THE INFLUENCE OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER RETENTION AMONG EMPLOYEES IN SELECTED INSTITUTIONS IN BLANTYRE CITY, MALAWI

A Thesis Submitted to the

Department of Management

School of Business

University of Eastern Africa Baraton

In Partial Fulfillment of the Requirements for the Degree of

Master of Business Administration

(MARKETING)

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June, 2017

APPROVAL SHEET

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ABSTRACT

The present study was done to assess the influence of customer relationship management on customer retention in the banking sector in Blantyre city Malawi. The study used descriptive correlational study design in which four banks and four institutions that pay their employees through the selected banks were purposively chosen to participate. The study designed four research questions and acquired the data using a questionnaire of a four-point scale, analyzed using descriptive statistics, correlation and regression so as to find solutions to the problems expressed in research questions. The study used a relationship quality theory in trying to establish the significance of a relationship between the two variables.

The findings of this study stipulate that, banks in Blantyre city portray good customer orientation, possess good customer knowledge management, and the customer relationship management organization is good. In general rating, participants agreed that banks are up to date in their technology and have a good customer retention. There was a statistically significant positive relationship between customer retention and customer orientation, customer knowledge management, customer relationship management organization, and technology. Technology was also found to be the best predictor of customer relationship management. In view of the findings, the researcher recommends that banks involve their customers in decision making as this was ranked low amongst respondents. Banks should also learn to value feedback as this would encourage customers to contribute to the betterment of the banks products and services. Malawian banks should learn to appreciate loyalty with gifts as this was also ranked low on customer orientation.

DEDICATION

To my dear parents Mr. and Mrs. C. Banda who have given me all the support, encouragement and motivation in my studies, my brother Paul and my sisters Martha and Patience. I further dedicate it to my late uncle, Dr. C. Malunga who instilled confidence in me by believing in my capabilities.

ACKNOWLEDGEMENTS

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LIST OF ABBREVIATION AND ACRONYMS

CKM   Customer Knowledge Management

CRM   Customer Relationship Management

FDH   First Discount House

FMB   First Merchant Bank

NBM   National Bank of Malawi

STD   Standard Bank

CHAPTER ONE

INTRODUCTION

Background of the Study

Customer relationship Management (CRM) has not always been a stand-alone software that numerous businesses rely on today. It has over the past decade evolved out of a variety of other business programs. CRM was first pioneered by Robert and Kate Kestnbaum to manage all business relationships with customers. (CRM switch staff, 2013). Historically, most companies were located close to the markets they served, and new their customers intimately. Very often there would be a face to face, even day to day, interaction with customers where knowledge of customer requirements and preferences grew. However as companies have grown larger they have become more remote from the customers they serve, hence the coming in of CRM to provide companies with the intuitive knowledge and understanding of their customers so often found in micro businesses such as neighborhood stores and hairdressing saloon. (Buttle, 2009).

As global markets become increasingly integrated, banks in the United States of America (USA) from the largest multinational to the smallest have realized that it is important to find a market niche which will enable them to survive in highly competitive markets, and to prosper by finding the best ways to meet the needs and desires of the target consumers. For Citibank of America its competitive advantage lies in utilizing the social media and technology to market itself to millennial and small businesses. (Williams, 2015). Corporations can only meet the needs of its customers if it is in contact with its customers. In order for a firm to create and sustain international competitive advantages, there must be strong competency in

understanding which customers provide the best long-term opportunities for profitable relationships. (Raab, 2008).

In South Africa, financial institution provide 65% of employment and as such are very vital to the economy. However with economic activity slow down since 2010 financial institutions are now focusing on retaining their current customers by building relationships with them. (Lombard, 2016). Financial institutions continually look in the way of relationship management of their customers, retaining those they are able to convince, acquire and satisfy profitably and then create values that meet up with the vision, mission and integrity of their organization and most of all, expectations of their numerous customers. (Nwankwo & Ajemunigbohun, 2013).

Customer relationship management (CRM) also more recently called customer management, is a business approach that seeks to create, develop and enhance relationships with carefully targeted customers in order to improve customer value and corporate profitability and thereby maximize shareholder value. (Buttle, 2009).

According to Rootman (2009), loyal customers can be retained through CRM. Customer retention according to Galetto (2016), refers to the activities and actions companies and organizations take to reduce the number of customer defections. The researcher perceives customer retention as a product of CRM. Organizations need to investigate customer needs, build relationships with both existing and potential customers if they are to satisfy and retain them. (Rootman, 2009).

Companies have realized that it is no longer simply enough to offer excellent products: ease of duplication and market saturation can quickly dispel initial indications of a winning formula. Today's key differentiator is exceptional service provided on a consistent and distinctive basis. A service can only be exceptional if it meets the needs of its customers. According to Smith (2003), to meet customer needs

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you do not need to change your customers; you have to change yourself. Service is more difficult to imitate than a product because service requires customer input and involvement. Competitive advantage can therefore be gained by leveraging knowledge of customer's expectations, preferences and behavior. This involves creating an ongoing dialogue with customers and exploiting the information and insights obtained at every customer touch point. According to R. Laudon. and T. Laudon (2012), CRM is aimed at increasing the acquisition and retention of profitable customers by, respectively, initiating and improving relationships with them, which results in supplier and customer intimacy.

In today's competitive market, the growth of the banking sector is noticeable all over the world, in both developed and emerging countries. Competition is stiff in the banking sector precisely because all banks offer homogeneous products and services at comparable prices. But what really drives customers to one bank over another? According to Fargo (2017), it is customer experience. In Malawi, the service sector represents the largest and fastest growing economic sector (Chaduka, 2016) and yet the researcher currently found no study on CRM and retention done in Malawi. It was for this reason that the researcher intended to assess the CRM measures and strategies put in place to ensure that customers get the experience that will increase their intention to stay with one bank over another.

The study identified four of the major institutions in Blantyre city Malawi, which pay their employees salary through the selected banks under study. These institutions had administrators, private caterers, private or independent auditors and people working as tellers in the bank's branch within the organization. The researcher assumed that these people held other accounts with other banks because different

people patronize a bank for different reasons hence wanted to find out which bank the respondents visited the most and customer's intention to stay with the bank and why.

Statement of the Problem

Studies done in the United States of America, Europe and some parts of Africa have shown that customer retention comes with service or product satisfaction. (Bain & Company, 2012). A customer whose needs and desires are met would continue to purchase a bank's products and enjoy its services for a long time, also they recommend the bank to friends and family and finally offer the bank suggestions and ideas about products and services. Banks therefore ought to continuously seek to know what their customers are looking for if they are to meet their needs. According to Mayuni (2014), the majority of Malawians, rich or poor have accounts with either the National bank of Malawi (NBM), Standard Bank (STD) or the First merchant bank (FMB) and surprisingly with other banks too. NBM, FMB and STD are the top three leading banks in terms of facilities and technology advancements and yet people still go out to open accounts with banks that slag behind these. (Mayuni 2014). In 2016 Malawi so the closure of two of its reputable banks. Malawi Savings Bank (MSB) the only public bank in Malawi and Indebank a top four leading bank all due to low customer base partly caused by increase in accounts without value, that made operating costs greater than income. (Chaduka, 2016).

It is for this reason that the researcher would like to assess customer relationship management practices of selected banks on customer retention from a customer's view point to establish why respondents visit one bank more than another when products offered are homogenous.

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Research Questions

This study will seek answers to the following questions:

1. To what extent do banks practice customer relationship management in the following areas:

    a. Customer focus

    b. CRM organization

    c. Knowledge management

    d. Technology

2. To what extent do customers intend to stay with the bank?

3. Is there a significant relationship between customer relationship management and customer retention in banks in Blantyre city, Malawi?

4. What dimensions of customer relationship management (customer orientation, CRM organizational, knowledge management and technology) best predicts customer retention in Blantyre city, Malawi?

Hypothesis

The following hypothesis was tested:

H_0: There is no significant relationship between customer relationship management and customer retention among employees in selected institutions in Blantyre city, Malawi.

Significance of the study

The researcher wanted to assess the influence of customer relationship management of selected banks on customer retention, from the customer's view point. Therefore the study is significant because it will bring awareness to the selected banks about what the customer's want, what they think about the banks products and

services, what makes them loyal or walk away and finally increase knowledge on how to retain customers.

Further, it will assist banks to work on their loopholes after knowing what their customers are looking for thus making it easy to satisfy their customer's needs and wants by having dialogue with customers and obtaining feedback from them instead of assumptions.

Lastly, the study is of importance to all academicians or researcher's seeking to do a study on a similar issue, to all aspiring bankers, financial institutions and all other people who may read it. The study provides a background for further research.

Justification of the Study

The study was necessitated by the closure of two reputable banks: MSB and Indebank due to low customer base CRM determines the success of business in the 21st century according to a research by, Tauni, Inam, Khan, et al,. (2014) on the impact of customer relationship management on customer retention.

According to Bankers association of Malawi (2015), in this 21st century, the banking industry is growing at a fast rate in Malawi and yet some banks are closing business, for most, the cause is low customer base which leads to loss of business. A thesis study by Nyaku (2015) on assessing customer relationship management practices indicates that customers are the sole reason why businesses exist. Today's competitive business world and challenging economy, requires businesses to retain a good customer base if they are to excel.

If customers are not given good reasons to stay, competitors will give them a reason to leave. Banks constantly need to formulate strategies to increase their share of the market by getting, keeping and growing its customer base through the provision of quality services, good customer care and creating customer value, A study by

Jayakumar (2013) on Customer relationship management practices by banks focused on CRM implementation and maintenance strategies and further highlights how CRM is practiced both by banks and customers so that the two parties benefit. Arezu (2006) in his study on the impact of customer relationship management on customer retention points out that customers are important factors in a company's management with the power to change their short term and long term policies and strategies. Therefore enough knowledge about the environment and expectations of customers and their desires are very important to find the best solution to unexpected behaviors of customers and then behave in such a way to change the mind of the customers in the direction of company's profit.

Kotler and Armstrong (2011) narrates how companies previously took their customers for granted simply because they did not have alternative suppliers. But gone are those days for in the 21st century, banks are many and products are the same what differentiates them is the quality of service and the experience the customer gets from the bank. HaMagatef and Tomalieh (2015) state that the cost of acquiring a new customer is far greater than the cost of maintaining the relationship with a current customer. It is for this reason that the researcher would like to take interest in assessing the influence of CRM practices of selected banks and its ability to retain customers. The researcher would like to find out from the customers what it is that makes them leave one bank for the other or bank with several banks when all banks offer almost the same products and services.

Theoretical Framework

One of the most important theories in customer relationship management is the Relationship Quality Theory. According to Palmatier and colleagues (2006) the relationship quality theory entails the multiple dimensions of a relationship (trust,

commitment, relationship satisfaction) and has a stronger effect on objective performance than any single CRM dimension. Anderson and Mittal (2008) define the relationship quality theory as the satisfaction profit-chain because it has several variables that influence each other: Product/service satisfaction, overall relationship satisfaction, additional influences of commitment and trust, purchasing and loyalty retentions and finally behavior and profit. A research conducted by Pelsmacker (2000) suggests that loyalty is built up of commitment, trust and satisfaction which result in repeat patronage intentions.

The researcher chose this theory because of its relation to customer relationship management and retention. CRM is a practice that cannot be achieved unless all members of staff trust its importance and commit to working hard on improving customer service. The same applies to customer retention unless the customers trust the service provider and are satisfied with the products and services, customers can not commit to the relationship. Without commitment there cannot be loyalty nor retention.

Morgan and Hunt (2015) argue that trust and relationship commitment are the key mediators in exchange between participants, thus, relationship partners who are committed expend extra effort and work to maintain and strengthen relational bonds, which positively influences cooperation, financial performance, and other positive outcomes.

Conceptual Framework

The conceptual framework underlying this study focuses on the relationship between customer relationship management and customer retention. It further highlights the dimensions of CRM that when implemented in a CRM strategy or policy will lead to customer retention in an institution.

