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Customer relationship management as a correlate of organizational performance in Nigerian banks

Fagbemi A.O[1] and Olowokudejo F.F[2]

[1]National Open University of Nigeria.

[2]University of Lagos, Nigeria.

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ABSTRACT

The main objective of this study is to find out if there is any relationship between Customer Relationship Management (CRM) and organizational performance in Nigerian banks. Relevant literature was reviewed and a model consisting of twenty six variables was conceptualized and tested by means of empirical data collected through a questionnaire survey. A total of two hundred and twenty four (224) copies of a questionnaire were administered, two hundred and eleven (211) copies were duly completed and returned. The result of the descriptive statistics shows that Customer Focused Services, Information and Communication Technology, Complaints Management, High Quality Service, Timeliness in Service Delivery, Security of Money, Friendliness of Employees, Ease of Opening Account, Competitive Charges on Services, Availability of Credit are CRM strategies used in Nigerian banks. It also reveals a difference in the perception of staff and customers. The result of the spearman rank correlation, Mann- Whitney U test and partial correlations provided support for these findings and confirm that there is a positive relationship between customer relationship management and organizational performance (as conceptualized by customer satisfaction, customer retention, increase in number of customers and increased net profit. It was also found that companies image and branch network intervene in the relationship between CRM and organizational performance.

Introduction

Nigerian banks operate in a very dynamic marketing environment as a result of rapid changes in technology, consumer tastes, economic and social forces. In order to survive, the banking industry like all other organizations must adapt to the changing business environment including changing customer needs and wants. To effectively adapt to the changing environment, achieve set goals and objective as well as improve organizational performance, organizations need to design different marketing strategies and policies that focus on the process of service delivery rather than the service itself (Eisingerich and Bell, 2006). Customer Relationship Management is one of such strategies.

Customer Relationship Management (CRM) is a term for methodologies, technologies and commercial capabilities used by companies to manage customer relationships. It is the establishment, development, maintenance and optimization of long term mutually valuable relationship between the customer and the organization. In the banking sector, CRM involves identifying the consumers' changing needs and creating services to satisfy these needs. It also involves communicating the availability and benefits of these services to customers and managing these services to persuade customers to use them at a profit thereby ensuring survival and success of the financial institution. CRM identifies the present and future markets, selects the markets to serve and identifies the progress of existing and new services.

This research concerns the Nigerian banks and their relationships with their customers. Although globally, performance in the banking industry has attracted considerable research not much study has been carried out about the performance of Nigerian banks, much less its relationship with the marketing strategy adopted. In order to fill this gap, this study will find out if there is any relationship between Customer Relationship Management and Organizational performance in Nigerian banks.

The paper is in seven sections. After this introduction, section two is on conceptual clarifications. Section three deals with methodology, section four presents the data gathered, section five discusses the findings while section six and seven are on conclusions and recommendations respectively.

Conceptual Clarification

There had been numerous definitions of CRM in the literature. Payne and Frow (2005), defines CRM as a strategy, the management of the dual creation of value, the intelligent use of data and technology, the acquisition of customer knowledge and the diffusion of this knowledge to the appropriate stakeholders. It also involves the development of appropriate (long-term) relationships with specific customers and/or customer groups, and the integration of processes across the many areas of the firm and across the network of firms that collaborate to generate customer value.

Customer Relationship Management (CRM) is a managerial philosophy that seeks to build long term relationships with customers. It is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to

Tele:

E-mail addresses: kudejomrs@yahoo.com

create superior value for the company and the customer (Du Plessis, Jooste and Strydom, 2001). 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. It was defined by Deighton (2005) as the process of separating a firm's high-value and low-value customers for the purpose of providing them differential levels of service. Berry (1983) defines it as attracting, maintaining and enhancing customer relationships in multi service organizations.

Other scholars studying services marketing, such as Gronroos (1990), Gummesson (1987), and Levitt (1983) have also defined CRM differently espousing 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 should be the focus and dominant paradigm of marketing. The implication of Gronroos' definition is that any relationship formed with customers should contribute towards meeting the objectives of both parties. Therefore CRM can be described as a "means to an end" and not an end in itself.

