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Impact of CRM on Retail Banking Customers Perception of Satisfaction and Loyalty: A Case Study of Pakistani Banks

Sana Mateen
Lecturer, Commerce Section, Ghulaman-e-Abbas School, Pakistan
Ashfaque Ahmed
Research Scholar, Sukkur IBA University, Pakistan
Muhammad Tariq
Lecturer and Coordinator- ORIC,
Institute of Business Management (IoBM), Karachi, Pakistan
Abdul Haseeb Khan
Research Scholar, Business Management, Ilma University, Pakistan

Abstract:
Banking industry is the financial backbone of the country's economic growth and stability. Besides financial services banking is now playing a partnership role in business and personal needs of the people. The main objective of the study is: to examine and evaluate the role of Customer Relationship in banking sector, to observe CRM impact on the customer satisfaction and loyalty level. This study provides opportunity to the banking sector to understand customers' expectations and perceptions of CRM practices presently offered by the banks. CRM refers to the management philosophy and practice for keeping customers closer to the business activities and culture to improve customer satisfaction level, seek long term relationship and deliver relevant products or services to customers. We have used the format of five-level Likert item data collection and measurement purpose. Research results indicate that overall reliability is .797 and item-wise reliability is also above .776 except for one item which remains at -.575. and therefore, overall reliability and validity statistics are satisfactory. F value is above 3,84, t value is above 1.96 and sig value is less than 0.05. This also indicates significance of tested data. Coefficient values indicate strong relation between the factors. Sig value of al hypotheses is less than 0.05 except for customer information and therefore one of the hypotheses is rejected. Present study benefited from the previous studies and results have been found in accordance of all previous studies to a large extent. Previous studies cited in current studies provide historical and theoretical back ground and significance of the topic which is valuable information for researchers. Results of the previous studies provide a mile stone and offer necessary guidelines for the next generation researchers.

Keywords: Customer relation, customer perception, retail banking, value chain

1. Introduction

1.1. Overview

Banking industry is the financial backbone of the country's economic growth and stability. Besides financial services banking is now playing a partnership role in business and personal needs of the people. Personalized services and technological access have changed whole banking service perspective. Online and internet banking solutions have changed the concept of branch banking. Tele-banking has made a customer his own banker. In the changing scenario bank customer relationship has also taken a new shape. Now a day's bank and customer both are flourishing their business and maximizing their profitability together.

After privatizing of banking industry, competition has increased and modern technology has given all banks almost equal status in their products and service quality. What now counts more to the customers' apparently is bank customer relationship management perspective. Bank customer relationship can alone provide satisfaction to customers and strengthen their loyalty towards any particular bank. Keeping in view the ever-increasing importance of CRM in the bank, most banks are focusing on better customer relationship management. Branch banking setup has since been changed and added customer relationship manager's desks in the system. Call centers, internet and telephony-banking facilities are now available to the customers. Real time transaction intimations are also part of customer's relationship management in the banking sector. As such customers' perception of relationship management of bank remains most important aspect of bank business. Ban not only need to focus CRM but also need to improve, and analyze their CRM from the customer's point of view to take cutting edge in growing competition in the banking industry.

1.2. Problem Statement

Changing role of banking sector calls for strong customer relationship management for compliance of the regulatory and statutory requirements and also for building their product, brand and corporate image. In fact, regulatory requirements and technological similarities have narrowed down differences among product, brand and corporate images. What makes difference in customers' perception now depends mostly on CR management to boost customer satisfaction and loyalty level in the industry. For strong positioning against rivals and competitors, a bank needs to focus on adaptation, adherence and innovation in CRM which can still make a bank market leader.

1.3. Objectives

The main objective of the study is:
- To examine and evaluate the role of Customer Relationship in banking sector,
- To observe CRM impact on the customer satisfaction and loyalty level.

The other specific objectives of the study are:
- To review the relevant literature on the development use of CRM in banking sector.
- To understand customers' perception on CRM
- To review customers behavior from banker's perspective of retention of customers.
- To provide necessary suggestions to the industry based on the findings of the study.

