

**EVALUATING THE EXTENT OF CUSTOMER RELATIONSHIP
MANAGEMENT (CRM) OF BANK MUSCAT: A CASE STUDY IN
SULTANATE OF OMAN.**

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ABSTRACT

This study aimed to evaluate the extent of CRM application in Bank Muscat, Sultanate of Oman. Specifically, it sought to address the following questions: (1) What is the role of Customer Relationship Management factors on service quality provided by Bank Muscat? (2) What are the different tools and techniques Bank Muscat uses in order to practice relationship management and how they use it? (3) How customer relationship management tools and techniques can contribute customer loyalty and customer retention ?

The research utilized the mixed method research that employs both the quantitative and qualitative approach. The SPSS package was used to analyze the demographic profile of the respondents and the role of CRM in assessing the service quality provided by Bank Muscat with the use of Likert Scale. The other part of this research dealt with the qualitative aspect with the use of interview to the customer respondents and the 3 Bank Muscat staffs. The data gathering was made to the 80 customer respondents and three staff respondents. The findings of the study showed that majority of the respondents are male and majority have attained bachelor's degree. In the aspect of evaluating the role of CRM to service quality the findings showed the following factors positively impacts the service quality: On-time bank statement; employee efficiency customer service; value for the money; the role of promised excellent services with promised times and regular interaction in quality banking services; role of employee's effective communications with the customers; role of extensive knowledge on products and services of the employees are essential in providing quality services; role of using technology and e-banking services helps to develop the quality of the services in this industry; and the role of the availability of the senior manager to increase the service quality of the bank.

Based on the findings and conclusions of the study, it was recommended that the top management should support the maintenance of CRM system; increase the rate responsiveness of the management to the concerns of the customers and incorporate in the strategic planning;

periodic evaluation of the CRM system for improvement; allocation of budget to sustain the CRM implementation; and embraced the concept of continuous improvement emphasizing on customer-focused operation.

Keywords: CRM, Relationship Marketing, Service Quality, Customer Loyalty

1. INTRODUCTION

The term Customer Relationship Management (CRM) is undeniably one of the most interesting issues and perhaps the hottest subject of discussions in many organizations today. (Balaram and Adhikari, 2010; Becker et al., 2009; Dimitriadis and Steven, 2008; Ozgener and Iraz, 2006). The new paradigm of marketing is focus on customer-driven marketing that considers customer satisfaction as the key to the company's success and which holds true with the CRM. According to Dowling (2002), building a strong CRM promotes customer loyalty base and is considered the foundation for a long-term sustainable relationship between the organization and the customers. In other words, CRM plays a vital role in achieving customer retention and loyalty in long-term perspective as well as increase sales and profitability through better market segmentation, obtaining higher quality products, customizing products and services and employee satisfaction (Alomtairi, 2009; Ozgener and Iraz, 2006; Stockdale, 2007; Verma and Chandhuri, 2009).

New studies revealed that, CRM has gained more appreciation when applied to the service industries such as banks, telecommunications, healthcare, and call centers (e.g. Akroush et al., 2011; Becker, Greve, and Albers 2009; Eid, 2007; Hussain et al., 2009; Krasnikov et al., 2009; Sin, Tse and Yim 2005, Almotairi, 2009; Beldiet *al.*, 2010, Bunthuwun et al., 2011; Hung et al., 2010). Due to complexity of businesses, owners have gained understanding on the importance of CRM in relation to the increasing demand of services which eventually led to the utilization of CRM in order to meet the standard level of service. Realizing the increasing needs of customer care, it is timely to make use of CRM in order to establish a mutually satisfying relationship between the company and the customers thereby developing a solid customer loyalty base and higher profitability at the same time. In relation to this, this review is focus on evaluating the extent of CRM application to the banking industry in the Sultanate of Oman. It also examines the CRM strategies that can address the customer demands leading to the development of customer loyalty base.

However, implementing the CRM is still in question as there are some employees that are not updated and lacks the skills to use the newly introduced software to manage the customer relationship. So, there is gap between what is the actual situation and operation of the bank against the desired targets that the bank should be undertaken to ensure the success of customer

relationships that urged the researcher to conduct this particular study. Upon realizing the significance and contribution of CRM to the businesses especially in the service industry and the banking sector in the Sultanate of Oman, this study may contribute largely to the services that the banks are offered in the country.

