AN INSIGHT INTO THE USE OF CRM IN THE UAE BANKING SECTOR FOR
ATTRACTING, RETAINING AND ENHANCING CUSTOMER RELATIONSHIP

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TOPIC AREA OF SUBMISSION: Marketing, Relationship Marketing, Customer relationship Management (CRM), Strategy and Planning

ABSTRACT

There is a lack of adequate research in the field of CRM strategies. The integration of the systems and processes involved, internally and externally, outline the need for the development of a conceptual framework that can facilitate research and discussion of CRM issues amongst academics and practitioners.

The purpose of this paper is to explore organisational management issues in CRM and assess how an organisation’s members perceive CRM. The paper is based on a survey of 83 Relationship managers in one of the UAE banks in the Middle East banking sector.

The study provides insight into the evolution of CRM systems, the processes involved such as the input activity, value creation and performance measurement. The paper highlights the implications for marketing theory and practice and also makes research recommendations for the future.

JEL Classifications:

Key words: Marketing, Relationship Marketing, Customer Relationship Management (CRM) and Strategy and Planning

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INTRODUCTION:

Customer relationship management has emerged as a hot topic within the banking industry over the past two decades. It has been acknowledged as an integral ingredient of the strategy that’s necessary for a bank to overcome the highly competitive nature of the banking industry around the globe. The UAEs banking industry has witnessed an increase in demand for CRM technology especially following the economic crises, which has in turn had a negative impact on consumer confidence. With 48 banks, including both locally incorporated and international banks offering products and services that are more or less similar in the market this has led to customers’ high tendency to switch from one bank to another bank. Price being one of the main determinants of customer’s choice, banks are now moving from a product based – transactional business model, to a more customer centric approach with efforts increasingly focused on providing higher levels of service in order of retaining their existing client base and acquiring new customers.

The study explores the contribution of CRM towards achieving higher levels of customer satisfaction, loyalty and retention which should ultimately help banks achieve growth of revenue and higher levels of profitability. The research includes an assessment of all the theory that is directly or indirectly related to CRM in order to build a clear understanding of how the concept of CRM needs to be implemented. The case study is focused on one of the national banks in the UAE that has implemented CRM in the year 2008. The aim is to evaluate as to what extent is CRM incorporated within the banks corporate strategy and how has CRM system has helped the bank in terms of enhancing customer satisfaction, loyalty and retention for growth of profits. The research investigates various aspects and areas of the business including strategy, operational, marketing, loyalty, customer satisfaction, profitability, communication, customer planning, acquisition, retention, performance measurement and information management issues.
RESEARCH OBJECTIVES:

The main aim is to increase understanding about customer relationship management with regards to the application of the CRM system. This knowledge will help companies be more effective in managing the relationship between the organisation and its customers. Generally, the better and more relevant the service provided, the greater the customer satisfaction, trust and loyalty being maintained between the customers and the organisation. While huge sums of money are being spent on CRM systems, it is worthwhile to investigate whether the objective of investing such huge sums have really been beneficial to the company. It is important to know whether a productive relationship has been established with the customers and if it was it dependent on the CRM system. The main objectives for the research are:

1. To examine how the CRM system helps in the creation and sustenance of relationships between the organisation and its customers.
2. To understand what customers perceive as the role of CRM software in the development and maintenance of profitable relationships.
3. To consider the effects of CRM system in the development and maintenance of customer relationships.

LITERATURE REVIEW:

Many definitions have been referred to in the literature to describe CRM (Onus et al. 2008). Customer relationship management has been acknowledged as a management philosophy and as a marketing strategy, whilst authors have defined it in various ways (Tamosiuniene & Jasilioniene, 2007) which has resulted in current literature being full of individual definitions and descriptions (Anton, 1999 & Brown 2000; cited in Agrawal, 2003). Although CRM to many appears to be a concept that is both simple and straightforward however it has been described and implemented from many different perspectives (Pokharel, 2011). Kellen (2002) states that “Vendors, Consulting firms and even companies, build their own definition of CRM partially mindful of how they are defining the term. While definitions within literature are diverse, the market seems to have agreed along the lines of three “kinds” of definitions: “1) technology centric 2) customer lifecycle centric 3) strategy centric” (Tamosiuniene & Jasilioniene 2007). The main difference at the center of each of those definitions are both technological and relationship aspects of CRM. Researchers from a marketing background underline the technological side of CRM whilst others place emphasis on the IT aspect (Rai & Singh, 2012). From a technological point of view, Peppers & Rogers (1993; cited in Rai & Singh, 2012) mention that “the market place of the future is undergoing a technology – driven metamorphosis”. CRM has more commonly been used and referred to within the context of technology solutions and has been described as “information-enabled relationship marketing” (Ryals & Payne 2001, cited in Payne & Frow, 2005). From a marketing perspective, Chen and Popovich describes CRM as a combination of business process and technology that seeks to determine a company’s customers from the perspective of “who they are, what they do and what they are like” (Chen & Popovich, 2003).

