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## The Adoption of Customer Relationship Management System by Commercial Banks in Nigeria and Its Effects on Customer Retention

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### **Abstract:**

*With the increasing competition in the service industry, there is need for every service oriented firm to ensure that they have a competitive advantage over other firms. This revolves around ensuring that customers are retained and not lost to other firms. To be able to attain this objective CRM system was developed. CRM system is the most innovative process to create loyalty by maintaining a long term relationships of trust between customers and organizations. It is a broadly recognised, widely-implemented strategy for managing and nurturing a company's interactions with customers and sales prospects. However, the adoption of CRM system in Nigerian banks has been slow despite the advantages associated to the adoption of CRM system. This study therefore aimed at determining the factors that affect the adoption of CRM strategies in Nigerian banks. The specific objectives included identifying the extent of adoption of CRM systems among Nigerian banks; benefits; challenges; and factors affecting the adoption of CRM systems in banks in Nigeria. Cross sectional research design was used to carry out the study. Respondents and participants for the study included employees from commercial banks in Nigeria. Purposive sampling method was used to select the participants and the respondents and interviews or questionnaires administered to collect data. The data was then analysed using SPSS version 20 and MS Excel 2007. From the findings, respondents unanimously agreed that the CRM system helped banks to understand their customers' demography and analyzed loan performance with the highest score of 84.8%. Additionally, adoption of CRM was reported to ensure personalized attention is provided by the banks to the customers and enabled the banks to conduct risk analysis and increase customer service effectiveness. The study found out that the adoption of CRM ensures the professional behaviour of the employees of the bank and developed and improved new products for the customers. However, respondents strongly agreed that chances of CRM failure are possible. Other CRM adoption challenges highly rated included need for further training of IT staff to efficiently operate the CRM systems. The study recommended that CRM systems require continuous maintenance, information updating and system upgrading.*

### **1. Introduction**

The business of consumer market has witnessed several changes over the past years. The service market has become a very competitive place for businesses as the customers have become more demanding and the competition grows stronger every day (Nguyen, Sherif and Newby, 2007). The increased competition has resulted in difficulties for companies to keep their customers without introducing customer-focused programs. It is more efficient to keep and develop existing customer relationships than to create new ones; as argued by Reichheld (2003), there is continuous recognition among firms that it costs more to attract new customers than retain existing customers due to high operating expenses incurred by companies in their advertising and marketing campaigns.

The development of Customer Relationship Management (CRM) was coupled by the significant advances in information technology (IT) provided businesses with an opportunity to maintain and nurture customer relationships more effectively through CRM systems (Zineldin, 2000). As Rogers (2005) observes, some companies have created management positions for chief customer officers, chief relationship officers, directors of customer experience and even customer value officers. Even the traditional title of 'Marketing Manager' in most service organizations has been changed to 'Relationship Manager'.

CRM system 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" (Parvatiyar and Sheth, 2001). CRM system is a comprehensive strategy and process which focuses to establish, maintain, and enhance relationship with customers to create value for the organisation (Jham and Kalem, 2008).

Given that CRM systems is widely adopted by many organizations as a strategic orientation, it is important to address the factors that might affect the adoption of CRM system. This will help in the implementation of the CRM systems and help the service industry gain benefits from the implementation of such strategies. This study therefore aims at identifying the factors that are affecting the use of CRM system in Nigerian commercial banks.

CRM system is identified by firms in the service industry as a strategy that enables them to have an edge in marketing their services. CRM system ensures improved customer relations which in turn develops loyalty that ensures banks retain their customers. Good customer relationships are at the heart of business success, and a working CRM system provides increased profitability.

Therefore, 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. However, despite the advantages derived from using CRM system in the banking industry, its adoption in Nigerian banks has been slow (Young, 2003). Bull (2003) argues that although success stories of CRM system implementation can be found, it is not easy to implement a successful CRM strategy. According to a survey conducted by Giga (2001), about 70 per cent of service firms that try to implement a CRM strategy find it quite difficult to succeed with it. The reasons for their failures are difficult to identify by the firms. In addition, the survey found that companies do not understand the complexity of CRM systems. They did not have a clear objective in their business and they did not invest enough money in the provision of CRM system software (Bull, 2003). A company's CRM system strategy is affected by both internal and external factors that make the implementation of the strategy harder (Dimitriadis and Stevens, 2008).

Due to this scanty information, there are several questions that remain unanswered: to what extent have commercial banks adopted CRM system? What are the benefits of using CRM in the banking industry? What are the challenges affecting CRM system strategies implementation? What are the factors that affect the adoption of CRM system in the banking industry? This study interrogated the data that was collected in the Nigerian banking industry in relation to these broad questions that are emerging around the issue of factors affecting the adoption of CRM system in the banking industry, and suggests areas of purposeful focus for policy attention.

The general objective of this study was to assess the factors that affect the adoption of CRM system in Nigerian commercial banks. Specifically, the study was to;

- a) Determine the extent of adoption of CRM systems among Nigerian commercial banks.
- b) Establish the benefits and challenges of using CRM system in the Nigerian commercial banks.

The Nigerian commercial banks, according to recent statistics by Central Bank of Nigeria, are 21 in number. The study considered all the banks.

