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Impact of Customer Relationship Management Practices on Customer's Satisfaction in Jordan Ahli Bank and Bank Al-Etihad

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Abstract

Customer relationship management (CRM) is a combination of people, processes and technology that seeks to understand a company's customers. It has been found that successful implementation of CRM results in customer loyalty and long run profitability and therefore companies are focused on maintaining harmonious relationships with customers. The present research has been undertaken to study the impact of Customer Relationship Management (CRM) practices on customer's satisfaction in two Jordanian Banks namely Jordan Ahli Bank India and Bank Al Etihad. A sample of 119 customers has been selected for the study. Data have been collected through questionnaire designed on a five point Likert scale. Independent sample t-test has been used as the statistical tool to measure the variation in CRM on the variables namely reliability, responsiveness, assurance, empathy and customer relations. The analysis of the data revealed that significant variation exists in the perception of customers in Jordan Ahli Bank India and Bank Al Etihad.

Keywords

Jordan Ahli Bank, Bank Al Etihad, t-Test, CRM, Customers

1. Introduction

Customer relationship management (CRM) has attracted the attention of academicians, practitioners and scholars in the past few years [1]. Companies are applying customer-centric strategies, programs, tools, for efficient and effective customer relationship management and realizing the need for comprehensive customer knowledge in order to build harmonious relationships with their customers [2]. The customer relationship management (CRM) literature recognizes the long-run value of potential and current customers. Increased revenues, prof-

its, and shareholder value are the result of marketing activities directed toward developing, maintaining, and enhancing successful company-customer relationships [3]. CRM is an integral part of a company's strategy, and its input should be actively considered in decisions regarding the development of organizational capabilities, the management of value creation, and the allocation of resources [4]. It is a combination of people, processes and technology that seeks to understand a company's customers [5]. It has been researched that successful implementation of CRM results in customer loyalty and long run profitability [6]. Companies are increasingly focused on managing customer relationships, the customer asset, or customer equity [7]. Customer relationship management (CRM) explicitly recognizes the long-run value of potential and current customers, and seeks to increase revenues, profits, and shareholder value through targeted marketing activities directed towards developing, maintaining, and enhancing successful company-customer relationships [8]. These activities require an in-depth understanding of the underlying sources of value the firm both derives from customers and delivers to them [9]. The objectives of the customer relationship management are: to create customer loyalty, maintaining profitable relationships with customers, increase the productivity of the firm, meeting the customer needs and demands, and enabling cost minimization and harmonious activities [10]. Hence, customer relationship management is an approach that makes it necessary to form long-term relationships with customers for the purpose of increasing the profitability and productivity of the enterprise [11]. Therefore, a modest attempt has been made in this study to measure the impact of CRM on the customers of Jordan Ahli Bank and Bank Al Etihad on the following five variables:

❖ Reliability.
❖ Responsiveness.
❖ Assurance.
❖ Empathy.
❖ Customer Relations.

2. Review of Related Literature

Customer Relationship Management is an amalgamation of people, processes and technology that seeks to understand a company's customers and it has been researched that customer loyalty and long run profitability are the offshoots of CRM. Besides, CRM provides fast, consistent services and maintain good relations with the customers [12]. CRM is important weapon for the banks for providing improved services to their customers [13]. A research survey conducted in ten public sector banks and ten private sectors banks in two metropolitan cities namely Mumbai and Kolkata which found that the future of the retail banking industry in India depends on providing value services to its customers [14]. E-CRM in banking industry results in increased sales, increased revenues, increased convenience, improved customer service rating, decreased administrative costs, ability to introduce new schemes at a faster rate, improved speed of

dissemination of information [15]. An empirical research conducted in Indian Private Sector Banks especially HDFC bank, ICICI bank, AXIS bank, and Yes bank to examine the differences in the perception of customers of private sector banks. The authors have chosen empathy, responsiveness, reliability, and customer relations as the variables of CRM. The sample size of the study was 275 respondents. Data was collected through questionnaires designed on a five point Likert scale from Aligarh, Agra, Delhi, Ghaziabad, Gurugram, Noida and Chandigarh. One way ANOVA was applied as the statistical tool to measure the variation in the perception of bank customer towards CRM dimensions. All the hypotheses were rejected since significant value in each case was less than 0.05. Hence, it can be said that no significant variation exists in the perception of customers on CRM dimensions like empathy, responsiveness, reliability, and customer relations [16].

3. Objectives of the Study

The purpose of the study is to find the variations in level of CRM among the customers of Jordan Ahli Bank and Bank Al Etihad. In this backdrop, the following objectives have been formulated:

1) To analyze the level of CRM on the variable *reliability* among the customers of Jordan Ahli Bank and Bank Al Etihad.

2) To find out the level of CRM on the variable *responsiveness* among the customers of Jordan Ahli Bank and Bank Al Etihad.

