

Assessing Customer Relationship Marketing Practices and its impact on Customer Satisfaction in Ghanaian banks. A case study of Energy Bank Ghana Limited

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ABSTRACT This study examined practice of Customer Relationship Marketing (CRM) and its impact on customer satisfaction in commercial banks. The variables relationships were established through case study research design using Energy Bank Ghana Limited. The study adopted convenience sampling technique to select a sample of 92 bank customers. Primary data were collected using questionnaires and all 92 bank customers responded positively. The Chi-square and multiple regression analyses were used to test the hypotheses. The findings show that each variable was found to be effective in determining customers 'relationship marketing. The most widely adopted CRM practice in commercial banks was conflict handling followed by Reliability, Communication, Service quality, Empathy, Trust, Customer relations, Commitment, Staff Competence. Responsiveness is the least adopted practice. The study further investigated the impact of customer relationship marketing on customer satisfaction in commercial banks. Analysis revealed that, the strength of the general effect of staff commitment on customer satisfaction justified by the chi square test was positive and of high association. Also, the strength of the general effect of trust on customer satisfaction as validated by the chi square test was also positive and of higher association. Additionally, it was gathered that the strength of the general effect of communication with the bank on customer satisfaction as validated by the chi square test was positive and of modest association.

Keywords: Customer relationship marketing, customer satisfaction, chi-square

Introduction

The banking sector is increasingly competitive around the world. The core product being provided to customers is considered reasonably homogenous. As a result, this has necessitated the banks to differentiate themselves from competitors at the increased product level through longer-term relationships with customers, (Heffernan et al, 2008). The emergence of CRM as a separate domain of marketing in the 1980s and 1990s becomes more comprehensible from a historical perspective (Gronroos, 1990; Sheth & Parvatiyar, 2000). Researchers have made the compelling case that relational-based exchange was the norm for most of recorded history; the anomaly of transaction-based marketing emerged only in the early 1900s. Thus, relationship marketing is a rebirth of marketing practices in the pre-industrial age (Sheth and Parvatiyar, 2000). Customer Relationship Marketing is a better way for banks to establish a distinctive long-term relationship with their customers in this increasingly competitive global financial market. (Mohammad et al, 2011). The significance and importance of Customer Relationship Marketing in developing economies like Ghana has increased in recent years and thus has been recommended by managers and marketers in the banking industry as a strategy to tackle service intangibility, (Kuranchie,2010). It is also suitable for financial services that are complicated for customers to evaluate even after purchase and use. Since the banking industry is dependent on customers, sustainability of banking business is a necessity, and this can be achieved through customer satisfaction through long term relationship. Secondly, marketers and managers of Commercial Banks try to identify the need of customers in order to enhance customer satisfaction, (Gilaninia et al, 2011). Apart from the customer need identification, Customer Relationship Marketing helps foster customer loyalty and reduce cost (Ndubisi, 2004).

Most companies in Ghana and all over the world are not able to thrive in today's competitive business environment due to their transactional attitude towards customers, (Kuranchie, 2010). Businesses have to focus their marketing lenses on rational dimension which would impact positively on customer satisfaction and retention. Customer satisfaction is a feeling in consumers after comparing product and service performances with a set standard, (Ahmet, 2010). Thus, satisfaction refers to the pleasant or unpleasant feeling when imaginative function and expectations are compared. Customer satisfaction is the difference function between customer perception and customer expectation. Researchers have argued that Customer Relationship Marketing is the principal paradigm shift in marketing theory and practice in recent decade, (Sheth and Parvatiyar 2000). Due to the remarkable changes in the global business environment and the shift of power from businesses to customers, the model of Business-to-Customer has been replaced by that of Customer Relationship Marketing (Ahmet, 2010). Inexorably, many banks have begun a search on how to build valuable customer relationships (Ndubisi, 2004). Many Commercial banks strategically plan to develop and manage stronger relations with customers in order to maximize customer equity This involves building, developing and managing customer relationships to enhance customer satisfaction. Vel-

nampy and Sivesan,(2012) cited that Customer Relationship Marketing aims at attracting, developing and maintaining relationship with customer. Stately differently, Customer Relationship Marketing is a process that seeks to identify, establish, develop and maintain long term relationship with customers or end relationship when necessary, (Sheth and Parvatiyar 2000). Customer relationship marketing aims at providing enhanced value to the customer through need provision. This trend and mechanism is what Commercial Banks have identified and adopted for the mutual benefit of both the bank and the customer (Ahmet, 2010).

