Customer Relationship Management: Panacea for Sustaining Customer Service Satisfaction in Modern Banking Industry in Nigeria

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Abstract
This paper looks at Customer Relationship Management (CRM) and its role in ensuring customer service satisfaction, factors militating against effective customer service satisfaction, application of CRM in the banking sector. The paper concluded that any bank can exploit customer relationship management (CRM) in order to gain competitive advantage over its rivals and increase their customer base. It suggested among others that commercial banks in Nigeria should organize the bank around the CRM in which each employee should work effectively as a team member to support each other.

Keywords: Customer Relationship Management, Customer Service Satisfaction, Banking Industry, Customer Service

Introduction
Finance is one of the basic organic functions through which every nation or organisation revolves, be it a profit or non-profit organisations. Therefore the way the finance of a nation or organisation is manage determines to a very large extent their survival and growth (Ajayi, 2003). To facilitate financial transactions therefore, banks are provided. Banks refer to financial institutions which serve as a store of money and other valuable items. A broader definition of bank refer to it as a financial institutions that receiver, collects, transfers pay, exchange lends, invest, or safe guards money for its customers (Oladejo and Oladipupo, 2011).

Bank services are extremely important in a free market economy such as that found in advanced economics of the world, including Nigeria, Britain, Canada, and the United States. Banks offer financial services system to supply customers’ medium of exchange such as cash, cheque, checking accounts, credit cards, and to accept funds from depositors and lend it out to borrowers (Afolabi, 2004). This implies that banking services serve two primary purposes, first by supplying customers with the basic medium of exchange (Cash, checking accounts, and credit cards). Bank play a key role in the way goods and service are purchased without which, goods could only be exchange by barter (trading one good for another) which is extremely time consuming and inefficient. Second, by accepting money deposits from savers...
and lending the money to borrowers, banks encourage the flow of money for productive use and investments which will in turn allow the economy to grow.

Banks specialize in offering basic banking services to customers. For bank, customer is a person having habit of dealing in regular banking business (Naureen & Sahiwal, 2013). Customer in this context refers to a holder of individual or corporate account with any of the commercial bank in Nigeria. Thus, it is inferred that banking business is based on attending to customers’ need owing to the emergence of the digital economy. Thus, customers are increasingly demanding more value, 24 hours availability with goods customized to their exact need at less costs and as quickly as possible (Edemivwaye, 2015). To meet these demands by customers, bank need to develop innovative ways of creating value, or provide various strategies to produce products and services the specification to match customer specification. Among these strategies are supply-push and demand-pull, which were replaced by customer centric strategy, called Customer Relationship Management (CRM) owing to their inefficiency (Salim, 2014). This was geared towards creating customers’ service pint in most bank branches across the country for the purpose of having a relationship that can lead to a consisted patronage by their customers.

Customer Relationship Management (CRM)
The essence of any business is to create value for the stakeholders as a measure of performance. This can be generated through the provision of goods and services that are required to meet consumers’ needs by increasing customer satisfaction through customer relationship management practices. Relationship management is a paradigm shift of marketing which shifts focus from the traditional transactional perspective to developing strong relationships with customers, suppliers, media, government, distributors and other stakeholders (Opara & Opara, 2016). This is to say that relationship management affects customer through the integration of people, process and technology to optimize customer satisfaction with a view to identifying, retaining and achieving organisational objectives. Dyche (2010) defined CRM as an infrastructure that allows an increase in customer value, and the correct means to motivate valuable customers to remain loyal. Kotler and Armstrong (2004) defined CRM as “the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction”. This definition seems to include the broad-based essence of marketing wherein value and satisfaction are prominent.

The end goal is to acquired, retain and grow profitable customers. It requires a clear focus on the service attributes that represent value to customers and create loyalty. CRM allows organisations to develop a robust targeting and enquiry management processes that helps to boost new businesses significantly (Adiele & Gabriel, 2013). Mahesh and Bhavani (2015) view customer relationship management as a fundamental tool for building a customer-centric organisation. According to them it is a key element that allows an organisation to establish its customer base and boost revenue. Kotler and Armstrong (2004) defined CRM as the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. Thus, it enables a firm to gather and preserve a customer’s personal data through continuous survey of information about products and services offered to the customer (Bergeron, 2004).

