The Effectiveness of Customer Relationship Management with Regard to Business Performance: a Sustainability Perspective

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Abstract

The study was aimed at identifying and evaluating the effectiveness of Customer Relationship Management (CRM), regarding business performance at the AA Agency. Furthermore, the research was aimed at understanding how individual responses to customer relationships play a role in the successful implementation of management strategies. Primary data formed a basis for the study and was collected by means of questionnaires. In addition, the data were analyzed, and findings, conclusions and recommendations were formulated. The results were analyzed according to responses regarding duration of service and positions as variables. The results from the survey indicated that factors affecting CRM included lack of an effective communication plan, lack of leadership influence to drive the CRM strategies, ineffective engagement and consultation with employees, a lack of resources and training, as well as a lack of performance management programs. These factors affected individual performance and overall organizational performance. Impacts of concern were low employee morale created by a lack of support and consultation from management - which created uncertainty regarding job security and satisfaction, and little realization of value to business performance. Positive feedback included leadership stability and awareness of the importance of CRM for business performance. Key recommendations were the challenges of CRM to overcome hurdles, minimize risk and guarantee results.

Keywords
Customer Service, CRM, Business Objectives, Business Performance

1. Introduction

One of the most important challenges for the AA Agency is to establish and maintain good relations management with prospective customers by providing good service. In earlier times, customers were less sophisticated persons and were happy with whatever product or service was offered to them. Today, however, marketing is no longer just about developing, selling and delivering products (Gray and Byun (2001). It is increasingly concerned with the development and maintenance of mutually satisfying long-term relationships with customers.

2. Aim of the study

The aim of this study was to identify and evaluate the effectiveness of Customer Relationship Management (CRM), if it is in place, with regard to the business performance of the AA Agency. Furthermore, the researcher's aim was to understand how individual responses to customer relationship management play a role in the successful implementation of management strategies. Primary data formed the basis of the study and were collected by means of questionnaires. In addition, the data were analyzed, and findings, conclusions and recommendations were formulated.

3. Literature Review

CRM is defined by Payne and Frow (2004) as the implementation of an integral series of technology and strategies developed purposely for the creation of shareholders' value via maintaining strong long-term relationships with customers (both current and potential). In the view of Parvatiyar and Sheth (2002), CRM can be defined as "a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value". In a similar vein Rababah et al. (2011) describe CRM as based on three different perspectives, namely business philosophy, business strategy and technology, which require effective and successful adoption and implementation. Marshall and Johston (2010) characterized CRM as any application which requires an organization to make use of an effective and efficient business strategy and leadership style in order to create relationship management with customers. CRM comprises three most important objectives, i.e. customer profitability, customer acquisition and customer retention (Coltman et al. 2011). Customer profitability entails providing the customer with the exact product as and when it is needed.

Customer Relationship Management (CRM) "is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high-quality customer data and enabled by IT" (Buttle 2004). CRM is a business strategy to identify, cultivate, and maintain long-term profitable customer relationships. It requires developing a method to select your most profitable customer relationships (or those with the most potential) and working to provide those customers with service quality that exceeds their expectations. Moreover, Customer Relationship Management (CRM) appears to be a simple and straightforward concept, but there are many different definitions and implementations of CRM. At present, a number of different conceptual understandings are associated with the term "Customer Relationship Management" (CRM). The understanding ranges from IT-driven programs designed to optimize customer contact, to comprehensive approaches for the establishment and design of long-term relationships. The effort to establish a meaningful relationship with the customer is characteristic of this last understanding (Barnes 2002).

CRM is a holistic process of acquiring, retaining and growing customers. It includes all in-line and off-line relationship management (Raymond et al. 2006). As Gray and Byun (2001) expound, CRM is an abbreviation for "customer relationship management", not "customer relationship marketing". Management is a broader concept than marketing because it covers strategic management, human resources management, marketing management, service management, knowledge management, sales management and research management as well as development management. CRM therefore requires organizational and business level approaches, which are customer-centric, to do business; it is more than a simple marketing strategy.

2.1. Factors Affecting CRM

There is consensus that CRM cannot be implemented effectively without the committed involvement of senior management. It was found that CRM is not a solution to problems encountered; it is, however, a strategy that, if implemented effectively, gives practicing firms a number of competitive advantages (Gray and Byun 2001). A positive

and strong relationship exists between CRM and market performance, customer commitment, satisfaction and confidence. However, some research fails to find any relationship between CRM and customer loyalty, but a clear and positive relationship exists between CRM and customer satisfaction (Khong and Yao 2011).

