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An Empirical Investigation of Customer Relationship Management on Marketing Performance and Competitiveness

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ABSTRACT:

Customer Relationship Management (CRM) has been widely regarded as an effective approach to develop and to retain customers and to maintain high level of satisfaction and loyalty. As organizations have shifted from product focus to customer focus, managers have focused on the importance to manage relationships with customers effectively. Focusing on customer centricity approach, managers are able to respond successfully by creating value for their customers. This study examines the effects of CRM implementation on firms marketing performance and competitiveness. The Study is presented in light of the resource-based view of the firm. Based on Handen (2000) five dimensions (strategy, organization, technology, segmentation, process) for effective implementation for CRM strategy, the study considers these dimensions as organizational resources to investigates their effects on firms marketing performance and their competitiveness. First, the study starts with an introduction and a theoretical background for prior researches related to the subject matter. Then, the research hypotheses and methodology are presented. Finally, research discussion and data analysis are illustrated to conclude the study findings. The study is a descriptive-survey research. The descriptive part was to collect data related to theoretical background and literature review about the topic. The survey method was used to accept or not accept the hypotheses of the study. A questionnaire was used to test and analyze the research hypotheses. The statistical population consists of a sample of 226 banks drawn randomly and collected data were subjected to correlation and regression analysis in pursuance of the study's stated objectives. The results indicate that there are positive relationships between CRM implementation and banks marketing performance and competitiveness.

KEYWORDS: Customer relationship management, Competitiveness, Marketing performance

INTRODUCTION:

Managing successful relationships with customers is considered as one of the most important sources for firms to operate effectively. Kale (2004) argues that developing and maintaining customer relationships is indispensable for competitiveness. Formulating and implementing successful CRM strategies can also create valuable marketing opportunities, increase customer value and improve customer satisfaction when proceeding business excellence (Lin& Su, 2003).As customers are the lifeblood of any organization, understanding their needs and wants help and enable organization to satisfy and gain customers loyalty and retention. Firms establish CRM strategy to maintain excellent and closer customer relationships and further to sustain these relationships by creating customers long term loyalty. It is common sense that serving customers better than competitors could create great opportunities for companies to increase their market share, achieve better marketing objectives, and establishing long term loyalty. These outcomes are quite necessary for firm's profitability. CRM has the potential for achieving these goals. CRM is based on the principles of relationship marketing which is considered as one of the key development areas of modern marketing and one which has produced great research interest (Sheth et al, 2000). Boulding et al (2005) opine that CRM is the result of the continuous development and combination of new marketing ideas and data, technologies, and organizational approaches. Toyese (2014) articulates that CRM has its roots from relationship marketing focusing on improving customer's long term profitability by switching from product-centric marketing to customer-centric marketing. However, despite the large amount of resources invested in CRM implementation, results have showed to prove minor success or even disastrous (Reinartz et al., 2004). In fact, some research has found that approximately 70 percent of firms that invested in CRM projects practiced no improvement or even drops in their performance (Gartner Group, 2003; Gartner Research, 2008). Despite these findings, some empirical research has concentrated on CRM strategy and its results. They test the causal relationship between actual CRM implementation and customer satisfaction, customer loyalty, and company performance (e.g. Kamakura et al., 2002; Reinartz et al., 2004; Stein and Smith, 2009; Verhoef, 2003).

This study adopts Handen Five dimensions of CRM and handles them as resources that enable firms to achieve their goals. The study also adopts Payne and Frow (2006) CRM Strategy and Implementation Model parallel with Handen (2000) five dimensions and highlights how this model could supplements and reinforces the Handen (2000) CRM five dimensions. The study identifies the similarities between them. The goal of this study is to examine the effects of implementing CRM Handen five dimensions in the banking sector in Egypt on banks marketing performance and

competitiveness. The remainder of this paper begins with a background literature about CRM strategy, then describes the study and presents its results. Finally, it concludes its managerial implications and future research suggestions.

