FMEJA Vol. 1, Issue 7, Page: 36-44, July 2019, ISSN: 2676-2749
Impact Factor (SJIF): 7.807
Journal DOI: 10.15373/22501991
International Peer Reviewed & Refereed Journal with Indexed Journal Platforms

web: www.damaacademia.com
email: editor@damaacademia.com
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Relationship Marketing on Customer Patronage and Retention: Articles Review, Opinion, and Critiques

Sylvia Sinkari Sam

Abstract
This paper reviews current articles on studies in respect of employing customer relationship management to attract and retain customers in the organisations with special emphasis on the operation of commercial banks. It begins by introducing the objectives of the article before reviewing the methodologies and finally commenting on the conclusions. The discovery that literacy challenges do not allow some customers to properly find their feet with regard to service delivery systems at the banks premises ought to be squarely addressed. The customer experience is fundamental to staying competitive, particularly when introducing new services delivery devices in the banks for this reason management of banks will need to have strategies in place to ensure high levels of customer satisfaction for new device users. Yet banks must be able to keep satisfaction high without introducing new operational expenses that will offset their gains in customer revenues as the same time as well. Banks should conduct presentations at public places especially around markets, churches, big super markets, Gas Filling Stations with view to helping customers to fully enjoy new service delivery systems. The electronic media especially the Television also offers a very powerful template for demonstrating to the public how to operate its new self service delivery systems. The study uncovered the fact that some banks do not provide water fountains within their banking halls as directed by the central bank. It is hereby recommended that personnel of the banking supervision department of the central bank stay alive to their duties by paying periodic visits not to inspect financial transactions but also customer service systems.

Keywords: *Relationship Marketing, Customer Patronage and Retention*

1.0 INTRODUCTION

This paper reviews current articles on studies in respect of employing customer relationship management to attract and retain customers in the organisations with special emphasis on the operation of commercial banks. It begins by introducing the objectives of the article before reviewing the methodologies and finally commenting on the conclusions.

2.0 Article by Peppard's (2004) on Using Customer Relationship Management (CRM) to Retain Customers at Garanti Bank in Turkey

According to the article Garanti Bank, one of the leading banks in Turkey was looking at new ways to enhance its customer potential and service quality. Electronic means of banking has proved a success in acquiring new customer groups until the end of 2001. After then, a strategic decision was made to re-engineer their core business process in order to enhance the bank's performance by developing strategic lines. Strategic lines were given in order to meet the needs of large Turkey and multinational corporate customers, to expand commercial banking business, to focus expansion in retail banking and small business banking, to use different delivery channels while growing and to enhance operating efficiency through investments in technology and human resources. To support this strategy Garanti Bank has implemented a number of projects since 1992 regarding branch organization, processes and information systems. The administration burden in the branches has been greatly reduced and centralized as much as possible in order to leave a larger room to marketing and sales. The business process re-engineering (BPR) projects have been followed by rationalizing and modernizing the operational systems and subsequently by introduction of innovative channels: internet banking, call centre and self-servicing. In parallel, usage of technology for internal communication: intranet, e-mail, workflow and management reporting have become widespread.

According to the writer, to prepare for the changing economic conditions and, in particular, to a rapidly decreasing inflation rate scenario, Garanti Bank has started timely to focus on developing a customer relationship management (CRM) system. The total number of customers is presently around two million, but an increase to roughly three million is foreseen as merging with Osmanli Bank and Koferzbank are achieved and the present growth targets are reached.

