The effect of Customer Relationship Management (CRM) Practices on customer satisfaction

(A study of Azizi Bank in Kabul, Afghanistan)

BY

Lema Jamizada

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Declaration

This report is my original work and has not been presented for a degree in any University.

Signature:

Date:

Lema Jamizada

912-1709057

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Supervisor: Mr. Pramod Matolia

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Lema Jamizada

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Abstract

To be the top river in the competitive market, companies need to maintain positive relationship with their customer. A good CRM (customer relationship management) program helps the company to create, expand and maintain a good relationship with the customers which helps the company to enhance the customer satisfaction level and convert this opportunity to revenue.

The purpose of the study was to check the effect of customer relationship management (CRM) in customer satisfaction and retention the study was conducted on Azizi Bank in Kabul, Afghanistan. This study shows that customer relationship management has significant effect on the customer satisfaction. Company makes its CRM as strong and reliable the customer will be more satisfied and happier and retain with the company for longer period of time. The study concluded that CRM is playing a major and important role in increasing the service quality, relationship development, interaction quality and customer satisfaction.

Key Words: *Customer Relationship Management (CRM)*

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Chapter One

Introduction

1.1. Background of the study

The Purpose of the business is to create customers, growing customers and maintaining an in-depth relationship with them. In the current business world, the competition among companies has become very though, companies need to differentiate themselves from other companies to have competitive advantages over their competitors (Winnie J. Kutol, Dr. Dennis Juma, 2016).

Generally, all business and financial institutions found that customer satisfaction is the main key to business success and they are trying to build a good relationship with their customer to achieve the goal of customer satisfaction efficiently and effectively than their rivals in the competitive by applying the method of customer relationship management (CRM). Customer relationship management (CRM) helps the organization to manage their interaction with company's customers, clients, and sales prospects which can help the organization to achieve the goal of customer satisfaction and retention.

Implementing CRM is a very important term in today's business world. Whether your customers are your current or new, internal or external, consumers or businesses, whether they connect with you electronically or face to face, from across the globe or across town, CRM is your ticket to success (Kristin Anderson and Carol Kerr, 2002)

Customer satisfaction is an important aspect in doing business - and all organizations should pay more attention to this term. Organizations should consider and identify the issues of customer needs and differentiation in order to create and maintain effective relationships. CRM is an important expression for all the staff of the organization to identify, differentiate and interact with customers to offer high quality services for customers (Chandrani Nanda Kumari Adikaram, 2016). CRM is an important business strategy that increase the profitability, revenue and customer satisfaction of an organization

by organizing and managing around customer segments, customer behavior that satisfies customers, create value and implementing customer-centric processes (Dr. Zakaria, 2014).

CRM doesn't just belong to sales and marketing, it's not just sole responsibility of the customer service group, CRM belong to overall performance of the firm which enhance the productivity of the organization to meet the criteria of the market and to meet the expectation of the customers. When an organization doesn't focus on its customer relationships so not only the customer, but organizations will also suffer. They should change their capabilities as per the market requirement and customer requirement. CRM mostly focuses on ways of treating or dealing with someone specially with customers. Basically, CRM is a way of thinking about and dealing with customer relationships. In fact, we believe that an organization's CRM practices can actually serve as a benchmark for every other strategy in any organization. Any organizational strategy that doesn't serve to create, maintain, or expand relationships with the target customers doesn't serve the organization and it will increase the risk of failure for the organization (Kristin Anderson and Carol Kerr, 2002)

The main objective of CRM is to enhance profitability, revenue and customer satisfaction by organizing around customer segments, behaviors and values that satisfies customer. Many organizations use set of tools, techniques, technologies, methods and procedures to apply customer relationship management (CRM) to enhance customer satisfaction which leads to generate more revenue to their businesses (Francis Buttle and Stan Maklan, 2015).

The financial institution should pay attention to the major elements of CRM and those elements are relationship development, interaction management, quality services to enhance customer satisfaction and retention. For financial institutions, it's really important to put the customers at the center of the business and create value to them to satisfy them. Happy customers are like free advertisement to a firm and it will help the firm to attract new customers to their product or services. The customers should fell that the company knows and cares about their needs and wants to deliver the product and services they need the most according to their interests.

1.2. Problem statement of the study

In the current competitive market, a though competition is going on among the financial institutions and banking sectors in Kabul, Afghanistan. customer relationship management (CRM) is a very important and necessary term in the pursuit of company's goal and objective and for survival of companies.

It's very important for banking sectors to know how to apply CRM effectively and efficiently in identifying, acquiring, building and maintaining an excellent relationship with every individual customer so the customer satisfaction and retention goal can be attained. CRM helps the companies to turn the customer inquiries into opportunity to increase the profitability and revenue. Every organization should practice customer relationship management (CRM) in order to increase their interaction with existing and potential customers.

Customer relationship management (CRM) in banks can achieved by creating and maintaining a personal relationship with the each and individual profitable customers through the customer accounts, with appropriate use of information and communication technology, relationship development, services quality, process monitoring, customer management and data evaluation and quality interaction. By using CRM system in the banking industry, they can gain awareness of customer behavior and identify valuable customers and focus on the value of those customer to increase their satisfaction and retention (Malek Dalir, 2017).

1.3. Objectives of the study

The main objective of this study can be summarized as follows:

Research Objective 1: To identify the effect CRM practices (Relationship management, interaction quality and quality services) on customer satisfaction in Azizi bank in Kabul, Afghanistan.

Research Objective 2: To find out the relationship between customer relationship marketing practices and customer satisfaction in Azizi bank in Kabul, Afghanistan.

1.4 **Research Questions of the study**

Research Question 1: What are the effect of CRM elements (Relationship management, interaction quality and quality services) on customer satisfaction in Azizi bank in Kabul, Afghanistan?

Research Question 2: What is the relationship between customer relationship management (CRM) and customer satisfaction in in Aziz bank in Kabul, Afghanistan?

1.5 **Significance of the study**

Every firm wants to be successful in the business world and to achieve the goal of customer satisfaction and retention. To attain this goal, it is very important for firms to build and maintain relationship with their customer by applying customer relationship management practices to know the needs and wants of the customers and to offer them product or services based on their choice, interest and requirement.

This study examines the importance and effect of customer relationship management practices on customer satisfaction and retention. It identifies ways, methods and strategies to enable financial institution in Kabul, Afghanistan to develop the use of customer relationship management practices effectively and efficiently in order to build, create, maintain and expand relationship with the customers to enhance customer satisfaction and retention.

It also focuses on key elements and factors affecting customer relationship management to gain customer satisfaction and retention and to turn customers inquires in to opportunity to maximize their revenue and profit.

1.6 Scheme of the study

This study is consisted of five chapters and the scheme of this study is as follows:

Chapter 1

Chapter first discusses the introduction of the study, background information of the study, study problem statement, the objectives of the study, and the scheme of the study.

Chapter 2

Chapter two covers the relevant literature review of the subject and the data has been gathered from various studies on customers relationship management (CRM), CRM practices and studies related to the effect and impact of CRM on customer satisfaction are also considered.

Chapter 3

Chapter three talks about research methodology, how the data have been collected, the tools of data collection, the population and sample size of the study, the sampling method and technique, scope of the study and data analysis technique.

Chapter 4

Chapter four includes the analysis and findings of the data, and also covers the interpretation of the data.

Chapter 5

Chapter five discusses the conclusion of the study and recommendation of the study.

Chapter Two

Literature Review

2.1. Introduction to chapter

This chapter includes a brief and comprehensive review of previously done and published researches related to this research from various resources and secondary data. It also contains the theoretical framework of the research, where it examines the relationship of dependent and independent variables.

In the last decade, the concept of CRM has attracted the attention of researchers, and numerous studies and researches have been carried out from various perspectives in attempts to gain more insight about the concept of CRM and its effect on customer satisfaction which leads to organization growth and profitability (C. Y. Lin, 2017).

Customer satisfaction is an important term that measures how products or services supplied by a company to meet customer's expectation. Customer satisfaction is an important measure for determining the quality of services that is actually delivered to customers by offering the product or service and by the accompanying servicing (K. G. N. Kumarapelia, G. D. Samarasingheb1, G. N. Kuruppuc. 2016).