BACKGROUND LITERATURE:

Customer relationship management has become a significant capability to assist organizations to create and manage close customer relationships. Payne and Frow (2006) opine that "the purpose of CRM is to efficiently and effectively increase the acquisition and retention of profitable customers by selectively initiating, building and maintaining appropriate relationships with them". Firms have realized the importance to become customer-centric due to the increased competition. Accordingly, implementing CRM strategy has become vital for firms success through increased customer satisfaction and loyalty. Kim et al (2012) opine that acquiring and retaining customers whose lifetime value to the firm is advantageous gives a company the opportunity to attain its goals. However, the understanding of CRM is still evolving and growing. According to Light (2001) CRM developed from business processes such as relationship marketing and the great assurance of increasing customer retention through the effective management of customer relationships (Zadeh et al, 2012). Sandoe et al, (2001) claim that advances in database technologies such as data warehousing and data mining are critical to the functionality and effectiveness of CRM strategy. Zablah (2004) argued that since there are many perspectives related to CRM concept, writers have not reached an agreement on the concept. Toe et al (2006) articulate that firms approach CRM differently; some view it as a technology tool while others may view it as a fundamental part of the business. Ryals and Payne (2001) argue that CRM is more commonly used in the context of technology solutions and has been characterized as "information enabled relationship marketing. Hsieh (2009) states that as a technology, CRM enables firms to foster closer relationships with their customers. Srivastava et al (1999) articulate that CRM as a business process was viewed as a macro-level (i.e. highly aggregated) process that includes numerous sub-processes, such as prospect identification and customer knowledge creation. Croteau and Li (2003) aver that as a business strategy, CRM is a customer-focused business strategy that intents to increase customer satisfaction and customer loyalty by being more responsive and offering more customized services to customers. Ryals and Knox (2001) point out that as a business philosophy, when firms implement CRM strategy they become relationship oriented retain their customers and offer superior customer value through process management. Ku (2010) illustrates that CRM provides analytical, operational, and direction capabilities: The analytical capabilities enhance profitability maximization from the customer relationship, operational capabilities cut across the customer value process, and directive

capabilities depend on strategic skills and reflect the intensity of long term cooperation and organizational values. Dowling (2002) claimed that customer-needs driven CRM strategy is focused on enhancing customer relationships. The approach involves two steps. The first step is related to information technology to be used to discover insights regarding customer needs. The second step is about special programs to be developed to meet the discovered needs (e.g., the development of customer-specific processes and procedures).

Practitioner and academic literatures have failed to produce a consensus definition for CRM and the large number of CRM definitions has caused confusion (Zablah et al, 2003). Boulding et al (2005) provide the literature with a definition that clarify that: "CRM relates to strategy , managing the dual-creation of value, the intelligent use of data and technology, the acquisition of customer knowledge and the diffusion of this knowledge to the appropriate stakeholders, the development of appropriate (long-term) relationships with specific customers and/ or customer groups, and the integration of processes across the many areas of the firm and across the network of firms that collaborate to generate customer value"(in Payne and Frow, 2006). Payne and Frow (2006) ascertain that CRM should be positioned in the strategic context of customer centric. The authors adopt the above definition in their article “Customer relationship management: from strategy to implementation” and highlight the emphasis of CRM strategy on integration of process across different functions and develop the CRM strategy and implementation model which is composed of two main components: Key CRM implementation elements and cross-functional CRM processes. As the study adopts Payne and Frow (2006) model parallel with Handen (2000) CRM five dimensions and following the three stages of a strategy: strategy formulation, strategy implementation, strategy evaluation, the study handles Handen (2000) CRM five dimensions as it is shown in the following table.