The need for the banks to manage their relationships with their customers, according to the writer, has been the drive of the joint projects that have been developed with IBM in the last three years. During the propagation of the projects a number of crucial technological and architecture choices have been made to implement the entire process. Realizing the importance of customer information availability, the first of these projects has been undertaken by the bank with the spirit that has characterized the whole CRM development. The article explains that "The project has promoted a massive involvement of the branches, namely of the portfolio managers and campaigns have been launched for popularizing among branch staff the importance of gathering and maintaining reliable customer data." Another set of methods have been tested for customer not included in portfolio (pool customers), such as mailing or distributing questionnaires in the branches or using automatic teller machines (ATM) and the call center. The article further indicates that the Methods for data checking and testing have been developed to be routinely employed by the bank's staff. Results obtained, in the view of the author, are very good and that "for portfolio customers data available are respectively 98% for the commercial ones and 85% for the retail ones. For pool customer availability goes down to 65%: this is well-known phenomenon due to the loose relationship with the latter customers."

The Data ware house is the core of any decision support system and hence of the CRM. In implementing its Data Warehousing Garanti Bank has selected an incremental approach, where the development or information systems are integrated with the business strategy. Instead of developing a complete design of a corporate Data Warehouse before implementing it, the bank has decided to develop a portion of the production of accurate and consistent management reports. Here we are not concerned with the latter goal, but are concentrating on the former. The Data Warehouse has been designed according to the IBM BDW (Banking Data Warehouse) model that has been developed as a consequence of the collaboration between IBM and many banking customers. The model is currently being used by 400 banks worldwide. The Garanti Bank Data Warehouse is regularly populated both from operational systems and from intermediate sources obtained by partial preprocessing of the same raw data. It includes customer's demographic data, product ownership data and transaction data or, more generally product usage data as well as risk and profitability data. Most data are monthly averages and today's historical depth in 36 months starting from 1/1/1999 to 12/31/2001. As new data are produced they are placed temporarily in an intermediate, from which they are preprocessed and transferred to the warehouse. As a result of strategic decisions customer analysis is carried out by using data continuously updated as well the analytical methods and tools to be described later on.

The CRM group analyses results obtained and designs actions plans, such as campaigns, promotions, special marketing initiatives, etc. Plans developed are then implemented by means of the several channels used by the bank to reach customers. Evaluation or results completes the cycle. The results become an integral part of the description of the bank-customer relationship in warehouse. The learning cycle is thus complete and results obtained can be reused in future analyses and in future marketing plans. It is easy to understand that the Data Warehouse cannot actually be built 'once for all' but is a kind of living structure continuously enriched and updated as the Relational Marketing activity developed. OLAP (On Line Application Programming) analyses are developed by means of Business Object in its Web version. CRM analysts use this tools to issue complex SQL queries on the Data Warehouse or on Analytical Datamart and carry out mono and bivariate statistics on the whole customers' population or on selected groups.

Data mining analyses not carried out directly on the Data Warehouse, but on the Analytical Datamart by means of the software package IBM Intelligent Miner (Cabena et al 1999), using as a computing and data server the same mainframe where the Data Warehouse resides. Garanti Bank believes these tools and methodologies are a powerful competitive weapon and are investing heavily in the human resources needed to develop these analyses. The Analytical Datamart is derived from Data Warehouse through the following steps: 1) Raw data processing 2) Data modelling and variable preprocessing: variable selection, new variable creation, variable statistics, and variable discretization. The above processing, based on traditional data analysis, is strictly dependent on the investigated process; new variable creation, for instance, is intended to aggregate information contained in the raw data into more expressive variables. A simple example is the number of credit transaction on current account that contains much of the information contained in the individual transactions, but is easier to analyse and represent. Variable discretization, based on the distribution of the original variables, is intended to generate categorical variables that better express the physical reality of the problem under investigation. The Analytical Datamart is customer centric and according to the article contains such data as demographic (age, sex, cultural level, marital status, etc.), ownership of bank's product/services, product/ services usage (balance, transactions, etc.), global variables: profit, cost, risk assets, liabilities, and relationship with bank: segment, portfolio etc.

2.1 Researcher's Comments and Position

Garanti Bank in Turkey had two million customers and was in the process of merging with Osmauli Bank and Koferzbank to increase its customer-base to three million. Management was contemplating on how to retain this enviable size of customers and also wanted to know which group will patronize what kind of products and services.