The application of CRM leads organizations towards greater knowledge of their customers, and this customer knowledge and integration have a mediating role between CRM practices and customer satisfaction. Effective CRM practices have a positive impact on customer satisfaction according to (Mithas et al. 2005). Five dimensions of customer satisfaction effectiveness have been identified, namely organizational commitment, customer experience, a process approach, reliability and technology-orientation. Three dimensions, i.e. organizational commitment, customer experience and reliability (Zali and Heydarian 2012). These dimensions have a direct and positive relationship on customer satisfaction, while only reliability has a positive relationship with customer loyalty. It was also found that customer loyalty and customer satisfaction are related to cross-buying (Roy et al. 2012). CRM practices have an impact on sales growth. Four dimensions of CRM practices have been identified, i.e. focusing on key customers, incorporating CRM-based technology, managing knowledge and organizing around CRM.

Customer relationship practices have a direct and positive relationship with customer loyalty. The better the CRM practices, the more will be customer loyalty. Customer loyalty forms the basis for retained and profitable customers (Ejaz et al. 2013). Loyalty is the most desirable outcome for any firm, as it ensures continuous inflows of customers and ultimately of profits. Since the popularity of CRM practices is growing rapidly, various research investigations have been conducted to determine the impact of CRM on loyalty. Similarly, empathy, perceived conflict handling, trust, perceived value and commitment are all outcomes of CRM, which in turn is the predictor of customer loyalty. The analysis of the data showed that all the predictors have a positive correlation to customer loyalty (Jumaev et al. 2012). This means that if firms, and especially the service sector firms, are to increase customer loyalty, they must strive to practice good CRM methods. The phenomenon is predicted to be even stronger in the restaurant industry, which is increasingly facing more intense competition than the banking sector, and where switching is easier. For the hotel industry, service quality and service features are more influential in predicting customer satisfaction. Customer needs must be fully understood, and customers must be provided with courteous services. The agency should also strive to provide personalized services to customers (Jumaev et al. 2012).

CRM practices have a strong and direct impact on customer satisfaction, and customer satisfaction has in turn a direct impact on customer loyalty. Although customer loyalty is affected by many other factors, depending on the industry and type of product, customer satisfaction has the most direct impact on loyalty (Rezvani et al. 2017). If a business is to enhance its performance, it must realize the importance of considering customer value, customer satisfaction and customer loyalty. When products have little difference in terms of features, quality and variety, then customer satisfaction and customer loyalty will play a vital role in increasing the rating of a firm. Increased customer satisfaction has a very strong and positive impact on customer loyalty (Tsai et al. 2010).

2.1.1 Technological factors

Technologies possess features that impact the decision regarding their adoption and implementation. Rogers (1995) identified several challenges associated with innovation diffusion, including the innovation decision process, personal ingenuity, the rate of adoption and perceived characteristics. Furthermore, this adoption of technology has substantially used the perceived attributes theory to explore IT innovation, depending on the six attributes (characteristics) of innovation, proposed (Rogers, 1995). These include relative advantage, compatibility, complexity, trainability, observability and reliability. Literature consulted has indicated that further analysis is required of the impacts of technological features at the organizational level (Riggins 1999).

2.1.2. Organizational Factors

The organizational aspect symbolizes the features of organizations, which have been defined as the characteristics of an organization - a hospital in this particular example - and which signifies its capabilities to proficiently adopt the CRMS. On the other hand, organizational factors need to be modified, based on present-day issues and problems identified at the organizational level adoption of innovation in hospitals. Based on past studies, organizational factors are important for the adoption of CRMS (Ramdani et al. 2009). These are: top management support (Tsai et al, 2010); (Ramdani et al. 2009); (Kuan and Chau, 2001); organizational culture (Zafar and Muhammad, 2010) senior executives (Hung et al. 2009), and knowledge management capabilities (Croteau and Li, 2003). The above-mentioned are the characteristics of organizational factors of the said hospital, which will affect the adoption of the CRMS in hospitals.

2.1.3. External factors

Several research projects have highlighted the significance of external variables on the adoption of CRMS (Ramdani et al. 2009). External pressure has been diversely considered in the research literature; it refers to the influences from the organizational. Furthermore, it was claimed that generally external pressure arises from two sources, i.e. industrial competitors (competitive pressure) and trading partners (government support). Competitive pressure occurs when competitors in the industry make progress and benefit from the new technology; a firm has to consider whether or not to follow its competitors (Ramdani et al. 2009).

2.2. Customer Relationship Management Capabilities

Capabilities are the competencies of the organization. CRM capabilities are based on technology and knowledge (Plakoyiannaki and Tzokas, 2002). Customer interaction management, customer relationship upgrading, and customer win-back capability are the components of Customer Relationship Management Capability (Sofi et al. 2013). Customer relationship management capability consists of four phases. First there is customer interaction management capability (CIMC); second, customer relationship upgrading capability (CRUC); third, customer win-back capability (CWC); and lastly, customer knowledge management capability (CKMC), (Wang and Feng 2012). Research focuses on only two - customer interaction management capability and customer relationship upgrading capability. Organizational capabilities include process, structural and employee abilities to build the firm's internal capabilities. These capabilities are helpful to build strategies for organizational performance. They also aid organizations in responding to external challenges. Competition is a big external challenge, which can be handled through the organizational capabilities (Ulrich et al. 1997).