According to Onyebuchi (2013) CRM is defined as the frontline between an organisation and its customers. The author further opined that how customer are initially greeted and treated
can influence their decisions to do business with a company. What this means is that customer would naturally stay with the company wherein they are treated nicely and would distance themselves from those who do not give them adequate attention. Based upon this, Ekwueme (2008) defined customer relationship management (CRM) as a strategy used to learn more about customer’s needs and behaviours in order to develop strong relationship with them. This strategy depends on bringing together lots of piece of information about customers and market trends in order to provide the prompt services needed to enhance customer satisfaction. The above suggests that CRM is not a one-step even as it involves series of careful planning, monitoring, implementing and evaluation of trends in customer/buyer behaviours or needs. The CRM approach is such that information about customers’ personal data with a company are analyzed to build business relationships with customer with specific focus to retain a customer and among others to boost revenue (Bain & Company, 2015). This is to say that CRM entails building an enduring relationship through active customer service and total quality management.

In this vein, Tippins and Soh (2003) defined Customer Relationship Management (CRM) as a practices which provides a company with the information necessary to know their customers, understand and identify customer needs and effectively build relationship between the company its customer base, and distribution partners (Buttle, 2001). Balakrishman and Krishnaven (2014) defined Customer Relationship Management (CRM) as a planned sustained interaction with customers to assess their needs through technological platforms. Zikmud, McLeod, and Gilbert (2003) provided a more technology-oriented perspective by defining CRM as “a business strategy that uses information technology, to provide an enterprise. Thus, managing a successful CRM programme requires an integrated and balanced approach to technology, process, and people (Singh & Agrawal, 2003). It is a journey of stages; strategy, process, organisational and technical change whereby a company or organisation seeks to better manage its own enterprise around customers behaviours (Dadzie, Winston & Afriyie, 2003). The end goal is to acquire, retain and grow profitable customers. It requires a clear focus on the service attributes that represent value to customers and creation of customer loyalty. Handen (2000) view CRM as a technology-enabled strategy to convert data driven into business actions in response to, and in anticipation of actual customer behaviour. From a technology perspective, CRM represents a process to measure and allocate organisational resources to activity that has the greatest returns and impact on profitable customer relationship.

Customer Satisfaction
Customer satisfaction is actually a term most widely used in the business and commerce industry. It is a business term explaining about a measurement of the kind of products and services provided by a company to meet its customer’s expectation. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has becomes a key element of business strategy. It is well established that satisfied customers are key to long-term business success (McColl-Kennedy & Schneider, 2000; Zeithaml, Bitner and Gremler, 2006). Apparently, many researchers conceptualize customer satisfaction as an individual’s feeling of pleasure (or disappointment) resulting from comparing the perceived performance or outcome in relation to the expectation (Brandy & Robertson, 2001; Lovelock, Patterson & Walker, 2001). Customer satisfaction has been argued that it is based on cumulative experience gathered by customer rather than being a “transaction-specific phenomenon” (Leverin & Liljande, 2006). This is to say that
customers are not likely to switch to competitors with a dissatisfaction of a single transaction and neither would they be satisfied and remain loyal for a single error-free completed transaction. Customers who return for more business tend to be satisfied with the value received, and their satisfaction is a source of energy and pride for employees. Customer satisfaction can be define as a customer’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to this or her expectations” (Kotler, 2000). Saha and Zhao (2005) defined customer satisfaction as a collection of outcomes of perception, evaluation and psychological reactions to the consumption experience with a product/service.

Customer satisfaction occurs when customers’ expectations are met, or exceeded, and this is highly dependent on the fulfillment of expectations (Anderson & Fornell, 1994). Customer satisfaction as a business strategy also leads to repeated purchase, which will in turn result in customer loyalty and customer retention. Satisfied customers stay with the company longer, strengthen their relationship with the company, show less price sensitivity and recommend the company’s products or services to their acquaintances through a positive word of mouth. To Iberahim, Mohd, Mohd and Saharuddin (2016) customer satisfaction is described as a measure on how product or services supplied by organisation meet customers’ expectation. This implies that customer satisfaction is measured through the level of product quality, quality or service. Customer satisfaction is also associated with building and maintaining strong customer relationship (Blattberg, Malthouse & Neslin, 2009). Customer satisfaction can be viewed as a relationship of perceived value of service and the expected value by customers. If the perceived value of services matches customer perceived expected value, then customer is said to be satisfied. Kotler and Armstrong (2013) define customer satisfaction as “the extent to which a product’s perceived performance matches a buyer’s expectation.