The **objective** was therefore to know what different customer's segments were there, who were more likely to respond to a given offer, which customers were the bank likely lose, who were most likely to default on credit cards and the level of risk associated with particular kinds of loan application.

Under the case study, a campaign management in bank was conducted using such data mining tasks software such as dependency analysis, cluster profile analysis, concept description, deviation detection and data visualization. Respondents were clustered and a cluster profile analysis was employed to reveal the cluster characteristics of each cluster and for modeling product propensity which should be implemented in order to increase the sales. The article emphasizes the importance of effective collaboration between the IT and marketing departments of the various banks for the successful implementation of customer relationship marketing principles.

According to the article the idea of CRM is that it helps businesses use technology and human resources to gain insight into the behaviour of customers and the value of those customers. If it works as hoped, a business can: provide better customer service make call centres more efficient, cross sell products more effectively, help sales close deals faster, simplify marketing and sales processes, discover new customer, and increase customer revenues. It doesn't happen by simply buying software and installing it. For CRM to be truly effective the writer is of the conviction that an organisation must first decide what kind of customer information it is looking for and it must decide what it intends to do with that information. The article gives some example by mentioning many financial institutions that keep 'track of customers' life stages in order to market appropriate banking products like mortgage securities to them at the right time to fit their needs.

The author indicates further that, the organisation must look into all of the different ways information about customers comes into a business, where and how this data is stored and how it is currently used. One company, for instance, may interact with customers in a myriad of different ways including mail campaigns, Websites, brick-and-mortar stores, call centres, mobile sales force staff and marketing and advertising efforts. Solid CRM systems link up each of these points. This collected data, flowed between operational systems (like sales and inventory systems) and analyst's systems that can help sort through these records for patterns.

This should enable company analysts to comb through the data to obtain a holistic view of each customer and pinpoint areas where better services are needed. In the writer also suggested that CRM projects should collect data such as responses to campaigns, shipping and fulfillment dates, sales and purchase data, account information, web registration data, service and support records, demographic data and web sales data to run the process engine. One cannot agree more with the writer that serious effort must be made to solicit penitent information about the customer so as to satisfy them profitably.

In conducting the study, a campaign management in banks was conducted using data and mining tasks software such as dependency analysis, cluster profile analysis, concept description, deviation detection and data visualization. Respondents were clustered and a cluster profile analysis was employed to reveal the cluster characteristics of each cluster and for modeling product propensity which should be implemented in order to increase the sales. From research point of view, the research methodology appears too myopic especially where the findings have to be generalized to contribute to the general body of knowledge, a much bigger scope would have made the generalization of its findings more credible. I would have extended my research scope to incorporate banks in a few more developing countries in other Asian countries and even African since there seems to be some level of concomitance in the needs and aspirations of the customer's groups. Notwithstanding the apparent credibility gap with the research methodology, most of the findings were confirmed by the outcome of my research especially the need to get closer to the customers so as to evaluate their needs and provide appropriate solutions not only to delight them but most importantly to retain them.

3.0 Article by Werner Reinartz and V. Kumar (2005) on Ways of Designing Structures and Systems So That They Are Focused On Providing Consumers With What They Want, Rather Than On What A Company Wants Them To Want

According to the article "CRM is heavily dependent on a technique called data warehousing, a way of integrating disparate information about customers from different parts of the organization and putting it together in one huge IT 'warehouse'". According to the co-authors, Dale Renner, once the boss of a data-mining business, said that CRM is something that encompasses "identifying, attracting and retaining the most valuable customers to sustain profitable growth". This in the view of the article "is contrary to the product-oriented way in which most firms grew up, when divisions and business units were built around products and product groups". It was not then unusual for each group to have its own accounts department, its own IT unit and its own marketing team. People who worked for these vertically integrated silos were often competing as much against other silos within the same organization as against outside rivals in the marketplace. Their loyalty to their silo frequently blinded them to the wider interests of the company as a whole.