Customer satisfaction is a key success factor of every business and enterprise and it's the key factor of company's existence. Companies can achieve the goal of customer satisfaction by managing the relationship between the company and the customers, therefore the concept of customers relationship management practices (CRM) is used by companies and firms to create, maintain and expand relationship with customers to enhance customer satisfaction and retention (Evelyn Assabil and Hamdallah Saeed Abdallah, 2011).

According to Francis Battler (2009) the expression of customer relationship management (CRM) has been used since early 1990s. CRM mostly focuses on development of a customer centric business culture, this culture is related to wining and keeping customers for a longer period of time by creating value and delivering high quality services and product then your competitors. The culture is designed by the company based on the type of product and services they are delivering to their customers and they need to know how

to allocate the resources to enhance relationship development, interaction quality and service quality which leads to customer satisfaction and retention.

CRM is used to plan, schedule and control the pre-sales and post-sales activities of an organization, it includes all aspect of customer interaction to improve long-term relationship, growth and profitability through a better relationship with customers by knowing and understanding the needs and wants of customers (Francis Buttle and Stan Maklan, 2015).

In order to create, maintain and expand relationship with customers by applying the CRM practices and strategies a company owns, the organization needs to have an in-depth look at who are their current customers and what are their service and sales profile and this information and profile will help you to offer services based on customer requirements (Kristin Anderson and Carol Kerr, 2002).

The strength of customer relationship management (CRM) is that it recognizes that keeping customers over the long term is the road to profitability and to enhance company's revenue. The organizations should focus more on the retention of their current customers instead of trying to find new customers for their services or products And once you do that, everything in the company becomes different because a happy and satisfied customer is like a free advertisement to your company and will automatically generate new customers to your product or services (Malaya Kumar, 2012).

2.2. Concept of CRM

Literature on the topic indicates that concept of customer relationship management (CRM) as the logical result of the concept "Relationship Marketing" has been brought to attention since early nineties specially among the academics and partitions (Dr. Zekria, 2014). This concept is used in relation to customer relationship management, and customer relationship marketing (Irina, 2013). According to Chaffey; customer relationship management is an approach of marketing led to build and sustain long term business with customer.

The new concept of CRM has directed toward the various and different aspects such as direct relationship between the customers and market, maintaining relationship with current customers and building long-term relationship with customers in order to increase

and maximize the profitability of the institution and firms within the competitive economy and environment.

It's not easy to define the word CRM, it goes from very narrow interpretations to very broad ones, but there are some scholars who have describe the CRM practices of firms and had following are the findings:

Customer relationship management is an information industry concept used in methodologies, software and usually Internet capabilities which help a firm or an enterprise manage customer relationships in an organized way to enhance the customer satisfaction and retention (Francis Buttle, 2015). The process of CRM defines the maintaining relationship over distinct phases, which require different strategies, action and interactions between organizations and customers (Irina, 2013). CRM is a comprehensive strategy and process of acquiring, retaining of customers to create superior value for the company and customers (Markus Wübben, 2008).

Customer relationship management (CRM) ensures the relationships between customers and organization to increase the organization's market share by integrating technology, procedures and employee. CRM is to maintain and expand the customers and increase their satisfaction and the organization's profit. Customer satisfaction is the main element in a successful CRM implementation for retaining customers (Kamrul Islam Shaon, 2015).

The concept behind the word CRM practices within an organization is to utilize the resources effectively and efficiently manner to acquire and retain the profitable customers by creating and maintaining a positive relationship with customers. CRM is extremely important for every organization across the world to meet the expectations of customers, as well as the changes in the markets in order to have competitive advantages over their competitors. Maintaining relationships through CRM and excellent customer services are two main and essential components in an organization's strategy to achieve the goal of sustainable competitive advantage and customer satisfaction. Organizations will have to be ready to implement a CRM strategy in order to build relationships with customers and ensure excellent customer service (Chandrani Nanda Kumari Adikaram, 2016).

It is important for companies to understand that CRM is an important concept of managing customer relationships with the proactive input of human activities within an organization. A philosophical perspective suggests that CRM is the customer-centric culture within the company. The company needs to deliver what is valued to customers in order to create and maintain its relationship with them. To achieve this objective, it is critical for company to work on their day-to-day activities emphasize customers' evolving needs. Organizations need to manage customer relationships based on customer lifetime value to achieve the aim of profit maximization effectively. CRM helps the company to identify its valued customers and to discover any prospective customers it will help them decide what kind of relationships the company needs to build these customers (C. Y. Lin, 2017).

CRM involves establishing and maintaining long-term mutually beneficial relationships between company and significant customers manage business interactions with the customers by combining business processes, resources and technologies that seek to identify and understand the company's customers (Phoebe Karimi Gitonga, 2016). Customer Relationship Management (CRM) is a computerized system for identifying, targeting, acquiring, retaining and expanding the best mix of customers. It is simply about profiling customers, understanding their needs and wants in order to create lasting relationship with them by offering them product or services based on their interests (Shammah Madziwa, 2016).

CRM consist of all the activities that take place inside a company, that influence the customer relationship quality and duration. CRM processes within any organization is closely linked with customer life-cycle. CRM is an enterprise with the aim to understand and influence customer behavior through mutual communications between customer and company in order to improve customer acquisition and retention as well as profitability (Ilias Santouridis and Eirini Tsachtani, 2015).

CRM is a philosophy and a business strategy, which help the company to engage customer in mutual collaboration while value creation. It is based on high quality customer-related data and it is supported by company's leadership, employees, technology platform, business rules & regulation, processes & procedure, social characteristics and metrics. CRM integrates internal processes and external networks in order to create mutually beneficial

value exchange between customer and the company during the entire life cycle, starting from pre-acquisition to post-acquisition activities. (Miroslava Triznovaa, 2015).

Customer relationship management (CRM) is a core and important term in the organizational process which mostly focuses on establishing, maintaining, and enhancing long-term connection with customers. Furthermore, CRM is used within and organization to manage customer information in customer relationship management (Lili Tan, 2019).

CRM is about acquisition analysis and use of knowledge about every individual customer in order to sell more goods or services and to do it more efficiently and effectively. Customer relationship management is the core business strategy that helps the firm to integrate their internal processes and functions and external networks to create and deliver value to targeted and specific customers at a profit. It is mostly focusing on high quality customer related data and enabled by information technology and to help the organization to gather information about the customer in order to build a positive relationship with them (Shammah Madziwa, 2016)

Customer Relationship Management (CRM) is a combination of information systems and strategic management, its aim is to provide customer service. CRM facilitates collaboration and coordination among specific functional areas of the organization which is mostly affected by CRM such as sales, marketing and customer to increase the departmental capabilities to enhance customer satisfaction, loyalty and retention and loyalty, as well as revenue of the company (Nicholas Kanellakis, 2005).

Most of customer select services/ product based on the CRM practices of the service provider. They always look for comfort, quality, timely services, pre-and post-services which is possible through CRM Practices. CRM is a method of retaining and growing customers, through increased loyalty and satisfaction. A set of strategies and tools with the aim of customer retention over time instead of attracting new ones CRM is prominent in the service firms, customer gives more attention and priority to the quality of services/ product which is one of the practices of CRM. Service delivery, reliability, responsiveness and assurance are the factors influencing customers. Customers gives more attention to value preposition. Customer retention and achieving profitability depends on practices like building relationship, customer security, fairness and self-esteem (Evelyn, 2011).

2.3. The Role of CR

In the current competitive market and business world, companies need to adopt such strategies which differentiate them from other companies, CRM practices helps the firms in all aspects of interaction a consumer has with a company in order to manage and maintain long-term relationships with their customers.it will show how much a firm appreciate their clients and make them feel valued. Because the current customers help the firm to get new customers (Joana Ofosu-Siaw Boateng, 2016).

A well-managed CRM gives the opportunity to companies to show their customers that the company knows, understands and recognizes every single thing about them, they always care about their needs, wants and questions, and they are concerned to deliver services and products they need the most at their interest.

CRM is perceived as an operational process within the organization that deals with customer related issues. This process argues that it is part of an organization's effort to allocate their possible resources to improve the performance of the company in customer knowledge management and to gather information about the customers and to develop market intelligence for the purpose of building and maintaining a profit-maximizing portfolio of customer relationship (C. Y. Lin, 2017).

CRM is an essential way to understand what factors motivates customers. Customer relationships are becoming even more important to any organization as market conditions get more adverse and unstable. Due to tough competition in the market, demand patterns of customers are changing and the life cycle of products and services changes as well. CRM can be used to investigate what are the requirement of customers, what channel of distribution they prefer the most, and what attributes should be incorporated in product and services to meet the customer expectation (Kamrul Islam Shaon, 2015).