2.3. Effect of Customer Relationship Management on Organizational Performance

The development of superior customer relationship management abilities, i.e. creating and managing close customer relationships, is perceived as one of the most important sources of efficient performance in today's competitive business environment (Borsaly 2014). CRM is especially crucial for global organizations or multinational corporations, because it is the main competitive strategy for firms to stay focused on their customers and create a customer-focused approach in the whole organization (Borsaly 2014). Developing CRM strategies can create valuable marketing opportunities, increase customer value, and enhance customer satisfaction during the achievement of business excellence (Lin and Su 2003). Croteau and Li (2003) further assert that CRM is a vital, customer-focused strategy with an objective to increase customer satisfaction and loyalty by offering more responsive and customized services to each customer. CRM helps the organization to increase customer loyalty, which plays an important role in increasing organizational performance in terms of productivity. CRM can also help the organization to achieve its goals by processing activities which are related to customer identification and then managing and maintaining relationships with these customers (Borsaly 2014).

The key customer focus of an organization is to deliver superior services to its customers. An important condition which empowers the organization to become accurately customer-focused is the way in which it delivers value to its customers (Mohamad et al. 2014). Previous research considers customer focus to be the most crucial aspect of customer relationships because a customer-focused business is likely to be more interested in the long-term success of the business. In this regard, CRM allows organizations to develop targeting and enquiry management processes which help the new businesses to rapidly develop and make progress (Mohamad et al. 2014). In one way or another, CRM also helps organizations in customer retention and cost reduction. Since the cost of gaining new customers is significantly higher as compared to retaining the old customers, a customer retention strategy helps the organization to control this cost and achieve higher performance and productivity, which in many ways translates to higher profitability. CRM also helps organizations to improve performance via knowledge management, which involves knowledge related to people, processes, technology, and culture. However, the main aspect of knowledge management is to create an information database related to customers' behavior and preferences so that the organization can provide customer satisfaction and gain customers' loyalty in return (Mohamad et al. 2014). CRM capabilities are a combination of different activities such as identifying, acquiring and retaining customers through customer interaction management capability, while other activities include winning back or establishing good relationships with dissatisfied customers – which is a part of the customer win-back capability. These and other capabilities are efforts to perform activities, i.e. those processes that lead to organizational performance. CRM is the key to increasing revenue and profit by creating a long-term relationship between the organization and the customers. It also establishes trust between the customer and the company.

2.4. Customer Relationship Management and service quality

The importance of Customer Relationship Management has increased tremendously during recent years, mainly because it not only provides a competitive edge to an organization by developing a long-term relationship with customers, but it also has become a necessary tool for the survival and existence of an organization (Buttle, 2004). In marketing, service quality is considered a vital factor that contributes towards benefits reaped by organizations, and this has also been highlighted in the relevant literature (Izogo and Ogba 2015). Service quality is considered to be the customers' assessment and satisfaction regarding the services they receive from an organization. Therefore, the success of any service-related organization is actually based on the service quality and the satisfaction of their customers with the services provided. Service quality and customer satisfaction are considered to be two interconnected terms, as service quality results in customer satisfaction or dissatisfaction. Payne and Frow (2004) also highlight that Customer Relationship Management is a very complex and continuing process, and that it requires a response from organizations as the external environment rapidly changes. It is therefore imperative that organizations view CRM in a broader and long-term perspective.

4. Research Methodology

An exploratory research design is undertaken, with the objective of exploring an area where little is known or to investigate the possibilities of undertaking a particular research study (Greener and Martelli, 2015). Greener and Martelli (2015) and Kumar (2011)proposes that research can be classified into descriptive, correlational and exploratory investigation. The reason for following the design is that no research has yet been undertaken to investigate the impacts of the strategy on the study area in connection with organizational performance after implementation. This study utilized the qualitative data method, which consists of an interview schedule as the data collection tool. The qualitative method was simple, because it is more flexible, meaningful and culturally salient to the participants, and it allows greater spontaneity and adaptation in the interaction between the researcher and the study participants. The survey method followed consisted of e-mailing a link of the questionnaire, which was created on Google Forms, to participants. The questionnaire consisted of five sections, which covered the demographics, comments and forty-six compulsory questions to meet the objectives. The results were stored on Google Forms. For grounded theory methodology, the theme and sample size was 109, which far exceeded the sample sizes recommended by qualitative authors e.g. (Creswell and Creswell, 2018). The mean sample size also exceeded the requirement of a minimum of 25-30 participants for qualitative studies involving interviews. Sampling involves selecting a portion of the population, in your research area, which represents the whole population. The sampling strategy is the plan that the researcher devises to ensure that the sample used in the research study represents the population from which the researcher draws the sample.

5. Results and findings

4.1. Introduction

In the previous section of this paper, the research methods were discussed. In this section a summary of the results gathered from the survey conducted at AA Agency is discussed. The results were obtained from 57 respondents out of a total of 100 e-mails sent out. The results are discussed, analyzed and interpreted. The chapter is divided into three sections as follows: presentation of the results and analysis, summary of the findings, and the conclusion.