1.4. Significance of the Study
- This study provides opportunity to the banking sector to understand customers' expectations and perceptions of CRM practices presently offered by the banks.
- It provides opportunity of reviewing customers' present satisfaction level of the banking services and role of CRM efforts in developing product and brand image.
- Study may identify areas of improvement or innovation in the CRM practices and use of technology and Human resources.

1.5. Background

1.5.1. Bank Customer Relationship

Kotler, P.(1986), father of the modern marketing in his book argued that the modern marketing deals with human activity that are directed towards meeting the customers' needs and wants through exchange process through the market. This argument leads towards customers expected and evaluated satisfaction. This concept has also been adopted by the banking industry from early 50's.

Bank Customer is a person legal entity who deposits money, take loan from the bank for which he/she receive or pay interest and also utilize bank facility and services under an agreement or regulators order. The person or legal entity having a business relationship with the bank and establish bank customer relationship has following attributes;
- A person or legal entity.
- Approach a bank/branch for any transactional operation;
- Intend, agree and start using bank's financial product(s) and/or service(s).

The Bank Customer relationship as defined by the law focuses on the bank's duty and obligations to provide the customer with the necessary facilities and services and also to take care of banks interest with extensive care and maximum vigilance through all possible human and technological efforts.

1.5.2. Retail Banking

Retail banking refers to financial and customer services provided to small and medium entrepreneurs, walking customers and casual clients. These customers either having saving, business or fix deposit accounts with a bank or dealing for utility based financial services such as mortgages, personal, housing, auto, and educational loans, debit and/or credit cards, depository services, fixed deposits, investment advisory services etc.

In the event of massive induction of information technology in the banking business customers feel indifferent in choice of a bank because all banks are providing same services. Customer centric technological changes and improvements have revolutionized customer's expectations and perceptions of business relationship with a bank. Present retail banking has characteristics of multiple products, distribution channels and customer groups. Main expectation of customers can be summarized as below:
- Minimum service charges.
- 24 hours service at door steps.
- Quick personalized service.

Retaining customers for longer business interests need to fulfill their expectations properly and efficiently. Customer Relationship Management identifies, attracts, differentiates customer's needs and expectations and makes necessary arrangements to satisfy them. This process is helpful in improving product and corporate image and also helps in gaining customer loyalty to retain them for lasting business relations. In this way CRM is not only a business plan but it is also a business strategy for market leadership and positioning. Rapidly changing technology is responsible for changing customer needs very fast. CRM techniques can cope with the issues faced by the customers and keep them within the folds of business relationship for life long.

1.5.3. A Traditional CRM Structure Model

Below we present a traditional CRM model comprising of front and back office arrangement for CRM. In this model front office is responsible for supplies, manufacturing, logistic, finance and logistics. Modern CRM added the customers' data base for sales services and marketing etc. Ultra-modern CRM now uses online internet and telephony services along with ATM machines.