Organizational performance is described as the net result of the combined efforts of all individuals and groups in the organization. It is what the organization as a collectivity of management and employees succeed in achieving (Khandwalla, 1977). Organizational performance is one of the most important constructs in management research and without a doubt the singularly most important measure of the success of a commercial enterprise. Performance refers to the assessment of progress, at different organizational levels, toward achieving predetermined goals (Bourne et al., 2003). Prior research has studied business performance from different perspectives, such as financial performance, business unit performance, or organizational performance (Venkatraman and Ramanujam 1986). To measure organizational performance, one must consider the financial and non-financial performance of a firm (Avlonitis, Papastathopoulou, and Gounaris 2001; Gounaris, Papastathopoulou, and Avlonitis, 2003).

The definition of organizational performance is problematic because it varies, depending on the viewpoint from which it is being assessed. For example, from society's viewpoint performance may be assessed in terms of efficiency of production of products or services needed by the society. From the owners' viewpoint, profitability and growth rate in earnings may be the criteria, while employees may assess performance from how well employees are being treated. Customers may look at product quality, prompt delivery and competitive pricing. Since management must take into account the various expectations of these groups in setting its goals, management's criteria for assessing companies' performance may be assumed to adequately reflect the concerns of others groups such as: society, employees, suppliers and customer (Khandwalla, 1977).

Financial performance refers to a measure of how well a firm uses assets from its primary mode of business to generate revenues while non-financial performance is a long-term operational objective that emphasizes the importance of increasing customer loyalty, attracting new customers, and enhancing the image and reputation of a firm (Blazevic and Lievens 2004). It is also to create better profits and sales performance especially in the financial service sector.

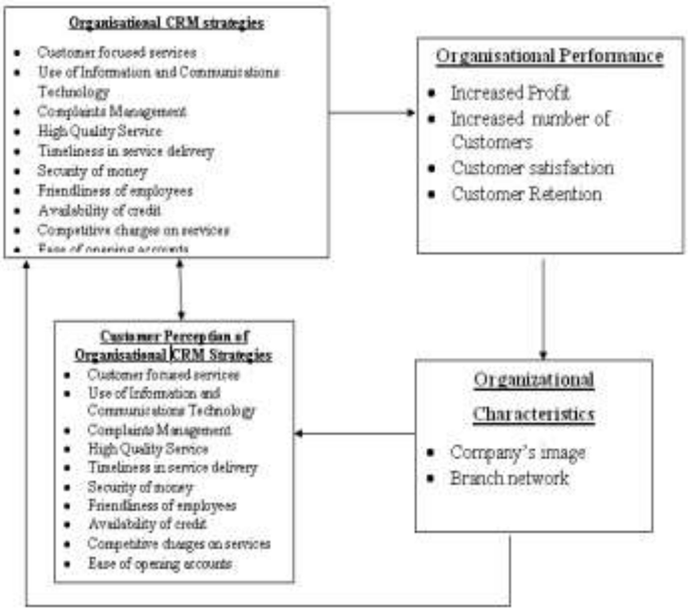
Investing in customer relationship management (CRM) enhances a stronger, more trusting relationship between the customer and the organization (Morgan and Hunt, 1994) as well as improved organizational performance (DeWulf, Odikerken-Schroder and Issobucci (2001). CRM explicitly recognizes the long-run value of potential and current customers, and seeks to increase revenues, profits, and shareholder value through targeted marketing activities directed towards developing, maintaining, and enhancing successful company-customer relationships (Berry, 1983; Morgan and Hunt, 1994; Gronroos, 1990). All these require an in-depth understanding of the CRM variables and the effect that it is expected to have on customers and organizational performance.

The Study Model

In order to achieve this, the researchers developed a model of the relationship between customer relationship management and organizational performance as shown in Figure 1 was developed for the study. CRM is conceptualized through ten variables which are Customer Focused Services, Information and Communication Technology, Complaints Management, High Quality Service, Timeliness in Service Delivery, Security of Money, Friendliness of Employees, Ease of Opening Account, Competitive Charges on Services, Availability of Credit. The two organizational characteristics variables are companies' image and branch network while the organizational performance variables are customer satisfaction, customer retention, increase in number of customers and increased net profit. These were all selected from previous studies on CRM.

From the model, organizational characteristics influence the customers' perception of an organization's CRM strategies. It also influences the organization's CRM strategies. The customers' perception influences the CRM strategies adopted by the organization while the CRM strategies adopted also affects the customers' perception and leads to organizational performance.