In commercial banks, customer satisfaction is regarded as the primary criterion used to assess the relationship of banks with the market (Munari, Ielasi, & Bajetta, 2013). In addition, customer satisfaction is an important driver in banks because higher customer satisfaction means lower intention for customers to switch banks (Hoq & Amin, 2010). According to Abubakar, Mokhtar and Abdullatief (2014), negative words-of-mouth is another negative of dissatisfaction. Therefore, customer satisfaction refers to a person’s satisfaction with a product, a service or a supplier (Terpstra, Kuijlen & Sijtsma, 2014). The authors also state that customer satisfaction in banks refers to the balanced state of mind, concerning the bank, and evoked by customer’s experiences with the bank throughout time. They further state that customer satisfaction in the banking sector can be characterized within three contexts. First, the consumption of products and services from a bank is an ongoing process, which results from accumulation of encounters with the banks over time leading to customer satisfaction. This is known as a summary satisfaction. Second, customer satisfaction is a manifest of feelings about a bank, for instance through cognition on evaluation of whether a bank is doing well. Third, assumes that satisfaction and dissatisfaction is one-dimensional and ranges from a very dissatisfied to a very satisfied. This support the view of Faraz (2005) which stated that customer satisfaction is the situation when customer expectations have been fulfilled to the fullest capacity when using the product or service. The capacity to fulfill customer expectation consequently brings about strong loyalty to the product or services of a company. Customer satisfaction is the extent to which customers are satisfied with their purchased goods and services (Boone & Kurtz, 2013). Customer satisfaction is a statement to the buyer
about the appropriateness of the reward, received in exchange for the service experienced. Every firm tries to fulfill customer’s needs, desires, wants, aims and expectations. Therefore, production and marketing department collaboratively produce economic utility for customers. Customer satisfaction is generally understood as the pleasure of using product and service. Customer’s satisfaction is the voice of customer that will differ from person to person. It is an appraisal of how products and services of a company meet up or exceed customer anticipation. Jeong and Lee (2010) defined customer satisfaction as “an emotional (sentimental) reaction or a manner of interactive recognition and perception. Customer’s satisfaction is a response to the specific concentration on the expectations of production and the experience of using services and consumption. Customers’ satisfaction is a judgmental reflection of customers about a product or service during the time period of its usefulness. Customer’s satisfaction is a summary of the psychological manner in which a composite of customers’ feeling about the unexplained expectations and his/her previous consumption experiences are encompassed.

The Role of Customer Relationship Management in Ensuring Customer Service Satisfaction in the Banking Sector
Customer Relationship Management (CRM) in the banking sectors involves reading the consumers’ changing needs and creating services to satisfy these needs because building a relationship with customers in the banking and insurance industry is important to the survival of the banking industry (Fagbemi & Olowokudejo, 2011). Through CRM banks manage their services in a manner that persuade customers to use them at a profit thereby ensuring survival and success of the financial institution. Banks can increase their profits by maximizing the profitability of the total customer relationship over time, instead, of seeking to get more profit from any single transaction. Okpara (2010) defined CRM as a business strategy of identifying the banks most profitable customer and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, reprising, discretionary decision making and customized service all delivered through the various sales channels that the bank uses. Joyner (2002) stated that, the banking industry is facing an ever increasing level of competition around the world as the dynamics of the business change.

In the banking context, customer relationship management is performed to assist customers to achieve their needs and wants through tellers via banking countries, personal financial assistance, automatic teller machines, telephone banking and internet banking (Khong & Mahendiran, 2006). Olawale, Folarin and Yusuph (2014) maintained that banks used customer relationship marketing as a tool for gaining competitive advantages. Lages (2005) posit that customer relationship management in banks is determined by information sharing, communication quality, long term relationship orientation and satisfaction with relationship. In the view of Omodero an Azubike (2016), customer relationship management as the strategy used by banks to develop mutually profitable long-term relationships with their customer. Ojukwu-Ogba (2009) defined customer relationship management as a subset of relationship marketing which refers to the process of identifying, developing, maintaining and terminating relationship exchange with customers in order to enhance banking performance. Baker (2008) defined it as an integrated effort of salespeople toward identifying, maintaining, and building up a network with individual customers and to continuously strengthening the network for the mutual benefit of both parties, through interactive, individualized and value-added contacts over a long period of time.
In Nigerian banking industry, a salesperson is assigned to each Account (i.e. customer) who keeps in touch with the customer always to ascertain and provide solutions to their problems. Babatunde and Ajayi (2010) also viewed CRM as an emerging customer innovation which focuses on growing customers profitably by delivering value to the customer in a bid to enhance customer intimacy; this is achieved through increase in quality levels and enhanced business penetration. In the view of Croteau and Li (2009), CRM is a tremendous step forward in creating a system that provides a means of retaining individual loyalty. However, Greenberg (2008) believe that, understanding CRM requires the understanding of the changing nature of customers. Banks now adopt CRM systems due to its benefits which lie in helping to build up long-term customer relationships. In turn, consumers have grown accustomed to dealing with banks that proactively understand and serve their needs (Vimani, 2007).