The article notes that "CRM is about putting structures and systems in place that cut across the vertical lines of the traditional firm and focus on individual customers". The article goes on to say that "before it was introduced, customers might be approached by the same firm in several different product guises over a short period". The phrase "the customer is king" according to the article, was first coined long before it was true. Only towards the end of the 20th century, when advances in technology and widespread market deregulation put enormous new power into the hands of consumers, did it begin to stop sounding hollow. The article explains that there are two things in particular brought home to companies the need to take better care of their customers. First, some terrible mistakes were made because of the blinkers imposed by the old product-silo approach. For example, market share was the main goal and yardstick of such structures. Yet when IBM was king of the mainframe computer market, it came to understand just in time that 100% of a market that was rapidly shrinking would soon be 100% of nothing. What its customers really wanted was not mainframe computers as such, but rather the power to process information electronically. Academics have described this different concept of a market as "a market space". Children's playtime is a market space. A doll is a product.

The second thing mentioned by the article that drove companies to focus more closely on their customers was "a growing awareness that building up profits by aggregating narrow margins from the sale of individual products might not be the best way of ensuring the long-term health of the organization". Companies that did this would always be vulnerable either to cherry-pickers or to nimble newcomers that were built on a different cost base, made possible by deregulation or by changing distribution channels. More companies want to regard their customers as customers for life and not just as the one-off purchasers of a product it is far less expensive to retain an existing customer than it is to acquire a new one. It then becomes important to measure a customer's lifetime value, and to think about cross-subsidizing different periods in their lives. Banks make little or no money out of their student customers, for example, in the hope that they will become more valuable in later years.

CRM complements the relationship marketing perspective. It is defined by Couldwell (1998) as, ". . . a combination of business process and technology that seeks to understand a company's customers from the perspective of who they are, what they do, and what they're like." As is the case with relationship marketing, CRM focuses on customer retention and relationship development. Kutner and Cripps (1997), also established the fact that "CRM is founded on four relationship-based which are customers should be managed as important assets, customer profitability varies; not all customers are equally desirable, customers vary in their needs, preferences, buying behaviour and price sensitivity, by understanding customer drivers and customer profitability, companies can tailor their offerings to maximize the overall value of their customer portfolio".

Anton (1996) also characterizes CRM "as an integrated approach to managing relationships". However, critically, he underpins relationship management with "continuous improvement or re-engineering" of customer value through better service recovery and competitive positioning of the offer.

Notwithstanding these technological perspectives, the philosophical bases of CRM are a relationship orientation, customer retention and superior customer value created through process management. IT according to the authors is the 'glue' that holds these together and enables the whole to be operationalized. In consequence, the successful implementation of CRM requires Marketing and IT to work closely together to maximize the return on customer information. This will almost certainly require a degree of cross-functional reorganisation. By way of summing up the key characteristics of CRM, the co-authors pointed at:

- A customer relationship perspective aimed at the long-term retention of selected customers.
- Gathering and integrating information on customers.
- Use of dedicated software to analyse this information (often in real time).
- Segmentation by expected customer lifetime value.
- Micro-segmentation of markets according to customers' needs and wants.
- Customer value creation through process management
- Customer value delivery through service tailored to micro-segments, facilitated by detailed, integrated customer profiles.
- A shift in emphasis from managing product portfolios to managing portfolios of customers, necessitating changes to working practices and sometimes to organisational structure.

In essence, CRM provides management with the opportunity to implement relationship marketing on a company-wide basis. However, for CRM to be successful, all of these activities need to be managed in combination. What makes this possible are the recent advances in enterprise software. One company pioneering these developments, Sun Microsystems, identifies three levels of customer information technology. At the simplest level are reporting tools that link sales staff with other elements of the business. Then there is online analytical programming.