CUSTOMER ORIENTATION		CUSTOMER
CUSTOMER RELATIONSHIP ORGANISATION		RETENTION
CUSTOMER KNOWLEDGE MANAGEMENT		
TECHNOLOGY		

Independent Variables   *Dependent Variable*
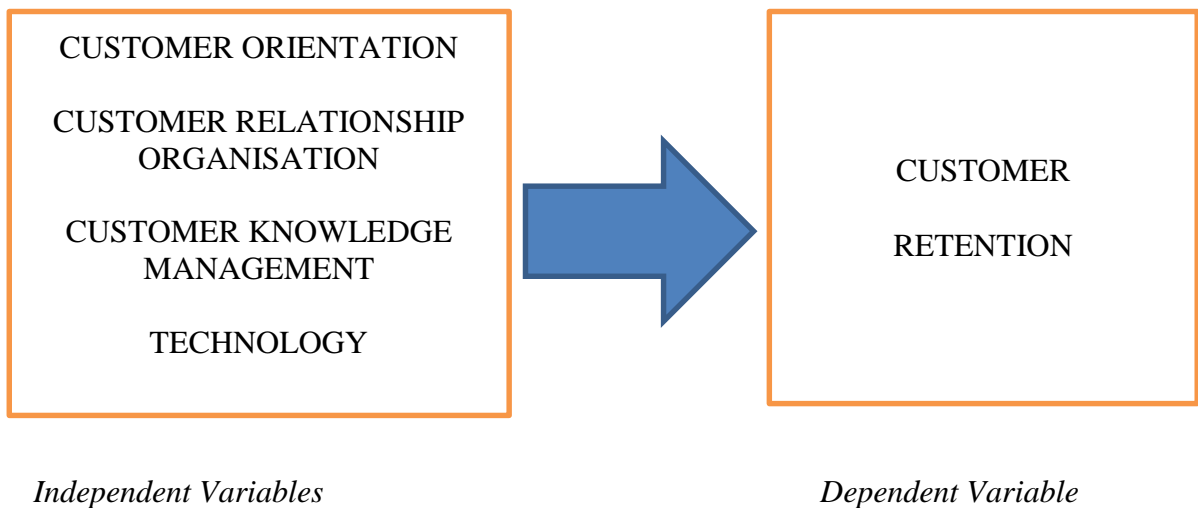
Figure 1. Conceptual framework.

Source: Sin et al (2005)

The above framework gives the dimensions of customer relationship management namely: customer orientation whereby banks are customer centered in all their activities, policies developed also focus on the welfare of the customer. Second is the CRM organization whereby the organization structure is convenient for customers. Third is knowledge management, how customer information is best used to help organization best serve its customers by meeting their desired services. Also it refers to the ability of the organization to keep customer information confidential and used for only intended purposes. Lastly are the banks moving with change? Are they technologically advanced and are the advancements customer user friendly? For example are customers able to access their bank accounts from home? The framework shows that when all CRM dimensions work in harmony they bring about customer retention. Sin et al (2005).

Scope of the Study

This study was conducted in four Government institutions namely: Immigration, Agriculture, Lunzu secondary and Blantyre secondary school. These institutions comprise of officers, administrators, permanent teachers, private adjunct teachers, providers of catering who own the business but are contracted by the government and are paid through the same bank as other employees at the institution. The institutions also had bankers working at a bank's branch located within the institution from where employees access their salary. The study looked at the influence of customer relationship management on customer retention by studying the following CRM dimension that influence retention; Customer orientation, CRM organization, Customer knowledge management and Technology. Any other factors that cause retention aside from these were not considered in this study.

Assumptions of the Study

The researcher assumed that the respondents provided truthful, honest and accurate information about themselves and the topic of study. The study assumed that the results, conclusion and recommendations made of it would be used by existing banks, aspiring bankers, employers and employees to work on their relationship with customers as a means of retaining them. Furthermore the Malawian government, would be able to see what other factors it may not have considered, that were likely to have caused the failure of its commercial banks, and probably manage the central bank better by making sure that customers relate openly with the bank employees, a customer retention strategy, known as customer relationship management.

Definition of Terms

Accounts without value: These are accounts opened for one sole reason i.e. receiving salary and only used once a month for withdrawing funds

Banker: A person working at the bank

Caterers: Refers to self-employed people who are contracted by the government to provide food in government institutions. These people receive their payment through the bank just like employees at the institutions.

Civil Servant: Employees directly recruited and paid by the Malawi government

CRM Organization: Refers to an organizational structure with entire strategic business designed to jointly work together towards achieving a common goal in terms of building strong long term customer relationships.

Customer Orientation: This refers to knowing your customers and understanding their needs and finding means of meeting those needs so that their experience with the bank is enhanced.

CRM: Refers to organizations with core customer centric strategy that aims at winning and keeping profitable customers by being customer focused, managing knowledge and information effectively and using customer convenient technology.

Customer Retention: Refers to a customer's intention to stay with a particular bank over another bank.

Customer: Refers to people who have accounts with the banks of interest to the researcher.

Customer Knowledge Management: Refers to knowledge about key customers, information on customer needs and preferences, ability to create, transfer, and efficiently utilize its available knowledge to use a master plan for developing a learning relationship between the employees and company's current and potential customers.

Private Sector Employee: These are adjunct teachers working on temporary basis and auditors working independent of the organizations.

Self Employed: These are people who own and offer catering services in the four institutions under study.

Technology: Applications like computer and mobile technologies that enable customers to easily have access to their bank accounts at any point in time.

Value Accounts: Refer to active accounts that never go dormant.

CHAPTER TWO

REVIEW OF RELATED LITERATURE AND STUDIES

This section of the study looks closely at the related literature and studies. It consists of the concepts from literature that are related to the major variables under consideration in the study. According to Role (2015), literature review helps in tackling the problem of the research with deeper understanding and clear knowledge. This means going through indexes and abstracts, online data bases and library.

Customer Relationship Management

CRM is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the aim of improving business relationships with customers, assisting in customer retention and driving sales growth Rouse (2014). To survive in the global market, focusing on the customer is becoming a key factor for companies big and small. It is known that it takes up to five times more money to acquire a new customer than to get an existing customer to make a new purchase.

The concept of Customer Relationship Management (CRM) was derived from "contact management" in the 1980s about collecting all the information when customers come in contact with companies. In literature, many definitions have been given to describe CRM. According to Buttle (2009), customer relationship management is a core customer centric strategy that aims at winning and keeping profitable customers. Customer relationship management (CRM) also more recently called customer management, is a business approach that seeks to create, develop and enhance relationships with carefully targeted customers in order to improve customer value and corporate profitability and thereby maximize shareholder value. Customer

relationship management is often associated with utilizing information technology to implement relationship marketing strategies.

Newsom and Turk (2009) state that CRM investments should be aimed at providing sustainable competitive advantage for an organization, not just operational efficiency. They further note that high failure rates associated with CRM are often the result of focus on short-term improvement versus long term profit goals. Long term advantage comes from a business strategy that is driven by improving the effectiveness of overall customer outcomes. This includes improved return on investment for customer acquisition, retention, win-back, up-sell and cross sell of products, services and solutions.

CRM strategies are based on defining customer needs; identifying the value of a relationship; investing in customers according to their worth; integrating all contact channels in the plan (advertising, direct mail, promotion, sales, call centers, email, internet, etc.); supporting this with sophisticated information systems, hiring capable staff and quantifying and measuring results. Stone and Jacobs (2009). According to Robson (2010) a customer is a very important visitor on our premises. He is not depending on us, we are depending on him. He is not an interruption on our work. He is the purpose of it. He is not an outsider on our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to serve him.

Importance of Customer Relationship Management

The importance of customer relationship management to financial institutions like banks are several of which the following are some; Customer satisfaction, better marketing campaigns, Boost sales and Attracts new customers. Bligh and Turk (2009).

Customer Satisfaction. The business dictionary (2017) defines customer

satisfaction as the degree of satisfaction provided by the goods or services of a

company as measured by the number of repeat customers. Every company needs their

customers to be satisfied. Satisfied customers are more likely to return to make further

purchases, as well as to promote a company's good name and recommend services to

others.

Customers more than ever want to feel engaged with the companies that they are

dealing with, one way CRM can help with this is through contact management.

Contact management software allows you to track each customer interaction, so your

customers feel like you personally remember every interaction you have had with

them. This gives your client a more enjoyable, personalized customer experience and

can be the key to smoothing sales. Bligh and Turk (2009).

Businesses Become More Efficient. Implementing CRM software helps your

customer service team react to customer queries and concerns more quickly and

efficiently, which will boost productivity as well as customer satisfaction. In sales and

marketing departments, CRM can even help track all leads and campaigns from

beginning to end, making the entire process more effective. Bligh and Turk (2009).

Produces Better Marketing Campaigns. As well as making the process of

conducting a marketing campaign easier, CRM software can also help you design the

most efficient campaign. With the data provided by these various campaigns, you will

have an extremely well-rounded view of what makes certain audiences tick and what

doesn't. By knowing your target market and how your audience responds to

communications, you will be able to easily segment your customers to produce more

effective marketing campaigns. CRM data can enable you to quickly profile target

groups which may be not be performing as well as they could be, in order to try and

boost this area of your business, with the goal of increasing profits. Bligh and Turk (2009).

Attract New Customers. CRM software will discover useful information about your customer base and allow you to work out where there are gaps that need to be filled. Exploring the reasons why customers fail to make purchases or why they do not rate your company's services can help you adapt new policies and techniques which will help you attract new customers. Bligh and Turk (2009).

Boost Sales. Improving the way your business operates and how customers interact with it, while producing effective marketing campaigns, will help with people's perception of your business. It will also encourage new sales while accounting for a higher level of customer retention. One of many examples of CRM software helping increase sales would be Advanced Business Equipment. Bligh and Turk (2009).

The Process Customer Relationship Management

CRM involves three steps. These steps are to segment and profile the market, design communication strategy, impenetrate and evaluate. The first is to segment and profile the market. Create segments. Grouping similar customers together. Then design a product to meet that segment's needs. In the same segment are sub segments, buyers who want to interact with a business in different ways. So when a company Segments for CRM purpose, the segmentation depends on how much a customer wants to interact rather than the needs a product should meet. (Ernst et al., 2014).

Dimensions of Customer Relationship Management

Customer Orientation

Most literatures over the last twenty years have revealed that organizations that adopt customer orientation approach are more likely to establish the required

customer quality, increase customer retention and achieve the desired organizational objectives more efficiently than its competitors. (Werner, 2005).

A customer-oriented organization places customer satisfaction at the center of each of its business decisions. Customer orientation is defined as an approach to sales and customer-relations in which staff focus on helping customers to meet their long-term needs and wants. Here, management and employees align their individual and team objectives around satisfying and retaining customers. (Cross, 2016).

Customer orientation incorporates both commitment to customer's needs and customer feedback as supported by many extant literatures. (Dean, 2007). Some authors that argued that despite the importance of the concept of customer orientation, there still exist very little literatures that are dealing with the process of developing such an orientation within the contact center industry. (McNally, 2007), specifically whether through a general descriptions or via a case study approach.

Sin et al (2005) argues that although it is observed that most empirical studies have been concentrating on the degree and measurements of the concepts, but the extant literatures have long neglected the variations in the customer orientation dimensions or the features of the concepts as exhibited by each organizations. Therefore the general literatures on customer orientation could be argued as not being widely practiced specifically by the contact center professionals in the manner advocated by Sin et al., (2005) and supported in other literatures such as Roland and Werner (2005) and Dean (2007) that have all suggested a positively relationship between customer orientation, perceived service quality and customer satisfaction. The fact of this matter is that, it is good to note that the need to provide valid measures for the customer orientation programs should be seen not only in symbolic

terms, but the very light of what the implementer is actually seeking to achieve.

(Yim, Anderson, & Swaminathan, 2013).

