CUSTOMER RELATIONSHIP MANAGEMENT AS A COMPETITIVE TOOL IN THE KENYAN BANKING INDUSTRY:
A CASE OF KENYA COMMERCIAL BANK

BY
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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution, or university other than the United States International University-Africa in Nairobi for academic credit.

Signed: ___________________________       Date: _________________________

Riungu John (630123)

This research project has been presented for examination with my approval as the appointed supervisor.

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Dean, Chandaria School of Business
ABSTRACT

This study focused on assessing Customer Relationship Management (CRM) as a competitive tool in the Kenya Commercial Bank (KCB). The specific objectives that guided the study included: to examine the influence of customer orientation on banks, to determine the influence of knowledge management in KCB and lastly to examine the influence of techno-based CRM in banks.

This study used the descriptive research design. The population for this study was all the staff working at KCB whose total number is 74. For this study, the sampling frame came from the official list of employees working at KCB in 2017. This study used stratified sampling technique. For the sample size was 60 respondents. Primary data was used in the study and it was collected using a self-administered questionnaire. This study used closed-ended questions to gather data for the study. The questionnaires also employed the use of a five point likert scale. The completed questionnaires were analyzed using the Statistical Package for Social Science (SPSS) Student Version 16.0. The study employed the use of means and standard deviations to show the strength and the degree in response differences. The study also employed the use of correlation and regression analysis to test the relationships between the study variables.

The study showed that Customer orientation was an essential component of the marketing concept in KCB and their marketers understood the buyer's entire value chain. Customer orientation in KCB provided a solid basis of intelligence pertaining to their customers and Improvement in service quality was related to KCB’s market share expansion customers’ attitudes towards KCB services was usually based on the relationship between customer expectations and their perception of quality we provide. Customer service was a fundamental motivating factor behind KCB’s success. KCB treated customer service seriously and thus reaped full benefits from customers. KCB learned how to retain its customers even when they appear satisfied with their services and did not engage in price wars, but rather made use of their services as a competitive tool. Satisfied customers stayed and had to lure other potential customers due to satisfaction with KCB services.
The study showed KCB had moved towards a knowledge based economy (it utilizes knowledge to make decisions) and admitted the fact that, to utilize the best resources of an organization, it was essential to utilize knowledge. KCB’s goal was achieved by management of employees’ knowledge and Emphasis on the discovery of knowledge in the organization was a crucial element that impacted the management of knowledge. Leadership in KCB was the key antecedent of knowledge management that led to its effectiveness and proper communication channels that guided and shared knowledge, which motivated the knowledgeable employees. KCB Managers were the only people who offered guidance to knowledgeable employees in the organization. Also Culture played a very important role in knowledge creation, sharing, and use in KCB.

The study recommends KCB to consider seriously on improving their electronic products to operate as promised customers. This will ease the pressure of customers joining long queues in the banking halls before transacting business i.e. withdrawing, balance enquires or depositing. Thus, the bank can serve their customers at home or their offices through internet banking service.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The real purpose of business is to make and maintain commonly useful connections, particularly with customers. This recommendation accept that effective connections are a two-route stream of worth (Christopher et al., 2012). Relationship advertising is viewed as a genuine harmony in the middle of "giving and getting" as a key advantage to support a dynamic part and is conductive in conveying two-way esteem, where dedication depends on trust and association, will turn out to be a standout amongst the most noteworthy strategies to be sought after being developed and sustenance of upper hand (Ismail, 2009; Gronroos, 1994).

Shani and Chalasani (1992) define relationship marketing as an integrated effort to identify, maintain and build up a network with individual customers and to continuously strengthen the network for the mutual benefit of both sides through interactive, individualized and value added contacts over a long period. Narrow functionally based traditional marketing is being replaced by CRM. A narrow perspective of CRM is database marketing emphasizing the promotional aspects of marketing linked to database efforts (Bickert 1992).

It is said that CRM is not a product or service, it is an overall business strategy that enables companies to effectively manage relationships with their customers. It provides an integrated view of a company’s customers to everyone in the organization. With the intensified competition, companies realized that they have to treat their customers with respect. Customers have a lot more choices and they do not have to be loyal to any company. Companies are now trying to figure out ways to manage customer relationships effectively, not only to acquire new customers but also to retain their existing customers (Bickert 1992).

Customer Relationship Management concept is tendency of banking sector to establish and maintain long-term relationships with customers in order to provide value for customers and banks. This concept allows bank to identify, segment, communicate and build long-term relationships with customers on individual basis. In today's business environment, banks
have aim to identify customers and to adjust offer to meet customer’s needs, in order to maximize profits. Using modern technologies, Customer Relationship Management is becoming a method to maintain existing structure and development of high quality customer base. It involves development of marketing strategy through a better understanding of the entire customer base, understanding needs and attitudes of customers, as well as more efficient consideration of profitability and added value that each customer have for the bank (Bickert 1992).

The concept of CRM originated in developed economies, primarily in organizations whose priority is to retain existing customer base as an important business segment especially in competitive environment. CRM is a philosophy, process, concept of development and management of customer relationships. With implemented CRM concept banks are able to identify and anticipate customer’s needs and desires. Rapid changes in technology and changes in customer’s everyday life have enabled successful implementation of CRM concepts and new forms of communication. CRM concept is based on a marketing strategy which integrates internal processes, functions and external networks in order to create value to customers, in order to achieve profit (Buttle 2013). CRM concept helps banks to effectively coordinate efforts to present a unified message to individual customer. Therefore it is necessary to submit a unique proposal to customer by phone, mail, personal contact or by email; in accordance with method of communication that customer has chosen (Buttle 2013)

Group of authors (Peppers et al. 1999, 152) believe that well-implemented CRM concept allows: Identification of customers via channels of communication, interaction and transactions with aim to create value for each customer with slogan "the right product at the right time." Client segmentation, each customer has specific needs for products and services; bank has to determine which group customer belongs (age, sex, income, transactions, channel utilization, etc.). Grouping customers, who have similar needs or similar behavior; require information about customers, as customer needs are very complex. Monitoring changes in customer behavior is a major challenge for banks. Therefore, a higher number of interactions and more frequent communication with each customer, increase likelihood that bank will collect better information about customer’s needs and behavior. Interaction with customers is
one of the most important goals of CRM. The concept is to monitor behavior of customers and their needs over time. Interaction with customers is a communication process, initiated by banks to collect customer information, monitor their reactions and to determine value that customers have for the bank. On the other hand, customers receive necessary information about bank's activities which can satisfy their needs. Unlike traditional marketing, where goal is to generate messages for customers, goal of modern marketing is to generate feedback from customers (Buttle 2013).

CRM concept opens new opportunities to attract customers through cross-selling of products and services, as sale of additional products and services within existing customer base. Good long-term relations with customers create immunity of customers on competition. Simmons, in his research, confirmed that if a bank focuses its activities on meeting needs of customers, the proportion of customers, who are leaving bank, is reduced up to 25% and in the long period, costs of acquiring new customers are reduced, also (Catalan-Matamoros 2012). Transaction Marketing whose purpose was to attract customers through no personalized product portfolio is replaced by Relationship Marketing which implies building long-term relationships with customers through cross functional cooperation within bank. Value to products and services (Lindgreen and Wynstra 2015). Modern communication technology becomes a tool that enables modernization of existing processes, raises quality of business and communication between customers and bank. Accurate information is becoming basis of competitive advantage. Proactive usage of information involves participation of banks in creation of information and their usage in order to introduce changes in business (Lindgreen and Wynstra 2015).

1.2 Statement of the Problem
In Kenya, the uptake of CRM is moderate with just a couple top level organizations utilizing the utilization of the projects to oversee client desires. Various reasons are referred to for this including the high cost that is connected with setting up and running the projects. This is regardless of the vicinity of a larger part of studies that have indicated advantages accumulating from CRM are far significantly more than the expenses related for instance, Wattanasupachoke and Unhanandana (2012) found that CRM helps organizations to fabricate
upper hand, Ryals (2006) recognized that CRM techniques help in the upkeep of beneficial associations with clients, and Ismail and Alsadi (2010) found that CRM prompts better hierarchical execution.

In the Kenyan banking sector, CRM is still restricted to the use of face to face contact between bank representatives and the clients and setting up of call centers. These representatives include relationship officers, business advisors, customer service representatives and other people directly related to the sales and marketing teams. The setup of the systems is still considered to be a huge cost. Before embarking on the implementation of the CRM systems a bank must carry out cost benefit analysis and the potential impact on their bottom line. However it must be noted that CRM is not a short term business strategy and organizations that decide to implement it. The practice of CRM in Kenyan banks is therefore only extended to call centers, relationship management and customer services. However, scholars have identified various avenues of CRM like loyalty programs which have been successful implemented in other sectors of the Kenyan economy the retail sector but has been slowly implemented in the banking sector. In fact according to Omwage (2009), no Kenyan bank has implemented a customer loyalty programs as a CRM tool. This indicates gaps in the practice of CRM in the Banking sector.

In theory several studies all over the world have been undertaken on CRM and firm performance Ismail and Alsadi, (2010), Ryals (2006), Coltman (2007), Krasnikov, Jayachandran and Kumar (2009) and Coltman, Devinney and Midgley (2009) and Kelechi (2011). Most of these studies and many others have provided evidence to show that implementation of CRM leads to better firm performance, competitive advantage and cost efficient. However, there are not many studies on CRM as a competitive advantage acquisition strategy in Africa. While most of the studies on CRM in Africa are aimed at identifying whether it leads to better firm performance (Kelechi, 2011), very few studies exist on the use of CRM as a competitive advantage acquisition strategy. This pattern on lack of literature is more evident in the Kenyan setting where the researcher could not identify a study on CRM and competitive advantage in Kenya. This therefore creates a literature gap that this study seeks to fill. Based on the literature gaps identified above, this study seeks to
deviate from the common studies available of CRM and firm performance and provide a body of literature and findings of CRM and competitive advantage in the Kenyan setting.

1.3 General Objective
The general objective of the study was to assess the use of Customer Relationship Management (CRM) programs as a strategy to achieve a competitive advantage in the Kenyan banking industry.

1.4 Research Objectives
The research objectives formulated for this study were:
1.4.1 To examine the influence of customer orientation at KCB.
1.4.2 To determine the influence of knowledge management at KCB.
1.4.3 To examine the influence of techno-based CRM at KCB.

1.5 Importance of the Study
1.5.1 Change Management/ HR Professionals
One of the key reasons as to why CRM implementation projects fail is because of internal issues. Successful implementation is defined as being one that is framed within an adaptive organization that can manage change effectively. This study may assist those charged with change management to visualize the impediments that could arise during the process and ways in which to avoid failure occasioned by internal issues.

1.5.2 Senior Management/ Board of Directors
A key requirement for the effective implementation of CRM is the right leadership. This study may assist senior management executives to understand the key importance of leadership as well as the issues associated with the implementation of CRM such as technology needs, change management and cost implications.

1.5.3 Employees
One of the key challenges that have been faced by organizations in the implementation of CRM systems is lack of buy in from employees. The lack of buy in stems from a lack of
understanding by employees as to what exactly CRM is and how it can increase value for their customers but also how it can increase value for them by making their jobs easier. This study demystifies CRM for the employees and lead to better understanding and buy in.

1.5.4 Researchers
The study has contributed to the existing knowledge base on CRM and act as a guide for future research as CRM continues to gain popularity in Kenya.

1.6 Scope of the Study
The study was undertaken between the months of January 2017 and June 2017. The study targeted a Kenyan Local Bank known as Kenya Commercial Bank (KCB) which had implemented CRM systems. The study was undertaken in 3 of the bank’s branches located in Nairobi County and within the Central Business District (CBD). The population of the study included all the employees of KCB that worked in the 3 branches.