CRM strategy in the banking sector is being employed to help banks make use of technology and human resources to gain insight into the behaviour of a customer and value of those customers service, make call centers more efficient and accessible, cross sell products more effectively, help marketing staff close deals faster, simplify marketing and sales processes, discover new customers, and increase customer’s revenues (Onut Ederm, & Osver, 2007). This implies that banks use customer relationship management as a tool for gaining competitive advantages. This implies that CRM involves using technology to ascertain the level of customers’ satisfaction and organized a bank’s response to sales, marketing and customer service. From the above definition, it could be seen that technology is an aspect of CRM and cannot be separated from other components of it. This gave credence to the definition of CRM by Achumba (2004) which posits that customer relationship management involves the purchase of hardware and software that will enable a bank to capture detailed information about individual customers that can be used for better target marketing. Also, Agbaje (2014) defined CRM as a managerial strategy that helps organisations collect, analyze, and manage customer related information through the use of information technology tools and techniques in order to satisfy customer needs and establish a long term mutually beneficial relationship. These information technology tools and techniques involve the use of websites, automated teller machine (ATM), telephone, e-banking and other information systems as means of aiding customer access to product/services and banking information. This in a way gives the customers a measure of satisfaction since it reduces distance and ensures interactively between them and the bank.

Application of CRM in Banking Sectors

**Changing Mindsets, Customer Centric, Adaptive, Innovative Culture:** Any bank’s long heritage brings rigid and conservation mindsets together which makes the change adaptation difficult and which is essential for CRM. Although this rigidity seems to be decreasing, a mindset change is needed for the bank. The rigidity of management and the conservative hierarchical organisation structures decrease the speed of CRM implementations and operation in bank. Banks can use any other good bank which is implementing CRM as benchmarks, which have more flexible and innovative cultures and where organisational structure is flatter. The charge of mindsets must start from the management level and continue to all the level of the organisation with the support of management. At the point a paradigm shift is needed which can be summarized as follows:

- A customer centric and relationship-oriented culture must be adopted instead of operation centric and sales oriented culture.
• Management’s attitude to employee must be proactive instead of being reactive, instead of employee compliance, continuous improvement must be supported.
• Training culture must be improved to organisation learning philosophy where self-learning is supported.
• Employee must be empowered in order to carry on their responsibilities faster and efficiently.
• Teamwork and coaching must be developed, instead of individuation.
• Measurement basis must be objective, fair and transparent. Employee must be motivated by rewards and supportive attitude of their managers.

Leaders play an important role in this change process so that bank can invest in experienced professionals with leadership skills, to encourage and convince for change. Banks also must consider employee career development and leadership training. They can overcome the problem of absence of skilled people regarding with CRM by training employee with the help of leadership coaching. Mission statement of bank must be revised and statements that are stressing the customer focused, innovative culture must be put in place. This focus must be supported with in-house training and the message should be clearly passed down to each level in the organisation to ensure solid commitments.

Organisational Learning Philosophy: Organisational learning is more than providing training sessions to employees when it is needed, it is a philosophy. Banks must introduce organisational learning philosophy to nurture new and expansive patterns of thinking where innovative thinking is supported. Organisational learning philosophy consists of a fast adaptive culture, which is an important core competence for today’s banking industry. Leadership coaching can help in adaptation process. Also, e-learning about technical and non-technical issues can be provided via intranet connection of banks. Banks can exploit organisational learning philosophy while implementing its CRM strategies employees and customers are the end user of CRM strategies and implementation, so that it can capitalize on their feedbacks, expectations, satisfaction and dissatisfaction points to improve its strategies and implementations. Banks can conduct regular discussion sessions with employee and customers. New products, services of the bank can be shared and customers’ offering for better products and services than its competitor can be learned, customers further expectation can be sought which would be crucial for further product and service design. This help bank to understand needs of customers’ factors competitors, which result with innovative product and services. This is also an important way to explorer and rectifies problems face by users quickly, which paves the way for operational excellence and customer intimacy. All these mindset changes will help banks to overcome the alignment problems, alignments of people and processes, which are obstacle in the CRM success.