Below is table 1, which aptly depicts the measurement items for customer orientation. Given this evidence and many more findings that have established customer orientation as positively related to perceive service quality and retention.

Constructs	Items
Customer Orientation	1. Customer is the center of strategic planning in the firm. 2. The company is committed to meeting the Customer's needs and expectations. 3. Customer database are frequently updated. 4. There is frequent dissemination of customer information throughout the firm

Source:*(Abdullateef, Mokhtar, & Yousouf, 2010).

Knowledge Management

David and Wendy (2009), Eid (2007), and Sin et al. (2005) define knowledge management as an information strategy with which companies capture, organize, manipulate, and share implicit and explicit data with both internal and external users. Whereas evidences from several literatures have indicated that the success or failure of relationship management activities in a company heavily depends on the company's ability to collect and analyze valuable customer information that could be used for developing and establishing individual customers' highly personalized product/services. According to Yueh et al (2010, current global marketing problems are as a result of information handling issues and problems. Authors such as Sin et al (2005) and David and Wendy (2009) are one of the few literatures that have strongly emphasized on the relationship between CRM and KM with specific point on

customer knowledge management (KM) as having positive impact on employee job performance, perceived service quality and customer satisfaction.

However, it is very important to clarify in this research that information should not in any way be confused with knowledge. An organization is said to possess Knowledge only when the available information has been analyzed and effectively used to implement appropriate strategic decisions and actions. In support of the aforementioned facts on CRM and KM literatures, David and Wendy (2009) has argued that the confusion between CRM and KM has led many companies to commit high investments on ICT projects and programs which have resulted in a marginal results. And to overcome the observed ICT productivity problems, managers needs to put in place ICT-generated customer information into their organizational decision making processes (Yueh et al., 2010; Sin et al., 2005). According to Werner, R. (2000), these decision making processes involve three broad stages that run concurrently in the company: namely, Customer information

Acquisition, Customer information sharing and Customer information utilization. Therefore, collecting and creating insights, skills, and relationships are all termed "Knowledge acquisition", and wherever these knowledge been disseminated and shared among the different strategic business unit in the company is termed "Knowledge sharing" and lastly whenever there are integration of learning, customer's insights and experiential knowledge that are put together in support of effective decision making processes in the organization is called "knowledge utilization".

As previously discussed that Knowledge about key customers in a company is important for a successful CRM application because it could be used as a master plan to develop a learning relationship between the employees and company's current and

potential customers (Mcnally, 2007) and thereby availing each organization the opportunity to a successful establishment of a stronger competitive strength in the market through employee job satisfaction, perceived service quality, first call resolution and customer satisfaction (Roland and Werner, 2005; Dean, 2004; Feinberg et al., 2000). It is premised on these arguments that both Sin et al (2005) and Yim et al (2005) have conceptualized and empirically established a positive relationship between employee knowledge acquisition and usage, and customer satisfaction.

Finally it is arguable that marketing is now more concerned with better means of responding to customer demand, with the general beliefs that actions taken in a Prompt manner not only enhance service quality, but also foster positive long-term relationships with both employees and the customers, (Abdullateef, Mokhtar, & Yousouf, 2010).

Knowledge Management	Items
	The employees willingness to help customers in a responsive manner
	Customer expecting exactly when services will be performed
	Customers expecting prompt service from employees of an organization.
	Ability of the organization to share customer information across all points of contact
	Organizational belief in mining of Data intelligently as a source of competitive advantage.

Source: (Abdullateef, Mokhtar, & Yousouf, 2010).

Constructs	Items
Technology Based CRM	1. A firm has the right technical staffs to provide the required technical supports for the utilization of modern computer technology in building long term customer relationships.
	2. Through CRM technology, a firm provides individual customer information is available at every point of customer contact
	3. An organization maintains a comprehensive database of its Customers.
	4. The computer technology can help create customized offerings to customers
	5. IT facilitating the management of customer relationship

*Source: (*Abdullateef, Mokhtar, & Yousouf, 2010).

CRM Organization

Abdullateef, Mokhtar, and Yousouf, (2010) argue that, CRM organization is an essential means through which fundamental changes in terms of how firms organize and conduct its business processes around employees and customers can be actualized. Implementing firms are encouraged to pay necessary attentions to the inherent organizational challenges in the CRM initiatives. Both Sin et al (2005) and Yim et al (2005) have all empirically tested and established that there exist a positive relationship between CRM organization and customer satisfaction, with serious emphasis on the positive roles of the employees. They argued further that the key considerations for any successful CRM to be implemented within the whole firm are organizational structures, the organization wide commitment of available resources, human resource management policies and employee job satisfaction that positively worked together to influence customer satisfaction.

CRM organizational structure requires that the entire strategic business units in firms be designed to jointly work together towards achieving a common goal in

terms of building a strong long-term customer relationships (Sin et al., 2005; Yim et al., 2005). For better efficiency of such organizational structure, it is advised that firms should incorporate productive process teams, cross discipline segment groups and customer focused departments. All the aforementioned structural designs are said to require a strong inter-functional coordination between the different departments, a statement that further confirms the existence of a positive relationship between CRM organization and employee job satisfaction and performance (Rajshekhar et al., 2006).

Due to the high cost involvement of CRM applications, Sin et al (2005) and Yim et al (2005) conceptualized and established the importance of organization's wide commitment of resources to the intended design of CRM structures as having a positive relationship with employee satisfaction, performance and customer satisfaction. Also very important in their findings are the argument in favor of CRM organization as the established link between the human resources and the marketing interface (McNally, 2007; Sin et al., 2005). Also relevant in this area of studies are literatures such as Dean (2007), Roland and Werner (2005) established that there exist a positive relationships between CRM dimensions (specifically customer orientation), employee job satisfaction, perceived service quality and customer satisfactions.

Dean (2007), Roland and Werner (2005), Sin et al (2005) and Yim et al (2005) all empirically argued that this is a stage where firms need to logically instill in its customer service representatives the utmost importance of the CRM dimensions in order to positively influence employee job satisfaction, first call resolution, customer satisfaction and organization overall performance. In their concluding remarks they emphasized on four significant firms' internal marketing processes, which includes employee empowerment, effective internal communications, standard reward systems, and employee involvement as efficient means of actualizing CRM organizations on

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employee job satisfaction and performance (Sin et al., 2005). Therefore CRM Organization of the customer contact is positively related to customer retention.

Customer Retention

According to Galetto (2016) customer retention refers to the activities and actions companies and organizations take to reduce the number of customer defections. The goal of customer retention programs is to help companies retain as many customers as possible, often through customer loyalty and brand loyalty initiatives. It is important to remember that customer retention begins with the first contact a customer has with a company and continues throughout the entire lifetime of the relationship.

Strategies for Customer Retention

The most important thing is to have a CRM policy that is effective so that a business knows its customers. The easiest way to grow your customers is not to lose them. The average business loses around 20 percent of its customers annually simply by failing to attend to customer relationships. In some industries this leakage is as high as 80 percent. The cost, in either case, is staggering, but few businesses truly understand the implications. The consequences of customer retention also compound over time, and in sometimes unexpected ways. Even a tiny change in customer retention can cascade through a business system and multiply over time. The resulting effect on long-term profit and growth shouldn't be underestimated. Marketing Wisdom can introduce you to a number of simple customer retention strategies that will cost you little or nothing to implement. Behind each technique listed here there is an in-depth step-by-step process that will increase your customer retention significantly once implemented, and will have a massive impact on your business, (Velji, 2016).

Reducing Attrition. According to Velji (2016) every business loses some customers, but few ever measure or recognize how many of their customers become inactive. Most businesses, ironically, invest an enormous amount of time, effort and expense building that initial customer relationship. Then they let that relationship go unattended, in some cases even losing interest as soon as the sale been made, or even worse, they abandon the customer as soon as an easily remedied problem occurs, only to have to spend another small fortune to replace that customer. The easiest way to grow your business is not to lose your customers. Once you stop the leakage, it's often possible to double or triple your growth rate because you're no longer forced to make up lost ground just to stand still.

Sell and then sell again. So many people do an excellent job of making the initial sale, then drop the ball and get complacent, ignoring the customer, while they chase more business. Your selling has actually only just begun when someone makes that initial purchase decision because virtually everyone is susceptible to buyer's remorse. To lock in that sale, and all of the referrals and repeat business that will flow from it, you need to strike while the iron is hot to allay your customers' fears and demonstrate by your actions that you really care. You should thank them and remind them again why they've made the right decision to deal with you … and put a system in place to sell to them again, and again, constantly proving that they made the right decision. (Velji, 2016).

Bring back the "lost sheep". Galetto (2016) points out that there's little point in dedicating massive resources to generating new customers when 25-60% of your dormant customers will be receptive to your attempts to regenerate their business if you approach them the right way, with the right offer. Reactivating customers who already know you and your product is one of the easiest, quickest ways to increase

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your revenues. Re-contacting and reminding them of your existence, finding out why they're no longer buying, overcoming their objections and demonstrating that you still value and respect them will usually result in a tremendous bounty of sales and drastically increased revenues in a matter of days and will lead to some of your best and most loyal customers.

Frequent Communications Calendar. Avoid losing your customers by building relationships and keeping in touch using a rolling calendar of communications. This is a programmed sequence of letters, events, phone calls, "thank you's", special offers, follow-ups, magic moments, and cards or notes with a personal touch etc. that occur constantly and automatically at defined points in the pre-sales, sales and post-sales process. People not only respond to this positively, they really appreciate it because they feel valued and important. It acknowledges them, keeps them informed, offsets post-purchase doubts, reinforces the reason they're doing business with you and makes them feel part of your business so that they want to come back again and again, (Galetto, 2016).

Extraordinary Customer Service. The never-ending pursuit of excellence to keep customers so satisfied that they tell others how well they were treated when doing business with you. Moving the product or service you deliver into the realm of the extraordinary by delivering higher than expected levels of service to each and every customer. Key facets include: dedication to customer satisfaction by every employee; providing immediate response; no buck passing; going above and beyond the call of duty; consistent on-time delivery; delivering what you promise before and after the sale; a zero-defects and error-free-delivery process and recruiting outstanding people to deliver your customer service. Extraordinary service builds fortunes in

repeat customers, whereas poor service will drive your customers to your competition, (Galetto, 2016).

Courtesy system. A powerful system that improves the interpersonal skills of your team and changes the spirit of your organization. It involves speaking to colleagues politely and pleasantly, without sarcasm or parody, and treating them at least as well as you would want them to treat your customers. This will help your team to feel worthwhile and important, which makes for pleasant social contacts at work. It also motivates them to provide extraordinary service, encourages them to be consistently pleasant in all of their dealings and to relate to customers in a warm, human and natural manner. This results in better, warmer, stronger, more trusting relationships and longer term bonds with your customers, (Galetto, 2016).

Product or service integrity. Long-term success and customer retention belongs to those who do not take ethical shortcuts. There must always be total consistency between what you say and do and what your customer's experience. The design, build quality, reliability and serviceability of your product or service must be of the standard your customers want, need and expect. Service integrity is also demonstrated by the way you handle the small things, as well as the large. Customers will be attracted to you if you are open and honest with them, care for them, take a genuine interest in them, don't let them down and practice what you preach and they will avoid you if you don't, (Ciotti, 2016).

Measure lifetime value. There's a vast difference between the one-off profit you might make on an average sale, which ignores the bigger picture, and the total aggregate profit your average customer represents over the lifetime of their business relationship with you. Once you recognize how much combined profit a customer represents to your business when they purchase from you again and again, over the

months, years or decades, you'll realize the critical importance of taking good care of your customers. And because you'll understand just how much time, effort and expense you can afford to invest in retaining that customer, you'll be in control of your marketing expenditure, (Ciotti, 2016).