Figure 1: A model of the relationship between customer relationship management and organisational performance



Source: Researchers, 2009

Methodology

The study population consists of the twenty five banks in Nigeria. Eight banks representing 25% of the total population of banks were chosen as the sample size. A survey research design was adopted.

Two instruments were designed to gather information on the model. These variables were scored on a 5-point Likert scale of 1-5 from strongly agree to strongly disagree respectively. For example to find out if 'competitive rate' is one of the CRM variables adopted by a bank, the question is stated thus:

	5	4	3	2	1
Question	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Our rates are competitive					
Our rates enhance customer acquisition					

The average of all the answers to the questions that relate to any particular variable is summed up and averaged to determine the rating of that variable.

Reliability and Validity of the Study

The research instruments were validated using theoretical validity and content validity. The theoretical validity of this study is established by developing the measures of the variables under study from well-grounded theory and literature from other studies. The content validity is established by giving a set of the draft questionnaire to ten companies' executives and ten professors and senior lecturers of management. These experts reviewed the content of the items in each of the instruments and confirmed that the items were within the linguistic capabilities and understanding of the respondents. A pilot study was also carried out to test the reliability of the measures. For customers, the Cronbach alpha is 0.926 for 60 items on the questionnaire while for staff, the Cronbach alpha is 0.818 for 59 items on the questionnaire. These alpha levels are above the required 0.70 therefore the instruments can be said to be reliable.

Data Analysis

Two hundred and twenty four (224) copies of questionnaires were administered to the banks. Out of these, two hundred and eleven (211) copies were returned. This represents a response rate of 89.11%. The questionnaire is in 2 sections, section A asks about the demographic characteristics of the respondents while section B elicits responses on customer relationship management and organizational performance. As the scale of the instrument used in this research is ordinal, the appropriate statistics for the data generated are the nonparametric statistics (Schindler and Cooper, 2001). Tables 1a and 1b are on the responses to the extent to which organizations use the CRM strategies.

The respondents were asked to rate the extent to which their organizations use the identified CRM strategies in their organization.. The responses on the opinion of staff in contrast to that of customers are as follows: Ninety eight percent of staff in contrast to 75.6% of customers claim that their organizations use customer focused services to a large or very large extent; 98% of staff in contrast to 86.4% of customers claim that their organizations use information and communication technology to a large or very large extent; 95.8% of staff in contrast to 72.1% of customers claim that their organizations use complaint management to a large or very large extent; 99% of staff in contrast to (83.5%) of the customers claim that their organizations use delivery of high quality service to a large or very large extent. Similarly, 95.8% of staff in contrast to 71.5% of customers claim that their organizations use timeliness in service delivery to a large or very large extent; 95.8% of staff in contrast to 78.3% of customers claim that their organizations use friendliness of the employees to a large or very large extent; 71.9% of staff in contrast to 53.1% of customers claim that their organizations use charges on services to a large or very large extent; 96.3% of staff in contrast to 77.4% of customers claim that their organizations use ease of opening account to a large or very large extent. Also, responses show that 99% of the staff in contrast to that 88.9% of the customers claim that their organizations use security of money to a large or very large extent; responses show that 87.6% of the staff and 36.4% of the customers claim that their organizations use availability of credit to a large or very large extent.

The respondents were also asked to state any other CRM strategy that is used in their organization but which is not listed in the questionnaire.. The bank staff listed the following: Automated complaint management system, confidential feedback mechanism, organizing 'promo' events, personnel management, 24 hour customer contact center, personal visit and and messages, as well as total quality management. The bank customers listed the following: Banking on call, transparency and visit from bank staff.

The following three hypotheses were tested.

H $_{01}$: There is no relationship between CRM strategies and organizational performance in banks

H $_{02:}$ There is no difference in the perception of CRM strategies by employees and customers of Nigerian banks.

H $_{03}$: Organizational characteristics do not intervene in the relationship between CRM and organizational performance in banks.

Hypothesis 1 is tested using the Spearman's correlation coefficient. Hypothesis 2 is tested using Spearman partial correlation coefficient. Hypothesis 3 is tested using the Mann-Whitney U test.

