

**AN ASSESSMENT OF THE CONTRIBUTION OF CUSTOMER
RELATIONSHIP MANAGEMENT ON BANK PERFORMANCE
THE CASE OF PEOPLE'S BANK OF ZANZIBAR LIMITED**

By

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**A Research Report Submitted in Partial/Fulfillment of the Requirements for
Award of the Degree of Master of Business Administration (MBA) of Mzumbe
University**

2013

CERTIFICATION

We, the undersigned, certify that have read and hereby recommend for the acceptance by Mzumbe University, a dissertation entitled **Contribution of Customer Relationship Management on Bank performance** in partial fulfillment of the requirements for the Degree of Master of Business Administration of Mzumbe University.

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I, Zainab Said Abdalla, declare that, this thesis is my own origin work and that it has not been submitted and will not be presented in any other University for a similar or any other degree award.

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DEDICATION

I wish to dedicate this work to my dear family especially to my lovely husband Mr. Suleiman A. Suleiman and my lovely daughter with my family members especially my mother and sisters and my brother.

LIST OF ABBREVIATIONS

ATM	-	Automated Teller Machine
CR	-	Customer Relationship
CRM	-	Customer Relationship Management
HR	-	Human Resource
IT	-	Information Technology
MVCs	-	Most Valuable Customers
PBZ	-	Peoples Bank of Zanzibar
PRM	-	Partner Relationship Management
R&D	-	Research and Development
SPSS	-	Statistical Package for Social Science
CSR	-	Corporate Social Responsibility

ABSTRACT

Customers are the focal point in the development of successful marketing strategy. Marketing strategies both influence and are influenced by consumers' affect and cognition, behaviour and environment. In the banking field a unique 'Relationship' exists between the customers and the bank. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc., many banks are still following the traditional ways of marketing and only few banks are making attempts to adapt CRM. It is with this background, the researcher has made a modest attempt towards the idea that CRM can be adapted uniformly in the banking industry for betterment of Banking Services.

The general objective of this study is to assess the contribution of customer relationship management on PBZ performance and specific objectives are to determine if the CRM has any impact on customer loyalty, to find out the extent in which the service provided leads to customer satisfaction in PBZ and to offer pertinent suggestions based on the findings. The study covers the sample of 45 respondents who were the customers of PBZ and 5 officers from the banks including the IT manager, the customer service department, the marketing manager and accountant. The primary and secondary data were collected and analysed using a statistical package for social science (SPSS) and presented in tabular form, chart and graph.

The major results showed that there is direct positive relationship between the quality of service offered and customer satisfaction and there is direct positive relationship between CRM programmes of PBZ on customer's loyalty.

The study also showed that there is a significant improvement in bank performance and it was recommended that organizations should understand that CRM is an inevitable tool of marketing that can be considered as Critical Responsibility of Market with regard to Banks in present context.

Keywords: Customer Relationship Management, customer loyalty, performance and customer satisfaction.

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Introduction

Customer relationship management is one of the strategies to manage customer as it focuses on understanding customers as individuals instead of as part of a group (Lambert, 2010). Managing customer relationships is important and valuable to the business. The effective relationship between customers and banks depends on the understanding of the different needs of customers at different stages. The ability of banks to respond towards the customers' needs make the customers feel like a valuable individual rather than just part of a large number of customers. CRM manages the relationships between a firm and its customers. Managing customer relationships requires managing customer knowledge. CRM and knowledge management are directed towards improving and continuously delivering good services to customers. To understand more in customer relationship management, we first need to understand three components which are customer, relationship and their management (Peppers and Rogers, 2004).

More often, managers always make mistakes by seeing customers' satisfaction from their eye not from customers' eye (Peppers and Rogers, 2004). Banking sector is a customer-oriented service where the customer is the KEY focus. Research is needed in such sector to understand customers' need and attitude so as to build a long relationship with them. Customer Relationship Management includes all the marketing activities, which are designed to establish, develop, maintain, and sustain a successful relationship with the target customers. CRM identifies the present and future markets, selects the markets to serve and identifies the progress of existing and new services.¹

Thus, CRM is a managerial philosophy that seeks to build long term relationships with customers. CRM can be defined as the development and maintenance of mutually beneficial long-term relationships with strategically significant customers (Buttle, 2002).

¹ <http://www.pinnaclejournals.com>

It is the establishment, development, maintenance and optimization of long term mutually valuable relationships between consumers and the organizations. Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes.

1.2 Background Information

The People's Bank of Zanzibar Limited (PBZ) is one among the oldest commercial banks in Tanzania. It was established in 1966 under Cap. 153 of the Zanzibar Companies Decree and is owned wholly by the Government of Zanzibar. It is one of the 29 banks licensed by Bank of Tanzania, the national banking regulator. It is a growing financial institution, with total assets of over US\$79 million and shareholder's equity in excess of US\$10 million, as of December 2009.²

Authorized share capital of the bank consists of 250,000,000 ordinary shares each TZS 100. As at December 31, 2012, issued and fully paid up shares were 110,000,000 each TZS 100. The Bank is 100% owed by Revolutionary Government of Zanzibar (RGZ).

It functions as a retail bank as well as serving bank. It also deals in small-to-medium businesses as well as large scale businesses. Its services are limited to the Zanzibar archipelago, including the neighboring island of Pemba. PBZ, offers both individuals and legal entities a rich variety of banking and financial products, both classical and contemporary, and offers complete, quick and quality service in this country and abroad, at very competitive rates. The bank has several branches located at Malindi Branch Head Office, Forodhani Branch, Chake Chake Branch, Mwanakwerekwe Branch, Mlandege Branch for Zanzibar and Kariakoo Branch in Dar es salaam.

PBZ works with the vision of being a leading provider of innovative and high quality financial services to our retail and corporate customers in Tanzania and supported by its

² <http://www.pbzLtd.com/history.php>

mission of providing banking solution to her retail and corporate customers. PBZ aims to do so by providing innovative and high quality products and services at competitive and affordable cost through its network in Tanzania.

With that regard, The People's Bank of Zanzibar Limited offers a wide range of commercial banking services. The principal activities covered, inter alia, deposits mobilization, lending, financing of foreign trade and foreign exchange dealing. It also has the following objectives carried on in all its branches and departments, including borrowing, raising or taking up money, accepting drafts, granting and issuing letters of credit, bills of exchange and other debt instruments, by receiving deposits of money including deposits which are subject to withdrawal by cheque; and buying and selling foreign exchange and dealing in bullion and specie; by lending money against personal property or mortgages on real property; by acquiring marketable instruments evidencing indebtedness of the Government or any person, firm, association or company, in the form of Government securities or stocks, bonds, notes or debentures; and by investing in equities of other companies which are engaged primarily in activities allied or related to banking;

- To receive in custody money, documents, valuables and rent safety deposit boxes for safeguarding money, documents and other valuable items;
- To perform functions related to registration of transfers and issue of share certificates and similar documents;
- To act as a financial agent and buy and sell, by order and for the account of its customers, shares, debt instruments and all types of securities;
- To make collections, payments and transmissions or remittances of money for the account of others and perform such other services for their customers.

1.3 Statement of the problem

In today's commercial world, practice of dealing with existing customers and thriving business by getting more customers into loop is predominant and is mere a dilemma.³ The most of the banking institutions have come to realize that the customers are the main centre point of any business. In order to effective managing the relationship with them there are strategic policies is required. The systematic management of them are the core task of customer relationship management. The ultimate objective of all customer relationship management is to make customer happy because they are the blood supplier of any business especially in financial industries. It is generally assumed that technology is supporting the business with the systems and software, good service delivery and commitment that helped them to keep maintaining regular communication with the customer and subsequently the significant improvement of the services.

With the help of the customer relationship management software the financial institution like as bank track customer's interaction and get the required information about the customers as well. The system is ultimately helped to increase the noteworthy improvement and also lead to get closer to the customers. Through this process banking industries maximize their ability of enhancing further business with the existing customers as well. The customer relationship effort leads marketing is this sense. Information technology and information system here is the main supporting key that successfully worked to the linked with CRM.

Although, there have strong support given by the authorities of PBZ bank but still it seems to do further actions in order to compete with the other competitors. Here, it should be mentioned that some of the employees are not adequate updated to use the newly introducing software to manage customer relationship. Therefore, the expected successes in certain sectors are less attained compared to its targeted expectations. By realizing the significance of the contribution of CRM the banking institutions in

³ Rootman C (2006). *The influence of Customer Relationship management on the service quality of Banks*. Unpublished Master's Dissertation. Port Elizabeth: Nelson Mandela Metropolitan University.

Tanzania are bringing the continuous change in maintaining banking business and would be helpful to strengthen the level of confidence of the customers.

The PBZ is one among the oldest commercial banks in Tanzania that offers a wide range of commercial banking services as well as functions as a retail bank as well as serving bank but its popularity is decreasing and customer complaints is increasing day by day. This can be linked with the unsatisfactory CRM strategy in its operation. (Amoako et al, 2012).

Installing and establishing a Customer Relationship Management system can definitely improve the situation and help in challenging the new ways of marketing and business in an efficient manner.⁴ Hence in the era of business every organization should be recommended to have a full-fledged CRM system to cope up with all the business needs⁵. By doing so, in any organization, mostly in Banking Sector, there is a need to adopt a customer relationship strategy, as its business strategy and is more than a functional strategy.⁶ Strong relations with clients offer a degree of protection against actions of competitors. Loyal customers can be more profitable when implementing CRM as well as winning new customers is expensive, satisfied customers may buy happier customers can bring additional customers. (Amoako et al, 2012).

Organizations have discovered research studies have shown that CRM plays an important role on improving organization performance.

And many authors such as Nastaran Mohammadhossein, et al (2005) have wrote about the “Benefit of Customer Relationship Management on customer satisfaction and loyalty” they did not put consideration in improving the organization growth and the performance therefore in this study I found that it is important to put in consideration the company profitability and its performance since CRM play great role in organization performance. They are also interested in finding new ways and means to satisfy the

⁴ Ghavami AO (2006). *The Impact of CRM on Customer Retention*. Masters Thesis. Lulea University of Technology.

⁵ Kotler P, Keller K, (2006). *Marketing Management*. 12th ed. New Jersey: Pearson Prentice Hall.

⁶ Peppers & Rogers Group,(2000). w Ito I .com "*The CRM Phenomenon*", white paper, Magic Software Enterprises Ltd.,

customer. Most companies are aiming for good customer relationship which means better service to the customer thereby preventing the customer from being promiscuous. Based on the specific objectives of the paper are (1) To determine if CRM has an impact on customer loyalty, (2) To find out the extent in the services provided leads to customer satisfaction. (3) To find out the extent to which organization commit to implement CRM programs. Despite the significance of CRM in creating competitive advantage to business organizations, majority of the firms do operate without having a proper CRM strategy. In view of the above the study ought to answer the question as to **what is the contribution of CRM in driving forward the performance of commercial banks in Tanzania?**

1.4 Research Objectives

General Research Objectives

The main objective of this study is to assess The Contribution of CRM on Bank performance.

Specific Research Objectives

1. To determine if the CRM has any impact on customer loyalty
2. To find out the extent in which the service provided leads to customer satisfaction in PBZ.
3. To show the extent to which organization committed to improve bank performance

1.5 Research question(s)

1.5.1 General Research Question

Though we have established a CRM strategy in many organizations in Tanzania, this study prompts a question: “What is the **Contribution of Customer Relationship Management (CRM) on Bank performance at PBZ?**”

1.5.2 Specific Research Questions

1. Do CRM have any impact on customer loyalty?
2. Are the services provided by the PBZ bank leads to customer satisfaction?

3. To what extent the organizations commit to improve bank performance?

1.6 Significance of the study

The findings of this study enabled the management to know to what extent do their customers are satisfied with the services provided by them.

Moreover, the results of this study had an impact on the academic community, governmental and non-governmental organizations, policy makers and the public at large.

The practical aspect, as the topic of CRM has been one of the topics which gained much importance in the organizations because of the general orientation to globalization, which made that topic the main touchstone to the success of organizations, among which the financial institutions, particularly during the present international financial crisis.

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Provided a reference tool for the academic institutions. Hence, a starting point for subsequence researches in the same field.

And lastly but not least, the study further add more knowledge, create awareness to the customers on the contributing factors that determine CRM and the influence on bank performance and provide possible measure to address them.

1.7 Study Scope and Limitations of the study

Study Scope

The scope of this study is limited to the PBZ at Mlandege Corporate Branch and Malindi Branch and was generally focus on the Contribution of customer relationship management on bank performance and the data which will be used will be only from the two branches Mlandege Corporate Branch and Malindi Branch.

Limitations

As there is no other area for collection of data except the one which was specified in this study the researcher will have to rely on the respondent's answers ,this means whatever

the information he is provided he will not be capable of determining whether the answer provided is true or not.

Financial problems, researcher considered financial budget, the problem was in term of transport fee from and to the field area for data collection, stationeries, communication cost example credit card and internet bundles so simplify data collection of the study. To overcome this, the researcher decided to deal with one area only.

Time factor, also because of limit time of doing the research, the researcher based on PBZ as a case study for visibility and collection of data hence reduce the wideness of the research.

Not all the respondents were willing enough to provide the required information, some were reluctant either by not knowing the benefits of the study or had different perceptions about the study and therefore, taking time to be explained by the researcher and to provide the required responses.

In this chapter the back ground information was elaborated based on the study, brief explanations on the topic were given and the historical background of the bank to show that it is the oldest bank in Tanzania. The statement of the problem were discussed basing on the past researchers since there were some loopholes and gapes with Specific objectives as follows, to determine if the CRM has any impact on customer loyalty.