1.1 Research Questions

Specifically, this research seeks to answer the following questions:

- What is the role of the several factors of CRM in defining service quality in the banking sector?
- What are the available tools and techniques that are utilized by the chosen organization, Bank Muscat to implement the CRM and how the implement it?
- How CRM tools and techniques can contribute to customer loyalty and customer retention?
- What are the possible measures to improve the overall quality of CRM and the quality of service in the banking institutions?

1.2 Research Objectives

The main objective of this study is to investigate the efficiency of the banking services in Oman and finding out the major tools and techniques utilized by the bank in customer relationship management. It also intends to examine the customer perception on the services that the customers are receiving from the banks. To be specific, the research tries to achieve the following sets of objectives:

- To find out the role of customer relationship management factors on service quality of the banking institutions.
- To identify the CRM tools utilized by Bank Muscat in its operations.
- To investigate the influence of customer relationship management one creating customer loyalty and retention.
- To find out scientific methods of CRM techniques in improving customer service quality.

1.3 Importance of the study

The demand on the use of CRM system to different industries are becoming a basic necessity considering that they are communicating and dealing with the consumers on the daily basis. Various authors in many researches found that CRM is a powerful tool in establishing and maintaining customer relationships and are proven to be efficient system that ensures the company's long-term profitability (Mastour and Boumaiza, 2011; Gray, 2005; Buttle, 2004).

Baker (2003) have clearly defined the CRM as the integration of strategy focusing on customers that binds the relationship between the sales and marketing department which is true to most of the businesses. The shift from the old marketing techniques of utilizing the marketing mix and product focused strategy to the customer focused strategy of establishing, maintaining, retaining and ensuring the long-term relationship with the customers have become a key reason for successful business dealing and management. It has become a major trend in the business worldwide (Baker, 2003). But in the case of the businesses in Oman, maintaining and retaining the customers is still a major issue and challenge for many companies and thus, it is an on-going dilemma that requires immediate and major action. Because of this, it is believed that this research study may contribute and benefit companies by making the study a pilot research that shed light on evaluating the extent of the implementation of Bank Muscat and how it can be improved not only in the area of customer relationship, customer satisfaction, and customer expectations but also the marketing functions that are closely associated with the CRM. In the case of Bank Muscat, it is a major consideration that CRM is widely understood from the executive level or top management down to the lowest level in the hierarchy or the bottom level so that its application will be uniform throughout all the branches.

2. LITERATURE REVIEW

2.1 Definition and Importance of CRM

There are several definitions of CRM. However; Buttle (2004) has defined CRM as the modern business strategy of integrating both internal and external processes with external linkages to create value to potential customers on its aim to maximize profitability while delivering quality services. In this connection, it is worth noting that the concept of CRM can be defined in different ways. Several researchers also provide different definitions of CRM to different people and on the working environment (Baran et al., 2008; Dimitriadis and Steven, 2008; Piskar and Faganel, 2009). Hence, there is no universally agreed definition of CRM (Abdullatif et al., 2010; Hamid, 2009; Nagi, 2005). But, it can be inferred that CRM can be considered as a strategic approach that help companies to utilize its resources within the organization such as technology, process and people being the medium of developing and implementing customer relationship management in order to achieve organizational performance and competitive advantage.

The importance of CRM can be seen in many dimensions. In the service industry for example, it is an effective strategy to retain customers and establish customer loyalty (Bose, 2006). Moreover, using the concept of relationship marketing as a tool for strong CRM system that will result into cost reduction while promoting trust and confidence for both the company and the customers (Gummesson, 2007). Gronroos (2006) had ironed out the changing preferences of the

customers nowadays from the traditional view of marketing to the modern means of marketing thereby emphasizing relationship marketing. A good CRM strategy would likely improve the standards of quality (Mastour and Boumaiza, 2011). In the banking industry, CRM has been gaining greater attention especially in promoting loyalty, long-term relationship and relationship marketing. The notion that, CRM can reduce the cost of operations and increased profitability had been studied by many banks and findings revealed that the successful management of CRM will both provide customer satisfaction and loyalty (Mudie & Cottam, 2009). Taking into consideration the banking industry in the Sultanate of Oman, banks are equipped with latest technologies that can provide the CRM technology-based system to cater to the needs of the clients such that bank facilities are accessible easily and faster than expected.