Building Brand Image: If banks seem to have an introverted culture, it must adopt a more extroverted culture to promote its brand. This needs a change in mindsets from management level to employees’ level. By using CRM, it can build strong relationships with customers. The successful service excellence and customer intimacy strategies can result with good word of mouth which is the most effective way of advertisement. Employee can play a critical role in building a strong brand. Bank must equip its employee with necessary mindsets and skill so that they will play as an ambassador role in promoting brand identity. Banks have some CRM capabilities that the order banks do not have so it must promote its superior capabilities better build a strong brand. They can use more advertisement on TV, newspaper, and magazines, internet, etc. by using CRM capabilities, banks can find out customers’ needs and
expectations faster than rivals and accordingly can launch innovative products and services. Innovative products attract new customers and promote brand as a pioneer in the market.

**Re-integration of Operational Analytical and Collaborative CRM**

Many banks have very high analytical CRM capabilities, they have deficiencies in operational and collaborative CRM. Banks can overcome the challenge of insufficient quality of customer data by using an integrated CRM system and interacted channel management. To enhance its operational CRM, bank should adopt the mindset changes to equip its sales force with necessary mindset and skill to integrate them to new processes. To improve customer service automation and collaborative CRM capabilities, banks should use an “interacted channel management”. Online banking is very crucial for today banks customers. Banks should direct its customer of online channel which reduce cost and increase speed of transactions for both parties. It will also ease the tracking of customer information. Various systems such as web-chat and call back services to its communication channels add value to CRM. Banks must develop its telephone its telephone banking. And all channel is must be integrated with each other.

**Effective Use of ATMs**

ATMs are very important for the bank choice of people. Banks have to capitalize on their ATMs better by expanding their branch network, locating ATMs into strategic points where they can reach more people. With ATMs in existence, customers can update their information, which is a strategic way to improve customer data. As it is a new service, introduction brochure must be placed near ATMs, explaining their use and also a demo may be put into web site, which shows which transactions can be done by ATMs and may shows all the ATMs transactions step by step. So that customer feels more confident when they first use it. Because people are afraid of their bank cards might get caught in the ATMs because of misuse.

**Increasing Switching Cost:** In order to retain customers and increase existing customers’ share of wallet, Banks must develop strategies that will increase switching costs. It can increase switching cost with excellent service, customer intimacy and focus differentiation strategies. By building emotional links with customers and making them feel as a valued customer. Other factors are giving more reward points and using competitive pricing and promotion strategies; promotion maybe important for credit card holders.

**Focus on Private and (Priority) Banking**

Many banks already practice private banking and priority banking, in order to incorporate CRM to the highest; it should be strong player in private market. One of the main aim and ultimate goal of CRM is to retain and acquire more profitable customers, which affect overall the profitability of bank. To attract more private banking customers, banks must offer more individualize and attractive product and services to these customers. And it is advertisement and packing must be done well like what some other banks do, banks can use referral programs. In return shopping vouchers can be offered to customers who can introduce a private banking customer successfully. To retain private banking customers, more waiver and discount must be used. To increase their profitability, their saving can be attracted by educating and advising them about the financial markets and financial products. Banks should also pursue the strategy to grow profitability of customer who is not highly profitable at the moment but have the potential to become.
Lastly, as universally understood customer satisfaction is very important for the aim of CRM, effective and efficient customer satisfaction management strategy should be enabled to analyze the customer profiles, to detect their needs and potential profitability areas and establish the necessary actions to achieve customer satisfaction, competitive advantage and thus the profitability. To sum up, any banks can exploit CRM in order to gain competitive advantage over its rivals and increase their customer base.