In this era of intense competitive pressures in the Ghanaian banking industry, many commercial banks are now focusing their efforts on maintaining a satisfied customer base (Kuranchie, 2010). It is a common assertion among marketing theorists that strong customer satisfaction is vital to business success (Robert & Shelby, 2011). Customer relationship marketing focuses on building long-term relationship with customers as the key to stability in an increasingly dynamic market, (Velnampy et al 2012). Moreover, the major success factor to succeed in mature market depends on maintaining long-term relationships with stakeholders, (De madariaga and Valor, 2007). This is particularly true in the Ghanaian banking industry where financial sector reform has created an enabling environment that allows consumer banking in Commercial banks; thus given customers considerable choice in satisfying their financial needs (Kuranchie, 2010). In view of this, many commercial banks are directing their strategies towards increasing customer satisfaction, (Bolton, 1998). However, the challenge that commercial banks face today is how to increase customer satisfaction, (Bhardwaj, 2007). This makes it very crucial for commercial banks to satisfy customers and establish good relationship with customers. Nonetheless, the emergence of customer relationship marketing in the financial sector has been extensively studied by focusing on customer satisfaction as the key goal of banks, especially commercial banks, (Velnampy et al 2012). Thus, understanding how to manage customer relationship effectively has become a relevant topic for both academics and practitioners in recent years. Yet, existing academic literature on Customer Relationship Marketing (CRM) strategies of banks does not provide comprehensive results on what constitute customer relationship marketing and its effect on customer satisfaction. The questions to be explored in this study include the following: 'How does Commercial bank practice customer relationship marketing?' What are the challenges involved? and 'To what extent does Customer Relationship Marketing impact on customer satisfaction?'

Objectives of the study

The general objective of the study is to examine Customer Relationship Marketing practices and its impact on customer satisfaction in commercial banks. Specifically, the study seeks to;

- i. Assess the practice of customer relationship marketing in Commercial banks.
- ii. Investigate the impact of customer relationship marketing on customer satisfaction in commercial banks.
- iii. To determine the relationship between customer relationship marketing and customer satisfactions.

Concept of customer relationship marketing

In banks relationship marketing, the sale is not the end of the marketing process, but the beginning of an interdependent relationship between the bank and the customer. The general idea of relationship marketing is to try to encourage businesses to treat customers as individuals with different needs and aspirations (Blythe, 2008). Generally, it is perceived that some customers are not always happy with the quality of service they receive (Lovelock, 2001). The relationship marketing concept evolved because a number of businesses were paying “lip-service” to customer service and quality. In other words, businesses were mainly concerned with selling and making a profit while paying little attention to maintaining good customer relations. Researchers such as Dwyer & Tanner, 2006 explain extensively the different stages of relationships in marketing. From awareness stage, exploration stage, the interactions stage through to commitment stage where parties desire to commit to each other, and maintain a good working relationship that sees both parties winning (Dwyer & Tanner, 2006)

Relationship marketing is concerned about building customer loyalty by providing value to all the parties involved in the relational exchanges. Relationship marketing seeks to acquire and retain customers by providing good quality customer services. According to Tseng (2007), relationship marketing is seen as the mainstream in planning a marketing strategy both in industrial marketing and consumer marketing. Wulf et al. (2001) suggested that the different levels of relationship duration would result in different levels of consumption experience, producing different results, satisfaction and loyalty with different relationship marketing tactics and compared with traditional marketing, relationship marketing is more concerned about building customer relationships in order to achieve long term mutual benefits for all parties involved in the exchanges.

Other domains or areas in marketing overlap with relationship marketing. Relationship marketing shares many commonalities with service marketing, business-to-business marketing, channels marketing, brand management, and customer relationship management. However, differences exist among these concepts. These concepts may be differentiated based on their focus on improving performance or by their specific features. Relationship marketing also applies to many different contexts with varying degrees of effectiveness. For example, a meta-analysis of more than 38,000 relationships shows that building strong relationships is more effective for improving performance among services than among product offerings, in business-to-business versus business-to-consumer markets, and for channel partners rather than direct customers (Palmatier, 2008). Thus, research and practice in services, business-to-business, and channels contexts often include relational constructs. Early research in the service context also provides the roots for many key CRM concepts (Berry, 1995).

