Effect of Customer Centred Relationship Management Organization on Satisfaction of Commercial Banks' Account Holders in Nairobi City County, Kenya

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Abstract
The objective of this study was to establish the effect of Customer centred Relationship Management (CRM) organization on satisfaction of commercial banks account holders in Kenya. The study adopted a cross-sectional research design involving descriptive and explanatory research techniques. The target population was 34,649,583 account holders out of which sample of 400 respondents were selected using mixed sampling techniques. Data was collected using a questionnaire and analyzed using both descriptive and inferential statistics. Simple linear regression was conducted to assess the relationship between technology CRM and account holder satisfaction. The study established that customer centred CRM organization had a statistically significant effect on satisfaction of commercial banks account holders. The study recommends that commercial banks should consider customer centered CRM organization dimensions when developing strategies because they have a significant effect on account holder satisfaction with commercial banking services. Commercial banks in Kenya and the central bank can use the findings of this study to formulate customer centred CRM policies that enhance service delivery and satisfaction of account holders. To increase the level of generalization and objectivity, future studies should be carried out in other service industries such as insurance, airlines and telecommunication services using additional variables and a different design such as time series.
Keywords: account holder; satisfaction, customer centered; commercial bank; customer relationship management
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1.0 Introduction

The concept of Customer Relationship Management (CRM) evolved in 1980s and is rooted in relationship marketing theory proposed by Berry in 1983. It is one of the most globally accepted philosophies that focus on long lasting engagement between firms and their customers for the mutual benefit of all parties (Berry 1983; Buttle 2004; Gronroos 1994). As a business philosophy, CRM is a comprehensive strategic process concerned with identifying, satisfying, retaining, partnering and maximizing the value of customers by effectively managing the relationship between parties (Reichheld & Sasser, 2003). Management of relationships between firms and their customers is critical to the survival of firms and all activities focus on value creation as opposed to transactions. The engagement of firms and their customers result in value creation in form of quality products and services which connect the parties. Customer relationship management is concerned with challenges related to quality and maintaining strong long lasting relationships with firms and their customers (Payne & Frow, 2008; Peppers *et al*, .1999). It involves use of technology and data, value creation, sharing of customers' knowledge, acquisition and development of long term relationships with specific customers. It also involves cross-function coordination of processes, networks, people, operations and marketing capabilities and technology applications in order to enhance customers' value. These processes and activities enable firms to communicate and understand service needs of customers and prospects. The underlying principle in CRM is that successful customer engagement and business success is based on the ability to build a value based long lasting relationship with customers. As a business philosophy, CRM is based on individual customers and customized offerings and open lines of communication between parties (Boulding, Staelin, Ehrent & Johnson, 2005). Customer relationship management involves identification, interaction and transactions with customers using communication channels. It also facilitates segmentation of customers in order to create personalized relationships and services which promote customer satisfaction, loyalty, improved effectiveness and efficiency (Peppers, Rogers & Dorf, 1999; Richards & Jones, 2008).

Globally, banks are faced with a highly competitive environment as they progress from product and sales focused practices to a marketing orientation where competition is based on customer centred strategies that enhance customer satisfaction. The banking environment has also undergone a major transformation caused by the changes in regulatory reforms and technological advancement that has escalated the level of competition (Roy & Shekar, 2010; Godson, 2009). The advancements in technology have also increased customer awareness and demand for quality banking services, value for their money and a relationship with their banks. To retain customers in the highly competitive and changing market arena, companies are emphasizing on maintaining and continuously expanding their customer base using customer centred marketing strategies for survival aimed at maintaining and enhancing relationships with customers. Firms have realized the need for creating and maintaining long lasting relationships with the existing customer base than attracting new customers and providing customized services preferred by customers (Ampofu 2012 ; Krishnamoorthy & Srivasan, 2013).

