stimulus - response	Interactive
Transaction orientated	Aimed at relationship building
Product investments	Market investments
APPROACH:	**APPROACH:**
Market analysis/segmentation	Customer analysis/segmentation
Sales management	Account management
Product performance	Service and quality of marketing
Short term profit	Long term profit

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Figure 2.1 Source: Copuisky and Wolf (2001)

The concept of CRM according to Gummeson (2000), was later further streamlined into Key Account management as a result of the realisation that not all clients are worth special treatment. KAM according to BNET Business dictionary is the management of the customer relationships that are most important to a company. Gummeson (1998) as well concurred with this definition as he looked at KAM as creating, nurturing and maintaining lasting relations with most valuable clients for long term organizational profits. In the same vain Gronroos as quoted by Berndt (2008:28) looked at KAM as "as the identification and establishment, maintaining and enhance and when necessary terminate the relationships with valuable customers and other stakeholders at a profit so that the objectives of all parties involved are met. ….thus is done by mutual exchange and fulfillment of promises." Key accounts as defined by Payne et al (1991) are those accounts held by customers who produce most profit for a company or have the potential to do so, or those who are of strategic importance. Development of these customer relations and customer retention is important to business success. Key Account Management from Gummeeson (1998) and Payne (1991)`s perspective, is thus a strategic planning approach that goes beyond traditional selling to tackle today's customer issues.

Cranfield School of Management (1997) Key Account Management process can be summarized as:
• Understand each customer and anticipate their needs
• Appraise their potential
• Appreciate sources of risk, cost and profit
• Develop appropriate strategies for each customer
• Develop better implementation processes
• Monitor actions and improve results

This assertion was further supported by Baran *et al* (1998), when he talked of value addition through relationship building with key clients. Baran (1998) further concurred with Cranfield School of Management in the typical KAM package.

Baran et al (1998) believe that key account management represents the new paradigm, enabling organizations to move from a transaction-based approach, via a targeted marketing approach, ultimately to 'one-to-one' marketing. This was supported by Rodgers and Ryals (2007), in which they classified Key Account Management as one of the four components of customer relationship management along with customer lifetime value, customer portfolio analysis and the relationship lifecycle. . Key Account Management as defined by Gummesson (1987) is an appropriate relationship management mechanism that utilizes the value of trust in business relationships to achieve functioning relationships with. KAM as defined by Gronroos (1987) refers to "*identification of valuable clients and cultivate, nurture long term relationship for long term organizational values. The marketing mindset is that the attraction of new customers is merely the first step in the marketing process for KAM to cultivate long term relations.*" According to Gronroos (1987), the traditional view of marketing as a preserve of specialists in planning and executing a marketing mix is not altogether true where services are concerned.

2.2.0 CRM Strategies

According to Berndt and Brink (2008), CRM strategies fall into those to do with employee satisfaction, interactive management, KAM, customization, and Partnerships. In the same vain, Anderson consultancy Group (2007), in its study *CRM practices that work in the financial sector*, *SA,* come up with practices and capabilities– topping the list was motivating and rewarding employees, followed by excellence in delivering services, turning customer information into insights, attracting and retaining the right personnel and building serving and service skills. The influence of technology accounted for about 40% of CRM's impact. This was supported by Seybold (2005), in his research *how to create a profitable business: strategy for the internet and beyond.* In which he discovered that the best CRM practices are those to do with interactive management, employee relations as well as customization.

2.2.1 Employee satisfaction (internal marketing)

According to Bendt (2008), internal marketing involves relationship that develops between the employees of the organization and the organization itself in order to facilitate the implementation of CRM program. Bendt (2008) called for frequent training of the organization's personnel, conducive working environment and monetary incentives to enhance relationship building with profitable customers. The same author noted that organizational employees are internal markets for a bank and by improving relations with them the organization will be internally selling. To that effect Bendt (2008) came up with a service triangle which showed the types of customers as bellow.

