



RESEARCH ARTICLE

Assessing Customer Relationship Management (CRM) Practices at National Investment Bank (NIB) Ghana Limited: (A Study of the Cape Coast Branch)

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Abstract

In today's competitive business world and challenging economy, retaining a customer base is vital to the success of a business as the sole reason for any organisation to exist is to satisfy the current and potential buyers of its market offerings. What customers think and feel about a company and/or its offerings are key aspects of its success. The Ghanaian banking industry has become highly competitive, with banks not only competing among each other; but also with non-banks and other financial institutions to gain greater market share. If customers are not given good reasons to stay, competitors will give them a reason to leave. Many banks are constantly formulating strategies to increase their share of the market by getting, keeping and growing its customer base through the provision of quality services, good customer care and creating customer value. The National Investment Bank (NIB) Limited, a reputable state bank is losing its customers to other competitors in the industry. This study seeks to assess the Customer Relationship Management (CRM) practices at National Investment Bank (NIB) and also recommend win-back and/or retention strategies to meet the needs of customers in a highly customised and responsive manner.

Keywords: *Customer relationship management (CRM), Customer value, Customer care, Ghanaian banking industry, Retention strategies, Quality services.*

Introduction

Irrespective of whether business customers are consumers or organizations, it is the job of marketers to understand their needs and offer the relevant market offerings. With so many different financial institutions to choose from, customers are now more knowledgeable, sophisticated, assertive, continuously demand higher levels of customer service, less loyal, and more inclined to switch to a competitor. In this consumer economy, attracting and crucially keeping customers for the long term is a key challenge for all businesses and more especially the banks.

Banks have realised that managing customer relationships is a very important factor for their success as Customer Relationship Management (CRM) is a strategy that can help them build long-lasting relationships with their customers and increase their profits through efficient management systems and the application of customer-focused strategies. CRM in the banking sector is of strategic importance since exceptional customer service is a major indicator for customer retention leading to high profitability.

The Ghanaian Banking Industry

The Ghanaian banking industry is traditionally conservative because of its traditional management methods and legal restrictions. Banks have traditionally operated in a relatively stable environment for decades. However, the industry is facing an aggressive competition since most banks have lost substantial proportion of their domestic business to essentially non-bank competition. The quality of business activities is very high and price competition is easily imitated, whereas non-price competition inevitably increases service quality and introduces new financial goods. The forces of competition enable firms to analyse and identify their competitive position and how they can use it to their advantage. It is therefore suggested that the essence of strategy lies in creating tomorrow's competitive advantages faster than competitors mimic the ones you possess today as successful business strategy is about actively shaping the game you play, not just playing the game you find. To be successful with CRM, financial and banking organizations must define and develop a

business strategy as well as a supporting infrastructure for that strategy.

The Ghanaian situation of service provision has not been and still not impressive. Service thrives on conditions such as quality, speed, timeliness, availability and accessibility. Lacking any of the afore-mentioned ingredients is a recipe for dissatisfaction and the said firm is likely to be at a competitive disadvantage. Most Ghanaians are not satisfied with the services they receive from all service providers and even the church. Bank customers complain about the excessive time (minimum of 40 minutes) spent at banks in Ghana even when some of the services are pre-arranged prior to their visit. Queues at banking halls are inevitable even in advanced countries, but for Ghana it is just unimaginable. Interestingly, the Automated Teller Machines (ATMs) that are supposed to supplement banking services are often temporarily out of order. Inappropriate staff attitude or behaviour towards customers is increasing as staffs have the notion that service delivery is about doing the customer a favour. Access to banking information is woefully inadequate, if non-existent. Bank charges are subjective leading to charges discrimination.

Consequently, the ability to maximise customer loyalty through close, positive and durable relationships is critical to retail banks' ability to grow their businesses. As banks strive to create and manage customer relationships, several emerging trends affect the approach and tools they employ to achieve sustainable growth. These trends reflect a fundamental change in the way banks interact with their existing and potential customers. Traditionally, banks have grown through an aggressive strategy of acquiring direct competitors and taking over their branch networks but today, that strategy is no longer sufficient. Acquiring businesses that have essential products or capabilities to complete the bank's portfolio of offerings is advisedly, recommended.