Communication with customers is an important term of creating relationship, trust and providing information that is needed to undertake the cooperative and collaborative activities of relationship marketing. Customer interaction requires a two-way communication between two parties, company and customer. Firms should always listen to customers problem and find solutions provided to their problems. CRM also allow a company to develop superior and high-tech services and products that meet customers'

identified needs and requirements, it enhance the company's marketing towards the most profitable customers to meet company's bottom line and to improve efficiency by providing the high-quality support and services to customers (Phoebe Karimi Gitonga, 2016).

Customers always want to experience a better service than their expectations. The service experienced is easily transferable to the mind of the customer. The customer always makes conscious and unconscious comparisons between different type of service they have experienced. The firms should have the ability to serve their current customers by caring their expectations and offering them product or services based on their expectations (Sarah Cook, 2008).

CRM helps firms to gather knowledge and information about their customers through two mechanisms, first, through CRM, customers contact employees of the firm to record the relevant and needed information about each and individua customers. After the gathering information, it can be converted into customer knowledge and information within the organization, it enables the firm to know the needs and wants of their customer which leads to customer satisfaction. A successful CRM system deployment requires focus on customers' expectation (Ilias Santouridis and Eirini Tsachtani, 2015).

Second, the organization can share the gathered and accumulated knowledge and information about their customers with their customers which enables them to serve themselves by defining the best services/ product and its delivery matching their current needs and wants (Fadi Faris, 2013). Organizations must invest large amount of money in people, processes and technology of their services in order to absorb the CRM culture. Firms should develop a universally accepted holistic framework for the measurement of CRM practices and activities in order to justify the investments of CRM and to increase the satisfaction of customers (Chandrani Nanda Kumari Adikaram, 2016)

Implementing a right and positive CRM has many advantages to both companies and customers. The advantages from company perspective are increase in number of customers, customer retention, repetitive customer and customer relationship and satisfaction which help them to achieve their objectives of converting inquiries into opportunities and raising

profit. From customer perspective, it's attached with perceived benefits of the CRM such as value, financial rewards, timely services, pre- and post-services etc. (Fadi Faris, 2013).

CRM is the key concept to understand and fulfill the customer's need and wants by applying Information

Technology, integrate internal organization resources and external marketing that this collaboration can be more efficient and effective to communicate with customers and to create a relationship with them (Malek Dalir, 2017).

Organizations need to implement necessary processes of establish a customer-centric culture by utilizing the relevant managerial strategies, resources and technologies in order to deliver superior customer services. So, the organization needs to focus more on customer information and data gathering about every individual customer, it will help them to establish long-term relationships with all customers especially the profitable customers, by using comprehensive customer knowledge (C. Y. Lin, 2017).

According to Nicholas Kanellakis research (2015), CRM is based upon two essential points, the first point is to have a clear and precise understanding of customer needs and values, and second is the alignment of organizational and departmental capabilities to better meet the needs of customers and to provide maximized customer value. This will help the company to improve the company-customer relationship. The value that an organization receives from customer is the result of organization focus on optimizing the value delivers to customers. This strategy requires business focus, customer interaction, business practices, technology, employee capabilities and behavior with customers, knowledge management to optimize customer experience and to increase customer satisfaction.

2.4 Major Important Elements of CRM

In this study, the major elements of CRM are to be examined and those elements are Relationship development, interaction quality, service quality (Dr. Zakria, 2014, Winnie J. Kutol, Dr. Dennis Juma, 2016)

2.4.1 Relationship Development

The interchange between the company and customers and the way this process is managed is pivotal to achieving excellent customer service. This relationship will determine the 'goodwill' customers feel towards the company therefore, the customers must be treated as individuals and they must feel valued by the service provider (Sarah Cook, 2008).

The relationship development process includes some procedures, mechanisms, schedules, and activities which help the companies to deliver their services and products to the customers.The Relationship development examines he structure and processing of the relationship between the organization and customers. The key elements such as customer retention, value creation should be set by the organization to achieve the goal of customer satisfaction. Monitoring the relationship management process enables a firm to achieve the goal of relationship development ((Dr. Zakria, 2014).

2.4.2 Interaction Quality

The organization can make a stable relationship with their customers and there are different ways to have and interact with their customers such as touch points and distribution channels. The important thing for the organization is to find out how and when their customers would like to interact with the organization.

Interactions over time are an essential feature to build a long-term relationship with customers. The character of a relationship between the company and customer can change over time, trust and commitment are the key factors which tie the relationship stronger and make it successful. The primary motivation for companies trying to develop long-term relationships with customers is the profit motive and customer value. Studies examines that a strong and long-term relationships with customers yield commercial benefits to organizations by enhance customer lifetime value. Those customers which are satisfied with a company's product and service are more likely to become loyal, and high levels of customer loyalty increase company's profitability (Francis Buttle And Stan Maklan, 2015)

The companies should customize and organize their interaction activities through the available touch points and distribution channels in relation to their customer profile and the gathered and accumulated information and knowledge about the customers and their

previous records will help the organization in this regard. These touch points should be used to for delivering different services/ product and communication to the customers. There are some methods to implement the interaction management between the organization and customers such getting feedback and interaction of customer by using social network (Dr. Zakria, 2014).

2.4.3 Service quality

A key factor toward customer satisfaction is quality of product and services. Quality is combination of different features of a product and service that is able to bring satisfaction. Quality services helps the organization to achieve their goal of businesses success (Winnie J. Kutol, Dr. Dennis juma, 2016). Service quality of the organization is essential in developing a long term, satisfactory relationship with customers. Long term customers tend to be satisfied with their relationship with the company and with the services provided to them and are less likely to switch to competitors, and it makes the competition difficult for competitors to gain more market share (Fadi Faris, 2013).

Yan Lus (2001) defines service quality as a customer's judgment or assessment of an entity's overall excellence or superiority of a service. Service quality is the degree and the direction of discrepancy between customers' perception of the actual service performance and their expectation.

Studies show that service quality has a positive effect on consumer satisfaction and also has significant relationship with customer satisfaction, retention, loyalty and profitability of the organization. There are some methods for implementing the quality of services within the organization such as (Dr. Zakria, 2014):

• Offering varieties of product with different features and meeting the customer expectation

• Providing good quality product/ services with reasonable prices

• Handling and finding solution for customer complaints and problems

2.4.4 Customer Satisfaction

The degree to which customers received the best and high-quality products and services based on their need, wants and requirement that are worth more than the price they paid is called customer satisfaction. According to Kotler (2006) satisfaction is the feelings and pleasure or disappointment of customers which results from comparing a product's or service's perceived in relation to their expectations. Satisfaction can be associated with feelings of happiness, relief, acceptance excitement, and delight and to be values by the organization.

Customer satisfaction enables companies to measure the rate of customer complain, repurchasing through behavior of the customer after they contact with organization, from the information and data collected from customer feedback we can measure the customer satisfaction by offering every individual the product/ service they need and want. If the company response toward customer's expectations are positive so the customers are satisfied otherwise, they are not (Fadi Faris, 2013).

By increasing the value that the customer perceives in each interaction with the company, companies are more likely to increase customer satisfaction levels, which leads to higher customer retention rates. The customers will enjoy the received services and they are retained, so it will help the company to have a greater number of loyal customers. This loyalty will affect the buying behavior of customer and make them repetitive customers (Don Peppers, Martha Rogers, 2017).

Francis Buttle mentioned in his book (2009) that customer satisfaction is a pleasurable fulfilment response to the company. Dissatisfaction is an unpleasurable fulfilment response. This can include the product, service, process and any other components delivered by the company to the customers. The most common way of measuring the satisfaction of customer is to compare the customer's perception and requirement with their expectations. This model suggests that if customers perceive their expectations to be met, they are satisfied with the company's product or services. If their expectations are underperformed, it shows that the customer is not satisfied with the company's product or services. Positive disconfirmation occurs when perception exceeds expectation. Companies need to know and understand the customer requirements and expectations to find out what

is important for customers, and then measure customers' perceptions of their performance compared to the performance of competitors.

Customer satisfaction and retention is when customers prefer your products and services over the product and services of your competitors and decide to repeat use of goods and services from a particular service provider. They keep coming back to you and become your repetitive customers for longer period of time. It is cost effective to firms to retain customers rather than invest on new customers, and the costs of acquiring new customers are reduced because the satisfied customers can serve as reference to create and attract more customers to your product and services (Shammah Madziwa, 2016).