Using Customer Relationships Management (CRM) Effectively for Success

“Customer relationship focus” is not simply a marketing catch phrase. It is a strategic imperative. Business organisation incapable of acting on insights from a multi-dimensional customer view risk rapid erosion of their customer base to competitors who can aggressively increase wallet share. True customer focus requires moving from product – centric of all holdings, product, history and relationships with other customers. Only such a multi-dimensional view enable firms to identifying high-value customer and develop the appropriate action plan to resolve customer issues and cross sell other services. A complete transformation of business processes, customer intelligence, and policies is necessary for a multi-dimensional view of the customer. The full integration of these systems and their associated business processes forms the basis for customer relationship management (CRM). A CRM system links together the disparate customer data residing in transactional legacy systems as well Enterprise Resource Planning System (ERP) into a single, complete view of the customer. The goal of CRM is to enable companies to maximize the profitability of every customer relationship. Many financial service providers segment customer to support product focused initiatives, very few segment their customers by the profitability potential of life stage events. All financial institutions segment their customer; most do not use the life-stage event approach which necessarily yields a greater competitive advantage (From Align Financial Services Analysis to Capture Wallet Share, Gartner Group, 29 October 2001). Segmentation by life stage event, lets financial institution sell to and support customer throughout a life-long relationship. Only by understanding lifetime value over the course of a customer’s relationship can financial institutions proactively manage the long term relationship with their customers. Predictive modeling must be actionable during the customer interactions in order to yield the greatest returns.

CRM investments in the financial services industry have increased operating efficiencies and customer intelligence, but much more must be done to translate the intelligence into increase revenue and profitability. Firms need more than the ability to handle customer service call. Success requires a comprehensive CRM strategy, an integrated solution that involves every department in the company. This include not only call centres but also sales, marketing and support working as a team to share information. Combine this knowledge with analytical intelligence to create a complete, multi-dimensional view of the customer. As a result, financial institution can generate more successful strategies by providing a complete customer view to anyone in the company with appropriate security permission. This view can lead to many strategic benefits.

Increase profitability: Effective customer segmentation is only possible through a multi-dimensional customer view. Researches have showed that company can increase profitability by 100 percent if they can just retain 5 percent more of their profitable customer per year. Progress is being made. For example, 95 percent of banks use customer profitability in making fee waiver decisions which help to reduce attrition from profitable customers (from Align financial services analytics to capture wallet share, Gartner Group, 29 October, 2001).
**Decrease Operating Costs:** According to a large United State Insurance Company, 70 percent of its incomings calls are from insurance agents wanting information about its customers. This is a non-revenue generating activity. CRM helps financial services institutions reduce these non-revenue generating activities by enabling agents to access customer information over the web via a browser. Furthermore, cost centres can be turned into revenue centres. By the year 2003, more than 80 percent of all banks in the United States will develop their call centres as alternative delivery channels and revenue centres (from the role of a bank contact centre: still a moving target, Gartner Group, 1 August 2000).

**Increased Customer Loyalty:** An even greater percent of customers expect to access and update account information online. Internet self-service reduces support costs by reducing call centre volume. It can improve the customer experience by providing ready access to relevant information. When designed correctly it can also lead to effective cross selling and increased customer intelligence. Customers expect to see a view of all of their account information, which requires the financial institution to provide a multi-dimensional view.

**Improve Customer Satisfaction:** Customers expect that every conversation be referenced against all previous contacts and channels, whether through phone or fax or a web based interaction customer should be able to initiate contact with the organisation through one channel, such as the internet, and then complete the interaction through another, like the call center, with seamless transfer of information between the different underlying technologies.

**Increase Productivity:** Lack of a multi-dimensional customer view often leads to redundant data entry, conflicting information, and poor service. For example, insurance customers are often asked to repeat the same information to several different claims management personnel. This extends the life of the open claim, increases operating costs and helps foster the perception that insurance companies are eager to collect premium payments from customers, but are not as interested in assisting customer when it comes to paying out a claim. Such duplicative information flows are not just limited to insurance companies, but occur in all types of financial services institutions and lead to lower productivity and customer satisfaction.

**Increase Wallet Share:** Without a multi-dimensional view of each customer, financial institution cannot develop effective strategies for increasing shares of wallet. For example, a high value customers, Robert smith, may have checking and credit card accounts with a financial institution, but not have an auto loan, mortgage, or brokerage account. To sell Mr. Smith additional services, the financial institution needs a full view of his product holdings. This includes not only account holdings throughout the institution, but also what he has or is likely to have in other institutions. By integrating demographic profiling tools and third party data into the CRM system, institutions can build an accurate view of the typical holding of customers in specific demographic segments. Such profiles provide an invaluable competitive edge for gaining wallet share in the customer base.