Table (1): CRM Dimensions for Effective Implementation

Strategy (The holistic view of the business and its customers)	**Processes** (Activities performed related to CRM)	**Information Technology** (An engine that drives CRM activities)	**Organization** (the driver force for CRM implementation)	**Segmentation** (A tool for targeting the profitable customer groups)
Strategy formulation: Vision+ Mission+ Goals+ Processes • Strategy Development Process(P1) • Value Creation Process (P2) • Multi-Channel Integration Process (P3) • Information Management Process (P4)	• **Strategy Development Process(P1)** ➢ Business Strategy ○ Business vision ○ Competitive Characteristics ➢ Customer Strategy ○ Customer Choice ○ Customer Characteristics ○ Segment Granularity • **Value Creation Process(P2)** ➢ Customer Value	• Collection and collation of customer information • IT hardware system • IT software system • Data mining	• **Employee Engagement** Top management support and involvement. • Employees performance. • Employees participation • Employees motivation • Employees training	• Strategy development process (Customer strategy) • Value creation process (Customer value)

• Performance Assessment (P5) **Strategy Implementation Processes (1,2,3,4)+** • CRM Change Management ○ Seven S framework ○ Cultural Web ○ Cross Functional Teams • CRM Project Management • Employee Engagement **Strategy Evaluation** • Performance Assessment Process (P5) • CRM Readiness Assessment	○ Value proposition ○ Value assessment ➢ Organization Value ○ Acquisition economies ○ Retention economies • **Multi-channel Integration Process (P3)** ○ Sales force ○ Outlets ○ Telephony ○ Direct marketing ○ Electronic commerce ○ Mobile commerce • **Information Technology Process (p4)** ○ IT systems ○ Analysis tools ○ Front office applications ○ Back office applications • **Performance Assessment Process (P5)** ➢ Shareholder results ○ Employee value ○ Customer value ○ Shareholder value ○ Cost reduction ➢ Performance monitoring ○ Standards ○ Metrics& KPI ○ Results		• Effective communication • Culture of sharing information and Knowledge	

Adopted from Payne and Frow CRM Strategy and Implementation Model (2006)

STRATEGY AND PROCESS:

Following the customer centricity approach, CRM is a strategy that aims to acquire, retain customers to achieve mutual benefits for firms and customers. Reinartz et al (2004) argue that CRM starts with well-established strategies. Peppers and Rogers (1993) consider CRM as a business strategy that is to serve as the norm. Fazlzadeh et al (2011) state that CRM is an integrated strategy solution intended to maximize synergies across all of the firm's existing programs targeting relevant customer communities.

Strategy formulation stage starts with a vision. An organization vision serves as a direction of where the organization would like to be in the future. According to Galbreath and Rogers (1999), for CRM implementation, a vision or strategic direction for the project is crucial and fundamental, otherwise the project will fall. A business vision should be an enduring statement of purpose that reflects the organization shared value systems and provide organizational members with a framework to work together to achieve the organizational goals (Payne,2006). The organization vision should be translated clearly into a mission that reflects the strong and enduring relationship with customers through profitability and customer loyalty. In order to accomplish these organizational goals, organizations must find ways to achieve them. CRM processes are the activities the organization performs related to identifying their customers, managing and maintaining profitable and long term

relationships with them. Payne and Frow (2006) defined five important cross-functional processes: strategy development, value creation. Multi-channel integration, information management, and performance assessment. The authors further argued that the five cross functional processes need to be considered concurrently. This study adopts these five processes to explain the second dimension (process) in Handen (2000) work.