4.2. Data and Results Analysis

4.2.1. Results of responses

Table 1. Sample Size, Surveyed, Response and Non-Response Rate

Respondents	Population	Sample	Responses	Response rate	Non-response rate
AA Agency Employees	300	100	57	57%	43%

A qualitative survey was conducted at AA AGENCY. The number of e-mails sent out was 100. Total number of responses received was 57; this formed a response rate of 57%. The questionnaire survey was conducted on Google Forms Survey and, due to limited access for some of the respondents, Kwiksurvey was also used. The total responses from Google Forms were 32 and only 10 were obtained from Kwiksurvey. The survey was conducted for a period of more than one month and a decision was taken to proceed with the results from Google Forms, as the second survey still yielded low responses from the 57 expected. The low responses may have been due to fear of victimization.

4.2.2. Effectiveness of customer relationship management
    i.   Question 1: I am aware of the CRM at AA Agency

The results from the survey indicate that 5% of the respondents strongly agreed that they were aware of the CRM at AA AGENCY, 30% agreed, 12% were neutral, 44% disagreed and the rest, i.e. 9% strongly disagreed.
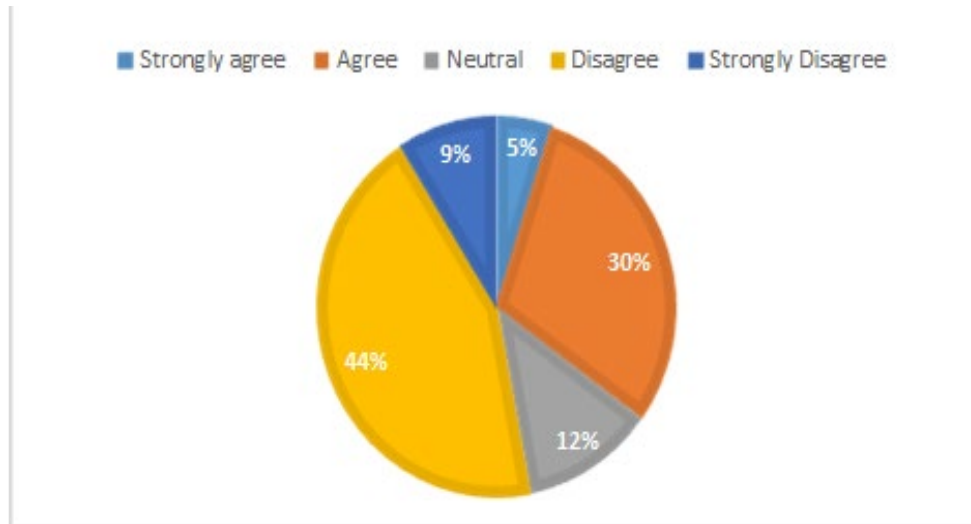

Figure 1. CRM awareness

    i.   Question 2. I understand the CRM strategies at AA AGENCY
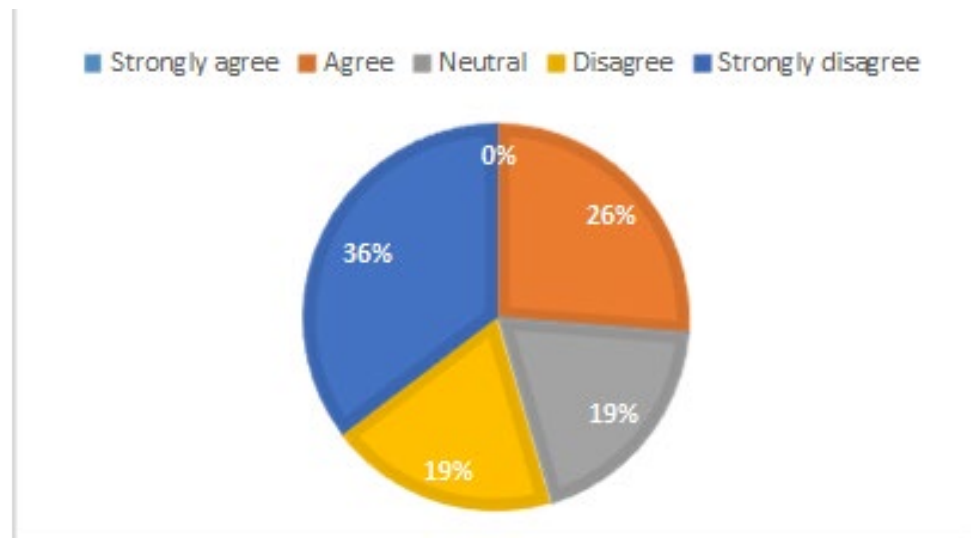   ii.