Figure 1: A Traditional CRM Structure Model
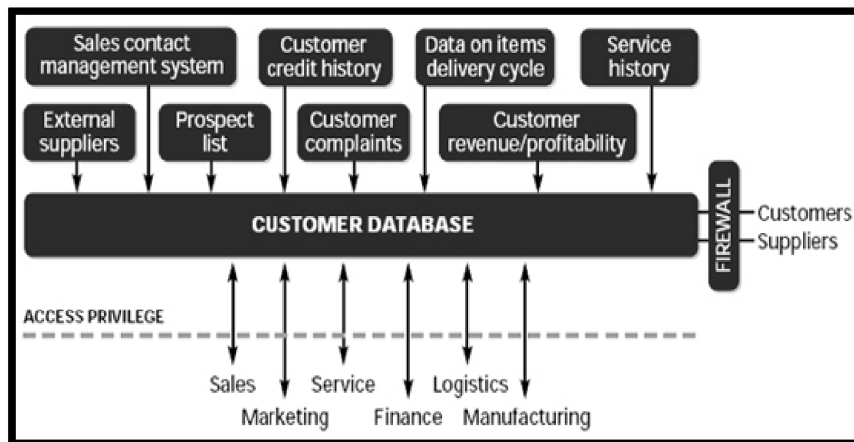
Figure 2: Modern CRM Structure Model
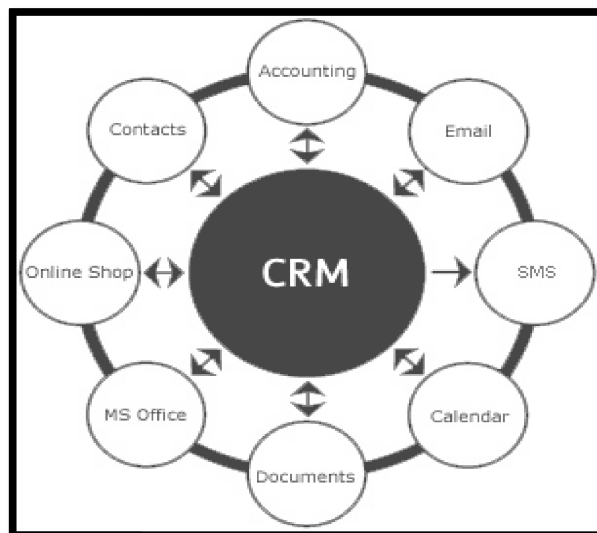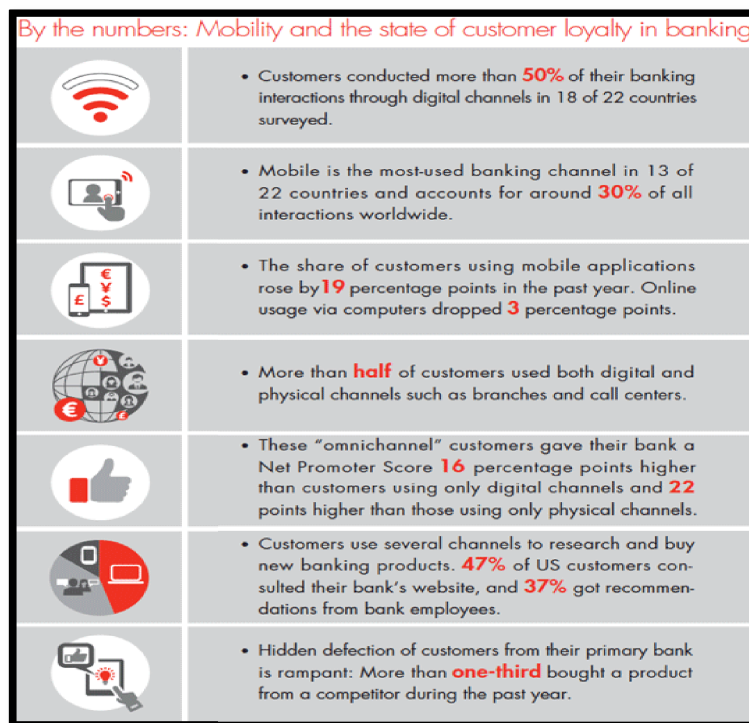

Figure 3: Modern CRM Activities

Figure 4
Source: The Wall Street Journal

1.6. Research Hypotheses
In the light of the results and conclusions of the past studies, the research hypothesis for Satisfaction level of Islamic Banking customers in Karachi region has been formulated as under:

- H1: Customer Acquisition will have a positive effect on customer satisfaction and loyalty
- H2: Customer Response on C R Management will have a positive effect on customer satisfaction and loyalty.
- H3: Customer Knowledge will have a positive effect on customer satisfaction and loyalty.
- H4: Customer Information System will have a positive effect on customer satisfaction and loyalty.
- H5: Customer Value Evaluation will have a positive effect on customer satisfaction and loyalty.
- H6: Customer Information Process will have a positive effect on customer satisfaction and loyalty.

2. Literature Review
Pawar and Chary (2012) conducted study on CRM perspective of technology on effectiveness of banking services in Indian Banks. The research focused on the role of technology in providing improved banking services and also to analyze customers' perception towards effectiveness of services after introduction of IT based services in banking sector. The study based on the hypothesis that there was no difference in the effectiveness of banking services before and after induction of IT based technology. The study collected both primary and secondary data and relied on primary data gathered through questionnaire. Results indicated positive change in banking services and customers perspective of effectiveness of technology in baking sector. The study concluded that technology brought significant change in banking through CRM perspective of bank customers.

