

IMPERATIVES OF CUSTOMER RELATIONSHIP MANAGEMENT IN NIGERIA BANKING INDUSTRY

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ABSTRACT

The current marketing emphasis has shifted from satisfying customers to building relationship through a long term value creation. The study examine the imperatives of customer relationship management motivated by the poor handling of customers complaints, lack of courtesy, poor service quality, inadequate information to the customers and long line being experienced in the banks. It ascertains the contribution of effective customer relationship management to customer loyalty and profitability or performance of the banks. The study involves a survey research around four selected banks with 600 respondents comprises of customers and personnels of the selected banks. Data collected were presented and analyzed in tables of simple percentage, and tested the two hypothesis formulated for the study using the analysis of variance (ANOVA) statistical tool to reject or accept the Null hypothesis. Findings revealed that there is a direct relationship between customer relationship management and customer loyalty as well as banks profitability. Hence, recommended that management of banks should pursue customer relationship management programmes with rigour to achieve the business objectives of the bank.

Key words: CRM, Implementation, Challenges, IT, Employees, Theories.

INTRODUCTION

The market condition and business environment of the 21st century is witnessing rapid change. Business often must respond to this rapidly changing environment.

Environmental change has been a business focus for decades. Now, a well established new comer is changing the traditional business environment even more: information technology; the internet and the electronic commerce are the new players disrupting the business environment. Even more critical is the development of entirely new business. Given these changes, businesses have rediscovered that, more than ever, in the face of increased competition, matured market, and ever demanding customers, treating existing customers well is the best source of profitability and sustained growth (Hair et al, 2006:113).

Today, companies have realized that customers are the life blood of the business; business survival is largely depended on the customers. The realization of this fact has made it possible for companies to have a better chance to out perform competition. Customers are therefore, better satisfied through a competitive superior product and services beyond their expectation. Satisfying the customer eventually graduate into a relationship where the company sees the customer as part of the business and business decision making by continuously seeking customers opinion. According to Kotler and Keller (2006:139) marketers must connect with customers, informing, engaging, and may be even energizing them in the process.

Having every detail of organization's customers gave birth to the marketing concept known as customer relationship management (CRM). Customer relationship management as an improvement upon the data base marketing of 1980's which was simply a catch phrase to define the practice of setting up customer service groups to speak individually to all of a company's customers. The 1990's was the advances in customer relationship management (CRM), which also became popular at this period. At this time, instead of gathering data alone, it was used to give back to the customers not only in terms of improving customers' services, but in terms of incentives, gifts and perks for customer loyalty. This saw the beginning of the flyer programmes, bonus and hosts of other resources that are based on CRM tracking of customer activity and spending patterns. CRM is being used as a way to increase sales passively as well as through active improvement of customer service aided by technology.

The key to building lasting customer relationships is to create superior customer value and satisfaction. In their view, Kotler and Armstrong (2008:13) satisfied customers are more likely to be loyal customers and to give the company a larger share of their business. Targeting, acquiring, and retaining the right customer is at the core of many successful business firms. Once a firm has won customer it sees as desirable, the challenge shift to building relationship and turning them into loyal customers who will generate growing revenue for the firm in future. Customer Relationship Management (CRM) concerned with customer data management, that is, managing detail information about individual customers, and carefully managing customer touch points in order to maximize customer loyalty, is now being focused on the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

This work assess the imperatives of Customer Relationship Management in the Nigeria banking industry and the need for the effective customer relationship management to increase customer value, satisfaction, retention and further acquisition of new customer in a reduced cost manner.

Onut et al, (2007) saw CRM as a business strategy to identify the banks most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, reprising, discretionary decision making, and customized service all delivered through the various sales channels that the bank uses. Nigerian banks are often making efforts to satisfying big

customers, that is, profitable customers with large balances are being pampered with premium services. While small saver with low balances are considered unprofitable, and are left to get cold. Accounts average balance, account activity, service usage, branch visits and other variables are being used to assess profitable and non profitable customers.

Having realized the importance of customer relationship management, and its potential to help acquiring new customer, retain existing ones and maximize their lifetime value. Onut et al (2007) suggest that, IT and marketing should have a proper coordination to provide a long term retention and selection of customers.