Relationship between CRM Strategies and Organizational Performance in Banks

Hypothesis 1 is used to test if there is any relationship between any of the CRM variables and any organizational performance variable. The hypothesis, **H $_{01}$** is stated as follows:

H $_{01}$: There is no relationship between CRM strategies and organizational performance in banks

This hypothesis was tested separately for bank staff and bank customers and the Spearman rank correlation coefficient was used to test this hypothesis. The result of the analysis is presented in Table 2. There is a correlation between customer retention and the following CRM variables: complaint management, timeliness in service delivery, security of money and ease of opening account; therefore the hypothesis that there is no relationship between CRM strategies and organizational performance in banks is accepted for these four variables and rejected for the remaining six CRM variables.

For customer satisfaction, there is a correlation between customer focused services, high quality services, security of money, friendliness of employees, competitive charges on services, availability of credit and customer satisfaction; therefore the hypothesis that "there is no relationship between CRM strategies and organizational performance in banks" is rejected for these variables and accepted for the remaining four CRM variables.

There is a correlation between increase in profit and increase in number of customers and all the CRM strategies; therefore the hypothesis that "there is no relationship between CRM strategies and organizational performance in banks" is rejected for all the variables. Similarly, the spearman rank correlation coefficient was used to test the hypothesis of no relationship between CRM Strategies and organizational performance in banks using the responses of the banks customers. The analysis is presented in Table 3.

There is a correlation between all the organizational performance variables and all the CRM variables. However, no correlation was found between any organizational performance variable and ease of opening account. Therefore, the hypothesis that "there is no relationship between CRM strategies and organizational performance in banks" is accepted for ease of opening accounts.

A Comparison of the perception of CRM strategies by employees and customers of Nigerian banks

Hypothesis 2 was used to test for the difference in the perception of CRM strategies by employees and customers of Nigerian banks. The hypothesis, H_{02} is as follows:

$H_{02:}$ There is no difference in the perception of CRM strategies by employees and customers of Nigerian banks.

The Man Whitney u test of hypothesis was conducted for this hypothesis. The results from the analysis are presented in Table 4:

Customer focused services, use of information and communication technology, complaint management, high quality services, friendliness of employees, competitive charges on services and ease of opening account all have p values of 0.000 indicating a significant difference in the perception of bank staff and employees. Only timeliness in service delivery has a p value of 0.292 indicating no significant difference.

This suggests that there is a significant difference between the perception of Customer focused services, use of information and communication technology, complaint management, high quality services, friendliness of employees, competitive charges on services and ease of opening account by employees and customers of Nigerian banks at 95% confidence interval and the hypothesis is rejected. However there is no significant difference between the perception of timeliness in service delivery by employees and customers of Nigerian banks at 95% confidence interval and the hypothesis is accepted for timeliness in service delivery alone.

Intervention of Organizational characteristics between CRM and organizational performance relationship in banks

Hypothesis 3 was used to test whether organizational characteristics intervene in the relationship between CRM and organizational performance in banks. The hypothesis, H_{03} is stated below:

$\mathbf{H_{03}}$: Organizational characteristics do not intervene in the relationship between CRM and organizational performance in banks.

This hypothesis was conducted separately for staff and customers. The partial correlation was used to test this hypothesis. The two variables of organizational characteristics selected are branch network and companies' image. Using each of these variables as the control variable, the results from the analysis are presented in Tables 5, 6, 7 and 8.

Discussion of Findings

For bank staff; there is a positive relationship between complaint management and ease of opening account with customer retention. There is also positive relationship between customer focused services, high quality services, friendliness of employee, competitive charges on services and availability of credit with customer satisfaction. No relationship was found between all the other variables for bank staff. However, there is a positive relationship between increase in profit and increase in number of customers and all the CRM variables

Companies' image and branch network do not intervene in the relationship between customer focused services, information and communication technology, high quality service, timeliness in service delivery, security of money, friendliness of employees and competitive charges on services and customer retention. They only intervene in the relationship between complaints management, availability of credit and ease of opening account and customer retention. On the other hand, companies' image and branch network do not intervene in the relationship between information and communication technology, complaints management, timeliness in service delivery, security of money, friendliness of employees, ease of opening account and competitive charges on services and customer satisfaction. But they intervene in the relationship between customer focused services, high quality service and availability of credit and customer satisfaction. Also, companies' image and branch network intervene in the relationship between increase in profit and increase in number of customers and all the CRM variables. When a high percentage of the customers are satisfied, they 'remain' with the organization, hence we say there is customer retention. This adds to the number of customers of the organization, hence profit increases.