3) To investigate out the level of CRM on the variable *assurance* among the customers of Jordan Ahli Bank and Bank Al Etihad.

4) To investigate the level of CRM on the variable *empathy* among the customers of Jordan Ahli Bank and Bank Al Etihad.

5) To analyze out the level of CRM on the variable *customer relations* among the customers of Jordan Ahli Bank and Bank Al Etihad.

4. Hypotheses of the Study

Ho1: There is no significant variation in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad.

Ha_1: There is a significant variation in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad.

Ho2: There is no significant variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank sector banks and Bank Al Etihad.

Ha_2: There is a significant variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad.

Ho3: There is no significant variation in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank sector banks and Bank Al Etihad.

Ha_3: There is a significant variation in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank and Bank Al Etihad.

Ho4: There is no significant variation in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad.

Ha_4: There is a significant variation in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad.

Ho5: There is no significant variation in the perception of customers on the CRM variable of customer relation between Jordan Ahli Bank and Bank Al Etihad.

Ha_5: There is a significant variation in the perception of customers on the CRM variable of customer relation between Jordan Ahli Bank and Bank Al Etihad.

5. Methodology of the Study

The target population of this study consists of customers of Jordan Ahli Bank and Bank Al Etihad. The size of the sample is 119 respondents. A well designed questionnaire has been used for collecting data from selected cities in Jordan. The questionnaire has been divided in two parts. The first part of the questionnaire was containing information of the respondents about their demographic background while the second part was containing questions regarding CRM variables. The questionnaire set on a five point Likert-scale (5-highly satisfied to 1-highly dissatisfied). A total of 200 questionnaires were distributed but the corrected questionnaires were found only 119. The period of data collection was three months since April, 2016 to June, 2016. Nevertheless, the collected data has been analyzed with the application of independent sample t-test through SPSS_18 version.

6. Hypothesis Testing

Ho_1: **There is no significant variation in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad.**

Independent sample t-test has been used as a statistical tool to examine the variation in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad. The null hypothesis is that there is no significant variation in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad and the states that there is a significant variation in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad.

Table 1 shows the results of Independent sample t-test used to find out the variations in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad. The value of "t" at 117 degrees of freedom is 4.635 and significant value is 0.741 which is more than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is accepted and hence it can be said that there is no significant variation in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad.

Table 1. Shows the mean, SD, t value and P value on Reliability.

Particulars	Banks	
	Jordan Ahli Bank	Bank Al Etihad
Number of sample	63	56
Mean	4.007	3.988
Standard Deviation	1.157	1.236
Standard Error	0.854	0.746
t	4.635	
Degrees of freedom	117	
Significant Value	0.741	
Remarks	Insignificant	
Result	Null hypothesis stands accepted	

Source: Output of SPSS_18.

Ho$_2$: There is no significant variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad.

Independent sample t-test has been used as a statistical tool to examine the variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad. The null hypothesis is that there is no significant variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad and the alternate states that there is a significant variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad.

Table 2 shows the results of Independent sample t-test used to find out the variations in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad. The value of "t" at 117 degrees of freedom is 11.715 and significant value is 0.0091 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is a significant variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad.

Ho$_3$: There is no significant variation in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank and Bank Al Etihad.

Independent sample t-test has been used as a statistical tool to examine the variation in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank and Bank Al Etihad. The null hypothesis is that there is no significant variation in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank and Bank Al Etihad and the alternate states that there is a significant variation in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank and Bank Al Etihad.

Table 3 shows the results of Independent sample t-test used to find out the

Table 2. Shows the mean, SD, t value and P value on responsiveness.

Particulars	Banks	
	Jordan Ahli Bank	Bank Al Etihad
Number of sample	63	56
Mean	3.021	4.346
Standard Deviation	1.057	1.167
Standard Error	0.413	0.377
t	11.715	
Degrees of freedom	117	
Significant Value	0.0091	
Remarks	Significant	
Result	Null hypothesis stands rejected	

Source: Output of SPSS_18.

Table 3. Shows the mean, SD, t value and P value on Assurance.

Particulars	Banks	
	Jordan Ahli Bank	Bank Al Etihad
Number of sample	63	56
Mean	4.133	4.642
Standard Deviation	1.347	1.287
Standard Error	0.867	0.764
t	19.845	
Degrees of freedom	117	
Significant Value	0.000	
Remarks	Significant	
Result	Null hypothesis stands rejected	

Source: Output of SPSS_18.

variations in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank and Bank Al Etihad. The significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is significant variation in the perception of customers on the CRM variable of assurance between Jordan Ahli Bank and Bank Al Etihad.

Ho$_4$: There is no significant variation in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad.