1.7 Definition of Terms
1.7.1 CRM
CRM is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer (Parvatiyar & Sheth 2001).

1.7.2 Customer Orientation
Day (2014) defines customer orientation as a concept which transforms marketing into a potent competitive weapon, shifting organizational values, beliefs, assumptions, and premises towards a two-way relationship between customers and the firm. Narver and Slater (2010) say customer orientation is the sufficient understanding of one’s target buyers to be able to create superior value for them continuously.

1.7.3 Knowledge Management
Knowledge management is generally defined as the process of producing, presenting, storing, transferring, applying and protecting organizational knowledge (Schultze and Stabell, 2004).
In addition, knowledge management is also defined as the activities required, in order to reveal the knowledge sources (Sabherwal and Sabherwal, 2005); the process of collection, distribution and efficient usage of knowledge sources (Davenport, 2001); setting up a system in order to improve the knowledge flow between individuals, coding and sharing the knowledge within the organization and gaining knowledge from outside sources (Birkinshaw, 2001).

1.7.4 Techno-based CRM
A technology-related perspective of CRM is formulated by Hamilton (in Law, Lau & Long, 2013) in that CRM is described as the process of storing and analyzing of large amounts of data that provides insight into customer behavior. This in turn enables the organization to treat customers differently based on the exhibited behavior.

1.8 Chapter Summary
This chapter provides a brief background of the study, in addition the chapter provides the research questions, purpose of the study, scope of the study, the problem statement and the scope of the study. Chapter two provides a review of the existing literature. The literature review uses studies on CRM in the international arena and the local arena. Chapter three provides a research framework of how the research was undertaken, the research design, data collection and research procedures. Chapter four presents the results and findings of the study, and chapter five presents the discussions, conclusions, and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter provides the existing literature on CRM. CRM is a widely studied subject and huge volumes of literature exist in relation to CRM. There exists a synthesis of existing knowledge on CRM that take into account various factors and exploration forms. This study will draw upon this literature.

2.2 Influence of Customer Orientation in the Banking Sector
Customer orientation is an essential component of the marketing concept. All pioneer researchers who introduced marketing concept have included customer orientation as the basic element of marketing concept Slater (2010). Hise (2015) and Bell and Emory (2011) have emphasized on customer orientation as an important component of marketing concept. Bell and Emory (2011) described customer orientation as knowledge of the customer, which requires a thorough understanding of his needs, wants, and behavior. Thus marketing concept is the foundation for customer orientation.

A marketer must be customer oriented to add value to their customers. Kohli and Jaworski (2010) and Narver and Slater (2010) indicated that market oriented business requires a companywide customer orientation. Various definitions have been given to the concept of customer orientation. Narver and Slater (2010) defined customer orientation as “the sufficient understanding of one's target buyers to be able to create superior value for them continuously”. As such, Day and Wensley (2008) stated that customer orientated marketer must understand the buyer's entire value chain. In the above two descriptions, it is clear that customer orientation means marketers’ understanding about their customers. But these definitions are not enough in clarity to give an entire explanation on the process of customer orientation. Above definitions did not provide insights into what marketers must virtually do under customer orientation. Narver and Slater (2010) described about customer orientation as “seller has to understand who its potential customers are at present as well as who they may be in the future, what they want now as well as what they may want in the future, and what
they perceive now as well as what they may perceive in the future as relevant satisfiers of their wants”.

Thus, the customer oriented marketer has to understand needs, wants, preferences, expectations, behavior, and perception etc. of their customers. Based on this knowledge, marketers have to take actions to satisfy their customers there by adding value to them Sorensen (2009). Furthermore, the customer oriented marketer must collect a variety of information about their customers in order to generate knowledge on their wants and expectations (Source). Therefore, the scope of customer orientation can be further broadened. Sorensen (2009) proposed that the general purpose of customer orientation is to provide a solid basis of intelligence pertaining to current and future customers for executive actions. Hence customer orientation means generating knowledge and intelligence on their customers as a whole to create superior value for them.

### 2.2.1 Importance of Customer Orientation

Service quality has been viewed as a significant issue in the banking industry by Stafford (2014). Since banking services are generally characterized with undifferentiated products, it becomes imperative for banks to strive for improved service quality if they want to distinguish themselves from the competition. Positive relationship between high levels of service quality and improved financial performance has been established by Roth and van der Velde (2011) and, Bennet (2012).

Similarly, Bowen and Hedges (2013) documented that improvement in quality of service is related to expansion of market share. In the current marketing literature, much attention on the issue of service quality as related to customers’ attitudes towards services is focused on the relationship between customer expectations of a service and the perceptions of the quality of provision Bennet (2012). This relationship known as perceived service quality was first introduced by Gronroos (2012). Gronroos suggested that the perceived quality of a given service is the result of an evaluation process since consumer makes comparison between the services they expect with perceptions of the services they receive. Hence, he concluded that the quality of service is dependent on two variables: expected service and perceived service.
Parasuraman *et al.* (2015) considered that a customer’s assessment of overall service quality depends on the gap between the expected and perceived service. Thus, the key to managing perceived service quality is to minimize this gap. Zeithaml (2008) defined perceived service quality as the customers’ assessment of the overall excellence of the service.

From the available literature, one sees a clear picture of customer service as a fundamental motivating factor behind the success of most financial institutions. At the same time, it appears those who treated customer service lightly many not reap the full benefits. The current study is thus, well positioned to examine the extent to which the scenarios painted in the available literature are supported within the context of KCB.

### 2.2.2 Nature of the Customer

Practices Kotler (2013) defined service as “any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. It production may or may not be tied to a physical product” (Kotler, 2013). Indeed, once services are produced, they are consumed simultaneously. It is therefore important for service providers to seek the satisfaction of their customers if they are to increase their customer base. A service cannot be seen, touched or displayed. A customer may purchase a particular service but typically has nothing physical to display as a result of the purchase Kotler (2013).

Bowen and Schneider (2011) stated that intangibility arises because a service is essentially a process or an experience rather than a physical object which the customer can possess. Customer’s satisfaction holds the potential for increase in an organization’s customer base, increase the use of more unpredictable customer mix and increase the organization’s reputation (Fornell, 2012, Levesque and McDaugall, 2009). One path to achieving customers’ satisfaction is through effective customers’ service. Customer service is the provision of service to customers, before, during and after a purchase. Zeithaml and Bitner (2013) defined customers service as a series of activities designed to enhance the level of customer’s satisfaction, that is, the feeling that a product or service has met customer’s expectation.
Reicheld and Kenny (2010) make a case that loyal customers, from cost perspective tend to stay longer with the preferred providers, buy more and generate favorable word-of-mouth effect that may further benefit the preferred provider. A customer may, however, graduate from being a client; to supporter and finally an advocate. It has been proven in the literature that, there is a link between customer loyalty and organizational profitability (Reicheld, 2006). Some of the concepts that have been used to explain why customers leave or stay with an organization are customer satisfaction which hinges on customer service.

All successful companies must learn how to retain customers even when the customers appeared satisfied with the service provided Reicheld (2006). According to Reicheld (2006), there are strong arguments for management to carefully consider the range of factors that increase customer encouragement and retention rates. There are a number of studies, supporting customers’ encouragement and retention. However, there is little empirical research undertaken as far as can be ascertained to investigate the build-ups that explain the use of customer service as a tool for competitive edge (Reicheld (2006). A number of studies focused on identifying some of the build-ups that are thought to be antecedent to customer behavioral pattern and developing a measure of customer satisfaction, customer value and customer loyalty without examining other potential build-ups.

### 2.2.3 Customer Satisfaction, Retention and Customer Loyalty

Many of the research in customer retention and customer exit investigate the processes separately without linking the two processes together (Colgate and Norris, 2011). Gan et al. (2006) argue that most banks in the financial service sector choose not to engage in price but rather make use of service as an effective competitive tool. In this light, Colgate and Varki (2001) argued that nothing can replace quality service. Quality service as perceived by the customer has an effect on the perceived value of the service rendered (Gan et al., 2006). Once customers are satisfied with the service of a particular organization, the propensity to stay and lure other potential customers is high. Customers normally set objectives in respects to measuring a desired value (Spreng et al., 2006). The customer value hierarchy suggests that desired value is composed of a preference for specific and measurable dimensions, the attribute performances, and consequences linked to goals for use situations (Gan et al.,
2006). Desired values, in turn, guides customers when they form perceptions of how well or poorly a product has performed in the use situation (Oyeniyi and Abiodun 2008). Chong et al. (2007) found that both customer satisfaction and customer perception of service quality were important predictors of attitude loyalty, but that satisfaction had the strongest relationship with the loyalty construct.

Indeed, it was found that service organization employees form particularly close relationship with customers because employees and customers often work together in the creation of many services. This is so where services are produced by employees and consumed by customers simultaneously (Lovelock, 2010). In addition, because of the intangibility of services, customers often rely on employee’s behaviours in forming opinion about the service offering (Gronroos, 2014). As a result, employees actually became part of the service in the customers’ eyes. Similarly, repurchase intentions were positively influenced by satisfaction across product categories and that customer were more likely to be retained as satisfied (Lovelock, 2010). To achieve customer satisfaction and loyalty, Oliver (2009) maintains that all service encounters offer an opportunity to provide superior service quality and distinguish the firm from its competitors.

The customer satisfaction-retention link has received more attention among marketing and management practitioners and academics. Customer satisfaction has long been regarded as a “proxy” for firm success since it is inextricably linked to customer loyalty and retention (Oliver 2009). Several authors (Bloemer and Lemmink, 1992; Bloemer and Kasper, 1995; Sharma and Patterson, 2000) highlighted, however, that the link between customer satisfaction and customer retention is reliant, to some extent, upon other factors such as the level of competition, switching barriers, proprietary technology and the features of individual customers. The relationship between these two key constructs is considered to be far more complex than it might first seem (Fournier and Mick, 2009). Satisfaction has a significant impact on customer loyalty (Sharma and Patterson, 2010) and, as a direct antecedent, leads to commitment in business relationships (Burnham et al., 2013), thus greatly influencing customer repurchase intention (Morgan and Hunt, 2014). Indeed, the impact of satisfaction on commitment and retention varies in relation to the industry, product or service,
environment (Oliver (2009)). However, customer commitment cannot be dependent only on satisfaction (Burnham et al., 2013). Relational switching costs, which consist in personal relationship loss and brand relationship costs and involve psychological or emotional discomfort due to loss of identity and breaking of bonds (Burnham et al., 2013), have a moderating effect on the satisfaction-commitment link (Sharma and Patterson, 2010).

2.3 The Influence of Knowledge Management in the Kenyan Banking Sector

Knowledge is something which has only intrinsic value and its extrinsic value only lies in properly managing and utilizing it (Oliver (2009)). Human being was first living in an agricultural economy and after the breakthrough of technology, human first enter into industrial economy and land and labor was the two factors of prime importance in that economy. But as time passed it was found that only land and labor are not enough another important thing to be considered is the knowledge that resides in the mind of human being (Oliver (2009)). Today we have move towards the knowledge based economy from industrial economy “The basic economic resource is no longer capital, nor natural resources, nor labor. It is and will be knowledge” (Drucker, 2010). Knowledge can be defined as “Set of skills, capabilities, information and experience that are used by the individuals to solve different problems is known as Knowledge” (Baker et al., 2007). The way an organization create, use, share and store knowledge in known as knowledge management (Probst et al., 2008).