For bank customers; there is a relationship between all CRM variables and all organizational performance variables except ease of opening account. Companies' image and branch network intervenes in the relationship between increase in profit and increase in number of customers and all the CRM variables. Similarly, companies' image and branch network intervene in the relationship between customer focused services, information and communication technology, complaints management, high quality service, friendliness of employees, competitive charges on services and availability of credit and customer retention. But they do not intervene in the relationship between timeliness in service delivery, security of money and ease of opening account and customer retention. On the other hand, companies' image and branch network intervenes in the relationship between all the CRM variables and customer satisfaction except for 'ease of opening account'.

The service offered by the banking industry is based on trust; customers consider companies' image (perception of the organization) and branch network (accessibility of their funds) very important. Generally, the other CRM variables seem to be more important than 'ease of opening account' to the customers. This is because since an account is opened only once in the 'lifetime' of the transaction, once other CRM variables are in place, they can manage to go through the 'stress' of opening account'

The positive relationship found between CRM and organizational performance in Nigerian banks agrees with the findings of Mohini(2002); Brandon & Randall(2007); Mosad (1995); Goldfinger(2001); Schwepker (2003) and Huang & Lin (2005) that a successful implementation of CRM leads to an effective organizational performance. This study has also provided evidence that there is a relationship between Customer Relationship Management and Organizational performance in Nigerian financial institutions, in agreement with the study of Mithas, Krishnan and Fornell (2005) and Jayachandran, Sharma, Kaufman and Raman(2005).

Table 1a: Responses on the extent to which organizations use the CRM strategies

	Customer focused services		Information & Communication Technology		Complaints Management		Quality of Services		Timeliness in Service Delivery	
	A *(n = 98)*	B *(n=113)*	A *(n = 98)*	B *(n = 113)*	A *(n = 98)*	B *(n =113)*	A *(n = 98)*	B *(n = 113)*	A *(n = 98)*	B *(n = 113)*
Very Large Extent (5)	62.9%	32.4%	69.1%	45.9%	63.2%	16.2%	80.4%	36.7%	70.5%	28.4%
Large Extent(4)	35.1%	43.2%	28.9%	40.5%	32.6%	55.9%	18.6%	46.8%	25.3%	43.1%
Undecided(3)	1.0%	18.9%	1.0%	8.1%	4.2%	13.5%	1.0%	11%	1.1%	15.6%
Small Extent(2)	0	3.6%	1.0%	4.5%	0	11.7%	0	4.6%	3.2%	10.1%
Very Small Extent(1)	1.0%	1.8%	0	0.9%	0	2.7%	0	0.9%	0	2.8%

Source: *Field survey, 2010*
KEY:
A= staff
B= customer

Table 1b: Responses on the extent to which organizations use the CRM strategies

	Friendliness of Employees		**Charges on Services**		**Ease of opening account**		**Security of money**		**Availability of credit**	
	A ***(n = 98)***	B ***(n = 113)***	A ***(n = 98)***	B ***(n = 113)***	A ***(n = 98)***	B ***(n = 113)***	A ***(n = 98)***	B ***(n=113***	A ***(n = 98)***	B ***(n = 113)***
Very Large Extent (5)	68%	39.6%	43.8%	18.9%	75.6%	37.8%	93.8%	62%	46.4%	19.1%
Large Extent(4)	27.8%	38.7%	28.1%	34.2%	20.7%	39.6%	5.2%	26.9%	41.2%	17.3%
Undecided(3)	2.1%	12.6%	4.2%	21.6%	0	9.9%	1%	9.3%	10.3%	32.7%
Small Extent(2)	2.1%	5.4%	13.5%	18.9%	1.2%	12.6%	0		1%	17.3%
Very Small Extent(1)	0	3.6%	10.4%	6.3%	2.4%		0	1.9%	1%	13.6%

Source: *Field survey, 2010*

KEY:
A= staff
B= customer

Table 2: Spearman Rank Correlation for the Relationship between CRM Strategies and Organizational Performance in Banks using the Responses of Bank Staff