Regulatory, structural, and technological factors are significantly changing the banking environment throughout the world, and more especially in Ghana. Regulatory changes have reduced or eliminated barriers to cross-border expansion, creating a more integrated global banking market. Structural changes have resulted in banks being allowed a greater range of activities, enabling them to become more competitive with non-bank financial institutions. On the contrary, banks are hindered by the remnants of a regulatory environment that has

limited pricing, product composition and quality of service to the extent that parity rules. Technological changes are causing banks to alter their strategies for services offered to both commercial and individual customers. It is within this rapidly changing environment that customer satisfaction and service quality are compelling the attention of all banking institutions. Perceived quality of service tends to play an important role in high involvement industries like banking services. Banks have traditionally placed a high value on customer relationships with both commercial and retail customers. This results from the fact that consumer loyalty to a bank or other financial institutions historically evolved out of personal relationships with local financiers. Consumers can perceive no advantage, beyond location convenience, for selecting one bank over another. For marketers to alter perceptions and create consumer preference, banks need to evaluate their customer management strategy so as to be capable of delivering consistent and cost-effective customer service, customer-aligned products and services, and enhance customer loyalty and long-term value.

Established in March 22, 1963, the National Investment Bank (NIB) Limited is the first development bank in Ghana to promote and strengthen rapid industrialization in all sectors of the Ghanaian economy. It now operates as a universal bank by focusing on development/commercial banking activities. It is one of the twenty-seven (27) licensed commercial banks in Ghana. The bank operated as a development bank until the year 1980 when it acquired a universal license to operate as a universal bank. Later, the bank was granted a commercial banking license by the Bank of Ghana, the national banking regulator. As of March 2011, NIB has over 30 branches and a customer base of over 2 million people that cut across all sectors of the Ghanaian economy. The Bank has undergone management, institutional and financial restructuring, which has strengthened the organization. It is designated to source funds from Export Development and Investment Fund (EDIF) for on-lending to exporters as Term and Working capital loans as well as supporting highly successful industrial projects in Ghana, through equity and debt financing. The shares of stock of the bank are 100% owned by the Government of Ghana and it is a medium-sized financial services provider. NIB also provides corporate and commercial banking facilities (Current and Savings Account, Call Deposits, Fixed Deposits, Loans and Advances, Personal Loans, Overdrafts, Western Union

Money Transfer, Mobile Cash Management Services and Warehousing) involving both domestic and foreign transactions at very competitive rates and on flexible terms.

The customer is always right. In theory, In practice, the customer often gets trampled as companies forge ahead with short-term objectives. There have been incessant calls by some NIB customers to close their accounts and there seem to be no effort by the bank to formulate customer retention strategies to win back its potentially losing/lost customers. Consumers are unhappy about how the bank treats and addresses their grievances. Complaints and suggestions are often ignored while some customers are also treated unfairly. Loans are attracting very high interest rates with disregard to proper loan packages and risk analysis. Most customers cannot access overdraft facilities hence making it difficult to have access to extra funds to support their business (es) and personal endeavours. Service delivery is highly appalling and not properly packaged to meet individual needs. These aforementioned issues have given rise to the need for this research.

Literature Review

The concept of Customer Relationship Management (CRM) was derived from “contact management” in the 1980s about collecting all the information when customers come in contact with companies. In literature, many definitions have been given to describe CRM. Lacking a widely accepted definition, [1] CRM is the business strategy, process, and Information Technology (IT) that enable a company to optimise revenue and increase value through understanding and satisfying the individual customer’s needs. Bose [2] described CRM as an essential and vital function of customer oriented marketing responsible for gathering and accumulating related information about customers in order to provide effective services. CRM is also explained as a combination of business process and technology that seeks to understand a company’s customers from the perspective of who they are, what they do, and what they are like. CRM can be defined as “the development and maintenance of mutually beneficial long-term relationships with strategically significant customers” [3].