Figure 2. Understanding of CRM strategies

Figure 2 shows that 0% of the respondents strongly agreed, 26% agreed, 19% were neutral and 19% of the respondents disagreed, while 36% strongly disagreed to the statement "I understand Customer Relationship Management strategies at AA AGENCY".

    iii.   Question 3: Is the current AA AGENCY management promoting effectiveness of CRM on business performance?
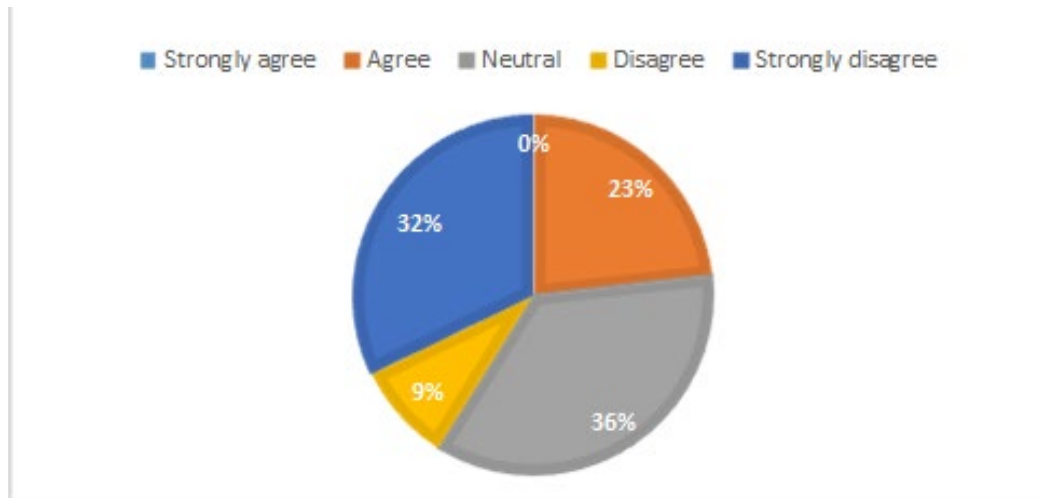
Figure 3. Promotion of effectiveness of CRM

Figure 3 shows 0% of the respondents strongly agreed, 23% agreed, 36% were neutral, 9% of the respondents disagreed, while 32% strongly disagreed that the current AA AGENCY management was promoting the effectiveness of CRM with regard to business performance.

iv.   Question 4: I think the CRM strategy supports the business performance
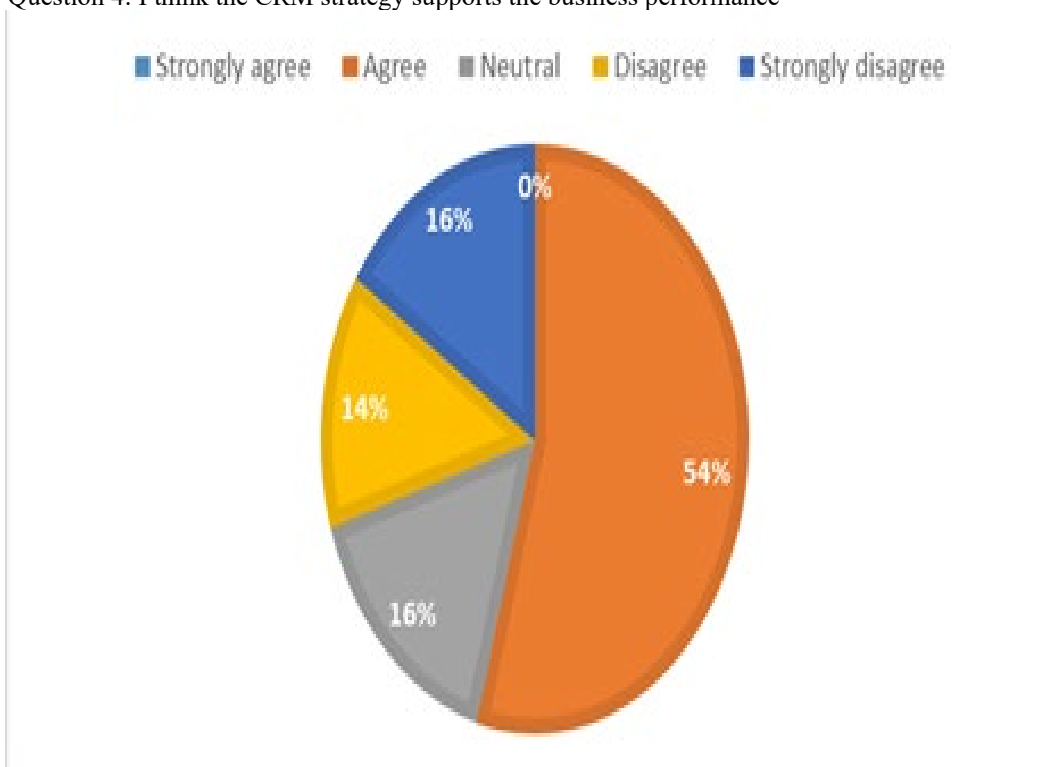