In today’s world people are widely admitting this fact that in order to have best utilization of any other resources of an organization, the essential role of knowledge resource cannot be overlooked (Probst et al., 2008). And in this era of extensive competition, such competitive edge is required which could be rarely copied and distinguish the organization from rest of the organizations (Probst et al., 2008). This edge is surely be achieved by managing the knowledge of its valuable people. As Prime resource of any organization is not its financial resource or technical resources but it is the knowledge which is enclosed in the mind of its human (Malhotra, 2007). Knowledge base resources are the path or way that we have to follow in order to have a sustainable competitive edge otherwise we will be out of the game.
Current economic crisis of Kenyan require that organizations value its assets or resources only then organizations can achieve an edge and can grow. And among all other sectors the prime sector is financial sector where management of knowledge is as crucial as blood for life. That’s why focus of this article is on banking sector of Kenya. This article is mainly putting emphasis on the discovery of those crucial elements which have a powerful impact on management of knowledge within the organization. So factors of concern in this article are leadership, culture and information technology.

2.3.1 Factors of Knowledge Management in Kenya

2.3.1.1 Leadership

Leadership is proved by many researchers of Knowledge Management (KM) to be the key antecedent of the knowledge management which leads to the effectiveness of the organization (Bell de Tienne, 2014). In today’s world globalization has invalid the statement made in 1980s and 1990s, that only one leader is enough to manage the knowledge. And in oppose of this, there is a belief today that at all hierarchical level of the organization, knowledge management leader must be there.

In order to further elaborate this belief Debowski (2016) said that in order to motivate the knowledgeable people, to build communication channels, guide others to share knowledge and to make efforts to make the process effective is the prime role play by the knowledge management leader. He also said that leaders are the only people elaborate the basic goal of managing the knowledge to the knowledgeable employees and to guide them towards the right path in achieving those goals. As it has proved through research that success of the organization is not only dependent on giving the fringe benefits to employees or through developing a very strong culture but also heavily dependent on the effective leaders (Stewart, 2007).

2.3.1.2 Culture

People use their vales, believes, assumptions, norms as a guide that help them to perform their daily activities. Every organization’s culture is distinctive, and it influence the way people perform. Because culture lies in values, beliefs, and, norms that people follow.
According to De Long and Fahey (2010), culture play a very important role in knowledge creation, sharing, and use in several ways. Culture should be such that provide: flexibility, social interaction, trust etc. The culture of project has effect on the intelligence and values of individual that’s why it is called a powerful integrator (Brătianu, Jianu, Vasilache, 2014).

According to (Miller, 2015) organization culture changes over time, because due to increase competition and rapid changes in the external environment, organizations have to adopt the change and change their culture accordingly. Further Miller said that organization culture is evolving and complex in nature. Organizational culture explains how people cooperate with each other and works together; it also explains the category of people who fit into the organization. And most importantly for successful Knowledge management initiatives, culture plays an important role (Gupta and Govindarajan, 2010; Gummer, 2016).

Today, researches related to Knowledge management are mainly focus on Culture of the organization, because culture play a very important role in promoting knowledge management and several studies shows that people interact with each other in their work environment (Blackler, 2010). Organization work environment is a place where organization culture prevails and people communicate and perform their work accordingly (Gupta and Govindarajan; 2010). Coordination among team members is very important for the success of KM initiatives because in this way they communicate with each other and share their knowledge and experience. (Nonaka and Takeuchi, 2015).

2.3.1.3 Information Technology

Information Technology (IT) is the way to achieve a well administered approach towards the knowledge management. As compare to past, in the present days IT advances are making it easier to acquire, store and spread knowledge. Success of KM process is based on the proper utilization of information technology (Dougherty, 2009). A very significant role in KM is played by Knowledge Management System (KMS) as without it, it is very hard to have a value added KM. KMS are used in the creation as well as its storage and sharing among the people. (Duke et al., 2009; Bonner, 2010).
A sustainable competitive advantage can surely be achieved through management of knowledge so this fact has led many firms to adopt KMSs which are source knowledge sharing as well as integration of knowledge (Bolloju et al., 2012) Codification and personalization are two main ingredients provided by it to support KM (Hansen et al. 2009). Explicit knowledge is stored in codes in data bases and other people can use the same knowledge to save resources which is possible through IT. Tactic knowledge is shared personally but with the help of IT people can be searched and then knowledge is shared such as video conferencing.

2.3.1.4 Concept of Knowledge and Knowledge Management in Banks

Businesses today face the problem of sustainability due to the constant change of environmental conditions and global competition. Therefore, especially after 1990s, the concept of knowledge has been viewed as the most strategic source of the businesses and knowledge management has been frequently studied within the management studies and applications. In order for the concept of knowledge management to be defined in the literature, concept of knowledge is being addressed first. Notion of knowledge includes notions of data and information. In some cases, notions of information and knowledge are used as synonyms by ignoring the difference between them. Information expresses a state of knowing certain things about a phenomenon. Knowledge, on the other hand, expresses the assumption of how a phenomenon may react when exposed to change and the transformation of information to an idea (Geyik and Barca, 2014). Knowledge is defined as data which have been processed in a certain way (Sabherwal and Fernandez, 2013) and as the process of learning, conceptualizing and applying information (Soo et al., 2012). Two kinds of knowledge might be said to exist: implicit and explicit knowledge. Explicit knowledge consists of words and numbers, which are easily accessible, while implicit knowledge is hard to share since it consists of insights and understandings, which are hard to access (Balmisse et al., 2007).

KM is generally defined as the process of producing, presenting, storing, transferring, applying and protecting organizational knowledge (Schultze and Stabell, 2014). In addition,
knowledge management is also defined as the activities required, in order to reveal the knowledge sources (Sabherwal and Sabherwal, 2015); the process of collection, distribution and efficient usage of knowledge sources (Davenport, 2011); setting up a system in order to improve the knowledge flow between individuals, coding and sharing the knowledge within the organization and gaining knowledge from outside sources (Birkinshaw, 2011). In literature, KM is indicated as realizing the organizational learning, thus having a positive influence over the product/service development by providing a more suitable environment for creativeness and innovation (Corso et al., 2011; Lester, 2011; Sherman et al, 2015). In addition to that, empirical studies have verified that KM increases employees’ performance, contributes to the improvement of product quality (Sabherwal and Sabherwal, 2015), provides competitive advantage (Roth, 2013) and therefore substantiates sustainable performance for the organization (Bogner and Bansal, 2007).

There is no doubt in this that only leaders have influence on the people/employees and knowledge is something which is directly link with people so leaders are the only source through which organization can approach and achieve the goal of knowledge management. (DeTienneet et al., 2014). Cleveland (2015) emphasis that it’s the core job of leaders to develop different kinds of networks such as groups and communities in order to have an effective knowledge management.

2.4 Influence of Techno-Based CRM

The area of Relationship Marketing (RM) and CRM continues to receive attention both in the literature and in practice, with research and websites that discuss the uses and benefits of CRM to the organization (Xu & Walton, 2015; Xu, Yen, Lin & Chou, 2012). This attention has been accompanied by technology developments that have been applied in the area of CRM. The purpose of CRM is the building of relationships in order to affect customer acquisition, retention, loyalty and profitability (Swift and Ngai, 2015), resulting in the development of relationships with these customers. The importance of technology and its use in CRM is in the increased use of these technologies to establish relationships and develop loyalty and retention among existing customers. The effective use of CRM systems can assist
in the organization’s relationship-building activities while also contributing to the profitability of the organization.

Studies have been carried out into diverse aspects of information technology, including from a knowledge management perspective (Stefanou, Sarmaniotis & Stafyla, 2013), from a strategic perspective (Bull, 2013) and from the effect that it has on various customer aspects such as loyalty (Taylor & Hunt, 2002; Lee-Kelley, Gilbert & Mannicom, 2013). The article will attempt to consolidate the theoretical basis for the use of specific technology in the implementation of CRM strategy by organizations while examining the possible tools in CRM systems.

2.4.1 Technology and CRM
Many of today’s most effective CRM processes and strategies are so successful because of the underlying technologies that enable and support them. In our dynamic, evolving industry new technologies continue to allow banks to interact with customers in ways we never imagined. This is not to say that technology is the end-all in CRM—we still need engaged people, relevant processes, and quality data. But when properly implemented, technology can take that powerful threesome even farther (Anon, 2012; Abbott, 2011).

Building relationships with customers requires data on the customer. If data is to be used, it has to be clean and timely, and the impression is gained that organizations have extensive data on their customers (Anon, 2012; Abbott, 2011). It has been suggested that organizations are not ready for the implementation of CRM as their data is not good enough (Abbott, 2011). In research conducted in the United Kingdom (UK) in 2000, none of the organizations had data that was completely up to date, clean and usable or a fully implemented CRM strategy (Abbott, 2011).

2.4.2 The CRM Ecosystem
Technological developments continue to affect the organization and the marketing of its products and services. These technological applications include the computer (specifically the World Wide Web) and mobile telephone technology. CRM needs to be seen as more than
just technology with the technology being regarded as the enabler of the CRM strategy (Xu, Yen, Lin & Chou 2012). In using technology, a number of technology applications can be identified that are used in the development of CRM strategy (Xu & Walton, 2015; Zaayman, 2014; Chen & Popovich, 2013; META Group, 2009). Three main components of CRM systems can be identified.

Operational CRM includes customer-facing applications such as sales force automation, enterprise marketing automation and customer service and support (Chen & Popovich, 2013). Customer call centers are also a component of operational CRM, and have been identified as the dominant aspect in CRM systems (Xu & Walton, 2015; Anon, 2010). All interactions with the customer are recorded, enabling the organization to gather data on the customer and thus track the customer (Xu & Walton, 2015). Despite call centers being the dominant form of operational CRM, in research conducted in the UK, it was found that less than 40% of organizations had implemented a call center (Abbott, 2011).

Analytical CRM analyses the data that has been created through operational CRM to build a picture of the customer. Analytical CRM includes the capturing, storage, extraction, processing, interpretation and reporting of customer data stored in data warehouses (Xu & Walton, 2015). This enables the organization to examine customer behavioral patterns in order to develop marketing and promotional strategies (Xu & Walton, 2015). In research conducted in the UK, 25% of the organizations surveyed indicated that they used analytical CRM (Xu & Walton, 2015). This would appear to indicate that the primary use of CRM systems is operational in nature (Xu & Walton, 2015).

Collaborative CRM uses new and traditional communication technologies to enable customers to interact with the organization (Meta Group, 2009). Collaborative CRM allows a better level of response to customer needs by involving all the members of the supply chain such as suppliers or other partners (Xu & Walton, 2015). It also involves channel strategies or any function that provides a point of interaction (or touch point) between the customer and the channel (Shahnam, 2010).
A further category of CRM systems identified by Chaudbury and Kuiboer (2012) is that of e-CRM. E-CRM makes it possible for the organization to have as much contact as possible through all communication channels, notably through the Internet and Intranet. E-CRM is thus a web-centric approach to customer contact (Xu & Walton, 2015). This Internet support takes on the form of presales, services and post-sales support (Feinberg et al., 2012). The Internet makes it possible to have frequent contact with the customer, and so keep their databases as pure as possible while developing better customer relationships (O’Leary, Rao & Perry, 2014). It has also been suggested that the value of the Internet can be seen in the quicker flow of information and more consistent communications that can result from its use (Luck & Lancaster, 2013). Using the Internet enables CRM to become more interactive, affecting the relationships that are developed (Xu et al., 2012). It has been suggested that while the Internet is used for promotional purposes, its interactive capabilities have not been used to their fullest extent (O’Leary et al., 2014). It is further suggested by Taylor and Hunt (2012) that the consequences of e-CRM may not assist in attaining the CRM goals as identified for a specific strategy.