1. Access Bank Plc	11. Key Stone Bank
2. Citibank Nigeria Limited	12. Main Street Bank
3. Diamond Bank Plc	13. Skye Bank Plc
4. Ecobank Nigeria Plc	14. Stanbic IBTC Bank Ltd.
5. Enterprise Bank	15. Standard Chartered Bank Nigeria Ltd.
6. Fidelity Bank Plc	16. Sterling Bank Plc
7. First Bank of Nigeria Plc	17. Union Bank of Nigeria Plc
8. First City Monument Bank Plc	18. United Bank For Africa Plc
9. Guaranty Trust Bank Plc	19. Unity Bank Plc
10. Heritage Banking Company Ltd.	20. Wema Bank Plc
	21. Zenith Bank Plc

Table 1: Commercial banks Directory 15<sup>th</sup> March, 2015. Source: Central Bank of Nigeria

This study majorly used primary data collection methods. The tool for collecting primary data was a semi structured questionnaire.

The rest of the paper is structured as follows. Section two discusses the literature review. Section three presents our research methodology while the research findings and discussions are presented in section four, and section five concludes.

## 2. Literature Review

This section represents the literature related to the specific objectives of the study as presented in the previous section. Areas covered under this section include: customer relationship management systems, objectives of CRM system, benefits of CRM systems, challenges to the adoption of CRM systems and factors affecting the adoption of CRM systems.

### 2.1. Customer Relationship Management System

The term CRM is not crystal clear. There is confusion about what it stands for or what it means and how to implement it. As a result, CRM has different meanings depending on who you ask. (Payne and Frow, 2005). There are various opinions about CRM and from which aspects one can see it. Chenand and Popovich (2003) refer to CRM as a combination of people, process and technology. These three parts aim at understanding the customers and managing the relationships with them since it focuses on customer retention and relationship development.

Crosby and Johnson (2000) argue that CRM needs to include a business strategy, supported by technology and human resources. The strategy also needs to align relevant processes in connection to CRM and shall be focused on building proactive customer relationships that build profitable customer loyalty for the organization and support the desired customer expectations, (Crosby and Johnson, 2000).

### 2.2. Benefits of CRM systems

Before development of the concept of CRM, it was initially relationship building that according to Grönroos (2004) had the main objective of; Offer more security; Feeling of control; Sense of trust; Minimized risks; and reduced costs of being a customer.

Grönroos (2004) explains that an on-going relationship with customers will help in providing a sense of security, trust and feeling of control. Through studies, Xu and Walton (2005) have concluded that the major reasons corporation managers are implementing CRM are: Improve Customer Satisfaction; Retain Existing Customers; Provide Strategic Information; and Improve Customer Lifetime Value.

CRM system improves marketing productivity thus ensuring superior value creation. Relationship marketing has the potential to improve marketing productivity by making marketing more effective and efficient (Rigby, Reichheld and Dawson 2003). Marketing practices become more effective because, on the one hand, the individual customer's needs are better addressed, and on the other, consumer involvement in the development of marketing practices leads to greater consumer commitment to the marketer's programs.

As concerns achieving marketing efficiency, Sheth and Parvitiyar (2000) suggest that three important aspects of relationship marketing lead to greater marketing efficiency. First, customer retention economics suggests that when marketer's direct greater efforts toward retaining customers, it should be less expensive to do business. Second, with cooperative and efficient consumer response, marketers will be able to reduce many unproductive marketing resources that are wasted in the system. Third, as cooperation develops between the consumer and the marketer, the consumer will be willing to undertake some of the value-creation activities currently being performed by the marketer, such as self-service, self-ordering, and co-production. Ryals and Payne (2001) also argue that adoption of CRM system enables and improves marketing effectiveness (by enabling the organization to select more attractive customers) and efficiency (by targeting them with appropriate offers and improving response rate).

Wilson (2000) concurs with the argument that relationship marketing can also lead to a competitive positional advantage by enabling the firm to perform various value activities at a lower cost and/or in ways that lead to advantageous differentiation. Baldwin (2006) suggests that getting close to customers enables organizations to be more proactive to customer needs. This improves the level of customer service and hence the chances of retaining customers and increased revenues. Likewise, Anderson *et al.*, (2003) argues that effective CRM system benefits business through greater customer loyalty as a result of more personal and efficient service, more effective sales efforts through better management of the sales process and improved success rates for making campaigns through better targeting.

Benefits of CRM systems have been described by authors to be either business related or customer related. Customers related benefits are those that relate more closely to the customers. Such benefits include loyalty, retention and satisfaction. This is as indicated by different authors. Benefits of CRM systems in increased Customer Loyalty was argued by Sherif, Nguyen and Newby (2007); Increased Customer Satisfaction (Zeng, Weng and Yen, 2003); while Gummerson (2004) identified the benefits of CRM as increasing Customer Retention.

Business related benefits of CRM include understanding customers (Sherif, Nguyen and Newby, 2007); effective and efficient collection of business and customer information (Xu and Walton 2005); help meet customers' needs better (Zeng, Weng and Yen 2003); provide information on future sales (Zeng, Weng and Yen 2003); improves efficiency on profits (Gummerson, 2004); and enhances automation (Xu and Walton, 2005).