To maintain lifetime relationships with customers, commercial banks have adopted Customer Relationship Management (CRM) practices such as customer centred organization CRM (Sin, Tse & Yim, 2005). These CRM practices enable banks to enhance quality service delivery and the resultant customer satisfaction (Chan & Ahmad, 2013). In addition, banks' investment in CRM increases profitability, competitiveness and market share (Narver & Slater, 1990; Ul Haq, Rammay, Urehman & Jam, 2010). Banking is a customer centred service where CRM, customer satisfaction and service quality have become essential differentiating factors in the dynamic financial environment (Sadek & Tantawi, 2009). Hence the financial services industry in Africa as well as Kenya in particular is continuing to experience challenges such as achieving financial targets and satisfying their customer base. These developments have made the banking sector more competitive as banks strive to meet customer demands through development of various customer centred CRM initiatives that aim at customer satisfaction (KPMG, 2013).

1.1 Customer Centred CRM

Sin, Tse and Yim (2005) describe CRM as a multidimensional concept consisting of key customer focus, CRM organization, knowledge based CRM and technology based CRM. Key customer focus involves customer centred decisions that take into account the welfare, needs and interests of customers. Customer driven organizations provide quality products and services that meet customer expectations and thus satisfying them more than competitors (Kotler & Armstrong, 2004). This requires companies to design personalized offers that meet key customer needs. The major aspects of customer focused CRM organization include customer centered marketing, identification of key customers life time value, customization and interactive marketing (Sin *et al*, .2005).Customer centred CRM Organization entails shaping the organizational structure and business processes and functions in order to deliver value to customers (Ryals & Knox, 2001). Organizing the entire company around CRM requires commitment and customer oriented employee skills and change in organizational structure (Agarwal & Knox, 2004). Successful implementation of CRM requires the support of top managers, customers oriented service employees and integration of processes and functions of an organization.

Customer focused CRM organization comprises a company-wide, cross-functional and customer-focused business processes that involve people, processes and technology (Chan & Popovich, 2003). Hence, technology applications link the company's front office and back office functions with the company's customer contact points such as internet, e-mail, call centres and advertising which aim at enhancing customer satisfaction (Fickel, 1999, Eckerson & Watson, 2000). Parvatiyar and Sheth (2002) on the other hand argue that CRM is a strategy and process of acquiring, retaining and partnering with customers in order to create superior value for both parties. Similarly, Thakur, Summey and Balasubramanian (2006) posit that CRM involves elements of marketing, sales, services, operations and information technology (IT) which aim at understanding the behaviour and needs of customers. As a business strategy, CRM organization incorporates processes, functions and networks that deliver value to customers at a profit (Payne & Frow, 2005). It also helps firms to acquire new customers, satisfy and retain them so as to maximize their lifetime value (Buttle, 2006). It involves identification and interaction with customers, differentiation and customization of products and services. It also focuses on customers' satisfaction through transformation of the organizational structure, processes, culture and technology (Peppers, Rogers & Dorf, 1999).The concept of CRM organization focuses on customer centred CRM organization which involves changes in organizational structure, commitment and management of resources by the employees. Organizing around CRM calls for implementation of changes in the organization especially on the way business processes are conducted in order to focus on customer satisfaction (Sin *et al*,. 2005).

1.2 Customer Satisfaction

Customer satisfaction is a core concept in marketing literature and is an important goal in all marketing activities. It is critical for long term success and sustainability of any organization (Peppers & Rogers, 2005; Hansenmark & Abinsson, 2004). Globally, businesses are focusing on customer satisfaction in order to improve products and services and enhance customer loyalty in the face of increasing competition (Turkyilmaz & Ozkan, 2007). This continued focus is motivated by the fact that enhanced customer satisfaction increases retention and loyalty, competitive advantage, market share and profits as well as improved organizational performance (Carter, 2010; Voss & Voss, 2008). Customer dissatisfaction on the other hand leads to switching, complaints and consequently reduction in profitability, market share and competitiveness (Munari & Manrai, 2013).