2.4.3 Technology Applications within CRM

The development of CRM technology can be viewed from the perspective of the level of information technology applied in building customer relationships. Four stages can be identified in this development process (Stefanou, Sarmaniotis & Stafyla, 2013).

The power of a CRM software application does not lie with storing information. Key information has to be in the database for the system to be useful, but it's what you can pull from the system, and what you do with the information you access, that really makes a difference. Having a CRM technology application allows companies to manage even the largest customer and prospect databases in an efficient and effective manner (Stefanou, Sarmaniotis & Stafyla, 2013).

2.4.3.1 Predictive CRM

According to Crowder (2001), predictive CRM is the discipline of getting to know your customers by performing complex analyses on data about them, and it is rapidly changing the
Predictive CRM thus enables the organization to determine future behavior, which can increase the effectiveness of the strategy. Predictive CRM enabled a Japanese-based computer and software reseller to increase its profits by 200% (and attain an 18% growth in sales) as it made use of a recommendation engine based on their existing personal profiles (Shearer, 2014).

2.4.3.2 Interactive Customer Relationship Management (ICRM)

Interactive Customer Relationship Management (ICRM) is the integration of instant communication with captured and analyzed website customer data, and it has evolved to help customers remain in contact with the organization. ICRM is used to improve customer care, to build longer term relationships, to improve the use of website productivity, and to increase the integration of web sales and customer care (Tanoury, 2012). As it makes use of communication technologies, it can be regarded as collaborative CRM.

According to Trepper (2012), current website customers demand instant access to the companies with which they do business and expect each person they contact to have full knowledge of their account. Web-based e-commerce activities enable ICRM, where customer queries can immediately be resolved online in real time. This leads to the faster resolution of customer doubts and online experiential difficulties, thereby increasing customer satisfaction and loyalty. The fundamental goal of ICRM is therefore to create greater customer loyalty, sales and satisfaction, and to provide a rich source of customer knowledge that can be used to gain a deeper understanding of customers in order to facilitate the provision of fully personalized service. For example, during a live interactive web chat session, a Customer Service Representative (CSR) may uncover specific customer preferences and needs (the
need for a greater range of products and information about competing products and their relative prices available on the Website). This new knowledge can be integrated with other web CRM knowledge to tailor the website better and according to customer needs. If the above-mentioned need is characteristic of an important and profitable targeted customer segment, website content and offerings can be adjusted accordingly to improve the customer’s satisfaction, thereby increasing loyalty as well as current and future revenue streams (Tanoury, 2012).

The knowledge gleaned from ICRM can therefore be integrated with other Website CRM data (held in an integrative database for conversion into valuable knowledge), which can improve sales opportunities and customer relationships, and hence profitability. Interactive web customer service through ICRM increases the lifetime value of a customer by escalating future sales through repeat visits. The organizations behind these websites use a full range of electronic CRM solutions to provide immediate interactive communications and knowledgeable customer care (Trepper, 2012). A study carried out by Accenture in 2001 indicated that the level of customer satisfaction is higher in the Business-to-Business (B2B) environment than in the Business-to-Customer (B2C) environment (Taylor & Hunt, 2012).

2.5 Chapter Summary
Successful CRM strategy implementation is the goal of any organization that is seeking to build relationships with customers. To facilitate this, CRM systems hold a great deal of promise in enhancing these activities. Despite questionable implementation to date, predictive CRM, interactive CRM and interaction technologies in this area can be some of the major contributors in this regard, which can provide the organization with a competitive edge in the marketplace. It must be ensured that the CRM systems that are selected are appropriate for the organization and used purposefully in order to gain the maximum benefits from them, namely the attainment of CRM goals. The next chapter examines the research methodology used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter gives the exploration approach and the structure which guided the study. Specifically this section gives the research design, the population, and sample, sampling technique, the research procedures and the data analysis procedures to be adopted.

3.2 Research Design
This study adopted a descriptive research design using a survey technique. A review research approach contains a cross sectional configuration in connection to which information are gathered overwhelmingly by survey or by organized meetings on more than one case and at a solitary point in time keeping in mind the end goal to gather a collection of quantitative or quantifiable information regarding two or more variables which are then analyzed to identify examples of affiliation (Bryman and Bell, 2011).

A descriptive research design, seeks to portray an accurate profile of persons, events or situations usually with the involvement of an evaluation and synthesis of ideas (Chinyanga, 2011). Also, an expressive exploration configuration is effortlessly replicable to different zones of study or replicable to an alternate arrangement of population in light of the same study. Furthermore, graphic examination discoveries are viewed as more substantial particularly where there is the utilization of irregular or likelihood based testing similar to the instance of this study. At long last, the because of the replicability of this study, the discoveries of the study can be looked at against comparable discoveries somewhere else improving the legitimacy of the discoveries. The unwavering quality, legitimacy of discoveries and replicability of an expressive exploration outline were the main considerations that educated the selection of the examination plan.

3.3 Population and Sampling Design
3.3.1 Population
The population be characterized as every one of the general population or things with the trademark one wish to comprehend (Odhiambo et al., 2010). The total number of employees
to be interviewed were 130 situated inside of the Nairobi CBD, and were distributed as shown in Table 3.1. The bank branch distinguished for consideration in this study was Kencom branch. KCB bank was decided for incorporation in this study because of its vicinity in all parts of Kenya being the greatest bank in branches terms in Kenya. Also, KCB was picked as it has actualized an involved CRM framework. In Kenya KCB has 192 Branches across its 47 counties which could be easily located. The Kencom KCB branch identified was the closest to the researcher and was easily accessible since it was within the Nairobi CBD. The choice of these branch was very instrumental in ensuring a high response rate.

Table 3.1 Distribution of the Population

<table>
<thead>
<tr>
<th>Branch</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kencom</td>
<td>30</td>
</tr>
<tr>
<td>Tom Mboya Street</td>
<td>24</td>
</tr>
<tr>
<td>Loita Street</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>74</td>
</tr>
</tbody>
</table>

Source: KCB (2017)

3.3.2 Sampling Design
Due to time and resource constrains, gathering information from everyone in a population is very hard and the goal becomes to finding a representative sample of the population (Odhiambo et al., 2010).

3.3.2.1 Sampling Frame
A sampling frame can be defined as the listing of all units in the population from which a sample is selected (Bryman, 2002). The sampling frame was made up of employees in the Tom Mboya Street branch, employees in the Kencom branch and employees in the Loita street branch. The total sampling frame list therefore was 60 corresponds, and was obtained from the HR department.

3.3.2.2 Sampling Technique
Time and asset obliges require that a specimen be chosen for incorporation in the study. An examining procedure can be characterized as that piece of factual practice worried with the
determination of individual perceptions proposed to yield some learning around a population of concern, particularly with the end goal of measurable deduction (Odhiambo et al., 2010). This study adopted a probability sampling method, stratified random sampling technique. In stratified random sampling technique each element or person in the population is placed into a strata or group. Each element or person in each of the strata’s is given an equal chance for inclusion in the study.

3.3.2.3 Sample Size

Testing edge or "test outline" generally "overview edge" is the genuine arrangement of units from which a specimen has been drawn (Odhiambo et al, 2010). To achieve an agent test a few methodologies can be utilized including utilizing the specimen of a comparative study, utilizing equation or utilizing tables. This study utilized the formulae strategy to accomplish an agent test. Yamane (1967) gave a rearranged recipe to ascertain a delegate test. The recipe used to compute the specimen size was given by:

\[
n = \frac{N}{1 + N (e)^2}
\]

Where: \( n = \text{Sample Size} \)
\( N = \text{Population Size} \)
\( E = \text{is the confidence level 95\%} \)

\[
n = \frac{74}{1 + 74(0.10)^2} = 60
\]

The distribution of the sample was as shown in table 3.2.
Table 3.2 Distribution of the Sample Size

<table>
<thead>
<tr>
<th>Branch</th>
<th>Population</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kencom</td>
<td>30</td>
<td>40.5</td>
<td>20</td>
</tr>
<tr>
<td>Tom Mboya Street</td>
<td>24</td>
<td>32.4</td>
<td>20</td>
</tr>
<tr>
<td>Loita Street</td>
<td>20</td>
<td>27.1</td>
<td>20</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>74</strong></td>
<td><strong>100</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

3.4 Data Collection Methods

This study used primary data. As per Odhiambo et al. (2010), essential information is new and gathered surprisingly and it is unique in character. The essential information utilized as a part of the course of this study was gathered utilizing a questionnaire. A survey was used in this study because of its usability, efficient qualities and the relative minimal effort of utilizing a questionnaire as a part of information gathering. A survey is anything but difficult to use for information gathering as the scientists vicinity is not required, it is quick to gather information utilizing a questionnaire and the expenses connected with gathering information utilizing a questionnaire when contrasted with different instruments e.g. meetings and perception is additionally low. Different variables that affected the selection of questionnaire as an information gathering instrument rush to control since they can be disseminated by dispatches and be gathered utilizing the same channels, nonappearance of questioner impacts, no questioner variability and its comfort to the respondents (Bryman and Bell, 2011).

The questionnaire contained both open finished and shut finished inquiries. Shut finished inquiries were utilized to gather indicated reactions from the respondents. The survey was partitioned into four segments; demographic area; to gather the general data and foundation of the respondents. Advantages of CRM: this area tried to distinguish the advantages seen by the workers of KCB on the execution of CRM; and issues in Implementing CRM Strategies; this area tried to distinguish the issues that emerge amid the execution of CRM techniques e.g. client desires and so on.
3.5 Research Procedures

The data collection tool was formulated based on the sections identified above. After plan the survey was pretested to guarantee legitimacy, dependability and comprehension of the questionnaire by the respondents. Five respondents were utilized to pretest the questionnaire on their level of comprehension and clarity of the inquiries. Remarks and lacks recognized amid the pre-testing period were altered into the last survey. The five respondents were workers of KCB who were barred from the genuine study.

The last questionnaire was regulated to the respondents through individual conveyance. Respondents were expected to complete the filling of the questionnaire within two weeks. After the lapse of the two weeks the questionnaires were collected by the researcher using the same channels that delivery was done. To guarantee a high reaction rate, the specialist was in steady contact and correspondence with the respondents utilizing telephone calls, Short Messages Services (SMS) updates and email updates. The same correspondence channels were utilized to address challenges experienced by the respondents at the appointed time of fruition of the survey.

3.6 Data Analysis Methods

After collection of the questionnaire, inspection was undertaken to review whether the questionnaires contained any errors and if the questionnaires were completed correctly and editing undertaken. Subsequent to altering of the finished questionnaire, the survey was coded where each inquiry spoke to a variable. In the wake of coding, the coded information was entered into Statistical Package for Social Sciences (SPSS) for investigation. Data analysis included running orders for factual measures. Progressed factual measures of means, changes, medians and standard deviation were utilized to portray connections in the information gathered. Information presentation and portrayal was done through outlines, figures, recurrence circulation tables and diagrams. Progressed factual measures of means, fluctuations and standard deviation was utilized to depict connections in the information gathered.
3.7 Chapter Summary

This chapter provides a clear framework of how the research was undertaken. The research framework was based on existing studies identified in chapter two and the research questions identified in chapter one. In addition, this chapter provides the research procedures, the data collection methods and how the data was analyzed and presented. The next chapter presents the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
The data that was collected using the questionnaires that were handed out were analyzed and have been presented in this section as the study findings. Data has been presented in the form of figures and tables, and the section was guided by the breakdown of the questionnaires.

4.2 Response Rate
The researcher distributed 60 questionnaires and managed to collect all of them. After data cleaning, 16 questionnaires had errors and multiple responses and were discarded, leaving the study with 44 usable questionnaires. This gave the study a response rate of 73.3% which was above the required threshold.