Independent sample t-test has been used as a statistical tool to examine the variation in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad. The null hypothesis is that there is no significant variation in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad and the alternate states that there is a significant variation in the perception of customers on the CRM

variable of empathy between Jordan Ahli Bank and Bank Al Etihad.

Table 4 shows the results of Independent Samples t-test used to find out the variations in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad. The value of "t" is 28.779 and significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is a significant variation in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad.

Ho$_5$: There is no significant variation in the perception of customers on the CRM variable of customer relation between Jordan Ahli Bank and Bank Al Etihad.

Independent sample t-test has been used as a statistical tool to examine the variation in the perception of customers on the CRM variable of customer relation between Jordan Ahli Bank and Bank Al Etihad. The null hypothesis is that there is no significant variation in the perception of customers on the CRM variable of customer relation between Jordan Ahli Bank and Bank Al Etihad and the alternate states that there is a significant variation in the perception of customers on the CRM variable of customer relation between Jordan Ahli Bank and Bank Al Etihad.

Table 5 shows the results of Independent Samples t-test used to find out the variations in the perception of customers on the CRM variable of customer relations between Jordan Ahli Bank and Bank Al Etihad. The significant value is 0.008 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is no significant variation in the perception of customers on the CRM variable of customer relations between Jordan Ahli Bank and Bank Al Etihad.

7. Major Findings

The variations in the perception of customers on the CRM variable of reliability between Jordan Ahli Bank and Bank Al Etihad have been examined with

Table 4. Shows the mean, SD, t value and P value on Empathy.

Particulars	Banks	
	Jordan Ahli Bank	Bank Al Etihad
Number of sample	63	56
Mean	3.074	4.179
Standard Deviation	1.368	1.497
Standard Error	0.374	0.587
t	28.779	
Degrees of freedom	117	
Significant Value	0.000	
Remarks	Significant	
Result	Null hypothesis stands rejected	

Source: Output of SPSS_18.

Table 5. Shows the mean, SD, t value and P value on customer relation.

Particulars	Banks	
	Jordan Ahli Bank	Bank Al Etihad
Number of sample	63	56
Mean	4.679	4.551
Standard Deviation	1.876	1.744
Standard Error	0.874	0.776
t	37.741	
Degrees of freedom	117	
Significant Value	0.008	
Remarks	Significant	
Result	Null hypothesis stands rejected	

Source: Output of SPSS_18.

the application of t-test. The significant value is 0.741 which is more than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is accepted and it can be said that there no significant variation exist in the perception of customers on reliability between Jordan Ahli Bank and Bank Al Etihad.

❖ In order to find out the variations in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad, Independent sample t-test has been used. The significant value is 0.0091 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is a significant variation in the perception of customers on the CRM variable of responsiveness between Jordan Ahli Bank and Bank Al Etihad.

❖ Independent sample t-test has been used to find out the variations in the perception of customers on assurance (one of the CRM variable) between Jordan Ahli Bank and Bank Al Etihad. The significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is significant variation in the perception of customers on assurance between Jordan Ahli Bank and Bank Al Etihad.

❖ The variations in the perception of customers on the CRM variable of empathy between Jordan Ahli Bank and Bank Al Etihad have been examined with the application of t-test. The significant value is 0.000 and therefore null hypothesis stands rejected. Hence, it can be said that there is a significant variation in the perception of customers on the CRM variable of empathy between the two banks.

❖ In order to find out the variations in the perception of customers on the CRM variable of customer relations between Jordan Ahli Bank and Bank Al Etihad, Independent sample t-test has been used. The significant value is 0.008 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is no significant variation in the perception of customers on the CRM variable of customer rela-

tions between Jordan Ahli Bank and Bank Al Etihad.

8. Summary

Customer relationship management (CRM) is a sine qua non for every company irrespective of size, type, or nature of business and hence attempts have been made by all manufacturing and service organizations to deliver quality service to their customers. It represents value judgments about outcome, impacts, and results of what organizations do or offers. The perception of customer's regarding CRM is not at all based on a single variable but on a multifaceted set of variables. In this research, a comparison has been made in CRM practices between two Banks namely Jordan Ahli Bank and Bank Al Etihad. The author took a sample of 119 customers from Jordan Ahli Bank and Bank Al Etihad from different cities of Jordan. Data have been collected through questionnaires designed on a five point Likert scale. Independent sample t-test has been used as the statistical tool to measure the variation in CRM on the five variables namely reliability, responsiveness, assurance, empathy, and customer relation. After the application of independent sample t-test, only one null hypothesis has been accepted which highlights that there is no significant variation in the perception of customers on the variables like reliability between Jordan Ahli Bank and Bank Al Etihad. On the contrary, four null hypotheses have been rejected which shows that significant variation exist in the perception of customers on the CRM variables of responsiveness, assurance, empathy, and customer relation.

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