A complaint is a gift. 96 percent of dissatisfied customers don't complain. They just walk away, and you'll never know why. That's because they often don't know how to complain, or can't be bothered, or are too frightened, or don't believe it'll make any difference. Whilst they may not tell you what's wrong, they will certainly tell plenty of others. A system for unearthing complaints can therefore be the lifeblood of your business, because customers who complain are giving you a gift, they're still talking to you, they're giving you another opportunity to return them to a state of satisfaction and delight them and the manner in which you respond gives you another chance to show what you're made of and create even greater customer loyalty, (Ciotti, 2016).

Benefits of Customer Retention

It is cheaper than acquisition. While the old adage about it costing five times as much to acquire a new customer may not be totally accurate, the basic principle is still accurate: it's more cost-effective to keep someone in the fold than to bring in new customers. Retention is cheaper than acquisition, but it is probably not easy (Carter, 2015).

Loyal customers are more profitable. Carter (2015) indicates that, not only is loyalty cheaper, it has better returns. According to research, engaged consumers buy 90% more frequently, spend 60% more per transaction and are five times more likely to indicate it is the only brand they would purchase in the future. On average, they're delivering 23% more revenue and profitability over the average customer.

While loyal customers are more profitable, don't take their loyalty for granted. They will be more open to price increases, but be cautious not to raise prices simply to see how long they'll stick around. Lifetime revenue is the end goal not just today's revenue. Consider the flipside: "Actively disengaged" customers (people who oppose the brand and may be actively spreading that opinion) can cost a brand 13% of its revenue.

Out from the crowd. Put your consumer hat on, and consider how many brands you interact with that actually seem to value your patronage. You can probably only think of one or two. Most brands focus on acquisition, which makes the retention-centric among us stand out even more. People see around 10,000 marketing exposures a day, but only engage with very few. The ones that earn continual engagement are those with whom they feel a connection with on some level. Forget a unique selling proposition; the best brands have a unique retention proposition, Carter (2015).

You will earn more word of mouth referrals. Your loyal customers could be your best source of new business. Despite all our efforts into online and mobile marketing and social media, people are still strongly influenced by referrals from friends and family. The good thing about building customer relationships is people will have no hesitations to refer the brand to their networks. Millennial in particular will spread the word of a brand's exploits – 90% share their brand preference online, (Carter, 2015).

Engaged customers provide more feedback. According to Carter (2015) feedback is critical to the success of any business. Customers who provide feedback, are often willing to give brands the benefit of the doubt. They're telling you how to

earn their business repeatedly. As research has shown, people who have complained and seen their issue resolved are 84% less likely to decrease their spending.

Customers will go out of their way to do business with you. It's hard to stay brand loyal when a similar product or service is priced underneath your preferred brand, but 68% of women and 53% of men said that getting rewards from a brand makes them stay longer, and not switch to other brands (Carter, 2015).

You earn wiggle room to try new things. Loyalty is fickle, so too many changes could chase people away. But once you've established a core base of proven customers, your brand can expand its boundaries. Maybe it's new messaging or a new product line, or even a new logo. The bottom line is as long as you maintain the basic premises that keep people in your corner, they'll stick with you through thin and thin. In fact, some of them will be excited to see what you can do. Millennia's in particular cite "new and exciting products and services" as a way brands can keep them loyal (Carter, 2015).

Achieving Effective Customer Retention

For any business that provides a product or service to customers, the act of finding, targeting and obtaining new customers is always going to be among its top priorities. But what many businesses tend to forget is that once a customer makes the first purchase, there is much more to be done in the customer relationship. Smart businesses know that the first purchase is really just the beginning, and that the real business value lies in retaining that customer.

According Ciotti (2016) retailers have to go beyond price and selection to retain customers. What they need to do is leverage their most under-utilized assets — their employee base. Passionate, engaged employees can deliver personal customer experiences that create customer loyalty. Retailers can create that environment by

developing a relevant and authentic employee brand that employees can connect with.
The 2013 Gallup study about employee engagement describes a U.S. workforce with
only 30% of employees engaged in their work, with active disengagement costing the
American economy an estimated $450-550 billion per year.

Ciotti (2016) suggests the importance of understanding and measuring why
customers or clients are leaving in the first place. You can't solve a problem if you
don't understand to what extent it exists or why it exists. Once that information is
understood, the strategy is simple and should really be threefold. Treat your
customers/clients like people. The internet is a wonderful thing, but making an effort
to relate to your clients/customers on a personal level is often the difference between a
sustainable business and one that's here today, gone tomorrow. Appreciate your
clients/customers. Thank you notes, thank you gifts for onboarding new clients and/or
discounts to your most loyal customers can speak volumes. Even something so simple
as recognition on social media for your most loyal customers can be valuable.
Welcome and ask for constructive feedback. Let your customers know that their voice
is heard. Don't wait for negative feedback to come to you, proactively reach out to
your customers on a regular basis to find out what they like and what they think you
can improve on.

Ciotti (2016) indicates that the best way organizations can improve customer
retention is to foster better relationships with their customers by creating loyalty
programs that provide two benefits a frictionless user experience, and actionable
insights for three transaction criteria regency, frequency, and value. Reducing friction
is imperative. Faster throughput translates into real revenue. Merchants lose
customers who have to go through several steps at checkout in the hope of having a
better experience.

Ciotti (2016) indicates that the number one way organizations can improve customer retention is finding new and unique ways to create a partnership with customers. People will care when they share. Help customers put skin in the game by. Involving them in the design and delivery of service. Soliciting their ideas and suggestions. Begging for feedback on ways to improve their experience. Create forums for customer participation (like boards of customers, customer advisory teams, VOC initiatives) Spend time with customers on their turf or neutral turf (like Harley's HOG—Harley Owners Group) Crafting chat rooms aimed at beta testing, experimenting, piloting products and services with customers. Invite customers to company functions picnics, meetings and social outings.

Ciotti (2016) argues that the number one way organizations can improve customer retention is by focusing on the entire experience of their customers. While experts debate whether the marketing funnel is outdated, it's been proven that managing the entire experience of any age of customer is a better way to keep customers. The conversation cannot stop once the sale is made. It is critical that companies focus on sending personal communications throughout the lifecycle of the customer. In today's competitive environment, it is not enough to rely on service or repairs to hold on to customers. For example, the welcome message is a critical one of the single most important communications businesses can send. Customers are five times more likely to engage with you in the first 90-100 days than at any other point. So, it's very important that you dialogue with them at the onset not just at the end. Technology allows you to adopt a Customer Lifecycle Management (CLM) approach in a very cost-effective way.

Sometimes, it's not easy to gauge when a client is silently dissatisfied with your service. Strategically use Customer Satisfaction Surveys. If a client leaves less

than stellar feedback, schedule a meeting or with them or take them to lunch. Ask your customer for ways you can improve your relationship and work together on achieving those goals. Once the situation is resolved, make sure you continue to regularly go above and beyond for your client. Be proactive in the type of service you provide to avoid difficult situations in the future. When you and your client make it through a difficult situation together, it will increase their trust in your company. Most importantly, reflect on the situation and work with your client to build a positive, productive working relationship which will lead to client retention (Ciotti 2016).

Irasema (2016) states that when it comes to the best ways an organization can improve customer retention, the simple and easy answer is to simply care about the customer as a person, not a sales generating object. It is business 101, but organizations have a tenancy to think about customers as data and widgets in the technology age. When you ask the question "how do I want customers to talk about my company in a year?" it forces you to see them as a human with actual thoughts and as a long term relationship to care about.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter aims at drawing attention to the design and methodology used to Correlational research design was used to establish the relationship between customer relationship management and customer retention. I t was further used to reject the hypothesis. Descriptive analysis was used to analyze solutions. Furthermore, the aim of the descriptive research design was to obtain background information from the sample population in relation to the researcher's objectives. obtain required data. It explains thoroughly about the research design, population and sampling design, instrumentation, validity and reliability, administration and data collection methods, methods of data analysis and ethical consideration.

Research Design

The researcher used both descriptive and Correlational study designs to discover in depths the influence of customer relationship management on customer retention. According to Calmorin and Melcher (2007), this approach was able to describe in quantitative terms specific characteristics and objectives in a statistical manner.

Population and Sampling Techniques

Initially the researcher had intentions of collecting data at each banks premises. Distributing questionnaires to bank customers as they patronize the bank for various transactions but the banks denied the researcher access to do so for fear of disrupting business and inconviniencing customers. However the banks were kind enough to share names of institutions that pay their employee salary through them. The researcher acknowledged the banks decision and help and got introduction letter

from school which the researcher then took to the four insitutions of interest as an introduction and request to gather data from their premises. The researcher realised this was a more reliable way to gather the data than at the bank as people are mostly in a rush to finish and go while as at their institutions they were allowed to take the questionnaire home and bring the following day due to busy schedules and the researcher was confident of finding these people at the same place the next day. The research then targeted four government institutions which pay their employees salary through the bank in Blantyre city Malawi. The population of this study constituted of the total number of workers at each institution, government recruited and institution recruited but both receiving salary through the same bank . The researcher used entire population to be able to generalise the results also to reduce error. The following were the selected institutions from were data was gatherd: Blantyre Secondary School which pays employee salary through FMB, Lunzu secondary school which pays employee salary through FDH, Ministry of Agriculture Blantyre office which pays employees salary through STD and the Immigration office which pays employees through NBM. These institutions have each a branch of the bank from were they collect their salary, they have caterers, independent auditors, private adjunct teachers and administrators.

The research used purposive sampling in the selection of the number of institutions. According to Guarte and Barrios (2006), purposive sampling is a selection technique of sampling units within the segment of the population with the most information on the characteristic of interest. For all selected institutions the research assistants distributed the questionnaires to everyone because the workers were not many. Total population of employees at all the selected institutions was 399 and the researcher utilised the entire population. The researcher therefore did not use

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any sampling techniques during data collection. However of the 399 people only 327

responded to the questionnaires. Population per institution was as follows:

Table 1

Distribution of Respondents

Institution	(NBM)	(FMB)	(STD)	(FDH)	Total Population
Immigration	165				165
Blantyre		110			110
Agriculture			69		69
Lunzu				55	55
Total					**399**

Source: Researcher (2017)

Research Instrument

The research instrument used in collecting data was a self-constructed

questionnaire which was composed of structured questions. The questionnaire was

formulated from proper conceptualization of review of literature. Research

supervisors were consulted for guidance during the process of coming up with the

questionnaire. The study used a questionnaire because of its ability to instill

confidence in respondents through its element of anonymity, less skill required to

administer and administration to a large number of individuals simultaneously (Role,

2016). The questionnaire had four sections each seeking responses that would enable

the researcher to obtain information on the influence of customer relationship

management and customer retention. The questionnaire was designed mainly on a

four-point scale ranging from agree, tend to agree, tend to disagree, and disagree.

Validity of the Questionnaire

Role (2016) defines validity as the extent to which the instrument actually and accurately measures the concept to which it has been assigned. Thus validity tries to ascertain the consistency of an instrument thus to assess if the items in the questionnaire represent the interest of the research. To do this, the researcher had to consult the expertise of research supervisors to verify whether the questionnaire was valid to get intended results. This process helped in identifying questions that needed to be reframed or eliminated.

Reliability of the Questionnaire

Reliability, according to Golafshani (2003), is a concept to evaluate quality in quantitative study with an aim of explaining, while the concept of quality in qualitative study, aims at generating understanding. To ensure that the items in the research questionnaire are consistent to measure the variables being studied, a pilot study was done assessing the influence of CRM on customer retention in four private commercial banks in Kapsabet, Kenya. The banks included Kenya Commercial Bank (KCB) and Equity family bank (EFB), Barclay bank and National Bank of Kenya (NB). Respondent were students and faculty members from Baraton University who in total amounted to 28. Cronbach's alpha coefficients obtained for each sub-scale of the questionnaire for testing reliability for final data collection were as follows: **0.795** for Customer orientation, **0.742** for Customer knowledge management, **0.674** for CRM organization, **0.811** for Technology and **0.829** for Customer retention. The questionnaire was therefore considered reliable for final data collection.