![Figure 4.1 Response Rate](image)

4.3 Demographic Information
4.3.1 Gender
The respondents were asked to indicate their gender and Figure 4.2 shows that 51.4% were male and 48.6% were female. This shows that male employees were the majority at KCB compared to females. This may be explained by the industry in which the organization operates which is highly dominated by males.
4.3.2 Age Bracket

The respondents were asked to indicate their age bracket and Figure 4.3 shows that 42.5% were aged between 36-45 years, 25.4% were aged between 46-55 years, 21.5% were aged between 26-35 years, 7.1% were below the age of 25 years, and 3.5% were above the age of 3.5%. This shows that most of the employees were youths and young adults. This may be explained by the nation’s demography that has a lot of youths and young adults.
4.3.3 Education Level

The respondents were asked to indicate their education level and Figure 4.4 shows that 63.3% had university degrees, 34.2% had Masters Degrees, and 2.5% had PhDs. This shows that KCB employees were well educated and could understand the research questions.

![Figure 4.4 Education Level](image)

4.3.4 Position in Organization

The respondents were asked to indicate their position in the organization and Figure 4.5 shows that 60.8% were regular employees, 21.5% were operational managers, 10.6% were line managers, and 7.1% were senior managers. This shows that the population covered all areas of KCB positions.

![Figure 4.5 Position in the Organization](image)
4.3.5 Years with the Organization
The respondents were asked to indicate the number of years they had been with the organization and Figure 4.6 shows that 47.1% had been with the organization for 6-10 years, 21.5% had been with the organization for 11-15 years, 17.2% had been with the organization for 2-5 years, and 7.1% had been with the organization for below a year and above 16 years respectively. This shows that most of the employees had been in the organization for 6 years and above. This also shows that the population were best suited for the study since they understood the processes and most importantly the customer management process of the organization.

Figure 4.6 Years with the Organization

4.4 Influence of Customer Orientation in the Banking Sector
4.4.1 Rating of Influence of Customer Orientation in the Banking Sector
Respondents were asked to rate factors that influence customer orientation at KCB using statements that were provided and a likert scale that contained the following scale measures: SD=strongly disagree, D=disagree, MA=moderately agree, A=agree, and SA=strongly agree, and the results were as shown in Table 4.1.
<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>MA</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation is an essential component of the marketing concept in our organization</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>47.2</td>
<td>52.8</td>
<td>4.53</td>
<td>.503</td>
</tr>
<tr>
<td>Our marketers understand our buyer's entire value chain</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2.8</td>
<td>97.2</td>
<td>4.97</td>
<td>.165</td>
</tr>
<tr>
<td>Customer orientation in our organization provides a solid basis of intelligence pertaining to our customers</td>
<td>0</td>
<td>0</td>
<td>2.8</td>
<td>52.8</td>
<td>44.4</td>
<td>4.42</td>
<td>.550</td>
</tr>
<tr>
<td>Improvement in our service quality is related to our market share expansion</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>27.8</td>
<td>72.2</td>
<td>4.72</td>
<td>.451</td>
</tr>
<tr>
<td>Our customers’ attitudes towards our services is usually based on the relationship between our customer expectations and their perception of quality we provide</td>
<td>0</td>
<td>0</td>
<td>33.3</td>
<td>44.4</td>
<td>22.2</td>
<td>3.56</td>
<td>1.174</td>
</tr>
<tr>
<td>Customer service is a fundamental motivating factor behind our organization’s success</td>
<td>0</td>
<td>0</td>
<td>2.8</td>
<td>83.3</td>
<td>13.9</td>
<td>4.11</td>
<td>.396</td>
</tr>
<tr>
<td>Our organization treats customer service seriously and thus reap full benefits from customers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>13.9</td>
<td>86.1</td>
<td>4.86</td>
<td>.348</td>
</tr>
<tr>
<td>Our organization learns how to retain its customers even when they appear satisfied with our services</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>38.9</td>
<td>61.1</td>
<td>4.61</td>
<td>.491</td>
</tr>
<tr>
<td>As an organization we do not engage in price wars, but rather make use of our services as a competitive tool</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>77.8</td>
<td>22.2</td>
<td>4.22</td>
<td>.419</td>
</tr>
<tr>
<td>Our satisfied customers stay and have lured other potential customers due to their satisfied with our services</td>
<td>0</td>
<td>8.3</td>
<td>30.6</td>
<td>13.9</td>
<td>47.2</td>
<td>3.89</td>
<td>1.157</td>
</tr>
</tbody>
</table>
Table 4.1 shows that customer orientation is an essential component of the marketing concept in our organization as shown by all the respondents. KCB marketers understand their buyer's entire value chain as shown by all the respondents. Customer orientation in KCB provides a solid basis of intelligence pertaining to their customers as shown by all the respondents. Improvement in the organization’s service quality is related to their market share expansion as shown by all the respondents. KCB customers’ attitudes towards their services is usually based on the relationship between their customer expectations and their perception of quality the company provides as shown by all the respondents. Customer service is a fundamental motivating factor behind the organization’s success as shown by all the respondents. The organization treats customer service seriously and thus reap full benefits from customers as shown by all the respondents. The organization learns how to retain its customers even when they appear satisfied with their services as shown by all the respondents. As an organization KCB does not engage in price wars, but rather makes use of their services as a competitive tool as shown by all the respondents. The organization’s satisfied customers stay and have lured other potential customers due to their satisfaction with their services as shown by 91.7% of the respondents who agreed.

4.4.2 Correlations for Influence of Customer Orientation in the Banking Sector

A Pearson correlation test was carried out to determine significant factors that influenced customer orientation at KCB. The study used the threshold of <0.05 for all significant factors and discarded all factors that were above the required threshold. The results of the test were as shown in Table 4.2.

Table 4.2 shows that customer orientation being an essential component of the marketing concept in the organization was a significant factor in terms of being a competitive tool (r=0.438, p<0.05). Marketers understanding their buyer’s entire value chain was an insignificant factor in terms of being a competitive tool (r=0.179, p>0.05). Customer orientation in the organization providing a solid basis of intelligence pertaining to customers was a significant factor in terms of being a competitive tool (r=-0.806, p<0.05). Improvement in service quality being related to market share expansion was an insignificant factor in terms of being a competitive tool (r=0.035, p>0.05).
### Table 4.2 Correlations for Influence of Customer Orientation in the Banking Sector

<table>
<thead>
<tr>
<th></th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation is an essential component of the marketing concept in our organization</td>
<td>.438**</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Our marketers understand our buyer's entire value chain</td>
<td>.179</td>
</tr>
<tr>
<td></td>
<td>.133</td>
</tr>
<tr>
<td>Customer orientation in our organization provides a solid basis of intelligence pertaining to our customers</td>
<td>-.806**</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Improvement in our service quality is related to our market share expansion</td>
<td>.035</td>
</tr>
<tr>
<td></td>
<td>.774</td>
</tr>
<tr>
<td>Our customers’ attitudes towards our services is usually based on the relationship between our customer expectations and their perception of quality we provide</td>
<td>-.504**</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Customer service is a fundamental motivating factor behind our organization’s success</td>
<td>.409**</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Our organization treats customer service seriously and thus reap full benefits from customers</td>
<td>-.380**</td>
</tr>
<tr>
<td></td>
<td>.001</td>
</tr>
<tr>
<td>Our organization learns how to retain its customers even when they appear satisfied with our services</td>
<td>-.755**</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>As an organization we do not engage in price wars, but rather make use of our services as a competitive tool</td>
<td>-.164</td>
</tr>
<tr>
<td></td>
<td>.170</td>
</tr>
<tr>
<td>Our satisfied customers stay and have lured other potential customers due to their satisfied with our services</td>
<td>-.914**</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

Table 4.2 shows that customers’ attitudes towards services being based on the relationship between customer expectations and their perception of quality provided was a significant factor in terms of being a competitive tool ($r=-0.504$, $p<0.05$). Customer service being a fundamental motivating factor behind organization’s success was a significant factor in terms of being a competitive tool ($r=0.409$, $p<0.05$). Organizations treating customer service seriously and thus reaping full benefits from customers was a significant factor in terms of being a competitive tool ($r=-0.380$, $p<0.05$). Organizations learning how to retain customers...
even when they appeared satisfied with services was a significant factor in terms of being a competitive tool ($r=-0.755, p<0.05$). Organizations not engaging in price wars, but rather making use of services as a competitive tool was an insignificant factor in terms of being a competitive tool ($r=-0.164, p>0.05$). Satisfied customers staying and luring other potential customers due to their satisfaction with an organization’s services was a significant factor in terms of being a competitive tool ($r=-0.914, p<0.05$).

4.4.3 Model Summary for Influence of Customer Orientation in the Banking Sector

Customer orientation factors were computed to form 4 variables (customer orientation, nature of customer orientation, customer satisfaction and retention, and customer loyalty). The model summary in Table 4.3 shows that customer orientation, nature of customer orientation, customer satisfaction and retention, and customer loyalty account for 95.7% of the organization improving its competitive advantage which was very significant.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.980</td>
<td>.960</td>
<td>.957</td>
<td>.114</td>
</tr>
</tbody>
</table>


4.4.4 Coefficients for Influence of Customer Orientation in the Banking Sector

The regression coefficients in Table 4.4 shows that customer orientation, customer satisfaction and retention, and customer loyalty had positive significant influence as competitive tools since the precision level of all the factors was $<0.05$ which was the study’s threshold. Nature of customer orientation had a negative significant influence on competitive tools, since it had a precision level of $<0.05$ as well.
Table 4.4 Coefficients for Influence of Customer Orientation in the Banking Sector

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-6.427</td>
<td>.426</td>
</tr>
<tr>
<td>Customer Orientation</td>
<td>1.461</td>
<td>.096</td>
</tr>
<tr>
<td>Customer Orientation Nature</td>
<td>-.212</td>
<td>.035</td>
</tr>
<tr>
<td>Customer Satisfaction &amp; Retention</td>
<td>.539</td>
<td>.016</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>.579</td>
<td>.052</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Tool

4.5 Influence of Knowledge Management in the Kenyan Banking Sector

4.5.1 Rating of Influence of Knowledge Management in the Kenyan Banking Sector

Respondents were asked to rate factors that influence knowledge management at KCB using statements that were provided and a likert scale that contained the following scale measures: SD=strongly disagree, D=disagree, MA=moderately agree, A=agree, and SA=strongly agree, and the results were as shown in Table 4.5.

Table 4.5 shows that the organization has moved towards a knowledge based economy (it utilizes knowledge to make decisions) as shown by all the respondents. The organization admits the fact that, to utilize the best resources of an organization, it is essential to utilize knowledge as shown by all the respondents. The organizational goal is achieved by management of employees’ knowledge as shown by all the respondents. Emphasis on the discovery of knowledge in the organization is a crucial element that impacts the management of knowledge as shown by all the respondents. Leadership in the organization is the key antecedent of knowledge management that leads to its effectiveness in the organization as shown by all the respondents. The organization has proper communication channels that guide and share knowledge, which motivates the knowledgeable employees as shown by all the respondents. Managers are the only people who offer guidance to knowledgeable employees in the organization as shown by all the respondents. Culture play a very important
role in knowledge creation, sharing, and use in the organization as shown by all the respondents. The organizational culture has an effect on the intelligence and values of the employees as shown by all the respondents.