The strategy development process defines the organization total objectives that have a dual focus on the organization business strategy and its customer strategy. The business strategy determines how to develop the organization customer strategy. The customer strategy is to determine the appropriate level of segmentation to identify key customer segments and building strategies to address them. The customer strategy will be examined in the fifth dimension (segmentation) of Handen CRM five dimensions. According to the value creation process, it is an interactive process between the value the customer receives from the company and the value the company receives from the customer. The multi-channel integration process clarify how organizations must provide an excellent customer experience within and across all the channels in which the company deals with customers to offer better customer relationships. The information management process, as an “engine” that drives CRM activities, is concerned with two main activities, the collection and collation of customer information from all points of customer contact and developing customer insight that help to improve the quality of the customer experience. The study in the following section will examine the first activity of collecting and collating customer data as the third dimension (Technology) of Handen (2000) work. This study classifies the above four processes mentioned in payne and frow CRM strategy and implementation model in the "strategy formulation stage" and then implement them in the "strategy implementation stage". Regarding the performance assessment process that focus on ensuring that the organization strategic CRM objectives are being delivered to a suitable level with the guidance of proper future improvement. This study classifies the performance assessment process in the "strategy evaluation stage".

All formulated processes will be implemented in the "strategy implementation stage". Payne and Frow (2006) suggested some key issues that should be taken into consideration and help in CRM implementation. First, an effective CRM change management is important for essential organizational and culture changes. Second, CRM project management as an important element for CRM implementation. Henneberg (2003) has identified two CRM implementation approaches adopted by organizations: "Hard implementation of CRM (focusing on IT, analytics, centralization and campaign management), and a soft implementation of CRM focusing on decentralizes customer experience management and customer relationship." in (Payne and Frow 2006).Third, employee

engagement as a crucial element for implementing CRM processes. As employees are the most valuable asset in an organization, they represent the driving force for CRM implementation. This study classifies this element as the fourth dimension (Organization) in Handen CRM five dimensions . Finally, the study classifies the CRM readiness assessment as the fourth element in Payne and Frow (2006) model to fit in the "strategy evaluation stage". A CRM readiness assessment can help managers to evaluate the overall position in terms of readiness to progress with CRM implementation and to identify the level of development and improvement the organization has achieved relatively to other companies (Payne and Frow, 2006).

TECHNOLOGY:

CRM is an internet capability that enables organizations to manage their relationships with customers. Anderson et al (2007) confirm that the use of information technology to manage customer relationships has been perceived as a vital component of relationship marketing. Reichheld and Sasser (1990) adopt similar view and argue that information technology enable enterprises to manage individualized relationships with key customers. The authors further pointed out that the benefits come by the way of lower costs of customer retention, improved profitability and lower defection rates. Despite technology is one of the drivers of success but it is not sufficient component in the current corporate environment (Kale, 2004; Roberts et al, 2005). There is a need for holistic approach by organizations to integrate information technology with its business processes and customer service delivery (Anderson et al, 2007). Schulz (2000) identified two forms of CRM, one is related to service marketing, which focus on the organization capabilities to foster relationships with customers. The other one is concerned with using technology such as data marts and data consolidation to deal with sales force automation.

ORGANIZATION:

Employees support and involvement play a crucial role for successful CRM implementation. What people know, learn, and do represent the ultimate foundations of organizational performance. Organization should work on developing the skills, capabilities, competences of its employees. Boulding et al (2005) have argued that little attention has been given to the role of people in implementing CRM activities. Chen and popovich (2003) argue that while both technology and business processes are both critical to successful CRM initiatives, it is the individual employees who are the building blocks of customer relationships.

Successful CRM implementation requires several underlying dimensions surrounding management and employees. Top management support and involvement play a fundamental role for CRM implementation. Because they are responsible for the performance of the entire organization, they

should be future-oriented, strategic thinkers, and problem solvers. Chen and popovich (2003) claim that any conflicts or disagreements among different functional departments that emerge in business reengineering process and CRM implementation must be solved by top management. The authors point out that CRM projects require full-time attention of the implementation project team with representatives from different department of the organization. They further claim that sharing information and knowledge culture company-wide is vital. Successful CRM implementation requires effective communication throughout the organization and reaching all levels of employees. Highly learning and training program to deal with customers are required as well and represent a vital component in successful CRM implementation. Chen and popovich (2003) opine that successful implementation of CRM requires a continuous company-wide education and training program.