From the above definition, the conclusion would be the concept of customer satisfaction is concerned with customer needs and wants. Companies should adopt such strategy which help them to interact with customers in a way to always meet their requirement in order to achieve the goal of customer satisfaction.

Customer satisfaction has gaining more attention from the researchers and scholars points of view and is very important term and fundamental tools for every organization for enhancing customer loyalty, customer retention and satisfaction which leads to increase in the profitability of the organizations.

When the customers are satisfied from a product or service so it's like a free advertisement for the organization. The current trend in a business world is to become highly customer centric, which means to put your customers in the center of attention and center of our business in terms of our internal processes, action and strategies. The organizations should train their staffs to become more customer focused and service oriented and should do their best to satisfy their customers from their product and services (Fadi Faris, 2013).

2.5 The Relationship between CRM and Customer Satisfaction
The challenge for companies today is to move from product orientation to customer focus to customer centricity. CRM systems creates opportunity to organizations to manage their relationship with customers.

According to Sarah Cook (2008), the principle of CRM is that the more information a company has about its current customers, the easier it is to understand their needs and

wants. CRM is the strategic way of identifying desirable customer and to develop interaction with them to maximize both lifetime value to the customer and to the organization through targeted customer acquisition, profit enhancing activities and retention.

Customer satisfaction can be achieved when organization deliver and offer product or services with high quality that match customers' needs and wants. Customer satisfaction influence the customers to purchase and use the product or service of the organization regularly. Through customer satisfaction organizations can build customer loyalty, which is mostly related to the buying behavior of customers, and it also helps the organization to grow their customers. Customers are the final judge of the product and services quality; therefore, the organization should always consider the needs, wants and requirement of their current and potential customer to achieve the customer loyalty and retention (Fadi Faris, 2013).

Customer relationship management applications can affect the customer satisfaction for at least three reasons:

1) Organization can gather and accumulate information about their customer by interacting with their customer to discover their hidden patterns and to offer every individual customer a customize product or service. CRM practices helps the firms to offer customized product or services to their customers which enhance the quality of the product or service from the customer viewpoint which leads to customer satisfaction.
2) CRM enables the firms to improve their consumption experience by offering timely, accurate processing of customers' requests.
3) CRM applications also helps the firms in initiation and maintenance of relationship with the customers which is the key factor for customer loyalty and satisfaction.

Researches show that CRM helps ay business in achieving their objectives, increase income and meet the desire of customers and their satisfaction. CRM influence the customers to be loyal to the organization, all the data and information gathered from the various interactions of the company with customers may impact the customer satisfaction level either positively or negatively (Joana Ofosu-Siaw Boateng, 2016).

2.6 Customer Relationship Management in the Banking Industry

Companies or enterprises try to deliver different type of products benefits such as time, place and product to satisfy the demand of customers through goods and service. The basis of producing benefits are forming and marketing of the goods and services that satisfy the customer demands. Customer's satisfaction level depends on degree of comparison between what is offered to customers and expectation level of customers. If what is offered meets their expectations, the customer is satisfied. If it is above their expectations, the customer is highly satisfied and pleased (Dr. Zakria, 2014). A customer who is highly satisfied with a firm's product or service will remain loyal to that firm and it will affect the buying behavior of them and they will more likely buy additional products or services from the company than a customer who is not satisfied. It will help the firm to increase their profitability (Don Peppers, Martha Rogers, 2017).

If the real services and performance of a product in a bank is below the expectations of customers, the result is dissatisfaction, but if it equal or higher, customers satisfaction is achieved (Dr. Zakria, 2014).

In recent years, a though competition is going on in Banking industry and customer satisfaction has gained a very important role for the banking sectors. And every bank wants to capture a customer specially a displaced customer. To increase the level of customer satisfaction and retention the banks should be closely attached with importance of customer relationship management (CRM). CRM plays an important role to every organization to enhance the level of customer satisfaction. The advantages of customer relationship management to banks are as follow:

- Identifying the real customers and creating long run effective relationships with them
- Inventing a good customer management system in the banks
- Gathering information about needs and wants of customer for future use of banks
- Upgrading and reshaping of sales and marketing campaigns of the bank
- A successful and effective customer relationship management system will help the banks to have permanent competitive advantages
- CRM increases the total productivity of the bank which is a good opportunity for every bank to increase their profitability

Banking sectors should have the ability to determine right strategies to know the importance of customer relationship management and its important factors that enhance the success chance of banks.

There are four important stages of following customer relationship management strategy in the banking industry

- **Planning and targeting:** it is necessary for banks to make a documented strategy on how to direct and start a good customer relationship
- **Design:** it allows the banks to design and prepare the supporting strategies to the banks. It will help the bank for better coordination between banks and customers
- **Building:** it is the stages of building relationships with customers, using the methods and strategies designed by the banks
- **Running and developing the programs:** this stage is about running the relationship with customers using the strategies. The banks should always upgrade their strategies and try to invent new strategies based on customer requirements.

2.4.Conceptual framework and hypothesis of the study

After the study of various journals, books and researched related to the customer relationship management and its effect on customer satisfaction and retention the study has come up to a conclusion that there are several factors and variables of customer relationship management that effect the customer satisfaction and retention.

Those variables are shown in a theoretical framework as below:

Independent variables   **Dependent variable**
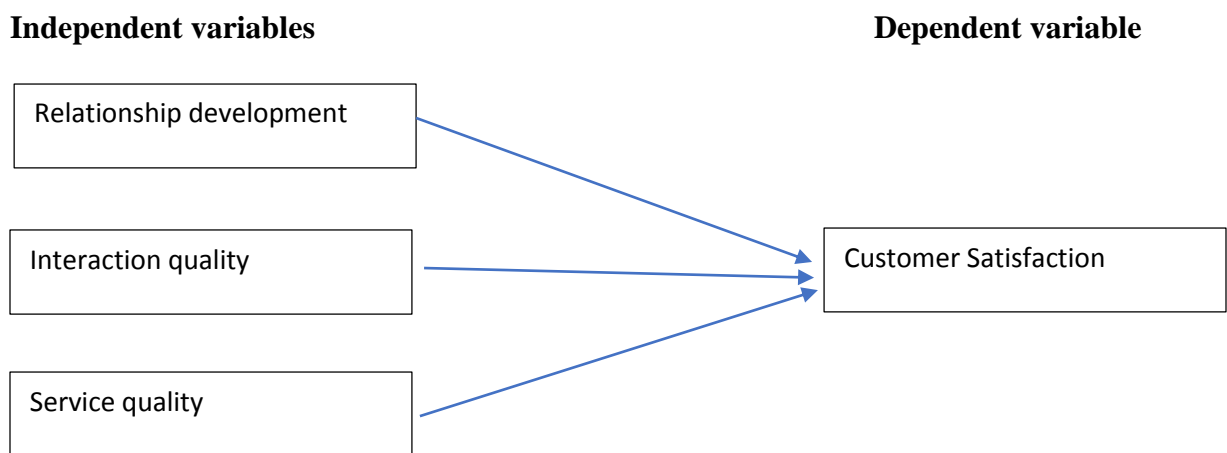
Hypothesis of this study can be formulated as follows:

H1: there is a significant effect of relationship development on customer satisfaction

H0: there is no significant effect of relationship development on customer satisfaction

H2: there is a significant effect of interaction quality on customer satisfaction

H0: there is no significant effect of interaction quality on customer satisfaction

H3: there is a significant effect of service quality on customer relationship

H0: there is no significant effect of service quality on customer satisfaction

Chapter Three

Research methodology

3.1 Introduction

This study refers to the design of the quantitative approach with exploratory research design. This chapter includes the methodology used for this study, it represents the population surrounding the study, sample size for the study, the data collection and data analysis tools and methods. The gathered data was analyzed and interpreted through SPSS software.

3.2 Research design

This study is more descriptive in nature to describe the association and relationship between dependent and independent variables. As CRM is a relatively new area of interest among the financial industry so quantitative research approaches is employed in this study to get a better understanding of the research issue "The effect of CRM practices on customer satisfaction and retention". This study uses statistical analysis (SPSS) to measure the extent to which dependent variable is affected by independent variables.