Customer satisfaction is a complex construct that is defined in various ways by different authors who have approached it as a response to an evaluation process. Hence, customer satisfaction is a person's feeling of pleasure or fulfillment that results from comparing perceived performance and expectations (Oliver, 1980). It is the outcome achieved when service or product benefits meet the customer's expectations (Kotler & Keller, 2006). Giese and Cote (2000) and Fornell (1992) view satisfaction as an overall evaluation of the customer's experience with a product or service. Further, Howard and Sheth, (1996) describe customer satisfaction as a psychological condition that results when disconfirmed expectations are compared with the consumer's feelings about their consumption experience. It is also a judgmental attitude that depends on a specific consumption.

In the current study, customer satisfaction is described as the overall assessment of a customer's experience after a service encounter with a commercial bank and the study proposed that CRM affects account holder satisfaction with commercial banking services. The study used a modified version of hierarchical customer satisfaction measures developed by Mihelis *et al*., (1998). These measures are positive experience with banks' personnel, preference for banks' products and services, the image of the bank and access to banking services. Banking services are intangible and the feelings towards bank employees capabilities, services, image and its accessibility can best be assessed by the customers who have an experience with those banks. As indicated by Jeong and Lee (2010), customer satisfaction represents emotions, reactions and experiences of a customer towards offerings of a service provider. Further Boone and Kurtz (2013), argue that customer satisfaction represents the customers' voice regarding their appraisal of the extent to which services meet or exceed their expectations.

1.2 Commercial banking industry in Kenya

The banking industry in Kenya is guided by the Company's Act, (Cap 486, 2008), Banking Act (Cap 488, 2012) and the various prudential guidelines issued by the Central bank of Kenya (CBK). The CBK is responsible for the formulation and implementation of monetary policy that ensure liquidity, solvency and effectiveness of the financial sector. The structure of the financial sector comprise commercial banks, investment banks, savings and credit cooperative societies (SACCOS), stock brokerage entities, mortgage financing companies, microfinance institutions (MFIs) and foreign exchange bureaus (CBK, 2015).

The banking sector has recorded positive growth in assets, loans, deposits and profitability. The total assets grew from Kenya shillings (Ksh) 2.70 trillion in 2013 to 3.20 trillion in 2014 while total loans and advances went up by 23% in 2014 to Ksh.1.89 trillion compared to Ksh.1.53 trillion in 2013. The deposit base increased from Ksh.1.94 trillion in 2013 to Ksh.2.30 trillion in 2014 which translates to a growth of 1.85%. The profitability increased by 14% to Ksh.141.3 billion in 2014 compared to Ksh.124 billion in 2013 (Banking survey, 2015). In addition to advancing loans and mobilizing savings, commercial banks offer diverse services.

Commercial banks in Kenya are experiencing unprecedented challenges such as escalating competition between banks and new entrants such as insurance companies, SACCOS, microfinance banks and telecommunication companies which are providing innovative alternative banking services such as MPESA. These new challenges, coupled with increasing new customer demands and technological advancements have resulted in commercial banks losing potential business opportunity due to customers' switching from banks to alternative service providers. According to the Kenya banking survey (2015), the level of customer satisfaction in the industry and the variability in individual banks satisfaction index underscore the need for an empirical study on CRM and customer satisfaction. For instance, Maina (2014) assessed the effect of consumer national ethnocentricism and willingness of University of Nairobi community to buy banking services and found that 98.1% of the respondents had multiple accounts in different commercial banks which presupposes an absence of satisfaction with a single bank among the consumers. A household survey by FinAcess (2016) also found that 35% of customers were using three or more financial service providers and that commercial banks experienced higher levels of account closure or dormancy than other service providers.

1.3 Objective of the Study

The objective of this study was to establish the effect of customer centred CRM organization on satisfaction of commercial banks account holders in Nairobi City County, Kenya.