To find out the extent in which the service provided leads to customer satisfaction in PBZ and to show the extent to which organization committed to implement CRM. The chapter also explained the scope and some limitations of the study. It shows the significance of the study since the CRM is having much significance to the bank as well as to other service sectors like financial institutions, and hospitality industry.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter express on the ideas and theories propounded by different authors in the field of Contribution of advertising on Sales improvement. It also focuses on the researches done by others related topics.

2.2 Theoretical part

The review of the literature was done from various writings, related with the topic in question, which were rated into primary and secondary one depending upon the origin of the source. Some of these literatures provide a basic overview of the research and some of them raised crucial questions for examination. The majority are text books, articles, journals, paper presented by the management, documents written by the local writers on the area. Along with some other text books related to the general concept of customer relationship management.

2.2.1 Brief History of CRM

It is very hard to trace back the actual origin of Customer Relationship Management (CRM). Many researchers state that the origin of (CRM) is found in early eighties and according to others in late eighties. The concept was originally developed by US marketing strategy consultants, Don Peppers and Martha Rogers, and first published in the Harvard Business Review almost five years ago. “The more customers teach the company”, they explained, “the better it gets at providing exactly what the customer wants – exactly how they want it – and the more difficult it will be for a competitor to entice them away.” (Peppers & Rogers Group, 2001)

Since the 1990’s, the marketing of both services and tangible products has increasingly focused on the concept of the development of relationships with consumers (Swartz & Iacobucci, 2000:96). Customer relationships ensure that consumers develop the perception of customization, empathy, appreciation, friendliness, communality and feelings of trust (Swartz & Iacobucci, 2000:96). This perception leads to support and loyalty among consumers to firms.

In recent years, CRM has emerged as a top commercial priority. CRM is not simply a method used by leading firms to gain a competitive advantage: it has become a necessity for their survival (Buttle, 2004:1). The focus is increasingly on CRM, with the dominant business environment evolving from a production orientation to a marketing orientation. While, in the past, firms focused on increasing profits by reducing production costs, they have adopted a sales orientation, in terms of which the main objective is increasing profits through increasing sales volume. Previously, firms were expected to identify client needs and provide value to clients. Presently, firms focus on satisfying client needs, at a profit. This requires that the focus of the entire firm must be on identifying and meeting client needs. With CRM, the client helps the firm to provide the benefit bundle that the client values. Value is thus created with clients, not for them (Gordon, 1998:9). The overall provision of service delivery can thus be customized for the individual client, according to his/her needs.

2.2.2 Employed Definitions

Customer

Parasuraman and Grewal (2000) define customer as an individual or business entity that buys the product, meaning that they acquire it and pay for it. This implies that a customer is a person, company, or other entity, which buys goods and services, produced by another person, company, or other entity.

Customer Relationship Management

According to Kotler (2006), CRM refers to managing customer data base which includes detailed information about clients and managing contact points with clients in order to achieve customer loyalty. Shani and Chalasani(1992) defined RM as a business strategy which focuses on firm's resources, operations, and activities around consumer needs to retain and grow customer base. Peppers & Rogers (1993) viewed CRM as a philosophy that puts customers in the heart of developing firm's products and allocating its resources toward delivering zero-error services to increase customer satisfaction and loyalty.

CRM can be regarded as a core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted clients, at a profit (Buttle, 2004:34).

According to Gordon (1998:9), it is an ongoing process of identifying and creating new value with clients and then sharing the benefits from this over a lifetime of association.

It is a management approach that enables organizations to identify, attract, and increase retention of profitable customers through improved relationship management (Hobby, 1999) CRM is the utilization of customer related information or knowledge to deliver relevant products or services to customers (Levine, 2000). Thus CRM is a set of business processes which focus on capture, retain and provide service to customers. The customer is at the heart as the approach aims at putting customer first by shifting the role of marketing from manipulating the customer to genuine customer involvement communicating and sharing the knowledge (Parvatiyar and Jagdish, 2001). In other words, CRM is about managing the customer portfolio efficiently and effectively by designing business policies which focus around the customer.

CRM can be further described as a comprehensive set of activities that covers all functions of the firm interacting with and supporting a consumer. These activities ultimately build customer satisfaction by providing in their needs, wants, and desires over the long term (Wilmshurst & Mackay, 2002:169).According to Gordon (1998:9), it is an ongoing process of identifying and creating new value with clients and then sharing the benefits from this over a lifetime of association.

According to Picton and Broderick (2005), CRM is a view that emphasizes the importance of the relationships developed between an organization and its customers. It involves the strategic and tactical management tasks to achieve positive communications and long term customer relationships. Berkowitz (2006) also defines customer relationship management (CRM) as “the organization’s attempt to develop a long-term,

cost-effective link with the customer for the benefit of both the customer and the organization.”

Personal relationships with clients are important, as loyalty to service firms has been associated with clients’ personal relationships with a service provider (Swartz & Iacobucci, 2000:96). Therefore, service providers, including financial institutions like banks, should focus on building relationships with their clients to reap the long term rewards of support and loyalty.

Benefits from customer relationship management to clients Successful relationships with clients involve a mutual fulfillment, with benefits to both parties, namely the service firm and the client (Swartz & Iacobucci, 2000:327).

A client will desire a relationship with a specific service provider if he/she finds that the benefits to be received will significantly exceed the associated costs of obtaining such benefits. Clients want firms to manage all client interactions and focus on building a relationship over time (Wilmshurst & Mackay, 2002:115). Clients are willing to build long term relationships based on trust and mutual respect with firms that provide differentiated and personalized services (Customer Relationship Management in Financial Services, 2001:1).

According to Finch (1994:41), a strong relationship with clients is one in which the client is completely satisfied; feels appreciated; has learned he/she can trust and depend on the service provider; and is satisfied that the services offered are reliable. As CRM is a fairly recent marketing concept, limited research has been undertaken on the dimensions of a relationship between a service provider and its clients.

There are about five dimensions of such a relationship have been repeatedly identified in research, namely trust; bonding; concern; reciprocity; and loyalty (Swartz & Iacobucci, 2000:330-331).

Trust refers to the confidence in the dependability of one party to act in the long term interests of the other party. A party to a relationship has trust, if the feeling that the other party can be depended on exists (Beckwith, 2001:180).

In the banking branch of the financial services industry, for example, clients will trust the bank if they believe the bank will always act in their best interests.

1. The mutual state where two parties act in such a way that a bond is developed is called bonding. In the banking branch of the financial services industry, for example, clients will have a strong bond with their bank if they would not switch to another bank and if they feel part of the bank's valued client base.
2. Concern exists if two parties have an appreciation of, and caring, emotional feeling for each other. Based on such concern, each party will consider the view point of the other party in negotiations and interactions. In the banking branch of the financial services industry, for example, concern will be evident if clients and bank employees care about each other and show respect during negotiations.
3. Reciprocity occurs when the cooperation between two parties leads to benefits for both parties. In the banking branch of the financial services industry, for example, reciprocity will occur when a banking relationship leads to benefits for both the banking institution (such as income in the form of bank charges) and the client (such as the security of funds).
4. Loyalty refers to the emotional and psychological commitment between parties. In the banking branch of the financial services industry, for example, clients will be loyal to a specific bank if they always return for existing and new banking products and services. Banks will be loyal if they always listen to their clients' enquiries and focus on assisting them in all their banking needs.

Therefore, the degree of a relationship with a client will depend on the extent of these dimensions in the interaction between the service provider and the client. However, it is important to remember that many other possible dimensions exist in this complex aspect of a relationship between a service provider and its clients.

2.2.3 Customer relationship management building strategies

Maximizing customer value means cultivating long-term customer relation. Thus the concept of CRM, in addition to working with partner called Partner Relationship Management (PRM). This is a process in which companies develop stronger bonds with their customers. Kottler, Keller, 2006. Therefore CRM becomes the process of managing detailed information about individual and carefully managing all customer “touch points” to maximize customer loyalty. A customer touch points is any occasion on which a customer encounters the brand and product from actual experience to personal or mass communications to casual observation. Kottler, Keller, (2006).

Obtaining new business is important to the growth of a company, but maintaining customer relationships drives revenue. By using strong strategies to build customer relationships, you can retain repeat business while creating new revenue streams with existing clients. It can take years of experience to develop effective techniques to build customer relationships, but these are necessary skills for any business professional.

Pick up the phone, email and other forms of electronic communication make it easier for business professionals to stay in touch with clients, but they are not an effective way to build a relationship. To build a strong relationship with your client, you need to pick up the phone and call at least once a week to discuss the customer's satisfaction with your company and any improvements the client would like to see. Set up personal meetings to present new product information, sales presentations or close deals.

The company should stay proactive, if you do not present your clients with new ideas to help them better manage their business, then your competition will beat you to it. Rather than presenting your client with a renewal contract that outlines the same services from the previous year, turn the renewal into a presentation of new ideas. To retain your client's business, you need to constantly be offering innovative suggestions on how he can get a better return on his investment in your company's product or service.

Become a resource, your client relies on you for the products and services that you supply regularly, and she may start to come to you for items that seem associated with your product line but you do not sell. For example, if you sell a company its computer equipment, then they may start asking you about office equipment such as copiers. Rather than telling the client that you cannot help her, you should learn to become a resource coordinator for your client. Partner with an office supply company and introduce that company to your client. Not only do you address your client's concern with a qualified vendor, but you gain a business partner in the office equipment company that can refer you to its customers as well.

Provide extras, customers remember your great customer service, and they also remember the great time they had at your annual customer appreciation gathering. Reach out to your clients with free promotional items from time to time such as mouse pads, sticky pads or any office supplies that the client can use every day. They help the client reduce his office supply costs and act as constant marketing tools for your company. Hold special events for clients such as golf outings, parties and family picnics that will allow the client to feel appreciated.

Don Peepers and Martha Rogers in a series of Books also outline four steps that can be adapted to CRM marketing as follows.

Identify company's prospects and customers. Do not go after every one, build maintain, and Mine a rich customer data base with information derived from all the channels and customer touches points.

Differentiate customers in terms of their needs and their value to the company Spend.

Interact with individual customers to improve your knowledge about their individual needs and to build stronger relationships. Formulate customized offerings that are communicated in a personalized way.

Customize products, service and messages to each customer facilitate customer/company Interaction through the company contact centre and website.

2.2.4 Contribution of CRM

Firms are motivated to adopt CRM strategies for both defensive and offensive reasons. Offensive arguments are associated with a desire to improve profitability by reducing cost and to increase revenues through improved customer satisfaction and loyalty. Defensive arguments apply when a firm's leading competitors have adopted CRM successfully, and it fears losing consumers and revenue (Buttle, 2004:28). The fundamental reasons why firms desire to build relationships with consumers are based on economic considerations. Firms generate better results when they manage their consumer base in such a manner as to ensure that they identify, satisfy and retain their most profitable consumers. The rationale for the implementation of CRM strategies is that it improves business performance by enhancing customer satisfaction and increasing customer loyalty (Wilmshurst & Mackay, 2002:346; Mudie & Cottam, 1999:257).

Early researchers had hypothesized that CRM benefits varied by industry as the process and technologies associated with CRM were tailored to specific industry structures (Lemon and Zeithaml, 2001).

Notwithstanding the complexity of the concept, a number of benefits could be derived from or associated with building customer relations management. Harrison (2000:231) points out some as:

It allows cross selling opportunities, leading to low customer expenditure over time. For many institutions, the attraction of building customer relationship is the promise of cross selling; selling additional products and services to existing customer base and that it is generally believed that longer term customers will buy more and if satisfied with the company and the company has what the customer wants, the customer will buy from the same financial services.

Other benefit is building relationship with customers stops competitors from knowing them. Harrison is of the view that retained and satisfied customers may be less susceptible to competitors appeal and indicates that Stum and Thiry (1995) argues that a satisfied customer may demonstrate immunity to the pull of competition.

Harrison also maintains that sales, marketing and set up cost are amortized over a longer customer life time. Linked to this point is that associated with acquiring a new customer which incurs initial set up cost and can be recouped over time. The ratio of cost to retention is high: it is costing up to five times more to create a customer than to keep one (Clutterback 1989; Liswood 1989). Thus CRM increase organizational value.

According to Harrison, Riech held and Kenny (1990) argue that customer economics generally improve over time, which is why it is important to take a lifetime value perspective which considers the potential life time income from customer relations to the cost attributed to the customer. By understanding customers better, firms can provide higher levels of customer service and develop deeper customer relationships and as such CRM can be used to pin point high value customers, target them more effectively, cross sell the company's product and create offers tailored to specific customer requirement (Kotler et al., 2005).

Stone (2000) acknowledges that CRM allows firms to develop a robust targeting and enquiry management processes and this help boost new businesses significantly. CRM improves customer retention and loyalty – customer stays longer, buys and buys more often, thus increasing their long term value to the business. Simns (2003) maintains that research has indicated that if a firm aligns the management of customers to their needs, it reduces attrition rate by 25% and in the long term helps the firm to spend less on recruiting new customers to sustain a steady volume of business while cost of sales is also reduced as existing customers are usually more responsive.

On the other hand, Zeimthaml et al (2006) believe that the CRM provides social benefit. The scholars express the view that customers develop a sense of familiarity and even a social relationship with their service providers which make it less likely to switch even if they learn about a competitor that might have better quality service, product or a lower

price and in the long run the service provide becomes part of the customer social support system.

Donaldson and O'Toole (2002) highlight one of the benefits of CRM as its ability to identify individual customer's profitability and the identification of customer needs so as to tailor products to individual customer requirements to help retain customer longer. However Smith and Dikolli explain that the purpose of understanding profitability of customers is not to eliminate unprofitable customers but to make them profitable as their circumstances changed and their needs are met (Fitzgibbon and White, 2004). In spite of the underlying benefits of CRM in building business value, most organizations have failed to mainstream the benefits of the concept into their activities to enable them develop closer relationship with customers.

CRM is important because a major driver of company profitability is the aggregate value of the company customer base. (Harrah's), a pioneer in the application of CRM techniques is Harrah's Entertainment.