However; Buttle (2004) argued that CRM is very crucial and very important in assuring that the business will run for long-term survival as it does not only focus on profitability. It also enable the customers to develop loyalty and customer base (Wayland & Cole, 1997). In the study of Leboeuf (1987), he developed the five factors or ways in retaining customers that include reliability, credibility, attractiveness, responsible, and empathetic. According to Fay (1995) there can be two conditions that evaluates customer loyalty which are share of total customers and customer retention. Ensuring an acceptable and ideal customer relationship management, Ling & Yen (2011) suggested the importance of good customer service and the customer satisfaction relative to the service provided should be done by businesses. Customer service therefore play a big role in establishing relationship with the customers (Payne et al, 2001).

2.2 Frameworks on CRM

Pink (2012) had emphasized the application of information technology in CRM as a business strategy that directly links to business profitability. He further added that, customer segmentation may help businesses in optimizing profits and at the same high customer satisfaction. Bose (2002) agreed with Gartner by stating that CRM should integrated with information technology in satisfying mainly the customer needs and demands. In the banking sector like the studied organization, Bank Muscat CRM can be integrated in the various functional tasks such as accounting and finance functions, customer information services, new accounts services, internet and website communications to customers, telephone conversations with the clients, sales and marketing services, and responses to customer queries, complaints, and suggestions.

2.3 Benefits of CRM in an organization

Lin & Su (2003) stressed the potential benefits provided by organizations that have stable and strong application of CRM as it enable the companies to strategically maintain and achieved long-term customer relationships. Well established CRM also make companies to know in depth

the customers' needs and wants that would help the firms to customized their services and easily adopt changes with the view of satisfying the customers while increasing the company's long-term profitability (Buttle, 2004).

Kennedy (2004) proved in his study that developing and implementing a good CRM results to customer retention and creating a stable customer base as well as helping the company to attain profit growth and augment overall profitability. As also evidenced in the study of Erwee (2004), most businesses covered by his study affirmed that one of the ways to achieve and sustain competitive advantage is through building a strong CRM with the customers.

2.4 Definition of service quality

Considering that service quality is one of the variables in this study, it is necessary to define what service quality is. According to Baker (2003) service quality is defined as satisfying and meeting the customers' needs and expectations. Parasuraman, Zeithaml & Berry (1985) define quality as the standard of something as measured against other things of a similar kind; the degree of excellence of something. As applied in this study, quality is measured based on service delivery provided to customers that is evaluated based on the difference between customer expectations and the actual service provided. In general, Beckford (2002) the conceptual framework underlying the concept of service quality is achieved by comparing the customer's expectation and actual service that the company has provided. Three different theories are introduced by Chase & Bowen (1988) which are the attribute theory, customer satisfaction theory and customer interaction theory. Attribute theory focuses on the characteristics of service delivery process and proposes that the management has full control to change the service quality service. The customer satisfaction theory emphasized that, quality is attained if the customer expectations and the actual service provided by the company met. And, interaction theory refers to the level of service quality is met depending on the degree of interaction between the company and the customers. More interaction, quality is ideally achieved.

Muddie and Cottam (1999) stipulated the importance of these theories to be integrated in the operations of the company. Service quality as applied in the banking sector is vital aspect of the operations especially in the area of customer evaluations and the overall company performance. Although different concepts and definitions of service quality, its prime purpose is to satisfy customer needs and wants. Described in table 2.1 is the service quality model that will be used in this study.

Table 2.1: The Service Quality Model

Service Quality Aspects	Illustrations
Reliability	How the company can provide accurate and reliable services.
Responsiveness	How quickly they respond to customer wants and needs and even complaints.
Assurance	The company's actions and service ability that erase the worries of the customers about the service.
Empathy	The level of care that the company provides to the customers at individual level.
Tangibles	The availability of the tangible resources of the company such as the physical facilities, equipment, employees and communication materials.