3.3 Population of the study

This study examines the effect of customer relationship management (CRM) practices on customer satisfaction and retention of Azizi Bank in Kabul Afghanistan. The population of the study consists of customers served by Azizi Bank in Kabul, Afghanistan.

3.4 Sampling procedure

Random sampling method is used to gather data about the effect of customer relationship management (CRM) on customer satisfaction and retention of Azizi bank in Kabul, Afghanistan. For the purpose of this study, the sample frame was customers with whom Aziz bank of Kabul, Afghanistan practices relationship management.

3.5 Sampling size

The primary data of this research is collected through distributed questionnaire among group of (384) individuals who are current customers of Azizi bank. (Uma sekaran)

3.6 Data collection procedure

There are two types of data: primary and secondary data. Primary data is the first handed data which is collected from the targeted population and sample through designed questionnaires, survey, and face to face interview. Secondary data is the second handed data which is collected from other related researches, studies, surveys and experiments.

This primary data for this research is collected through a set of specific questionnaire from the customers of the Azizi bank in Kabul, Afghanistan. The questionnaire was developed based on dependent and independent variables with made up of both open-ended and close-ended questions, all the defined variables have specific Likert scale questions. The secondary data of this research is gathered from difference studies, resources, journals and books related to the effect of CRM on customer satisfaction and retention.

In order to achieve the objectives of this study, the instrument for data collection was designed to suit the method used and to reflect the construct to be measured. The questionnaire developed for this study contained two main parts. The first part is related to demographic variables of the respondents regarding their gender, age, level of education, status and years of dealing with the Azizi bank. The second part of the questionnaire deals with elements of customer relationship management and its effect on customer satisfaction and retention based on Likert – scaled items scoring from 1 (strongly disagree) to 5 (strongly agree) to measure all variables of the study and to achieve the objective of the study.

3.7 Methods of analysis

As there is a need to measure the effect of CRM on customer satisfaction and retention of Azizi bank in Kabul, Afghanistan. In all the stages from the data collection till data analyses of the study need follow quantitative research Method. The data was analyzed through SPSS software to check the reliability and validity of data and to see whether the hypothesis for this research is accepted or rejected. The information and data from the sampled size and targeted customers are collected through questionnaire and were recorded in SPSS and analyzed, the analyzed data and information is finally used for interpretation of data in conclusion and recommendation stages.

3.8 Limitation of the study

This study is conducted in banking industry "Azizi Bank" in Kabul, Afghanistan and the questionnaire is distributed among the customers of Azizi bank so it would be somehow difficult to access the population and sample of this study to collect information about the bank and to measure the effect of customer relationship management (CRM) on customer satisfaction and retention. This study should be conducted and finished within a specific period of time and it makes it a bit difficult to achieve because of the complex nature of the study. Furthermore, it is difficult to access the information about the bank in Kabul, Afghanistan, due to lack of available resources about the banks as well as their customers. Unwillingness of some of the respondents to provide the accurate information is another barrier and limitation which may be faced during the distribution of questionnaire and survey.

Chapter Four

Finding, analysis and discussions

4.1 Research Analysis method

This Chapter includes the analysis and the models used for the analysis of the data which was collected from primary sources using questionnaire. The data for this research was collected from different customer of Azizi bank using random sampling method to find out the effect of customer relationship management on customer satisfaction and retention of Azizi bank in Kabul, Afghanistan.

The data was analyzed using, frequency analysis, Cronbach alfa technique, Pearson correlation method, regression analysis, ANOVA and Coefficient. The data was analyzed using SPSS and the results were illustrated by tables along with the interpretations to show the relationship between dependent and independent variables.

4.2 Result/Discussions

The statistics of the questionnaire illustrates that all data were found valid, questionnaires filled and collected from 384 respondents and no missing paper was found in any of these surveys.

4.3 Reliability Analysis/ Cronbach's Alpha

Reliability Analysis for Service quality of the Bank.

Table 4.2: Reliability Statistics	
Cronbach's Alpha	N of Items
.830	6

Result Discussion and Interpretations: Table 4.3.2 shows the Cronbach Alpha for this study, it that Cronbach Alpha for this study was 0.830 equals to 83 % which show that there is a strong internal consistency between variables. The number of objects for this variable were denoted in the N of item which is 6 questions/ items which is asked for the service quality of the bank.

Table 4.3: Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The bank provides quick and on time services to customers	18.79	13.448	.581	.806
The company never fails to fulfill customer's expectations	18.83	12.964	.614	.799
The bank's service delivery process is highly standardized and simple.	18.84	12.456	.632	.796
Spreading bank's branches is important in increasing customer satisfaction	18.69	13.280	.525	.818
Employees give the customers fast and efficient service	18.89	13.453	.598	.803
The company does ensure confidentiality of its customers	18.90	12.527	.657	.790

Source: Data output from SPSS: Primary data

Reliability Analysis for Relationship Development:

Table 4.5: Reliability Statistics	
Cronbach's Alpha	N of Items
.628	7

Result Discussion and Interpretations: table 4.5 shows the Cronbach Alpha for relationship development, it that Cronbach Alpha for this study was 0.628 equals to 62.8 % which show that there is a strong internal consistency between variables. The number of objects for this variable were denoted in the N of item which is 7 questions/ items which is asked for the relationship development part.

Table 4.6: Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The bank has created many contact points between customers and employees	22.37	24.098	.390	.591
The management has instituted customer feedback system to attend to customer concerns	22.34	22.911	.448	.572
The effect of managerial commitment to customer service in the bank has enhanced customer satisfaction and loyalty.	22.33	22.824	.498	.563

Customer concerns and needs are handled well hence affecting their satisfaction and loyalty	22.31	23.108	.484	.569
This insurer provides value-added information along with its	22.38	22.693	.497	.562
This bank's employees have established a good relationship with customers	22.30	22.813	.480	.566
According to our past business relationship, I think the bank is a trustworthy company	22.12	15.058	.244	.786

Reliability Analysis for Interaction quality:

Table 4.8: Reliability Statistics	
Cronbach's Alpha	N of Items
.771	6

Result Discussion and Interpretations: table 4.8 shows the Cronbach Alpha for relationship development, it that Cronbach Alpha for this study was 0.771 equals to 77.1 % which show that there is a strong internal consistency between variables. The number of objects for this variable were denoted in the N of item which is 6 questions/ items which is asked for Interaction quality.

Table 4.9: Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Employees are more courteous and professional when handling customers	18.28	11.230	.537	.732
The bank always sees things from each customer's point of view	18.36	10.844	.550	.728
The working hours are flexible and adapted to the different types of customers	18.24	10.859	.532	.733
Employees follow up each customer individually	18.38	10.631	.552	.728
The bank helps customers to solve difficulties	18.24	11.334	.495	.743
Employees of this bank insurer often interact with customers to assess	18.34	11.825	.426	.759

Reliability Analysis for Customer Satisfaction:

Table 4.11: Reliability Statistics	
Cronbach's Alpha	N of Items
.819	5

Result Discussion and Interpretations: table 4.11 shows the Cronbach Alpha for relationship development, it that Cronbach Alpha for this study was 0.819 equals to 81.9 % which show that there is a strong internal consistency between variables. The number of objects for this variable were denoted in the N of item which is 5 questions/ items which is asked for Customer satisfaction.

Table 4.12: Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Generally, I am satisfied with the services of this bank	14.56	9.594	.636	.777
I will recommend this bank to friends and family members	14.51	9.018	.643	.773
I will always choose this bank over any other banks	14.53	8.746	.691	.758
The bank responsive quickly to your needs and requirements	14.54	9.084	.624	.779
I find it difficult to switch to other banks because of what I get from this bank	14.44	10.247	.464	.823

4.4 Normality Analysis:

		Service quality	Relationship development	Interaction quality	Customer Satisfaction
Table 4.13: Statistics					
N	Valid	384	382	380	384
	Missing	0	2	4	0
Mean		3.7648	3.7177	3.6614	3.6292
Median		3.8333	3.7143	3.7500	3.8000
Mode		4.33	3.71	3.83	4.00
Std. Deviation		.70972	.75737	.65220	.74720
Skewness		-1.222	2.635	-1.004	-.761
Std. Error of Skewness		.125	.125	.125	.125
Kurtosis		2.077	34.999	1.894	.736
Std. Error of Kurtosis		.248	.249	.250	.248
Minimum		1.00	1.14	1.00	1.00
Maximum		5.00	11.86	5.00	5.00

Result Discussion and Interpretations: Table 4.13 shows whether the data for this study is normal or not. The table indicates that the mean value of the Service quality is 3.7648 with a standard deviation of 0.70972, the mean for Relationship development is 3.7177 with the standard deviation of 0.75737 and the mean for Interaction quality is 3.6614 with the standard deviation of 0.65220. Furthermore, as per mean and standard deviation figures and analysis, the table shows the data is normal for this research.