Data Gathering Procedures

After validation of the research instrument but before data collection, the researcher obtained an approval letter from the UEAB Research Review Committee and from the Graduate Studies' Director.

The letter introduced the researcher to the head of human resource in each of the four institutions from where data was to be gathered. The letter requested for permission to gather data from the selected institutions of interest. The researcher, having identified the institutions from were data was to be gathered, and the number of respondents per institution, then contacted her research assistants and briefed them on the data gathering procedure as she was unable to go herself. A copy of the questionnaire was sent through email to the research assistants which they photocopied and made 399 copies. Distribution of the questionnaires was done within the institutions premises to all workers. The researcher made herself available throughout the research process and was contacted for further clarity by the respondents at any point in time where need arose.

The data collection exercise lasted a period of three weeks after which the research assistants sent the questionnaires back to the researcher through a postage courier known as DHL. 399 people had been given the questionnaires but only 327 responsible for data coding and data analysis interpretation. The questionnaire was self-explanatory and adequate time was provided to the respondents to reduce non response. The following table shows data collection response rate:

Table 2

Response Rate

Institution	Number of Employees	Number of Responses	Percentage
Immigration (NBM)	165	145	88%
Blantyre (FMB)	110	62	56%
Agriculture (STD)	69	65	94%
Lunzu (FDH)	55	55	100%

Source: Researcher (2017)

Statistical Treatment of the Data

The data collected was analyzed using Statistical Package for Social Sciences (SPSS) Software. The data was retrieved and analyzed to determine the reliability of the questionnaire. The research applied descriptive statistical techniques which included frequencies and percentages. Data was presented using frequency tables and percentages. Inferential statistics was used to draw meaningful conclusion from the empirical data using Pearson product-moment correlation coefficient and multiple regression analysis were used to establish relationship between variables.

Ethical Considerations

The researcher ensured that ethical principles of informed consent, privacy and confidentiality, intellectual property, and legal consent were met.

Informed Consent

The researcher asked the respondents to freely participate. Prospective participants were made aware of the nature of the research, provided with all information relevant to their decision to participate, and invited to take part at their own discretion. Plain, simple and easy to understand language was used to assist in quick responses and where needed, interpretation was provided.

Privacy and Confidentiality

Participants' names were not required. This ensured that the identities and information acquired from respondents was kept secure from interception or misappropriation by unauthorized persons, or for non-research purposes. Thus proper coding to the questionnaire was applied.

Respect for Intellectual Property

The researcher acknowledged the authors of articles, journals, websites, theses and published books used in the study. Furthermore, institutions and people that contributed to the success of this study were duly acknowledged. To ensure that respect of intellectual property is adhered to, a copy of the research was submitted to the Baraton Ethics Committee, for a thorough review.

Legal Consent

The researcher requested permission to carry out the research in the four institutions of interest. With the recommendation from supervisors, Baraton Ethics committee and the Director of Research and Graduate Studies, the researcher was able to carry out the research.

CHAPTER FOUR

PRESENTATION OF FINDINGS, ANALYSIS, AND

INTERPRETATIONS

This section of the thesis presents the data analysis and presentation of the study done. The analysis is organized according to the research questions of the study. This analysis involve descriptive statistics which include means, frequency and standard deviations. Correlational and regression was also done to ascertain whether there is a significant relationship between customer relationship management and customer retention.

Demographic Profile of Respondents

Table 3

Respondent's Gender

	Frequency	Percent
Male	194	59.3
Female	133	40.7
Total	**327**	**100.0**

Table 3 shows the respondents ratio in terms of the gender. 59.3% of the respondents were male and 40.7% were female. Therefore more men participated in the data collection exercise than females. Therefore according to the respondents, it is most likely that more men hold bank accounts than females.

Table 4

Respondent's Age

		Frequency	Percent	Cumulative Percent
	18-25 years	88	26.9	27.0
	26-35 years	114	34.9	62.0
	36-45 years	80	24.5	86.5
	46-56 years	36	11.0	97.5
	above 56 years	8	2.4	100.0
	Total	326	99.7	
Missing	System	1	.3	
Total		**327**	**100.0**	

During the study, the ages of the respondents were classified into age ranges. Table 4 shows that majority of the respondents age ranged between 26-35 years with 34.9%, followed by 18-25 years with 26.9%. In addition, between 36-45 years were represented by 24.5%, 46-56 years represent 11.0% and above 56 is represented by 2.4%. Based on this research, most bankers are of the age 26-35.

Table 5

Level of Education

	Frequency	Percent	Cumulative Percent
Certificate	67	20.5	20.5
Diploma	97	29.7	50.2
Bachelor's degree	140	42.8	93.0
Master's degree	21	6.4	99.4
Doctorate	1	.3	99.7
Other specialization	1	.3	100.0
Total	**327**	**100.0**	

It was found out during the study that 20.5 % of the respondents had their highest level of education as certificate, 29.7% had diploma, 42.8% owned Bachelor's degree, 6.4% had master's degree 0.3% own doctorate degree and 0.3% have other specialization apart from one listed educational level. The study according to the respondents show that most people with bank accounts own bachelor's degree.

Table 6

Occupation

		Frequency	Percent	Cumulative Percent
	Civil servant	116	35.5	35.6
	Self-employed	63	19.3	54.9
	Private sector employee	68	20.8	75.8
	Banker	47	14.4	90.2
	Other	32	9.8	100.0
	Total	326	99.7	
Missing	System	1	.3	
Total		**327**	**100.0**	

The study also wanted to know the occupations of the respondents. From table 6, it was evident that 35.5% of the respondents were civil servants, 19.3 % are self-employed, 20.8% are engaged in private sector, 14.4% are bankers and other were 9.8% . This indicates that most people with bank accounts are civil servants.

Table 7

Bank Visited the Most

		Frequency	Percent	Cumulative Percent
	National Bank	124	37.9	41.9
	FMB	47	14.4	57.8
	FDH	60	18.3	78.0
	STD	65	19.9	100.0
	Total	296	90.5	
Missing	System	31	9.5	
Total		**327**	**100.0**	

Table 7 shows the most visited bank according to the respondents of the study in the city of Blantyre. The study revealed that revealed that 37.9% of the customers visit the national bank , 14.4% visit FMB, 18.3 % visit FDH, and 19.9% visit STD. The most visited bank according to the respondents is the national bank. National Bank today is the leading bank in Malawi. National Bank of Malawi is the largest commercial bank in Malawi in terms of asset base, as well as being the most efficient and profitable (NBM, 2017). On August 21st 2000, the bank was listed on the Malawi Stock Exchange with an over subscription of 3.4 times. It is currently one of the most liquid stock and key vibrant player on the Stock Exchange. It offers outstanding Service, product Innovation, sustainability and customer's orientation (NBM, 2017).

Banks' Practice of Customer Relationship Management

a. Customer orientation

b. Customer Knowledge Management

c. Knowledge management

d. Technology

The analysis presented in this section involve a modified Likert scale with a range of 1-4. To interpret the means presented in the tables, a table of interpretation was used. The table below shows the mean range and the interpretations

Mean range	Interpretation
1.00-1.49	Strongly Disagree
1.50-2.49	Disagree
2.50-3.49	Agree
3.50-4.00	Strongly Agree

Customer Orientation

As a way to manage and retain customers, customer orientation is very important. This study administered questionnaire at Blantyre city Malawi to find out how various banks practice customer retention in terms of orientation. Table 8 shows the findings of the analysis. Respondents agree that the banks offer future benefits to its customers with a mean rating of 3.10, also agreed with a mean rating of 2.95 that personnel of the bank understand their demands quickly, agreed that the personnel of the bank use an easy-to-understand language while giving service with a mean rating of 3.31. In addition, it was also evident during the study that respondents agreed that the bank contacts them and informs about new campaigns and products with a mean rating of 2.77 but disagreed that the banks valued their feedback with a mean rating of 2.42.

According to Dean (2007) customer orientation is complete when it incorporates both commitment to customer's needs and customer feedback. Banks ought to find means of having representatives representing customers when making decisions that concern them so that they get firsthand information from customers on

Table 8

Customer Orientation

	N	Minimum	Maximum	Mean	Std. Deviation
The bank offers future benefits to its customers	326	1	4	3.10	.912
The personnel of this bank understand my demands quickly and fulfil them immediately	327	1	4	2.95	.807
The personnel of this bank use an easy-to-understand language while giving service	326	1	4	3.31	.673
This bank contacts me and informs me about new campaigns and products	327	1	4	2.77	.969
The bank values my feedback	326	1	4	2.42	.985
The personnel of this bank are sincere, helpful and kind.	326	1	4	3.19	.749
The bank publishes bank statements which shows transparency	324	1	4	3.22	.831
Customer Orientation	**327**	**1.00**	**4.00**	**2.9936**	**.49388**

what they want. They also agreed that the personnel of the bank are sincere, helpful

and kind to them with a mean rating of 3.19 and also that bank publishes bank

statements which shows transparency with a mean rating of 3.22. In overall rating

customers agree that the banks portrays good customer orientation with a mean rating

of 2.994.

This shows that Malawian banks are customer centered, which is very important as it shows that banks acknowledge the fact that customers do not depend on the banks as they have variety of options while as the banks depend on the customers to survive (Robson 2010). The study therefore clearly points out that businesses can still do well in other business areas without being customer oriented however without being customer oriented there cannot be successful customer relationship management and retention.

Customer Knowledge Management

Table 9

Customer Knowledge Management

	N	Minimum	Maximum	Mean	Std. Deviation
At this bank customer information is collected regularly.	326	1	4	2.75	.886
The personnel of this bank have enough experience	327	1	4	3.22	.731
The products and services offered by this bank meet my needs.	326	1	4	3.13	.856
Customer information is confidential and never used for other purposes without customer consent	326	1	4	3.40	.656
Customers are involved in decision making	325	1	4	1.92	.887
Customer Knowledge Management	**327**	**1.00**	**4.00**	**2.7760**	**.46249**

Like customer orientation, customer knowledge management is also very important on customer retention. When asked whether the bank collect customer information regularly, respondents agreed with a mean rating of 2.75, they also agreed that personnel of their bank have enough experience (mean, 3.22), agreed that products and services offered by the bank meet their needs with a mean rating of 3.13, they also agreed that customer information is confidential and never used for other purposes without customer consent with a mean rating of 3.4. But respondents disagree that customers are involved in decision making. In overall rating, customers agreed that their banks possess good customer knowledge management. Customers who are involved in decision making develop the sense of belonging, they tend to feel valued as such will do anything to see their bank of choice excel on the market, Spenner & Freeman (2012).

Customer knowledge represents an important organizational asset that organizations should utilize and manage to gain a competitive advantage. A study demonstrated the value of managing customer knowledge effectively in order to achieve a higher performance. The empirical results indicated that organizations need to capture, share, acquire, and apply customer knowledge successfully in order to improve their service performance.

Customer Relationship Management Organization

Table 10 above shows customer relationship management organizations data analysis output. Form the table, it can be inferred that the respondents agreed that every employee of the bank is willing to help them with a mean rating of 3.06, they also agreed that the bank is cleat on its existence to serve them the mean rating is 3.17, in addition, they also agreed that the banks layout makes it possible for customers to access bank stuff with ease, and the mean rating was 3.25. However they

Table 10

Customer Relationship Management Organization

	N	Minimum	Maximum	Mean	Std. Deviation
Every employee of the bank is willing to help serve us	326	1	4	3.06	.763
The bank is clear on their existence to serve customers	327	1	4	3.17	.806
Bank layout makes it possible for customers to access bank staff with ease	327	1	4	3.25	.737
The bank cares to know customer welfare when they notice decrease in patronization	327	1	4	2.45	1.023
The bank appreciates loyalty with gifts	326	1	4	2.22	.955
Customer Relationship Management Organization	**327**	**1.00**	**4.00**	**2.8304**	**.52094**

disagreed with a mean rating of 2.45 that the bank cares to know the welfare when they notice decrease in patronization. This is because not many banks in Malawi take time to build relationships with their customers so that the customers feel important. But banking is about the experience that customers get when in a banking premise. Most banks only have suggestion boxes asking customers to give them feedback instead of engaging them to find out what they think the bank should do for them (Flow, 2016). Observation shows that not many people give suggestions so, it is one probably every week. Customers further disagreed that the bank appreciates loyalty with gifts with a mean rating of 2.22 which means that the banks do not appreciate

long term relationship with its customers. Malawian banks do not use gifts as a way of promoting loyalty. This despite being costly in the short run can be a very powerful customer motivating tool for loyalty. The customers also agreed in overall rating that the customer relationship management organization is good with a mean overall rating of 2.83.