### 2.3. Challenges to the Adoption of CRM Systems

One of the major challenges when implementing CRM system is to know when the timing for the implementation is right and many companies have difficulties to develop a CRM system as they lack the resources to develop CRM software (Bull, 2003). Zineldin (2006) presents a framework (the 5Q-model) that consists of five different qualities that influence the satisfaction and loyalty of a customer. The model consists of the quality of object; processes; infrastructure; interaction; and the quality of atmosphere. This framework can help the managers to analyze which changes in the CRM system that affect the satisfaction and loyalty of a customer. All of the different qualities can be seen as CRM system challenges since their implementation will affect the satisfaction of the company's customers. The five stages can be hard to implement successfully because if the company uses this model appropriately, it runs the risk of losing customers, due to low level of satisfaction (Zineldin, 2006).

Many companies find it challenging to define which of their customers are most profitable for their business, and which ones that instead are costing a lot of money for the company, as there is no easy way to measure this (Bull, 2003). Profitability is not just about measuring the level of expenses in the company. Some of the customers may even cost the business a lot of money, for example, when a customer has unrealistic expectations of the service, they can become a burden on the business service resources. Therefore, it is important for a company to profile the customers in order to know which ones are the most profitable and which ones may cost the company money. Thereafter, the company may be able to allocate its resources on the most effective way in order to maintain customer relationship (Bishop, 2009).

It is a challenge to find a balance between maintaining existing customers and finding new ones. According to Zineldin (1999), it is more important to keep and satisfy the existing customers than getting new ones, since it is less costly and more profitable. Customer retention can also contribute to lower the customer acquisition costs, since retention helps to build a reputation around the company that spreads a positive spirit (Xu and Walton, 2005). If the level of satisfaction exceeds the expectations of the customer, he may become fond of the company. This implies that the consumer becomes more loyal to the entire company and starts spreading positive word of mouth, which is very good for the company's survival. But it can also result in the opposite, that a consumer gets disappointed and start spreading negative word of mouth about the company, which can be devastating for the future business (Osarenkhoe and Bennani, 2007).

According to Bishop (2009), one of the first areas to suffer cuts are investments in staff training and development, which can be seen as another challenge of CRM systems. These since the employees are an essential part of a company's CRM efforts and needs to pay fulltime attention to the implementation (Chen and Popovich, 2003).

Many organizations do not make enough research and planning before implementing CRM, which may have the result that the flexibility is not enough and that the CRM lacks commitment and support from the top management (Nguyen, Sherif and Newby, 2007). Further challenges of CRM are due to poor leadership. Most of CRM system programs are implemented based on a technical requirements focus, rather than on a business-needs focus. Leaders of CRM system often lack a well-developed strategic CRM system plan, and they are measuring specific activities within their functions when working on the overall strategies of the company should be the main focus (Nguyen, Sherif & Newby, 2007).

#### 2.4. Conceptual Framework

Based on the literature review, there are several factors that affect the adoption of CRM systems in banks. The assertion in the literature review on the factors affecting the adoption of CRM systems may not be factual for the case of Nigerian banks. However, based on these factors that result from empirical and theoretical assertions in the previous studies, the researcher develops the variable used in developing the conceptual framework that will guide this study.

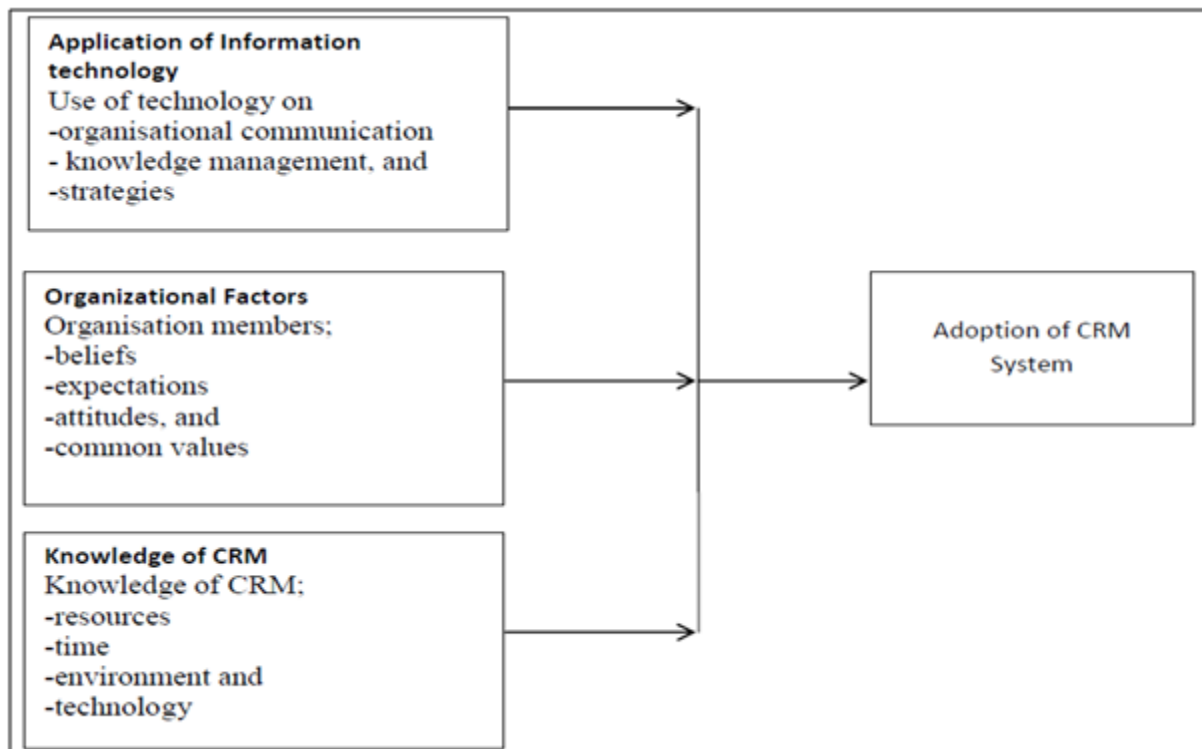


Figure1: Conceptual Framework: Factors Affecting Adoption of CRM System.