2.0 Review of Related Literature

2.1 Theoretical review

2.1.1 European Customer Satisfaction Index (ECSI Model)

The European Customer Satisfaction Index (ECSI) evolved from the American Customer Satisfaction Index (ACSI); (Fornell, Johnson, Anderson & Bryant, 1996). The ECSI was based on the cumulative view of customer satisfaction which reflects the customers overall experience with a product or with the service providers. The model was developed by European foundation for quality management and introduced in eleven European countries in 1999 (Zaim, Turkyilmaz, Tarim, Ulca & Akkas, 2010). The model assumes that perceived quality and value, customer expectations and corporate image are determinants of customer satisfaction. These key factors are assumed antecedents of overall satisfaction which further result in loyalty (Fornell *et al*, 1996).

The model splits perceived quality into product quality and service quality which relates to the consumers experience with a product and or service and is presumed to exert a direct effect on overall customer satisfaction

(Navarro, Ignesias & Torres, 2005).The concept of value represents an aspect of customer experience with product or service in comparison to the price paid. It denotes the ratio of the perceived quality relative to the price and it is positively affected by perceived quality (Anderson &Sullivan, 1993; Fornell, 1992). Image is an important component of satisfaction and loyalty. It is expected to have a direct effect on value and a positive effect on customer satisfaction (Kristensen, Martensen & Eskildsen, 2000). Generally customer expectations reflect the quality that customers anticipate to receive and results from prior consumption experience with products or services. It is an exogenous factor capable of influencing both value and customer satisfaction (Martensen, 2000). This model was considered important because it informs the customer satisfaction variable with respect to products and services, perceived value and image of the bank.

2.2 Empirical Literature Review

The framework of entrenching CRM implementation within the organizational structure was suggested by Langerak and Verhof (2003) and Thakur (2006). Langerak and Verhof suggested that successful implementation of CRM involves aligning it with the business strategy, change in organizational culture, managerial support, realistic expectations and choice of appropriate software. This implies that an organization and all its functions should be properly adapted according to the needs and circumstances of its customers. This suggests that the ability of banks to adapt to the needs of its customers greatly depends on its customer centered CRM organization. As argued by Sin *et al*., (2005) organizing business processes around CRM requires customer centred processes and functions as well as employees who are trained and committed to excellent customer service.

An empirical study on effective implementation of CRM was conducted by Day (2002) to establish the organizational configuration adapted by companies implementing CRM. The respondents were selected from public utilities, manufacturing, insurance, transportation finance, wholesale and retail trade as well as real estate companies. The findings of the study concluded that companies that were successful in CRM implementation had an organizational configuration that is customer centric and a structure that ensured seamless interaction with customers at all functional levels of the organization. The study also found that organizations with high customer interaction are more likely to be organized by customer segments and have a companywide focus on the needs of the distinct customers. In addition, Liu (2007) suggests a four-strategic framework for effective CRM implementation that encompasses enterprise–wide management of channels, customer data and information technology. Hence, there was need to conduct a more recent study to examine whether these findings by Day (2002) and Liu (2007) are still valid in the Kenyan banking sector.

Padmavathy, Balafi and Sivakumar (2012) developed a multi-item scale for measuring CRM effectiveness (CRME) in Indian retail banks. The study conveniently selected 197 bank customers to identify the CRME key dimensions while 261 customers validated the scale. The five indicators of CRME used in the study were reliability, organization commitment, technology application, customer experience and process driven approach to service delivery. The results indicated a positive relationship between reliability, process-driven approach, organizational commitment and customer satisfaction. The sample for the study was conveniently selected thus the need for a cross-sectional view because CRM is a dynamic process. The current study addressed this methodological gap by using multistage sampling technique to select respondents and employed a cross-sectional research design.