Thus, from the forgoing, this study is designed to examining the imperative of customer relationships management in the Nigerian banking industry, their value, satisfaction to achieve their loyalty and increase profitability. The study purposively used some selected public quoted bank in Nigeria as case study for the study.

Statement of the Problem

Nigeria Banks have fall short of the expectations of their customers in recent time. Customers have experienced challenges ranging from delayment, stock out, non-availability of staff at service points, unprofessional conduct or rudeness by the staff of the bank, poor standard of records or improper information, failed promises among others.

In the words of Ogunnaike and Ogbari (2008), customer service in our banking industry can be mistaken to mean customer delay and frustration. According to the authors almost every Nigeria bank encounters similar problem in meeting customers' expectation of services and customer satisfaction.

The issue of money transfer in banks is one major problem that customers of certain banks have been made to experience. In most cases, the customer hardly receives the payment of the money transferred in his account immediately.

Also, the long queues and huge crowds in the banking halls can be highly devastating and discouraging most times, especially when the weekend is near. Most times, this long queues are as a result of the breakdown of the computers used by these cashiers, sometimes it occurs as a result of the cashier pushing duty to one another, as to who is to attend to the customer or not.

Consequently, there is a problem of customer loyalty and profitability of the bank.

Objectives of the Study

The main objective of the study is to examine the imperatives of customer relationship management in the Nigeria banking industry. Other specific objectives are as follows:

1. To examine the contribution of effective customer relationship management to customer loyalty.
2. To ascertain whether customer relationship management is a strategy to increase banks profitability.

Hypotheses

Hypothesis 1:

H₀: There is no significant relationship between customer loyalty and customer relationship management.

H₁: There is significant relationship between customer loyalty and customer relationship management.

Hypothesis 2.

H₀: There is no significant relationship between bank profitability and customer relationship management.

H₁: There is significant relationship between bank profitability and customer relationship management.

Scope of the Study

The scope of the study is limited to the imperatives of customer relationship management in the Nigeria Banking Industry. Four Banks (4) were selected for study. These include: First Bank, UBA, Zenith Bank and Access Bank. The study focuses on the modern innovation on Customer Relationship Management and strategies of the banks.

REVIEW OF RELEVANT LITERATURE AND THEORETICAL FRAMEWORK

In this section the study involved the review of related concepts, theories and empirical studies already done by writers on customer relationship management. The study focused on the review of past and present conceptual, theoretical and empirical studies that could determine the present and future of customer relationship management as a crucial topic in business, public and private enterprises and to properly underpin it in the field of management. The review work was specifically meant to inform, educate and direct the study on customer relationship management in Nigeria banking industry.

Customer relationship management

Let us briefly look at the three words that make up the acronym and subject matter: the customer, the relationships, and the management (CRM). Klein (1995) saw customer as a person who enters into simple contract when going into a shop to purchase goods or when there is a continual service to a person or business entity. Different roles can be identified in the context of consumers, namely, buyer, decider, initiator, influencer, user, disposer (Perry, 2010). Some customers types that are typically included in CRM Customers definition are agents, beneficiary, bill payer, customer, competitor, employee, household, prospect, referred, source and supplier (Onu, 2008:142).

The International Institute of Sustained Dialogue (2004) used relationship diagnostically and operationally. Diagnostically as it helps form a picture of a relationship from the unfolding exchanges in dialogue; operational as it helps us get inside an interaction to change a relationship. Kehesi (2012) used the word to mean the state of being connected or related, or to be in friendly terms with someone. Relationship in marketing and business, defines as the process of carefully managing detailed information about individual customer “touch point” to maximize customers’ loyalty (Kotler and Keller, 2009). Relationship marketing however, according to Etzel et al (1997) is an ongoing interactions between buyers and sellers so that the buyers’ needs are being so well satisfied, which can be after sales is made.

Management defined by Anpala (1990) as the “process of combining and utilizing or of allocating organization inputs (men, material and money) by planning, organizing, directing and controlling for the purpose of producing outputs (goods and services or whatever the objectives are) desired by customers so that the organization objectives are accomplished. In the process, work is perform with and through organization personnel in an ever changing organizational environment”. Claudia et al (2001:23) in Onu (2008:142), the management in CRM is the ability to use the information you have gathered about your customer to start changing the way your organization interacts with its customers. The task of creating and delivery superior customer value must be complemented with the selection of the appropriate customers and effective management of the relationship with those customers. According to John (2003:144-145) managing customer relationship would mean actively planning, organizing, directing and controlling a firm’s business relationships with

its customers. How does the firm take systematic approach to managing the customer? John stressed that the firms identifies all the activities that the customer enacts in the value creation as well as consumption blueprint. The firm scripts the role for the customer at each activity.