(OLAP) which analyses data as it comes in, enabling users to 'drill down' through levels of data to examine exceptions to purchase patterns and to understand trends and anomalies. The third level, data mining, is more sophisticated still, and enables obscure correlations to be identified. It might, for example, reveal that sales of baby food increase if it is placed near to the beer shelves in a supermarket!

Despite the enthusiasm of many commentators, acceptance of CRM is by no means universal. The authors mentioned Woods and Remondi (1996) to have found out that unlike banks and other financial service operators, many high-technology companies do not recognize the potential benefits of CRM to sales effectiveness and long-term marketing success and still use traditional marketing approaches. Others like Hagel, Bergsma, & Dheer, (1996) also think that these classical marketing skills, and the basics of quality, cost and convenience, rather than "expensive IT and neural networks", are what is really needed to give an organisation a competitive edge.

In the view of the article there is certainly anecdotal evidence that the finance sector is trying to run before it can walk when it implements advanced IT/marketing practices before absorbing the basic underlying tenet of customer orientation. According to the article a report by the Consumers' Association (1999) concluded that, far from rewarding customers for loyalty, banks often leave them out of pocket. Criticisms of this sort led the government to commission the Cruickshank Banking Report which estimated that the major UK banks overcharge their customers by between £3 and £5 billion per year. Payments, though efficiently automated, still take just as long to make as they did in Victorian times. Consequently, according the Times (2000) banking services to small businesses are to be referred to the Competition Commission.

Even without such pressure from government, the need for change in the financial sector is already being driven by economic need and competition. According to the article, Cruikshank Report (1998) acknowledges that "there is no need for action in the individual banking sector where banks are experiencing strong competition from new market entrants who can offer better customer service without the banks' legacy of perceived inefficiency, poor service, and mis-selling".

In other industry sectors hard evidence of an increasing focus on customer profitability, lifetime value, retention and satisfaction, is reported by Abram Hawkes and Market Shape. The article quoted Economist Intelligence Unit (1998) as having found out that "90% of organizations recognize the value of customer retention: 60% thought that there were links between customer loyalty and the duration of the customer relationship, and 45% said that loyalty marketing yielded a better return on investment than expenditure on advertising. Successful companies manage customer relationships based on potential profitability".

The article explains that there is growing recognition in the literature that companies will have to adapt to survive, and that this means fundamental changes in the way that firms are organized. A key challenge facing firms in making this transition is the efficient integration of CRM initiatives into whole company customer relationship development. According to the article a major change is already underway and that the proportion of firms organized around their customers is expected to rise from the current level of about 20% to 50% by 2012. By that time, about three-quarters of firms expect to achieve a high degree of integration between sales and IT functions in contrast to less than 30% in 1998. To support these changes, The Economist Intelligence Unit, (1998) says the proportion of companies operating a data warehouse is expected to more than double to over 80%.

Although these factors are facilitating the shift from product management to a customer focus, the shift will not be easily achieved. The necessary changes will impact on the ways that companies view their customers and how they treat them, how they are themselves organized and how they measure and reward success. As companies attempt to re-orientate themselves around customers, individual employees will have to come to terms with changing cultural norms, organizational structures and the way that their performance is measured and rewarded. According to the studies by Martiny (1998) and Braganza & Myers (1996) indicate that the commitment of senior management is critical to success.

Companies that regard customer information management as a marketing department responsibility and leave it in the hands of marketing planners and product managers in the expectation of short term payoffs are missing the point. The adoption of customer-oriented strategies requires an organizational culture that is adaptive and responsive to change, and the quality of communication within an organization is an important aspect of any change initiative. Failure to successfully communicate a change initiative and its implications for employees can lead to failure; an effective internal communication strategy needs to be in place, so that there is 'buy-in' to the initiative led by the topmanagement team. However, if cultural change is to take place, then the way that success is measured and rewarded must change first (Jennings, 1997).