Shang and Lin (2010) examined the effectiveness of CRM as a people driven process in two car dealership and two telecom companies in Taiwan. The variables used in the study include customers' involvement and their emotional needs, capability of employees' and customer centred organizational culture. These factors were found to be statistically significant in people driven CRM processes. The study also indicated the significance of customer centred organizational culture in guiding employees to achieve CRM values. It further showed that organizations should employ internal coordination of functions and maintain a high level of customer centred business processes. The study was carried out in two industries and cannot be generalized to all industries such as banking. The respondents were company managers and cannot provide accurate views of the customers' emotional needs and involvement.

Silver and Vegholm (2009) examined the role of customer adaptation in interaction and the bankers' ability to meet the needs of their SME customers. The findings indicated that the adaptation process was affected by lack of communication and contact in the interaction process. The findings further revealed that knowledge, competence and orientation of bankers regarding customers' specific needs as well as the centralized and standardized banking systems affect customer interaction. In addition, the study established that the organizational structure affects bankers' perception and ability to interact with SMEs customers. The study involved 45 bank customers and these cannot adequately represent the entire banking sector customers, hence the need for an empirical study to fill this gap.

Mukerjee (2013) indicated that customer oriented organizations must develop suitable policies, set up appropriate structures and systems and also track the delivery of value to its customers. The organization should also maintain an inbuilt culture that tracks quality service delivery, customer satisfaction and loyalty as well as continuous innovation, rewarding loyal customers and personalization in order to retain satisfied customers. This argument is reinforced by Bolton (2004), who further suggests that CRM should not only encompass change of organization culture and systems but a complete customer centric business processing systems where all business processes and individuals focus on identifying and fulfilling customer needs and promises.

Osarenkhoe and Bennani (2007) examined the core components of CRM and its implementation strategy at a large Swedish firm. The data was collected from 29 key informants at the strategic and operational levels at SOS Alarm in Sweden. The study found that successful implementation of CRM requires coordinated cross-functional business processes, top management commitment, communication and customer centred employee orientation. The study further revealed that a customer driven CRM should emphasize on measuring customer satisfaction, managing service quality and maintaining interaction and contact with customers.

Joybari and Brokharaeian (2013) examined the relationship between customer oriented organizational culture and customers' satisfaction based on the dimensions of organizational participation, adaptability, compatibility and mission. The findings indicated existence of a positive and statistically significant relationship between customer oriented organizational culture and customer satisfaction in Meli bank branches in Iran. This finding concurs with a study in the construction and automotive industries (Gillspie, Denso, Halaad & Neale, 2008). The study results indicated that organizational culture plays a significant role in customers' satisfaction and the stronger the organizational culture; the more customers will be satisfied. Roy (2014) carried out a study on factors influencing CRM practice in selected commercial banks in India. The study variables were communication, customer belief, knowledge ability of employees, efficiency of banking services and employee attitude as independent variables while CRM was used as a moderating variable. The demographic factors considered were age, gender, types of banks, and profession. The study found that communication, customer belief, knowledge ability of employees, efficiency of banking services and employee attitude significantly affected CRM and service quality.

3.0 Research Methodology

3.1 Research Philosophy

A philosophical orientation helps the researcher to clarify the research design in terms of what evidence is to be gathered from what sources and how it will be interpreted to answer the research questions. This study was guided by positivistic research philosophy. The positivist approach assumes that the researcher is independent of what is being researched and that evaluation of phenomena is done using objective methodologies (Saunders, Lewis & Thornhill, 2009).

According to positivism philosophy, knowledge is valid if it is based on facts obtained through direct observation and measured empirically using quantitative techniques and statistical analysis (Saunders *et al*, 2009). In line with the positivist approach this study adopted a quantitative approach in examining the relationships between variables and formulated research hypotheses, tested them for their validation and subsequent generalization. A positivist approach was appropriate because the study used existing theory and methodology.

3.2 Research Design

This study adopted both descriptive and explanatory research design which was cross-sectional in nature. According to Copper and Schindler (2003), cross-sectional research design aims to obtain accurate data from respondents at a specific point in time. This design also involves specifying objectives, data collection and analysis methods and determining relationships between the study variables This research design was appropriate for this study because it sought to establish the relationship between CRM and satisfaction of commercial banks' account holders in Nairobi County City in Kenya. This approach was recommended by Sproull (1995) as appropriate when studying attitudes, ideas and behaviour.