Arguably, it is said that CRM is not a product or service; it is an overall business strategy that enables companies to effectively manage relationships with their customers. It provides an integrated view of a company’s customers to everyone in the organization. Reasons for CRM

coming to existence are the changes and developments in marketing environment and technology. Massey, A., Montoya-Weiss, M., & Holcom, [4] believe that CRM is about attracting, developing, maintaining and retaining profitable customers over a period of time. However, the best definition of CRM as accepted and developed by Payne and Frow [5] states that ‘CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and create value. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications’ [6].

Customers have more choices and are not obliged to be loyal to any company. CRM therefore manages the customer relationships by creating a clear understanding of the market (Know), by developing services and products based on the added value for target groups (Target), then enabling the actual sale and delivery of services and products via a portfolio of channels (Sell) and finally developing long-term profitable relationships with after sales services (Service). The relationship is developed with strategically significant customers, and hence necessary for the organisation to determine the nature of this significance. Traditionally, this has been done by determining the value of the customer to the organisation, but other criteria that can be used include whether a customer serves as a benchmark for other customers or whether the customer inspires change in the supplier [3]. However, under certain circumstances CRM may result in the termination of relationships [7]. It has not worked out that well in practice as many large companies sometimes spend huge amounts of money on CRM systems only to find disappointing results. Most CRM projects are highly fragmented, lack customer focus, and then fail to meet their objectives [8].

Kotler [9] stressed that CRM, in practice, involves the purchase of hardware and software that will enable a company to capture detailed information about individual customers that can be used for better target marketing. By examining a customer’s past purchases, demographics, and psychographics, the company will appreciate what

the customer might be interested in. The company will send specific offers only to those with the highest possible interest and readiness to buy, and will save all the mailing or contact costs usually lost in mass marketing. Using the information carefully, the company can improve customer acquisition, cross-selling, and up-selling. He further posited that whereas some people define CRM as the application of technology to learning more about each customer and being able to respond to them one-to-one, others do not see it as a technology issue but rather a humane issue: treating each customer with empathy and sensitivity. It is well explained as a concept for increasing companies' profitability by enabling them to identify and concentrate on their profitable customers. It can also be understood as a revolving process during which companies interact with their customers, thereby generating, aggregating, and analysing customer data, and employing the results for service and marketing activities [10-11].

Customer service and relationship management are crucial to attaining a sustainable competitive advantage in the marketplace. The motivation for companies to manage their customer relationships is to increase profitability by concentrating on the economically valuable customers while possibly "de-marketing" and discontinuing the business relationship with less valuable customers. A successful CRM system must involve all people, processes, and information technology associated with marketing, sales, and customer service. The idea is to have the same information available to everyone in the company so that every product or service need of the customer is met. It therefore implies that everyone in the company must focus on the customer, empower customers and also rely on information from customers. With this information, a company would be in a much better position to make meaningful offers to individual customers with much less waste of company money and customer time, as well as humanise relationships and deliver better solutions to customers.

CRM Theoretical Models

The most successful business strategies are developed only after an organization has learnt about customers' behaviour patterns and attitudes. Behaviour studies show what products or services have been purchased in the past and what products or services are currently being bought, whereas Attitudes studies show what customers are thinking and feeling about future buying decisions. Interestingly, there is still much

debate over what exactly constitutes CRM [12-14]. According to Parvatiyar and Sheth [13] some of the themes represent a narrow functional marketing perspective while others offer a perspective that is broad and paradigmatic in approach and orientation. One view of CRM is the utilisation of customer-related information or knowledge to deliver relevant products or services to customers. Another view of CRM is its technological orientation. Advances in database technologies such as data warehousing and data mining are crucial to the functionality and effectiveness of CRM systems. Thus, CRM is not simply some applications or software but the philosophy, the way a company works so as to build long-lasting relationships with its customers. CRM is a comprehensive strategy and the process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer.