In reality, relationship marketing and branding strategies that focus on building brand equity also overlap. Researchers suggest that relationships and brands represent two critical sources of intangible, market-based assets that can be leveraged into superior financial performance (Srivastava et al., 1998). But brand equity

represents the differential effect of brand knowledge on customer action, such that customers behave more favorably toward a product when they can identify the brand (Keller 1993). Others argue that brand equity may be “a fundamentally product-centered concept” that does not capture drivers of customer behavior fully (Rust et al., 2004). Although CRM and branding activities similarly focus on building intangible customer assets that positively influence customer loyalty, purchase behaviors, or financial performance while reducing marketing costs, they differ fundamentally in that branding focuses on “product(s)” with extensions to the firm, whereas CRM primarily focuses on “relationship(s)” and their extensions to the firm.

The dimensions of Relationship marketing

The customer relationship marketing concept has evolved over the decades and experts such as Yim *et al* (2008) has elaborated six dimensions to implementing relationship marketing that are geared to meet customers’ expectations. These dimensions include:

1. *Trust*: according to Chantal (2007) trust is the willingness to rely on an exchange partner in whom one has confidence. A bank in which a client has confidence definitely stands ahead of competition. The results of trust can be seen in a bank’s profitability, growth, market share and customer retention. It is therefore an edge that banks can employ in their desire to gain a strategic advantage and survive in today’s increasingly competitive environment (Oliver *et al.*, 1999).
2. *Bond*: As in any relationship, the one between a customer and a business provider (in this case, a bank) requires a bond that unites them together. Callahan (1995) refer to it as the dimension of a relationship that result in two parties (customer and supplier or buyer and seller) acting in a unified manner towards a desired goal. When such a relationship exists, the customers are not only seen as clients, but also as partners.
3. *Marketing communication*: Several relationship marketing scholars agree that communication is a fundamental aspect of relationship development. The quality of information that is shared and the mode in which this is done plays a central role in a bank / customer relationship. Hence, careful design of communication means and forms must play a decisive role in complimenting the relationship marketing aspect of a bank.
4. *Shared value*: Value reflects the perceived tangible and intangible benefits and costs to customers. In any marketing concept, value is central. A trend that is seen today in the banking space as a result of relationship marketing relates to the values associated with the product offerings being shared between the bank and the customer. If a customer does not see himself treated as a partner by a bank deriving shared value, the relationship will not transcend to reap any higher benefits.
5. *Reciprocity*: This deals with the dimension of business relationships where it is believed that people owe one another because of their prior actions. This is

premised on the fact that, if you desire assistance, you must first assist others. For example, a bank that steps to the forefront when a customer is in difficulty stands at an advantage over its peers. This builds a sense of loyalty and ensures the relationship is grounded firmly for the long term.

6. *Empathy*: Sin *et al* (2002) describe empathy as analysing a business relationship in such a way that enables the two parties involved to see the situation from the other's perspective, that is seeking to understand somebody else's desires and goals. For example, the front office staff of a bank must be able place themselves in the customer's position in order to serve them accordingly and ensure satisfaction.

Customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy (Anderson *et al.*, 1994). The concept has been variously defined by many authors (Lovelock & Wirtz, 2007; Oliver, 1992). Kotler & Keller (2006) and Lovelock & Wirtz (2007) defines satisfaction has psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service. According to Gyasi & Azumah (2009) satisfaction is "the process of customer's overall subjective evaluation of the product/service quality against his/her expectation or desires over a time period". The object of customer satisfaction may be varied and can be related to different dimensions of multiple experiences with product/service provider (Surenschandar *et al.*, 2002). While most definitions relate customer satisfaction to quality of a product or service offering (Kotler & Keller, 2006), satisfaction can as well be related to other non-quality dimensions (Singh 1991). It may be related to an on-going business relationship or with price-performance, satisfaction with the time or service delivery, and satisfaction with entire reputation and outlook of an organisation. Satisfaction can be related to attribute-specific and overall performance. It is attribute specific where it relates to a specific product or service. The focus on customer-centric marketing philosophies has received considerable attention in the marketing literature by scholars and practitioners (Heskett *et al.*, 1997). Both practitioners and scholars are increasingly looking for ways to understand, attract, retain and build intimate long term relationship with profitable customers (Gronroos, 1994).