Hui-I and Kok Wei (2012) conducted study on CRM perspective of banking services in Taiwani banks. The study categorized three CRM levels: i) functional ii) customer facing and iii) strategic level. The study describes acquisition phase, enhance phase and relationship building process for a long period retention. The hypotheses dealt with implementation of CRM and its impact on customer's perception of bank performance. Survey method was used to collect primary data on customer's perception of bank performance in CRM context. Reliability test and Cronbach's alpha test were applied for data analyze and factor analyzes was performed on interval data. Multiple regressions were performed to the casual effects of CRM. The results suggested that CRM implementation was positively related with perceived bank performance. The study concluded that the model was effective and the relation is as strong as suggested in the previous literature on the topic. The study suggested that CRM can be used successfully as effective customer retention strategy in banking business.

Melodi, Olufayo and Gbadamosi (2012) conducted study CRM in banking sector from perspective of Lagos. The study focused on level of CRNM implementation in Nigeria. The study provided citations on customer retention and customer loyalty from CRM perspective. Primary data collected through bank staff on banks performance. The study finds that CRM is helpful in customer retention and loyalty. Banks use variables like repeat business, referrals and dormant accounts, to measure bank performance. The study confirms previous literature suggesting that CRM is positively associated with customer loyalty. Turnover and profit reports also confirm that banks are benefitted by CRM strategy in

Limbda J Shaleshkumar (2013) conducted study on CRM practices in Indian Gujrat Region. Objective of the study was to measure banks performance on CRM and identify important factors related to CRM practices. Likert-Scale Questionnaire was designed for data collection purpose. Customer satisfaction on CRM practices was measured and result confirmed significance of CRM practices on customers satisfaction.

Tahir and Zulkifli (2011) conducted study on CRM practices from customers' perspective. Objective of this preliminary study was to provide report on similar pilot study. The research worked out five dimensions and constructed forty-eight questions for collection of primary data. However, in a modified work published in 2011, six dimensions were proposed and along with1. Customer Acquisition, 2. Customer Response, 3. Customer Knowledge, 4. Customer Information System and 5. Customer Value Evaluation a sixth-dimension customer Information Process was added in the scheme. The results of the study show that majority of the respondents supported the statements with their approval of agreement. It was a descriptive study aiming to investigate CRM practices from the customer's perspective involving marketing theories. Rathod (2012) conducted study on Marketing in banking and impact of CRM as a marketing strategy. The study described principals of CRM as: increase in customer retention period, reduction in acquiring and retention cost and improvement in efficiency.

Anbuoli and Thiruvenkatraj (2013) conducted study on CRM in banking and found that the local banks should go ahead for adapting customer centric strategies both for customers and employees. Banks should also ensure integrated approach for all banking processes for a n effective business planning.

Balakrishnan and Krishnaveni (2014) conducted study on CRM in Indian banking industry and analyzed CRM practices in local banks. The study collected data from customers of selected banks. Null hypotheses focused on gender and profession perspective to examine CRM perception of the customers. Chi square and P value significance shows that CRM has significance effect on bank customers from all segments. The study concluded that in the light of introduction of IT technology in banking for data bank and transaction process has opened new avenues for effective implementation of CRM in banks.

Simo and Bregasi Magdalena (2013) conducted study on CRM practices in Albanian banks. Purpose of the study was to identify role of CRM in banking sector. A Questionnaire was constructed for CRM implications for the bank employees. Four main factors were identified in the study including customer retention/satisfaction and transactions transparency. The study concluded that positive efforts are being made by the banks in the country towards CRM implication.

Kocuglu Duygu and Kirmaci Sevcan (2012)conducteda study on bank customer relationship and its effect on loyalty. Purpose of the study was to investigate the impact of CRM on customer's loyalty. A Questionnaire have been distributed among for collecting data from the bank customers. 64 percent customers said yes to the main issue involved in the study that was whether CRM affects customers' loyalty. The results showed significance of CRM practices over customers' loyalty.

Abdou, Idiongette and Mulkeen (2012) conducted study on customers' perception of CRM in UK banking industry. Purpose of the study was to find out impact of CRM on customers satisfaction and loyalty. Sample selection method was adopted for data collection. Regression tests were applied to find out association between different categories of variables. Results revealed that UK banks have good relationship with customers. Transaction and balance accuracy, staff friendliness and tele-banking services were the good reasons for healthy relationship according to the customers. The study concluded that customer care practices have positive impact on loyalty in banking sector.