It also helps to know the customers well enough to decide whom to choose and whom to lose. The objective of CRM is to recognize and treat each and every customer as an individual. Customer relationship management enables organizations to provide excellent real-time customer service through the effective use of individual account information (Kotler and Keller, 2006). Organisations therefore, need to investigate customer needs, build relationships with both existing and potential customers, and will have to satisfy their customers' needs (Rootman, 2006).

Figure 2.1 shows the contribution of CRM on organization growth



Source, www.marketingteacher.com

2.2.5 Customer Service (service quality)

The degree of assistance and courtesy granted those who patronize a business. Excellent customer service is more than what you say or do for your customers. It also means giving customers a chance to make their feelings known.

Customer Service applications enables reps to resolve service issues throughout multiple channels, whether it be through the Web, a call center, fax or field service rep. Customer Service applications and Interaction Center applications enable customers to solve their own problems on a self-service model for efficient problem resolution.

The SERVQUAL instrument has been the predominant method used to measure customers' perceptions of service quality (Shahin, 2010). It has five generic dimensions or factors which are stated as follows (Iwaarden et al., 2003):

Tangibles: Physical facilities, equipment and appearance of personnel.

Reliability: Ability to perform the promised service dependably and accurately.

Responsiveness: Willingness to help customers and provide prompt service.

Assurance: (including competence, courtesy, credibility and security). Knowledge and courtesy of employees and their ability to inspire trust and confidence.

Empathy: (including access, communication, understanding the customer). Caring and individualized attention that the firm provides to its customers.

Table 2.1: shows the service quality model

Service quality aspects	Illustrations
Reliability	Reliability is the field where the service provider can perform their activities accurately. This quality is very crucial for the customers who are using the banking services in order to depend on their services.
Responsiveness	This means the organization's willingness to help the customers. This thing has very important role when the customers have special requests, questions, complaints and problems they are facing during the services.
Assurance	Assurance means the company's understanding and courtesy about the service ability to insist confidence in the customers mind. It also safeguards for the customers in getting health, financial and legal services.
Empathy	Empathy means how careful organizations are about on the customers at an individual level. Clients of service providers in all level of an organization have a certain requirement that required personalized attention.
Tangibles	The tangibles of an overhaul firm consist of the appearance of the physical facilities, equipment, employees and communication materials.

Source: Adapted from Parasuraman et al. (1988:23) and Mudie & Cottam (1999:86)

The organizations need to understand and managed throughout the service firm. Organization need to address four different areas within them to be considered to address the quality of services (Mudie & Cottam, 1999).

Listen to what their needs are, and then offer your suggestion on the best way to go about fulfilling their needs.

The way your customers feel towards you is important. The more you show you care about them, the more they'll likely want to continue working with you. With that in mind, providing good customer service to your clients should naturally be a major

priority in your day-to-day schedule. This article lists tips and suggestions for ensuring that you're treating your clients well.

Respond to Clients as Soon as Possible, speed is everything, especially when a client is requesting something that's time-sensitive. Try to reply to your clients as soon as you can. Procrastinating on a response to a client's email, phone call or voicemail doesn't help anyone; you're going to have to reply eventually, so why not do it as soon as possible? Avoid that "mark as unread" button in your email client.

Even if you can't work on the task they're requesting you to accomplish right away, at least let them know you got their request and then supply them with a timeline of when you're able to get the task completed. If you can't find the time to perform the task, it will be considerate of you to let them know as soon as possible so that they can make alternative arrangements.

Keep Clients Updated, feeling like you're lost and that you don't know what's going on is one of the worst situations you can be in when you hire someone. Even if you don't have anything major to report, you can still let your employer know what you're working on and how things are progressing. Are you on track on milestones? Did you find something that might become an issue later on? Status updates give clients reinforcements that they're involved in the project.

If you're experiencing trouble with something, let them know right away. It shows that you're keeping them in the loop and that you have things under control. If it's something major, communicating your concern right away allows clients to plan for possible delays in the project's completion.

Go the Extra Mile If a client asks for you to do something that truly won't cost you a lot in time and income, you have the option of going the extra mile and doing it for them. Not only will this result in an indebted and happy client, it can also go a long way in terms of keeping yourself in their radar for future projects.

Fix Your Mistakes If you did something that didn't end up working, you should repair it. A quick way to lose a client forever is not admitting that you are at fault and not fixing your own mistakes. You should always strive for a high-quality output; it shows that you have a high level of standards in your craftsmanship.

Not taking responsibility of your own blunders is a sure-fire way of gaining a bad business reputation. Transparency is important in any business; service work is no different.

Listen to Your Clients It's important to listen to what your clients are communicating to you. Like, really listen. Understand what they are saying and ask for clarifications on things that might be ambiguous. Clients might be unfamiliar with certain terminologies in our profession, and what you think they mean might be different to what they actually mean.

Keep Your Promises, if you say you're going to do something, make sure you do it. It's part of being a professional. If you need more time on something, you should let them know as soon as possible, not after you've already missed the deadline. Honoring your commitments is very important.

Don't Confuse Clients with Jargon, try to explain whatever the problem is as best as you can without making the client feel stupid. When proposing a solution, make sure you state it in terms they understand. You could use analogies that are relevant to them.

Be Patient, I've lost count of how many times I've exhausted my patience on my clients. But I've never actually showed them my agitation. If you feel like the client is overstepping their boundaries, let them know in a cordial and professional manner. You just don't want to start yelling and cursing at the people you make a living off of. Maintain professionalism at all times.

Know Everything You Need to Know, you are a paid expert. Someone is giving you their hard-earned money to do something they believe you have a high level of mastery of. You need to keep yourself up-to-date with the profession and always be ready to answer questions your client needs to know. If you exhibit signs that you don't know your craft inside out, you risk the chance of ruining your professional reputation. Put Yourself in Their Shoes, if you were in their shoes and were being treated the way you're treating them, would you enjoy that experience? If so, you're doing a good job. If not, you probably want to get a little better. It's important to constantly evaluate the way you communicate with others. Our profession is heavily reliant on communication skills.

Winning back lost and lapsed customers can be one of the most profitable aspects of a company's CRM strategy. In (Ghavami 2006) model, win-back consists of identifying which customers have been lost or are about to terminate their relationship, reason for losing high value customers, effective methods for re-contacting lost customers, and offers that communicate the benefits of reactivation (William G. Zikmund, 2002)

IT and marketing departments must work closely to implement CRM efficiently (Peppers and Rogers, 1995). Managing relationships with customers (especially with employees, channel partners and strategic alliance partners) is critical to the firm's long-term success. It was also emphasized that customer relationship management based on social exchange and equity significantly assists the firm in developing collaborative, cooperative and profitable long-term relationships, (Beckett-Camarata et al. 1998).

2.2.6 Services offered by PBZ

PBZ offers a wide range of individual and corporate services that suit to a business, those are:

Two weeks Project Finance Free of Interest, The PBZ offered different Project Finance free of interest. This has lead the acquisition of many customers especially the potential customers.

Loan at attractive Interest Rate, PBZ provided a loan on different types of its clients like the business people as well as the Government servants with issuing of securities.

Pay roll, also PBZ deals with pay roll system for example it makes payment of salary to the employees including teachers, military servants and other government officers.

One day account opening, PBZ has increased its customer service delivery by assuring the opening of the bank account in one day after fulfilling the required conditions.

Internet Banking, Money Transfer within 24 hours to any destination using SWIFT Technology, PBZ offers a wide range of different system of money transfer such as Telegraphic Transfer (TT) and Western Union.

Types of accounts offered by PBZ are:

Current Account (managing foreign exchange, make international transfer, local payments by cheques and standing orders and also swift transfers. This helps the foreign people to conduct their business activities with easy.

Call account, Call account is designed for people who want to manage larger sums of money effectively such as automatic transfer from a current account to call account for any balance above TZS 100 million. It facilitated the large investors in increasing the organization profits.

Saving account are designed to offer customers a choice to save their funds safely while earning good rates of interest. It has minimum opening balance as TZS 20,000, with minimum operating balance has been lowered to TZS 10,000, atm cards are available and interest rate on available balance currently is at 3%.

2.2.7 Organizational commitment

Organizational commitment is defined as the degree of an individual's relations and experiences as a sense of loyalty toward one's organization. In addition to loyalty, organizational commitment encompasses an individuals willingness to extend effort in

order to further an organizations goals and the degree of alignment the organization has with the goals and values of the individual (Mowday, et. al.1979).

Allen and Meyer (1996) have defined organizational commitment as a psychological link between an employee and his or her organization that makes it less likely that the employee will voluntarily leave the organization. Organizational commitment is related to job satisfaction in that both deal with the nature of workers' emotional reactions to work. However, commitment can be applied to the entire organization, whereas satisfaction is applied to the specific job an employee has. According to Professor Redmond's lesson commentary (The Pennsylvania State University, 2011), organizational commitment is viewed as more stable than satisfaction. Commitment is also related to job involvement and the level of job involvement that an individual has.

2.2.8 Categories of Organizational Commitment

Given that the nature of organizational commitment is layered in terms of one's possible commitment level, three specific commitment types have been identified:

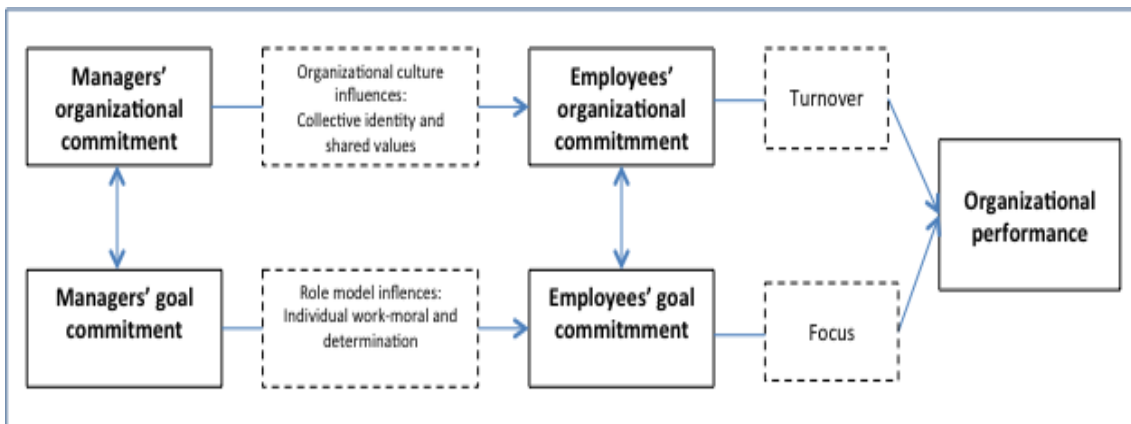
Affective Commitment – Refers to one's feelings of loyalty to a company or organization because he or she believes in the organization. This is the most common type studied and refers to "an employee's emotional attachment to and identification with the organization" (The Pennsylvania State University, 2010). Affective commitment can enhance job satisfaction because employees agree with the organization's objectives and principles, because employees feel they are treated fairly in terms of equity, and because employees receive organizational care, concern, and support (Hawkins, W.D. 1998). Affective commitment involves staying with the organization because you want to (PSU, 2013).

Continuance Commitment-- Refers to an employee feeling that he/she has to stay with the company because the costs of leaving are too great. Continuance commitment involves staying with the organization because you have to (PSU, 2013).

2.2.9 Determinant of organizational commitment

In overall perspective and in public and private sectors, job satisfaction has the highest impact on organizational commitment, role clarity has the highest impact on organizational commitment whereas in the overall point of view, employee participation has the least impact and in the private sector, organizational climate has least impact on organizational commitment.

Figure 2.2. Theoretical model of commitment and performance



Source: Meyer and Allen (1997)

2.2.10 Good risk management

Risk management is the identification, assessment, and prioritization of risks (defined in ISO 31000 as the effect of uncertainty on objectives, whether positive or negative) followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate event or to maximize the realization of opportunities.

Here are the four key potential risk treatments which were considered.

Avoidance, obviously one of the easiest ways to mitigate risk is to put a stop to any activities that might put your business in jeopardy. The organization should find out different types of strategies to be used in order to avoid risk.

Reduction, the second risk management technique used by the bank is reduction - essentially, taking the steps required to minimize the potential that an incident will

occur. The PBZ established a special unit to deal with risk management so that neither the customers will suffer nor the organization will get loss.

Transfer, One of the best methods of risk management is transferring that risk to another party. An example of this would be purchasing comprehensive business insurance.

Acceptance, finally, risk acceptance involves 'taking it on the chin', so to speak, and weathering the impact of an event. The PBZ has used this technique as a challenge to overcome the problems. This option is often chosen by those who consider the cost of risk transfer or reduction to be excessive or unnecessary.

2.2.11 Customer satisfaction

In the literature, there has been discussion about two major concepts of satisfaction; transaction-specific satisfaction and cumulative satisfaction (Gustafsson, Herrmann, Huber, Johnson, 1997). The first one is described as customer evaluation of single experience with a product or service – therefore how happy the customer is with the offering at given point of time, during concrete transaction. Transaction-specific concept refers to satisfaction as the evaluation of single experience. Opposite to transaction specific satisfaction is the concept of cumulative satisfaction, which understands satisfaction as customer's up to date experience with a product or service. In such comprehension, satisfaction is the sum of evaluations of all purchase and consumption experiences with a product during whole relationship.

Consequences of customer satisfaction.

Satisfaction has not only its drivers – performance and expectations, but also its results loyalty and retention. Those two consequences are correlated with each other, but are at the same time distinct results of customer satisfaction. Loyalty is only expressed psychological predisposition toward purchasing and/or using a particular product/service once again, however it does not guarantee a success to an organization measured as customer retention. In other words, loyalty is a high perceived or expressed likelihood of repurchase or willingness to pay a higher price, but does not mean, that customer will repurchase from an organization (Johnson, M.D., 1996).