Table 4.5 Rating of Influence of Knowledge Management in the Banking Sector

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>MA</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization has moved towards a knowledge based economy (it utilizes knowledge to make decisions)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>36.1</td>
<td>63.9</td>
<td>4.64</td>
<td>.484</td>
</tr>
<tr>
<td>Our organization admits the fact that, to utilize the best resources of an organization, it is essential to utilize knowledge</td>
<td>0</td>
<td>0</td>
<td>8.3</td>
<td>58.3</td>
<td>33.3</td>
<td>4.25</td>
<td>.599</td>
</tr>
<tr>
<td>Our organizational goal is achieved by management of employees’ knowledge</td>
<td>0</td>
<td>0</td>
<td>2.8</td>
<td>75</td>
<td>22.2</td>
<td>4.17</td>
<td>.557</td>
</tr>
<tr>
<td>Emphasis on the discovery of knowledge in our organization is a crucial element that impacts our management of knowledge</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>30.6</td>
<td>66.7</td>
<td>4.74</td>
<td>.439</td>
</tr>
<tr>
<td>Leadership in our organization is the key antecedent of knowledge management that leads to its effectiveness in our organization</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>58.3</td>
<td>41.7</td>
<td>4.42</td>
<td>.496</td>
</tr>
<tr>
<td>Our organization has proper communication channels that guide and share knowledge, which motivates the knowledgeable employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>58.3</td>
<td>41.7</td>
<td>4.42</td>
<td>.496</td>
</tr>
<tr>
<td>Managers are the only people who offer guidance to knowledgeable employees in the organization</td>
<td>0</td>
<td>0</td>
<td>2.8</td>
<td>66.7</td>
<td>30.6</td>
<td>4.25</td>
<td>.599</td>
</tr>
<tr>
<td>Culture play a very important role in knowledge creation, sharing, and use in our organization</td>
<td>0</td>
<td>0</td>
<td>13.9</td>
<td>41.7</td>
<td>44.4</td>
<td>4.17</td>
<td>.993</td>
</tr>
<tr>
<td>Our organizational culture has an effect on the intelligence and values of our employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>30.6</td>
<td>69.4</td>
<td>4.69</td>
<td>.464</td>
</tr>
</tbody>
</table>
4.5.2 Correlations for Influence of Knowledge Management in the Banking Sector

A Pearson correlation test was carried out to determine significant factors that influenced knowledge management at KCB. The study used the threshold of <0.05 for all significant factors and discarded all factors that were above the required threshold. The results of the test were as shown in Table 4.6.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization has moved towards a knowledge based economy (it utilizes knowledge to make decisions)</td>
<td>0.579** 0.000</td>
</tr>
<tr>
<td>Our organization admits the fact that, to utilize the best resources of an organization, it is essential to utilize knowledge</td>
<td>0.607** 0.000</td>
</tr>
<tr>
<td>Our organizational goal is achieved by management of employees’ knowledge</td>
<td>-0.610** 0.000</td>
</tr>
<tr>
<td>Emphasis on the discovery of knowledge in our organization is a crucial element that impacts our management of knowledge</td>
<td>-0.507** 0.000</td>
</tr>
<tr>
<td>Leadership in our organization is the key antecedent of knowledge management that leads to its effectiveness in our organization</td>
<td>0.283* 0.016</td>
</tr>
<tr>
<td>Our organization has proper communication channels that guide and share knowledge, which motivates the knowledgeable employees</td>
<td>0.283* 0.016</td>
</tr>
<tr>
<td>Managers are the only people who offer guidance to knowledgeable employees in the organization</td>
<td>0.420** 0.000</td>
</tr>
<tr>
<td>Culture play a very important role in knowledge creation, sharing, and use in our organization</td>
<td>0.757** 0.000</td>
</tr>
<tr>
<td>Our organizational culture has an effect on the intelligence and values of our employees</td>
<td>0.469** 0.000</td>
</tr>
</tbody>
</table>

Table 4.6 shows that organizations moving towards a knowledge based economy (it utilizes knowledge to make decisions) was a significant factor in terms of being a competitive tool (r=0.579, p<0.05). Organization admitting the fact that, to utilize the best resources of an organization is essential to utilize knowledge was a significant factor in terms of being a
competitive tool (r=0.607, p<0.05). Organizational goal being achieved by management of employees’ knowledge was a significant factor in terms of being a competitive tool (r=-0.610, p<0.05). Emphasis on the discovery of knowledge in organizations being a crucial element that impacts management of knowledge was a significant factor in terms of being a competitive tool (r=-0.507, p<0.05). Leadership in the organization being the key antecedent of knowledge management that leads to its effectiveness in the organization was a significant factor in terms of being a competitive tool (r=0.283, p<0.05). Organization having proper communication channels that guide and share knowledge, which motivates the knowledgeable employees was a significant factor in terms of being a competitive tool (r=0.283, p<0.05). Managers being the only people who offer guidance to knowledgeable employees in the organization was a significant factor in terms of being a competitive tool (r=0.420, p<0.05). Culture playing a very important role in knowledge creation, sharing, and use in the organization was a significant factor in terms of being a competitive tool (r=0.457, p<0.05). The organizational culture having an effect on the intelligence and values of the employees was a significant factor in terms of being a competitive tool (r=0.469, p<0.05).

4.5.3 Model Summary for Influence of Knowledge Management in the Banking Sector
Knowledge management factors were computed to form 4 variables (leadership, culture, information technology, and knowledge management concept). The model summary in Table 4.7 shows leadership, culture, information technology, and knowledge management concept accounts for 97.9% of the organization improving its competitive advantage which was very significant.

Table 4.7 Model Summary for Influence of Knowledge Management in Banking Sector

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.990</td>
<td>.980</td>
<td>.979</td>
<td>.071</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): Leadership, Culture, Information Technology, and Knowledge Management Concept
4.5.4 Coefficients for Influence of Knowledge Management in the Banking Sector

The regression coefficients in Table 4.8 shows that leadership, information technology, and knowledge management concept had positive significant influence as competitive tools since the precision level of all the factors was <0.05 which was the study’s threshold. Culture had a negative significant influence on competitive tools, since it had a precision level of <0.05 as well.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.443</td>
<td>.167</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Leadership</td>
<td>.610</td>
<td>.018</td>
<td>.755</td>
<td>33.192</td>
</tr>
<tr>
<td>Culture</td>
<td>-.221</td>
<td>.019</td>
<td>-.255</td>
<td>-11.652</td>
</tr>
<tr>
<td>Information Technology</td>
<td>.320</td>
<td>.016</td>
<td>.397</td>
<td>19.708</td>
</tr>
<tr>
<td>Knowledge Management Concept</td>
<td>.356</td>
<td>.014</td>
<td>.512</td>
<td>24.776</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Tool

4.6 Influence of Technology-Based CRM

4.6.1 Rating of Influence of Technology-Based CRM

Respondents were asked to rate factors that influence technology-based CRM at KCB using statements that were provided and a likert scale that contained the following scale measures: SD=strongly disagree, D=disagree, MA=moderately agree, A=agree, and SA=strongly agree, and the results were as shown in Table 4.9.

The purpose of CRM in the organization is to build relationships that affect customer acquisition, retention, loyalty and profitability as shown by all the respondents. The CRM processes and strategies are successful because of the underlying technologies that enable the organization to support them as shown by all the respondents.
Table 4.9 Rating of Influence of technology-Based CRM in the Banking Sector

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>MA</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The purpose of CRM in our organization is to build relationships that affect customer acquisition, retention, loyalty and profitability</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>41.7</td>
<td>58.3</td>
<td>4.58</td>
<td>.496</td>
</tr>
<tr>
<td>Our CRM processes and strategies are successful because of our underlying technologies that enables us to support them</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>30.6</td>
<td>69.4</td>
<td>4.69</td>
<td>.464</td>
</tr>
<tr>
<td>New technologies allow us to interact with customers in various ways that we never imagined</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>63.9</td>
<td>36.1</td>
<td>4.36</td>
<td>.484</td>
</tr>
<tr>
<td>Building relationships with our customers requires us to have data on the customers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>55.6</td>
<td>44.4</td>
<td>4.44</td>
<td>.500</td>
</tr>
<tr>
<td>The data we use is normally clean and timely, and has extensive data on our customers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>69.4</td>
<td>30.6</td>
<td>4.31</td>
<td>.464</td>
</tr>
<tr>
<td>Our organizations is ready for proper CRM implementation since our data is good enough</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>22.2</td>
<td>44.4</td>
<td>33.3</td>
<td>4.11</td>
</tr>
<tr>
<td>Technological developments continue to affect our organization and our marketing of our products and services</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>55.6</td>
<td>44.4</td>
<td>4.44</td>
<td>.500</td>
</tr>
<tr>
<td>We have an E-CRM that makes it possible for our organization to have as much contact with our customers as possible through our communication channels</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>22.2</td>
<td>44.4</td>
<td>33.3</td>
<td>4.11</td>
</tr>
<tr>
<td>The Internet has enabled our CRM to become more interactive</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>55.6</td>
<td>44.4</td>
<td>4.44</td>
<td>.500</td>
</tr>
<tr>
<td>Our CRM is used to improve customer care, and build longer term relationships</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11.1</td>
<td>88.9</td>
<td>4.89</td>
<td>.316</td>
</tr>
<tr>
<td>We use CRM to improve on the use of website productivity, and increase the integration of web sales and customer care</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>41.7</td>
<td>58.3</td>
<td>4.58</td>
<td>.496</td>
</tr>
</tbody>
</table>
New technologies allow the organization to interact with customers in various ways that they never imagined as shown by all the respondents. Building relationships with customers requires organizations to have data on the customers as shown by all the respondents. The data used is normally clean and timely, and has extensive data on customers as shown by all the respondents. The organizations is ready for proper CRM implementation since their data is good enough as shown by all the respondents. Technological developments continue to affect the organization and the marketing of their products and services as shown by all the respondents. The organization has an E-CRM that makes it possible for it to have as much contact with customers as possible through their communication channels as shown by all the respondents. The Internet has enabled CRM to become more interactive as shown by all the respondents. CRM is used to improve customer care, and build longer term relationships as shown by all the respondents. The organization uses CRM to improve on the use of website productivity, and increase the integration of web sales and customer care as shown by all the respondents.

4.6.2 Correlations for Influence of Technology-Based CRM in the Banking Sector

A Pearson correlation test was carried out to determine significant factors that influenced technology-based CRM at KCB. The study used the threshold of <0.05 for all significant factors and discarded all factors that were above the required threshold. The results of the test were as shown in Table 4.10.