SEGMENTATION:

As CRM is considered as an approach to acquire and retain customers and build and maintain profitable relationships with them, Srivastava et al (1999) state that CRM focuses on segmenting customers based on their needs or profitability and developing and implementing programs to deal efficiently and effectively with customers by allocating the appropriate resources to them. Boulding et al(2005) confirm this point of view and claim that marketers must observe their customer portfolio vis-a-vis their customers' needs, company efforts in order to reinforce customer value, and the means by which customers provide value for the firm. Payne and Frow (2006), in the customer value of the value creation process, confirm this idea and elaborate that "the organization must be able to target specific customers and to develop a value proposition which explains the relationship between the performance of the product, the fulfillment of the customer's needs and the total cost to the customer over the customer relationship life cycle (Lanning and Michaels 1988; Lanning and Philips 1991)."

Nykamp (2001) opines that instead of differentiating products, firms should work on differentiating their customers. Alipour and Mohammadi (2011) point out that CRM is a shift toward the customer based economy in which the most important element is the customer. In this economy, CRM helps the organization to discover and differentiate among the different segments of customers whom have the value of gaining, and whom have the value of keeping and protecting, and whom have the value of profitability, while other customers should be ignored. According to Newell (2000), CRM is a successful tool for identifying the right customer groups and targeting the profitable ones. The author illustrates that there are three distinct types of relationship customers: the top, middle, and lower groups. The top group (top 10%) consists of customers with excellent loyalty and of high profitability for the organization. CRM is needed to retain and offer them the best possible services. Middle group

customers (next 40% to 50%) are the ones who deliver good profits and who show good potential for future growth and loyalty. These are the customers who are probably giving some of their business to competitors. The idea is to use CRM to target middle group customers effectively as they are the greatest source of potential growth. Lower group relational customers (bottom 40% to 50%) are those who are only marginally profitable. Some may have potential for growth but the expense and effort involved in targeting such numbers, hinders the effectiveness of serving existing relational customers in the top and middle groups (Bull, 2003).

To conclude, this study classifies the customer strategy of the strategy development process as the first component of the fifth dimension in Handen (2000) CRM dimensions. The customer strategy is to determine the appropriate level of segmentation to identify key customer segments and building strategies to address them. The second component is the customer value in the value creation process in Payne and Frow CRM Strategy and Implementation Model (2000) as it is mentioned above.

RESEARCH PROBLEMS AND OBJECTIVES:

The banking sector involves high level of interaction between employees and their customers. Observations showed a level of customer dissatisfaction in this sector. Therefore, managers recognize that implementing an effective customer management strategy is crucial to build long term relationships with their customers and to face competitors. The primary research objective was to investigate how the implementation of CRM strategy could optimize the relationship between the banks and their customers, and thereby to enhance competitiveness in the marketplace.

RESEARCH HYPOTHESIS:

1) There is no relationship of statistical significance between the CRM dimensions and the banks marketing performance
2) There is no relationship of statistical significance between the CRM dimensions and the banks competitiveness.

METHODOLOGY:

The study measured three construct: (1) The CRM dimensions mentioned by Handen (2000), (1) The banks marketing performance, (3) the banks competitiveness. All items were operationalized using a five-point-Likert-type scale. Questionnaire survey took place over three month's period during June to August 2016. In order to fulfill the work and meet the goals of the study an analysis of secondary resources has been carried out that helped to understand the theoretical points related to the topic.