Whether the buyer's is satisfied after purchase depends on the offer's performance in relation to the buyer's expectations. In general, satisfaction is a personal feeling of pleasure or disappointment resulting from comparing a product perceived performance (outcome) in relation to his or her expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. Kotler, Keller. (2006).

2.2.12 Customer loyalty

Customer loyalty is one of the most important factor or the issue facing by the business today. Unless the companies can retain the loyalty of their customer, they will lose their customer for repeat purchase and the long term future of that business will be uncertain Linton (1993). According to Dick and Basu (1994) customer loyalty has been defined as the strength of the relationship between the individual's relative attitude and repeat patronage. Therefore Aaker (1992) pointed out that considering the brand loyalty reflects the likely habitual behaviour of the consumers when brand make changes in the price, product features, its communication and distribution programmes etc. It is an important part of the marketing side for the expansion of the customer loyalty which focuses on the marketing strategy due to the benefits related with the existing retaining customer Gwinner et al. (1998) and Hagen and Matthews, (2001). Discovering an exact measurement of loyalty is very important due to its profitability Reichheld (2003)

To obtain loyalty and to outweigh other competitors, service providers must be able to obtain high levels of customer satisfaction for the service supplied (Dominici and Guzzo, 2010). How much should a company invest in building loyalty so that the costs do not exceed the gains?

2.2.13 Loyalty Dimensions

Behavioral and attitudinal are two dimensions for the customer loyalty (Kandampully & Suhartanto, 2004: Julander et al., 1997). The behavior dimension refers to a customer's behavior on repeat dining for a specific restaurant over time (Bowen &

Shoemaker, 1998). Attitudinal dimensions, on the other hand, refer to a customer's intention to repurchase and recommend, which are good indicators of a loyal customer (Getty & Thompson, 1994). Moreover, a customer who has the intention to repurchase and recommend is very likely to remain with the restaurant.

The behavioral dimension and customer loyalty is usually expressed by repeated purchase of service among other variable intention to repurchase and to recommend (Wong & Sohal,2003). Gremler and Gwinner (2000) showed a positive correlation between overall satisfaction and loyalty intention.

As for behavioral loyalty, Barnes (1997) found out those customers having a closer relationship with a service employee present higher share of business with the service provider. If a server maintains good relationship with customers, those customers may wish to return again to the restaurant and to request to be served with the same server.

Customer satisfaction and service quality are prerequisites of loyalty (Gremler & Brown, 1997; Cronin & Taylor, 1992). Several researchers pointed out that high customer satisfaction and service quality result in higher customer loyalty and willingness to recommend the service (Danaher & Mattsson, 1998). Bitner (1990) confirmed that the word-of-mouth becomes more positive as satisfaction increase.

2.2.14 Factors contributing to customer loyalty

Awareness, the awareness of the organization towards its customers has contributed to the development of bank, since it increases customers' expectations.

Reputation, in order to build and maintain a reputation, the promised quality of services must be delivered (Tepeci, 1999). The organization reputation is very important for the performance of the bank activities, therefore the PBZ customers are loyal because of the bank status and reputation.

Promotion, it can be used to develop differentiation, and can be used to create loyalty. The PBZ through its marketing department has created various promotional campaigns to advertize its products though it is only based on urban areas rather than rural areas but they succeeded to increase customer loyalty.

Innovation, it allows the bank to remain up-to-date and demonstrates attentiveness to the changes in customer style with the consideration of the customers' perceptions and attitudes. It is important that the managers should decide on which innovations to implement (Tepeci, 1999).

Image, building and sustaining a positive image is an important step in maintaining customer loyalty (Tepeci, 1999). A strong image is important for a bank to distinguish its service from their competitors'. PBZ has created some image to the society it lives and attracts them as well. The image includes excellent service, atmosphere, colors, symbols, and words that convey a consistent message and not merely the name (Berry et al., 1988; Tepeci, 1999).

Figure 2.3: Shows the loyal customers.



Source: www.destinationCRM.com (2001)

When these components are successfully combined in a business operation, great synergy is introduced into the management of customer relationships.

2.2.15 Marketing Approach to Banking Services

Marketing as related to banking is to define an appropriate promise to a customer through a range of services (products) and also to ensure effective delivery through satisfaction. The actual satisfaction delivered to a customer depends upon how the customer is interacted with. It goes on to emphasize that every employee from the top

most executive to the junior most employee of the bank is market. The following are the marketing strategies mostly used by the bank.

Identifying the customer's financial needs and wants.

Develop appropriate banking products and services to meet customer's needs.

Determine the prices for the products/services developed.

Advertise and promote the product to existing and potential customer of financial services.

Set up suitable distribution channels and bank branches. Institutional Segmentation, Banks Transforming Branch Network given the consumer acceptance of alternative channels and the need to reduce distribution costs

Forecasting and research of future market needs. Others are:

Monetizing Mobile Banking banks can now expand their view of mobile banking as a cost containment channel (which it may not be) to include several revenue opportunities that can be integrated within the service. Through partnerships with third party providers, this describes how the mobile channel could provide a 'revenue annuity' at a time when fee and interchange income is being squeezed.

2.3 Empirical part

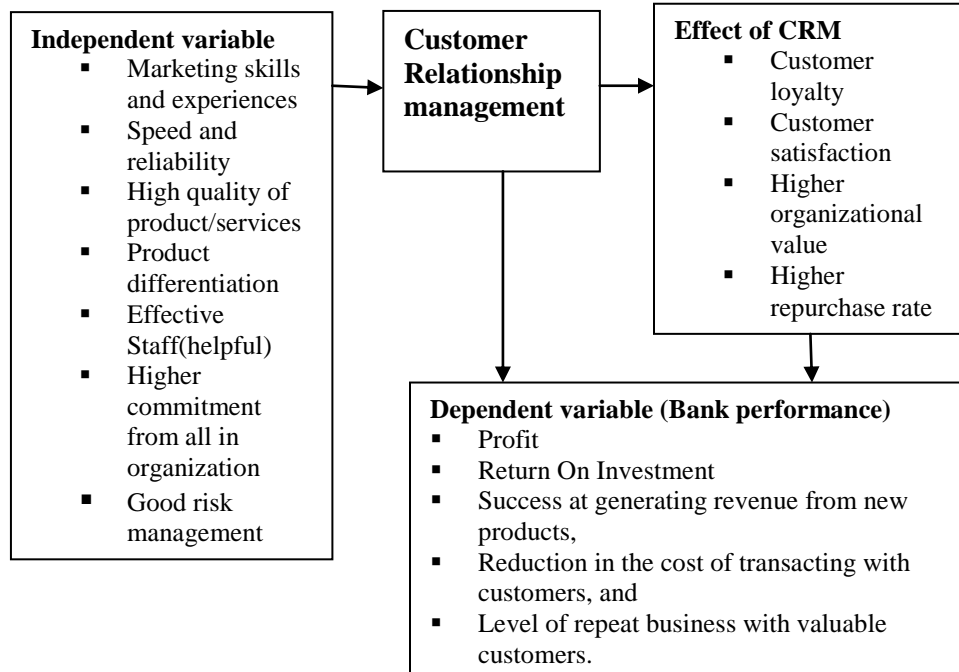
According to a study conducted in the sector of banking, convenience of location, price, recommendations from others and advertising are not important selection criteria for banks. From customers' point of view, important criteria are: account and transaction accuracy and carefulness, efficiency in correcting mistakes and friendliness and helpfulness of personnel. Thus, CRM, high-quality attributes of the product/service and differentiation proved to be the most important factors for customers. Another study conducted in a European bank shows that with CRM, the bank was able to focus on profitable clients through efficient segmentation according to individual behavior. Information about 'who buys what and how much' enabled the bank to have a commercial approach based on the client and not solely on the product. Thus, the bank was able to better satisfy and retain its customers. Evangelia Blery and Michalis Michalakopoulos(2003).

The researcher on CRM suggests that banks should consider the customer relationship life cycle (Dwyer et al., 1987). In general, there are three core phases: customer acquisition, customer enhancement, and customer recovery. The acquisition phase describes the initiation of a customer-bank relationship. In CRM initiatives, customer representatives' help customers get used to the products and services, thereby increase customer familiarity. As the service industry has a high degree of integration and interaction in terms of contact contribution, empowerment is a helpful instrument for successful control of individual customer relationships (Mudie and Cottam, 1993).

Paul Greenberg, author and leading authority on SCRM, stated that Social CRM is "...designed to engage the customer in a collaborative conversation in order to provide a mutually beneficial value in a trusted and transparent business environment. It's the company response to the customer's owning of the relationship."

Michael Fauschette (2011) says: "Social CRM is the tools and processes that encourage better, more effective customer interaction and leverage the collective intelligence of the broader customer community with the intended result of increasing intimacy between an organization and its prospects and customers. The goal is to make the relationship with the customer more intimate and tied to the company by building a public ecosystem to better understand what they want and how they interact with the various company touch points like sales, customer service etc..."

Figure 2.4: Conceptual framework and research model



Source: Researcher Conceptual Framework on CRM 2012.

2.4 Hypothesis

In statistical hypothesis testing two hypotheses are compared, which are called the null hypothesis and the alternative hypothesis. The null hypothesis is the hypothesis that states that there is no relation between the phenomena whose relation is under investigation, or at least not of the form given by the alternative hypothesis. The alternative hypothesis, as the name suggests, is the alternative to the null hypothesis: it states that there is some kind of relation. The formulated hypotheses are:

- There is direct positive relationship between the quality of service offered and customer satisfaction.
- There is direct positive relationship between CRM programmes practiced by the PBZ on customer's loyalty.
- There is direct positive relationship between the organization commitment and bank performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology refers to a systematic way applied to solve the research problem (Kothari, 1990).

This section is concerned with the conceptual structure within which the research was conducted. It cover the approaches and strategies for data collection which include research pattern, research design, area of the study, study population, the sample design and sample techniques, nature and source of data, data collection methods and instruments, reliability and validity of instruments, data administration and data analysis.

3.2 Research Design

According to Leedy and Ormord (2001), research design is defined as a careful set of plans developed by a researcher that provides criteria and specifications for the study or research.

In this study, case study was used as the research design because it is a method of study in depth rather than breath, it places more emphasis on the full analysis and their inter relations. It is a comprehensive study of a social unit.

Kothari, (2006) mentioned this design as it involves a careful and complete observation of a social unit, be it the family, an institution, a culture group or even the entire community. According to Kothari (2006), the case study design enables the researcher to trace out the natural history of the social unit and its relationship with social factors; it facilitates intensive study of the clients and the staff; it use of different methods such as depth interviews, documents and study reports of individual clients; it enable the researcher to understand fully the behaviour pattern of the respondents of the study. Also Kasilo (2008) mentioned that this design is more appropriate for most of students' practical assignments leading to writing a thesis or dissertation. This was why a case study design was chosen by a researcher.

3.3 Type of the Study

These are explanatory research study. This study also uses both qualitative and quantitative methods. The reason of choosing these methods is to help the researcher to obtain complete, detailed descriptions on qualitative and have accurate and reliable explanations on quantitative research. Quantitative research is about numbers and the counting and measuring of things - objective hard data. It involves the use of structured questions with a limited number of predetermined response options. Usually, a relatively large number of respondents is involved. Qualitative research is collecting, analyzing, and interpreting data by observing what people do and/or say. It is much more subjective than quantitative research and typically uses individual interviews and focus groups where comparatively small numbers of people are interviewed in- depth.

Moreover, the study also uses positivist approach. This includes review of different studies on the subject where gaps were identified and use qualitative approach to conduct the study.

3.4 Area of the Study

The study was conducted in Zanzibar and main focus on PBZ. The area was selected because it's the oldest bank in Zanzibar owned by Government and only bank established in Zanzibar before the introduction of private Banks. Now it faces competitive challenges with other banks. The researcher found it potential to choose this bank in finding out how it changes with the changing environment of banking systems in Zanzibar in retaining the old and winning new customers.

3.5 Study Population

A population comprises of any set of persons or object that posses at least one common characteristic (Harder, 1980). Thus a population refers to all members, groups or elements that the researcher hopes to gain information and to represent the real situation of the field in the study, and from which he or she draws conclusions.

In this regard, the population for this study was the both PBZ customers and the Bank staffs. Among the population the researcher will choose 90 people among the PBZ customers, 10 people among the bank staffs.

3.6 Units of Analysis

These are the respondents who were the sample in answering the questions of the research study. The researcher took a sample of at fifty (50) people. The sample involved 10 businessmen, 20 employees from government institution, 15 employees from private institution, 1 officer from marketing department, 1 finance department and 1 IT department, and 2 officers from customer care department.

3.7 The Sample Size and Sample Techniques

Sample size refers to the number of items to be selected from the universe to constitute a sample. The size of sample should either be excessively large, Nor too small. It should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility. (Kothari, 2004).

In this study the sample of 50 respondents from the 100 population were selected 10 businessmen, 20 government employees, 15 are the employees from private institutions, 1 marketing manager, IT manager and 1 branch accountant and 2 are the officers from the customer service department.

While Sample design is a definite plan for obtaining a sample from a given population (Kothari, 2003). It refers to the technique or the procedure the researcher will adopt in selecting items for the sample. In this study, the non probability sampling techniques will be selected since there is no chance for the opportunity of every element in population to be selected. Quota samplings were used by the researcher since it is an important form of non-probability sampling. Quota sampling generally happen to be judgment rather than random samples. This sample design or the techniques were used according to the needs of the study, financial and time constrains.

3.8 Types and Source of Data

Data collection begins after a research problem has been defined and research design/ plan chalked out. While deciding about the method of data collection to be used for the study the researcher kept in mind two types of data viz., primary and secondary.