Having looked at the three words: Customer, Relationships, and Management that made the acronym CRM, what then is CRM? CRM is a new concept in marketing, argued to have replaced the database marketing of the 80's. It is a business strategy that aims to understand, anticipate and manage the needs of an organization's current and potential customers. In their own view, Hair et al (2006:112) defined CRM as a combination of strategic, process, organizational, and technological change where by a company seeks to better manage its own enterprise around customer information. According to the authors, acquiring and deploying knowledge about customers and using this information across all areas of the business is the focus of CRM. Kotler and Keller (2006:152) see CRM as the process of managing detailed information about individual customers and carefully managing all customer "touch points" to maximize customer loyalty. A customer touch point according to the authors are any occasion on which a customer encounter the brand and product from actual experience to personal or mass communication to casual observation.

According to Stringfellow (2008) customer relationship management is an organized process by which a company keeps track of contacts and conversations with customers. Couldwell (1998) as quoted by Onut et al (2007) defined CRM from the marketing perspective as "a combination of business process and technology that seeks to understand a company's customers from the perspective of who they are, what they do, and what they are like". Technologically, Papers and Rogers (1995) as quoted by Hosver (2007), "the market place of the future is undergoing a technological-driven metamorphosis". Consequently, IT and marketing departments must work closely to implement CRM efficiently. In their view, Kamakura et al (2005) states that analytical customer relationship management (CRM) is the process of collecting and analyzing a firm's information regarding customer interactions in order to enhance the customer's value to the firm. This process enhances loyalty and increases switching costs, as information on consumer preferences affords an enduring competitive advantage. Perry (2012) viewed customer relationship management as an information industry term for methodologies, software, and usually, internet capacities that help an enterprise manage customer relationships in an organized way. For example, an enterprise might build a database about its customer that described relationships in sufficient detail. Therefore, management, sales people, people providing services, and perhaps the customers could directly access information, match customer needs with product plans and offerings, remind customers of service requirements, and know what other products a customer had purchased.

According to one industry views, CRM consists of: helping an enterprise to enable its marketing departments to identify and target their best customers, manage marketing campaigns and with clean goals and objectives, and generate quality leads for the sales team. Assisting the organization to improve telesales, account, and sales management by optimizing information shared by multiple employees, and streamlining existing processes. Allowing the formation of individualized relationships with customers, with the aim of improving customer satisfaction and maximizing profits; identifying the most profitable customers and providing them the highest level of service. Providing employees with the information and processes necessary to know their customers, understand their needs, and effectively build relationships between the company, its customer base, and distribution partners (Berry, 2010). Also, Kotler and Armstrong (2008:13) defined CRM as the overall process of building and maintaining profitable customer value and satisfaction. After surveying many alternative definitions of CRM, Payne and Frow (2005:168) as quoted by Bolton and Tarasi, offers that; CRM is a strategic approach concerned with creating

improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationships marketing strategies and IT (Information Technology) to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understanding customers and co-create value with them.

From the foregoing views and definitions, we deduced that CRM is not only about software, technology and information. CRM is a business strategy to attract new customers, satisfied customer through improved service delivery, thereby maximizing customer, lifetime value and retention. CRM aim at reducing costs, wastage and staff stress thereby increasing organizational efficiency and profitability. It tends to strengthen the bond between customers and organizations in a more benefiting way for both.

Benefits of Customer Relationship Management

Gifford (2002) states that there are significant business benefits derivable from an integrated customer relationship management approach. These include:

- Reduced costs, because the right things are being done (i.e., effective and efficient operation).
- Increase customer satisfaction, because they are getting exactly what they want (i.e., exceeding expectations).
- Ensuring that the focus of the organization is external.
- Growth in number of customers.
- Maximization of opportunities (i.e., increased services, referrals etc).
- Increase access to a source of market competitor information.
- Highlighting poor operational processes.
- Long term profitability and sustainability.