From marketing perspectives, customer satisfaction has multi-dimensionality. Creating, maintaining and developing the relationship among customers and other beneficiaries are one of the goals of relationship marketing. In this type of marketing several norms should be observed. The main elements are commitment, trust, and mutual benefit which focus on mutual cooperation, reliability and communication (Malley and Prathero, 2004). Two fundamental components of relationship marketing are commitment and trust which have been mentioned in most of the models. With organizations understanding from the importance of customer's satisfaction, they are gradually moving from traditional marketing toward relationship marketing (Ranjbarian and Barari, 2009). Maintaining and keeping the customers and making him/her to a committed one increases the intrinsic value of an organization. It should be noted that in relationship marketing, the character and position

of customers differ with one another. Therefore, the needs, character, position and personal interests of customers should be considered in implementation of relationship marketing. Relationship marketing is one of the key aspects of modern marketing strategies, because it focuses on making close and stable relationship with customers (Ville, 2005).

Empirical perspective

Xuan Zhang & Yuanyuan Feng (2009) investigated the impact of relationship marketing tactics on customer satisfaction and trust, which in turn increase customer loyalty. The study focused on Swedish mobile telecommunication sector. They developed an analytical model as a guideline to test the relationships between relationship marketing tactics, relationship quality (trust and satisfaction) and customer loyalty. A quantitative method with deductive approach and collected primary data through a self-completed questionnaire. The study concluded that Service Quality, Price Perception, and Value Offers have impact on customer loyalty indirectly through the customer satisfaction and trust. They also identified that Brand image is positively and directly related to customer loyalty. However, switching costs is found to be less correlated with customer loyalty, as well as satisfaction and trust. Thus they finally concluded that, customer relationship has greater influence in customer satisfaction.

Ababio & Atiwoto (2004) examined the practice of relationship marketing and customer retention by Ghanaian banks. They sampled 12 out of the 27 banks in Ghana. A qualitative research approach was chosen and deductive research was conducted based on twelve case studies from both local and international banks. They also used questionnaires, surveys and interviews to obtain primary data which was subsequently analysed with statistical tools. Their findings of the study showed that indeed, all the banks have reasons for adopting relationship marketing in customer retention. The most popular reason for believing in the success of relationship marketing is customer retention. The study also found that, banks apply relationship marketing in their customer retention efforts. Their study further revealed that the banks believe profitability to be the end result of relationship marketing.

Mwanyisa (2012) investigated the relevance of relationship marketing on the sustainability of Zimbabwean banks. Five independent variables (customer relations, product attributes, promotion and service delivery and information technology) were identified and were tested against one dependent variable (sustainability of banks). A positivist research paradigm approach was used to conduct the research. The approach used the quantitative method of research to establish causal relationships. Null (Ho) and alternative hypotheses (Ha) were formulated in order to test the relationship between variables. A five point Likert scale questionnaire was developed and administered in five major commercial banks in Harare, Zimbabwe namely; Banc ABC, Barclays bank, Commercial Banks of Zimbabwe, Stanbic Bank and Standard Chartered Bank. The five major banks were selected in terms of market capitalisation as well as total deposit share among other things. The empirical results revealed that five of the independent variables positively cor-

related with the dependent variable implying that they all have an impact on bank sustainability. Musa (2009) explored the impact of relationship marketing on customer loyalty in banking context. A survey of students of Universiti Utara Malaysia (TJLJM) and employees of Permintex Industries Sdn was undertaken. The study was conducted to determine the significance and influence of the underpinnings of the relationship marketing such as trust, commitment, conflict handling, values and empathy on customers' loyalty in the banking sector. A total of 138 usable questionnaires were obtained from a total of 150 questionnaires distributed. The findings of the study shows that the four (4) variables namely trust, conflict handling, values and empathy were important in determining and influencing customers' loyalty. Since the results of the research showed that customers' loyalty is related to trust, conflict handling, values and empathy factors, therefore banks need to consider these factors and provide the right tenant mixes, services, and other facilities that are essentials for attracting customers.

Ndubisi (2004) stated that more and more firms are capitalizing on strong firm-customer relationships to gain valuable information on how customers can be treated the best and indirectly keeping them away from the competition (Zeithaml et al., 1996). Therefore, it's important to examine the impact of the underpinnings of relationship marketing on customer loyalty and satisfaction (Ndubisi, 2007). Heskett et al. (1994) further stated that customer satisfaction is positively related to customer loyalty, which in turn is positively related to profitability. This study also discusses how customer satisfaction leads to customer loyalty and increased business profitability (Storbacka et al., 1994). Several studies have shown that customer satisfaction is positively affected by customer loyalty (Bloemer, de Ruyter & Wetzels, 1999; Oliver, 1999).