Figure 4. CRM strategy support and business performance

Figure 4 shows that 0% of the respondents strongly agreed, 54% indicated that they agreed, 16% were neutral about the CRM strategy supporting the business performance, 14% disagreed and the rest, 16%, strongly disagreed.

v.   Question 5: The effectiveness of the CRM strategy was communicated to me
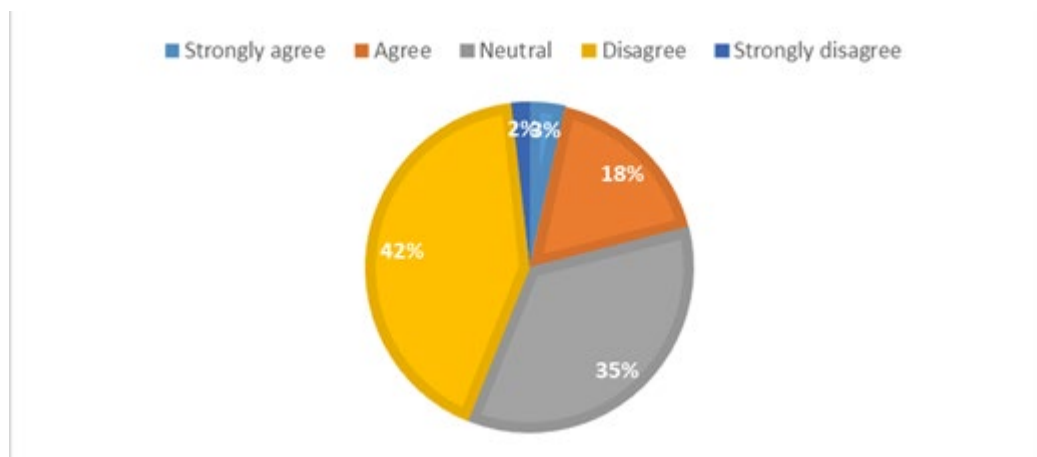
Figure 5. Depicts CRM effectiveness communication to staff

The graph shows that 3% of the respondents strongly agreed, 18% agreed, 35% were neutral about this question, 42% disagreed and the rest, i.e. 2%, strongly disagreed that the effectiveness of the CRM strategy had been communicated to them. This is vital in terms of promoting CRM awareness within the organization among the employees.

vi.   Question 6: I understand the effectiveness of CRM on business performance

The importance of leadership in ensuring the success of a strategy is crucial for any organization, e.g., ensuring that CRM has a positive effect on business performance. Ten percent of the respondents strongly agreed that they understand the effectiveness of CRM on business performance, 18% agreed, 9% were neutral about this question, 49% disagreed and 14% strongly disagreed.

vii.   Question 7: I was taken through the effectiveness of CRM strategy (workshop)

The results for the number of staff benefiting from the CRM strategy workshop show that 3% of the respondents strongly agreed, 39% agreed, 21% were neutral about this question, 25% disagreed. The rest, i.e. 12%, strongly disagreed that they were taken through the effectiveness of CRM in a workshop.

viii.   Question 8: The AA AGENCY management focuses on building relationships in both the internal and external environment

This question addresses how the AA AGENCY management focuses on building relationships in both the internal and external environment. The results reflect that 47% of the respondents strongly agreed that AA AGENCY management focuses on building relationships in both the internal and external environment, 24% agreed, 19% were neutral about this question, 2% disagreed and 8% strongly disagreed.

4.2.3.   Factors Affecting Customer Relationship Management

i.   Question 1: Management at AA AGENCY is influential in implementing the current CRM with regard to business performance

Respondents who strongly agreed to the question are 41%, 32% agreed, 3% were neutral about this question, 2% disagreed and the rest - 22% - strongly disagreed that management at AA AGENCY is influential in implementing the current CRM with regard to business performance.

ii.   Question 2: The current CRM strategy helped me perform my tasks

The results from the survey indicate that 9% of the respondents strongly agreed, 25% agreed, 14% were neutral about this question, 35% disagreed that the current CRM strategy helped them to perform their tasks, and the rest, 17%, strongly disagreed.

iii.   Question 3: I received training to understand the effectiveness of CRM

The results shows that 26% of the respondents strongly agreed that they received training about the effectiveness of CRM, 2% agreed, 39% were neutral about this question, 24% disagreed and the rest - 9% - strongly disagreed.

iv.   Question 4: The training I received was helpful to my performance

The results shows that 61% of the respondents strongly agreed, 21% agreed, 9% were neutral about this question, 5% disagreed and only 4% strongly disagreed that the training they received was helpful to their performance.

v.   Question 5: My tasks are aligned to the AA AGENCY Customer Relationship Management plan
The results shows that 26% of the respondents strongly agreed, 16% agreed that their tasks are aligned to the AA AGENCY customer relationship management, 3% were neutral about this question, 30% disagreed and 25% strongly disagreed.

vi.   Question 6: My inputs are important for CRM with regard to business performance
49% of the respondents strongly agreed, 17% agreed that their inputs are important for the customer relationship management with respect to business performance, 0% were neutral about this question, 14% disagreed and 20% strongly disagreed.