Various research methods have been used by researchers to conduct CRM research in the past. Ryals [15] used case study approach. Some used a multi-firm (cross-sectional) database approach [16-17]. Other used data collected within a single firm over time [18]. Payne and Frow (2005) used CRM Framework to conduct their study [19] used Customer Management Assessment Tool (CMAT) to assess the quality of customer management in financial services. Peppard [20] studied the CRM and Electronic Commerce (EC) issues of financial institutions from the enterprise-wide perspective and emphasized the importance of the integration of contact channels and front-office and back-office systems. Brown [21] also mentioned the importance of the integration of processes, techniques, organization, and 3W (web, work flow management, and data warehousing). Knox et al [1] addressed that CRM is a strategic approach designed to improve stakeholder value through developing appropriate relationships with key customers and customer segments. It involves an enterprise-wide marketing strategy, technology platform, and relationship management system [22].

Customer loyalty is one of the key objectives of CRM [13, 14, 23, 24, 25] CRM serves the purpose of value creation for all stake holders: customers, employees and shareholders [25]. The Service Profit Chain (SPC) Model [26] helps illuminate this value creation process by representing horizontal, cross-functional value creation processes rather than isolated perspectives within each function. Levitt [27] gave the idea that for firms to stay in existence, they should not focus on selling products but rather on fulfilling needs.

Again Levitt [28] introduced the concept of the augmented product, stressing that consumers are interested in the total buying experience, not just the core product. Almost fourteen years later, Berry (1983) shifted the emphasis to the relationship between the company and the customer. On the basis of his ideas and related conceptual work, the concept of building relationships was expanded to several different domains, such as industrial buyer–seller relationships [29] and channels of distribution [30].

Concurrently concepts such as market orientation [31] market focus [32], and market-based learning [33] have been developed to understand the needs and wants of customers, thus making firms more efficient and effective in managing customer relationships. In addition, there has been an evolution from product or brand management to customer management [34] and from product portfolio management to customer portfolio management [35]. There was an explosion of customer data in the 1980s. To organise these data for analytic purposes Peppers and Rogers [36] introduced the concept of one-to-one marketing, and Pine [37] introduced the concept of mass customization. Vendors capitalised on these ideas with hardware and software solutions and began using the term CRM. A study in the U.S. banking industry reported that banks that develop a customer-centric strategy get higher profits (Lamparello, 2000). Banks maintain substantial competitiveness for their good CRM [38,39] but in Taiwan only 11% of firms in the financial industry adopted CRM in 2003 [40].

Customer relationship should be viewed as a valuable asset and be managed well in order to switch the focus from the view of marketing into the development of “customer relationship value” [41]. Instead of treating customers as exploitable sources of income, businesses should now view them as long-term assets to be nurtured through CRM. CRM seeks to understand customers (for example, who are they, what do they do, and what they like?) from a multifaceted perspective, and it is a source of competitive differentiation [42]. It is an integration framework and business strategy which establishes and integrates contact channels with IT applications, provides customised services by analysing customer’s data, making target customers connect easily and pleasurably with companies, and then makes them become one of the participants in the value creation of the enterprise. Banks should integrate their front-office and back-office systems from the customer’s

point of view and redesign business processes from the outside in. They should start by identifying the end customers, streamline the process from the end customer’s viewpoint and for key stakeholders, continuously improve the process based on customer feedback, and give everyone involved a clear view of the CRM strategy and business process [43, 44].

CRM Benefits

Marketers are on an eternal quest to understand what motivates their customers. Customer relationships are becoming even more important for banks as market conditions get harder. Competition is increasing, margins are eroding, customers are becoming more demanding and the life-cycles of products and services are shortening dramatically. All these forces make it necessary for banks to intensify the relationship with their customers and offer them the services they need via the channels they prefer. By understanding customers better, companies can provide higher levels of customer service and develop deeper customer relationships. Companies can use CRM to pinpoint high-value customers, target them more effectively, cross-sell the company’s products, and create offers tailored to their specific requirements.

Some CRM benefits to customers may include the following.