Table 4.10 shows that the purpose of CRM in organizations being to build relationships that affect customer acquisition, retention, loyalty and profitability was a significant factor in terms of being a competitive tool \( (r=-0.757, \ p<0.05) \). CRM processes and strategies being successful because of underlying technologies that enables organizations to support them was a significant factor in terms of being a competitive tool \( (r=-0.438, \ p<0.05) \). New technologies allowing organizations to interact with customers in various ways that they never imagined was a significant factor in terms of being a competitive tool \( (r=0.283, \ p<0.05) \). Building relationships with customers requiring organizations to have data on the customers was a significant factor in terms of being a competitive tool \( (r=-0.491, \ p<0.05) \).
Tale 4.10 Correlations for Influence of Technology-Based CRM in the Banking Sector

<table>
<thead>
<tr>
<th></th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The purpose of CRM in our organization is to build relationships that affect customer acquisition, retention, loyalty and profitability</td>
<td>-.757**</td>
</tr>
<tr>
<td>Our CRM processes and strategies are successful because of our underlying technologies that enables us to support them</td>
<td>-.438**</td>
</tr>
<tr>
<td>New technologies allow us to interact with customers in various ways that we never imagined</td>
<td>.283*</td>
</tr>
<tr>
<td>Building relationships with our customers requires us to have data on the customers</td>
<td>-.491**</td>
</tr>
<tr>
<td>The data we use is normally clean and timely, and has extensive data on our customers</td>
<td>.438**</td>
</tr>
<tr>
<td>Our organizations is ready for proper CRM implementation since our data is good enough</td>
<td>.280*</td>
</tr>
<tr>
<td>Technological developments continue to affect our organization and our marketing of our products and services</td>
<td>-.491**</td>
</tr>
<tr>
<td>We have an E-CRM that makes it possible for our organization to have as much contact with our customers as possible through our communication channels</td>
<td>.280*</td>
</tr>
<tr>
<td>The Internet has enabled our CRM to become more interactive</td>
<td>.756**</td>
</tr>
<tr>
<td>Our CRM is used to improve customer care, and build longer term relationships</td>
<td>.418**</td>
</tr>
<tr>
<td>We use CRM to improve on the use of website productivity, and increase the integration of web sales and customer care</td>
<td>-.757**</td>
</tr>
</tbody>
</table>

Table 4.10 also shows that, data used being normally clean and timely, and having extensive data on customers was a significant factor in terms of being a competitive tool (r=0.438, p<0.05). Organizations being ready for proper CRM implementation since data is good enough was a significant factor in terms of being a competitive tool (r=0.280, p<0.05). Technological developments continuing to affect organizations and their marketing of
products and services was a significant factor in terms of being a competitive tool ($r=-0.491$, $p<0.05$). Organizations having an E-CRM that makes it possible for them to have as much contact with customers as possible through their communication channels was a significant factor in terms of being a competitive tool ($r=0.280$, $p<0.05$). The Internet having enabled CRM to become more interactive was a significant factor in terms of being a competitive tool ($r=0.756$, $p<0.05$). CRM being used to improve customer care, and building long-term relationships was a significant factor in terms of being a competitive tool ($r=0.418$, $p<0.05$). Using CRM to improve on the use of website productivity, and increasing the integration of web sales and customer care was a significant factor in terms of being a competitive tool ($r=-0.757$, $p<0.05$).

4.6.3 Model Summary for Influence of Technology-Based CRM in the Banking Sector

Technology-based CRM factors were computed to form 4 variables (technology CRM, CRM ecosystem, technology applications, and interactive CRM). The model summary in Table 4.11 shows technology CRM, CRM ecosystem, technology applications, and interactive CRM accounts for 79.2% of the organization improving its competitive advantage which was very significant.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.896</td>
<td>.804</td>
<td>.792</td>
<td>.227</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): Technology CRM, CRM Ecosystem, Technology Applications, and Interactive CRM

4.6.4 Coefficients for Influence of Technology-Based CRM in the Banking Sector

The regression coefficients in Table 4.12 shows that technology CRM, CRM ecosystem, and technology applications, had positive significant influence as competitive tools since the precision level of all the factors was $<0.05$ which was the study’s threshold. Interactive CRM had a negative significant influence on competitive tools, since it had a precision level of $<0.05$ as well.
Table 4.12 Coefficients for Influence of Technology-based CRM in the Banking Sector

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-2.000</td>
<td>1.462</td>
<td>-1.368</td>
<td>.176</td>
</tr>
<tr>
<td>Technology CRM</td>
<td>.250</td>
<td>.097</td>
<td>.244</td>
<td>2.567</td>
</tr>
<tr>
<td>CRM ecosystem</td>
<td>.406</td>
<td>.101</td>
<td>.409</td>
<td>4.006</td>
</tr>
<tr>
<td>Technology Applications</td>
<td>1.094</td>
<td>.101</td>
<td>1.102</td>
<td>10.785</td>
</tr>
<tr>
<td>Interactive CRM</td>
<td>-.250</td>
<td>.097</td>
<td>-.234</td>
<td>-2.567</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Tool

4.7 Chapter Summary

In this chapter, the study results and brief discussions of the results and findings have been presented. Frequencies and descriptive statistics have been utilized in the chapter as well as correlations of the study variables which have been presented in the form of tables and figures. The next chapter presents the study summary, discussions, conclusions, and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the study. It offers the summary of the study findings, the study discussions, the study conclusions, and the study recommendations. The chapter is guided by the study results and findings, as well as the study objectives.

5.2 Summary of Findings

This study focused on assessing Customer Relationship Management (CRM) as a competitive tool in the Kenya Commercial Bank (KCB). The specific objectives that guided the study included: to examine the influence of customer orientation on banks, to determine the influence of knowledge management in KCB and lastly to examine the influence of techno-based CRM in banks.

This study used the descriptive research design. The population for this study was all the staff working at KCB whose total number is 130. For this study, the sampling frame came from the official list of employees working at KCB in 2017. This study used stratified sampling technique. For the sample size was 60 respondents. Primary data was used in the study and it was collected using a self-administered questionnaire. This study used closed-ended questions to gather data for the study. The questionnaires also employed the use of a five point likert scale. The completed questionnaires were analyzed using the Statistical Package for Social Science (SPSS) Student Version 16.0. The study employed the use of means and standard deviations to show the strength and the degree in response differences. The study also employed the use of correlation and regression analysis to test the relationships between the study variables.

The study showed that Customer orientation was an essential component of the marketing concept in KCB and their marketers understood the buyer's entire value chain. Customer orientation in KCB provided a solid basis of intelligence pertaining to their customers and Improvement in service quality was related to KCB’s market share expansion customers’ attitudes towards KCB services was usually based on the relationship between customer
expectations and their perception of quality we provide. Customer service was a fundamental motivating factor behind KCB’s success. KCB treated customer service seriously and thus reaped full benefits from customers. KCB learned how to retain its customers even when they appear satisfied with their services and did not engage in price wars, but rather made use of their services as a competitive tool. Satisfied customers stayed and had to lure other potential customers due to satisfaction with KCB services.

The study showed KCB had moved towards a knowledge based economy (it utilizes knowledge to make decisions) and admitted the fact that, to utilize the best resources of an organization, it was essential to utilize knowledge. KCB’s goal was achieved by management of employees’ knowledge and Emphasis on the discovery of knowledge in the organization was a crucial element that impacted the management of knowledge. Leadership in KCB was the key antecedent of knowledge management that led to its effectiveness and proper communication channels that guided and shared knowledge, which motivated the knowledgeable employees. KCB Managers were the only people who offered guidance to knowledgeable employees in the organization. Also Culture played a very important role in knowledge creation, sharing, and use in KCB.

The study showed the purpose of CRM in KCB was to build relationships that affected customer acquisition, retention, loyalty and profitability. KCB CRM processes and strategies were successful because of their underlying technologies that enabled KCB to support them and new technologies allowed KCB to interact with customers in various ways that it never imagined. Building relationships with KCB customers required them to have data on the customers and the data they used was normally clean and timely, and had extensive data on their customers. KCB was ready for proper CRM implementation since their data was good enough and Technological developments continued to affect KCB and its marketing of products and services. KCB have an E-CRM that makes it possible for it to have as much contact with its customers as possible through its communication channels. The Internet had enabled KCB CRM to become more interactive and was used to improve customer care, and build longer term relationships. Also KCB used CRM to improve on the use of website productivity, and increased the integration of web sales and customer care.
5.3 Discussions

5.3.1 Influence of customer orientation in the banking sector

The study showed that customer orientation is an essential component of the marketing concept in the organization. According to Slater (2012) all pioneer researchers who introduced marketing concept have included customer orientation as the basic element of marketing concept.

The study revealed customer orientation is an essential component of the marketing concept. This results are in tandem with Emory (2011) who described customer orientation as knowledge of the customer, which requires a thorough understanding of his needs, wants, and behavior. Thus marketing concept is the foundation for customer orientation. A marketer must be customer oriented to add value to their customers. Kohli and Jaworski (2010) and Narver and Slater (2010) indicated that market oriented business requires a companywide customer orientation.

The study showed that KCB marketers understand their buyer's entire value chain. According to Day and Wensley (2008), stated that customer orientated marketer must understand the buyer's entire value chain. From the study it is clear that customer orientation means marketers’ understanding about their customers. Narver and Slater (2010) described about customer orientation as “seller has to understand who its potential customers are at present as well as who they may be in the future, what they want now as well as what they may want in the future, and what they perceive now as well as what they may perceive in the future as relevant satisfiers of their wants.

Customer orientation in KCB provides a solid basis of intelligence pertaining to their customers. According to Sorensen (2009) proposed that the general purpose of customer orientation is to provide a solid basis of intelligence pertaining to current and future customers for executive actions. Hence customer orientation means generating knowledge and intelligence on their customers as a whole to create superior value for them. The study found that the scope of customer orientation can be further broadened. Sorensen (2009) proposed that the general purpose of customer orientation is to provide a solid basis of
intelligence pertaining to current and future customers for executive actions

The study revealed that Improvement in the organization’s service quality is related to their market share expansion. According to Gronroos (2012), since banking services are generally characterized with undifferentiated products, it becomes imperative for banks to strive for improved service quality if they want to distinguish themselves from the competition. The customer oriented marketer must collect a variety of information about their customers in order to generate knowledge on their wants and expectations.

The study revealed that customers’ attitudes towards services is usually based on the relationship between customer expectations and perception of quality the company provides. According to Chong et al. (2007) customer satisfaction and customer perception of service quality were important predictors of attitude loyalty, but that satisfaction had the strongest relationship with the loyalty construct.

The study showed that Customer service is a fundamental motivating factor behind the organization’s success. These results are in tandem with Slater (2010), the organization treating customer service seriously reap full benefits from customers. This study was thus, well positioned to examine the extent to which the scenarios painted in the available literature were supported within the context of the organization.

The study revealed that the organization learned how to retain its customers even when they appeared satisfied with their services. According to Parasuraman et al. (2015), an organization does not engage in price wars, but rather makes use of their services as a competitive tool. there were strong arguments for management to carefully consider the range of factors that increase customer encouragement and retention rates. There was focus on identifying some of the build-ups that were thought to be antecedent to customer behavioral pattern and developed a measure of customer satisfaction, customer value and customer loyalty without examining other potential build-ups.
The study revealed that the organization’s satisfied customers stayed and lured other potential customers due to their satisfaction with their services. According to Reicheld and Kenny (2010) loyal customers from cost perspective tend to stay longer with the preferred providers. Customers normally set objectives in respect to measuring a desired value (Spreng et al., 2006). The customer value hierarchy suggests that desired value is composed of a preference for specific and measurable dimensions, the attribute performances, and consequences linked to goals for use situations (Gan et al., 2006).

5.3.2 Influence of Knowledge Management in the Kenyan Banking Sector

The study showed that the organization have moved towards a knowledge based economy (it utilizes knowledge to make decisions). According to Oliver (2009). Today we have moved towards the knowledge based economy from industrial economy. The study found that land and labor were not enough, another important thing to be considered was the knowledge that resided in the mind of human being The basic economic resource is no longer capital, nor natural resources, nor labor. It is and will be knowledge.

The study showed organizational goal is achieved by management of employees’ knowledge. This results are similar to Malhotra, (2007), Knowledge base resources are the path or way that we have to follow in order to have a sustainable competitive edge otherwise we will be out of the game. Current economic crisis of Kenyan required that organizations value their assets or resources only then organizations shall achieve an edge and would grow. And among all other sectors the prime sector was financial sector where management of knowledge was as crucial as blood for life

The study showed that the organization admitted the fact that, to utilize the best resources of an organization, it was essential to utilize knowledge. This results are in tandem with De Long and Fahey (2010). Knowledge base resources are the path or way that we have to follow in order to have a sustainable competitive edge otherwise we will be out of the game. The study showed Emphasis on the discovery of knowledge in the organization was a crucial element that impacted the management of knowledge. The way an organization create, use, share and store knowledge in known as knowledge management (Probst et al., 2008).
The study revealed that Leadership in the organization was the key antecedent of knowledge management that led to its effectiveness in the organization. According to Bell de Tienne, (2014), leaders are the only people who elaborate the basic goal of managing the knowledge to the knowledgeable employees and to guide them towards the right path in achieving those goals. As it was proved in the research, success of the organization was not only dependent on giving the fringe benefits to employees or through developing a very strong culture but also heavily dependent on the effective leaders.