**Increase Household Share:** Wallet applies to entire household. Lastly firms must also understand the relationships that customers have with their intermediates, other customers, and potential customers. For instance, a major bank denied an automobile loan request from a young customer because of a lack of acceptable credit history. Unfortunately, this person was the son of one of the bank’s most profitable private banking customers. Since this important connection was not documented, the bank lost money. A CRM system helps link meaningful information between customers. The key to developing a multidimensional view is by understanding the overall relationship the organisation has with the customer. This can be accomplished with the aid of a CRM solution that is easy to use and that accurately tracks all aspects of the relationship so that the customer receives a consistent experience no matter
which interaction method he or she chooses. The challenge for any CRM solution is to identify and serve the customers who create shareholder value. Having an integrated view of customer profitability, acquisition costs, management costs, and lifetime value provides this valuable information. The aim is to define an appropriate positioning strategy and build competitive advantage by targeting appropriate customers with appropriate products at the points in their economic cycles when they would be most receptive.

**Critical Success Factor of CRM**

CRM is a holistic approach, which needs alignment of different aspects of a business. Management and leadership, change management, human resources and using right technologies are the critical success factors of CRM.

**Management and Leadership:** Leaders/managers in a bank should have an important role by sharing CRM team’s vision with management. The leaders’ role has to be facilitator for implementing CRM. Effective leadership skill results in CRM success. Innovative managers’ works with his team makes decisions by consulting his team, whilst still maintaining control of the group as well as appreciate all the feedback in the organisations related with CRM implementation and strategies and tries to integrate people into it. Because CRM is the backbone of communication, manager communication and coaching skills is the important in CRM implementation in any banks.

**Change Management:** CRM is an evaluation. Change is inevitable. When new IT systems, software, etc. are deployed, the way people doing their jobs would also change, so cultural change adaptation is crucial. It can be also called as Multi Pronged Change strategy. Instead of rushing, CRM team can prefer a gradual change. Workshops and brainstorming meetings with sales, marketing, and customer service staff and shared their CRM strategies can be conducted. Banks do train employees and first of all, tried to change employees’ mindset from operation centric ones to customer centric ones. Change management is crucial to promote user adaptation. Major focus is based on training to achieve adaptation.

**Information Technology (IT):** Many banks have began to deploy new technologies according to their needs. With advanced technologies, it gets the advantage of doing tasks faster and more accurately. There are various software CRM like Siebel systems for operational CRM, Teradata for data warehouse, Unica’s Affinium for campaign management; SAS for data modeling activities. Banks also develop a task manager program that helps sales representative to see 360 – degree of customer view.

**Human Resources:** CRM is the backbone for communication. For a successful CRM implementation, human resources management of company is very important. Integrating employees into strategies and training them is very important to adapt them to change. Employees are the interface of the company, so they will highly affect the bank’s image.

**CRM for Competitive Advantage:** Competition is at the core of the success or failure of a bank as well as all other firms. According to Porter (1985), competitive strategy is the search for a favourable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establishing a profitable and sustainable position against the forces that determine industry competition.

There are various strategies that can be adopted which will procure a bank competitive advantage in an industry. Porter’s “Generic Strategy Framework” if adapted to banking industry will be helpful to understand and evaluate the positioning strategies of banks in terms of their CRM strategic and implementations.
Factors Militating against Effective Customer Service Satisfaction in Modern Banking Industry in Nigeria

Customer confidence in commercial banks has been dampened due to various crises in the banking sector in Nigeria (Ademola, Olusegun & Kehinde, 2013). Among these crises are the introduction of Structural Adjustment Programme (SAP) which changed significantly the way banking business was conducted with the licensing of many banks (Bello, 2005). These licensed banks tagged “New Generation Banks” redefined the operations of banking system. Such that competition was redefined through aggressive marketing, increase in employees’ welfare especially in the area of emolument, introduction of information technology that led to online real time banking and aggressive establishment of branches so as to meet the needs of their customers and to show to the generality of public that their services are unique and better than the others. However, Ezeoha (2007) maintained that these services or branches established have not translated to customer satisfaction as customers’ experienced human traffic while trying to access these services. This could destabilize customers and thereafter force them to open more than one account across the banking industry in order to satisfy their financial need.

Second, liquidation of banks has become a common place in Nigeria leading to customers losing their deposits in the past (Ademola, Olusegun & Kehinde, 2013). It was reported in the news media in 2002 that a prominent Nigerian footballer, Austin Okocha who played in the English Premier League with Bolton Football Club lost US$1,000,000 (One Million United States Dollars) in Savannah Bank which was one of the banks that was liquidated in Nigeria. Austin Okocha at that time mentioned that he had lost confidence in commercial banks in Nigeria. Third, Ekwueme (2006) and Onyike (2012) are of the view that Nigerian banks reform and government regulation have made banking industries open to more foreign and local competition through consolidation and globalization. The consolidation exercise was found to increase the customer’s portfolio of the surviving banks thereby increasing the level of competition (Melodi, Olufayo & Gbadamosi, 2012).