The linear regression model for establishing the effect of customer centered CRM on account holder satisfaction was stated as follows:

$$CS=\beta_0+\beta_1 CC+\varepsilon'$$

Where: CS = Composite index of customer satisfaction, β_0 = constant β_1 = Regression coefficient, CC = Customer centred CRM organization, ε' = Error term

3.3 Target Population and sample size

The study population was approximately 34,649,583 account holders from all commercial banks in Kenya (CBK, 2015) which were categorized as large, medium and small (CBK, 2015). Kenyan population of bank customers was equated to be the Nairobi City County bank account holders' population because bank customers are spread within the country and can access services from any bank branch network

A sample size of 400 was determined using Yamane (1967) formula for calculating the sample size from a finite population.

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

Where: n is the sample size, N is the population size and; e is the allowed margin of error = 0.05, hence N=34,649,583; n= 4000

Disproportionate stratified random sampling technique was adopted because most of the account holders were found in large banks which accounted for 86.81% of the account holders in Kenya. To employ this technique, the target population was divided into strata and samples were selected disproportionately from each stratum. Disproportionate stratified sampling helps to balance the strata size and variability to ensure fair representation of all strata (Gay, 1981; Kothari 2009; Borg & Gall 1989).

A structured questionnaire designed in a five point likert rating scale ranging from "not at all" to "a very large extent" was used to collect data.

Validity and reliability in research reveals two things. First, with regard to reliability it confirms whether the results are replicable. Secondly, validity tests the suitability, accuracy and meaningfulness of the measurements. Measurement involving behaviours, opinions, and constructs are subject to errors that affect measurement of validity and reliability.

3.4 Validity and Reliability of Research Instrument

The research instrument was reviewed to ascertain the content and face validity by a panel of five experts whose suggestions were used to improve the instrument. Construct validity was measured through confirmatory factor analysis. The study applied Cronbach's alpha coefficient to check the reliability of the instrument which was recommended by Malhotra *et al*,. (2002) as a standard measure of inter item consistency reliability. The study scored Cronbach's alpha coefficient of 0.9, which is regarded as reliable as recommended by Field (2009).

4.0 Results and Discussion

4.1 Descriptive data analysis

The study collected data from 400 commercial bank account holders, out of which 336 were found to be suitable for further analysis. This constituted a response rate of 84% where 52.4% were male and female 47.6%. According to Rogelburg and Stanton (2007), a response rate of 35% - 40% is appropriate for studies conducted at the organizational level.The aggregate mean score for customer centered organization CRM and customer satisfaction was 3.47 and 3.35 respectively. This implies that the respondents were satisfied to a moderate extent with the commercial banks business processes, coordination of functions and the ability of management and employees to focus on customer needs. The results correspond with the argument by Shang and Lin (2010) that employees' capabilities and customer centred processes were essential to people driven CRM processes. The findings further confirm the observation by Bolton (2004) that CRM should be based on complete customer centric business processes that focus on identifying and meeting customer needs.

4.2 Inferential statistical analysis

To assess the effect of customer centred CRM organization on customer satisfaction, simple linear regression analyses were carried out to test the following null hypothesis at a confidence level of 5%.

H_{01}: Customer Centred CRM Organization has no effect on satisfaction of commercial banks' account holders in Nairobi City County, Kenya.

The regression results are presented in Table 1 (a-c). Simple linear regression results in Table 1(a) show the goodness-of-fit of the model for customer centred CRM organization and satisfaction.