Technology

Table 11

Technology

	N	Minimum	Maximum	Mean	Std. Deviation
The bank IT personnel are able to handle issues very fast	326	1	4	2.82	1.001
Bank is increasingly promoting use of online banking through mobile phones	326	1	4	3.26	.750
The bank has a lot of ATM machines for self service	325	1	4	3.20	.820
Banks website is user friendly	324	1	4	3.11	.873
Bank can easily be accessed from home on a mobile phone using online banking	325	1	4	3.22	.971
Technology	**326**	**1.00**	**4.00**	**3.1212**	**.53817**

Technology influence customer retention, the present study also wanted to find out the state and the knowledge of the technology among various banks at Blantyre city Malawi table 11 show the output of the analysis. Among 322 respondents who participated in the study, they agreed with a mean rating of 2.82 that

the bank IT personnel are able to handle issues very fast, they agreed again that bank is increasingly prompting use of online banking through mobile phones, the mean rating is 3.26, furthermore they agreed that banks have a lot of ATM machines for self service and also have a website that is user friendly with a mean rating of 3.20 and 3.11 in that order. In addition, they also agreed that banks can easily be accessed from home on mobile phone using online banking. In general rating, participants agree that banks are up to date in their technology with a mean rating of 3.12.

This means that Malawian banks are doing well as far as technology advancement is concerned. This is very important especially in today's age of technological revolution whereby drastic changes have been taken in the banking industry along with other industries of the economic system so that the customers of banking industry are running out searching for the fastest and efficient technological up gradation. This is mostly as a result of the homogenous products offered by banks and only customer service delivery differ between slow and fast. This is the main reason behind the stiff competition among banks (Rathi, 2016).

Customer Retention Intention

The current study also wanted to find out the extent at which customers intend to stay with the bank. Following an analysis, it was revealed that customers agree that they will encourage others to do banking in the banks with a mean rating of 3.22, furthermore agree that they are willing to give feedback to the bank for improvement if they need the mean rating is 3.4, in addition, they agreed that if they open other bank accounts, they will keep one with the current bank, mean rating 3.08. Participants agreed that even if the interest rates go up, they remain in their current bank (mean, 2.70), they also agreed that in as much as they queue in the bank hall for long, the banks remains their choice (mean 2.94). They also agreed that despite

Table 12

Intention of Customers to Stay in the Bank

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I will encourage others to do banking in this bank	326	1	4	3.22	.727
I am willing to give feedback to the bank for improvement if needed.	326	1	4	3.42	.747
Even if I open other bank accounts I will still keep one with this bank.	325	1	4	3.08	.884
Even if the interests rates go up I will remain in this bank	326	1	4	2.70	.916
Despite the long ques in the banking hall, this remains the bank of my choice	326	1	4	2.94	.933
Despite delayed Salary processing sometimes I will maintain my savings account with the bank.	323	1	4	3.05	.982
Customer Retention	**326**	**1.00**	**4.00**	**3.0679**	**.55766**

delayed salary processing, the banks they are banking on currently will remain their

bank of choice. In overall rating, customers agreed that their banks have a good

customer retention with a mean score of 3.07.

These results agree with those of Bain and company (2012) which revealed

that customer retention comes with product or service satisfaction. Only a customer

whose needs are met will continue to purchase a banks products and enjoy its services

for a long time and further recommend the bank to their family and friends and finally

offer the bank with suggestions and ideas about product and service offering. Another study by Buell, Campbell and Frei (2016) found out that customers defect at a higher rate from the incumbent following increased service quality price competition only when the incumbent offers low quality service relative to existing competitors in a local market.

The study further provides evidence that these results are due to a sorting effect, whereby firms trade-off service quality and price, and in turn, the incumbent attracts service price sensitive customers in markets where it has supplied relatively low levels of service quality in the past. This shows that it is the high quality incumbent's most profitable customers who are the most attracted by superior quality alternatives. These results appear to have long-run implications whereby sustaining a high level of service quality is associated with the incumbent attracting and retaining more profitable customers over time.

Relationship between Customer Relationship Management and Customer Retention

Table 13

Correlations

		Customer Orientation	Customer Knowledge Management	Customer Relationship Management Organization	Technology
Customer Retention	Pearson Correlation	.416**	.483**	.453**	.485**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	326	326	326	326

**. Correlation is significant at the 0.01 level (2-tailed).

Table 13 shows the correlation analysis output. It's evident from the table that there was a significant positive relationship between customer retention and customer Orientation (r=0.46), customer retention and customer knowledge management (r=0.483), customer retention and customer relationship management (r=0.453), and customer retention and technology (r=0.485). Therefore the study results show that the more technologically advanced a bank is, the more customer oriented it is, the better the CRM organization and customer knowledge management the greater the number of customers retained.

For any bank to improve on customer retention, the entire organization must work together in delivering the best customer service also the organization must ensure to have a layout that is accommodative and conducive for customers, on customer orientation the organization must center all its activities around the customer and manage customers information in the best manner possible so that this information helps the banks to know their customers batter. Lastly the banks need to move with change in terms of technology advancement, for example how user friendly is the banks website and can the bank be accessed by customers from home? According to Sin et al (2005) customer retention comes when all these variables work together in harmony.

Predictors of Customer Retention

A regression analysis was conducted so that the best predictor of the customer retention could be known, in reference to the output of the analysis in table 12, it's evident the 23.3% of the on technology best predicts customer retention, 7.9% of the data on customer knowledge management predicts customer retention, 2.9% of the customer relationship management organization predicts customer retention and 0.9 % of the customer orientation predicts customer retention. Therefore, the best

Table 14

Regression Model Summary Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485[a]	.235	.233	.48847
2	.562[b]	.316	.312	.46253
3	.589[c]	.347	.341	.45278
4	.598[d]	.358	.350	.44954

 a. Predictors: (Constant), Technology

 b. Predictors: (Constant), Technology, Customer Knowledge Management

 c. Predictors: (Constant), Technology, Customer Knowledge Management, Customer Relationship Management Organization

 d. Predictors: (Constant), Technology, Customer Knowledge Management, Customer Relationship Management Organization, Customer Orientation

predictor of the customer retention is technology. As the technology of the bank increases, customer retention also increases.

According to David and Wendy (2009) technology has to a great level assisted employees in all points to serve customers better, which indicates that without technology many customer centric programs would be impossible. Customers do not want to spend too much time in the bank queuing, at the same time customers would like to have unlimited access to their money be it when in foreign countries or in the interior remote areas in Malawi hence any bank that offers electronic- banking (E-banking), plastic money (VISA cards) or mobile banking facilities will automatically attract and retain more customers because of its convenience (Ramey, 2012). According to Lombard (2011) a close relationship with customers requires a strong coordination between information technology (IT) and marketing departments to

provide a long-term retention of selected customers. This therefore means that technology on its own does not improve CRM nor customer retention.

Table 15

ANOVA Output

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.763	1	23.763	99.593	.000[b]
	Residual	77.307	324	.239		
	Total	101.071	325			
2	Regression	31.969	2	15.985	74.716	.000[c]
	Residual	69.101	323	.214		
	Total	101.071	325			
3	Regression	35.058	3	11.686	57.002	.000[d]
	Residual	66.013	322	.205		
	Total	101.071	325			
4	Regression	36.202	4	9.050	44.785	.000[e]
	Residual	64.869	321	.202		
	Total	**101.071**	**325**			

a. Dependent Variable: Customer Retention

b. Predictors: (Constant), Technology

c. Predictors: (Constant), Technology, Customer Knowledge Management

d. Predictors: (Constant), Technology, Customer Knowledge Management, Customer Relationship Management Organization

e. Predictors: (Constant), Technology, Customer Knowledge Management, Customer Relationship Management Organization, Customer Orientation

The model fits well to the predictors because as shown in table 15, customer retention (F=99.593 and p=0.00), technology, (F=74.72, p=0.00), customer knowledge management (F=57.002 p=0.00), customer relationship management

(F=44.785, p=0.00) all the four independent variables fits for the model since the p

value is below 0.05 the critical alpha set for the present study.

Table 16 shows the regression coefficient table. From the table a regression

equation that can be used to predict the values of the independent variables from the

present values of the dependent variable.

Table 16

Regression Coefficient Model

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.500	.159		9.405	.000
	Technology	.502	.050	.485	9.980	.000
2	(Constant)	.918	.178		5.160	.000
	Technology	.341	.054	.329	6.273	.000
	Customer Knowledge Management	.391	.063	.325	6.193	.000
3	(Constant)	.721	.181		3.976	.000
	Technology	.282	.055	.272	5.096	.000
	Customer Knowledge Management	.301	.066	.250	4.550	.000
	Customer Relationship Management Organization	.223	.058	.209	3.882	.000
4	(Constant)	.572	.191		3.002	.003
	Technology	.275	.055	.265	4.995	.000
	Customer Knowledge Management	.242	.070	.201	3.454	.001
	Customer Relationship Management Organization	.184	.060	.172	3.091	.002
	Customer Orientation	.149	.063	.132	2.379	.018

a. Dependent Variable: Customer Retention

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND

RECOMMENDATIONS

Summary of the Study

The present study was about an assessment of the influence of customer relationship management on customer retention in the banking sector in Blantyre city Malawi. The researcher was concerned with closure of reputable banks due to low customer base and wanted to find out why respondents patronize one bank more than another. The study wanted to find out the extent to which banks practiced customer relationship management in the following areas: Customer focus, CRM organization, Knowledge management, Technology.

Secondly to what extent customers intended to stay with the bank? Thirdly was to establish if there was a significant relationship between customer relationship management and customer retention in banks and finally to determine the dimensions of customer relationship management (customer orientation, CRM organizational, knowledge management and technology) that best predicts customer retention.

The study employed descriptive correlational study design in which 327 bank customers were purposively selected to participate in the study. Data was analyzed using descriptive statistics, correlation and regression so as to find solutions to the problems expressed in question.

Summary of Findings

1. As per research question number one of what extent banks practice CRM the respondents evaluated that banks portray good customer orientation, possess good customer knowledge management, the customer relationship

management organization is good, and the banks are up to date in their technology.

2. The second research question wanted to establish to what extent customers were willing to stay with a bank they visited the most. The responses of the customers show that customers do not stop patronizing a bank because of high interest rates and delayed salary processing.

3. The third research question wanted to establish whether or not there was a significant relationship between CRM and retention. The study therefore found out that there is a significant positive relationship between customer retention and customer orientation (r=0.46), customer retention and customer knowledge management (r=0.483), customer retention and customer relationship management (r=0.453), and customer retention and technology (r=.485).

4. Finally the study sought to identify which of the dimensions of CRM best predicted customer retention. The study found out that technology according to the respondents is a better predictor accounting for 23.3% of the variance in customer retention.

Conclusions

The following conclusions are drawn from the findings:

1. There is good customer orientation, customer knowledge management, customer relationship management among the banks in Blantyre city. The study shows that banks have adopted good bank technologies that enable them retain customers.

2. The customers intend to stay with the banks in Blantyre city, Malawi

3. There is a significant relationship between CRM and customer retention in a way that banks that practice good customer orientation, customer knowledge management, and customer relationship management organization and have good technology retain customers.