4.5 Correlation Analysis and Hypothesis testing:

		Customer Satisfaction	Interaction quality	Relationship development	Service quality
Table 4.14: Correlations					
Customer Satisfaction	Pearson Correlation	1	.594**	.453**	.461**
	Sig. (2-tailed)		.000	.000	.000
	N	384	380	382	384
Interaction quality	Pearson Correlation	.594**	1	.627**	.620**
	Sig. (2-tailed)	.000		.000	.000

	N	380	380	378	380
Relationship development	Pearson Correlation	.453**	.627**	1	.589**
	Sig. (2-tailed)	.000	.000		.000
	N	382	378	382	382
Service quality	Pearson Correlation	.461**	.620**	.589**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	384	380	382	384
**. Correlation is significant at the 0.01 level (2-tailed).					

Result Discussion and Interpretations: Table 4.14 shows that, as all sig values are .000 which is less than 0.05 which means that there is significant relationship between the dependent variable (Customer Satisfaction) and all three independent variables (Relationship development, interaction quality and service quality). Furthermore, we conclude that the study hypotheses H1, H2 and H3 are accepted while H_{01}, H_{02} and H_{03} are rejected.

4.6 Regression

Table 4.15: Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.607[a]	.369	.364	.59843

Result Discussion and Interpretations: table 4.15 illustrates the summary of regression results. R-square shows the total variation in the dependent variable Customer satisfaction due to the influence of three independent variables such as; service quality, relationship development and interaction quality. It is evident from the results that all independent variables have 60.7 % impact on Customer satisfaction. The value of R-square is moderate high, and it can bring changes in the dependent variables.

Table 4.16: ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.243	3	26.081	72.827	.000[b]

	Residual	133.937	374	.358		
	Total	212.179	377			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: Interaction quality, Service quality, Relationship development						

Result Discussion and Interpretations: table 4.16 reports a high F-value (72.827) confirming that the proposed regression model has high predictive ability and it is statistically significant as evident from the sig. Value .000. Although, the mean square is 26.081 and the sum of squares is 78.243.

Table 4.17: Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.879	.193		4.561	.000
	Service quality	.128	.058	.121	2.191	.029
	Relationship development	.090	.055	.091	1.626	.105
	Interaction quality	.530	.066	.460	8.007	.000
a. Dependent Variable: Customer Satisfaction						

Result Discussion and Interpretations: table 4.17 indicates that, 1 unit change in Service quality; relationship development and interaction quality will bring about 0128 and 0.090- and 0.530-units positive changes in Customer satisfaction respectively. Furthermore, standardized coefficient B-values report 12.1 % and 9.1 % and 46 % changes by the study independent variables Service quality, Relationship development and Interaction quality and Interaction quality has the maximum percentage than other variables. Nevertheless, looking at the p-value of the t-test for each predictor, it can be seen that all variables with p-value <.05, 0.01 contribute to the predictive ability of the model.

H1	Accepted
H2	Rejected
H3	Accepted
H_{01}	Rejected
H_{02}	Accepted
H_{03}	Rejected

4.7 Frequency Analysis

Table 4.18: GENDER					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	232	60.4	60.4	60.4
	female	152	39.6	39.6	100.0
	Total	384	100.0	100.0	

Discussion and Interpretations: The table 4.18 identifies that out of 384 respondents 232 were male and 152 were female and majority of the respondents were male.

Table 4.19: Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	147	38.3	38.3	38.3
	married	237	61.7	61.7	100.0
	Total	384	100.0	100.0	

Discussion and Interpretations: The table 4.19 indicates that out of 384 respondents 147 were single and 237 were married which suggests a greater output of this analysis.

Table 4.20: Job level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lower Management	101	26.3	26.3	26.3

	Middle Management	209	54.4	54.4	80.7
	Top Management	71	18.5	18.5	99.2
	Board of Directorate	3	.8	.8	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.20 illustrates that out of 384 respondents, about 101 of the responded are working in the lower management, 209 are at the middle level, 71 are working as top management of the organizations and the rests are working as the board of directorate.

Table 4.21: Age of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	113	29.4	29.4	29.4
	25-30	156	40.6	40.6	70.1
	30-35	71	18.5	18.5	88.5
	35+	44	11.5	11.5	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.21 indicates that out of 384 respondents, about 113 are between the ages of 20-25, 156 of them are between 25-30, 71 of them are between the ages of 30-35 and the rest are above 35.

Table 4.22: Years of dealing with the bank					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	194	50.5	50.5	50.5
	5-10 years	141	36.7	36.7	87.2
	10+	49	12.8	12.8	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.22 illustrates that out of 384 respondents, about 194 of them are customers of Azizi bank between 1-5 years, 141 of the respondents

have experienced with than bank between 5-10 years and the rest are having more than 10 years of experience with the bank.

		Frequency	Percent	Valid Percent	Cumulative Percent
Table 4.23: The bank provides quick and on time services to customers					
Valid	Strongly Disagree	10	2.6	2.6	2.6
	Disagree	18	4.7	4.7	7.3
	Neutral	91	23.7	23.7	31.0
	Agree	187	48.7	48.7	79.7
	Strongly Agree	78	20.3	20.3	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.23 suggests that out of 384 respondents, about 10 of them were strongly dissatisfied with the quick and on time services provided by Azizi bank, 18 respondents showed only dissatisfaction, about 91 responded were normal level , 187 showed to be satisfied which marks 48.7 percent out of 100, and the rest 78 responded satisfaction up to an extreme level.

		Frequency	Percent	Valid Percent	Cumulative Percent
Table 4.24: The company never fails to fulfill customer's expectations					
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	27	7.0	7.0	10.2
	Neutral	80	20.8	20.8	31.0
	Agree	186	48.4	48.4	79.4
	Strongly Agree	79	20.6	20.6	100.0
	Total	384	100.0	100.0	

 Discussion and Interpretation: The table 4.24 suggests that out of 384 respondents, about 12 of them responded were strongly disagree with the fulfillment of customer's

expectations, 27 respondents disagreed, 80 of them showed their response up to a normal level, about 186 responded were agree with the fulfillment of the expectations which makes the highest percentage 48.4 out of 100 and the rest 79 responded up to the highest level.

		Frequency	Percent	Valid Percent	Cumulative Percent
Table 4.25: The bank's service delivery process is highly standardized and simple.					
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	35	9.1	9.1	12.2
	Neutral	89	23.2	23.2	35.4
	Agree	151	39.3	39.3	74.7
	Strongly Agree	97	25.3	25.3	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.25 suggests that out of 384 respondents, about 12 of them responded that they highly disagree with the standardization and simplicity of the service provided to customers, 35 respondents were disagree, 89 were neutral, 151 were agree with the services provided by Azizi bank which marks 39.3 percent out of 100, about 97 responded are strongly agreed to the standardize and simplicity of the services.

		Frequency	Percent	Valid Percent	Cumulative Percent
Table 4.26: Spreading bank's branches is important in increasing customer satisfaction					
Valid	Strongly Disagree	11	2.9	2.9	2.9
	Disagree	17	4.4	4.4	7.3
	Neutral	98	25.5	25.5	32.8
	Agree	132	34.4	34.4	67.2
	Strongly Agree	126	32.8	32.8	100.0

Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.26 suggests that out of 384 respondents, about 11 of them were strongly disagree with the effect of branch spreading on enhancing customer satisfaction, 17 were disagree, 98 were neutral, 132 were agree with the statement which marks 34.4 percent out of 100, and the rest 126 showed that they are strongly agree with the mentioned statement.

Table 4.27: Employees give the customers fast and efficient service					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.6	1.6	1.6
	Disagree	22	5.7	5.7	7.3
	Neutral	125	32.6	32.6	39.8
	Agree	161	41.9	41.9	81.8
	Strongly Agree	70	18.2	18.2	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.27 suggests that out of 384 respondents, 6 were strongly disagree with the efficient services provided by Azizi bank, 22 were disagree, 125 were neutral to the statement, 161 were agree which marks 41.9 percent out of 100, and the rest 70 were strongly disagree with the statement.