- Customers feel empowered if they have greater access to products and services e.g. 24-hour banking and operational Automated Teller Machines (ATMs)
- There is a more coordinated and professional approach to customer contact throughout the entire life cycle of the corporate customer.
- Targeted product and service offerings can be timed to coincide with customer events and life stages, thus simplifying marketing and sales process e.g., educational loans, car loans, mortgages etc
- Up-to-date customer information and database
- More personalised services (customisation).

Key CRM benefits to Employees may also include the following.

- Employees may have more time to serve customers and fulfil orders.
- Empowered with the information to deliver high quality service
- Ability to meet customer expectations, and thus helping sales staff to close deals faster
- Have higher satisfaction ratings by providing better customer balance and service.

- Low maintenance and expansion costs owing to the use of modern administration tools
- Aids the building of positive relationships amongst employees and with customers

Some key CRM benefits to organisations may include.

- Optimum use of bank resources – internet and home banking, ATM, loans, mortgages, etc - by increasing customer revival.
- Significant reduction in and limitation of operational costs through system automation and standardization.
- Effectively targeting the right customer base with the right services at lowest cost via the right channels
- An improvement in customer satisfaction and loyalty through the provision of consistent personalised experiences.
- Developing and maintaining better relationships with customers, achieving loyal customers and substantial payback, increased revenue and reduced cost. Roh et al.(2005)
- A dramatic effect on bottom-line performance when successfully implemented.
- developing customer centric products and services based on customer wants, tailored to their needs.
- Maintaining and building on existing customer relationships, adding value by retaining clients and cross selling products and services, and thus providing better customer balance
- Empowering managers with information so as to manage customer relationships and make better decisions faster.
- Executives being empowered with information to capitalise on short windows of opportunity in the market.

Some of the aforementioned benefits that a company can attain from CRM are shown in improved customer retention, more cross-selling and up-selling, improved campaign management, sharper sales targeting, higher sales configuring, better channel sizing, and reduced support costs [45]. Bank customers often look for a sense of security, strength, and stability in their banks.

On the contrary, CRM benefits do not come without cost or risk, not only in collecting the original customer data but also in maintaining and mining it. Companies such PeopleSoft, Oracle and SPSS have spent an estimated \$1 billion to a \$50 billion on CRM software alone. Yet more than half of all CRM efforts fail to meet their objectives. The most common cause of CRM failures is that companies mistakenly view CRM only as a technology and software solution. But

technology alone cannot build profitable customer relationships. A relationship is what CRM is all about. When it works, the benefits of CRM can far outweigh the costs and risks. Staying abreast of current industry and market trends while focusing on your most valuable asset, your customers, is proving a smart way to stay ahead in business.

Research Methodology

In order to develop a comprehensive list of CRM practices, it is essential to identify the key constructs of CRM. Sin *et al.* [14] proposed that CRM comprises the following four constructs: Key Customer Focus, CRM Organization, Knowledge Management and Technology-Based CRM. Key customer focus was all about developing a strong customer focus [23,34,46] and continuously delivering superior value to selected key customers through personalised/customised offerings [47] CRM organization implied organising the whole organization around CRM, which will lead to considerations like organizational structure, commitment of resources and human resources management [14]. Knowledge management included learning about customer needs and wants, dissemination and sharing of this knowledge and action[14]. Technology-based CRM implied that technology plays the role of enabler in CRM deployment [23] and allowed firms to achieve greater customization and better service at lower cost [14].

For this study, the researcher has identified the key constructs of CRM as.