Over the last 50 years, there has been significant changes happening through time as the target market and the value proposition of customers and product marketing had developed (Janjicek, 2001). Many authors over the past few decades have discussed that businesses across all segments will have to adjust their approach towards marketing, which should now be done through building relationships, networking, and interactions e.g., Day 2000; Grönroos 2000a; Gummesson 1999; Hunt 2000; Peck et al. 1999; Webster 2000 (Lindgreen & Anticco, 2002).

As a concept, CRM has evolved in the 1980’s due to the complexity in modern business having led to increased competition, customer sophistication, globalization and quick paced development of information technology resulting in increased buying power of customers (Melodi et al., 2012). CRM was derived from the stilt ‘contact management’ from the 1980s which has essentially been related to gathering all the information necessary when customers come in contact with companies (Knox et al. 2003; cited in Rai & Singh 2012). According to Tamosiuniene & Jasilioniene (2007), CRM was derived from (SFA), which is the ‘Sales Force Automation’ market, which was also born from contact management. The principal reason for the development of CRM was mainly due to the changes in the marketing environment with the marketing model shifting from the product-centred to an increasingly customer centred approach (Rakelawon, 2010). A new strategic approach has evolved during the 90’s, and was named relationship marketing (Tamosiuniene & Jasilioniene 2007). Results of various studies have indicated that, it is nearly six times more costly to gain a new customer than trying to retain one and such statistics have driven the industry to want to get closer to the customers and gain more knowledge about them (Janjicek, 2001). Das (2012) stated that “management of customer relationships requires managing customer knowledge”.

CRM over the past several years evolved as an important business approach with the objective of turning to a world of personal relationships; CRM has therefore become a top priority for companies seeking to gain a competitive advantage in today’s highly competitive and unstable economic environment (Tamosiuniene & Jasilioniene, 2007). The concept of CRM has gained wide acceptance and is being recognized as a tool that has proven powerful for the development of a business to have an edge over competitors from a perspective of human behaviour characteristics (Jayakumar & Sathiya, 2011). CRM now involves all of the corporate functions including marketing, manufacturing, customer services, and many others that require contacting customers either directly or indirectly (Tamosiuniene & Jasilioniene, 2007). Companies should now try
and go beyond CRM towards whole relationship management by managing supplier relationships and ensuring the management of superior value chains to deliver high levels of product quality and service quality (Ramkelawon, 2010).

The main objective of CRM is to develop and maintain a mutually beneficial long-term relationship with strategically significant customers. This echoes Buttle’s idea of the S.C.O.P.E model of CRM where the central constituency in the model is the customer, (C) with the other four constituencies are suppliers (S), Owners / investors (O), employees (E), and other partners (P). He argued that these “constituencies must be managed and co-ordinated to ensure that preferred value propositions are created, communicated and delivered to the selected customers” (Buttle, 2000). Reports by some suggest that CRM is a term for methodologies, technologies and e-commerce capabilities used by companies to manage customer relationships (Stone, 2000). As information and technology underpin the whole CRM model it is recognised that integrated CRM strategies require integrated systems. Others suggest that CRM is a supporting element in developing or facilitating relationships (Ford et al., 1998). Therefore, there is a need for more research in the field of CRM strategies, in the integration of systems, in the processes involved, internally and externally.

![Diagram](image.png)

Figure 1 Adapted from Gorshki (1994); Payne, Holt and Frow (2000); Conway and Swift (2000).

The study pursues a process-based approach as shown in figure 1. The knowledge of customers can be coded. Good data quality management helps in understanding how much potential business a customer is likely to generate (Ballantyne, 2000). This empowers the firm in its strategic choices, enables further interaction and customisation of the product and offering of its services (Plakoyiannaki and Tzokas, 2000).
The objective of this paper is to view CRM as the effective use of information and communication technology using integrated CRM software for changing business processes and building technology solutions that can enable businesses to acquire new customers, retain existing ones and maximise their lifetime value.

The paper first refers to the various functions or support activities within CRM systems, followed by customer value management and finally, it focuses on performance.

**METHODOLOGY**

In this study quantitative methods were used to explore the perspectives of users of the CRM with respect to a range of different issues about the CRM system. The results are presented using descriptive statistics. The figures relating to the percentage of respondents agreeing with the statements in relation to all the issues are also presented. The research has been conducted with a UAE banking sector, which has implemented CRM systems. The organisation anticipated that the system would allow hundreds of thousands of its employees, business partners, and customers to share crucial information.