Both primary data and secondary were collected and used. Primary data were collected through interviews and questionnaires. Secondary data are those which have already

been collected by someone else such as from internet books, journal and other documents from the organization. In general, this study used three main methods of data collection that are documentation, interviews and questionnaires.

3.9 Data Collection Methods

The methodology will meet the above requirements by employing a combination of tools and analytical approaches. The researcher uses the following approaches and strategies for collecting information:

The most desirable approach with regard to the selection of appropriate technique for data collection depends on the nature of the particular problem and on the time and resources available along with the desired degree of accuracy. The significance of using combination of data collection techniques is emphasized since no single technique is necessary superior to any other (Moser and Kalton, 1971). Therefore, the following range of research techniques and instruments were employed to collect data in this study:

3.9.1 Interviews

Amin (2005) explained that “An interview is an oral questionnaire where investigator gathers data through direct verbal interaction with participants”.

This is a popular research method because they are flexible and participatory. Interviews are flexible because the interviewer has the freedom to change some questions or the asking order of the questions according to reactions of the interviewee. Interviews are participatory since they require both the interviewer and the participant to join in an interactive conversation.

In this study the researcher interviewed some of the bank staffs such as IT manager, one Branch Accountant, Marketing Manager and some of the officer from Customer Care Department. Answers from the direct interviews were filled to the data collection tools. According to Bogdan and Biklen (1992) this technique was used and preferred because of its ability to yield rich insights of peoples’ experiences, opinions and feelings.

3.9.2 Questionnaires

According to Blank (1984) questionnaire is simply a formalized set of questions, for eliciting information. And White (2002) is regarded questionnaire as a series of questions, each one providing a number of alternative answers from which the respondents can choose. It is a carefully designed instrument for collecting data in accordance with the specifications of the research questions and hypotheses” (as per appendix I attached).

Questionnaires were the main instruments used in this study for collecting data. It involved closed-end and open-ended questions giving respondents an opportunity to select the appropriate answers at the same time giving the opportunity to express without any limitations all issues that contributed to the CRM in PBZ Bank in Zanzibar. The questionnaires were given to the customers and administered because of the possibility of being lost by the customers and the choice of using questionnaire were given greater priority because of its advantages over other methods, and cheap to administer to respondents scattered over a large area and convenient for collecting data from a large population within a short period of time, as it was efficient and ability to capture more information from the source than is normally covered in other methods of data collection (Downs and Adrian, 2004).

3.9.3 Focus Group Meetings

Focus groups are a powerful means to evaluate services or test new ideas. Basically, focus groups are interviews, but of 5-10 people who have some similar nature, e.g., similar age group, status in a program, etc, who are likely to be participative and reflective. One can get a great deal of information during a focus group session. It is critical that all members participate as much as possible, yet the session move along while generating useful information. A discussion among the participants can allows the researcher to access information that can be equivalent, and even exceeds, to that of the conventional survey because each time an idea is submitted to the group, the participants react, so it is possible to dynamically investigate an idea (D’Austous, 2000). In this

study the researcher used a group discussion of 5 respondents from the Bank staffs. This technique was included by the researcher in order to get relevant information.

3.9.4 Documentary Review

The purpose of reviewing documentary sources was to allow the researcher to have a better idea of what had been said or written about the subject. The search for documentary sources also allowed the researcher to put a more adequate glance at the data which were gathered. The researcher used the document provided by the Bank such as customer claims, number of cases reported by the customers and papers in the suggestion boxes.

- ❖ The available documents at the PBZ Bank.
- ❖ Sites on the internet,
- ❖ Articles from business publications,
- ❖ Documents on various format (audio, video or computer support) available at the study area,
- ❖ Advisers with a particular expertise and other relevant literature reviews from the respective bank.

3.10 Validity and Reliability

The validity refer to the extent to which the concept one wishes to measure is actually being measured by particular scale or index (Sirkin, 1995). The validity of study based on the reliable instruments was established by using expert judgments. Then the instruments will be piloted at selected bank staff before they administered in the field, which aimed at eliminating ambiguities and common misunderstood of the terms used. Also In this study the researcher used multiple sources of data collection to triangulate data.

Ahmada (2006) mentioned that “the rationale of using multiple sources of data is triangulation of evidence”. Triangulation of data increases the reliability and process of gathering it. It serves to confirm the data gathered from other sources. Instead of only focusing on the respondents, the researcher had included multiple data sources.

Therefore the researcher interviewed the PBZ staff, and gave questionnaires some of PBZ clients. Moreover, the researcher analysed different documents from PBZ office.

The questionnaire were analyzed through the statistical package SPSS because it made it easier to find the frequency and percentages and be useful for the fulfillment of the research study.

3.11 Data Analysis

Data analysis refers to examining what has been collected in a survey or experiment and making deductions and inferences. (Donald and Delno, 2006) Prior to analysis of the data, the researcher undertook an exercise, which Punch (2003) refers to as 'data cleaning.' According to him, data-cleaning procedure enables the researcher to spot and eliminate all errors emanating from unclear responses, omission of unwanted data and other related mistakes;

The collected data through questionnaires, interviews and documents were edited, coded, classified and tabulated so that they were amendable for analysis. SPSS package and Microsoft Excel 2007 was employed in the analysis of different variables. The analysis process took place by using mainly qualitative method which normally in the form of texts and written words. Qualitative data subjected to content analysis. Content analysis examined the intensity with which certain words have been used. Through content analysis a classification system developed to record the information and in interpreting results, the frequency with which a symbol or idea appears may be interpreted as a measure of importance or attention (Kombo and Tromp 2006). However, quantitative method applied when required. The use of descriptive statistic such as simple frequency, percentage distribution, charts and tables summarized them and organized in such a way that they were interpreted and presented using tables, pie chart and graphs. This allowed some sort of reliability.

CHAPTER FOUR
PRESENTATION OF FINDINGS, ANALYSIS AND DISCUSSIONS

4.0 Descriptive Statistic Analysis

4.1 Introduction

This chapter caters for presentation of findings and discussion of findings. The findings presented based on the research objectives which were to assess the contribution of Customer Relationship Management on Bank Performance such as Marketing skills, Speed and reliability, High quality of product/services, Product differentiation, Effective Staff(helpful), Higher commitment from all in organization, Good risk management, also to determine if the CRM has any impact on customer loyalty. To offer pertinent suggestions based on the findings of the study and to investigate the determinants for adopting CRM strategy in banking industry.

4.2 Profile of Respondents

The sample of 50 respondents from PBZ bank of Zanzibar were targeted, and 45 questionnaires were fully answered and returned. The other 5 were from interviews which include data collected from the IT department, 2 marketing officers, branch accountant, customer service department The Contribution of Customer Relationship Management was evaluated accordingly and specific results were provided. The researcher took only PBZ Limited as the case study.

Respondent’s distribution on the Interview

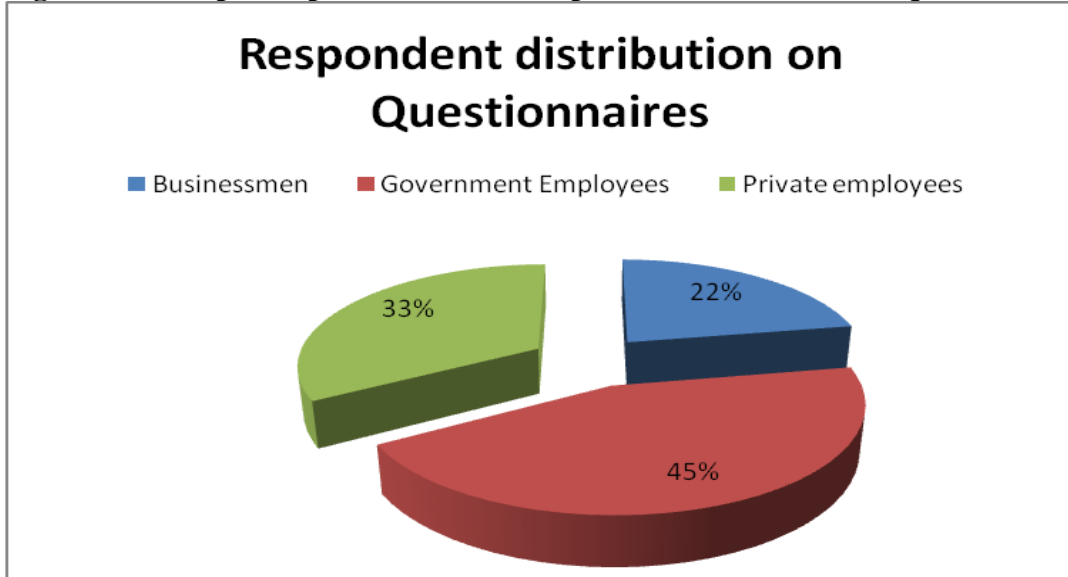
Table 4.1: Respondent’s distribution for the bank staff

Nature of User	Population	Planned Sample	Actual Respondents
IT Department	2	2	1
Finance Dpt	1	1	1
Marketing Dpt	3	3	1
Customer care Dpt	4	4	2
Total	10	10	5

Source: Researcher, 2013

Table 4.1 above shows the respondents from the PBZ staffs of the two branches (Malindi and Mlandege Corporate Branch. The table shows the planned sample size against actual sample who responded through the interviews.

Figure 4.1: Graphical presentation of Respondent distribution on questionnaires



Source, Researcher 2013

Figure 4.1 shows the respondent percentage distribution on questionnaires of the two branches customers (Malindi and Mlandege Corporate Branch. The figure shows 45% were the Government employees, 33% were the employee from Private institution and 22% were the Businessmen.

4.3 Biographic Data

In the presentation of biographic data, the researcher presented the gender of the respondents.

It was observed that the study considered the gender issue, since the participation of both males and females respondents were observed, although male had larger influence compared to female respondents. This was due to the fact that that about 75.6% were male respondents and only 24.4% of respondents were female as shown in the table 4.2 below.

Table 4.2 Showing the Gender of the respondents

	Frequency	Percent %
Male	34	75.6
Female	11	24.4
Total	45	100

Source: Primary Data (2013)

The reason behind the responses of this study to be influenced by male respondents was that; awareness of the women to open a bank account was low compared to male since male were doing different kind of businesses so they save their money through opening bank account in PBZ. Therefore PBZ had large number of male clients compared to female clients and this was the reasons why the responses were influenced by male.

4.4 Educational level of the respondents

The educational level of the respondent ranges from Secondary to above (Higher learning). All interviewed respondents were able to read and write. From the total respondents 20 (44.4%) have completed secondary education and 25 (55.6%) have completed higher education.

Table 4.3 showing the response on the Educational level

	Frequency	Percent %
Secondary	20	44.4
Higher learning	25	55.6
Total	45	100

Source: Primary Data (2013)

From the above observation the researcher observed that only educated people have knowledge on the importance of having bank account for their day to day activities like saving their moneys, taking the loan for business development. While non educated people were not ready to have bank account because the rural people were not aware on the importance of opening a bank account because only those who lives in town area the one who benefit from those services and not the rural people because only one branch has been established in rural area at South Region of Zanzibar which is at Makunduchi area.

4.5 Occupation of the customers

The data about the occupation of the respondents shows that 20 (44.4%) are government employees, 15 (33.3%) are work in private sector, and 10 (22.2) are self employed (business person) as shown in figure 4.4 below.

Table 4.4 showing the response on the respondent Occupation

	Frequency	Percent %
Government Office	20	44.4
Private Office	15	33.3
Business	10	22.2
Total	45	100

Source: Primary Data (2013)

From the above observation, the researcher in this study has found that about 44.4% of the respondents from the PBZ are the employees from Government institutions, such as teachers, doctors, officers from national defense and other professionals, and this has create good opportunity for those who have low income earning and cannot reach their goals. The PBZ has focused on customers' need so that they provide loans to the Government employees so that their standard of living has been increased and the easier access of the bank services has created good relationship between the staff and their customers. Also the researcher has observed that 33.3% are the customers from private office who have been employed from private sectors they also used the PBZ as their bank in operating their day to day activities. And 22.2% are the business person like entrepreneurs from different enterprises and large companies. They are the best developer of the bank since they take large amount of money for credit bases and provide security for those money, mortgages and bank guarantees.

4.6 Impact of CRM on customer loyalty.

From the field study, the data of impact of CRM on customer loyalty shows that 45(100%) of the respondents said that CRM has an impact on customer loyalty as shown in table 4.5 below.

Table 4.5 showing the response on Impact of CRM on customer loyalty

	Frequency	Percent
Yes	45	100

Source: primary Data (2013)

Existence of CRM in PBZ.

The data on the existence of customer relationship in PBZ shows 45(100%) of the respondents said there is customer relationship management in PBZ and none of the respondent objects on the existence of CRM in PBZ, as shown in table 4.6 below.