Research Methodology

This research based on the positivist philosophy as it relied mainly on statistical and quantitative estimation to arrive at conclusion. This research used an explanatory design relying on quantitative data from bank customers who held accounts and patronised the banks services to explore impact of customer relationship marketing on customer satisfaction. Both primary and secondary data were used in the study. Primary data were collected through questionnaires and the customers responded positively. The study adopted purposive sampling technique to select banks whereas convenience sampling techniques were employed to select a sample of 92 Energy bank Limited bank customers over the period July to September 2014. In order to ensure content validity, before the survey administration the questionnaire was reviewed by two academics professionals. Also, three professionals in the fields of marketing, service management and statistics assisted with the questionnaire design. The questionnaires were pre-tested with 30 bank customers to remove any ambiguity. Then, SPSS software was used to analyse the collected data and perform statistical analysis. The study used Cronbach's Alpha to assess the questionnaire reliability. The reliability assessment of 0.70 (>0.60) was consid-

ered satisfactory according to Yin (2009). Further, the study formulated hypotheses and Chi-square and multiple regression analyses were used to test the hypotheses. Specific questions that determined customer relationship marketing were measured in terms of five variables. They were trust, commitment, communication, conflict handling and competence. The questionnaire consisted of three parts. Part 1 gathered biographical data of the banks customers and staff. The rest of the parts consisted of statements based on the literature overview regarding customer relationship marketing and customer satisfaction. One part was used for each of the five predetermined independent variables and the dependent variable. These parts used a five-point Likert-type scale ranging from ‘Not at all important’ (1) to ‘very important’ (5) and gathered data on the possible influence of the independent variables on banks’ relationship marketing and customer satisfaction. These variables were the predictors of customers’ satisfaction and were considered as the components of the independent variable (customer relationship marketing) to establish their effect on customer satisfaction using the chi square.

Research Hypotheses

Major hypothesis: The dimensions of customer relationship marketing are effective in creating customer satisfaction in commercial banks’.

Minor Hypotheses

Hypothesis 1: there is a significant relationship between commitment and customer satisfactions

Hypothesis 2: there is a significant relationship between trust and customer satisfactions

Hypothesis 3: there is a significant relationship between communication and customer satisfactions

Hypothesis 4: there is a significant relationship between conflict resolution and customer satisfactions

Hypothesis 5: there is a significant relationship between staff competence and customer satisfactions

Hypothesis testing

The data obtained from the questionnaires were tested using Chi-square to determine the association between the dependent and independent variables as well as the direction of the relationship. Multiple regressions were used to test the extent and significant levels between variables. The following is the Chi-square statistical formula (Kothari, 2011):

$$\chi^2 = \sum \frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}}$$

.....

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.....Equation 1

The test statistics was given by

$$\chi^2 = \sum_{i=1}^r \sum_{j=1}^c \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where E_{ij} is the expected cell frequency for the $(ij)^{\text{th}}$ cell. In case H_0 is true, then:

$$E_{ij} = \frac{R_i \times C_j}{n} = \frac{(\text{column total}) \times (\text{row total})}{\text{grand total}}$$

However, for large sample size n , the statistic χ^2 has an approximate chi-square distribution with $(r - 1)(c - 1)$ degrees of freedom if H_0 is true. Therefore, we would reject the hypothesis of independence if the observed value of the test statis-

tic χ^2 is greater than $\chi_{\alpha, (r-1)(c-1)}^2$, where α is the size of the test (or if the p -value of the test statistic is less than 0.05, the level of significance). If we reject the null hypothesis, we conclude that customer relationship marketing has significant impact on customer satisfaction in commercial banks.

Results

Frequency Distribution of Responders Based on Gender

The findings from Table 1 shows that 75% of participants are males and 25% were female suggesting that there are more males than female participants.

Table 1: Frequency distribution based on gender

Gender	Frequency	Percentage
Male	69	75
Female	23	25
Total	92	100

Source: Author's computation from field (2014)

Frequency Distribution of Respondents Based on Education

Majority of the respondents 67.4% have First Degree. Polytechnic education qualification 19.6% and Elementary level of education (13%) are in the minority.

Educational level	<i>Frequency</i>	<i>Percentage</i>
Elementary	12	13
Polytechnic	18	19.6
University	62	67.4
Total		100

Table 2: Frequency distribution based on Education

Frequency Distribution of Responders Based on Age

The findings from Table 2 show that the modal age group is 36-45 which has 45.7% of the total participants. About 30.4% of participants between the ages of 25-35 years are the prime age. Further, 10.9% and 13% are within the ages of 18 to 24 years and Above 40 years respectively.