4.2.4.   Organizational And Individual Performance

i.   Question 1: I understand the factors affecting CRM at AA AGENCY management
Only 2% of the respondents strongly agreed, 24% agreed, 9% were neutral about this question, 33% disagreed, indicating that they do not understand the factors affecting CRM at the company's management, and 32% strongly disagreed.

ii.   Question 2: I understand the impact of CRM on business performance at the AA Agency
26% of the respondents strongly agreed that they understand the impact of CRM on business performance at AA AGENCY, 10% agreed, 25% were neutral about this question, 30% disagreed and the rest, 9%, strongly disagreed

iii.   Question 3: The effectiveness of CRM enhancing the AA AGENCY business performance
The results show that 35% of the respondents strongly agreed, 23% agreed, 9% were neutral about this question, 24% disagreed and only 9% strongly disagreed that the effectiveness of CRM enhanced the AA AGENCY business performance.

iv.   Question 4: I am aware that the AA AGENCY management provides a CRM strategic vision at both department and business units.
The results from the survey indicate that 34% of the respondents strongly agreed, 26% agreed, 26% were neutral about this question, 5% disagreed and only 9% strongly disagreed that they were aware that AA Agency management provides CRM strategic vision at both department and business units.

v.   Question 5: CRM effectiveness influences individual and business performance

The results from the survey indicate that 57% of the respondents strongly agreed that the CRM effectiveness influences individual and business performance, 31% agreed, 3% were neutral about this question, 2% disagreed and only 7% strongly disagreed.

4.2.5.   Descriptive Statistics
i.   Reliability checks (Cronbach Alpha)
Reliability tests were conducted in order to measure internal consistency, and to determine how closely related the awareness of the strategy, the impact of the CRM strategy and organizational performance are (Cronbach Alpha). The CRM strategies and organizational consistency were measured and are presented below in Table 2 :

Table 2. Cronbach Alpha score for reliability measures

Variables Measured	Cronbach's Alpha (0.7+)
Customer Relationship Management Strategy and Awareness	0.89
Factors affecting Customer Relationship Management	0.91
Organizational and Individual Performance	0.91

The variables significantly measured what was supposed to be measured and allowed for further analysis of the data. According to Tavakol and Dennick (2011) , acceptable values of alpha range from 0.70 to 0.95. The results for this survey fall within the acceptable range.

Table 3. Summary for Descriptive Statistics Results

Statistics	CM Strategy and Awareness	Factors affecting CM	Organisational and Individual Performance
Mean	2.938	2.775	2.658
Standard Error	0.123	0.098	0.101
Median	3.200	2.763	2.647
Mode	4.000	3.684	2.647
Standard Deviation	0.982	0.780	0.806
Sample Variance	0.965	0.609	0.650
Kurtosis	-1.005	-0.508	-0.493
Skewness	-0.177	-0.143	-0.020
Range	3.800	3.526	3.412
Minimum	1.000	1.000	1.000
Maximum	4.800	4.526	4.412
Sum	188.000	177.632	170.118
Count	64	64	64

ii.   Central tendency
 represents the descriptive statistics for the study in order to measure the central tendency. The table 3 shows how much each variable scored on average (mean) and how often each respondent was scored (mode)

 On average for the mode the results indicated that the responses for CRM strategy and awareness, as well as factors affecting CRM, were slightly over 4, meaning that the majority of respondents agreed to the statements that they were aware of the strategies and factors affecting the customer relationship management strategy of the department. When measuring the mean across the three variables, respondents were slightly unsure of the CRM strategies, awareness and factors that affect them and how this impact organizational performance.

iii.   Correlation Analysis
The Pearson correlation coefficient which measures the degree to which there is a linear association between two interval-scaled variables, was done. A positive correlation reflects a tendency for a high value in one variable to be associated with a high value in the second, whilst a negative correlation reflects an association between a high value in one variable and a low value in the second variable.

Table 4. Correlation between the CM Strategy and Awareness, Factors affecting CM, and

Organizational and Individual Performance

	CRM Strategy and Awareness	*Factors Affecting CRM*	*Organizational and Individual Performance*
CRM Strategy and Awareness	1		
Factors affecting CRM	0.79	1	
Organizational and Individual Performance	0.72	0.88	1

 The three variables showed a positive correlation with one another and were positive. There therefore was a relationship between the CRM strategy and awareness and factors affecting the CRM strategy (0.79); between CRM strategy and awareness, and organizational and individual performance (0.72); and between factors affecting the CRM strategy and organizational and individual performance (0.88).