Source: Adapted from Parasuraman et al. (1988:23) and Mudie & Cottam (1999:86)

2.5 CRM in Service Quality in Banking

Kumar, Scheer and Kotler (2000) stipulated that identification of customer demands and providing quality service that promotes customer loyalty thus, make the firm established more customer oriented in terms of internal business policies. So, in banking service quality is applied through identifying customer demands in order to provide best service that eventually promotes better cooperation between the company and the customers. To meet the standard of service quality, banks should consider knowing the demands of the customers and how best they can perform the services to satisfy the customers. According to Kennedy (2004), customer satisfaction is one of the objectives of business in trying to achieve quality of goods and services. The more the customers are satisfied with the service, the more loyal they are in patronizing the company's services like in the case of the service sector. So, service quality can be measured through how the customers are satisfied with the service provision. However, it does not only limit to this factor as customer satisfaction is just one of the measures for service quality.

3. RESEARCH METHODOLOGY

This study utilized the mixed research design which considers both the quantitative and qualitative research. The survey questionnaires and interview were employed with the respondents with both self-administered questionnaires and semi-structured interview questions. Anchored on the study of Cohen (2011), the questionnaires were distributed to gather information to achieve the research objective to 80 customer respondents, 3 Bank Muscat staffs as the sample size. The researcher used the convenience sampling to select the respondents in the different geographical location within the capital city of Muscat, Sultanate of Oman based on the

availability of the respondents when the questionnaires were given. Likert Scale was utilized in designing the questions. All the questionnaires were retrieved and analyzed. Before the data collection, a letter of consent was obtained from Bank Muscat with the assurance that all the information gathered will be kept confidential. To analyze the data, frequency and percentages were used in analyzing the demographic profile of respondents and on the questions related to the Role of CRM on service quality. While questions relative to CRM tools and techniques in Bank Muscat and CRM tools contributing in loyalty and retention, responses were transcribed verbatim and transcribed in the discussion section.

4. DISCUSSIONS AND FINDINGS

This chapter presents the findings of this research study entitled “Evaluating the Extent of Customer Relationship Management (CRM) of Bank Muscat” in Muscat, Sultanate of Oman.

4.2. Demographic Profile of the Respondents

4.1. Demographic Profile of the Respondents

Table 4.1. Respondents’ Profile According to Gender

Gender	Frequency	Percentage (%)
Male	55	68.75
Female	25	31.25
Total	80	100.00

Table 4.2. Respondents’ Profile According to Level of Education

Educational Qualification	Frequency	Frequency/Percentage (%)
Primary Level	10	12.50
Secondary Level	22	27.50
Bachelor’s Level	32	40.00
Graduate & Post Graduate Level	16	20.00
Total	80	100.00

The table 4.2 depicts that most of the employees are male or 68.75% of the total respondents compared to female with only 31.25%. Considering that culturally, in Oman the majority of the men are obliged to find job to sustain their families and for future families. When analyzing the educational level and qualification of the respondents, majority of the respondents finished baccalaureate degrees or bachelor’s graduates with 40% followed by those who have attained the

graduate and post graduate education with 20%. A portion of them have only secondary education with 27.50% while 12.50% have attained until the primary level. It can be interpreted from this point that, education means a lot in the bank considering the fact that the competition is increasing in line with the growing demand of education throughout the Sultanate. Although obtaining secondary allows the Omanis for employment, many of them aspire to graduate bachelor's degrees for more opportunities and promotions like those who have attained the graduate and post-graduate programs.

4.2. Role of CRM on service quality

To achieve the first research objective, the following factors that affects the service quality of Bank Muscat has been analyzed from the data or information gathered from the customer respondents as illustrated in the succeeding paragraphs.

On-time bank statement

Table 4.3: Role of sending on time bank statement to the customers in quality customer service

Level of Measurement	Frequency	Percentage (%)
Strongly disagree	2	2.50
Disagree	13	16.25
Neither agree nor disagree	9	11.11
Agree	26	30.76
Strongly agree	30	37.70
Total	80	100.0

From the above-mentioned data or information, it can be gleaned that majority of the respondents believed that providing on time bank statement to the customers positively impacts the service quality provided by the Bank. Specifically, it shows that 30 out of the 80 respondents or 37.70 percent strongly agreed that when the bank send on time bank statements to the customers, produces good customer feedback towards service quality and this is supported by those respondents who have agreed with this statement (26 out of 80 respondents) or 30.76%. About 13 respondents or 16.25% disagreed, 11.11% are neutral and only 2.5% the least have strongly disagreed that on time bank statement affects service quality of Bank Muscat. It can be interpreted from the results that it is important for the bank to maintain their commitment to

provide regularly and on time bank statement to the customers so that the customer's impression of service quality will be achieved by the bank.