Benefits to customers, Ansoff (1990:26) as quoted by Onu (2008) includes:

- Risk and stress reduction
- High quality service since the service provider becomes knowledgeable about customers requirements
- Social and status benefits from continuity relationships with a supplier since repeated contract may develop relationship resembling personnel friendship which can feed ones status (ego).
- Avoiding switching cost because maintaining a relationship with a supplier avoids the cost associated with switching to a new provider.

Customer Relationship Management in Banking Industry

Today, many businesses such as banks, insurance companies and other service providers realizes the importance of customer relationship management and its potential to help them acquire new customers, retain the existing ones and their life time value. Onut etal (2007) argues that CRM is a business strategy of identifying the banks most profitable customer and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, reprising, discretionary decision making and customized service all delivered through the various sales channels that the bank uses. In the words of Joyner (2002) as quoted by Pokharel (2011) states that, the banking industry is facing an ever increasing level of competition around the world as the dynamics of the business change. Technology, commoditization, deregulation and globalization for ever change the face of the bank. Banks have understood the need to capitalize on the new technologies to gain advantage in the competition by exploiting their customer base, brand value and costly infrastructure investments in order to increase profits as there is a direct link between the customer satisfaction and the profitability.

CRM is the strategy which enables the banks to analyze the customer profiles, to direct their needs to the potential profitability areas and establish the necessary actions to achieve customer satisfaction, competitive advantage and thus the profitability. From the customer points of view, the competition brings them various choices and increases the bargaining power. Today, customers are looking for benefits from the bank, better service, lower transaction fees, higher interest rates, a sign of prestige, new products access from different channels etc, this scheme forces the banks to look for new ways to satisfy customers before any other bank or financial institution does. Onut et al (2007) observes that the objectives of CRM in the banking sector are to help businesses use technology and human resources gain insight into the behavior of customer and value of those customers. If it works as hoped, a business can: provide better customer service, make call centers more efficient, cross sell product more effectively, help sales staffs close deal faster, simplify marketing and sales processes, discover new customers, and increase customer's revenues. For example, many financial institutions keep track of customer's life stages in order to market appropriate banking products like mortgage to them at the right time to fit their needs.

Implementing customer relationship management, Mihelis et al, (2001) as quoted by Onut et al, (2007) considers the implementation of CRM in the banking sector to be focused on the evaluation of the critical satisfaction dimensions and the determination of customer groups with the distinctive preferences and expectations in the private bank sector. Saleh et al (2004) cited in Opara (2010) assert that banks have already began the process of deconstructing their business through horizontal process of outsourcing, involving two trends; deconstruction i.e. move away from monolithic organizations that undertake every activities towards networked' models where a number of institutions (technology, communications) combine to deliver the overall offer to customers, centralization or work cross all segment, brands and competence.

However, customers today are looking for better place to go that their businesses can be assisted. Any CRM programs in the banking sector must focus on the mutual benefits of both the company and the customers. And implementation process of CRM should require and involve the top management if it must succeed. Meanwhile, Pokharel (2011) summarized the challenges banks faced in implementing CRM to include:-

- Getting management sponsorship
- Quality of customer Data
- Alignment issue (Alignment of people and processes)
- Lack skilled people
- Determining the right time for customer needs
- Using customer Data more intelligently
- Incorporation of customer Data and customer preferences to the customer Data base
- Using right technologies
- Real time Data cross all customer channels
- Having 360-degree view of customers (single view of customers)

Theories Relating to CRM:

Relationships are not the same; customers want and expect different things from their relationship with the different organization, just as they have different need and expectation from their varying personal relationships (Bollen and Emes, 2008).

The balance of power has shifted towards customers as new technology has redressed the imbalance in the flow of information between customers and suppliers, customers now not only have more information and a greater choice but also to voice their dissatisfaction more loudly. The shift in the balance of power has contributed to a change in customer's expectations. Companies are now expected to pay more attention to caring for customers, and customers put greater emphasis on honesty and integrity, demanding more

transparency from suppliers. The study relies on the traditional and modern theories as summarized by Hellen Gifford (2002) and the art of profit of customer relationship management.

CRM Theory and the Art of Profit: This theory learn from the Economic and management theory which emphasized on examining options with relative scientific objectivity to determine the most efficient and profitable process to increase revenue. Simply put the quickest and most effective way to make a profit. The Economic and Management theory applied to CRM thus:

Art of profit – in 1959, Frederick Herzberg, a psychologist, found that job satisfaction and job dissatisfaction acted independently of each other. The theory states that there are certain factors in the workplace that cause job satisfaction are called motivating factors while the factors that cause dissatisfaction are called hygienic factors.