The study showed organization had proper communication channels that guided and shared knowledge, motivated the knowledgeable employees. This results are in tandem with Debowski (2016) in order to motivate the knowledgeable people, to build communication channels, guide others to share knowledge and to make efforts to make the process effective is the prime role play by the knowledge management leader. And in oppose of this, there was a belief today that at all hierarchical level of the organization, knowledge management leader needed to be there.

The study revealed that Managers were the only people who offered guidance to knowledgeable employees in the organization. This results are in tandem with Debowski (2016) managers are the only people elaborate the basic goal of managing the knowledge to the knowledgeable employees and to guide them towards the right path in achieving those goals. As it has been proved through research that success of the organization was not only dependent on giving the fringe benefits to employees or through developing a very strong culture but also heavily dependent on the effective leaders.

The study revealed Culture played a very important role in knowledge creation, sharing, and use in the organization. According to Gummer, (2016), the culture of project has effect on the intelligence and values of individual that’s why it is called a powerful integrator. People used their values, believes, assumptions, norms as a guide that help them to perform their daily activities. Every organization’s culture is distinctive, and it influence the way people perform. Because culture lies in values, beliefs, and, norms that people follow.
The study revealed organizational culture had an effect on the intelligence and values of the employees. According to (Miller, 2015) organization culture changes over time, because due to increase competition and rapid changes in the external environment, organizations have to adopt the change and change their culture accordingly. Organizational culture explains how people cooperate with each other and works together; it also explains the category of people who fit into the organization. And most importantly for successful Knowledge management initiatives, culture plays an important role
5.3.3 Influence of Technology-Based CRM

The study revealed that purpose of CRM in the organization was to build relationships that affected customer acquisition, retention, loyalty and profitability. According Swift and Ngai, (2015), the CRM processes and strategies were successful because of the underlying technologies that enabled the organization to support them. The importance of technology and its use in CRM is in the increased use of these technologies to establish relationships and develop loyalty and retention among existing customers. The effective use of CRM systems can assist in the organization’s relationship-building activities while also contributing to the profitability of the organization.

The study showed that new technologies allowed the organization to interact with customers in various ways that they never imagined. According to Anon (2012), Building relationships with customers required organizations to have data on the customers. This is not to say that technology is the end-all in CRM--we still need engaged people, relevant processes, and quality data. But when properly implemented, technology can take that powerful threesome even farther. Building relationships with customers requires data on the customer. If data is to be used, it has to be clean and timely, and the impression is gained that organizations have extensive data on their customers.

The study revealed that the data used by KCB was normally clean and timely, and had extensive data on customers. According to Abbott (2012). The organizations are ready for proper CRM implementation since their data is good enough. It was suggested that organizations were not ready for the implementation of CRM as their data was not good enough. In the research conducted none of the organizations had data that was completely up to date, clean and usable or a fully implemented CRM strategy.

The study showed technological developments continued to affect the organization and the marketing of their products and services. According to Stefanou (2013), The organization need to have an E-CRM that makes it possible for it to have as much contact with customers as possible through their communication channels. The Internet support takes on the form of presales, services and post-sales support. The Internet makes it possible to have frequent
contact with the customer, and so keep their databases as pure as possible while developing better customer relationships

The study showed that the Internet has enabled CRM to become more interactive. According to Sarmaniotis (2013), CRM is used to improve customer care, and build longer term relationships. It has been suggested that while the Internet is used for promotional purposes, its interactive capabilities have not been used to their fullest extent. It is further suggested by Taylor and Hunt (2012) that the consequences of e-CRM may not assist in attaining the CRM goals as identified for a specific strategy.

The study showed that the organization used CRM to improve on the use of website productivity, and increase the integration of web sales and customer. According to Stafyla, (2013), CRM can improve the use of website productivity and increase the integration of web sales and customers. Current website customers demand instant access to the companies with which they do business and expect each person they contact to have full knowledge of their account. Web-based e-commerce activities enable ICRM, where customer queries can immediately be resolved online in real time. This leads to the faster resolution of customer doubts and online experiential difficulties, thereby increasing customer satisfaction and loyalty. The fundamental goal of ICRM is therefore to create greater customer loyalty, sales and satisfaction, and to provide a rich source of customer knowledge that can be used to gain a deeper understanding of customers in order to facilitate the provision of fully personalized service.
5.4 Conclusions

5.4.1 Influence of Customer Orientation in the Banking Sector

The study showed that Customer orientation was an essential component of the marketing concept in KCB and their marketers understood the buyer's entire value chain. Customer orientation in KCB provided a solid basis of intelligence pertaining to their customers and Improvement in service quality was related to KCB’s market share expansion customers’ attitudes towards KCB services was usually based on the relationship between customer expectations and their perception of quality we provide. Customer service was a fundamental motivating factor behind KCB’s success. KCB treated customer service seriously and thus reaped full benefits from customers. KCB learned how to retain its customers even when they appear satisfied with their services and did not engage in price wars, but rather made use of their services as a competitive tool. Satisfied customers stayed and had to lure other potential customers due to satisfaction with KCB services.

5.4.2 Influence of Knowledge Management in the Kenyan Banking Sector

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5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Influence of Customer Orientation in the Banking Sector
There is the need for KCB to reduce their operational procedures to ease the long queue in the banking hall. There is also the need to open more branches especially in different parts of the country to capture the large swathe of potential customers in these areas who would also like to enjoy the good customer services of KCB.

5.5.1.2 The Influence of Knowledge Management in the Kenyan Banking Sector
For KCB to always stay ahead of the other banks there is the need to constantly carry out research on the taste of customers in order to develop corresponding products to suit these tastes. This comes against the backdrop of the intense competition for customers by many of the financial institutions. There is the need for in-service training and refresher courses for the staff of KCB because of the negative responses given by some of the customers about a few of the staff of the bank in terms of relationship building. These trainings will always position the staff of the bank to be ready for the needs of the customers anytime.

5.5.1.3 Influence of Techno-Based CRM
There is the need for KCB to consider seriously on improving their electronic products to operate as promised customers. This will ease the pressure of customers joining long queues in the banking halls before transacting business i.e. withdrawing, balance enquires or
depositing. Thus, the bank can serve their customers at home or their offices through internet banking service.

5.5.2 Recommendations for Further Studies
This study focused on customer relationship management as a strategy for gaining competitive advantage in banking sector. The study was limited in terms of organizations studied which in this case was KCB, and the scope of study which was CRM. It therefore recommends that further studies be carried out in other financial institutions to provide concrete findings, and other studies to be carried out on other competitive factors that may apply to financial institutions.
REFERENCES


Kindly fill the following questionnaire appropriately.

Part A: Demographics

1. Kindly indicate your gender.
   Male ( )   Female ( )

2. Kindly indicate your age bracket.
   25 Years and below ( )  26-35 Years ( )  36-45 Years ( )  46-55 Years ( )
   56 Years and Above ( )

3. Kindly indicate your level of education.
   O level ( )   Certificate ( )   Diploma ( )   Higher Diploma ( )
   Degree ( )   Masters ( )   PhD ( )   Other ( ) Specify ___________________

4. Kindly indicate your position in the organization.
   Senior Manager ( )   Line Manager ( )   Operational Manager ( )
   Regular Staff ( )

5. How long have you worked with the organization?
   1 Year and below ( )   2-5 Years ( )   6-10 Years ( )   11-15 Years ( )
   16 Years and Above ( )
**Part B: Influence of Customer Orientation in the Banking Sector**

6. Kindly indicate the extent to which influence of customer orientation has an impact to your organization. Use the following scale rating whereby: SD=Strongly Disagree, D=Disagree, MA=Moderately Agree, A=Agree, and SA=Strongly Agree.

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
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<tbody>
<tr>
<td>Customer orientation is an essential component of the marketing concept in our organization</td>
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<tr>
<td>Our marketers understand our buyer's entire value chain</td>
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<td>Customer orientation in our organization provides a solid basis of intelligence pertaining to our customers</td>
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<td>Improvement in our service quality is related to our market share expansion</td>
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<td>Our customers’ attitudes towards our services is usually based on the relationship between our customer expectations and their perception of quality we provide</td>
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<td>Customer service is a fundamental motivating factor behind our organization’s success</td>
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<td>Our organization treats customer service seriously and thus reap full benefits from customers</td>
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<td>Our organization learns how to retain its customers even when they appear satisfied with our services</td>
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<td>As an organization we do not engage in price wars, but rather make use of our services as a competitive tool</td>
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<td>Our satisfied customers stay and have lured other potential customers due to their satisfied with our services</td>
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Part C: Influence of Knowledge Management in the Kenyan Banking Sector

7. Kindly indicate the extent to which the influence of knowledge management has an impact to your organization. Use the following scale rating whereby: SD=Strongly Disagree, D=Disagree, MA=Moderately Agree, A=Agree, and SA=Strongly Agree.

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
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<td>Our organization has moved towards a knowledge based economy</td>
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<td>(it utilizes knowledge to make decisions)</td>
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<td>Our organization admits the fact that, to utilize the best</td>
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<td>resources of an organization, it is essential to utilize</td>
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<td>knowledge</td>
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<td>Our organizational goal is achieved by management of employees’</td>
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<td>knowledge</td>
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<td>Emphasis on the discovery of knowledge in our organization is</td>
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<td>a crucial element that impacts our management of knowledge</td>
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<td>Leadership in our organization is the key antecedent of</td>
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<td>knowledge management that leads to its effectiveness in our</td>
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<td>organization</td>
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<td>Our organization has proper communication channels that guide</td>
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<td>and share knowledge, which motivates the knowledgeable</td>
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<td>employees</td>
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<td>Managers are the only people who offer guidance to knowledgeable</td>
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<td>employees in the organization</td>
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<td>Culture play a very important role in knowledge creation,</td>
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<td>sharing, and use in our organization</td>
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<td>Our organizational culture has an effect on the intelligence</td>
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<td>and values of our employees</td>
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</table>
Part D: Influence of Techno-Based CRM

8. Kindly indicate the extent to which the influence of techno-based CRM has an impact to your organization. Use the following scale rating whereby: SD=Strongly Disagree, D=Disagree, MA=Moderately Agree, A=Agree, and SA=Strongly Agree.

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<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
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<tbody>
<tr>
<td>The purpose of CRM in our organization is to build relationships that affect customer acquisition, retention, loyalty and profitability</td>
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<td>Our CRM processes and strategies are successful because of our underlying technologies that enables us to support them</td>
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<td>New technologies allow us to interact with customers in various ways that we never imagined</td>
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<td>Building relationships with our customers requires us to have data on the customers</td>
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<td>The data we use is normally clean and timely, and has extensive data on our customers</td>
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<td>Our organizations is ready for proper CRM implementation since our data is good enough</td>
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<td>Technological developments continue to affect our organization and our marketing of our products and services</td>
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<td>We have an E-CRM that makes it possible for our organization to have as much contact with our customers as possible through our communication channels</td>
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<td>The Internet has enabled our CRM to become more interactive</td>
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<td>Our CRM is used to improve customer care, and build longer term relationships</td>
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<td>We use CRM to improve on the use of website productivity, and increase the integration of web sales and customer care</td>
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</tbody>
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THANK YOU