3.1 Researcher's Comments and Position

The co-authors are all Harvard Professors in Strategic Marketing and their article seems to portray ways of creating strategic marketing structures for attracting patronage and retaining good quality customers. The article described "Customer relationship management, commonly known as CRM, as a way of designing structures and systems so that they are focused on providing consumers with what they want, rather than on what a company wants them to want". The article indicated that this usually involves a restructuring of the company's IT systems and a reorganization of its staff.

The **objective** of the article was therefore to indicate the methodology for establishing CRM structures so as to enhance the market share of an organisation. Traditional banks in Ghana are especially vulnerable in that the kind of aggression being introduced unto the market by the entering banks could crash their market size if the necessary effort were not made to put in place CRM structures.

The article made interesting revelations about some empirical evidence on some customer loyalty and retention activities. It stated for instance that in other industry sectors there is hard evidence of an increasing focus on customer profitability, lifetime value, retention and satisfaction, as reported by Abram Hawkes and Market Shape. The article quoted Economist Intelligence Unit (1998) as having found out that "90% of organizations recognize the value of customer retention: 60% thought that there were links between customer loyalty and the duration of the customer relationship, and 45% said that loyalty marketing yielded a better return on investment than expenditure on advertising. Successful companies manage customer relationships based on potential profitability".

The article explains further that there is growing recognition in the literature that companies will have to adapt to survive, and that this means fundamental changes in the way that firms are organized. A key challenge facing firms in making this transition is the efficient integration of CRM initiatives into whole company customer relationship development.

In conducting the study, the author employed Action research methodology which involved discussing problems with respondents and equally involving the respondents in finding solutions to the problems. This kind of methodology triggers off subjectivity which could introduce high levels of biasness into the findings. How fair can the author generalize his findings when he had a limited scope of study? A much bigger scale of study will have minimized any trace of biasness in his findings. Notwithstanding this problem with the methodology, the recommendations to problems uncovered appeared very conclusive and therefore worth adopting by many marketing and sales department of banks so as to improve customers service or service quality.

In conclusion, successful implementation of CRM will require more effective management of functional interdependencies through process teams and revisions in the ways that employee performance is measured and rewarded. Such a radical shift in expectations and behaviour towards CRM can only be achieved with the full commitment and support of the board and senior management.

4.0 Article by Spitler (2005) on Adoption of CRM by Financial Institutions

According to the article "if there is a single shortfall today in the [banking] industry's migration to a customer relationship model of the business, it is the lack of adequate, insightful customer MIS (Marketing Information Systems) and customer performance metrics." Many commentators are also concerned about the shortcomings of existing performance measurements; such as Return on Investment (ROI) which according to the article:

- Does not incorporate off-balance sheet items, especially the intangible assets that increasingly influence business performance.
- Does not encourage management to invest in assets that do not influence short term performance, and so does not strategically position the organisation for the future.
- Is subject to accounting manipulation and other factors that distort the reported performance of the firm.

The article mentioned Balanced Score Card approach as "the first significant attempt to provide metrics across the enterprise". This was followed by Edvinsson & Malone (1997) who according to the article founded the Intellectual Capital movement which stresses the importance of metrics to address, "the possession of knowledge, applied experience, organizational technology, customer relationships and professional skills that provide knowledge based companies with a competitive edge in the market place".

The author explains it is the quality of an organization's customer information and its ability to manage customer relationships that are going to be the critical measures of long term success. Technology, process, organization and customer orientation are all vitally important to this, but it is the individual employees who are the building blocks of customer relationships. Therefore, the author believes that the measurement system should facilitate and reward customer orientation. In the view of the article "meeting the organizational challenges of customer orientation, marketing and technology skills will become increasingly more important for employees". Constant training to reinforce existing procedures and to implement newly created programmes is needed to maintain a competitive edge in the banking industry.