Employee efficiency customer service

Table 4.4: Role of efficient banking services in providing quality banking service to customers.

Level of Measurement	Frequency	Percentage (%)
Strongly disagree	2	2.50
Disagree	13	16.25
Neither agree nor disagree	3	3.75
Agree	25	31.25
Strongly agree	37	46.25
Total	80	100.0

In assessing the relationship between the efficient banking services to providing quality banking service, table 4.4 revealed the following responses as follows: Most of the customer respondents or 46.25% strongly agreed that efficient banking service provided by the Bank to customers promotes the bank's service quality while 25 respondents or 31.25% agreed on the above-mentioned statement. This shows that customers prefer to how efficient Bank Muscat provides its services to achieve the service quality. However, 13 out of the 80 respondents disagree about efficient banking as contributor to service quality and 2.50% strongly disagreed respectively. There are 3 respondents that neither agree or disagree and prefer to be in neutral stand. Interpretation can be expressed that, employee efficiency customer service greatly influenced service quality.

Adequate customer information sharing

In the aspect of providing adequate customer information sharing with the customers regarding Bank Muscat's products and services, different perspectives were expressed by the customer respondents. Majority of them or 34% disagreed that updating the customers about the bank's products and services impacts the service quality of Bank Muscat. On the other hand, 25% of the respondents agree that the above statement affects service quality positively and 20% strongly agreed. While 21% are neutral with this issue. This might draw different views based on the responses from the customer respondents. However, based on the result it may be evident that

customer sharing of the information on Bank Muscat's products and services do not reflect or measure the service quality of bank's services.

Value for the money

Customers normally considers whether the services provided by any institutions are worth valued. In this study, the value for money is treated as one of the essential criteria in evaluating the service quality of the Bank's CRM. The result showed that, 49 out of 80 respondents or 61% strongly agreed by expressing that value for money has direct positive impact on measuring the service quality of the bank such as Bank Muscat and supported by those who agreed with the statement with 22.5% affirming that they will prefer to choose the services of the bank that can provide them value for money or money's worth like that of Bank Muscat. While the rest is shared by those respondents who have disagreed, strongly disagreed and neutral respectively. This affirms that, Bank Muscat has delivered service quality that enables the customers to achieve money's worth or value for money.

The role of promised excellent services with promised times and regular interaction in quality banking services

It is observable that the majority of the respondents agreed with the role of CRM tool in fostering strong commitment and regular interaction with the customers from Bank Muscat into providing quality CRM service to them. In other words, quality service can be defined based on the regular interaction with the customers with the quality banking services.

Role of employee's effective communications with the customers

Table 4.5. Role of effective communications with the customers

Level of Measurement	Frequency	Percentage (%)
Strongly disagree	4	5.00
Disagree	6	7.50
Neither agree nor disagree	10	12.50
Agree	36	45.00
Strongly agree	24	30.00
Total	80	100.0

Many organizations recognize the importance of effective communication in establishing customer relationship management. When there is open communication between the bank and the customers, it will bring mutual exchange and satisfaction between the two parties. Based on the table's result, it is clear that 36 out of 80 respondents or 45% agree that communication is very important factor in determining the service quality of the bank such as Bank Muscat. Moreover, the customers believed that attaining effective communication allows the bank in providing excellent customer service. It is seconded by 30% or 24 out of the 80 respondents who shared that they strongly with the statement while only 7.5% expressed their disagreement along with the respondents who are neutral with 12.5%. Therefore, it is undeniable that communication strongly promotes quality service by the bank like Bank Muscat.

Role of extensive knowledge on products and services of the employees are essential in providing quality services

While it is important for the customers to know what the bank offers with its products and services, the bank staffs should have more or extensive knowledge with products and services offered by the bank such as Bank Muscat. It is assumed in this study that, the employee's extensive knowledge on products and services offerings positively influenced the quality and bank's services to the customers. The result affirms this assumption stating that both 27.5% of the respondents strongly agreed and agreed respectively. This might be interpreted that, the more knowledge that the employees have, the more they can expressed themselves in providing quality services to the customers.