Table 4.28: The company does ensure confidentiality of its customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	14	3.6	3.6	3.6
	Disagree	23	6.0	6.0	9.6
	Neutral	113	29.4	29.4	39.1

		Frequency	Percent	Valid Percent	Cumulative Percent
	Agree	151	39.3	39.3	78.4
	Strongly Agree	83	21.6	21.6	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.28 suggests that out of 384 respondents, about 14 of them responded that they were strongly disagree with the process of confidentiality of the customers, 23 were disagree, 113 were neutral, 151 were agree with the ensuring of customer's confidentiality which marks 39.3 percent out of 100 and the rest 83 showed their satisfaction at highest level.

Table 4.29: The bank has created many contact points between customers and employees					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	.8	.8	.8
	Disagree	24	6.3	6.3	7.0
	Neutral	142	37.0	37.0	44.0
	Agree	152	39.6	39.6	83.6
	Strongly Agree	63	16.4	16.4	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.29 suggests that out of 384 respondents, about 3 of them responded that they were highly disagreed with the creation of different contacts point between customers and the bank, 24 were disagree, 142 were neutral, 152 were agree with the statement which marks 39 percent out of 100 and the rest 63 highly agreed and satisfied with the mentioned statement.

Table 4.30: The management has instituted customer feedback system to attend to customer concerns					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.0	1.0	1.0

		Frequency	Percent	Valid Percent	Cumulative Percent
	Disagree	48	12.5	12.5	13.5
	Neutral	95	24.7	24.7	38.3
	Agree	153	39.8	39.8	78.1
	Strongly Agree	84	21.9	21.9	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.30 suggests that out of 384 respondents, about 4 of them were strongly disagree with the initiation of customer feedback system, 48 were disagree, 95 were neutral, 153 were agree with the statement which covers 39.8 percent of 100 and the rest 84 strongly agreed to the mentioned statement.

Table 4.31: The effect of managerial commitment to customer service in the bank has enhanced customer satisfaction and loyalty.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	2.6	2.6	2.6
	Disagree	17	4.4	4.4	7.0
	Neutral	129	33.6	33.6	40.6
	Agree	151	39.3	39.3	79.9
	Strongly Agree	77	20.1	20.1	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.31 suggests that out of 384 respondents, about 10 of them were strongly disagree with the effect of managerial commitment to enhance customers satisfaction, 17 were disagree, 129 were neutral, 151 agreed to the mentioned statement which marks 39.3 percent of 100 and the rest 77 were agreed up to the highest level.

Table 4.32: Customer concerns and needs are handled well hence affecting their satisfaction and loyalty				
	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Disagree	5	1.3	1.3	1.3
	Disagree	17	4.4	4.5	5.8
	Neutral	145	37.8	38.0	43.7
	Agree	132	34.4	34.6	78.3
	Strongly Agree	83	21.6	21.7	100.0
	Total	382	99.5	100.0	
Missing	System	2	.5		
Total		384	100.0		

Discussion and Interpretation: The table 4.32 suggests that out of 384 respondents, about 5 of them responded that they were strongly disagree with the handling of their needs and concern by the bank, 17 of them were disagree, 132 of them showed normal responses, 132 agreed which covers 34.4 percent out of 100, and the rest 83 strongly agreed to the statement.

Table 4.33: This insurer provides value-added information along with its					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	3.4	3.4	3.4
	Disagree	23	6.0	6.0	9.4
	Neutral	120	31.3	31.3	40.6
	Agree	161	41.9	41.9	82.6
	Strongly Agree	67	17.4	17.4	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.33 indicates that out of 384 respondents, about 13 of them responded strongly disagree with the provision of value added information by the insurer, 23 were disagree, 120 showed normal rate, 161 agreed which marks 41.9 percent out of 100, and the rest 67 agreed to its highest level

Table 4.34: This bank's employees have established a good relationship with customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	2.1	2.1	2.1
	Disagree	31	8.1	8.1	10.2
	Neutral	101	26.3	26.3	36.5
	Agree	163	42.4	42.4	78.9
	Strongly Agree	81	21.1	21.1	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.34 suggests that out of 384 respondents, about 8 of them are strongly disagree with the establishment of good relationship between the employees of the bank and customers, 31 were disagree, 101 showed normal rate, 163 agreed to the mentioned statement which marks 42.4 percent out of 100, and the rest 81 are highly agreed and satisfied with the establishment of relationship.

Table 4.35: According to our past business relationship, I think the bank is a trustworthy company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	1.8	1.8	1.8
	Disagree	28	7.3	7.3	9.1
	Neutral	99	25.8	25.8	34.9
	Agree	159	41.4	41.4	76.3
	Strongly Agree	90	23.4	23.4	99.7
	55	1	.3	.3	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.35 suggests that out of 384 respondents, about 7 of them responded that they were strongly disagree with trustworthiness of the bank, 28 were disagree, 99 showed a normal satisfaction, 159 responded to be agreed which marks 41.4 percent out of 100 and the rest 90 responded highly agreed to the statement.

		Frequency	Percent	Valid Percent	Cumulative Percent
Table 4.36: Employees are more courteous and professional when handling customers					
Valid	Strongly Disagree	5	1.3	1.3	1.3
	Disagree	27	7.0	7.1	8.4
	Neutral	121	31.5	31.7	40.1
	Agree	156	40.6	40.8	80.9
	Strongly Agree	73	19.0	19.1	100.0
	Total	382	99.5	100.0	
Missing	System	2	.5		
Total		384	100.0		

Discussion and Interpretation: The table 4.36 suggests that out of 384 respondents, about 5 of them responded that they were highly disagreed with the professionality of employees while handling customers, 27 were disagree, 121 respondents showed normal satisfaction, 156 were agree with the statement which marks 40.6 out of 100, and the rest 73 respondents showed their highest satisfaction.

		Frequency	Percent	Valid Percent	Cumulative Percent
Table 4.37: The bank always sees things from each customer's point of view					
Valid	Strongly Disagree	9	2.3	2.3	2.3
	Disagree	31	8.1	8.1	10.4

		Frequency	Percent	Valid Percent	Cumulative Percent
	Neutral	137	35.7	35.7	46.1
	Agree	131	34.1	34.1	80.2
	Strongly Agree	76	19.8	19.8	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.37 suggests that out of 384 respondents, about 9 of them responded that they were strongly disagree with the mentioned question, 31 were disagree, 137 respondents were neutral, 131 agreed which marks 34.1 percent of 100, and the rest 76 were strongly agreed with the statement.

Table 4.38: The working hours are flexible and adapted to the different types of customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	2.3	2.3	2.3
	Disagree	32	8.3	8.3	10.7
	Neutral	102	26.6	26.6	37.2
	Agree	150	39.1	39.1	76.3
	Strongly Agree	91	23.7	23.7	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.38 shows that out of 384 respondents, about 9 of them responded that they were strongly disagree with the working hours of bank, 32 were disagree, 102 showed normal satisfaction, 150 respondents were agree which covers 39.1 out of 100 and the rest 91 showed their highest satisfaction

Table 4.39: Employees follow up each customer individually					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	40	10.4	10.5	13.6
	Neutral	112	29.2	29.3	42.9

				Agree	143	37.2	37.4	80.4

		Frequency	Percent	Valid Percent	Cumulative Percent
	Agree	143	37.2	37.4	80.4
	Strongly Agree	75	19.5	19.6	100.0
	Total	382	99.5	100.0	
Missing	System	2	.5		
Total		384	100.0		

Discussion and Interpretation: The table 4.39 indicates that out of 384 respondents, about 12 of them responded that they were highly disagreed with the follow up system of the bank, 40 respondents were disagree, 112 showed normal satisfaction, 143 respondents were agree with the statement which marks 37.2 percent out of 100 and the rest 75 were strongly agree with the statement.

Table 4.40: The bank helps customers to solve difficulties					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	2.6	2.6	2.6
	Disagree	22	5.7	5.7	8.3
	Neutral	111	28.9	28.9	37.2
	Agree	162	42.2	42.2	79.4
	Strongly Agree	79	20.6	20.6	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.40 suggests that out of 384 respondents, about 10 of them are strongly disagree with the problem solving skills of bank, 22 were disagree, 111 showed normal satisfaction, 162 respondents agreed to the statement which marks 42.2 percent out of 100 and the rest were strongly agree.