Liu, Tseng, Chuang and Chien-Min (2012) conducted study on impact of e-CRM on customers' satisfaction. The study focused on e-CRM and its impact on customers' satisfaction and loyalty. Survey method was used to collect data. Descriptive statistics was used along with correlation, factor, reliability and validity analysis. Significant p-value of the data was observed. Banks transaction and communications dimensions were concluded as the most influential dimensions in customers' satisfaction area.

Venkatraman, Anupriya and Nandhini (2015) conducted study on CRM practices in private Indian banks. The study observed nontraditional technology based forced competition in the industry and internet-based innovations reshaping CRM practices in banking sector. Multiple products, channels and customer groups have been characterized by the study as new banking trends. Personalized services at any time and any place with reduced cost have been indicated as customers' expectations. Purpose of the study was to analyze awareness of CRM practices in private banks. The study used convenience-based sampling techniques for collection of data through questionnaire. The study indicated that majority of the customers is aware of CRM practice and view it as satisfactory. The study concluded that CRM practices are necessary to know customers perception of satisfaction to keep them under clientele fold for long period.

Saxena and Khandelwal (2011) conducted study on customer behavior and perception towards CRM practices in banking sector. The study focused on customer acquisition and retention techniques in the sector. Respect and recognition, customized approach and convenience were among alternate hypotheses of customers' expectations of CRM. Data has been collected through questionnaire. Result showed significance of hypotheses. The study concluded that CRM components mentioned above significantly affect customers' perspective of CRM practices in the bank.

Deshmukh (2012) conducted study on CRM practices in Indian banking industry. The study identified three levels of CRM practices: i e. functional, customer facing and strategic levels. The study focused on retention strategy as CRM goal. Data collected through Survey method for analyzing. Implementation of CRM and customers perception, were measured through the data analysis methods. Findings indicate strong relationship between implementation of CRM with customers' perception. The study concluded and emphasized on recovery management that means to re-approach the lost and/or annoyed customers to bring them back to maintain and increase profitability.

Mbizi Rangarirai and Muzividzi Donie (2013), have conducted study on practice and implementation of CRM in Zimbabwe banking industry. The study observed shift of business approach from transaction marketing to relationship marketing. Descriptive exploratory method has been adopted for the study. Survey has been conducted among bank customers in the capital city. Relation between CRM and customer retention has been found strongly positive. The research concluded that customer intimacy and relationship should remain focal point in bank strategy and policy for customer retention and profitability.

Rashmi (2015) conducted study on CRM practices in Indian banking sector. Object of the study was to study concept and practices and examine utility and importance of CRM. Study relied on secondary data sources. Study provided a list of CRM benefits in banking sector such as enhance sale, retain customers, optimize cost and personalized service etc. Regarding implementation, the study pointed out six key business areas. This includes a customer centric infra structure, customer categorization, customers' value assessing process, policies to retain customers, maximum rate of return on marketing expenses. The study concluded that CRM is a big challenge for private sector banks in India.

Sinha (2013) conducted study on CRM practices in private banking sector in India. The study focused on complaints handling and disposal system in banking area. Survey method has been adopted for data collection purpose. Since the study area was both public and private sector banks, the study noted that more complains were related to public banks. Representative behavior and enquiry area were on the top of the list as per the results. The study concluded with suggestion to develop a proper complaint system with awareness on staff and customer side for proper handling and disposal of customers issues and resolve them actively. Stanley (2012) conducted study on CRM mentioning it a new perspective for customer relationship. The study presented CMR as marketing tool and strategy. The study suggested introduction and enhancement in technology for effective services and products. More effective software is a need for CRM management. Customers complaint management is also identified as an important area for effective CRM management.