Service triangle

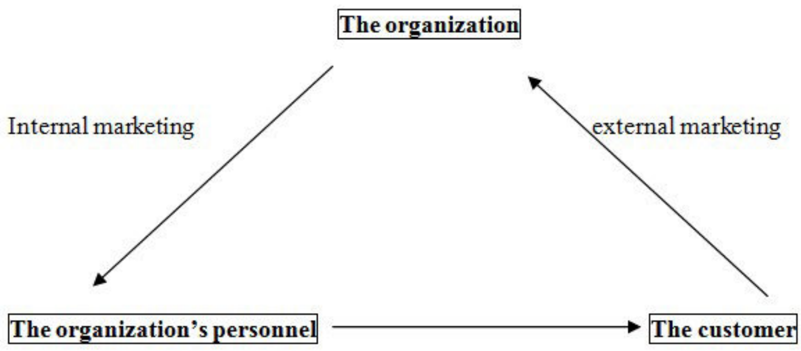

Fig 2.3 Interactive marketing
Source: Berndt 2008

On the same note, Payne (1995) went on to say that Internal Marketing is also used to internally sell strategic initiative and objective. According to Payne (1995), Internal Marketing often forms part of the quality and service initiatives with the objectives of getting everyone in the organization oriented towards the same direction, to develop awareness of internal and external customers and to foster a team spirit within business units. This was as well supported by Drucker (1998), when he viewed a dissatisfied employee as a terrorist to the employing organization and does a lot of mistakes to the detriment of the organization. However, HILL (2003) noted that KAM practices need not necessarily incorporate internal marketing, internal marketing only come as a complement to relationship building, what is important therefore remains the external customer who is the king.

2.2.2 Interactive Management

Interactive management is a key aspect of CRM functions (Gronroos, 1994). It comprises all actions designed to transform the prospective client who enters into contact with the business representatives into an active and effective customer (Dufour & Maisonnas, 1997). It is conceptually based on reciprocity, which constitutes one important dimension of CRM (Bitner, 1995; Gummesson, 1994; Nevin, 1995), and feedback is an important part of the core of interactive management (Evans & Laskin, 1994). Indeed, Evans & Laskin (1994) consider customer feedback as a key step of the CRM process and define it as the best way for firms to keep in touch with their customer's perceptions.

2.2.3 Customisation

Personalization refers to the extent to which a firm assigns one business representative to each customer and develops or prepares specific products for specific customers (Gronroos, 1994). Personalization is about selecting or filtering information for a company by using information about the customer profile (Schubert, 2003). A major component of personalization is the distribution of customized mail to a customer or customization of the relationship between firm and customer. This concept outlines a clear distinction, established by Gronroos (1994), between CRM and the management mix. The latter is a far more clinical approach in which the seller, or business representative, plays an active role, while the buyer, or customer, takes up a more passive position. In such a scenario, there is no personalized relationship between customer and business representative. Personalization, rather, is only included in CRM. However, this practice requires high technology CRMs to enhance its practice, thus its expensive (Evans & Laskin, 1994)

2.2.4 Partnerships

Partnerships are created when suppliers work closely with customers and add desired services to their traditional product and service offerings (Evans & Laskin, 1994). Payne (1994) puts partnering at the extreme end of his loyalty scale, regarding it as an important step that usually leads to the development of a close and durable relationship between supplier and customer. Wilson (1995) has developed an integrated model devoted to the explanation of CRM process phases. In this model, partner selection is considered to be the first step in the CRM process.

2.2.5 Key Account Management

KAM as defined by Gronroos (1987) refers to "*identification of valuable clients and cultivate, nurture long term relationship for long term organizational values. The marketing mindset is that the attraction of new customers is merely the first step in the marketing process for KAM to cultivate long term relations.*" According to Gronroos (1987), the traditional view of marketing as a preserve of specialists in planning and executing a marketing mix is not altogether true where services are concerned. Weston (2003:210), argued that "over the last decade, the scope of enterprise information systems is enlarging and includes ERP (Enterprise Resource Planning), CRM (Customer Relationship Management)", and SCM (Supply Chain Management). ERP II includes both CRM functionality that links to customers, and SCM functionality that links suppliers

2.3.1 Link between Key Account Management and customer retention

Palmer (1998:107) argued that "the simplest reason why firms seek to develop ongoing relationships with their customers is that it is generally much more profitable to retain existing customers than continuously seeking to recruit new customers to be replaced by lapsed ones….and by developing strong relationships with existing customers, loyalty will be built and hence increase customer switching cost by existing clients, thus improving relations with clients which in turn results in trust building in clients and hence loyalty- retention.