Table 4.41: Employees of this bank insurer often interact with customers to assess					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Disagree	3	.8	.8	.8
	Disagree	43	11.2	11.2	12.0
	Neutral	109	28.4	28.4	40.4
	Agree	169	44.0	44.0	84.4
	Strongly Agree	60	15.6	15.6	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.41 suggests that out of 384 respondents, about 3 of them responded that they were strongly agree with interaction of bank's employees with the customers, 43 of them were disagree, 109 of them showed normal satisfaction, 169 respondents were agreed with the statement which marks 44 percent out of 100 and the rest 60 were highly satisfied and strongly agreed to the question.

Table 4.42: Generally, I am satisfied with the services of this bank					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	1.8	1.8	1.8
	Disagree	39	10.2	10.2	12.0
	Neutral	110	28.6	28.6	40.6
	Agree	179	46.6	46.6	87.2
	Strongly Agree	49	12.8	12.8	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.42 suggests that out of 384 respondents, about 7 of them responded that they were generally dissatisfied with the services of the bank, 39 were disagree, 110 of them showed normal satisfaction, 179 of them were agree and happy with the overall services of the bank which covers 46.6 percent out of 100 and the rest were highly satisfied with the services of Azizi bank.

Table 4.43: I will recommend this bank to friends and family members					
		Frequency	Percent	Valid Percent	Cumulative Percent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	18	4.7	4.7	4.7
	Disagree	30	7.8	7.8	12.5
	Neutral	94	24.5	24.5	37.0
	Agree	174	45.3	45.3	82.3
	Strongly Agree	68	17.7	17.7	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.43 suggests that out of 384 respondents, about 18 of them responded were strongly disagree to recommend the bank to others, 30 were disagree, 94 showed normal rate, 174 of the respondents agreed to recommend the bank to other which covers 45.3 percent of 100 and the rest 68 highly recommends the bank to others.

Table 4.44: I will always choose this bank over any other banks					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	3.9	3.9	3.9
	Disagree	34	8.9	8.9	12.8
	Neutral	110	28.6	28.6	41.4
	Agree	150	39.1	39.1	80.5
	Strongly Agree	75	19.5	19.5	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.44 indicates that out of 384 respondents, about 15 of them are strongly disagreed to choose Azizi bank over other banks, 34 were disagree, 110 of them showed normal satisfaction, 150 of respondents are agree to choose the bank over other banks which marks 39.1 percent out of 100 and the rest 75 of them strongly agree to choose the bank again.

Table 4.45: The bank responsive quickly to your needs and requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	3.1	3.1	3.1
	Disagree	35	9.1	9.1	12.2
	Neutral	128	33.3	33.3	45.6
	Agree	127	33.1	33.1	78.6
	Strongly Agree	82	21.4	21.4	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.45 shows that out of 384 respondents, about 12 of them are strongly disagreed with the quick response of bank toward customers' needs and requirements, 35 of them were disagree, 128 showed normal responses, 127 of the respondents agreed with the statement which covers 33.1 percent out of 100 and the rest 82 are highly and strongly agreed to the statement.

Table 4.46: I find it difficult to switch to other banks because of what I get from this bank					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.6	1.6	1.6
	Disagree	27	7.0	7.0	8.6
	Neutral	127	33.1	33.1	41.7
	Agree	137	35.7	35.7	77.3
	Strongly Agree	87	22.7	22.7	100.0
	Total	384	100.0	100.0	

Discussion and Interpretation: The table 4.46 indicates that out of 384 respondents, about 6 of them are strongly disagreed with the mentioned statement, 27 of them were disagree, 127 of the respondents showed normal satisfaction, 137 of them find it difficult to switch to other banks which ranks the 35.7 percent out of 100 and the rest 87 respondents were strongly agree with the mentioned question.

Chapter Five

Conclusion and Recommendation

5.1 Conclusion

This Chapter is a general conclusion and recommendation of the study. This study shows the effect of customer relationship management (CRM) practices on customer satisfaction and the research has been conducted on Azizi Bank in Kabul, Afghanistan.

The existence of financial sectors are necessary for the growth of financial industry in Kabul and all around the country and to be unique than your competitors and be the top up mind of your customers you should have such strategies to attract more customers to you product and services and to increase their satisfaction, the research has shown that customer relationship management (CRM) practices has major effect on the satisfaction of customers which will retain the customers for longer period of time to the services of Azizi bank in Kabul, Afghanistan. Now a day's customers are becoming more active and self-confident. And the organizations should always take care of the needs and wants of the customers, that's why customer relationship management (CRM) is very important to survive in the competitive market.

All business and financial institutions have recognized that customer satisfaction is the main key to success of the business and to achieve that goal companies should adopt

customer relationship management (CRM) in order to build a good relationship with the customers to retain the customers for longer period of time.

The study indicates that CRM has significant effect on the customer satisfaction of Azizi Bank in Kabul, Afghanistan, and all three independent variables (Relationship development, Interaction quality and service quality) have positive relation with the dependent variable (customer satisfaction). Company makes its CRM as strong and reliable the customer will be more satisfied and retain with the company. This study concluded that that bank management should give greater emphasis on service quality, relationship development and interaction quality in order to create, expand and maintain relationship with customers which will enhance the satisfaction of customers.

5.2 Recommendation

Azizi Bank should consider the following point in order to maintain a long-term relationship with the all customers specially the key customers:

- A good relationship management with the key customers will help the bank in acquiring new customers and retain the existing ones and to maximize their lifetime value.
- The bank should upgrade their system and collect, integrate, analyze, classify, and preserve data related to customer by conducting research, questionnaires, interview with customers to identify their current needs and wants.
- For increasing the satisfaction of customers, the bank should focus on the fulfillment of customers requirement by offering them high quality services.
- The interaction between the employees of the bank and customer plays an important role in the satisfaction of the customers, the mentioned statement will help Azizi bank to survive in the market for longer period of them and beat the competitors in the banking industry.
- The bank should improve the element of their services in order to reduce waiting times of customers
- The government should conduct some awareness session about the importance of customer relationship management to the financial industries specially banking sectors to increase the profitability of the bank which will affect the market growth positively and will help the country to grow.

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Appendix

Questionnaire

The effect of customer relationship management on customer satisfaction (A case study of Azizi bank)

Gender		Status		Job	Age				Year of dealing with the bank		
Male	Female	Single	Married		20-25	25-30	30-35	35+	1-5	5-10	10+

Likert Scale	1 = Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly Agree				
Service quality									
1	The bank provides quick and on time services to customers			1	2	3	4	5	
2	The company never fails to fulfill customer's expectations			1	2	3	4	5	
3	The bank's service delivery process is highly standardized and simple.			1	2	3	4	5	
4	Spreading bank's branches is important in increasing customer satisfaction			1	2	3	4	5	
5	Employees give the customers fast and efficient service			1	2	3	4	5	
6	The company does ensure confidentiality of its customers			1	2	3	4	5	

	Relationship development					
1	The bank has created many contact points between customers and employees	1	2	3	4	5
2	The management has instituted customer feedback system to attend to customer concerns	1	2	3	4	5
3	The effect of managerial commitment to customer service in the bank has enhanced customer satisfaction and loyalty.	1	2	3	4	5
4	Customer concerns and needs are handled well hence affecting their satisfaction and loyalty	1	2	3	4	5
5	This insurer provides value-added information along with its products/services	1	2	3	4	5
6	This bank's employees have established a good relationship with customers	1	2	3	4	5
7	According to our past business relationship, I think the bank is a trustworthy company	1	2	3	4	5
	Interaction quality					
1	Employees are more courteous and professional when handling customers	1	2	3	4	5
2	The bank always sees things from each customer's point of view	1	2	3	4	5
3	The working hours are flexible and adapted to the different types of customers	1	2	3	4	5
4	Employees follow up each customer individually	1	2	3	4	5
5	The bank helps customers to solve difficulties	1	2	3	4	5
6	Employees of this bank insurer often interact with customers to assess service performance	1	2	3	4	5
	Customer Satisfaction					

1	Generally, I am satisfied with the services of this bank	1	2	3	4	5
2	I will recommend this bank to friends and family members	1	2	3	4	5
3	I will always choose this bank over any other banks	1	2	3	4	5
4	The bank responsive quickly to your needs and requirements	1	2	3	4	5
5	I find it difficult to switch to other banks because of what I get from this bank	1	2	3	4	5