

IMPACT OF BANK'S CUSTOMER RELATIONSHIP MANAGEMWNT ON CUSTOMER SATISFACTION AND LOYALTY OF SMEs: THE MODERATING ROLE OF ADVISORY SERVICES AND CAPACITY BUILDING.

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Abstract

The study sought to examine the relationship between Customer Relationship Management (CRM) (customer focus, knowledge management, CRM organization and technology use) and customer satisfaction and loyalty. The relationship between customer satisfaction and customer loyalty was also evaluated. Another focus of the study was to determine the moderating impact of advisory services and capacity building in the relationship between CRM and customer satisfaction as well as the moderating role of trust in the relationship between customer satisfaction and customer loyalty. The study employed a mixed methods approach. An estimated sample of five hundred (500) respondents were selected for the quantitative study, out of which two (2) were selected for the case study. Respondents were drawn using a purposive sampling method. The reliability and validity of the constructs met the minimum threshold. The outcome of the study showed that CRM is positively related to customer satisfaction. Customer satisfaction also showed a positive relationship with customer loyalty. The test of the moderation hypothesis showed that capacity building moderated the CRM relationship with customer satisfaction, while trust moderated the customer satisfaction relationship with customer loyalty. The study recommended that banks should advocate for customer-centric strategy where capacity building and offering of advisory services is the pivot and customer service officers of banks, given specialist advisory training can attract, groom and retain corporate customers. This fosters a "start right" customer centric approach and helps understand and meet customer needs better. The existence of such a unit guarantees, to a large extent, the positioning of the right building blocks from the onset of the banking customer relationship. The customer is distinctly aware of the services provided by this unit and knows he can leverage on it in future. Eventually, this will translate into their satisfaction. Being customer focused should go beyond kind gestures when customers visit the banking hall, and must include intentional efforts to engage SMEs to better understand their needs in order to provide the relevant support. There is a need to translate the customer database into service delivery. The management of customer data should transcend more knowledge to a reflection of such knowledge in the delivery of services. This, the study reveals, will result in greater customer satisfaction.

Keywords: CRM, advisory services, capacity building, customer satisfaction, customer loyalty and trust.