3. Research Methods

3.1. Method of Data Collection

In a research project, methodology provides answer to the question what to do to achieve the set goals and methods provide basis for how to do. Methodology sets goals and methods identify the path to reach the goals. (Jonker and Pennink, p-33). Term Research Methods refers the methods that are used during course of studying a research problem. These are methods to perform research operations. (Kothari, 2004, 1990, 1985, p-7-8). Any scientific research, either qualitative or quantitative, need to acquire following attributes: 1) Reliability, 2) Validity, 3) Repeatability, 4) Testability, 5) Generalizability and 6) Accuracy, (Jonker and Pennink, p-104). Necessary techniques will be used to ensure all the above essential ingredients of the research during data collection and data analyzing process. Inductive research tends to infer broad general ideas/theories moving from particular situations towards general phenomena. This study will identify Universe, Population and Sample design to obtain necessary information and responses for moving forward towards the study of variables and their effect and association for analyzing result and come to an appropriate conclusion. Following paragraphs shall make clarity about techniques and test to be used for the purpose as explained in foregoing sentences.

3.2. Sampling Technique

A sample is the selected part of the population. Sample refers to the whole group of the selected members of the population for any particular study. Selection process of the sample is called 'sampling technique.' Algebraically, let the population size be N and if a part of size n (which is $<N$) of this population is selected according to the rules given in next paragraph. for studying some characteristic of the population, the group consisting of these n units is known as 'sample'. A sample design refers to the technique/procedure adopted for selection of required items for the study. It obtains a sample from a given population for definite purpose and process. A good sample indicates true representation of the population. It ensures small and minimum sampling error. It proves itself to be viable in terms of funds available for the study. Helps overcome bias and results of the sample study can be applied to the whole universe with a confidence level reasonably, (Kothari, 2004, 1990, 1985, p-55-58). In case selection of sample remains beyond or under little control, or where selection of participants is not do not require control as a critical factor, the most conveniently and the most immediately available are selected under "Convenience Sampling Method".None probability based convenient sampling technique has been adopted and questionnaire distributed among respondents. Respondents were also assured about secrecy of information and ethical responsibility of the surveyors for not disclosing individual facts and publishing the results on voluntarily basis only in summery form with aggregate figures for public and business utility exclusively for academic and literary circles interest.

3.3. Sample Size

Many a time during a study it does not seem possible to examine every item in the population, and sometimes it looks reasonably possible to obtain sufficiently accurate results by studying only a part of total population. Apart from the size and shape of the sample, the main attributes required for a good sample can be narrated as: 1) It must be truly representative of the population. 2) Sampling error remains small/minimum. 3) It should be viable for study purpose under available resources. 4) Bias can be overcome properly. 5) Results of the sample should be applicable to the universe for generalizing purpose. (Kothari, 2004, 1990, 1985, p-55-58). For the purpose of the study all account holders of Local banking branches in Karachi region were the universe of the study and all account holders living in Karachi region were the population of the study. It has been decided to collect data from available conventional and Islamic banking branches

in various areas of the city. Sample size has been decided as 250 banking customers in Karachi region. Out of which 200 respondents volunteered to provide their opinion in written form.

3.4. Instrument of Data Collection

Likert-type scales (summated scales) are developed through the item analysis approach to estimate how well a particular item discriminates between the persons having total high scores versus the persons having low scores. Summated scales contain a number of statements against which respondents indicate agreement or disagreement with each statement using several degrees. (Kothari, 2004, 1990, 1985, P-84-87). Likert scaling is a bipolar scaling method, measuring either positive or negative response to a statement. A Likert item is simply a statement which the respondent is asked to evaluate according to any kind of subjective or objective criteria; where, generally the level of agreement or disagreement is measured. We have used the format of five-level Likert item data collection and measurement purpose: Strongly disagree, Disagree, Neutral, Agree and Strongly agree.

Survey method was adopted for conducting the study. The population selected for the current study will be all accountholders and customers using banking facilities in Karachi region. After study and review of available literature on back ground and Conceptual frame work on C R M practices in banking sector and 6 independent dimensions i.e. (1. Acquisition. 2. C R Management. 3. Customer Knowledge. 4. Customer Information system/Technology. 5. Customer Evaluation 6. Customer Information Process will be tested along-with dependent Customer Satisfaction and Loyalty variable as adopted and adapted from: Tahir (2011).