6. Interpretation of Results and Discussion
5.1.Strategy awareness

The results from the survey indicate that 5% of the respondents strongly agreed that they were aware of the CRM at NSA; 30% agreed, 12% were neutral, 44% disagreed and 9% strongly disagreed. Results from the survey further indicate that 35% of the respondents were aware of the effectiveness of CRM at the AA Agency. They had worked for more than four years and understood the CRM strategy. The percentage decreased with fewer years worked. Respondents who were in senior positions were more aware of and understood the strategy better compared to those in administrative positions. The awareness of customer relationship management strategies and drivers of customer relationship was recognized only by those in senior positions who had worked for a longer period in the department. It is of particular concern that the majority of the respondents were unaware of how CRM was managed. These results may indicate that there is minimal interaction or a communication gap between the respondents at the top levels and those occupying administrative functions, those who had worked more than four years and those who had worked fewer years.

5.2.Customer Relationship Management strategies at AA Agency

The results from the survey have highlighted certain aspects for understanding the effectiveness of the Customer Relationship Management strategies that are in place. Only a few respondents were responsible for CRM within the organization. Also, only a minority that had worked for 2-4 years and >4 years and were holding positions of Executives, Managers and Seniors had received consultation regarding the importance of CRM when it comes to business performance. Regarding improvements in the department, about 51% of the respondents indicated that their tasks were aligned with the CRM strategy. The majority (71%) of respondents indicated that they did not prefer the old way of doing things, indicating that the change was to their advantage. Most of the respondents indicated that they did not receive sufficient information in terms of CRM awareness and CRM information sharing. Based on the above, it can be concluded that the effectiveness of customer relationship management strategy at NSA may be an Empirical-Rational Strategy. The Empirical-Rational Strategy is underpinned by the assumption that people are rational and will follow their self-interest once a CRM strategy is revealed to them.

5.3.Impacts of CRM on organizational performance

The drivers of effectiveness of CRM at AA Agency were aiming to address challenges such as leadership instability, lack of support and buy-in, support in governance processes within the organization, employee relations, stakeholder engagement, low employee morale, poor planning for day-to-day operations and the influence of CRM on business performance. The demographics in section one indicated that a high percentage of respondents held positions above Deputy Director level and had worked at NSA for more than 4 years (57%). Employee morale at the department remains a concern, as most of the respondents indicated that they did not have job security, job satisfaction or support from management, and that CRM strategies did not improve their productivity. In addition, few received training to help them cope with CRM. Respondents were either not sure (30%) or disagreed (34%) that they were coping with CRM. Areas that need further improvement are consultation with employees regarding managing and providing support in the form of training and resources.

Survey results indicated that a high percentage of respondents had not received any feedback regarding their performance in all the categories of years worked as well as positions held. Respondents indicated that feedback regarding the effectiveness of CRM was important for their performance. This result indicates a lack of performance management systems. Positive feedback obtained from the survey results includes the following: respondents were motivated to do their jobs, their tasks were aligned to the CRM strategy, they were able to make more informed decisions guided by policies that were in place, decision-making was aligned with the CRM strategy, and they were important for the strategy to succeed.

7. Recommendations

As the organization is still implementing the CRM system and has reached significant milestones, it is important that the following recommendations be taken into consideration to manage CRM for the success of future CRM system initiatives:

- Improve the communication plan: Design a communication plan to improve communication between employees, customers and management regarding the strategy. Ensuring that there is a two-way communication system in place is important for change management.
- Manage CRM information-sharing and awareness through employee engagement and consultation during strategy implementation to eliminate the "fear factor" (leadership role)
- Ensure leadership buy-in and support. As with any other change, the first step is to create a sense of urgency. The pressure for change needs to be clear, together with the potential prize of getting social (media) CRM integrated into the marketing mix.
- Win back: It is the least exploited method of customer acquisition. It is important to ensure that only valuable customers are targeted for the win-back activity
- Pay attention to the presence of information systems, so that they are supported with all information related to customers in order to support decision-making.
- Continuously follow up and monitor the quality of the customer relationships and their development.
- Pay attention to the assessment of employee performance and to rewarding them on the basis of their ability to satisfy the needs of the customer and succeeding in servicing them.
- Make an effort to enhance the skills of the employees to obtain customers and deepen relationships with them by designing qualifying training programs.
- Take care of the accurate design of the organizational framework related to the financial institution in order to facilitate dealing with customers.
- Assign clear goals related to obtaining and preserving new customers.
- Pay attention to supplying the necessary marketing experiences and resources for success in CRM.
- Assign standards of performance and monitor them in all the stages of communication with the customer. Attention must be paid to providing enough time and the necessary resources for CRM.
- Overcome hurdles, minimize risk and guarantee results.

8. Conclusions

The results from the survey presented in this chapter indicate that there is an awareness of the CRM strategy, and minimal awareness of customer relationship management strategies. The CRM strategy has led to significant impacts on employees and the overall organizational performance. The factors affecting CRM and the type of CRM strategy in place were accurately identified. The statistical tests that were conducted indicated that the identified factors affecting Customer Relationship Management represented the core and important aspects that influence organizational and individual performance. The results indicated that awareness of the strategies was also important in order to address the impacts on organizational performance.

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