	CRM variables		**Customer retention**	**Customer satisfaction**	**Increase in profit**	**Increase in no of customers**
Spearman's rho	customer focused service	Correlation	-0.102	.283*	0.022	0.332
		P-value	0.319	0.005	0.019	0.000
	information and communication technology	Correlation	-0.025	0.117	0.245	0.451
		P-value	0.805	0.253	0.017	0.000
	complaint management	Correlation	.422*	0.055	0.565	1.319
		P-value	0	0.593	0.007	0.002
	high quality service	Correlation	0.065	.377*	0.895	0.215
		P-value	0.529	0	0.010	0.011
	timeliness in service delivery	Correlation	0.201*	-0.1	1.217	0.599
		P-value	0.05	0.332	0.000	0.030
	security of money	Correlation	-0.022*	0.836	0.800	0.101
		P-value	0.034	0.018	0.000	0.000
	friendliness of employee	Correlation	0.04	0.207*	0.784	0.041
		P-value	0.7	0.043	0.004	0.020
	competitive charges on service	Correlation	-0.151	.261*	0.473	0.217
		P-value	0.145	0.011	0.050	0.049
	ease of opening account	Correlation	.526*	0.026	0.511	0.317
		P-value	0	0.803	0.011	0.000
	availability of credit	Correlation	0.086	.328*	0.336	0.087
		P-value	0.407	0.001	0.006	0.010

Source: *Field survey, 2010* *. Correlation is significant at the 0.05level

Table 3: Spearman Rank Correlation for the Relationship between CRM Strategies and organizational performance in banks using the responses of the banks customers

			customer retention	customer satisfaction	Increase in profit	Increase in customer
Spearman's rho	customer focused service	Correlation	.475*	.416*	0.423*	0.185*
		P-value	0.000	0.000	0.000	0.035
	information and communication technology	Correlation	.481*	.500*	0.435*	0.869*
		P-value	0.000	0.000	0.000	0.018
	complaint management	Correlation	.485*	.532*	0.074*	0.070*
		P-value	0.000	0.000	0.050	0.026
	high quality	Correlation	.563*	.446*	0.101*	0.297*
		P-value	0.000	0.000	0.041	0.003
	timeliness in service delivery	Correlation	.255*	.339*	0.284*	0.762*
		P-value	0.007	0.000	0.037	0.028
	security of money	Correlation	0.144	.318*	0.256*	0.239*
		P-value	0.029	0.001	0.001	0.001
	friendliness of employee	Correlation	.473*	.451*	0.290*	0.137*
		P-value	0.000	0.000	0.001	0.009
	competitive charges on service	Correlation	.443*	.486*	0.684*	0.576*
		P-value	0.000	0.000	0.029	0.000
	ease of opening account	Correlation	0.153	0.173	0.521	0.458
		P-value	0.11	0.069	0.073	0.052
	availability of credit	Correlation	0.501*	.476*	0.631*	0.790*
		P-value	0.000	0.000	0.000	0.000

Source: *Field survey, 2010* *. Correlation is significant at the 0.05level

Table 4: Man Whitney u test to compare the perception of CRM strategies by employees and customers of Nigerian banks

	Mann-Whitney U	P-value
customer focused service	3,091.500*	0.000
information and communication technology	3,729.000*	0.000
complaint management	2,878.500*	0.000
high quality	3,231.000*	0.000
timeliness in service delivery	5,066.000	0.292
friendliness of employee	2,965.500*	0.000
competitive charges on service	2,179.000*	0.000
ease of opening account	2,046.000*	0.000

Source: *Field survey, 2010* *. Correlation is significant at the 0.05level

Table 5: Partial Correlation to test the Intervention of companies image between CRM and organizational performance relationship in banks using the responses of staff

			customer retention	customer satisfaction	Increase in profit	Increase in customer
Companies' image	customer focused service	Correlation	0. 361	0.351*	0.446*	1.169*
		P-value	0.095	0.001	0.000	0.000
	information and communication technology	Correlation	0.998*	0.137	0.124*	0.606*
		P-value	0.000	0.189	0.000	0.000
	Complaints management	Correlation	0.0536*	0.095	0.591*	0.857*
		P-value	0.000	0.36	0.001	0.010
	high quality service	Correlation	0.521*	0.266*	0.398*	0.348*
		P-value	0.006	0.010	0.041	0.003
	timeliness in service delivery	Correlation	0.127	-0.054	0.694*	0.652*
		P-value	0.222	0.607	0.032	0.020
	security of money	Correlation	0.745*	0.81*	0.190*	0.835*
		P-value	0.034	0.025	0.030	0.000
	friendliness of employee	Correlation	0.945*	0.141	0.447*	0.305*
		P-value	0.007	0.175	0.019	0.001
	competitive charges on service	Correlation	0.087*	0.114*	0.297*	0.375*
		P-value	0.040	0.024	0.000	0.013
	ease of opening account	Correlation	0.549*	0.025	0.228*	0.972*
		P-value	0.000	0.809	0.011	0.000
	availability of credit	Correlation	0.423*	0.255*	0.764*	0.400*
		P-value	0.000	0.013	0.025	0.006