Basically put, motivational factors tend to increase job satisfaction Hygienic factors are necessary to prevent dissatisfaction, but only serve to de-motivate job satisfaction if the factors are not present.

This theory was related to CRM, safely stated that the hygienic factors are those things that the customer expects whenever they purchase your goods and services, for instance, phone is answered in a timely fashion, orders are fulfilled correctly and the many things customer simply expect from the company every time they interact with the company. Motivational factor defined in relation to CRM as those factors that increase your sales, lowering your price, customer loyalty rewards, holiday specials, and so fourth.

In economic theory, the law of demand states that, in general, price and quantity demanded in a given market are inversely related. In other words, the higher the price of a product, the less of it people would be able and willing to buy of it (other things unchanged), as the price of a commodity rises, overall purchasing power decreases (the income effect) and consumers move toward relatively less expensive goods (the substitution effect). Other factors can also affect demand, for example, an increase in income will shift the demand curve outward relative to the origin (increase demand leads to increased in prices and vice versa).

Determine the best methods to make more money – customers have a certain level of expectations (hygienic factors) and are enticed to purchase our goods and services through sales, marketing, and other factors (motivational and economic factors). In other words, the customer is very complex. It is rarely only about price (unless the company has homogeneous product/service with and abundant of substitutes and a perfectly inelastic supply curve). CRM provides an insight into customer to determine the best way to make more money by: tracking customer and review what they have done in the past gives and insight to their new buying behaviour. It gave the ability to review and analyze past behaviours and purchases which allow to do two important things: ensure the resources is available (product and labour) at the right place and time in anticipation of demand for goods and services, and analyzing and trending information to predict future buying patterns.

The Traditional and Modern Theory of CRM: The traditional and modern theory of CRM was cited in Gifford (2002). The modern CRM theory refers to the idea of integrating the customer: this new way of looking at the business involves integrating the customer (more precisely the customer's relevant people and processes) into all aspects of the supplier's business, and vice versa. This implies a relationship that is deeper and wider than the traditional arms-length supplier-customer relationship. The modern approach to customer relationship management is based on satisfying all of the needs people, system, processes etc-across the customer's organization, such as might be affected and benefited by the particular supply.

Comparatively, the traditional approach to customer relationships was based on a simple transaction or trade, and little more, one person on each side. All communication and

dealings would be between these two people, even if the customers' organization contained many staff, departments, and functional requirements (distribution, sales, quality, finance etc).

Thus, the theories and approach presented here are either drawn from fields outside marketing or are based on individual understanding of customer relationship. While the first was based on interpersonal relationship which call for mutual benefit for both customers and the organization in the relationship. The second emphasized on maximization of profit drawn from economic background. The modern approaches rely on customer satisfaction which is the core issue in customer relationship management today.

RESEARCH METHODOLOGY

This section described the method and sources of data used in the research work. It included the population, sample size and technique, data collection and data analysis technique.

Research Design

Research design helps the researcher develop a mental image of the structure for gathering the data and the analysis that will follow as observed by Asika (2006). It is the framework for study used as a guide in collecting and analyzing data. The researcher will make use of the survey research design while carrying out the study.

Population of the Study

The population of the study is a census of all items or subjects that possess the characteristics or that have knowledge of the phenomenon being studied (Asika, 2006). The population for this study comprises of the employees (Staff) and customers of banking industry in Nigeria.

Sample Size and Sample Technique

A sample is a part of a population. It is a sub group of observation from a large population in order to make inferences about the characteristics of the large population. Since it would neither be possible nor practicable to study all customers and staff of banks. We will determine our sample size statistically by applying the formula for an infinite population (Walpole,1974:175):

$$n = \frac{Z^2 \alpha / 2}{4e^2}$$

$$n = \frac{(1.96)^2}{4(0.04)^2} = \frac{3.8416}{0.0064} = 600.25$$

Our sample size consists of 600 customers and employees.

DATA COLLECTION

The data for this study were collected using a self administered questionnaire (primary data). Stroh (2000) in Emmanuel (2011) questionnaire are appropriate for gathering the views of a large number of people about a particular phenomenon. This research instrument (questionnaire) used were tested valid and reliable.