- Customer Data and Analytics
 - ✓ Real-time client data files and marketing databases
 - ✓ Customer segmentation profiles.
- Marketing and Campaign Management
 - ✓ Marketing campaign management, including via email, text messages and through the post
 - ✓ Marketing resource management (MRM)
 - ✓ Event and survey management - know your customer (KYC);
- Distribution Channels And Management
 - ✓ Contact centres for service, or sales and customer administration;
 - ✓ Branches or store merchandising and support
 - ✓ Key account management that gives individual attention
 - ✓ Self-service via web, mobile or voice recognition; online chat and voice over internet (VOIP), click to call back and email call back

- ✓ Field service support and partner management requests and are always willing to help
- ✓ Efficient collections and debt management
- Research and analytics
- ✓ Behaviour of employees instill confidence
- ✓ Real-time decision making and 'next best offer' recommendations;
- ✓ Convenience of organisation's operating hours
- ✓ Long queues at banking halls
- ✓ Employees pretence to be too busy instead of being ready and prepared to assist
- Integrated regulatory compliance
- ✓ charges at the organisation
- ✓ Organisation has anti-money laundering (AML) systems
- ✓ Employees are never too busy to respond to customers' needs
- ✓ Organisation treats customers fairly (TCF);
- ✓ other industry-specific regulatory and compliance issues
- ✓ Fraud detection systems

The researcher employed the descriptive survey and adopted the questionnaire and personal interview as the research instruments. In all, a total number of **150** respondents were randomly selected. The five-point Likert scale was used to code the responses of (5) Strongly Agree, (4) Agree, (3) Uncertain (2) Disagree and (1) Strongly Disagree. Respondents were asked to choose the number (1-5), that best represents their view(s) on a statement. The response rate was 100% and the responses were dichotomised to make 2 x 2 cross tabulation possible. However, due to word count constraints, the results are presented descriptively.

Results and Discussion

Reviews of the responses are summarised below under the headings positive and negative results.

Positive results

- The study revealed that NIB had real-time data files and marketing databases but were made up of some errors – wrong spelling of names, wrong addresses, and poor updates of customers' profiles. Having the database is not enough but should be operational. It is for this reason that 43% of the respondents strongly agreed to NIB having real-time data files and marketing databases
- NIB has customer segmentation profiles which indicated the nature of the segmentation at which the company directs its offerings. 63.4% of the respondents strongly agreed to this statement.

- Majority of the respondents (45) strongly agreed that NIB employees showed interest in customers' activities and insisted on error-free records.
- 43% (majority) of the respondents strongly agreed that NIB has key account management that gives customers individual attention
- On the issue of NIB having an efficient collections and debt management systems, surprisingly, there was a balance between respondents who strongly disagreed (40) and those who strongly agreed (40). Information about debt collection and management systems are not provided to customers for them to appreciate the efforts of NIB towards this direction.
- 43.3% of the respondents agreed that the behaviour of employees at NIB instills confidence as they feel safe in effecting transactions with NIB.
- 60% of the respondents strongly disagreed that NIB's charges are too expensive as compared to other banks. It therefore means that majority of the respondents are of the view that NIB's charges as compared to other banks are much lower.
- NIB has anti-money laundering (AML) systems and 46.7% of the respondents strongly agreed to it.

Negative results

- 52% of the respondents strongly disagreed that NIB conducts marketing campaign management via email, text messages and through the post. Correspondence between the bank and its customers have been appalling
- 56.6% of the respondents strongly disagreed that NIB provides event and survey management - Know Your Customer (KYC). NIB has failed at getting to know their customers hence leading to poor segmentation and targeting.
- Majority (63.3%) of the respondents strongly disagreed that NIB has contact centres for services, or sales and customer administration. Contacting the bank has always been difficult
- 58.7% of the respondents strongly disagreed that NIB has many branches or store merchandising and support. Inadequate branches contribute to the long queues at the existing branches.
- 95.3% of respondents strongly disagreed that NIB offers self-service via web, mobile or voice recognition, online chat and voice over internet (VOIP), click to call back and email call back. Apart from the ATM machine (which is temporarily out of service), none of the aforementioned is operational at NIB.