The researchers had one main point of contact (Senior Relationship Manager) in the organisation who contacted all the relationship managers via internal email. Out of the 150 questionnaires distributed, 83 relationship managers responded. The Senior Relationship Manager during the process of conducting the survey sent further reminders requesting relationship managers to respond to the questionnaires.

The aim of the study was not limited to gain understanding of the use of the CRM system but also the attitudes and perception of relationship marketing and the criteria that are considered to be important between the buyer and seller. The research problem is defined based on the literature review and thereafter the propositions and tentative hypotheses were developed to design a structured questionnaire. This was used to conduct quantitative interviews and the results of the quantitative survey are presented.

**CRM SYSTEM/ INPUT ACTIVITY**

The effective management of information has a crucial role to play in CRM. Information is critical for product tailoring, service innovation, for providing a single and consolidated view of the customer, for calculating customer life-time value and for establishing an integrated multi-channel capability (Peppard, 2000). CRM systems are a support activity that holds and analyses information in different formats that are easily accessible by any person who needs them (Lennox, 1993). McDonald (1994) defines this data as a “collection of computer hardware and software to hold and analyse information about an organisation’s customer, competitors, product and their markets”.

As seen in Figure 1, a central activity in CRM is exploiting customer insight and information to create profitable customer relationships (Stone, 2000). The customer database becomes crucial for a range of marketing activities such as direct mailing, campaign management and so on which, in turn, drive the value process. This is a representation of the essential structure of the information used in business. It provides a vehicle for negotiating the development of a common inter-organisational system that includes the exchange and sharing of information. These systems suggest an expert diagnosis of a situation or the probable implications of a course of action. A firm is dependent on the information from its CRM system for product tailoring; for service innovation; for providing a single and consolidated view of the customer; for calculating customer life-time value; for establishing an integrated multi-channel capability (Peppard, 2000).

**VALUE ADDING ACTIVITY**

Value and relationship value has received increasing attention in the relationship marketing literature (Gronroos 1994; Tzokas and Saren, 2000; Payne, Holt and Frow, 2000). Building on this research the CRM model (figure 1) integrates the customer database and CRM support activity with the core concept of relationship value management.

Customer value management has been defined as “a methodical approach for achieving the strategic, profitable and competitive positioning and alignment of a company’s essential capabilities- its processes, organisation and infrastructure – and where appropriate, the value chain forms a part in ensuring that a company meets the needs of current and future target customers” (Stone, 2000). Piercy (1998), also provides an analytical framework that illustrates how the different dimensions of an organisation’s processes lead to customer value. An important criterion for targeting customers is their actual and potential value to the company. This value is based upon
what customers pay or might potentially pay for the benefits delivered by the company to customers. The aim of the customer value process is to optimise the value delivered to customers, to enable more value to be extracted from more customers. This is achieved through assessment, determination, creation and delivery.

PERFORMANCE MEASUREMENT

The final piece of the model is integrating several components of relationship management into a performance measurement assessment tool. Such components of successful relationship have both theoretical and empirical support (Gupta, 1983; Juttner and Wehrli, 1994; Dawar et al., 1996; Ali and Birley, 1998). In view of the number of potential variables in any relationship, we concentrate on variables which, according to the literature, are deemed relatively more important in most relationships, especially in an international context. As seen in Figure 1, these variables are: Commitment, Trust, Customer empathy, Satisfaction and Communication.

RESULTS

The results presented in this chapter relate to the issues using descriptive and analytical statistics. The figures relating to the percentage of respondents agreeing with the statements under all the issues. The research was undertaken to explore the perspectives the CRM system.

The findings from this research are reported in the following manner: firstly the inputs to the customer database are considered followed by the assessment of the value process and finally the evaluation of the performance measurement dimension.

CRM SYSTEM/ INPUT ACTIVITY

Strategic Issues – how well has CRM been accepted/seen as a strategy?

<table>
<thead>
<tr>
<th>Strategic Issues</th>
<th>% participants from 1 - 3</th>
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<tbody>
<tr>
<td>Is a strategic issue</td>
<td></td>
</tr>
<tr>
<td>Enables the organisation to speak to customers with one voice</td>
<td></td>
</tr>
<tr>
<td>Provides a single enterprise view of every customer for more sales</td>
<td></td>
</tr>
<tr>
<td>Provides a single enterprise view of every customer for more successful service and support</td>
<td></td>
</tr>
<tr>
<td>Provides a single enterprise view of every customer for more successful marketing</td>
<td></td>
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</tbody>
</table>

Note: % participants from 1-3 is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- Figure shows that approximately 72% of the respondents felt that the CRM system that is used in the [Bank] provides a consolidated view of the customer when conducting marketing, and when providing service and support and when generating sales. This gives us some indication that the [Bank] has incorporated a strategy in place that promotes a centralized view of the customer and has the ability to fulfill needs by liaising with departments which shows some level of effective CRM.
- 77% of respondents felt that the [Bank] is able to communicate to customers using one voice. Since none of the respondents disagreed with the statement, this reflects the system acts as an efficient channel of communication.
with the customer further to just 1-2-1 communication with the client, but also acts as an integrated channel for the whole organization. Furthermore, this indicates as solid link between the system and the overall strategy set out by the business.