Role of using technology and e-banking services helps to develop the quality of the services in this industry

It cannot be denied from the results that technology and e-banking services facilitates service quality provision by the bank such as Bank Muscat. It is very vital in promoting the CRM service to the customers. Specifically, 52.5% of the customer respondents strongly agreed that technology and e-banking services enhanced service quality of the banking industry where Bank Muscat is one of it. While 27.5 supports the claims by responding that they agreed with the statement. As a matter of fact, those respondents who have expressed their strong agreement and agreement respectively affirmed that technology has played vital role or key instrument in applying the CRM by the bank to its growing customers. Technology has pave the way in informing the customers about the bank's activities, future policies and changes, and the bank's stand about issues that impacts the customers. On the part of the customers, it addressed the issue on easy banking services and the promotion of better relationship between the customers and the bank staffs. With the advent of modern banking system, technology played a major role.

Role of the availability of the senior manager in order to discuss the issues required to bring attention to them is required to increase the service quality of the bank.

Regarding this issue, it is observed that senior officer has played a significant role in resolving issues and problems about service quality provision by the bank. It is evident with the results that, 46.25% or almost half of the respondents agreed that the senior manager is instrumental to the increase in the service quality provision by banks including the Bank Muscat and seconded by those who have also agreed with 26.25%. This can also be viewed that, the senior manager is concerned with the whereabouts of the bank and its staffs as well as the customers in addressing issues that affects both parties and be opened in looking for the solutions to the problem. It has also big impact to the customers when the senior manager allocates enough time to hear the customer's concerns and whereabouts.

4.3 CRM tools and techniques in Bank Muscat

The part two focused on the interview utilizing semi-structured interview with the three (3) customer relationship manager with the selected three branches of Bank Muscat in the Muscat Area and about 10 customers. The objective of the interview is to find the effectiveness of CRM system as implemented in Bank Muscat which will meet the second objective of this study. It was found out with this study that the system of Customer Relationship Management (CRM) is working effectively with Bank Muscat as evidence by the stronger relationship between the customers and the bank staffs. It is clear from this point that the use of CRM tools and strategies enable the bank to keep a record of the customer data and information with the use of databases and analyze the customer's needs. For this reason, the bank categorically analyze the needs and customer account information by keeping regular communication with the customers through the provision of products and services and with the best use of technological advances. Excerpts from the interview with the three respondents, they unanimously agreed by saying that,

“We consider technology as our main tool in implementing and providing CRM services to the customers which we believed to be the most significant vehicle in maintaining quality service and customer relationship management”.

Furthermore, one of the three respondents specified the steps necessary to promote service quality with the use of technological tools by discussing the series of steps: (1) identify potential clients with the aid of customer database; (2) Consider and evaluate valued clients; (3) Segmenting profitable customers; and (4) Separating loyal customer groups.

Moreover, results from the interview from the three staffs, they stressed by stating that

“We valued the customers by using the SAS software aimed at evaluating and assessing customer values and further establish long-term relationship with the customer which is used by the bank throughout all the branches in the Sultanate”.

The CRM processes also involves the mails, sending bank statements, periodic advertising, banking consultations, telephone banking facilities, on time feedbacks, need-based bank service offerings are among the known tools that are applied with Bank Muscat in the provision of service quality services to the customers.

When the customers on the other hand were asked about their level of satisfaction on the quality of services provided by Bank Muscat, they unanimously approved by saying that,

“We are satisfied with the quality of service provided however; there are still things that needed to be improved”. They added that employees and staffs should be provided more trainings pertaining to CRM techniques by conducting more training opportunities for them to become more interactive and develop consumer-based behavior, enhances the brand image, by providing rewarding schemes for customers who are proven to establish loyalty with the company and worthy to be rewarded and focus its attention to continuous improvement by maintaining a technologically-based CRM system”.

4.4 CRM tools contributing in loyalty and retention

The third objectives dealt on evaluating and examining the role of CRM in customer retention and loyalty. The customer respondents were asked about the following information described below.

1. Existing CRM system in fulfilling customer demand:

Results from the analysis showed that 36.25% expressed their disagreement on the present CRM system used by Bank Muscat while 21.25% agree that they are satisfied with the present services of the bank with their CRM system. About 18.75% strongly agree and 15% strongly disagree respectively. In fact, most of the customer respondents expressed their thoughts about the lack of confidence with the existing CRM system which has long been implemented by Bank Muscat that it will satisfy and meet their demands and expectations pertaining to service quality. However, a number of respondents are contented and happy with the services provided by the Bank particularly in the greater Muscat area.