### 3. Research Methodology

This section presents the research methodology of the study. It will highlight the research design, study population, sampling procedure, data collection instruments and methods of data analysis.

A cross-sectional descriptive research design was used in this study to investigate the factors that affect the adoption of CRM systems in commercial banks in Nigeria. This design was employed because data was collected once.

Data on adoption of CRM in commercial banks was collected from respondents which included, but was not limited to, employees in the banking industry. Nigerian commercial banks according to recent statistics by Central Bank of Nigeria are 21 in number. The study considered all the banks.

This study employed purposive sampling. Judgmental sampling or Purposive sampling is where the researcher chooses the sample based on who they think would be appropriate for the study. This is used primarily when there are limited numbers of people that have expertise in the area being researched.

The study target 6 respondents from each of the 21 banks translating to a sample size of 126 respondents.

This study majorly used primary data collection methods. The tool for collecting primary data was a semi structured questionnaire.

Completed questionnaires were checked for ambiguities in responses which could result from omissions and exaggerations. All analyses were descriptive in nature and analysis was done using SPSS. The findings are presented in form of tables, graphs, and pie charts.

**4. Research Findings and Discussion**

The number of respondents who participated in this survey totalled to 121 with a response rate of 96.03%. Respondents’ characteristics are presented in the first part of this section. The second part presents result on factors influencing the adoption of CRM system in commercial banks in Nigeria.

*4.1. Characteristics of the Respondents*

Majority of the respondents (61.2%) were females whereas 38.8% of the respondents were males. This is an indication that both genders were involved in this study and thus the finding of the study did not suffer from gender bias.

The number of years an employee has worked in the organization is important in the understanding of the operations and customer needs. Most of the study respondents (33.9%) had served their current institution for 1-3 years while the minority of the respondents (9.1%) had been working in the current institution for less than one year.

The level of the education can affect the efficiency of an employee. Majority of the study respondents had a degree (66.1%) while minority had (16.5%) a diploma. It is also observed that

Most of the study participants (56.2%), as presented in Table1, were relationship managers who were best placed to give the required information.

Position	Frequency	Percentage
Relationship managers	68	56.2
CRM marketing analysts	35	28.9
CRM administrators	12	9.9
CRM campaign managers	6	5.0
<b>Total</b>	<b>121</b>	<b>100</b>

Table 1: Position at work

*4.2. Extent of adoption of Customer Relationship Management system*

Respondents were asked to state whether their banks built strong relationship with their customers where the majority (90.1%) reported yes. In addition, the respondents were asked to state the level of this relationship built with their customers and more than three quarter rated it as a strong relationship (Very good and Good). However, more than 10% of the respondents reported that the relationship between their banks and customers was weak.

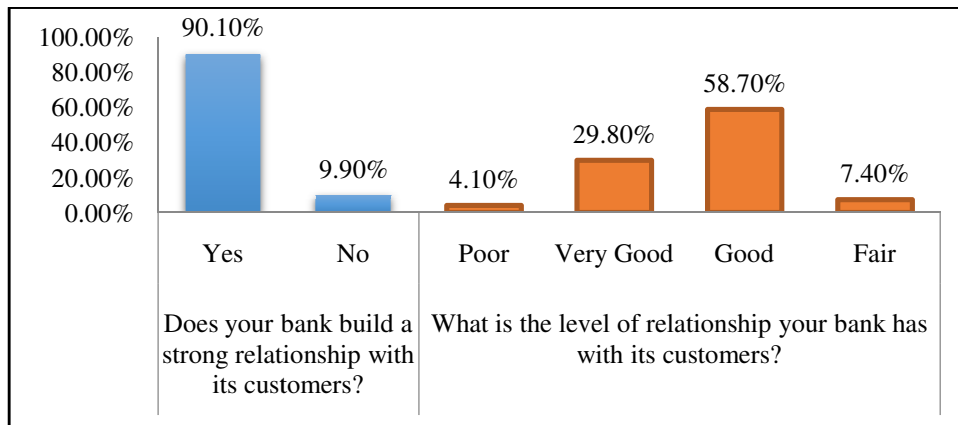


Figure 2: Banks' relationship with their customers

To assess the opinion of the respondents on customer satisfaction, two questions were presented to respondents; “How often do customers complain?” and “What is the customer’s level of satisfaction with the bank?” More than three quarter of the respondents (80.2%) reported that customers rarely complained while a few (17.4%) reported frequent complaints from customers. Majority of the respondents (93.4%) reported that their customers were satisfied with the bank’s services (extremely satisfied and satisfied). However, 6.6% of the respondents were indifferent of the customer satisfaction.