- 93% of the respondents acknowledged that CRM is a strategic issue within the bank. Since the opinion is again biased with none of the respondents disagreeing to the statement, this in turn further supports that the organization has successfully been able to highlight the significance of CRM from a strategic point of view.
- Only 60% of the respondents feel that the CRM system actually provides an enterprise view for successful marketing.

Over all responses to the strategic issues statements points out that CRM falls within the banks objectives towards maintaining long term relationships with its clients and the CRM system does to some extent support in providing a single enterprise view of the customer. Strategically, the bank needs to place priority in aligning the marketing strategy with the bank’s customer relationship management strategy as the results indicate that there is further potential for the marketing team to make use of the system by using the shared information on their different customer groups, by better focusing on and understanding their individual needs. This will enable the bank to plan and develop their marketing campaigns more efficiently and also has the potential to stretch their reach to new potential target markets.

Operational Issues – assessing the level of operational success from the CRM system

The above figure indicates the following:

- 79% of the respondents felt that the CRM system eliminates duplication of work and this seems to be the main operational benefit for having the system in place which saves time and helps increase employee productivity.
- Only 11% of the respondents felt that the CRM system reduces running costs. This can be seen as a major concern, as the UAE Banking Industry enforces banks to operate in a cost conscious environment. Most of the of respondents indicate that the systems lack of cost effectiveness, this may in turn have a negative impact on achieving higher levels of return on investment (ROI) which defeats the purpose of the implementation of a CRM solution, much of the authors in their research on CRM have highlighted that successful CRM solutions implementation within banks should yield higher returns on investment.
- 66% of the respondents felt that the CRM system does not reduce waste. Although it may be difficult to identify waste within an organization and some waste may be adding value elsewhere; however, waste may take many forms within a bank from over processing, to defects in the actual system, waiting time for customers or employees doing their work, motion of staff and unnecessary movement from one area to another and unnecessary transportation in the means of excess movement of files or paperwork.

The system does add value in term of productiveness, nevertheless, waste seems to be an issue that the system has not been able to resolve. The priority from an operational perspective is the need to identify the areas of waste and enhance the CRM system in a way that will contribute towards making processes leaner. This can be done by implementing lean processing principles which will help in eliminating waste which will add value and contribute towards cost reduction help in increasing ROI accordingly.

VALUE ADDING ACTIVITY:

Marketing Issues – the shift from product to relationship focused approach using CRM system
The above figure indicates the following:

- Approximately 80% of respondents felt that CRM systems help fulfill sales, marketing and overall corporate strategy which is a significant proportion. This also shows the level of employee awareness of the impact of CRM on different levels and divisions within the organization and the different strategies of the various business units and the CRM systems level of contribution towards each.

- 84% of the relationship managers agree that CRM helps identify sales opportunities and this adds to the system as a support function for front line staff despite that only 77% of the respondents felt that the system has actually been able to facilitate the sale of products and services.

- As Infosys (2010) mentioned, CRM solution are designed to enable a business to cross-sell products effectively; the above scores only show that 57% of the respondents felt that the CRM solution had the ability to do so. This further supports the opinion of over 20% of the respondents that the system does not help in facilitating the actual sales process of products or services.

Although the system does seem to support the bank’s overall formal marketing strategies, the system key performance indicator seems to be insufficient in achieving higher levels of cross sales. This is a main concern as these results could be due to either insufficient information is fed to the system by front line staff or cross sales carries a low percentage of weightage in terms of the relationship manager’s individual KPI’s (Key performance indicator). The CRM system can only perform as needed if its continuously being fed with useful information that can be in turn used effectively in order to promote new sales opportunities. Cross selling is a technique that staff needs to be trained on. It’s important that overall measures of performance at both an individual and departmental level, with CRM being a key aspect that needs to be well indulged within KPI so that cross sales weightage can be increased.

Loyalty Issues – assessing customer loyalty levels that are achievable through CRM
The majority of respondents find that implementation of CRM strategy helped them identify what the drivers of loyalty are. This shows that the importance of customer loyalty towards achieving the bank’s objectives is well communicated through the corporate strategy and that the system efficiently helps in promoting customer loyalty.