3.4.1. Validity and Reliability Test

Measurement of social sciences research needs quantification of abstract, intangible and unobservable constructs for testing their validity and reliability. In many instances, then, the meaning of quantities is only inferred. Type of measurement, population parameters and purpose of the scale always need to be focused in a study to obtain accurate results and arrive at the correct conclusion. The next phase after completing the process question of validity and reliability of the test is faced. Validity refers to ensure to what extent a test exactly measures the construct scale that needs to be measured to comply with the purpose of measurement. Normally the validity test includes; Content Validity, Face Validity, Criterion-Oriented or Predictive Validity, Concurrent Validity and Construct Validity. Reliability refers to consistency and repeatability of the outcomes of a construction scale measurement. Degree of error(s) is also indicated in reliability test. Test-retest, alternate-forms, split-half, internal consistency and measurement standard error are tested under reliability test.

This study will rely on all the above-mentioned test as per requirement of the research according to the instructions and directions available in the research methodology literature.

3.5. Research Model Developed

We have used a six-dimensional model for testing Independent variables and their association with one dependent variable.
Conceptual Model for "Customers perception of Customer Relationship Management in Pakistani Banks."
As adopted from: Tahir (2011), "Customers perception of Customer Relationship Management in Pakistani Banks."
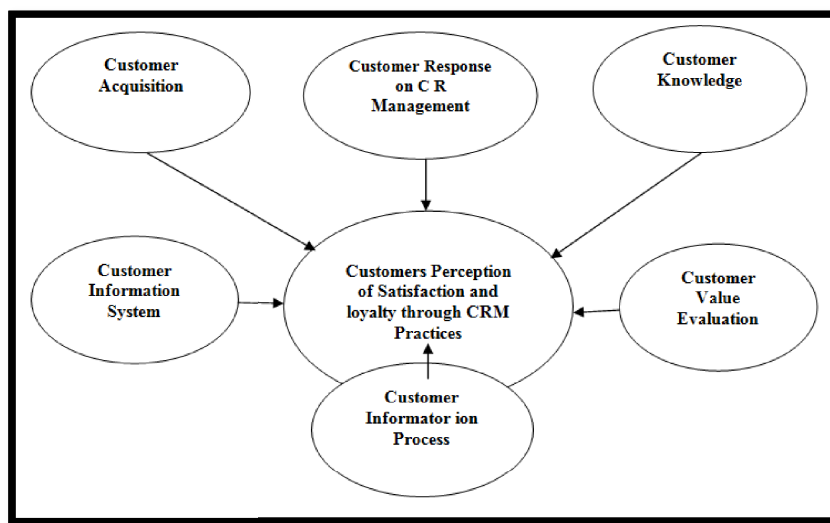

Figure 5

3.6. Statistical Technique

Generally speaking, reliability indicates the variance proportion which occurring due to differences in the true scores and due to random error. When a research is dealing with the multiple Likert-scale questions, the Cronbach's alpha (α)is the most common prescribed measure of reliability ore internal consistency. Anova can properly explain the coefficient values

Similarly, for hypotheses testing in order to test probabilities for type I and type II errors as recommended in statistical inference literature based on regression analysis have been conducted for ensuring accuracy of the statistical data tests so applied. MS Excels sheet have been prepared for descriptive statistical results and SPSS software V.19 is used for obtaining infernal statistical results of the tests mentioned in this chapter.

4. Results

We have applied inferential statistical test as discussed in previous chapters on collected data to find the results. In the following paragraphs we give brief summary of descriptive and analytical test results.

Descriptive Statistics:

WE have collected data from two hundred respondents out which 60 were female and 140 male respondents. By occupation 108 were from service, 16 were house hold and remaining 76 were from business category. 57 maintaining account with the bank up to 4 years, 52 up to 5 years and 45 up to 3 years. Percentage can be seen from the following tables:

Reliability Test Statistics:

Overall Reliability	
Cronbach's Alpha	N of Items
.797	8
Item-wise Reliability:	
Over all reliability	.797
Acquisition	.865
CR Management	.772
Customer Knowledge	.770
Customer Information	-.574
Customer Evaluation	.763
Customer Information Process	.825
Customer Satisfaction/loyalty	.947