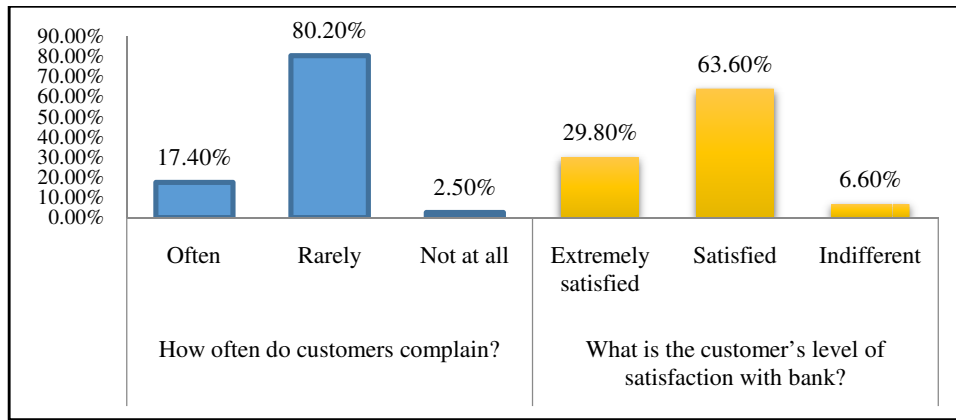


Figure 3: Customer satisfaction with banks' services

To examine whether banks had put measures to build strong relationship with their customers, two questions were posed to the respondents; "Do you put measures to build Strong Customer Relationship?" and "Does your bank identify the changing needs of customers?" Most of the respondents (88.4%) reported their being measures to build a strong customer relationship. On the other hand, majority of the respondents (80.2%) reported that their banks identified changing needs of customers.

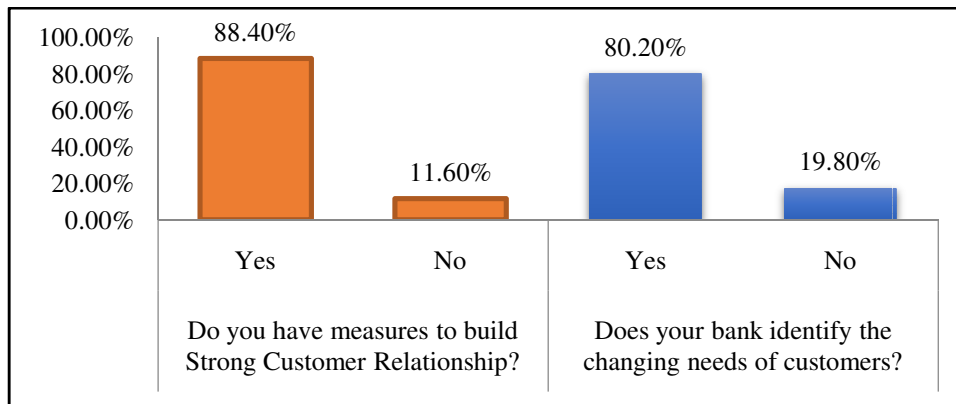


Figure 4: Banks' measures in building customer relationship

Respondents were asked to state whether their banks had Customer Relationship Management System where more than three quarter reported yes.

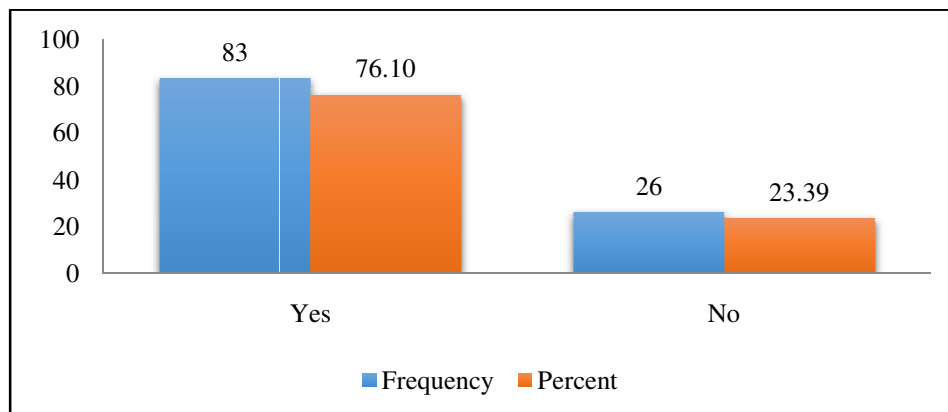


Figure 5: Does your bank have a Customer Relationship Management System?

Respondents were asked to state whether their banks had recovered initial capital expenditure after initiating a CRM system. More than half of the respondents (54%) felt that their banks had indeed reached breakeven point.

#### 4.3. Benefits of adoption of Customer Relationship Management system

To investigate benefits of adoption of Customer Relationship Management system, respondents were presented with 13 statements on a 5 point Likert scale and asked to rank the statements by indicating how much they agreed with the statements. The statements were ranked with ranks ranging from "5- strongly agree" to "1-strongly disagree". Averages for every statement were calculated and the

general average score evaluated. Scores were also converted to percentages for easy interpretation. To provide comparative results and explain some of variations in the responses, scores were distributed across gender of the respondents and years respondents had worked with their bank.

To assess the reliability of the statements used in assessing benefits of adoption of Customer Relationship Management system, Cronbach's Alpha statistic was used. Cronbach's Alpha of 0.789 which is greater than the 0.7 indicated that the data could be relied upon.