- 89% of the respondents believe that the CRM system does seem to enhance 1-2-1 interaction with the customers as 86% of the relationship managers are of the opinion that the system on hand aids in providing a more personalized service to the customer which is a major aspect of building closer relationships with clients and helps to sustain those relationships in the long term.

- 66% of the respondents that have agreed that customers are willing to pass on information on to competitors may be due to the high competitiveness surrounding the UAE banking industry with customers trying to negotiate better rates or package deals. On the other hand, this also is an indicator of loyalty as it shows the level of personal and transparent interaction between staff and their clients.

The above points do conclude that the system helps in achieving higher level of customer loyalty as it helps bring the relationship managers closer to their clients by better understanding their needs and providing them with a customized service leading to increased satisfaction of customers. The priority here is to ensure the information that’s shared on competition is inputted properly into the system and is shared by both the marketing and product development teams towards implementation of a more robust differentiation strategy that can keep them a step ahead of competition.

Customer Satisfaction – assessing customer satisfaction levels that are achievable through CRM system

- In my personal opinion I am fully satisfied with using the CRM system
- It has help develop a better understanding of our clients/customers needs and requirements
- Operational level staff are able to understand their role and encourage good customer management…
- Management consider, that the customer relationship management is now a main role in the organisation
- There has been more personalised customer service than before
Note: % participants from 1-3 – is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- Only 56% of the respondents felt that CRM has been able to provide more personalized customer service and only 47% have shown satisfaction with using the CRM system which shows that either the system has not got sufficient features that will provide a more customized service or these features are unknown to the relationship managers meaning that there may be a further need for more training on the system for better overall utilization of its features in order to realize the benefits.
- 74% of the respondents felt that Management consider CRM to be a main role in the organization; which again re-emphasizes that the management has successfully continued to communicate the importance of the system’s implementation as part of their main corporate objectives. This again links back to the strategy in theme 1 (strategic issues), as 93% felt that the CRM system is a strategic issue rather than just a technological aspect.
- Only 47% of the respondents felt that the CRM system is able to help understand customers better which is a poor score especially when the CRM system is designed with this intention to be able to understand customers’ needs more effectively.

As customer satisfaction is the main factor in building towards customer loyalty and retention; unless the front line staff are able to use the system to better understand their customers specific needs they will not be able to provide them with a service that is more personalized and lead to higher customer satisfaction. As customer satisfaction and loyalty are closely interlinked when it comes to building long term sustainable relationships, although CRM is well embedded within the Banks culture and strategy; there still seems to be a gap between CRM as a Strategy and the CRM system as technology, as the majority of the respondents dissatisfaction with the system implies that the system is not delivering the benefits that are essential in enhancing service levels. Intensive training sessions need to be implemented for the staff to enhance their abilities of better using the system. Moreover, workshops and group feedback sessions need to be conducted in order of understanding the issues being faced using the system and find solutions to enhancing the system functionality and it utilization by the staff.

Profitability – assessing the amount of profitability brought to the [Bank] via CRM

<table>
<thead>
<tr>
<th>PROFITABILITY</th>
<th>% participants from 1…</th>
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<tbody>
<tr>
<td>Has played a role in maintenance of profitable…</td>
<td>90%</td>
</tr>
<tr>
<td>Has played a role in development of profitable…</td>
<td>80%</td>
</tr>
<tr>
<td>Is about adding value</td>
<td>70%</td>
</tr>
<tr>
<td>Is about cutting costs</td>
<td>85%</td>
</tr>
<tr>
<td>played a significant role in increase of revenues and…</td>
<td>75%</td>
</tr>
</tbody>
</table>

Note: % participants from 1-3 – is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- Approximately 71% of the respondents felt that the CRM system has played a role in developing and maintaining profitable relationships. This is important as it is essential for banks to be able to maintain long term profitable relationships and previous results indicate that the CRM system has been successful in increasing overall customer loyalty and retaining the most profitable relationships.
- 60% of the respondents felt that the CRM system cuts costs. Although the belief is there, there still exist some operational issues that have been addressed in the findings from theme 2 (operational issues).
- Only 39% of the respondents felt that the CRM system played a significant role in the increase of revenues and profits. As highlighted in the literature, the CRM system should enable the bank to identify its most valuable customers and from the results in part (a), it is evident that system does help identify those customers, however, does not contribute towards revenue growth.