2. Retaining with the business

When asked about their loyalty and choice after considering the above-mentioned outcome, they have expressed their intention to stay with the services of Bank Muscat which is evidenced by 40% of the respondents stating that they will surely stay with the bank and even very much willing to deal with the future services that Bank Muscat can offer. Conversely, 21.25% of the respondents are neutral about whether they will stay or not stay with the bank services while 15% of the respondents replied that they are not happy with the services on CRM however; if the system will be improved as well as the quality service provision, they will still be loyal with the bank.

4.5 Recommendation for improvement

To address the fourth objective of this study, the customer's response though interview were gathered and collated on how the present services by the bank in relation to service quality can be improved. The majority of the respondents stressed that,

“There is a need foremost for Bank Muscat to clearly explain and make orientations to the customers about the products, policies, terms and conditions before selling it. The importance of periodic orientation to the customers would be very vital to establish and developed the customer's trust which is largely based on the CRM policies that were implemented to the clients/customers”.

When asked about whether they fully understand about the services that the bank has been providing, they unanimously agreed that,

“We have not fully understood the services and offerings provided by the bank especially that there are variety of service offerings that they introduced to the customers and it is not clear how it benefits us”.

The customer's concern is that, how can their funds be secured and they felt that CRM system can be very useful tool to maintain the loyalty, confidence and trust between the bank and the customers. Most of the respondents suggested that CRM can positively influenced them if there is strong commitment by the bank's staffs to the customers, solid ethical standard of behavior, rational communication flow, and well-developed customer service. Some of the respondents even expressed that, treating the customers with smile would also would add value to the services and would determine how friendly the environment is surrounding the bank.

Moreover, the customers are apprehensive that if the bank fosters better or good working environment and good attitude towards their work and in dealing with the customers, they will be motivated to perform the tasks that are assigned to them and provide the desired and expected customer service to the clients. They expressly added that,

“It is also important that the top management expressed their full support about the system and made it known to all employees of the bank from top to bottom in the hierarchy as well as the availability of the needed resources for its full implementation and evaluation. While in terms of financial capabilities the bank they are performing very well, they should underestimate the fact that, allocating sufficient for implementing and maintaining the CRM is very important and relevant to the growing needs of the customers. Lastly, employee’s attitudes towards dealing with the customers should be given emphasis as part of CRM that may boost the confidence of the customers to deal with any transactions to Bank Muscat”.

5. CONCLUSIONS, RECOMMENDATIONS AND FURTHER STUDIES

5.1. Findings

Part one of the study determines the demographic profile of the respondents measured using statistical data analysis tools and showed that majority of the respondents (55 out of 80 respondents) are male. With regards to level of education of the respondents, 40% have acquired bachelor’s degree and only 12.5% are in the primary level. About 20% have undergone post-graduate studies.

Taking into consideration the role of CRM on service quality according the factors mentioned in this study, the following can be summarized below:

1. **On-time bank statement** – most of the respondents strongly agree that on-time bank statement improves the service quality on the banking services provided by Bank Muscat.
2. **Employee efficiency customer service** – About 37 out of the 80 respondents or 46.25% strongly agreed that employee efficiency customer service positively affects the service of the banking services of Bank Muscat.
3. **Adequate customer information sharing** – Most of the respondents with 34% are not convinced that adequate customer sharing improves the service quality although 25% agree that it will.
4. **Value for the money** – Majority of the respondents strongly agree that value for money direct impacts the service quality provision by Bank Muscat.

5. **The role of promised excellent services with promised times and regular interaction in quality banking services** – Most of the respondents believed strongly agreeing that providing excellent service by Bank Muscat positively contributes to service quality.
6. **Role of employee's effective communications with the customers** – Most of the respondents agree that effective communication improves the quality service provision by Bank Muscat and supported by those who strongly agree.
7. **Role of extensive knowledge on products and services of the employees are essential in providing quality services** – The respondents unanimously agreed that extensive knowledge of the offerings by the bank staffs promotes service quality of Bank Muscat.
8. **Role of using technology and e-banking services helps to develop the quality of the services in this industry** – About 52% or the vast majority of the respondents strongly agreed that technology has big role to play in promoting service quality provisions by Bank Muscat.
9. **Role of the availability of the senior manager to increase the service quality of the bank** – Undeniably, almost half of the respondents strongly agreed that senior managers have big influence in achieving service quality for Muscat Bank's service provision to customers.