Factor	N of items	Cronbach's Alpha
Benefits of adoption of Customer Relationship Management system	13	.789

Table 2: Reliability Statistics

On average, most of the respondents strongly agreed with the stated Benefits of adoption of Customer Relationship Management system as indicated by an average of 82.6% in figure 4.6. Respondents unanimously agreed that the CRM system helped banks to understand their customers' demography and analyzed loan performance with the highest score of 84.8%. In addition, respondents strongly agreed that Adoption of CRM has ensured personalized attention is provided by the bank to the customers and CRM has enabled the bank to conduct risk analysis and increase customer service effectiveness with both scoring 82.4%. On the other hand, respondents were also observed to agree with the statements that adoption of CRM has ensured professional behaviour of the employees of the bank and adoption of CRM has developed and improved new products for the customers with both scoring 82.0%. On the contrary, respondents somehow disagreed that CRM system allow banks to develop its customers base and sales capacity with the least score of 79.0%. In addition, the statements that CRM system has helped accumulate related information about customers in order to provide effective services and CRM system has enabled banks to increase effectiveness of the customers' services and conduct risk analysis were ranked lowly with both scoring 80.0%.

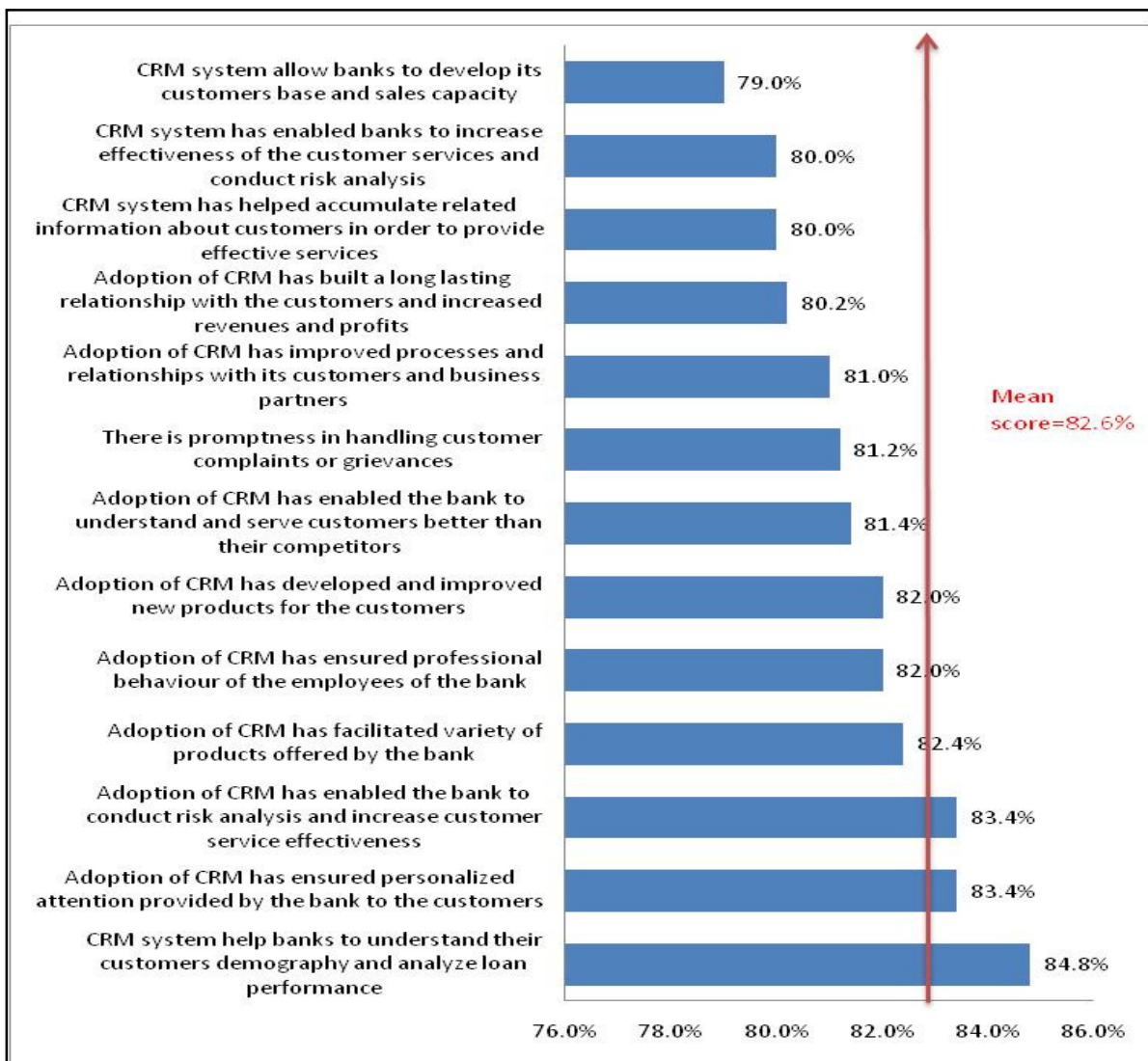


Figure 6: Benefits of adoption of Customer Relationship Management system

4.5. Challenges to the adoption of Customer Relationship Management System

To investigate challenges to the adoption of Customer Relationship Management system, respondents were presented with 12 statements on a 5 point Likert scale and asked to rank the statements by indicating how much they agreed with the statements. The statements were ranked with ranks ranging from “5- strongly agree” to “1-strongly disagree”. Averages for every statement were calculated and the general average score evaluated. Scores were also converted to percentages for easy interpretation. To provide comparative results and explain some of the variations in the responses, scores were distributed across gender of the respondents and years respondents had worked with their bank.