The majority of respondents are supportive of CRM in terms of adding value, and findings have represented the added benefits from the CRM system implementation in terms of achieving higher levels or satisfaction, loyalty and retaining of profitable customers and maintaining those relationships in the long run. However, the banks ultimate goal is to increase revenues and therefore the management needs to prioritize efforts towards building deeper relationships with the most valuable customers that are identified by the system and use the information available to develop further strategies for driving more income back to the marketing issues theme, where the bank’s intention is to move from a product centric to a customer centric organization and only by getting to understand the needs of the customer better and what they really want will staff be able to increase direct sales and cross sales to achieve higher profitability.
Communication – to what extent has the CRM system improved customer communication?

![Graph showing communication improvements with CRM](image)

Note: % participants from 1-3 – is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- Approximately 96% of the respondents felt that CRM systems enable better customer communication which provides great opportunities for the bank to understand its’ customer segments and markets effectively. These scores were relatively biased as no one disagreed to these statements which further supports the literature review that CRM systems help identify customer segments / potentials and facilitate communication with customers effectively.
- Approximately 70% of the respondents felt that CRM system has improved the communication and interaction internally within the organization and its internal customers.
- 83% of the respondents felt that communication and interaction between departments within the [Bank] has improved after CRM implementation which is a relatively high score and again further confirming the system’s ability in delivering a synchronised approach of communication with the customer.

The system implemented as a technological tool has resulted in better overall communication of the various business units of the bank with the customers. There still seems to be space for further internal communication between staff through the use of the CRM system. This is a priority issue for the bank to address, as enhanced lines of communications between the different departments and employees will further aid the enterprise in speaking to its customers with one voice and will further ensure that the system plays a significant role as an integrated multi-channel solution. The information available and being shared should therefore be carefully managed in order to provide higher levels of service to deliver a more personalized service and maintain high levels of satisfaction at all times.

PERFORMANCE MEASUREMENT:

Customer Planning – to what extent has the CRM system enable the [Bank] to identify its’ customers effectively?
Note: % participants from 1 - 3 – is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- 84% of the respondents felt that the CRM system enables them to determine the worth of the customer, which further proves the literature review that Greenberg (2004) had mentioned whereby, the financial worth of the business can be improved by understanding the worth of the customers and ensuring the right products are provided to the right customers at the right time.

- Approximately 90% of the respondents felt that the CRM system can enable them to identify customer segments; profile customers based on their needs and also be able to prospect new customers effectively. This links back to theme 7 (communication), whereby, communication leads to better understanding of customers.

- 93% of the Relationship Managers agree that the system enables them to devise a clear framework to divide customers into segments that perform differently. This further supports results from theme 6 in being able to identify the most valuable customers and focusing further efforts in deriving higher income from them.

- Approximately 94% of participants have agreed that the CRM system has helped them gain knowledge of the existing customers to understand their current needs and future concerns and build a model for future customers that they are trying to target.

Overall, we can conclude that the CRM system has definitely made a difference in understanding customer segments and their worth to the business. Having such rich information through the CRM system will enable the business to grow especially when they can match the right products to the right customers at the right time through great customer planning practices. This is the first stage of the CRM cycle (Origin, 2002), and if they are unable to map customer databases effectively, then this will impact on the activities to follow in the interacting, processing and leveraging stages. Furthermore being able to know at which stage does each individual customer fall in terms of the customer life cycle will help the bank in stretching customer’s life time for more sustainable profitable relationships.

Customer Acquisition – to assess how effectively the CRM system is able to acquire customers
Note: % participants from 1-3 – is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- 64% of the respondents felt that they were able to understand the reasons for any missed opportunities of acquiring customers. This is not a very high score which is fine as according to Ueno (2006) in the literature review, banks that are relationship focused would be more interested in retaining rather than acquiring new customers.
- 93% of the respondents felt that the CRM system helps in developing and deepening customer relationships which show that the CRM system is facilitating the move from transactional to relationship management.

As pointed by Rickman (2003), the main focus of CRM is around analyzing customer behaviour and deepening relationships rather than using the system to acquire new customers. Further it has been suggested a new customer is 7 times more expensive to attract than to take care of existing customers, therefore, the results above indicates that the [Bank]s CRM strategy has been successful in moving the business towards being more customer centric though the bank’s strategic focus from acquiring new customers towards retaining their existing ones.

Customer Retention – assessing how effectively the CRM system helps in retaining customers

Note: % participants from 1-3 – is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- Approximately 92% of the respondents believe that the CRM system is able to analyze the customers lifetime value of effectively in different market segments and their relevance within the organization. This shows that there is great potential for employees to understand which customers are more likely to stay based on their activities with the business and their worth and in turn focusing their efforts on maintaining these relationships by increasing their satisfaction and loyalty.
- 64% of the respondents felt that they were able to understand where customers are in terms of their lifecycles; more work needs to be done as Kellen (2002), mentioned that having a great understanding of where customers stand in their lifecycles will shift the business to be more customer focused, hence build and fulfil retention strategies.
- 79% of the respondents felt that they were able to use the CRM system to have customer transaction information available for analysis which means that the [Bank] is retention focused especially if they are analyzing customer transactions to understand customer lifetime value and what actually makes them “tick.”