Source: *Field survey, 2010* *. Correlation is significant at the 0.05level

Table 6: Partial Correlation to test the Intervention of branch network between CRM and organizational performance relationship in banks using the responses of staff

Control Variable			customer retention	customer satisfaction	Increase in profit	Increase in customer
branch network	customer focused service	Correlation	-0.062	0.277*	0.754*	0.133*
		P-value	0.55	0.007	0.006	0.000
	information and communication technology	Correlation	0.017	0.096	0.319*	0.205*
		P-value	0.868	0.359	0.000	0.002
	complaint management	Correlation	0.538*	0.106	0.972*	0.251*
		P-value	0.000	0.311	0.05	0.018
	high quality service	Correlation	0.703*	0.304*	0.85*	0.442*
		P-value	0.04	0.003	0.000	0.006
	timeliness in service delivery	Correlation	0.158	-0.125	0.4*	0.055*
		P-value	0.128	0.231	0.02	0.012
	security of money	Correlation	0.038	0.015	0.668*	0.606*
		P-value	0.715	0.886	0.01	0.007
	friendliness of employee	Correlation	-0.023	0.202	0.424*	0.187*
		P-value	0.828	0.051	0.022	0.000
	competitive charges on service	Correlation	-0.101	0.141	0.838*	0.526*
		P-value	0.332	0.175	0.023	0.015
	ease of opening account	Correlation	0.553*	0.937*	0.781*	0.6*
		P-value	0.000	0.008	0.000	0.001
	availability of credit	Correlation	0.428	0.253*	0.621*	0.287*
		P-value	0.000*	0.014	0.044	0.03

Source: *Field survey, 2010* *. Correlation is significant at the 0.05level

Table 7: Partial Correlation to test the Intervention of companies image between CRM and organizational performance relationship in banks using the responses of Customers

Control Variables			customer retention	customer satisfaction	Increase in profit	Increase in customer
companies image	customer focused service	Correlation	0.39*	0.283*	0.421*	0.382*
		P-value	0.000	0.004	0.000	0.000
	information and communication technology	Correlation	0.322*	0.263*	0.556*	0.411*
		P-value	0.001	0.007	0.001	0.000
	complaint management	Correlation	0.408*	0.435*	0.64*	0.51*
		P-value	0.000	0.000	0.004	0.012
	high quality	Correlation	0.389*	0.241*	0.392*	0.149*
		P-value	0.000	0.014	0.01	0.05
	timeliness in service delivery	Correlation	0.161	0.277*	0.242*	0.188*
		P-value	0.103	0.004	0.006	0.011
	security of money	Correlation	0.123*	0.288*	0.381*	0.522*
		P-value	0.013	0.003	0.002	0.014
	friendliness of employee	Correlation	0.3*	0.258*	0.447*	0.701*
		P-value	0.002	0.008	0.001	0.029
	competitive charges on service	Correlation	0.341*	0.402*	0.308*	0.612*
		P-value	0.000	0.000	0.01	0.000
	ease of opening account	Correlation	0.08	0.087	0.811*	0.212*
		P-value	0.42	0.378	0.000	0.003
	availability of credit	Correlation	0.356*	0.298*	0.747*	0.183*
		P-value	0.000	0.002	0.008	0.000

Source: *Field survey, 2010* *. Correlation is significant at the 0.05level

Table 8: Partial Correlation to test the Intervention of between CRM and organizational performance relationship in banks using the responses of Customers