Age	<i>Frequency</i>	<i>Percentage</i>
18-24	10	10.9
25-35	28	30.4
36-45	42	45.7
Above 45	12	13
Total	92	100

Table 3: Frequency distribution based on Age

The dimensions of customer relationship marketing

Table 5 presents the findings from the mean ranking of the dimension of customer relationship marketing from the perspective of the staff of the bank. The results show that conflict handling recorded highest mean rank. This finding means that staffs consider customer conflict handling as very important followed by reliability to which customers request are timely met. With communication, it was found out that the bank constantly communicates to customers on service information and product attributes and customers are assured of quality service when it comes to service quality. With empathy, staffs were seen to have customer's best interest at heart as well as trust thus customers are assured of trustworthiness. Staffs were

seen to be friendly and courteous and having customer relationship. Commitment on the part of the staff was good as they are committed in building customer trust. Staff Competence is also very high and geared towards providing needs of customers. The lowest mean ranking came from responsiveness; it was found out that turnaround time for customers is very swift.

CRM practices	Mean	Rank
Conflict handling: Staffs are excellent in handling bank- customer conflict	3.97	1
Reliability: Customers request are timely met.	3.92	2
Communication: The bank constantly communicates to customers on service information and product attributes.	3.86	3
Service quality: Customers are assured of quality service	3.86	4
Empathy: Staffs have customer's best interest at heart.	3.80	5
Trust: Customers are assured of trustworthiness	3.75	6
Customer relations: Staffs are friendly and courteous	3.74	7
Commitment: Staffs are committed in building customer trust.	3.71	8
Staff Competence: The bank has competent staffs that attend to the needs of customers.	3.63	9
Responsiveness: Turnaround time is swift.	3.55	10

Table 5: Mean ranks of customer relationship marketing
Source: Author's computation from field (2014)

Impact of customer relationship marketing on customer satisfaction

Testing the Hypotheses

Hypothesis 1: there is a significant relationship between commitment and customer satisfactions

As it is observed in table above, Pearson Chi-Square correlation coefficient for "staff commitment" and "customer satisfaction" is 69.608a in error level <0.05. The study confirms that relationship exists between staff commitment and customer satisfaction is significant in confidence level of 0.95. Thus H_0 is rejected and the research hypothesis is confirmed. Considering the values of Phi and Cramer's V statistic and also the observed error level which is <0.05, the study conclude that the relationship is strong and significant in the confidence level of 0.95.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	69.608a	4	0.000
Likelihood Ratio	52.806	4	0.000
Linear-by-Linear Association	19.199	1	0.000
Phi	0.87		0.000
Cramer's V	0.87		0.000
N of Valid Cases	92		

Table 6: Correlation coefficient between Staff Commitment and Customer satisfaction

Hypothesis 2: there is a significant relationship between trust and customer satisfactions

As it is observed in table above, Pearson Chi-Square correlation coefficient for “trust” and “customer satisfaction” is 83.292a in error level <0.05 . The study confirms that relationship exists between staff commitment and customer satisfaction is significant in confidence level of 0.95. Thus H_0 is rejected and the research hypothesis is confirmed. Considering the values of Phi and Cramer's V statistic and also the observed error level which is <0.05 , the study conclude that the relationship is strong and significant in the confidence level of 0.95.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	83.292a	4	0.000
Likelihood Ratio	60.471	4	0.000
Linear-by-Linear Association	19.468	1	0.000
Phi	0.951		0.000
Cramer's V	0.951		0.000
N of Valid Cases	92		

Table 7: Correlation coefficient between trust and customer satisfaction
Source: Author's computation from field (2014)

Hypothesis 3: there is a significant relationship between communication and customer satisfactions

As it is observed in table above, Pearson Chi-Square correlation coefficient for “trust” and “customer satisfaction” is 39.753a in error level <0.05 . The study con-

firms that relationship exists between staff commitment and customer satisfaction is significant in confidence level of 0.95. Thus H_0 is rejected and the research hypothesis is confirmed. Considering the values of Phi and Cramer's V statistic and also the observed error level which is <0.05 , the study conclude that the relationship is modest and significant in the confidence level of 0.95.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	39.753a	4	0.000
Likelihood Ratio	36.856	4	0.000
Linear-by-Linear Association	16.609	1	0.000
Phi	0.657		0.000
Cramer's V	0.657		0.000
N of Valid Cases	92		