Under this dispensation, marketing of bank services only through advertising and market drive could no longer help banks to retain customers as they defect at the slightest prompt to competitors, rather, most banks are now embarking on marketing campaign more in the area of customer loyalty through various promotion strategies. In the same vein, Awolusi (2012) asserts that consolidation and government regulations has led banks to face further deregulation, increasing competition, and continuously evolving customer demand and expectations in the work services. This could be easily observed from slow pace of work services resulting in long queues, leaving the banking hall stuffy, untidy and choking as the air conditioners are rendered ineffective. Owing to the problem of long queues in banks, Khong and Mahendiran (2006) asserts that when a customer is allowed to be on the queue for many hours he/she will be discouraged and will like to look out for where customer service is faster.

To restore customer confidence in commercial banks in Nigeria and ensure best customer relationship management (CRM) practices by commercial banks, Central Bank of Nigeria (CBN) established the Customer and Financial Protection Department to provide a platform through which customers can seek redress. In the first month of its operation as a division, it received over 600 customer complaints, which was a manifestation of the absence of an effective customer complaints resolution mechanism in the bank (Sanusi, 2012). Also, CBN directed money deposit banks or commercial banks to establish customer help desks at their
head of offices and branches. More so, the apex bank has commenced the review of the Guide to bank charges to make the charges realistic and customer-friendly (Sanusi, 2012). With this review, customers have options of relishing to banks that were capable of meeting their satisfaction.

This movement of customers from one bank to the other has created serious apprehension among the banks executives thereby leading to the provision of various strategies to produce products and services with specifications to match customer specifications. Among these strategies are supply-push and demand-pull, which were replaced by customer centric strategy, called Customer Relationship Management (CRM) owing to their inefficiency (Salim, 2014). This was geared towards creating customers’ service point in most bank branches across the country for the purpose of having a relationship that can lead to a consistent patronage by their customers. Olawale, Folarin and Yusuph (2014) defined Customer Relationship Management (CRM) as a sub of relationship marketing (RM) which has to do with the process of identifying, developing, maintaining and terminating relational exchange with customers in order to enhance performance. Opara and Opara (2016) defined customer relationship management as a broad spectrum of organisational and operational business strategy that provides overall integration of all areas of business (marketing, production, finance, personnel).

Summary
The customer relationship management is key component of today’s organizational management. The organisations are looking more and more towards to adopting the CRM to gain competitive advantage. The effective CRM is integrated with all other processes and departments in the organisation especially marketing and human resource management, and finance. The organisations which implemented CRM shown increase in customer loyalty, retention and increase sales and profits. The banking sector deals with large volume of customers. The banking sector also have specific of dealing with people’s money, so the customer relationship is very important to the banks. The banks should give confidence to the customers by ensuring that they are treated appropriately and getting the best of services and that their money is safe in the bank. This paper is about understanding the use of CRM in bringing about customer service satisfaction.

Conclusion
Any bank can exploit CRM in order to gain competitive advantage over its rivals and increase their customer base. As universally understood, customer satisfaction is very important for the aim of CRM, effective and efficient customer satisfaction management strategy should be able to analyze the customer profiles, to detect their needs and potentials, profitability areas and establish the necessary actions to achieve customer satisfaction, competitive advantage and thus the profitability. In order to improve the level of Customer Relationship Management (CRM) in all the commercial banks in Nigeria, it is recommended to:

1. Establish a central data warehouse for new and old data in order to facilitate the decision making process. When implementing the CRM, it is better to use specialized CRM software. This will help the bank’s employees in segmenting customers and in cross-selling bank’s products/services.

2. Organize the bank around the CRM in which each employee should work effectively as a team member to support each other. Training employees on the bank’s products,
policies, procedures, rules and regulations is needed. These factors will help provide better customer service through human analytics.

3. Set up an ongoing dialogue between the customers and the employees to learn more about the customers’ interests, needs and priorities in order to share information among employees. By acting on what the employees have learned about individual customers, the bank will be able to offer customized products/services in response to particular customer desires.

4. Provide conducive physical environment for its customers by providing parking space, ensuring that their air condition is functional, providing means of reducing long queues in the banking hall among others.

5. Identify the most profitable customers by ranking them according to the numbers of times of their patronage to the bank, and thereafter differentiate them based on what they need from the bank. After identifying the customers’ needs the bank has to develop unique strategies to focus on one to one marketing.

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