Moreover, a primary survey has been conducted to achieve and test the objectives and hypotheses. A survey study was undertaken and the data are collected by using simple structured questionnaire. The response format is rating from completely disagree to completely agree. There are 39 different banks working in Egypt and registered with the Central Bank of Egypt (Central Bank of Egypt, control and supervision sector), the researcher receives responses and willingness to cooperate from only 22 banks of them. Based on previous studies that showed that such high-level executives are generally reliable in their evaluations of their firm's activities and performance (Hooleyand Greeley, 2005) the researcher has conducted a survey to middle managers in different departments who were asked to provide the researcher with their responses. In practice, the problem of non-response was arisen since 43.3% completion questionnaires were returned. Nevertheless, reasonable representative sample was obtained to continue the study. The researcher draws a systematic random sampling of 226 branches of the 22 banks who are willing to cooperate.

Working banks in Egypt consist of governmental and private banks. The number of employees working in these banks differs. Determining the number of distributed questionnaires for each bank is calculated based on to the number of employees in each bank. Taking into consideration the sample representing the population of the banks working in Egypt and using an equation that divide the number of employees in all branches of a given bank by the total number of employees of the sample times 100, the researcher could identify the suggested number of questionnaires for each bank. However some slight modifications have been made for the suggested number of distributed questionnaires due to their demands.

Since there are two different approaches to measure the organizational performance. The objective and quantitative approach which refers to financial data, and the subjective or qualitative approach which is based on the perception of the respondents. This study focus on the subjective approach to measure how managers perceive the relationship between their organizations and their customers. The items in the questionnaire were distributed as follows: the items from 1 to -15 to measure the first dimension (Strategy), the items from 16 to 37 to measure the second dimension (Process), the items from 38 to 47 to measure the third dimension (Information Technology) and the items from 48 to 52 to measure the fourth dimension (Organization) and finally the items from 53-55 to measure the fifth dimension (Segmentation). Coefficient of reliability (Cronbach's alpha) was used to measure the internal consistency of the items used in the questionnaire. Descriptive Factor analysis was used to represent the results of the mean and standard deviation of the items used in the questionnaire. Correlation relationship and linear regression analysis (LRA) was used to examine the effects of Implementing CRM dimensions on banks performance and competitiveness.

DATA ANALYSIS AND DISCUSSION:

Organizations are realizing that enhancing relationship with their customers, delivering superior value to them are cornerstones in assessing their performance and competitiveness. Because of the dearth of CRM researches regarding managers perceptions of CRM implementation efforts, this study examines the relationship between CRM implementation and marketing performance and competitiveness from managers perspective.

By reviewing the values of reliability coefficients of internal consistency, the results of Cronbach's alpha for customer relationship management dimensions, banks performance and banks competitiveness are 0.664, 0.787 and 0.834 respectively. The results show that the values are statistically acceptable and reflect consistency in a good degree which reflects the stability of the study.

The following table proposes the means of CRM dimensions (independent variables) and banks marketing performance and competitiveness (dependent variables).

Table (2): The Value of means and standard deviation of independent and dependent variables

Variables	Independent Variables					Dependent Variables	
	Strategy	**Process**	**Technology**	**Organization**	**Segmentation**	**Banks performance**	**Banks Competitiveness**
Means	4.07	3.81	4.01	4.26	3.38	3.91	3.86
Std. Deviation	0.503	0.454	0.523	0.755	0.657	0.444	0.506

The following table proposes the results of Pearson correlation matrix of CRM dimensions (independent variables) and banks marketing performance and competitiveness (independent variables).

Table (3): The correlation matrix of CRM dimensions and banks marketing performance

Variables	**Strategy**	**Process**	**Technology**	**Segmentation**	**Organization**	**Banks Performance**
Strategy	**1**					**0.372** (0.000)**
Process		**1**				**0.407** (0.000)**
Technology			**1**			**0.480** (0.000)**
Segmentation				**1**		**0.129 (0.207)**
Organization					**1**	**0.301** (0.003)**
Banks Performance	**0.372** (0.000)**	**0.407** (0.000)**	**0.480** (0.000)**	**0.129 (0.207)**	**0.301** (0.003)**	**1**