Table 8: Correlation coefficient between communication and customer satisfaction
 Source: Author's computation from field (2014)

Hypothesis 4: there is a significant relationship between conflict resolution and customer satisfactions

As it is observed in table above, Pearson Chi-Square correlation coefficient for "trust" and "customer satisfaction" is 42.241a in error level <0.05 . The study confirms that relationship exists between staff commitment and customer satisfaction is significant in confidence level of 0.95. Thus H_0 is rejected and the research hypothesis is confirmed. Phi and Cramer's V test is the impact of relationship or association. Considering the values of Phi and Cramer's V statistic and also the observed error level which is <0.05 , the study conclude that the relationship is modest and significant in the confidence level of 0.95.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	42.241a	4	0.000
Likelihood Ratio	38.29	4	0.000
Linear-by-Linear Association	15.365	1	0.000
Phi	0.678		0.000
Cramer's V	0.678		0.000
N of Valid Cases	92		

Table 9: Correlation coefficient between conflict resolution and customer satisfaction
 Source: Author's computation from field (2014)

Hypothesis 5: there is a significant relationship between staff competence and customer satisfactions

As it is observed in Table 10, Pearson Chi-Square correlation coefficient for “trust” and “customer satisfaction” is 56.535a in error level <0.05 . The study confirms that relationship exists between staff commitment and customer satisfaction is significant in confidence level of 0.95. Thus H_0 is rejected and the research hypothesis is confirmed.

Phi and Cramer's V test is the impact of relationship or association. Considering the values of Phi and Cramer's V statistic and also the observed error level which is <0.05 , we can conclude that the relationship is high and significant in the confidence level of 0.95.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	56.535a	4	0.000
Likelihood Ratio	37.963	4	0.000
Linear-by-Linear Association	14.857	1	0.000
Phi	0.784		0.000
Cramer's V	0.784		0.000
N of Valid Cases	92		

Table 10: Correlation coefficient between staff competence and customer satisfaction
Source: Author's computation from field (2014)

Discussion

The objective of this study is to examine customer relationship marketing practices and its impact on customer satisfaction in commercial banks. Customer Relationship Management (CRM) practices provides a valuable asset for commercial banks if they are effectively initiated. This finding is similar to Ford et al, 2003, saying that, CRM practices in commercial banks have some underlying principles which include; communication, mutual benefit and satisfaction, mutual trust and fairness, mutual commitment and efforts from both parties. It can be added that, CRM practices in a company help to build strong relationship which has an influence on performance as stated by Palmatier (2008) ‘that relationship marketing also applies to many different contexts with varying degrees of effectiveness, and building strong relationships is more effective for improving performance among services than among product offerings, in business-to-business versus business-to-consumer markets, and for channel partners rather than direct customers.’ The study, therefore, has demonstrated the following:

First, staff commitment in building customer trust is important to the bank due to the fact that it helps deepen business relationship with customers. This result is consistent to the previous studies by Joseph et al., (2005) and Glaveli et al., (2006). The results means that with the emergence of new banks in Ghana, existing banks need to improve their service quality by providing more experienced employees to serve the customer in the operations. Building trust coupled with services such as quick turnaround for customers, showing empathy and a sense of belonging and quality services helps develop in customers' commitment, trust and retention. A great concern for the bank is developing trust and maintaining customer loyalty.

Secondly, the study also proved that staffs are excellent in handling bank-customer conflict. It was also proven that staffs are competence and committed towards conflict resolution and thus improving customer satisfaction. Conflict resolution on the part of the bank and its staff has a moderate or modest impact on its customer's satisfaction and as such the bank need to take a critical look at this practice as it can either improve or reduce customer satisfaction and eventually affect the banks bottom line. Therefore the bank needs to consider this practice and provide the right tenant mixes that is essential to achieve further excellence in handling conflict, since there is a relationship between conflict resolution and customer loyalty. This finding is similar to Nor Aza Maulad Musa (2009) saying that customers' loyalty is related to trust, conflict handling, values and empathy factors.

Ranking the CRM practices at Energy Bank Ghana Limited, conflict resolution came first followed by reliability, communication, service quality, empathy, trust, customer relationship, commitment, staff competence, and lastly responsiveness.