In order to get the appropriate number of the sample size of six hundred, a total of seven hundred questionnaires were distributed. The questionnaire is divided in two sections. Section A seeks to elicit responses on personal data of respondents while Section B examines the customer relationship management of the banks. The general effect of the questionnaire is to examine the impact of customer relationship management on the selected banks. The question carries a five point scales.

Reliability and Validity of Instrument

A pilot test was carried out before actual data collection to ascertain the reliability of the survey instrument and test for vagueness and clarity of items. For the pilot test, the questionnaire was administered at two weeks intervals between the pre-test and post – test on a group of ten (10) bank workers at Union Bank. The bank for the pilot study was chosen to specifically differ from those which were involved in the main study.

The study used face validity, to ensure face validity; the research instrument was given to experts in the area of business administration to judge the adequacy of the instrument. Their comments with those of the supervisor were needed to modify the items on the research instrument.

Method of Data Analysis

According to Nwana (1981), analysis of data refers to those techniques whereby the investigator extracts from data, an information that was not apparently there before and which would enable a summary description of the subject studied to be made. The information being referred to here is the information that enabled the study test the research hypotheses. Data collected were presented in tables of simple percentage and tested the research hypotheses using the Analysis of variance (ANOVA) to enable the research ascertain the effect of the relationship between the variables.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Data presented here are those collected from the field survey on the study. This would form the basis for the testing of the research hypotheses.

Table 4.1: Does your Bank practice CRM

Option	Frequency	Percentage
All the time	111	18.5
Most of the time	378	63.0
Not sure	0	0.0
Less of the time	89	14.8
Not at all	22	3.7
Total	600	100

Source: Field survey, 2012.

Table 4.1 above revealed that 111 respondents representing 18.5% of the total respondents says that their banks practice CRM all the time. 378 respondents representing 63.0% says that their bank practice CRM most of the time, no respondent went for not sure. Meanwhile, 89 respondents representing 14.8 % went for less of the time while 22 respondent making up 3.7% of the total respondents goes for not at all. The implication of these results is that a significant number of the banks engaged in customer relationship management (CRM) most of the time.

Table 4.2 CRM Leads to Customer Loyalty

Option	Frequency	Percentage
Strongly agree	99	16.6
Agree	398	66.3
Undecided	10	1.7
Disagree	67	11.2
Strongly disagree	26	4.3
Total	600	100

Source: Field survey, 2012.

Table 4.2 above shows that 99 respondents representing 15.0% of the total respondents strongly agreed that CRM leads to customer loyalty. 398 respondents representing 66.3% agrees to the statement. 10 respondents representing 1.7% have not/cannot decide whether CRM leads to customer loyalty. 67 respondents representing 11.2% disagree to the believe, while 26 respondents representing 4.3% strongly disagree that CRM leads to customer loyalty. The implication of the result is that CRM leads to customer loyalty given the total score of those who agree.

Table 4.3 CRM Brings Bank Profit

Option	Frequency	Percentage
Strongly agree	90	15.0
Agree	387	64.5
Undecided	17	2.8
Disagree	76	12.7
Strongly disagree	30	5
Total	600	100

Source: Field survey, 2012.

From table 4.3 above, 90 respondents representing 15.0% of the total respondents strongly agree that CRM brings Bank Profit, 387 respondents representing 64.5% of the total respondents agree with the above statement. While 17 respondents representing 2.8% are undecided whether CRM brings bank profit or not. Apparently, 76 respondents representing 12.7% of the total respondent disagree that CRM brings bank profit and 30 respondents representing 5% strongly disagree to the above statement. Given the number of those who agree, it means that CRM contribute to the bank's profit.

Test of Hypotheses

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	92685.310	2	46342.655	623.347	0.002 ^a
Residual	148.690	2	74.345		
Total	92834.000	4			

The ANOVA shows the amount of variation in the regression model. The value of F is 623.347. F test is the ratio of the overall fit of a regression. A high F – test signals that a model possesses significant explanatory power. This must be compared with a critical value to determine it highness (Webster, 1998; Berenson and Levine, 1996). The model is significant at 0.002. This means 0.2% significant level and 99.8% confidence level.