The business does seem to be more retention focused and wants to ensure that they have all the information available through the CRM system to analyze customer transactions. The results show that the [Bank] has successfully developed key retention
strategies and the system implemented has helped in achieving those strategies. The main issue here is being able to sustain those relationships in the long run and it is very important that the system needs to identify at which stage the client is in their lifecycles. Their needs and value proposition changes over time and unless satisfied, there is always a risk of the customer switching to a competitor at any one stage of their lifecycle.

Performance Measurement – the extent to which the CRM system has been able to improve the performance of the business

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<thead>
<tr>
<th>PERFORMANCE MEASUREMENT</th>
<th>% participants from 1 - 3</th>
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<tbody>
<tr>
<td>There has been explicit integration between channels so that customers can be managed</td>
<td></td>
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<tr>
<td>across and between channels.</td>
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</tr>
<tr>
<td>Senior management has been able to give clear visible leadership in achieving excellence in customer management.</td>
<td></td>
</tr>
<tr>
<td>We have been able to identify customers needs better than before.</td>
<td></td>
</tr>
<tr>
<td>Representatives from the organisation have conducted qualitative research among</td>
<td></td>
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<td>customers.</td>
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Note: % participants from 1-3 – is the % of participants who have strongly agreed, agreed and partially agreed to the above statements for this theme.

The above figure indicates the following:

- 79% of the respondents believe that Senior Management has been able to cascade clear visible leadership in achieving excellence in customer relationship management using the CRM system. This shows that the drive towards performance success of the business is supported by senior management before anyone else and this is what will enhance the profitability of the business. It should all start from the top and the management’s commitment towards achieving objectives behind implementing the CRM technology and incorporating CRM into its corporate strategy is evident.

- 89% of the respondents believed that there has been explicit integration amongst channels of communication when the CRM system was implemented which shows that the CRM system has been able to prove its multi-channel abilities which is very important at its putting the customers at the heart of everything the [Bank] does.

- Approximately only 54% of the respondents felt that since the CRM system was implemented, qualitative information on customers and their needs were researched effectively and this is a very poor score, especially when needs of the customers keep on changing and the [Bank] needs to be regularly researching and adapting the products and services to fulfil those changing needs.

Based on the above results, the CRM system does drive performance of the business and as Melody et al, (2012) mentioned, [Banks] need to ensure that they increase stakeholder value and this will only happen if the products and services meets the needs of the customers which keep on changing in a highly competitive environment. The Bank’s mains priority here is to ensure that needs are carefully researched and monitored across all departments within the business and clear performance management process need to ensure the system delivery of benefits up to standards and that it is being effectively utilised by all employees as it should be. By conducting frequent research on measuring the systems effectiveness by collecting qualitative data from customers will help in being able to identify areas for further development of the system or staff training that may be required to enhance overall efficiency.

Information Management – the extent to which the CRM system has effectively managed the information that has been fed
The above figure indicates the following:

- 100% of the respondents believed that the information on the CRM system is understood by the users and all the information is up to date with key customer transactions which is important to ensure that the business can assess and further predict customer behaviours. All customer facing employees have access to this system, therefore, great opportunities exist to serve customers as effective and efficient as possible.

- Approximately 75% of the respondents agreed that the CRM system was implemented in such a way that even non-users will have access to requested customer information and for those that do not have access to customer database, CRM system to be used to obtain information indirectly. This implies that the system is user friendly and that staff that are non customer facing such as the marketing, strategy, customer complaints and operations teams can easily access and use the information on the system for various business requirements.

- Approximately 94% of the respondents felt that the CRM system has synced information on the customer database and transactional systems so that every single interaction or failed interactions (calls, face to face…etc) with customers are documented and stored in a way that allows them to further predict behaviours of existing customers.

The CRM system manages the information fed into the customer database and transactional systems effectively by having a synced approach. High scores show confidence that the CRM system is able to manage the information effectively so that the CRM cycle (Origin, 2002) is rotated quicker in order to grasp on new opportunities; plan new marketing strategies and fulfills the changing needs of the customers on a regular basis. This is significantly important as the main purpose behind the CRM technology is to provide information and data on customers that are useful and that can be easily and readily shared and accessed by all the employees within the organisation in order of supporting the banks CRM strategy.