The study further investigated the strength of the impact of customer relationship marketing on customer satisfaction in commercial banks. It was revealed from the analysis that, the general impact of staff commitment on customer satisfaction was high as justified by the chi square test. It can be inferred from this test that, staff commitment results in an increase in customer loyalty and the development of trustworthiness which can be interpreted as having a high association as depicted by the chi square test. This finding is similar to Nor Aza Maulad Musa (2009) saying that customers' loyalty is related to trust, conflict handling, values and empathy factors. And also similar to the findings of Xuan Zhang and Yuanyuan Feng (2009) that service quality, price perception, and value offers have impact on customer loyalty indirectly through the customer satisfaction and trust.

Findings have exposed that, communication has a modest effect on customer satisfaction and as such this practice need not be overlooked. Also on the practice of communication there was no gap found as service information and product attributes are speedily communicated to customers.

The bank can maintain and improve upon this by creating good and direct communication channels to improve upon the flow of information and reduce communication gaps. Several relationship marketing scholars agree that communication is a fundamental aspect of relationship development and the quality of information that is shared and the mode in which this is done plays a central role in a bank / customer relationship. This finding is similar to Dwyer (2006) saying that relational construct (communication) is instrumental in relationship development and dissolution. The effect of staff competence and its impact on customer satisfaction

cannot be overlooked as it's of high significance as proven by the study. It can be explained that, the competence of staff can be reflected in the way and manner they discharge their duties and their urgency to respond to demands of customers which impacts on the customer's interest and eventually their satisfaction. This finding is also similar to Ojo and Omkar (2014) saying that employee competence does have a positive influence on customer satisfaction

The implications of this study are that due to significant benefits of customer relationship marketing, the banks are steadily moving toward this type of marketing. This is because in banks customer relationship marketing, the sale of a product or service is not the end of the marketing process, but the beginning of an interdependent relationship between the bank and the customer (Strydom, 2004). The objective of customer relationship marketing is to try to encourage businesses to treat customers as individuals with different needs and aspirations (Blythe, 2008). Therefore, customer relationship marketing maintains and promotes, end the relationship with customers that leads to customer satisfaction.

Implications of Findings

The implications of CRM in Ghana banking industry indicate that customer satisfaction remains an important factor that bank has to ensure in order to make profit. Customers, who use a particular bank service, will think moving to another bank when dissatisfied. Customers are now more educated and knowledgeable, so demand by customers is on the increasing trend. In order for a bank to stay in the business, then banks need to periodically train bank staff and marketing department to develop innovative customer service campaign and loyalty programmes to retain and existing customers and retain new ones.

Conclusion

The practices enables customer to attain good satisfaction and value for their money through quality service are reliability, communication, service quality, empathy, trust, customer relations, commitment, staff competence, and the lowest rank been responsiveness. It was revealed through the study that communication and good conflict resolution has a direct impact on customer satisfaction as well as loyalty and trust on the part of customer. The banks can use these practices as a tool for developing in its customers the loyalty and trust it requires which will lead to the customer's retention. It can be concluded from the study that CRM practices has impact on customer satisfaction though the impact sometimes is indirect. As such, banks ought to take a critical look at these practices which will help in the banks' sustainability. CRM practices when adopted by the banks will help in its growth as it impacts on customer satisfaction which leads to loyalty and retention of customers. These customers in turn recommend the bank to other people who when convinced become customers of the bank, leading to an increase in customer base of the bank and eventually the banks' profitability, all other things been equal.

Recommendations

Management ought to adopt reliable, responsive and other CRM practice standards as it has been proven by the chi square test that they impact significantly on customer satisfaction. Also strategies need to be adopted to improve upon the turn-around time for serving customers as it's the least ranked practice. Banks should improve upon communication channels, and the flow of information to customers to help strengthen the business relationship and the total satisfaction of the customers. This can be implemented through messaging, sending mails, calling and client visitation.

Customer complaints must be promptly addressed. This can be realized by creating forums, placing of suggestion boxes and institution of call centers to enable customers air their views and complains. Customers must be recognized periodically and this can be done through the given out of gifts, visitations as wells as honouring them during memorable days and events such as birthdays.

Banks should strive at improving in its staff professionalism and competence in handling customers. Staffs must be given periodic training to equip them and keep them abreast with changing trends in the industry. This can be harnessed through seminars and participation in other educational workshops. Lastly, staff can be encouraged with motivational packages such as bonuses and allowances to increase their commitment to serving the bank and its customers.

Limitation and Scope for Further Studies

The research sample size used was relatively small and drawn from two branches of the bank in two regional capitals only. Thus the generalization of the result is not much more effective. Further the study recommends that the same study be conducted with other commercial banks to compare the result.

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