To assess the reliability of the statements used in assessing challenges to the adoption of Customer Relationship Management system, Cronbach's Alpha statistic was used. Cronbach's Alpha of 0.872 which is greater than the 0.7 indicated that the data could be relied upon.

Factor	N of items	Cronbach's Alpha
Challenges to the adoption of Customer Relationship Management system	12	.872

Table 3: Reliability test

Respondents were observed to rate lowly most of the prompted challenges to the adoption of Customer Relationship Management system as indicated by the general average of 59.4%. Respondents strongly agreed that chances of CRM failure are possible with the highest score of 72.8%. Other challenges highly rated included need for further training of IT staff to efficiently operate the CRM systems (68.2%) and CRM systems require continuous maintenance, information updating and system upgrading (67.6%). However, respondents disagreed with the statements that CRM system in their bank does not address clients’ needs (38.0%), lack of goodwill from senior management (38.8%) and CRM systems are so complex (51.2%).

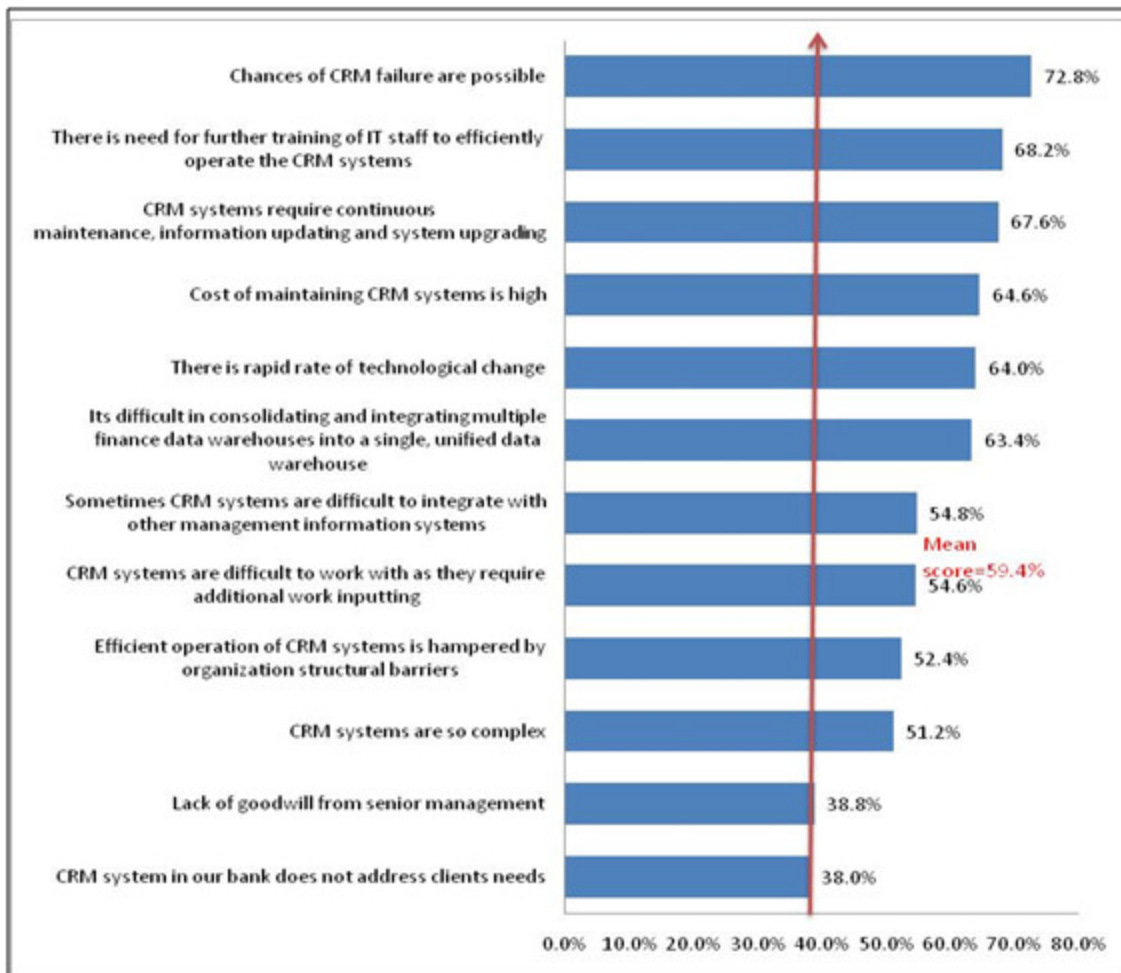


Figure 7: Challenges to the Adoption of Customer Relationship Management System

4.6. Discussion of the Findings

Most of the study respondents reported that their customers rarely complained about the banks’ services and that their customers were satisfied with the banks’ services. These findings are in agreement with those of Titko and Lace (2010) who accentuated that the



competitive power and survival of a bank lies in the degree of its customer satisfaction. Banks were therefore observed to pay particular attention to customer satisfaction.