** denote to Pearson correlation significance at 0.01

According to the findings of the study, significant correlations exist between CRM dimensions and banks marketing performance as follows: a significant correlation exists between the strategy

implemented by the banks and their performance, 0.372 pearson correlation significance at 0.01 and 0.000significance< 0.05 which implies significant correlation. A significant correlation exists between processes implemented by the banks and banks marketing performance, 0.407pearson correlation significance at 0.01 and 0.000significance <0.05 which implies significant correlation. There is no significant correlation between customer segmentation and banks marketing performances at least at significance <0.05 (0.129). This finding holds more insights that customer segmentation don't contribute to banks marketing performance. A Key empirical finding in the study which represents one of the most important and highest correlation coefficient exists between information technology used by the banks and their marketing performance 0.480 Pearson correlation significance at 0.01 and 0.000 significance< 0.05 which implies significant correlation. A significant correlation exists between employees who implement CRM strategy and the banks marketing performance, 0.301pearson correlation significance at 0.01 and 0.000significance< 0.05 which implies significant correlation. The following table shows the results of the regression analysis of banks marketing performance.

Table (4): Results of Regression Analysis of Banks Marketing Performance

	Unstandardized coefficients		**Standardized coefficients**	t	Sig
	B	Std.Error	Beta		
Constant	1.809	0.415		4.361	0.000
Performance	0.565	0.105	0.480	5.354	0.000

Because correlations coefficients exist between CRM dimensions (strategy, processes, technology, organization, customer segmentation) (independent variables) and banks marketing performance (dependent variable), the researcher used linear regression analysis to estimate the relationship between CRM dimensions and banks marketing performance. The researcher summarizes the results of the linear regression analysis and proposes the following equation:

$$Y1= 1.809 + 0.565\ x3 + E$$

Y1 represents the banks marketing performance

X3 represents the level of information technology used by the banks

E= standard error.

The following table represents the results of regression analysis of banks marketing performance.

Table (5): Results of Regression Analysis of Banks Marketing Performance

Variable	Banks marketing performance (P value)	Banks marketing performance (t value)	Coefficient
Information Technology	0.000*	5.354	0.480

***P<0.01**

Results of the linear regression analysis shows R2=23% which implies that the information technology affects the banks marketing performance by 23%. Consistent with the above findings and according to the results of (P value)= 0.000 P<0.01 the study don't accept the first null hypothesis that denotes that there is no significant relationship between the CRM dimensions and the banks marketing performance and accept the alternative one saying that " ***There is a significant relationship between CRM dimensions and the banks marketing performance".***

The following table proposes the results of Pearson correlation matrix of CRM dimensions (independent variables) and banks competitiveness (independent variables).

Table (6): The correlation matrix of CRM dimensions and banks competitiveness

Variables	Strategy	Process	Technology	Segmentation	Organization	Banks Competitiveness
Strategy	**1**					**0.337** (0.001)**
Process		**1**				**0.492** (0.000)**
Technology			**1**			**0.522** (0.000)**
Segmentation				**1**		**0.334** (0.001)**
Organization					**1**	**0.291** (0.004)**
Banks Competitiveness	**0.337** (0.001)**	**0.492** (0.000)**	**0.522** (0.000)**	**0.334** (0.001)**	**0.291** (0.004)**	**1**

** denote to Pearson correlation significance at 0.01

Evidence in this study suggests that all significant correlations exist between CRM dimensions and banks competitiveness as follows: a significant correlation exists between the strategy implemented by the banks and banks competitiveness 0.337 Pearson correlation significance at 0.01 and 0.000 significance <0.05 which implies significant correlation. A significant correlation exists between processes implemented by the banks and banks competitiveness 0.492 Pearson correlation significance at 0.01 and 0.000significance <0.05 which implies significant correlation. A Key empirical finding in our study which represents one of the most important and highest correlation coefficient exists between information technology used by the banks and banks competitiveness 0.522 Pearson correlation significance at 0.01 and 0.000 significance< 0.05 which implies significant correlation. A significant correlation exists between customer segmentation implemented by the banks and banks

competitiveness 0.334 Pearson correlation significance at 0.01 and 0.000significance <0.05 which implies significant correlation. A significant correlation exists between employees who implement the CRM strategy in banks and their competitiveness. 0.291 Pearson correlation significance at 0.01 and 0.000 significance< 0.05 which implies significant correlation. The following table shows the results of the regression analysis of banks marketing performance. The following table shows the results of the regression analysis of banks competitiveness.