4. The better predictor of the customer retention is technology advancement of the bank.

Recommendations

Based on the findings and conclusions of this study, the researcher recommends that:

1. Banks value customer feedback. This is because respondents disagreed with mean of 2.42 that banks valued their feedback.

2. Banks have adequate customer representation when making decisions that concern them since customers disagreed with mean of 1.92 that banks involve customers in decision making,

3. Banks keep a follow up on their customers all the time as customers appreciate. Customers disagreed with a mean of 2.45 that banks cared to know their welfare when there is decrease in a bank patronization.

4. Banks consider appreciating loyal customers with gifts as this can motivate customers to continue enjoying the products and services offered by a bank. This is because respondents disagreed with a mean of 2.22 that banks appreciated loyalty with gifts.

Recommendations for Further Study

1. This study only looked at the dimensions of CRM as factors that affect customer retention. A study can further be done to assess other factors responsible for customer retention such as environmental factors.

2. Also another study should be done to assess National Bank of Malawi customer retention practices because the study shows that it retains customers better than the other banks which were selected for study.

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APPENDICES

APPENDIX A: QUESTIONNAIRE

I am an MBA student at the University of Eastern Africa, Baraton, Kenya, majoring in Business Administration, Marketing. The study is being conducted to assess customer relationship management on customer retention in selected banks of Blantyre city, Malawi. Kindly assist by responding to the questionnaire so that the study becomes a success. The information you give will be treated with utmost care and confidentiality and used purely for academic purpose. Thank you for your precious time and honest response.

Serah Banda

Section A: Demographic qualities of the participants

Instruction: please tick or fill in as appropriate about you.
1. Gender
    i.   Male ( )   ii.   Female ( )
2. What is your age?
    i.   18-25 ( ) ii.   26-35 ( ) iii. 36-45 ( ) iv. 46-56 ( ) v. above 56 ( )
3. What is your highest educational level?
    i.   Certificate ( )
    ii.   Diploma   ( )
    iii. Bachelor's degree ( )
    iv.   Master's degree ( )
    v.   Doctorate ( )
    vi.   Other specialization _____
4. Occupation?
    i.   Civil Servant ( )
    ii.   Self-employed ( )
    iii. Private Sector employee ( )
    iv.   Banker ( )
    v.   Other   specify
          _____
5. Which of the following institutions do you bank with?
          i. National Bank ( ) ii. Standard Bank ( ) iii. New Building Society ( )
          iv. FDH ( )
6. If you ticked more than one bank, which of the following banks do you visit the most?

i. National Bank ( ) ii. Standard Bank ( ) iii. New Building Society ( )
iv. FDH ( )

Section B: Customer Orientation

Circle the number that corresponds to the extent of your agreement or disagreement to

the statements below using the following scale: 4 – Agree   3 – Tend to agree

2 – Tend to disagree   1 – Disagree

Customer view to assess if the bank is customer oriented		A	TA	TD	D
1	The bank offers future benefits to its customers	4	3	2	1
2	The personnel of this bank understand my demands quickly and fulfil them immediately	4	3	2	1
3	The personnel of this bank use an easy-to-understand language while giving service	4	3	2	1
4	This bank contacts me and informs me about new campaigns and products	4	3	2	1
5	The bank values my feedback	4	3	2	1
6	The personnel of this bank are sincere, helpful and kind.	4	3	2	1
7	The bank publishes bank statements which shows transparency	4	3	2	1

Section C: customer knowledge Management

Customer view on how information management		A	TA	TD	D
1	At this bank customer information is collected regularly.	4	3	2	1
2	The personnel of this bank have enough experience	4	3	2	1
3	The products and services offered by this bank meet my needs.	4	3	2	1
4	Customer information is confidential and never used for other purposes without customer consent	4	3	2	1
5	Customers are involved in decision making	4	3	2	1
6	The bank apologizes for any inconveniences caused and advises before time	4	3	2	1

Section D: CRM Organization

	Customer view on the presence of CRM policy	A	TA	TD	D
1	Every employee of the bank is willing to help serve us	4	3	2	1
2	The bank is clear on their existence to serve customers	4	3	2	1
3	Bank layout makes it possible for customers to access bank staff with ease	4	3	2	1
4	The bank cares to know customer welfare when they notice decrease in patronization	4	3	2	1
5	The bank appreciates loyalty with gifts	4	3	2	1

Section E: Technology

	Customers view on technology	A	TA	TD	D
1	The bank IT personnel are able to handle issues very fast	4	3	2	1
2	Bank is increasingly promoting use of online banking through mobile phones	4	3	2	1
3	The bank has a lot of ATM machines for self service	4	3	2	1
4	Banks website is user friendly	4	3	2	1
5	Bank can easily be accessed from home on a mobile phone using online banking	4	3	2	1

Section F: Customer Retention

	Measuring a customer's intention to stay with a bank	A	TA	TD	D
1	I will remain in this bank under any circumstances	4	3	2	1
2	I will encourage others to do banking in this bank	4	3	2	1
3	I am willing to give feedback to the bank for improvement if needed.	4	3	2	1
4	Even if I open other bank accounts I will still keep one with this bank.	4	3	2	1
5	Even if the interests rates go up I will remain in this bank	4	3	2	1
6	Despite the long ques in the banking hall, this remains the bank of my choice	4	3	2	1
7	Despite delayed Salary processing sometimes I will maintain my savings account with the bank.	4	3	2	1

APPENDIX B: Ethical Clearance Letter

OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON

P. O. Box 2500-30100, Eldoret, Kenya, East Africa

May 8, 2017

Serah Banda
University of Eastern Africa, Baraton
School of Business

Dear Serah,

Re: ETHICS CLEARANCE FOR RESEARCH PROPOSAL (REC: UEAB/8/5/2017)

Your research proposal entitled *"An Assessment of the Influence of Customer Relationship Management on Customer Retention in the Banking Sector in Blantyre, City Malawi"* was discussed by the Research Ethics Committee (REC) of the University and your request for ethics clearance was granted approval.

This approval is for one year effective May 8, 2017 until May 8, 2018. For any extension beyond this time period, you will need to apply to this committee one month prior to expiry date. Note that you will need a clearance from the study site before you start gathering your data.

We wish you success in your research.

Sincerely yours,

Dr. Jackie K. Obey
Chairperson, Research Ethics Committee

A SEVENTH-DAY ADVENTIST INSTITUTION OF HIGHER LEARNING
CHARTERED 1991

Appendix C: Data Collection Letters

OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

26 April 2017

THE HUMAN RESOURCE MANAGER
Blantyre Secondary School
P. O. Box 16732
Blantyre, Malawi

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Serah Banda is a graduate student pursuing the degree **Master of Business Administration (Marketing)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *An assessment of customer relationship management on customer retention in the banking sector in Blantyre City, Malawi.*

Kindly allow her to administer her questionnaires to selected employees in your institution. She will gather her research data within the months of April and May 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,

Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
      Office File

DIRECTOR
26 APR 2017
Graduate Studies

OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

26 April 2017

THE HUMAN RESOURCE MANAGER
Lunzu Secondary School
Private Bag 130
Blantyre, Malawi

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Serah Banda is a graduate student pursuing the degree **Master of Business Administration (Marketing)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *An assessment of customer relationship management on customer retention in the banking sector in Blantyre City, Malawi.*

Kindly allow her to administer her questionnaires to selected employees in your institution. She will gather her research data within the months of April and May 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,

Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
       Office File

OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON

P. O. Box 2500, Eldoret, Kenya

26 April 2017

THE HUMAN RESOURCE MANAGER
Blantyre Immigration Office
P. O. Box 44
Blantyre, Malawi

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Serah Banda is a graduate student pursuing the degree **Master of Business Administration (Marketing)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *An assessment of customer relationship management on customer retention in the banking sector in Blantyre City, Malawi.*

Kindly allow her to administer her questionnaires to selected employees in your institution. She will gather her research data within the months of April and May 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,

Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
         Office File

DIRECTOR
2 6 APR 2017
Graduate Studies

OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON

P. O. Box 2500, Eldoret, Kenva

26 April 2017

THE HUMAN RESOURCE MANAGER
Blantyre District of Agriculture Office
P. O. Box 32
Blantyre, Malawi

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Serah Banda is a graduate student pursuing the degree **Master of Business Administration (Marketing)** at the University of Eastern Africa, Baraton. She is currently writing her thesis entitled *An assessment of customer relationship management on customer retention in the banking sector in Blantyre City, Malawi.*

Kindly allow her to administer her questionnaires to selected employees in your institution. She will gather her research data within the months of April and May 2017.

Any assistance you will grant her will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,

Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
        Office File

Reliability (Customer Orientation)

Case Processing Summary

		N	%
Cases	Valid	27	96.4
	Excluded[a]	1	3.6
	Total	28	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.795	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The bank offers future benefits to its customers	17.8519	17.208	.604	.753
The personnel of this bank understand my demands quickly and fulfil them immediately	17.9259	17.764	.709	.740
The personnel of this bank use an easy-to-understand language while giving service	17.6296	19.396	.453	.781
This bank contacts me and informs me about new campaigns and products	18.0370	22.191	.049	.849
The bank values my feedback	18.1111	16.718	.597	.754
The personnel of this bank are sincere, helpful and kind.	17.6667	16.462	.773	.721
The bank publishes bank statements which shows transparency	17.8889	16.564	.594	.755

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
20.8519	23.746	4.87303	7

Reliability (Customer Knowledge Management)

Case Processing Summary

		N	%
	Valid	28	100.0
Cases	Excluded^a	0	.0
	Total	28	100.0

a. Listwise deletion based on all variables in the

procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.742	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
At this bank customer information is collected regularly.	14.5714	10.698	.226	.772
The personnel of this bank have enough experience	13.9643	8.999	.513	.696
The products and services offered by this bank meet my needs.	13.9643	8.776	.642	.661
Customer information is confidential and never used for other purposes without customer consent	13.7500	9.157	.658	.664
Customers are involved in decision making	14.7500	9.602	.367	.740
The bank apologizes for any inconveniences caused and advises before time	14.1786	8.745	.538	.688

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
17.0357	12.776	3.57442	6

Reliability (CRM Organization)

Case Processing Summary

		N	%
Cases	Valid	28	100.0
	Excluded[a]	0	.0
	Total	28	100.0

a. Listwise deletion based on all variables in the

procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.674	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Every employee of the bank is willing to help serve us	11.9643	5.813	.557	.561
The bank is clear on their existence to serve customers	11.7500	6.713	.487	.605
Bank layout makes it possible for customers to access bank staff with ease	11.7143	7.545	.223	.701
The bank cares to know customer welfare when they notice decrease in patronization	12.2143	5.582	.506	.585
The bank appreciates loyalty with gifts	12.5000	6.259	.393	.641

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.0357	9.221	3.03659	5

Reliability (Technology)

Case Processing Summary

		N	%
Cases	Valid	27	96.4
	Excluded[a]	1	3.6
	Total	28	100.0

a. Listwise deletion based on all variables in the
procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.811	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The bank IT personnel are able to handle issues very fast	13.0741	7.764	.515	.798
Bank is increasingly promoting use of online banking through mobile phones	12.5185	7.644	.578	.782
The bank has a lot of ATM machines for self service	12.8148	6.080	.715	.735
Banks website is user friendly	12.8889	7.256	.459	.822
Bank can easily be accessed from home on a mobile phone using online banking	12.7037	6.832	.785	.723

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
16.0000	10.615	3.25813	5

Reliability (Customer Retention)

Case Processing Summary

		N	%
Cases	Valid	27	96.4
	Excluded[a]	1	3.6
	Total	28	100.0

a. Listwise deletion based on all variables in the

procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.829	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I will encourage others to do banking in this bank	14.7778	11.949	.684	.784
I am willing to give feedback to the bank for improvement if needed.	14.3704	13.473	.492	.821
Even if I open other bank accounts I will still keep one with this bank.	14.6667	12.000	.711	.780
Even if the interests rates go up I will remain in this bank	15.1852	12.926	.559	.809
Despite the long ques in the banking hall, this remains the bank of my choice	14.8519	11.054	.725	.772
Despite delayed Salary processing sometimes I will maintain my savings account with the bank.	15.2222	11.872	.479	.836