In the use of the CRM tools and techniques provided by Bank Muscat to customers, it was found out from the interview that technology has big role to play in fostering CRM to the customers. Such tools can be more appropriate such as mails, sending bank statements, periodic advertising, banking consultations, telephone banking facilities, on time feedbacks, need-based bank service offerings.

In the last part of the study, the researcher conducted an evaluation about the impact of CRM tools as measure to customer loyalty and retention. The findings showed that majority of the respondents are not satisfied with the present CRM system implemented in Bank Muscat and expressed their lack of confidence with the system. When asked about the loyalty and retention with the bank's services, they will still stay with the bank services but suggested that if there are ways for improvement they will support for it.

These findings either support or contradicts the previous studies conducted. The findings on the evaluation of CRM on customer loyalty and retention in Bank Muscat contrasted several studies which claimed that, to build customer loyalty, customers create and maintain positive attitudes toward the company (Thanban, 2013; Keshvari *et al.*, 2012; Rootman, 2011; Ondieki, 2012; Anani, 2013; Nwankwo, 2013; Msoka, 2014; Jemaa, 2014; Tarokh 2015). Specifically, the results dictate the dissatisfaction of the customers to the services from CRM system provided by the bank that may cause decrease in loyalty and retention. While considering the importance of

technology in delivering quality service by Bank Muscat, result shows that e-banking services for instance helps to develop the quality of the services in this industry. This result coincided with the study Pink (2012) emphasizing the application of information technology in CRM as a business strategy that directly links to business profitability. Bose (2002) agreed with Gartner by stating that CRM should be integrated with information technology in satisfying mainly the customer needs and demands.

5.2. Conclusion

From the above findings, it can be concluded that majority of the respondents are male and are educated with bachelor's degree with some of them have reached the post-graduate studies. With regards to the CRM's role to service quality of the banking services by Bank Muscat, it can be concluded that the following factors have positive impacts on service quality:

- On-time bank statement.
- Employee efficiency customer service.
- Value for the money.
- The role of promised excellent services with promised times and regular interaction in quality banking services.
- Role of employee's effective communications with the customers.
- Role of extensive knowledge on products and services of the employees are essential in providing quality services.
- Role of using technology and e-banking services helps to develop the quality of the services in this industry.
- Role of the availability of the senior manager to increase the service quality of the bank.

Technology played a big role in the implementation and maintaining the quality of service with the use of CRM system for Bank Muscat. Although there is still room for improvement, there is a need for the bank to continuously improve the service quality, communicate the customers about the products and service offerings for better understanding by the customers, good work attitude and give emphasis on customer loyalty and retention.

5.3. Recommendations

From the above findings and conclusion, the following recommendations can be offered:

- The top management should be expressive in their support with the CRM system to further improve the services currently provided by the bank.

- The rate of responsiveness by the bank's staff and the management through accepting feedbacks from the customers should be evident and included in the strategic planning of the bank.
- The implementation of CRM should be periodically be evaluated depending on the need and a committee should be set up purposely to monitor the situation and the extent of implementation of the system.
- There is a need to consider proper allocation of budget directly related to CRM system and ensure that it is maintained at desirable level.
- As part sustaining the CRM, the management should be visible in terms of product orientations to the customers on a regular basis so the customers will be fully aware of the present and future offerings of Bank Muscat.
- It should be widely understood by the whole workforce branch wide about the importance of CRM in dealing with customers as it directly impacts long-term profitability of the enterprise. Continuous training and orientation on this regard should be given utmost priority.
- Focusing on customer loyalty and retention, the bank should embrace continuous improvement that caters to the needs and expectations of the customers and expressed their commitment with the customer-focused operation.

5.4. Recommendation for Future Research

Due to the constraints and limitation of this study, the researcher is limited only to 80 respondents and 3 staffs in conducting this research. Although he believed that the outcome represents the population of the bank, there are other areas that reflects how the extent of CRM can be evaluated that may not covered in this study. So, it is suggested that more extensive studies can be done for the purpose of justifying the claims and arguments that have been covered in this particular study. Moreover, it is the belief of the researcher that the information gathered from this study can be a reliable input for further studies.

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