Table 4.6 showing the response on the existence of CRM in PBZ

	Frequency	Percent
Yes	45	100

Source: primary Data (2013)

Duration of being a PBZ customer

The data on the duration of being a customer of PBZ show that, 11(8.9%) of the respondents are customers of PBZ for less than a year, and 11(24.4%) of the respondent are customers between 1 to 3 years and 30(66.7%) of the respondents are the customers of PBZ for the period of more than 3 years as shown in table 4.7

Table 4.7 showing the response on the duration of being a customer of PBZ

	Frequency	Percent %
Less than a year	4	8.9
Between 1to 3 years	11	24.4
Above 3 years	30	66.7
Total	45	100

Source: Primary Data (2013)

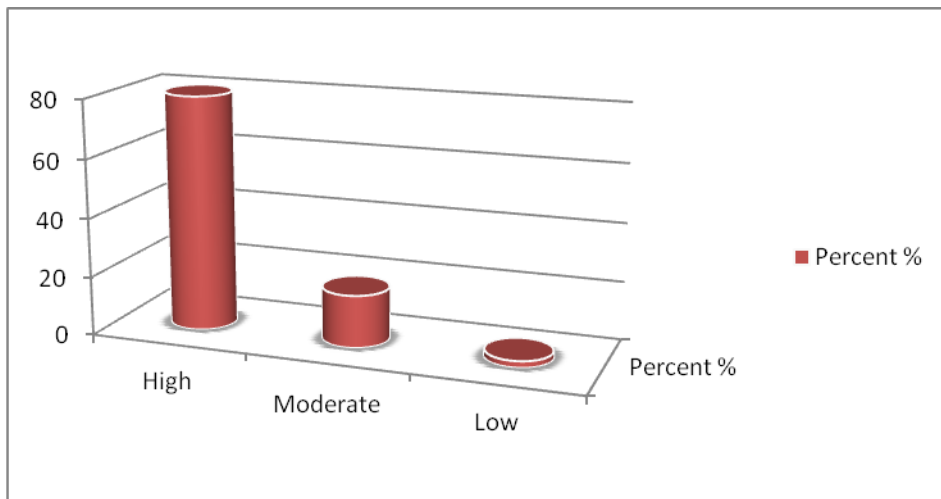
From the field discussion with respondents the researcher observed that, 66.7% were the customers who have been a member of PBZ for more than 3 years and most of them were the potential customers like government employees, include teachers doctors, military servants, large companies, enterprises and other potential businessmen. And 24.4% were the customer of PBZ who have been a customer for the period between 1 to

3 years and those customers are the entrepreneurs, small enterprises, and recently government employees. And 8.9% were the PBZ customers for a period of less than a year and those customers were the university students and other secondary students.

Level of customer loyalty

From the respondent opinion the researcher found that 36(80%) said that the level of customer loyalty is high for the PBZ customers, and 8(17.8%) said that the level of customer loyalty is moderate and 1(2.2%) said that the level of customer loyalty is low as shown in figure 4.2 below.

Figure 4.2 showing the response on the level of customer loyalty to the Bank



Source: primary Data (2013)

The result from the observation shows that the level of customer loyalty is high and the customers are willing to repurchase the service and convince others like their friends to join the PBZ bank, this is happen because the bank employees are professional and attractive, friendly and have courteous treatment, have much knowledge of the bank's products and services, they are willing to listen and respond to the customer's needs, they maintaining good relation with the communities by way of being closer to them this indeed creates value and loyalty for customers.

4.7 The extent in which the services provided leads to customer satisfaction

From the study conducted by the researcher it was observed that 36(80%) said that they are satisfied with the bank services and 9(20%) said they are not satisfied with the bank services and this can be presented in table 4.8 below.

Table 4.8 showing the extent in which the services provided leads to customer satisfaction

	Frequency	Percent %
Yes	36	80
No	9	20
Total	45	100

Source: primary Data (2013)

Reasons for choosing PBZ

From the observation, the researcher found that, 8 (17.8%) have chosen PBZ because of its good service delivery, 3 (6.7%) have chosen PBZ because of its speed and reliability, 16 (35.6%) have chosen PBZ because of the support from their friends, and the bank its self, 7 (15.6%) have chosen PBZ because it's cheap in its services delivery, 8 (17.8%) have chosen PBZ because they have no choices and 3 (6.7%) have chosen PBZ because of other reasons as shown in Table 4.9 below.

Table 4.9 showing the response on the reasons for choosing PBZ

	Frequency	Percent %
Good service delivery	8	17.8
Speed and reliability	3	6.7
Support	16	35.6
Cheap	7	15.6
No choice	8	17.8
Others	3	6.7
Total	45	100

Source: Primary Data (2013)

The above finding shows that, 17.8% of customers have chosen PBZ because it provides good service to its customers whether the customer is large company, small enterprises or a university student. The PBZ employees have shown the appreciation to its customers, thanking customers in a meaningful and thoughtful manner on every

customer, they create culture so that they treat customers as their family or neighbours, they listen to customer's comments. About 6.7% have chosen PBZ because its speed and most reliable Bank since not wasting much time in waiting the services such as Mlandege Corporate Branch. 15.6% have chosen PBZ because of the support since it support customers especially those low income earners by providing loan to them for the improvement of their standard of living. And 15.6% they have joined PBZ because of its cheapest services that they offer such as service charges and interest rates. Lastly 17.8% have chosen PBZ because they have no choice because at the time they opened their account there were no other bank established so they are forced to join PBZ and 6.7% have joined PBZ because of other reasons.

Customer as a member of any other Bank

From the field study undertaken, the researcher observed that 21(46.7%) said that they are members of another banks not only the customer of PBZ. And 24(53.3) said that the PBZ customers are also members of another bank as shown in table 4.10 below.

Table 4.10 showing the response on customer being a member of any other Bank

	Frequency	Percent
Yes	21	46.7
No	24	53.3
Total	45	100

Source: primary Data (2013)

The data above shows that 21(46.7%) customers are members of another banks not only the customer of PBZ, this is by the reason that the PBZ does not have sufficient product, and due to the customer security point of view, diversification they prefer to open another account in another bank like FBME,CRDB, NMB or EXIM bank. And 24(53.3) are the PBZ customers. This show that the large number of people remain only the PBZ customers do not have account on another banks.

Status of PBZ

From the observation the researcher found that 20(44.4%) said that the status of PBZ is high compare to other commercial bank, 24(53.3) said that the status of PBZ is at moderate stage and 1 (2.2) said that the status of PBZ is at low stage as shown in Table 4.11.

Table 4.11 showing the response on the Status of PBZ

	Frequency	Percent %
High	20	44.4
Moderate	24	53.3
Low	1	2.2
Total	45	100

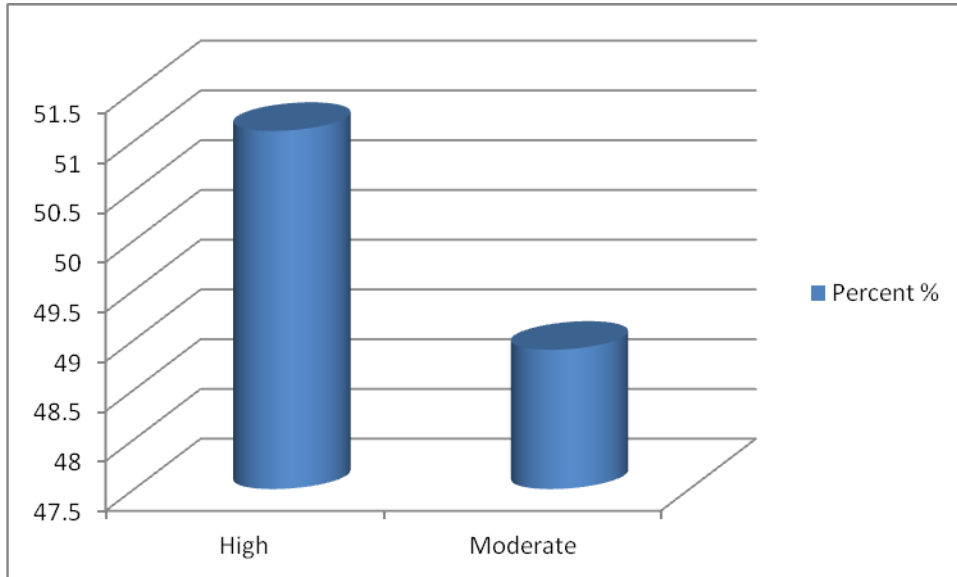
Source: Primary Data (2013)

From the observation the researcher found that 44.4% have said that the status of PBZ is high compare with other commercial banks though it is a public corporation and 100% share owned by the Revolutionary Government of Zanzibar it is the first bank established in Zanzibar since 1966 and it has variety of products. The Bank does both retail and corporate banking with equipped modern systems that facilitate banking business locally and overseas efficiently, and friendly, courteous, and personal customer service from all of their bankers. 53.3% said that the status of PBZ is moderate since it faces challenges on global changing environment on business and due to our low country's economy.

Level of customer service

From the observation the researcher found that 23(51.1%) said that the level of customer service is high since they answer the phone properly and quickly respond to the customer inquiries, listen to what the customer needs, handling customer complaints, they are helpful to their customers, and 22(48.9%) said that the level of customer service is moderate because only few customers recognize that there is a change in marketing approach of Banks due to changing business environment also not all the staff have been trained to deal with customers as shown in figure 4.3 below.

Figure 4.3 showing the response on the level of customer services



Source: primary Data (2013)

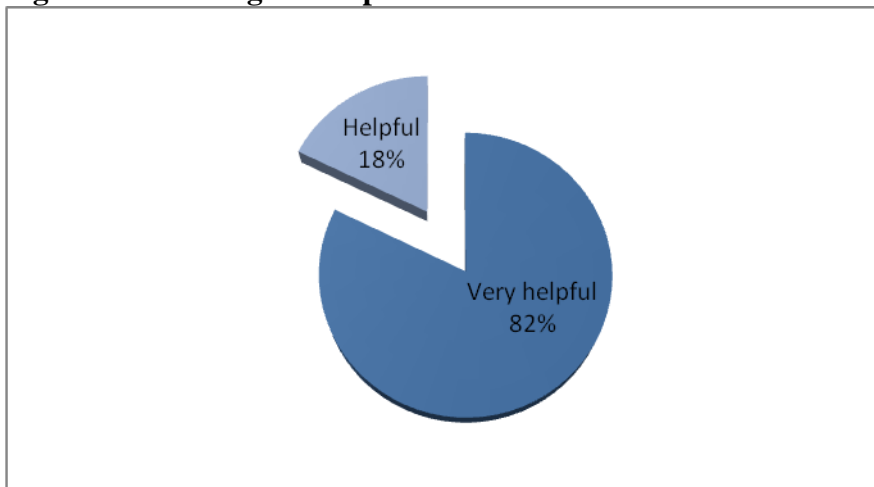
From the field discussion from the respondents the researcher observed that 51.1% said that the high level of customer service depends on the availability of trained staffs they have, dealing with customer complaints, understand what they are saying and ask for clarifications on things that might be ambiguous, clients might be unfamiliar with certain terminologies in their profession, and what you think they mean might be different to what they actually mean, they are helpful even there is no profit and try to give every member of the staff enough information and power to make those small customer-pleasing decisions, and they are ready to fix their mistakes If they did something that didn't end up working, they always thrive to a high quality product. And 48.9% said that the level of customer service is moderate since the service provided do not meet the customer's needs, only benefited are the large business person who operate their accounts at corporate branch and not the low income earners. From the researcher observation this specific objective answer the hypothesis number two, that is there are positive relationship between the services provided and customer satisfaction which increase company profits. Where other researcher has concluded that "Moderating

customer relationship management and customer satisfaction represents means to enhance firm financial performance through continuous product development. The continuous development and launching of new products is an important determinant of sustained firm.

The bank staff

From the observation the researcher found that 37(82.2%) of customers said that the PBZ staff are very helpful and very kind to their customers ready to listen any complaints brought to them by their customers. And 8(17.8%) of the respondents said that the staff of the bank are helpful since there are some staff who do not treat the customers well so they make the customers not satisfied with the service offered to them as shown in figure 4.4 below.

Figure 4.4 showing the response on the Bank staff



Source: primary Data (2013)

From the above finding the researcher observed that 82.2% said that the bank staffs are very helpful and very kind they know how to treat their customers since different customers have different behaviours and characteristics. And 17.8% said that the bank staffs are helpful to some extent, not so much helpful because some employees have the concept of superiority and make the customers feel inferior because of the way they treat them, also some of the PBZ staff they have no experience because they are spending

much time in providing the service to the customers and this happen for those who have been employed recently and they have no speed in performing their activities.

4.8 The extent to which organization commit to improve bank performance

From the observation conducted by the researcher it was found that 4(75%) of the respondent said that the organization has committed to higher extent in such a way that it improves bank performance, also 1(25%) said that the organization has committed to a moderate extent and non have said that the organization has committed to lower extent.

Table4.12: The extent to which organization commit to improve bank performance

	Frequency	Percent %
High	4	75
Moderate	1	25
Low	0	0
Total	5	100

Source: Primary Data

During the interview with bank officers at a bank they explains that, “many customers are aware of the products and services offered by the bank like the use of Automated Teller Machines (ATM) and internet banking, others have very few no knowledge about it”.

Table4.13.The Strategies used by the bank to implement the CRM

	Frequency	Percent %
Handling customer complaints	1	20
Improve mobile banking	1	20
Implement CSR policy	2	40
Others	1	20
Total	5	100

Source: Primary Data (2013)

From the above finding respondents replied as follows, The I.T personnel of the bank are fully trained to handle customer’s information packages including CRM. The websites are not overloaded with graphic data, clear, concise and informative. The banks are having up-to date website to inform their customers about their latest products and

services. In case of any changes in customer’s account such as interest rate etc., the bank are sending letters or information packs via email or using phone call to update information for their customers. Major bank services such as: internet banking and phone banking are available in PBZ bank. Call centers are more efficient and have unlimited opening hours. Other researcher like Coltman R. Tim et al, (on the study “**Customer Relationship Management and Firm Performance**” has also put an emphasis as human analytics, IT infrastructure and business architecture all are the strategies used to implement CRM.

Table 4.14. Complaints received from the customers regarding the customer services

	Frequency	Percent
Yes	19	42.2
No	26	57.8
Total	45	100

Source: primary Data (2013)

When the data were collected the researcher observed that there 19(42.2%) of the respondents complaining that there are problems and difficulties in accessing the services from the bank and 26(57.8%) said that there is no problems or difficulties in accessing the services from the bank as shown in table 4.13 below.

The data above shows 42.2% of the total respondents are facing the problems when receiving the services from the bank like long holding time, low coverage network, and low product knowledge. While 57.8% said that there are no problems in receiving the bank services low coverage network are the usual problems of every bank and can be treated within a few minutes.