Similarly, Easton and Arang (1994), emphasize that "in organizations market buyer – seller exchanges can no longer be viewed as one off, discrete economic transaction, totally uninfluenced by either the social context in which they take place or consideration of past and future transaction between the same two parties. ……. Organizations develop long-term stable relationship and alliances with clients and other organization to enhance customer loyalty – thereby retention."

Taylor and Baker (1994) highlighted the link between KAM and retention when they looked at customer satisfaction as the reason of repeat purchase. "…. Through proper tracking of customers` buying pattern and relationship management customer satisfaction can be enhanced." Customer satisfaction is generally described as the full meeting of one's expectations. Customer satisfaction is the feeling or attitude of a customer towards a product or service after it has been used. The customer satisfaction literature has paid a great deal of attention to the confirmation paradigm, which concerns the comparison of product or service performance expectations and evaluations.

In the same vain, Berndt and Brink (2008), argued "….a Company can attract and retain customers by knowing and delivering what they want, when they want it, how they want it, and make it easy and problem free for customers to interact with the organization. Moreover, in support of the link between CRM and customer retention, Pareto principle as quoted by Berndt (2008), "80% of profits are derived from 20% of clients… thus it makes sense to concentrate on that majority few than minority many."

However, Kotler (1999) thought otherwise when he talked of product orientation as opposed to the much publicized customer orientation. He argued that instead of retaining clients, customer orientation may just raise costs unnecessarily since it has to be supported by CRM technologies. The product quality (Kotler, 1999) is therefore that matters in the retention of customers as opposed to customer orientation. The main argument is that the "product sells itself", i.e. a quality service does not necessarily need key account management techniques since it just sell itself, thus service quality improvement forms the basis of customer retention and hence long term profitability.

Cheng and Wang (2008), in their study*: Does online relationship marketing enhance customer retention, India*; found out that a well managed client is likely to continue dealing with the organization than a client who is hardly updated and valued. The scholars surveyed transport industry in India using 120 operators and they found out that key account management practices lead to customer retention as 30% of such companies should those results. However, their study noted that it is difficult to retain clients online due suspicions of internet by individuals than it is with offline where trust and confidence can be easily built.

Similarly, Eisingerich and Bell (2006), in their research paper entitled: *relationship marketing in the financial services industry*. The importance of customer education and participation for customer loyalty in a financial service context, discovered that customer education and participation through CRM enhances customer loyalty and hence retention. The study surveyed 1 260 clients of global financial services firms and the results supports the hypothesized model that customer education and participation are the strongest determinant of client loyalty and hence retention.

2.4.0 Benefits of CRM

From the literature surveyed benefits of CRM include improving customer loyalt, repeat purchase as well as long term profitability

2.4.1 Customer loyalty

Martin Christopher, Payne, and Ballantyne (1991) at the Cranfield School of Management in their study found out that key account management has the potential to forge a new synthesis between quality management, customer service management, and marketing. They see marketing and customer service as inseparable and as such KAM can enhance loyalty.

2.4.2 Repeat Purchase

According to a survey conducted by Adrian (2011) entitled *impact of key account management practices on business performance in the retail sector, Asia,* it was found out that CRM strategies also build barriers to customer switching. Of the 150 surveyed retail outlets, the results showed that 35% managed to lock their customers as a result of KAM practices and hence repeat purchase. The companies managed to retain their customers by product bundling (combining several products or services into one "package" and offering them at a single price), cross selling (selling related products to current customers), cross promotions (giving discounts

or other promotional incentives to purchasers of related products), loyalty programs (giving incentives for frequent purchases), increasing switching costs (adding termination costs, such as mortgage termination fees), and integrating computer systems of multiple organizations (primarily in industrial marketing).
However, Chanlee (2002), concluded otherwise in his research entitled " *key challenges to customer relationship management a case of Asian Automobiles*", he found out that CRM activities instead of leading to repeat purchases, raise unnecessarily operational costs and hence a higher price which results in customer defection as opposed to repeat purchases.