- NIB offers field service support and partner management requests and is always willing to help you. 63.3% of the respondents strongly disagree to this statement. Companies with very tight profit margins or limited funds tend to partner where they can while keeping a consistent vision and objective in mind.
- 53.3% of the respondents strongly disagreed that NIB makes real-time decisions and 'next best offer' recommendations. This further confirms that correspondence between the bank and its customers are inadequate.
- Majority (60%) of the respondents strongly disagreed that NIB has convenient operating hours. NIB is not consistent with the opening times but very vigilant with closing times.
- Majority of the respondents (70%) strongly agree that there are always long queues at NIB banking halls. This is because there is limited number of branches within the catchment area.
- Employees at NIB pretend to be too busy instead of expressing the willingness to assist customers. 72% of the respondents strongly agreed to this statement thereby resulting to poor customer service.
- 72% of the respondents strongly disagreed that employees at NIB are never too busy to respond to their needs.
- The response from the study revealed that 40% and 20% of the respondents strongly disagreed and disagreed respectively that employee of NIB Treat Customers Fairly (TCF). This is a clear indication that customers' views and needs are not appreciated and addressed
- 68.7% of the respondents strongly disagreed that NIB understands their needs and are compliant to industry-specific regulatory and financial issues.
- 56.7% of the respondents were uncertain that NIB was good at detecting fraud. Surprisingly, 14.7% of the respondents strongly disagreed that NIB was good at detecting fraud.

Most of the responses that revealed positive results were actually below 47% (i.e. from 23.3% - 46.7%), with only one response at 63%. This clearly shows that CRM practices at NIB are woefully executed.

On the contrary, most of the responses that revealed negative results were actually above 40% (i.e. from 40% - 96%), with the highest response at 95.3%. This clearly revealed that CRM practices at NIB needs much to be desired. Training sessions need to be organised to improve CRM practices at NIB.

Recommended CRM Retention Strategies for NIB

Recognizing a customer's needs requires an investment in insight – technology. To understand how to best serve your customers, you must understand how and where they interact with your business and exactly what will persuade them to stick to you through thick and thin. Research findings suggest that the costs of customer retention activities are less than the costs of acquiring new customers. The expense of acquiring customers is incurred only in the beginning stages of the commercial relationship [48]. Customer retention through the provision of innovative products, quality service, prices, meeting client needs, access to bank's facilities among other things are essential to customer satisfaction. High level of customer satisfaction leads to increased customer loyalty, intention to purchase, word-of-mouth recommendation, profit, market share, and return on investment [26].

To create customer satisfaction, NIB must manage its own value chains and value delivery systems in a customer-centred way as its goal is not only to get customers, but to retain them. CRM systems integrate strategy, IT and relationship marketing to deliver value to customers and treat them individually. NIB must decide the level at which to build relationships with different market segments and individual customers. Any data held on customers must be accurate and up to date. NIB must only retain information for as long as is necessary in relation to the purposes for which it was initially collected. The best level is dependent on customer's lifetime value relative to the costs required to attract and retain that customer. NIB needs to understand the determinants of customer value and satisfaction - quality, value and service – as customers will normally choose the offer that maximises their delivered value. Customers are satisfied when their expectations are met and delighted when their expectations are exceeded. Satisfied customers remain loyal longer, buy more, are price insensitive and talk favourably about the company.

Accurate customer information is crucial to providing effective customer service. The quality of customer service is determined and evaluated by the customer, and this affects the desirability of a relationship with the organisation. Service encounters and CRM are thus associated. Smart companies capture information at every possible

customer *touch point*. These touch points include customer purchases, sales force contacts, service and support calls, website visits, satisfaction surveys, credit and payment interactions, market research studies – every contact between the customer and the company. One way of investing in customer relationship building is by forming strong customer bonds: The basics should include among others.

- Cross-departmental participation in all organisational activities
- Integrating the voice of the Customer into all business decisions and operations
- Creating outstanding value and superior offerings for the target market
- Organising and making accessible a database of customer information
- Making it easy for customers to reach the appropriate personnel, and
- Rewarding outstanding employees

Adding financial and social benefits to NIB's operations are some ways of efficiently improving performance and investing in customer relationship building. In doing so, the organisation must; initiate positive phone calls; make recommendations; candour in language; use phone; show appreciation; make service suggestions; get to the problem; accept responsibility; plan the future; personality problems aired; and talk of 'our future together'. On the contrary, NIB must avoid making only call backs; making justifications; waiting for misunderstanding; waiting for service requests; only responding to problems; shifting blame; rehashing the past; and using long winded communications etc. Creating long-term contracts, charging lower price to high volume customers, and turning product into long-term service are essential to retaining existing and new customers. The Automatic Teller Machine should be accessible around the clock so as to increase customers' transaction(s). NIB should aim at offering credit cards and overdraft to its high valued customers to help them raise easy credit facilities. NIB's CRM initiatives should be driven as organizational strategies.