Table 1: Reliability Statistics

Model	B	Std. Error	Beta	t	Sig
Customer Satisfaction and loyalty	.450	.217		2.076	.039
acquisition	.487	.066	.484	7.345	.000
CR Management	.126	.060	.130	2.103	.037
Customer knowledge	-.171	.080	-.167	-2.138	.034
Customer information	-.038	.026	-.060	-1.490	.138
Customer evaluation	.255	.035	.329	7.372	.000
Customer information process	.218	.070	.217	3.090	.002

Table 2: OLS Estimation

Research results indicate that overall reliability is .797 and item-wise reliability is also above 0.776 except for one item which remains at -.575. and therefore, overall reliability and validity statistics are satisfactory. F value is above 3.84, t value is above 1.96 and sig value is less than 0.05. This also indicates significance of tested data. Coefficient values indicate strong relation between the factors. Sig value of all hypotheses is less than 0.05 except for customer information and therefore the hypotheses is rejected.

Customer Acquisition has been accepted with sig value .000 Customer Responses also accepted with sig value .037. Customer Knowledge accepted with sig value .034. Customer Evaluation and Customer Information Process also accepted with sig values .000 and .002 respectively. Customer information rejected. Whereas Customer Knowledge and Customer Information showing minus signs in t-values. Overall result showing acceptance of research hypotheses and also seem in accordance with previous studies on the topic.

5. Discussions, Conclusion, Policy Implications and Future Research

5.1. Discussions

Five out of six hypotheses have been accepted through the proper statistical tests. Customer information system has not been accepted as bank customers' selection criteria in Karachi region. Customer' knowledge and Customer Information both have been assigned a negative sign for Beta and t value test. This phenomenonneeds to be checked in further research to find their exact impact on customer selection criteria.

Present study benefited from the previous studies and results have been found in accordance of all previous studies to a large extent. Previous studies cited in current studies provide historical and theoretical back ground and significance of the topic which is valuable information for researchers. Results of the previous studies provide a mile stone and offer necessary guidelines for the next generation researchers.

5.2. Conclusion

Current study has made valuable addition to the topic in following areas:

- It provides a clear picture of CRM management and implementation.
- It provides comparative results based on previous studies and also provides statistical methods reported in the studies mentioned and cited.
- This study provides a remarkable reference of literature review for the existing and future studies under process.
- This study discusses CRM management in current scenario providing update knowledge and update position.
- It provides detail of studies conducted in different areas of the world on the topic.
- It also provides necessary account of studies conducted in various cities of Pakistan.
- This study conducted in metropolitan city of Karachi, Pakistan and provides data and detail of CRM affairs as considered by the industry in the biggest city of the country.
- The study focused on different banks performance and collected data from the bank branches located in middle class residential and commercial areas which consists significant part of existing and prospective bank customers.
- The results show that CRM management play significant role in customers' acquisition and retention in banking industry.
- The results also indicate that the bank managers should take care of all CRM components to acquire maximum level of customer's satisfaction and loyalty.

5.3. Policy Implications

Present study has its vital implications for different business and academic segments. This study may be of immense interest in the following areas:

5.3.1. Banking Industry

This study has been conducted in the context of retail banking sector in Pakistan generally and in Karachi city especially. Existing, emerging and new banks and branches to come in future may take serious note of the detail, data, results and findings of the study for winning the customers' satisfaction and loyalty through implementing, extending and modifying their business practices, policies and strategies in accordance with customers' expectations and perception in relation to CRM components.

5.3.2. Other Services and Goods Industries

CRM components as discussed in previous pages are not restricted only to the banking sector. It has its overall effect in all other service and product providing industries. All other industries therefore, can analyze and implement CRM components practices to boost up their sales and services acquiring and retaining customers under heavy completion prevailing inside free market industries.

5.4 Future Research

Present and future research projects can benefit from the efforts and presentation of this study to explore the CRM dimensions and their impact on customers in various areas and industries and use the contents, data, views and recommendations of the study available at the various places for value addition to their research work, confirmation and/or comparison of their data and results and also benefit from model, construct and conclusion of the study that will encourage and expedite their work. Further work is required on reasons for difference in results on CRM components in various studies. This research has limitation to the Karachi city and retail banking business. In other areas in other banking business, further research can add a lot to understand bank customers' view and perception on CRM practices.

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