Table 1 (a): Model Summary

R	R^2	Adjusted R^2	Std Error Estimate
.692[a]	. 478	.477	.52186

Source: Survey Data (2017)

The results in Table 1 (a) show an adjusted R^2=0.478 indicating that customer centred CRM organization affected variation in customer satisfaction by 47.8% while 52.2% of the variation was accounted for by other factors not included in the model. This implies that customer centred CRM organization had a moderate explanatory power on customer satisfaction.

Table 4.18 (b): ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	81.406	1	81.406	298.911	.000[a]
Residual	88.783	326	.272		
Total	170.189	327			

Source: Survey Data (2017**)**

The overall significance of the study model in Table 1 (b) was statistically significant with F-value = 298.911

and P-value=0.000 <0.05). This means customer centred CRM organization had a significant effect on account holder satisfaction in commercial banks. The null hypothesis that customer centred CRM organization has no effect on customer satisfaction was not supported.

Table 1 (c) indicates the results for significance of the regression model for customer centred CRM organization and customer satisfaction.

Table 4.18 (c): Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.898	.145		6.198	.000
Customer Centred CRM Organization	.707	.041	.692	17.289	.000

Source: Survey Data (2017)

The results in Table 1(c) show a regression coefficient value of the computed composite score of customer centred CRM organization of 0.707 and P-value of 0.000 < 0.05 which is statistically significant. This implies that a unit change in customer centred CRM organization influenced change in customer satisfaction by a factor of 0.707. The results fail to support the null hypothesis and conclude that customer centred CRM organization has a significant effect on satisfaction of commercial banks' account holders.

These results corroborate with Joybari and Brokhaeian (2013) who concluded that a positive and significant relationship existed between organizational customer focus and customer satisfaction. The findings are also in agreement with Benani and Osarenhoe (2013) who argued that successful implementation of CRM requires support of top management, cross functional business processes and employee customer orientation in order to satisfy customers. These findings also concur with Day (2002) who found that companies that successfully implemented CRM maintained a customer centric organizational configuration that promotes a seamless interaction with customers and departments in an organization. In addition, Shang and Lin (2010) found that organizational customer oriented culture and employee capabilities had a statistically significant effect on people driven CRM processes and values. The study also asserted that internal functional coordination and high quality customer centered business processes were critical for implementation of CRM.

Based on the results in Tables 1(a-c), the regression equation that can be used for prediction purpose was stated as:

$$CS=0.898+0.707CC+\varepsilon$$

5.0 Conclusion and Recommendations

Linear regression analysis to assess the effect of customer centred CRM organization indicated that the relationship was statistically significant. Consequently the null hypothesis was rejected and the study concluded that customer centred CRM organization had a statistically significant effect on satisfaction of commercial banks account holders. Therefore, commercial bank managers who want to achieve high levels of performance in the industry should develop CRM strategies that focus on account holder satisfaction such as customer centred business process, coordination of functions and employee customer orientation. Since the results revealed that customer centred CRM organization influenced 47.7% variation in account holder satisfaction, bank managers should also focus on other factors that influence customer satisfaction.

The results of this study have significant managerial implications to commercial bank managers that develop and implement CRM strategies. With regard to the study findings, commercial bank managers should enhance their CRM strategies in order to provide quality services that satisfy customers. Commercial banks should differentiate themselves from competitors by continuously engaging in service quality improvement through appropriate customer centered CRM organization initiatives such as service processes, banking hall organization, coordination of functions and employee skills development in order to satisfy their customers

5. Suggestions for Further Research

The study targeted commercial banks account holders. Therefore, future researchers should expand the scope by targeting other financial institutions and using additional variable so as to improve the level of results generalization. Since the study was limited to Nairobi city, there is need to replicate this study in other counties which have different economic and cultural conditions. The study adopted explanatory and descriptive design which was cross- sectional in nature to collect primary data once at a specific time. To improve the reliability and generalization of results, researchers should adopt time series analysis to capture the experiences of account holders over a period of time. Although this research achieved its objectives, there is need for future empirical studies to replicate this study in other service industries as well as insurance, telecommunication and airlines.

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