Since F calculated is 623.347 and F tabulated is 6.94, that is F_{cal} is greater than F_{tab} , the null hypothesis that says there is no significant relationship between customer loyalty and customer relationship management is hereby rejected. Apparently, the null hypothesis that says there is no significant relationship between profitability and customer relationship management is also hereby rejected, both at 5% level of significance. This means there is a significant positive relationship between customer relationship management, customer loyalty and banks profitability.

Discussion Findings

From table 4.1, the study deduced that banks in Nigeria practice Customer Relationship Management (CRM) in view of the number of the respondents that went for agree. Also from table 4.2, it was revealed that CRM led to customer loyalty. Customer loyalty means a customer who continued to use the bank for a relatively long time or for his entire life. This

then mean that if CRM is properly practiced will continue to enhance the loyalty from the customer.

Table 4.3 revealed that CRM brings bank profit. This was justify by high number of respondents agreeing to it. It then mean that CRM is a business strategy to increase banks profitability as reported in most of the literatures reviewed. From the result of the test of hypotheses in table 4.3, the study deduced that customer relationship management has a significant positive relationship with banks profit and customer loyalty. This means that CRM brings about bank profit and also leads to customer loyalty at 5% level of significance.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

Environmental change has been the focus of business for decades. A well established new comer is changing the environment so fast; information technology; the internet and electronic commerce are the new players disrupting the business environment. Companies have realized that customers are the life blood of their business; this realization has made companies to have a better chance to out perform competition.

The study examine the imperatives of customer relationship management in the Nigeria banking industry with a focus on first bank of Nigeria Plc. Customer relationship management is the process of managing detailed information about individual customer and carefully managing all customers touch points to maximize customer loyalty. A customer's touch is any occasion on which a customer encounters the brand and product from actual experience to personal or mass communications to causal observation. Customer relationship management is use by banks and other organization as a business strategy to increase profitability through customer satisfaction.

To achieve the objectives of the study, primary data were collected from the sample drawn from the purposively selected banks with the aid of structure questionnaire. The questionnaires were only administered to the staff saddled with customer relationship management duties. In other to achieve the target number of sample size of 600, a total of 700 questionnaires were administered. The questionnaire is divided into two sections, the first section is on the personal information of the respondents while the other section examines the customer relationship management of the banks. The second section carry a five point scales.

Data collected were first presented in tables of simple percentage and were analyzed, tested the research hypotheses using the analysis of variance ANOVA. The result of the analysis and testing shows that there is a significant positive relationship between customer relationship management and customer loyalty as well as bank profitability. From the result, a number of conclusions can be drowned. Firstly, effective customer relationship management will bring bank profit. This means that customer relationship management can be used as a strategy to making profit by the bank. Secondly, for the bank to achieved a high level of customer loyalty, the customers must be satisfied through effective customer relationship management.

Conclusion:

The study examines the importance of customer relationship management in Nigeria banks. The study established a relationship between banks performance and effective customer relationship management through customer satisfaction. It also emphasized the role of the employees and IT in achieving profitable customer relationship management. It therefore, concludes that there is a direct relationship between customer relationship management and banks profitability and increase in customer base. The banks management is therefore encourage to pursue customer relationship management programmes with rigour so that they can survive in the present competitive business environment.

Recommendation:

The Nigeria banking industry must understand the importance of customer relationship management in improving the organizational performance of the banks. They should also realize that:

1. Effective customer relationship management is a reliable tool to increase customer base. Hence, Nigeria banks should ensure customer satisfaction at all time. Management of the banks should always seek customer opinion before taking decision that is binding on the customers. The banks should also improve in their information technology (IT) because it goes along with customer relationship management which is a strategy. Bank should also work on their ATM to avoid poor services and should also attach an employee to the ATM machine to ensure orderliness in using the machine. And to quickly report to the management when there is problems with the machine. Notwithstanding, management of banks should also create more ATM outlet to reduce long queue.
2. Customer relationship management contributes greatly to the banks profitability. Hence, Nigeria banks should designed a feasible customer relationship strategy that can identify the most profitable customers to enabled tailoring services to their needs. They should also design a way of turning the low balance i.e., unprofitable customer to be profitable. The management of banks should always support any customer relationship strategy aim at improving the banks performance. Customer satisfaction is dependent on employees' happiness; therefore, management should always support the employees as they represent the banks before the customer. And they should also be trained and retrained to meet the present customer relationship management and IT age.

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