2.4.3 Long Term Profitability

Anderson Consulting Group (2007), in its study: *The role of CRM capabilities in SA financial sector* discovered that financial companies that enjoy the highest profits are those that have invested in developing CRM capabilities. The survey further indicated that the highest performing company gave frontline employees quick and easy access to critical customer information with channel partners outside their organization. In addition, Prater (2009), in his research paper titled: *transforming financial CRM from retention mode to growth mode,* CRM is a key differentiator for successful providers as objectives to expand from retention to growth through revenue generation. The study showed that CRM enhance company growth through increasing revenue generation.

3.1 Research Methodology and design

The researcher employed the descriptive survey method. The design is a very valuable tool for assessing opinion and trends. Sekaran (2000:125) writes, "The goal of descriptive study… is to describe (offer a profile) relevant aspects of phenomena of interest of the research…" The design is descriptive in nature as well as exploratory and as such is very relevant to the study. The method can also be used to elaborate on theory and or to gain a better 'understanding of economic or social issue under study. Another reason for choosing descriptive design was that it accommodated sample selection, which again was appropriate for a research in an industry where there are many players.

3.2 Population and sampling procedure

Cooper (2003) states that population is a total collection of elements about which the researcher wishes to make some inferences. The populations for this study consisted of all commercial banks in the capital city of Harare together with their respective corporate banking clients. Information was gathered from corporate bank executives, senior management as well as corporate clients. The commercial banks numbered to fourteen (14) and each bank had approximately 100 corporate clients. The population in this context thus is 1400 together with corporate executives and managers. Borrowing from Mbizi (2012), sampling involves the dividing of population into groups of elements with some groups randomly selected for study. The researcher used a simple random sampling. The population was too large for the researchers to attempt to survey all of its members and as such the researcher carefully chose a sample to represent the population. The sample reflected the characteristics of the population of the study. The researchers used a simple random sampling technique wherein he first identified the needed sample size. Then, the researchers assigned written codes to different banks and put them in a box and five paper codes were selected. This resulted in Agribank, ZB, FBC, TN Bank and CBZ being chosen. Consequently, respondents for clients were chosen from the same bank. Ten clients were taken from each of the five (5) banks selected for the study and ten (10) executives from each bank, thus the sample size is going to be 100. . According to VanDalen (2008), if the phenomena under study are homogeneous, a small sample is sufficient. Leedy (1985:152) concurs, "Obviously, if the population is markedly heterogeneous, a large sample will be needed than if the population is more nearly homogeneous". In Consideration of this argument, a sample of four senior and six middle employees offered a reasonable sample since the population under study was homogeneous due to similarity of duties and task performed by senior and middle managers in the organization. However, the sample size need not be too small so that the research findings may end up divorced from the actual researcher. Data was collected using personal interviews and questionnaires and analysed using SPSS package.

4.1 Findings and Discussion

A total of 100 questionnaires were distributed to bank executives and clients and a total of 60 questionnaires were returned, giving a 60% response rate. Meetings were arranged and data collected. Of the 60 respondents 18 were female and the remainder of 42 was male, giving a percentage of 68% male. This helped in data interpretation since the two sets of gender had a bearing in terms of paying attention to detail. On the same note 38% of the respondent had more than five years in their respective position, while only 7% had within a year experience. This was useful since the interviewed members had adequate experience and hence higher chances of giving relevant responses.

4.2.1 Research findings on CRM practices

The research findings indicated four major CRM practices in place in the surveyed financial institutions and their respective clients. These include customization (personalization), which refers to the extent to which a firm assigns one business representative to each customer and develops or prepares specific products for specific customers (Gronroos, 1994), collaborative CRM, key account management as well as customer prospecting. The research findings showed that the most popular practice is customization with 33%, followed by collaborative or interactive CRM with a 30% popularity rate while customer prospecting and key account management are the least popular with a 20% and 17% popularity rate respectively. The findings of the research in terms of CRM strategies or practices i.e. collaborative CRM (interactive), personalization, customer prospecting and tracking, as well as key account management conforms to both theory and other researcher's results for example with Anderson Consulting Group (2007), which also revealed the four but differs only on the most popular of the list, with the group`s findings pointing towards Key account management as the most popular with 60% rate, while the remaining share 40%. On the same note research findings revealed four major technologies used in relationship building with valuable clients topping the list in user rates being the internet and phones with cumulative user rate of 94%, while the remainder goes to the traditional model of ordinary letters(6%), these findings are in support once again of Anderson Consulting Group (2007). Also the results confirms Cheng and Wang (2008), in their study*: Does online relationship marketing enhance customer retention, India,* in which they found out that the best selling practices are those that include personalization and interactive management since modern customers are crazy and want unique products. The result also conforms to other writing for example Payne (1991).