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
17.8148	17.003	4.12345	6

Demographic Profile of Respondents

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	194	59.3	59.3	59.3
Valid	Female	133	40.7	40.7	100.0
	Total	327	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
	18-25 years	88	26.9	27.0	27.0
	26-35 years	114	34.9	35.0	62.0
	36-45 years	80	24.5	24.5	86.5
Valid	46-56 years	36	11.0	11.0	97.5
	above 56 years	8	2.4	2.5	100.0
	Total	326	99.7	100.0	
Missing	System	1	.3		
Total		327	100.0		

Highest educational level

		Frequency	Percent	Valid Percent	Cumulative Percent
	Certificate	67	20.5	20.5	20.5
	Diploma	97	29.7	29.7	50.2
	Bachelor's degree	140	42.8	42.8	93.0
Valid	Master's degree	21	6.4	6.4	99.4
	Doctorate	1	.3	.3	99.7
	Other specialization	1	.3	.3	100.0
	Total	327	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Civil servant	116	35.5	35.6	35.6
	Self-employed	63	19.3	19.3	54.9
	Private sector employee	68	20.8	20.9	75.8
	Banker	47	14.4	14.4	90.2
	Other	32	9.8	9.8	100.0
	Total	326	99.7	100.0	
Missing	System	1	.3		
Total		327	100.0		

Bank visited the most

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	National Bank	124	37.9	41.9	41.9
	FMB	47	14.4	15.9	57.8
	FDH	60	18.3	20.3	78.0
	STD	65	19.9	22.0	100.0
	Total	296	90.5	100.0	
Missing	System	31	9.5		
Total		327	100.0		

Research question 1. To what extent do banks practice customer relationship management in the following areas:

     a. Customer orientation

     b. Customer Knowledge Management

     c. Knowledge management

     d. Technology

Customer Orientation

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The bank offers future benefits to its customers	326	1	4	3.10	.912
The personnel of this bank understand my demands quickly and fulfil them immediately	327	1	4	2.95	.807
The personnel of this bank use an easy-to-understand language while giving service	326	1	4	3.31	.673
This bank contacts me and informs me about new campaigns and products	327	1	4	2.77	.969
The bank values my feedback	326	1	4	2.42	.985
The personnel of this bank are sincere, helpful and kind.	326	1	4	3.19	.749
The bank publishes bank statements which shows transparency	324	1	4	3.22	.831
Customer Orientation	**327**	**1.00**	**4.00**	**2.9936**	**.49388**
Valid N (listwise)	322				

Customer Knowledge Management

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
At this bank customer information is collected regularly.	326	1	4	2.75	.886
The personnel of this bank have enough experience	327	1	4	3.22	.731
The products and services offered by this bank meet my needs.	326	1	4	3.13	.856
Customer information is confidential and never used for other purposes without customer consent	326	1	4	3.40	.656
Customers are involved in decision making	325	1	4	1.92	.887
Customer Knowledge Management	**327**	**1.00**	**4.00**	**2.7760**	**.46249**
Valid N (listwise)	323				

Customer Relationship Management Organization

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Every employee of the bank is willing to help serve us	326	1	4	3.06	.763
The bank is clear on their existence to serve customers	327	1	4	3.17	.806
Bank layout makes it possible for customers to access bank staff with ease	327	1	4	3.25	.737
The bank cares to know customer welfare when they notice decrease in patronization	327	1	4	2.45	1.023
The bank appreciates loyalty with gifts	326	1	4	2.22	.955
Customer Relationship Management Organization	327	1.00	4.00	2.8304	.52094
Valid N (listwise)	325				

Technology

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The bank IT personnel are able to handle issues very fast	326	1	4	2.82	1.001
Bank is increasingly promoting use of online banking through mobile phones	326	1	4	3.26	.750
The bank has a lot of ATM machines for self service	325	1	4	3.20	.820
Banks website is user friendly	324	1	4	3.11	.873
Bank can easily be accessed from home on a mobile phone using online banking	325	1	4	3.22	.971
Technology	**326**	**1.00**	**4.00**	**3.1212**	**.53817**
Valid N (listwise)	322				

Research question 2. To what extent do customers intend to stay with the bank?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I will encourage others to do banking in this bank	326	1	4	3.22	.727
I am willing to give feedback to the bank for improvement if needed.	326	1	4	3.42	.747
Even if I open other bank accounts I will still keep one with this bank.	325	1	4	3.08	.884
Even if the interests rates go up I will remain in this bank	326	1	4	2.70	.916
Despite the long ques in the banking hall, this remains the bank of my choice	326	1	4	2.94	.933
Despite delayed Salary processing sometimes I will maintain my savings account with the bank.	323	1	4	3.05	.982
Customer Retention	**326**	**1.00**	**4.00**	**3.0679**	**.55766**
Valid N (listwise)	322				

Research question 3. Is there a significant relationship between customer

relationship management and customer retention in banks in Blantyre city, Malawi?

Correlations

		Customer Orientation	Customer Knowledge Management	Customer Relationship Management Organization	Technology
Customer Retention	Pearson Correlation	.416[**]	.483[**]	.453[**]	.485[**]
	Sig. (2-tailed)	.000	.000	.000	.000
	N	326	326	326	326

**. Correlation is significant at the 0.01 level (2-tailed).

Research question 4. What dimensions of customer relationship management

(customer orientation, CRM organizational, knowledge management and technology)

best predict customer retention in Blantyre city, Malawi?

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485[a]	.235	.233	.48847
2	.562[b]	.316	.312	.46253
3	.589[c]	.347	.341	.45278
4	.598[d]	.358	.350	.44954

a. Predictors: (Constant), Technology

b. Predictors: (Constant), Technology, Customer Knowledge Management

c. Predictors: (Constant), Technology, Customer Knowledge Management,

Customer Relationship Management Organization

d. Predictors: (Constant), Technology, Customer Knowledge Management,

Customer Relationship Management Organization, Customer Orientation

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.763	1	23.763	99.593	.000[b]
	Residual	77.307	324	.239		
	Total	101.071	325			
2	Regression	31.969	2	15.985	74.716	.000[c]
	Residual	69.101	323	.214		
	Total	101.071	325			
3	Regression	35.058	3	11.686	57.002	.000[d]
	Residual	66.013	322	.205		
	Total	101.071	325			
4	Regression	36.202	4	9.050	44.785	.000[e]
	Residual	64.869	321	.202		
	Total	101.071	325			

a. Dependent Variable: Customer Retention
b. Predictors: (Constant), Technology
c. Predictors: (Constant), Technology, Customer Knowledge Management
d. Predictors: (Constant), Technology, Customer Knowledge Management, Customer Relationship
Management Organization
e. Predictors: (Constant), Technology, Customer Knowledge Management, Customer Relationship
Management Organization, Customer Orientation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.500	.159		9.405	.000
	Technology	.502	.050	.485	9.980	.000
2	(Constant)	.918	.178		5.160	.000
	Technology	.341	.054	.329	6.273	.000
	Customer Knowledge Management	.391	.063	.325	6.193	.000
3	(Constant)	.721	.181		3.976	.000
	Technology	.282	.055	.272	5.096	.000
	Customer Knowledge Management	.301	.066	.250	4.550	.000
	Customer Relationship Management Organization	.223	.058	.209	3.882	.000
4	(Constant)	.572	.191		3.002	.003
	Technology	.275	.055	.265	4.995	.000
	Customer Knowledge Management	.242	.070	.201	3.454	.001
	Customer Relationship Management Organization	.184	.060	.172	3.091	.002
	Customer Orientation	.149	.063	.132	2.379	.018

a. Dependent Variable: Customer Retention

Appendix E: Curriculum Vitae

PERSONAL INFORMATION

Name: Serah Banda

Address: CADECO Box 1884 Blantyre, Malawi

Mobile: +254706137827

Email: bandaserah22@gmail.com

LinkedIn profile: Serah Banda

Driver's License: B

PROFILE

I am an enterprising young professional intending to continue my development as a marketer. I think in terms of results and objectives, I am enthusiastic, and I work with decisiveness and conviction. I have a proactive attitude and find positive ways to stimulate and engage with people.

EDUCATION

2016-2017   Master of Business Administration Marketing

University of East Africa, Baraton Kenya

- Relevant Courses: Consumer behavior, Global marketing, Management information systems, Managerial economics and Ethics
- Thesis: Assessment of customer relationship management on customer retention
- Average grade: 3.6/4.0

2014-2015   Diploma in Project Management

The University of Malawi, Polytechnic

2010-2014   Bachelor of Business Administration Management

University of East Africa Baraton, Kenya

- Relevant Courses: Business Management, Money and banking, Marketing management, Statistics, Organization behavior
- Thesis: Impact of market liberalization on survival of domestic industries in Malawi
- Average grade: 3.4/4.0

2007-2009   Advanced Diploma in Clearing, Shipping and Forwarding Practices

Blantyre Business College

- Research: Assessment of import and export practices at Songwe boarder Malawi

2008-2009   Certificate of high school completion (MSCE)

2004-2005   Certificate of junior high school completion (JCE)

PROFESSIONAL INFORMATION

2016-2017   Intern at Carlsberg Malawi

- Digital marketing (graphic designs and online promotions)
- Events management (implementing promotion projects i.e. # what's my name)
- Public relations officer (handle all communication and queries for marketing department)

2015-2016   IndeBank of Malawi

- Forex officer (forex conversions, electronic funds transfer, cash passport processing)
- Bank Clerk (Teller: handling deposits and withdraws, thorough check of money to ensure its clean avoiding money laundering, enquiries: opening accounts and handling customer queries and selling bank products and services)

2014-2015   New Finance Bank of Malawi

- First pioneers of the bank
- Money laundering officer (responsible for ensuring that employees are trained and able to notice any acts of money laundering)
- Bank Clerk (handling deposits and withdraws, opening accounts and selling bank products and services)

2013-2014   IndeBank of Malawi

- Sales Executive (job involved bringing awareness to the general public about the banks products and services offered).

2013   Parents of Disabled Children Association of Malawi (PODCAM)

- Project Officer (handled budgets for planned projects, responsible for events planning, minute taking, distribution of items to physically challenged persons)

- Proposal and report writing

EXTRACURRICULAR ACTIVITIES

2012-2013   Interrelations Officer for student's representative council (SRC)

- Connected Baraton with the business world (companies started to recruit graduates from Baraton)
- Exposed students to the reality of the outside world by organizing field trips to inspire and motivate students in deciding for a career choice
- Organized social trips (sports with other schools, quiz competition and lake trips)

2008 -2009   Head of girls (high school)

- Started a club called Girl Voice, to empower girls mentally and academically (girls started to perform better than boys)
- Connected ladies with high profile women as a means of motivating and inspiring them to work hard in school

SKILLS

- Trainings completed: Money laundering, Management Information systems and sign language
- Languages: English (good spoken and written command), French (basics), Kiswahili (good spoken)
- Software: SPSS, Microsoft Word, Excel, PowerPoint and publisher

INTERESTS AND ADDITIONAL INFORMATION

- Travel: I like to travel and interact with diverse people, learn their cultures
- Reading: business magazines,
- Tailoring and Designing: clothing and decorative materials

REFERENCES

Mrs. P. Munthali

INDEBANK

P.O. Box 358

Blantyre

Cell: +265 (0) 995696959

Email: pkmunthali@indebank.com

Twikale Chirwa

Carlsberg Malawi

P.O. Box 495

Blantyre

Cell: +265 (0) 999944435

Annabel Richards

New Finance Bank

Private bag 6

Lilongwe

Cell: +265 (0)888636605