Most of the study respondents reported measures to build a strong customer relationship had been put by their banks. In addition, majority of the respondents reported that their banks identified changing needs of customers. These findings were supported by those of Bowes and Hedges (2003) who claimed that banks that offer very high quality services have a competitive advantage because the benefits of improved quality of services are large market share, increase in profits and in customer retention.

Most of the banks were reported to have adopted CRM systems. These findings are in agreement with those of Grant and Schkesinger (2005) who reported that the fundamental of CRM is to ensure steady streams of revenue and maximization of customer lifetime value or customer equity, in this case customer behaviours become strategically significant.

Most of the respondents were observed to strongly agree with most of the prompted benefits of adoption of Customer Relationship Management system. These findings support those of Wells, Fuerst and Choobineh (2009) who reported that a one-to-one marketing paradigm has emerged that suggests organizations will be more successful if they concentrate on obtaining and maintaining a share of each customer rather than a share of the entire market, with IT being the enabling factor.

Respondents strongly agreed that the CRM system helped banks to understand their customers' demography and analyzed loan performance. These findings are in agreement with those of Buttle (2004), who found that CRM is an integration of technologies and business processes used to satisfy the needs of a customer during any given interaction. CRM involves acquisition, analysis and use of knowledge about a customer in order to sell more goods or services and to do it more efficiently.

Adoption of CRM was reported to have ensured personalized attention is provided by the bank to the customers and enabled the bank to conduct risk analysis and increase customer service effectiveness. These findings concur with those of Hobby (2009) who observed that CRM is a management approach that enables organizations to identify, attract, and increase retention of profitable customers by managing relationships with them.

Additionally, respondents agreed that adoption of CRM has ensured professional behaviour of the employees of the bank and has helped to develop and improved new products for the customers. These findings supported those of Glazer (2007) who reported that CRM attempts to provide a strategic bridge between information technology and marketing strategies aimed at building long-term relationships and profitability.

## 5. Conclusion and Recommendations

### 5.1. Conclusion

This study assessed the factors that affect the adoption of CRM system in Nigerian commercial banks. The study found out that the benefits of CRM adoption by far outweighed the challenges.

On the use of customer relations management (CRM) system, majority of the respondents agreed that IT has ensured personalized attention to the customers and also facilitated variety of products offered by the bank. The system, according to the respondents had also enabled the bank to conduct risk analysis and increase customer service effectiveness; it has ensured promptness in handling customer complaints/grievances and also ensured professional behaviour of the employees of the bank. IT has enabled the bank to understand and serve customers better than their competitors, developed and improved new products for the customers and further improved processes and relationships with its customers and business partners. Moreover, majority of respondents agreed that adoption of CRM had built a long lasting relationship with the customers, increased revenues and profits, has helped accumulate related information about customers in order to provide effective services and also enabled banks to increase effectiveness of the customers' services and conduct risk analysis. The respondents further stated that there were other uses of CRM systems in their banks which includes; account monitoring, better handling of customer data, customer track on their loan performance and they have also helped the bank employees to establish a good rapport with their clients.

On the challenges of CRM system in the banks in Nigeria, majority of the respondents agreed that there were high chances of CRM failure and the cost of maintaining CRM systems was high and there was need for further training of IT staff to efficiently operate the CRM systems. Further, the respondents revealed that there was rapid rate of technological change. The respondents further agreed that CRM systems require continuous maintenance, information updating and system upgrading. The respondents were however neutral on whether; CRM systems were so complex; difficult in consolidating and integrating multiple finance data warehouses into a single, unified data warehouse; there was lack of goodwill from senior management and on whether CRM systems were sometimes difficult to integrate with other management information systems. The respondents on the other hand disagreed that CRM system in their bank did not address clients' needs and lack of goodwill from senior management.

### 5.2. Recommendations

The following recommendations were made based on the findings and conclusions of the study.

The study recommends that before embarking on CRM, it is necessary to delineate CRM and technology. It should be clearly understood that the role of technology is in enabling the CRM strategy. Once this is clearly understood, CRM will get a buy in by all employees in the bank in Nigeria. Passing the entire responsibility of CRM related tasks on to IT department does not result in conversion of technology applications into business. Passing that solely to Marketing department without educating the officers about functionalities results in non utilization in most cases, and underutilization in some. The need of the hour is recognition to CRM as organisation wide strategy or planned sequence of activities to develop and nurture customer relationships.

Without leadership and endorsement of top management, the CRM initiative may not get the required weightage, attention and effective deployment. In fact, the philosophy should be propagated and sold to internal customers i.e. employees at all levels by senior management. A particularly important role of top management in this context is development and sharing a 'CRM vision'. A study of best practices adopted by organizations successful in implementation of CRM indicates that senior managers of these firms create a vision for how CRM will change their organizations. In addition to this, they include attributes that affect customers' perceptions of value, how they can bond with organisation, product and purchase intent. This vision evolves as the organisation progresses ahead in CRM journey.

The banking services providers in the country must ensure that their services are equipped with trust element for the success of CRM adoption. A cost should be invested to meet the responsibility of the managers and all the staff as required by CRM principles. The management must start thinking about developing brand loyalty, positive word of mouth (WOM) through technological trust among the customers to support the CRM performance.

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