4.2.2 Relationship between CRM and customer retention

The relationship between customer management practices and customer retention as found by the research is a strong positive relationship. Out of sixty respondents a cumulative number of 42 respondents were agreeing that there is a positive relationship between the two (i.e. 25 asserts a very strongly and 17 asserts just a strong relationship). However, eight were not sure of the effect and the remaining ten suggest that there is no relationship. Also results from hypothesis testing points towards the same conclusions as indicated by t- statistics for mean differences tested at 5% siginificance level at df = 16, the calculated t= 0.624 compared to the critical value t = 1.76. the research findings confirms Eisigerich & Bell (2006)`s findings that CRM if implemented properly enhances firm`s value.

4.2.3 Other Benefits of CRM implementation

The respondents suggested that there are four major benefit of key account management which are cross selling, customer loyalty, profitability and reduced customer switching. Of the 60 respondents 25 were agreeable that CRM leads to customer loyalty, with 17 contending cross selling, while 10 suggested that CRM reduces customer switching and only 8 were agreeable to profitability enhancement. 42% of the respondent contended that CRM practices lead to customer loyalty and hence retention of valuable clients. The results confirms Cheng and Wang (2008), in their study*: Does online relationship marketing enhance customer retention, India,* in which they found out that CRM boost organisational profitability, enhances long term value as well as brand loyalty

4.2.4 Challenges of CRM implementation

According to the research findings the main challenges of KAM implementation are inability to embrace the ever evolving CRM technologies by customers, financial constraints, network problems as well as lack of management commitment. In percentage terms, the major challenge is network failures with a 33% and the least one being lack of commitment by top management. This is summarized below by a pie chart:

4.2.5 Research conclusions

The conclusion of this study on the impact of customer relationship management practices on customer retention can be highlighted as:

- The major CRM practices are collaborative, customization, customer prospecting as well as key account management practices. The results shows that customization is the most popular and used practice, the reason given as that today's customer is dynamic and each financial product has to be tailored to his/ her requirements at any given time. Thus customer intimacy has to be the focal point of any thriving financial organization. In the same vain there has to be an interactive customer management to enhance customer retention.
- There is strong link between customer relationship management and customer retention as shown by the hypothesis tests carried out. This calls for implementation of CRM practices implementation to any forward thinking marketer to cultivate valuable long term relationships. Interactive as well as customization of financial products has to be done. Banks has to put in place measures that build long term relationships. Customers should be focal point for any organization. This calls for customer orientation.

- While the problem of customer switching was quite prevalent in some banks, it was observed that nothing was being done by the respective divisions to address the issue. There was in most cases lack of management commitment to fully embrace CRM.
- A lower user rate of CRM communication technologies was observed in some respondents. This was attributable to either inability by customers to fully embrace those communication technologies or loss of confidence by customer in use of certain technologies such us use of the internet.

5.1 Recommendations

In light of the above conclusions it is recommended that Head offices should launch in-house service workshops for all workers with a focus on CRM applications and practices. This will enhance full embracing of the concept by all employees as all employees are marketers and can help in relationship building with clients, even a security guard in a bank is a marketer and hence should be empowered with CRM knowledge. Also in light of the conclusion in terms of poor knowledge by customers banks should educate their clients and would be clients on how they can take advantage of the new communication technologies to maximize their financial value. Customers should be educated on how they can make use of the internet to enhance their business with their bankers i.e. how they can make use of internet banking, SMS banking in the comfort of their offices and also to keep themselves up dated of happenings in the market. In case of inadequate personnel to execute CRM solutions, organizations are recommended to hire experts in the discipline since it’s cheaper than having a department. Experts will assist in CRM implementation.

This research managed to discover some of the hidden strategies that can be employed by commercial banks to gain competitive advantage. It is the researchers` feeling that there is also a room for improvement as far as customer satisfaction is concerned. The researchers suggest that the next research should address issues affecting acceptance of the internet banking and how best can customers get to know its effectiveness. Further research should further explore on ways to improve the Internet banking service so as to reduce the risk of cyber crime associated with virtual transactions.

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