**DISCUSSION AND LESSONS LEARNT:**

The demand for CRM within the UAE banking sector has increased over the past two decades and in order for banks to compete within the highly competitive environment, the importance of implementing CRM has become evident in winning market share and in the maintenance of customer relationships. Key findings from the study conducted have demonstrated a strong prevalence of CRM strategy within the firm, as the majority of employees acknowledged CRM as a strategic issue. The CRM system in use has improved overall communication with both internal and external customers in providing a single enterprise view of every customer and in providing services to the customer. Despite that benefits from system implementation are evident in terms of increasing satisfaction, loyalty and retention, yet, some gaps between CRM technology and Strategy exists at the various levels of the organization. There are some challenges and issues from implementation that are evident, which in turn has had a diverse effect on being able to achieve growth in revenue, which is the bank’s ultimate goal of increasing shareholder value. Additionally and from a marketing perspective, there seems to be a misalignment between the bank’s Corporate CRM strategy and the marketing division’s objectives. Although CRM does bring the staff closer to customers and helped better understand their needs and improve certain aspects of the relationship the
The lack of anticipated growth of revenue suggests that staff are not finding the technology useful in closing more sales and in the cross selling of further products and services.

The researchers’ main objectives from conducting research were overall well achieved. The study has made the importance of customer relationship management apparent in terms of aiding businesses to become more customer centric which is essential for banks in their move from transactional to customer focused organizations. The study has made it clear that CRM both as a strategic and a technological tool is an essential component to enable banks to get closer to their clients, helping them in building stronger relationships in better understanding their needs. This in turn will result in higher levels of personalized service which will increase customer satisfaction, loyalty and retention. The difference between CRM as a strategic and as a technological solution was well established as the researchers were able to observe the strong link between both in driving successful customer relationship building, with the people within organisations being key for CRM’s successful implementation.

As for banks in the UAE, it has become evident following the financial crisis that CRM plays a key role for the bank’s survival, as the majority of banks started adopting customer centric business models and the demand for CRM technology has increased over the past few years in order to be more customer focused. Many CRM solution providers have entered the market, heavily promoting their products to banks as CRM as a concept seems to be within its developmental stage in the industry. Increasing growth and market share by increasing service levels and building long term relationships has become a strategic focus for the majority of banks. Developing CRM as a multi-channel solution is believed to be necessary for successfully incorporating CRM as a bank’s corporate strategy. Moreover, the study conducted in one of the UAE banks has helped to understand what level is CRM a strategic focus for the bank and how has the solution helped in achieving higher levels of satisfaction, loyalty and retention. The results have enabled the researchers to answer the majority of their research questions and were able to uncover many benefits from employing CRM strategy and technology. Additionally, from both a strategic and technological point of view, many issues and key challenges in the implementation process were well acknowledged, which has helped the authors to highlight managerial implications and recommendations to enhance both the efficiency and effectiveness of CRM as a multi-channel solution within the bank.

Results show that CRM can and does improve performance if implemented successfully in banks and that customer centric strategies is key for banks to outperform competition. However, CRM needs to be well incorporated into a bank’s corporate strategy with clearly set objectives that are communicated across every level of the organisation. Choosing the right technology is essential to support delivery of CRM strategy however all CRM initiatives need to be customer driven rather than IT driven with the main focus placed on people in delivering customer values. In order to succeed in implementing CRM, CRM needs to be adopted as a core metric with clear performance measures on both divisional and personal levels within the organisation.

Developing effective use of CRM solutions as a multi channel solution aligned with multi channel management of information and service delivery is a key factor to creating customer value. A culture of continuous improvement needs to be adopted in order to ensure that the CRM strategy and systems are updated and enhanced in line with on-going changes in customer behaviours and trends. Drivers of customer satisfaction, loyalty and retention need to be well acknowledged and benefits of well understood by the organisation as a whole before being able to use CRM as a key driver in delivering service excellence.

**LIMITATIONS OF THE RESEARCH**

The aim of the research was to understand more about, and the relative importance of, CRM systems. The generalised nature of the topic presented problems.

The research is one industry-specific and therefore some of the findings may not and will not apply where the idiosyncrasies of the industry suggest otherwise. The organisation studied is a UAE banking sector, which has recently implemented its CRM system worldwide. The organisation anticipates that the system would allow hundreds of thousands of its employees, business partners, and customers to share crucial information. However, the study was limited to Middle East. The response rate, despite the steps taken and checks on non-respondents should be acknowledged. Fifty five percent is good for a personal effort collection of survey through email. The complexity of relationships between staff and the customers’ type has not been represented. Some of these explicit measures do not adequately describe and explain the influence of CRM systems in a buyer/user relationship. Further research can be conducted on the profiles of respondents with different attitudes to certain issues using their responses to several questions and analyse correlations, principal component analysis to detect emerging patterns from the data can also be conducted.
REFERENCES

52. Rickman, C (2003). CRM: Culture v Technology