Control Variables			customer retention	customer satisfaction	Increase in profit	Increase in customer
branch network	customer focused service	Correlation	0.444*	0.342*	1.241*	0.191*
		P-value	0.000	0.000	0.000	0.000
	information and communication technology	Correlation	0.458*	0.411*	1.302*	0.317*
		P-value	0.000	0.000	0.01	0.001
	complaint management	Correlation	0.489*	0.507*	0.417*	0.157*
		P-value	0.000	0.000	0.002	0.015
	high quality	Correlation	0.527*	0.401*	0.000*	0.000*
		P-value	0.000	0.000	0.003	0.01
	timeliness in service delivery	Correlation	0.195*	0.285*	0.318*	0.29*
		P-value	0.047	0.003	0.000	0.014
	security of money	Correlation	0.152*	0.287*	0.253*	0.132*
		P-value	0.023	0.003	0.000	0.000
	friendliness of employee	Correlation	0.486*	0.446*	0.887*	0.414*
		P-value	0.000	0.000	0.001	0.000
	competitive charges on service	Correlation	0.411*	0.460*	0.45*	0.724*
		P-value	0.000	0.000	0.01	0.021
	ease of opening account	Correlation	0.128	0.137	0.313*	0.85*
		P-value	0.197	0.165	0.000	0.01
	availability of credit	Correlation	0.474*	0.426*	0.182*	0.533*
		P-value	0.000	0.000	0.04	0.002

Source: *Field survey, 2010* *. Correlation is significant at the 0.05level

Conclusion

The main objective of this study is to find out if there is any relationship between customer relationship management and organizational performance in Nigeria banks and findings show that there is a relationship between CRM and organizational performance in Nigerian banks. The importance of CRM strategies in a competitive banking environment like Nigeria is also confirmed.

Organizational characteristics such as companies' image and branch network intervene in the relationship between CRM and organizational performance in the banking industry. Organizations should therefore recognize the importance of the image they build for themselves. The spread of their branch network is also crucial to the survival, growth and enhanced performance of their organization.

A comparison of the perception of employees and customers of the CRM strategies show that they have a significantly different perception of all the CRM strategies except timeliness in service delivery. While the staff rate themselves high in the implementation of CRM practices in their organization, the customers rate them low. **C**RM can only be said to truly exist if and when the customer says there is one (Barnes 1997) and not when the company marketing department suggests that they have one in place. The organizations will be making a mistake, if they believe that their customers' perception of their organizations CRM strategies is the same as that of their staff's perception. The organization should therefore find ways of educating their customers on their marketing plans and strategies.

Recommendations

A major objective of any business concern is the profit maximization objective and an effective and efficient performance of the organization. Hence, Nigerian banks should continue to invest in the practice of CRM strategies. They should improve on the CRM strategies they have already adopted. There is need for them to concentrate more on customer focused services, complaint management, friendliness of employees, competitive charges on services, information and communication technology, high quality service, security of money, availability of credit and other CRM variables of the study as findings have shown that commitment to the use of these variables lead to customer satisfaction, customer retention, increase in profit and increase in number of customers for the organization.

The perception of staff is different from the perception of customers. This could be a result of inadequate communication between these organizations and their customers. Therefore, organizations should regularly organize stakeholders' forum where they will enlighten their customers and other stakeholders on issues of common interest such as the development and implementation of new marketing strategies. This will also afford them the opportunity to have input from these stakeholders and synchronize all the opinions expressed so that perceptions of the organization tallies with that of their staff.

Both companies' image and branch network are found to intervene in the relationship between CRM and organizational performance but findings show that companies' image is more important. Hence, banks should concentrate more on improving the companies' image than in the proliferation of branches.

Findings show that the computer breakdown is a major concern to customers. Management should therefore strive to achieve a state of 100% efficiency in on line services by reducing the frequency of computer breakdowns and computer down time.

The banks are doing quite well in complaints management as findings show that both staff and customers agree that complaints are treated with high priority. Banks should continue to treat complaints with the seriousness they deserve. Effective complaint management process benefits a firm, as it positively influences customers' perception of product quality and the generation of favorable word-of-mouth (Blodgett and Andersons, 2000). Few customers claim that their banks make loans available to them. Banks therefore need to do more in this regard by giving loans to more deserving customers.

The relationship between ease of opening account and organizational performance is not significant for any of the four organizational performance variables. Ease of opening account does not seem to be too important to the customers; banks should therefore channel their energy towards other CRM variables and pay less attention to ease of opening account.

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