Table (7): Results of Regression Analysis of Banks Competitiveness

	Unstandardized coefficients		**Standardized coefficients**	t	Sig
	B	Std. Error	Beta		
Constant	1.933	0.350	0.522	5.520	0.000
Competitiveness	0.539	0.090		5.998	0.000

Because correlations coefficients exist between CRM dimensions (strategy, processes, information technology, organization, customer segmentation) (independent variables) and banks marketing performance (dependent variable), the researcher used linear regression analysis to estimate the relationship between CRM dimensions and banks marketing performance. The researcher summarizes the results of the linear regression analysis and proposes the following equation:

Y2= 1.933 + 0.539 x3 + E

Y represents the banks competitiveness

X3 represents the level of information technology used by the banks

E standard error

The following table represents the results of regression analysis of banks competitiveness.

Table (8): Results of Regression Analysis of Banks Competitiveness

Variable	**Banks marketing performance (P value)**	**Banks marketing performance (t value)**	**Coefficient**
Information Technology	0.000*	5.998	0.522

Results of the linear regression analysis shows R2=27.3% which implies that the information technology affects the banks competitiveness by 27.3%. Consistent with the above findings and according to the results of (P value) = 0.000 P<0.01 the study don't accept the second null hypothesis that denotes that there is no significant relationship between the CRM dimensions and the banks competitiveness and accept the alternative one saying that " ***There is a significant relationship between CRM dimensions and the banks competitiveness".***

CONCLUSION:

Organizations apply CRM strategy as a comprehensive approach to maximize the relationships with all customers. Puschmann and Alt (2001) argue that organizations are realizing that competing with cheaper, better, or different products is not sufficient, and competitive advantage cannot be achieved by purely differentiating products alone, but through enhanced customer relationships. The new rules of competition require recognition of the importance of customers and the necessity to understand their needs and preferences. The results show that CRM implementation contributes to banks marketing performance and foster their competitiveness. A finding that is consistent with previous research (e.g. Day& Van den Bulte, 2002; Hooley et al, 2005).

The study found similarities between Payne and Frow (2006) model and Handen CRM five dimensions. On the basis of the resource-based view, CRM strategy dimensions represent the resources the banks rely on to achieve their goals (Strategy, Process, Technology, Organization, and Segmentation). These resources represent the drivers of the competitive behavior in which banks act and respond to achieve their objectives, and make CRM strategy a capability that reinforce the banks competitiveness and achieve a higher level of performance.

RESEARCH LIMITATIONS AND FUTURE DIRECTIONS:

Several limitations of this study can be noted to help guide future research. First, the comparison between the governmental and private banks in their capacity and willingness to implement CRM strategy. Second, the sample was from a single country, which limits the ability to generalize from the findings. Third, as this study tries to find similarities between Handen five dimensions (2000)and Payne and Frow (2006) CRM strategy implementation model, other studies can compare others model. Fourth, this study has investigated the effects of CRM implementation in the banking sector; other sectors may provide better opportunities to implement CRM such as: health services, travelling, hotels….. . Fifth, this study did not differentiate banks according to their level of CRM maturity; other studies could take this point into consideration. Research by Ryals and Payne (2001) showed that there are identifiable stages of maturity in CRM development: pre-CRM planning; building a data repository, moderately developed, well developed and highly advanced (Payne and Frow, 2006).

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