DISCUSSION OF THE FINDINGS

In this part the researcher had to critically analyzed and evaluated the researcher findings obtained from the review of literature and primary findings. Based on the discussions of the research findings, the author may able to analyze and evaluate the appropriateness of

the research project both from academic and organizational point of view. The researcher has reviewed some of the most relevant and appropriate secondary and tertiary sources, such as academic books, articles, journals, publications and other related sources. The researcher has collected primary data through conducting semi-structured interview and questionnaire survey within the case studied bank, i.e. PBZ Bank, Malindi and Mlandege Corporate as the selected branches in the city of Zanzibar. So, the researcher would like to say that in this chapter, he has covered all of the relevant issues and concerns on the discussion of the research findings in accordance with the role of CRM on service quality in the banking sector, a case study of PBZ bank of Zanzibar.

Primary research findings

The researcher has collected primary data from the case studied organization, i.e. PBZ Bank, through using two most common and appropriate research methods, such as semi-structured interview and questionnaire survey. The researcher would like to mention following key points derived from the primary research findings-

Based on the survey results, it can be noted that majority of the customers are male (e.g. 61% of the respondents) who have been getting banking and financial services from the case studied bank, i.e. PBZ Bank, Zanzibar with the implementation of customer relationship management tool and technique by the organization. The demographic characteristics of the respondents also show that all of them have knowledge and understanding about the CRM practices of the case studied bank. So, it can be said that CRM is one of the most well-known and important approaches in relation to receive quality services from an organization, like PBZ Bank, Zanzibar.

In accordance with primary research findings, the author would like to opine that CRM has been considering as one the most relevant and appropriate to explore and analyse several factors involved in service quality of a financial institution, like PBZ Bank, as follows;

Impact of CRM on customer loyalty

Based on the primary research findings, the researcher would like to say that majority of the respondents have mentioned that they have intention to stay with the PBZ Bank, Zanzibar because of its current policies and practices to implement CRM to meet the demands and expectations of the customers. For example, 100% of the respondents have mentioned that the current approach of CRM at PBZ Bank, Zanzibar is appropriate to meet their demands and expectations and thus they have stated that they want to stay with the organization. CRM is regard as vital tool for an organization to explore and analyse overall aspects of the service quality provided by the organization, like PBZ, Bank, Zanzibar. Also the majority said that CRM has an impact on customer loyalty, since the good relationship between the customer and organization, with quality services lead to have loyal customers and PBZ to acquire many customers especially in Mlandege Corporate Branch and Malindi Branch. This answer to the hypothesis number one that there is direct positive relationship between CRM programmes of PBZ on customer's loyalty. The higher the CRM the higher the customer loyalty. It has enhanced efficiency, connectivity, increased customer satisfaction and employee retention. The hypothesis positing that relations with customers will have a positive impact on customer loyalty was also confirmed. This finding is especially important, as a good relationship with the customer is the keystone of CRM philosophy. The presence of this variable was also significantly linked to the definition of CRM. Customer loyalty is considered to be the consequence of an effective relationship initiated and maintained with a particular customer. Indeed, customer loyalty is presented in the literature as a relationship phenomenon. All the speculations, suppositions, and research findings mentioned above are very much confirmed in this paper by the acceptance of this hypothesis. Finally, the researcher opined that implementing customer relationship management programs like the company had as much information as possible about the customers, make up customer databases and upgrade them in the course of time form the basis of customer relationship management. Learning the customer demands and complaints by keeping in contact with the customers and producing solutions peculiar to

the customer are the other steps of customer relationship management. Accurately-directed customer relationships result in customer satisfaction and customer loyalty.

This answer the hypothesis number one that is there positive relationship between the CRM programs and customer loyalty.

The extent in which the services provided leads to customer satisfaction

The use of modern information technologies, such as e-banking systems have been considering as one of the new concept and approach to deliver quality services to the customers. The CRM tool has been considering as key driver for the purpose of providing quality services by the PBZ Bank, Zanzibar to ensure modern uses of information technologies, like e-banking system and thus develop strong relationships with the customers that have been proved from the primary research findings.

The data on customer satisfaction level had shown that 80% of the respondent are satisfied with the bank services since PBZ offers a wide range of individual and corporate services that suit to a business, those are:

Two weeks Project Finance Free of Interest, Loan at attractive interest Rate, Pay roll

One day account opening, Internet banking money Transfer within 24 hours to any destination using SWIFT Technology. Types of accounts offered by PBZ are:

Current Account (managing foreign exchange, make international transfer, local payments by cheques and standing orders and also swift transfers.

Call account, Call account is designed for people who want to manage larger sums of money effectively such as automatic transfer from a current account to call account for any balance above TZS 100 million.

Saving account with minimum opening balance as TZS 20,000, with minimum operating balance has been lowered to TZS 10,000,ATM cards are available and interest rate on available balance currently is at 3%.

Pensioner's account or "stara account" is designed exclusively to facilitate payments of pensions to retirees.

Time deposits or fixed deposit is a fixed time account that enables safe keep your money for a period of time while earning interest on it.

Furaha account, this is an account which allows all government employees to collect their monthly salary through the bank timely, efficiently where they can also save their money and earn interest.

The above finding shows that, there is direct positive relationship between the quality of service offered and customer satisfaction and this answer hypothesis number one.

The extent to which organization commit to improve bank performance

How to improve the level of organizational commitment and job performance has become the focus of attention of many scholars. The commitment towards providing quality services to the customers by a financial institution, like PBZ Bank, Zanzibar is becoming very important aspect and concern to ensure success and survival of the business in the current competitive business environment. For example, in accordance with the primary research findings, it is clear that majority of the respondents have agreed and strongly agreed that the commitment towards quality services to the customers by the development and implementation of CRM. This study used the method of literature review, interviews and questionnaires on the service staff of PBZ Bank Customer Service Operation Center at Mlandege Branch, in order to research the relationship between organizational commitment and bank performance. This study had chosen the customer service personnel as the survey sample and used the original scale about organization commitment which was improved and revised by me. The results show that, staffs of PBZ Customer Service Operation Center at Mlandege are at the middle level of organizational commitment. Employees' organizational commitment can be expected to affect organizational performance positively by lowering employees' desired and actual turnover.

Among, ideal commitment is higher than any other commitment. This shows that the employees can develop better and get more training opportunities and fair promotion opportunities in this organization. However, the emotional commitment gets the lowest score, which indicates that the loyalty values and goals of employees to the organization

are relatively low. As the propositions indicate, managers can theoretically be expected to affect organizational performance through both organizational commitment and goal commitment.

Secondary research findings

The researcher would like to summarize the findings from the review of literature as follows;

CRM is a new concept that has been using modern technologies. For example, Gratner (2008) has mentioned that CRM is considered as one the most appropriate and relevant business strategy that has been using information technologies that leads to the future prosperity and profitability of the business. He has also mentioned that CRM has been using by an organization, like a financial institution to forecast different factors leading to customer satisfaction as well as developing and implementing a customer-centric process within the organization.

In UK, most of the service-based organizations, like Halifax Bank, have been providing better banking services through developing and implementing different tools and techniques of customer relationship management (Rust and Oliver, 1991). They have suggested that CRM is an important approach to explore and analyse current demands and expectations of the customers and thus develop policies and practices to meet those demands and expectations for the purpose of achieving organizational goals and objectives.

Based on the review of literature, the author would like to opine that CRM is becoming an appropriate approach to create most competitive business environment either internal or external or both business environment. For example, Teare et al. (1990) have mentioned that CRM has considering as one the most strong tools and techniques to create effective business environment in relation to evaluate its management styles and business operations within current competitive business industry. So, it can be noted that

CRM has vital influence on creating a competitive business environment by an organization in respect to provide quality services to the customers compare to other competitors in the market.

The discussion on the above finding, the other researchers have the same ideas that CRM contributes to the improvement of organization performance as well as customer loyalty. Coltman, 2007 on his study” The contribution of CRM on the improvement of bank performance” and concluded that the distinguished abilities to apply CRM increase customer loyalty and organization profitability.

Another study conducted in a European bank shows that with CRM, the bank was able to focus on profitable clients through efficient segmentation according to individual behavior. Information about ‘who buys what and how much ‘enabled the bank to have a commercial approach based on the client and not solely on the product. Thus, the bank was able to better satisfy and retain its customers. Evangelia Blery and Michalis Michalakopoulos (2003).

Paul Greenberg, author and leading authority on SCRM, stated that Social CRM is “...designed to engage the customer in a collaborative conversation in order to provide a mutually beneficial value in a trusted and transparent business environment. It’s the company response to the customer’s owning of the relationship.”

Michael Fauschette (2011) says: “Social CRM is the tools and processes that encourage better, more effective customer interaction and leverage the collective intelligence of the broader customer community with the intended result of increasing intimacy between an organization and its prospects and customers. The goal is to make the relationship with the customer more intimate and tied to the company by building a public ecosystem to better understand what they want and how they interact with the various company touch points like sales, customer service etc...”

On the other hand, Peck et al. (1999) are amongst those who argue that for many organizations it would be beneficial to distinguish between the two types of customer and focus on relationship customers. According to Newell (2000) there are often three distinct types of relationship customers: the top, middle and lower groups. The top group (top 10%) consists of customers with excellent loyalty and of high profitability for the organization. CRM is needed to retain and offer them the best possible services in order to avoid them defecting to hungry competitors. Middle group customers (next 40 to 50 %) are ones delivering good profits and who show good potential for future growth and loyalty. These are the customers who are probably giving some of their business to competitors. The idea is to use CRM to target middle group customers effectively as they are the greatest source of potential growth. Lower group relational (bottom 40 to 50 %) customers are those who are only marginally profitable. Some may have potential for growth but the expense and effort involved in targeting such numbers, hinders the effectiveness of servicing existing relational customers in the top and middle groups. CRM should be used to identify this group and seriously consider the response required. Transactional customers contribute either nothing or have an adverse effect on profitability. The consensus therefore is that CRM is invaluable for identifying existing transactional customers and helping organizations to jettison them immediately. This has the double benefit of improving the prospects for one organization's profitability whilst potentially offloading burdens onto competitors.

Comparing with other researcher's findings which said that "good service delivery such as ease of access to electronic banking determines the level of user satisfaction in relation to its use and usefulness" (Lin and Lu, 2000).

Al-Hawary et al, (2011) and Mohammad and Alhamadani (2011), also on the opinion that service quality in terms of tangibility, responsiveness, reliability, empathy and assurance are the contributing factors for customer satisfaction.

More specifically, satisfaction is the determinant that facilitates bank product and service customization (Mattila, 2001), helping maintain and develop long-term

relationships and improve profitability linking them (Ranaweera et al., 2005), enhancing loyalty (Alda's Manzano et al., 2011) reducing the dropout rate (Kim and Prabhakar, 2004;

Other researchers like Staniok, C. D, (2012)also concluded that ,The effects of commitment are, however, expected to depend on the time managers have had to influence the organizational culture (organizational commitment), the strength of potential goal conflicts (goal commitment) and how the employees experience the commitment.

Other researchers such as (Porter et al., 1976; Meyer et al. 2002; Wright & Bonett, 2002). In their studies have shown that work commitment in public organizations has substantial performance implications, because it leads to higher job satisfaction, well-being and retention among the employees. This specific objective answers the hypothesis that there is positive relationship between the organizational commitment and bank performance.

While in another study, carried out by Lamparello (2000) in the U.S. banking industry, showed that banks with a customer-oriented strategy were able to obtain high profits. Gandy (2000) found that banks with 'good' CRM were able to maintain substantial competitiveness and presence in the market. This shows how the organization has committed to ensure application of CRM in order to improve bank performance.

Conclusion

The researcher would like to say that CRM is becoming an important approach to create competitive edge by an organization, like PBZ Bank, Zanzibar. Under this chapter, the researcher has discussed and explained most of the relevant and important data and information in relation to the role of customer relationship management on banking performance, a case study of PBZ Bank, Zanzibar.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, POLICY IMPLICATIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusion, recommendations of the study and areas for further research works

5.2 Summary of the findings

This paper analyzed the contribution of customer relationship management on PBZ performance. The study used primary data with administered questionnaire of 45 respondents in both Malindi and Mlandege Corporate branch in Zanzibar, and the interview with the bank staffs.

We used the descriptive analytical technique to examine the demographic data, and the variables of customer relationship management on bank performance.

The descriptive analysis shows that only 80% of the respondents are satisfied with the service provided by the bank, and 20% of the respondents said that they are not satisfied with the services provided by the bank. It may be stated that the bank customers are considered to be satisfied with the PBZ services.

The study result showed that 100% of the respondents said that there is CRM in PBZ and thus the customers are willing to remain in PBZ if it will cover all demands of its customers and the customers will not open another account in other commercial banks. It is the responsibility of the PBZ to make sure that all of its clients individual and corporate clients are satisfied and remain in PBZ.

The changing need of clients and competitor investments has lead banks to place more efforts on building client loyalty and retention rather than on client acquisition. Customer satisfaction to foster loyalty remains a strategic point for PBZ.

As the Tanzanian banking market becomes more competitive, the demand for advanced banking solutions grows. Banking customers have become increasingly aware of the most convenient or attractive financial products and services currently available. In light of this increasing competition PBZ could be considered pioneers in terms of developing a CRM system in the public banking sector, well before the market even understood the potential of CRM. Its head start in this initiative has enabled it to extend its client access, over its competitors.