Getting to know your customers and keeping them happy can be the most effective way to meet financial targets in the long term; happy customers come back time and time again. There are a plethora of technologies to track customer details and behaviour. These can be bought off the shelf, but the art lies in managing the data to

produce a meaningful picture of the customer. Used correctly, CRM software can revolutionise customer service. Ultimately, to know what your customers want, you have to go and ask them. And that desire to get inside customers' heads is what drives market research.

NIB should make real-time decisions and 'next best offer' recommendations and also improve correspondence between the bank and its customers. Communication should address the specific needs and profile of customers. Employees should be trained to proactively offer assistance to stranded customers at all times. The study revealed that employees treat customers unfairly. Majority of the respondents do not think that NIB understands their needs. Customers are not aware of NIB's ability to detect fraud and as such NIB must make this information accessible. The company should develop strategies at increasing the number of branches to ease long queues and access to the bank. It should improve on the key account management systems by tailoring specific product packages/services such as overdraft facilities to specific customers. Efficient collections and debt management systems should be accessible to both customers and employee. Banks in Ghana are mostly lethargic, somewhat similar companies and consumers have little incentive in switching. However, if NIB offers self-service via web, mobile or voice recognition, online chat and voice over internet (VOIP), click to call back and email call back, it will serve as its competitive advantage.

With low banking charges the company should improve on its CRM practices by requiring; quality customer information; product/service/industry knowledge; consultative selling/relationship; customised, highly differentiated offerings and timely solutions; management skills; value for money; proactive approach to service delivery; a professional partnership and skills approach; strategic thinking; and understanding the business. How banks initiate their services, satisfy customers' needs, strengthen the relationship with customers, and develop their CRM-oriented practices are sources of competitive advantage. The bank must collate customer information to build the fullest picture of their customer base and preferences. Relevant customer data must be available to frontline staff so they can recognize customers contacting the company and also resolve customers' problems rather than fobbing them off with excuses. Available channels for

correspondence – telephone, mobile, e-mail and internet - should be accessible to build loyalty.

Conclusion

The new trend in banking today is the introduction of internet banking - flexibility in transacting business with the bank, with the downside being that the bank now feels less personally connected with the customer, since the personal relationship has disappeared. Meanwhile, the most important revelation was the personal relation demanded and desired by the respondents. How customers are treated will, in the future, become even more important than it is today, and failing in this respect will harm the business.

NIB should periodically update their customers' databases to enhance appropriate correspondence by responding to customers on the channels they choose. Financial institutions have a great deal of information concerning their customers and should develop strategic segmentation of their customer base using value based parameters and compare to some indicators of customer loyalty - length of relationship, breadth of products purchased, and volume of interactions. To improve real-time client data files and marketing

databases and customer segmentation profiles, customization must be encouraged for the continued maintenance of the database.

One of the biggest technical challenges for financial institutions is the acquisition and management of usable customer information. NIB should interact with their customers in relationship building efforts through a variety of communication tools and technologies - via email, text messages and through the post. This is necessary as the relationship can only develop and be sustained if there is communication with the customers regarding their needs, perceptions and desires. This involves developing methods of communication proactively with customers regarding the organisation's products and attempting to initiate dialogue with customers.

Domestic banks in Ghana are now grappling with some perceptual issues and are not in the face of worldwide competition yet; moreover, lacking sophisticated applications and professional support, their CRM adoption is progressing at a slower pace compared with foreign banks. It therefore means that developing NIB's own unique and sustainable customer intimacy is an important issue in CRM.

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