5.3 Conclusion

Based on the analysis it is very clear that in almost all issues, the working performance of PBZ is good comparing with other banks. The PBZ though it is public sector bank, taking much care in implementation of CRM, fine tuning the CRM and finally putting it on track. It developed CRM in most of the aspects like database management, responding to the customers in mean time and provisionizing the services as expected by the customers. Particularly in marketing approach, considering customer retention as a big challenge, provisioning the facilities attending the needs without delay in time, meeting the changing needs creating the database, employee approach to customers, customer awareness impact of CRM relationship with customer impact over bank objectives, CRM and public image, CRM and updating the data, CRM and customer satisfaction etc. On the other hand, in terms of retention of existing key customers, enhancing customer loyalty, provisionizing technological infrastructure, location of CRM, existence of CRM, approaches of CRM, coverage of CRM by e-Marketing, relationship with the customer, CRM's objectives and making the customer delight, retention of customers benefits of CRM to the organization, loyalty, customer confidence, are found quite satisfactory and in good condition with PBZ. It is very clear from the foregoing analysis that the approach of CRM by PBZ is good and attractive. It is due to the profile, their capability and the strategy of CRM in making it and reaching down to customers. On the contrary, it can also be asserted that the background of PBZ

bank also found as a big cause for reaching the top CRM. Hence, CRM is an inevitable tool of marketing that can be considered as Critical Responsibility of Market with regard to Banks in present context.

Particularly in marketing approach, considering customer retention as a big challenge, provisioning the facilities attending the needs without delay in time, meeting the changing needs creating the database, employee approach to customers, customer awareness impact of CRM relationship with customer impact over bank objectives, CRM and public image, CRM and updating the data, CRM and customer satisfaction, other nationalised is found quite good. On the other hand, in terms of retention of existing key customers, enhancing customer loyalty, provisioning technological infrastructure, location of CRM, existence of CRM, approaches of CRM, coverage of CRM by e-Marketing, relationship with the customer, CRM's objectives and making the customer delight, retention of customers benefits of CRM to the organisation, loyalty, customer confidence, are found quite satisfactory and in good condition with PBZ.

It is very clear from the foregoing analysis that the approach of CRM by PBZ is quiet distinguishable. It is due to the profile, their capability and the strategy of CRM in making it and reaching down to customers. On the contrary, it can also be asserted that the background of PBZ also found as a big cause for reaching the top CRM.

According to Myron (2003), six barriers to CRM identified in companies include lack of guidance, integration woes, no long-term strategy, dirty data, lack of employee buy-in and no accountability. Failure to obtain and maintain executive support for the project is a major setback (Kovacs, 2006). Thus the following guidelines may be used for the improvement of bank performance.

- Implement a Customer Centric Process in Banks.
- Employee Relationship Management first before Customer Relationship Management.
- Increase customer experience through the web site.
- Develop channel integration for effective Customer Relationship Management.

- Proper training should be given to the bank personnel regarding the behavioral patterns by the Banks before they come and work in the field.
- More importance should be given to handling online transaction and using commerce and mobile banking services.
- It should be realized that customer relation cannot be built overnight. CRM should be considered as Continuous Relationship Management.
- Data gathered from the customers should be given proper value and it should be properly utilized.
- Banks should be aware of the fact that a bank's interaction with its clients influences the institution's performance.
- Treat CRM as a business strategy to become more customer-centric. The commercial rationale is that by delivering value to selected customers, companies can maximise their customers' profitability to them.
- It is necessary to understand what customer's value when developing the strategy. CRM is about extracting value by delivering value to customers.
- The bank customer strategy and business needs to be flexible to what customers want; these needs will be uncovered over time as you implement your CRM strategy.
- CRM is most effective when implemented at an enterprise level, where the relationship can be built at every point of contact. Companies need to be bold to reap the potential rewards of enterprise-wide CRM. Point solutions can add value, but a co-ordinate solution across business units offers greater benefit from a customer and company perspective.
- The whole organization needs to understand the benefits of CRM and why it is important, and commit to implement it. Almost all CRM commentaries warn companies not to see CRM as just a technology solution. However, technology is a key enabler for implementing a CRM strategy.

- Build a strong business case for CRM. It is most important to define the benefits you expect to achieve upfront, and ensure that measurement systems are developed to track your performance.
- Focus more on revenue growth when developing business cases, and less on cost savings.
- And lastly treat CRM as a long-term journey during which you can learn about how to serve your profitable (and potentially profitable) customers better.

Hence, CRM is an inevitable tool of marketing that can be considered as Critical Responsibility of Market with regard to Banks in present context. The results in this study show the respondents are strongly agree on majority of the statements in the dimensions used. It is important to note that, although the research was conducted in two branches Mlandege and Malindi branch, the same findings and recommendations may be applicable to banks in other areas within Tanzania, due to the complex, competitive banking industry in the country.

5.4 Policy implications

This study provides several implications of possible interest to managers. Firstly, in an increasingly e-business focused environment, the management of customer relationships has become a top priority for companies (Verhoef, et al., 2010). However, the results of this paper confirm that investing CRM technology on its own is not necessarily sufficient to guarantee CRM success. The different technological resources, speed, good customer services and organizational commitment should be integrated throughout the organization in order to increase bank performance. Consequently, in order to be successful CRM is much more of a cross-functional strategy, necessarily involving several departments. Additionally, as in other systems/technologies implementation, the positive results are not guaranteed. In order to get benefits from CRM implementation, service companies' managers need to lead implementation and adoption, while employees should be trained and motivated to engage in the CRM strategy. In service companies contact with customers is especially intensive, so it is critical that employees

have the necessary training to manage customer relationships effectively. Additionally, employees should be committed and motivated to improve service quality and, as a consequence, customer satisfaction and retention.

Therefore the bank is yet to develop an integrative approach which focuses on the customer needs and to deliver to it. As shown by the study, the bank is far from developing a customer centric approach both for the customer as well as for the employees.

5.5 Recommendations

For customer relationship management to deliver to its expectations, it should play an integrative role within the bank and ensure that all processes are integrated in the bank global strategy, which is far from reality in the study above. In view of this, to implement a CRM integration strategy, the following recommendations can be adopted:

- The Tanzania Banking Sector is flooded with different banks of the same molecule.
- In such a competitive environment, the Banks should adopt suitable marketing skills rather than depending on the trading skills. Hence, new services should be constantly introduced to ensure the growth of the Banks and to be competitive in the market and to keep up the enthusiasm of the employees and customers etc.
- The Banking sector is developing and getting higher day by day in urban and semi urban areas; there is large number of customers using the services in the urban and semi urban areas. So a wide scope in rural areas is expected in the days to come.

Based on the analysis it is very clear that in almost all issues, the working performance of PBZ and other commercial banks is quite different in certain aspect. The PBZ though it is public sector bank, taking much care in implementation of CRM, fine tuning the CRM and finally putting it on track. Whereas, other commercial banks was not at par with PBZ in most of the aspects like database management, responding to the customers in mean time and provisioning the services as expected by the customers.

5.6 Areas for further research

Research on managing customer relationships has the potential to provide a unifying framework for studying diverse marketing issues, and to contribute more broadly to business practice. It also identifies fruitful new areas for theoretical and methodological advances in addressing organizational challenges at the cultural, strategic, and tactical levels. Thus on further research it is better to consider some of the following areas.

To conduct some interviews from different bank employees such as: I.T personnel, bank managers, accountants, cashiers etc. from some of the well known banks in Tanzania.

To conduct interviews from different bank customers in Zanzibar

To 'flush out' the weaknesses and deficiencies of CRM system in the banking sector of Tanzania. To design and suggest an ideal CRM strategy which covers the weaknesses and fulfils the requirements of CRM in the banking sector in Tanzania.

To address specific limitations and obstacles that managers, in other commercial banks, encounter in CRM implementation. The specific role and support of top management may represent another potential horizon for future research work.

Cooperation of employees in implementing CRM programs may also be an area for future investigation.

Development of organizational information processes and learning capabilities. And

Guidelines regarding the effective application of customer relationship management (CRM) principles in strategic, cross-functional contexts.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR CUSTOMERS

The purpose of this questionnaire is to gather information from the customers, relevant to my research title: *The Contribution of Customer Relationship Management on Bank Performance*. The information provided will be used purely for academic purpose, and will be treated anonymously and privately. So I humbly request you to provide the information requested as candidly as possible.

Please answer each question by ticking appropriate space provided below.

1. Which group of customer below do you belong to?

1. Gender	2. Age	3. Education level	4. Occupation
Male ()	Below 25 ()	No education ()	Government offic ()
Female ()	Between 25 – 35 ()	Primary ()	Private employee ()
	Above 35 ()	Secondary ()	Business person ()
		Above Sec. ()	

5. How respondent got to know about PBZ?

Newspaper () Advertisement from media () A friend ()

Internet/face book/Google () and other source ()

6. How long have you been a customer of PBZ?

Less than a year () between 1 to 3 years () and above 3 years ()

7. Why have you chosen PBZ bank?

Good serviced delivery () Speed and reliability (), Support (), Cheap ()

No Choice (), and Other ()

8. What is the status of the PBZ comparing with other commercial banks?

High () Moderate () Low ()

9. With your own experience, what is the level of the Bank customer service?

High level () medium level () and low level ()

10. How do you see the staff of the Bank?

Very helpful () helpful () and Not so helpful ()

11. To what extent do you have the loyalty on the bank?

High () moderate () and low ()

12. Are you satisfied with the services provided?

Strongly agree () Agree () Disagree () and Strongly disagree ()

13. Do you face any problems when receiving the services?

Yes () No ()

14. A part from PBZ are you a member of any other Bank?

Yes () No ()

15. If yes, why

.....
.....

16. If the PBZ bank will cover all your demand, are you willing to be only a member of PBZ Bank?

.....
.....

17. With your experience do you think there is CRM in the bank that you use?

Yes () No ()

18. If No, what should be done to improve CRM in PBZ bank?

.....
.....

19. Do you think CRM have an impact on customer loyalty?

.....
.....

Thank you for your cooperation!!

APPENDIX II: QUESTION FOR INTERVIEW

1. Is there CRM in your bank?
2. Which strategy does the institution use to implement the CRM?
3. To what extent does the organization provide customer knowledge on the product and the services and provided?
4. At what level of commitment does the organization achieve in order to improve bank performance?
5. What is the contribution of the senior management team on supporting the CRM?

**APPENDIX III: STATEMENT OF FINANCIAL POSITION AS AT 31ST
DECEMBER, 2012**

ASSETS	NOTE	2012 Tshs'000	2011 Tshs'000
Cash	4	15,440,744	9,856,094
Balances with Bank Of Tanzania	5	21,823,618	21,072,806
Balances with Other Banks	6	23,458,056	44,508,950
Cheques& Items for Clearing		3,089,400	78,932
Investment in Debt Security	7	56,382,467	19,909,638
Loans and Advances	8	89,286,43	7 61,825,056
Islamic financing	9	5,579,621	148,315
Equity Investment	10	333,483	63,223
Other Assets	11	3,297,769	3,173,705
Property and Equipment	12	8,785,660	8,756,891
Intangible Assets	13	448,951	471,353
Total Assets		227,926,206	169,864,963
LIABILITIES			
Customers' Deposits	14	195,593,456	140,016,415
Other Liabilities	15	7,338,158	5,063,926
Inter-bank Borrowings		419,003	3,097,711
Tax Payable	27	706,186	817,466
Accrued Interest Payable	16	2,024,167	462,693
Deferred Grant	20	-	4,740
Total Liabilities		206,080,970	149,462,952
SHAREHOLDER'S EQUITY			
Share Capital	17	11,000,000	11,000,000
Government Grant	19	806,471	816,294
Reserves	20	10,038,765	8,585,716
Total shareholder's equity		21,845,236	20,402,011
Total Equity and Liabilities		227,926,206	169,864,962

APPENDIX IV: STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2012

	NOTE	2012 Tshs'000	2011 Tshs'000
Interest Income	21	13,532,762	9,390,438
Interest Expenses	22	(3,204,091)	(1,661,040)
Net Interest Income		10,328,371	7,729,397
Fees and Commission Income (Net)	23	2,895,855	2,331,486
Other operating Income	24	2,364,036	2,829,457
Operating Expenses	25	(13,164,738)	(10,235,340)
Provision for Probable losses		(60,063)	(167,912)
Bad debts and other assets written off	26	(9,808)	(14,864)
Operating Profit before Tax		2,353,953	2,472,226
Provision for Tax	27	706,186	817,466
Profit for the Year		1,647,767	1,654,760
Other Comprehensive Income:			
Revaluation Of Available-for-Sale Financial			
Assets		260	3,966
Total Other Comprehensive Income		260	3,966
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1, 648,02	7 1,658,726

EARNING ANDDIVIDEND PER SHARE (Reported in Tanzania Shillings)

Basic and diluted earnings per share	14.98	15.04
Dividend per share	2.26	-

APPENDIX V: TIME FRAME AND WORK PLAN 2012/2013

Research activities	October- Dec, 12	Jan-Mar, 13	Apr-Jul, 13	Aug-Sept, 13
Project Proposal				
Data Collection				
Data Analysis and Report Writing				
Submission of Report				

Source: Author, 2013

APPENDIX VI: RESEARCH BUDGET

Core Activity	Items/ Participants	Cost per Unit (Tzs)	Cost (Tzs)
Consolidation of literature	Library search travelling expenses for 10 days	1 x 20,000 x 10 days	200,000
Designing and developing research instruments	Typing and photocopying of research instruments <ul style="list-style-type: none"> • 45 questionnaires • 5 interview guide 	45 x 100 5 x 50	4500 250
Research training	One researcher assistance for 3 days	1 x 15,000 x 3 days	45,000
Data collection (20 days)	Travelling and subsistence allowance Researcher	20,000 x 2 x 20 days	800,000
Data processing, analysis and report writing	One researcher and one research assistant	2 x 20,000 x 14 days	560,000
Purchases	Stationeries	4 x 12,000 rims	48,000
Meals, accommodation and travelling to and from Mzumbe	One researcher for 3 trips	Lodging: 7 days x 15,000 Travelling: 4 x 50,000 Meals: 4 x 10,000 x 15 days in every trip	105,000 200,000 600,000
Total			2,562,750

Source: Researcher, 2013