The key principles involved in relationship marketing are the gathering, coordinating and analyzing of accurate data on customers, developing marketing strategies that personalize the relationship, and maximizing the value to the organization by focusing on higher value customers. Within the banking and other originations this calls for a considerable degree of cross-functional co-operation. For example, all of the departments that have dealings with customers (e.g. accounts, dispatch, sales, customer service and agents) normally hold data on them.

Organizing the whole firm around its customers requires the convergence of these disparate information systems in order to accelerate processes and facilitate "whole customer" information sharing. This is a key CRM role, according to the article "CRM integrates marketing, sales and service functions through business process automation, technology solutions and information resources to maximize each customer contact. CRM facilitates relationships among enterprises, their customers, business suppliers and employees." This convergence of business functions assists in cost reduction, efficiency improvements and increased productivity and should pervade the culture of the organization.

However, the article quoted Hall (1997) to have found out that, "even where organizations have technological integration, performance integration does not always follow". Many departments and individuals see customer handling as a sales or marketing function, and regard the release of their data to another function as signaling a loss of power. Software developers are becoming increasingly aware of these problems. By learning from implementation difficulties in early Enterprise Resource Planning (ERP) systems, Stein and Caldwell (1998) explained that the new wave of post-ERP systems will address, "…the cultural and organizational shifts needed to align IT and business-management objectives once and for all."

While the role of key account manager plays an important part in customer relationships, functional boundaries can limit managers' ability to fulfill the key account role effectively. Therefore, in order to neutralize the negative impact which functional boundaries can have on the successful implementation of CRM, the author believes that "an integrated approach is required, with marketing, operations, information technology, and financial accounting all participating".

According to the article "the marketing perspective on CRM hinges on its potential to offer better customer service and to improve marketing effectiveness through better focus". IT can help improve customer service in a number of areas, including reliability, efficiency, and communications as well as quality control and service monitoring CRM systems offer operational improvements the opportunity to capture and analyze information about purchasing behaviour – often in real time and long-term success through deeper and closer customer relationships.

Detailed customer profiles facilitate precise matching of marketing offers to prospects and can be used to track the effectiveness of marketing programmes as well as providing the basis for future planning. Customers also benefit when product / service offers are tailored to them individually or in micro-segments and can lead to greater loyalty.

The article quoted Schulz (1996) as saying that "the combination of customer demands and new enabling technologies make the move to one-to-one marketing inevitable". Conversely, customer data analysis and profiling also enables an organization to identify the customers it does not want to serve. The author refers to the Pareto rule by Stone, et al (1996) which suggests that 80% of profits are generated by 20% of customers, but in some industries even more extreme differences in customer profitability exist, "Some commercial banks have found that 10% of their current account customers are responsible for more than 100% of their profits (i.e. the other 90% are, on average, loss-making)".

Although developments in CRM have often been short-term and uncoordinated in the past, recognition of the need for cross-functional, IT integration is now so strong among marketing practitioners that integration of the sales system with other business processes is the highest priority for sales and marketing investment. However, despite this, a very recent survey by Simpson Carpenter Research (2001) of 100 global companies reveals that CRM budgets still seem to be allocated across business functions on a rather piecemeal basis, with less than 25% of firms holding a central, enterprise budget.

According to the article IT perspective is that changes in CRM practice are being driven both by evolving customer demand and by developments in the enabling technologies. Despite this, IT managers do not always see customer development as part of their business challenge, and some are reluctant to share customer data with other departments because such information is their power-base. It is often cross-functional integration problems like this, rather than technological problems, that are the major impairment to progress.

Some of the responsibility for this lack of cross-functional integration according to the article "lies with senior managers who fail to recognize the importance of the technological underpinning for CRM". The article quoted Hewson (1999) and Rees-Mogg (1997) as having found out that "board level support for major IT projects is rare – though very helpful when it happens". Attributes this, in part, to board members' superficial understanding of IT combined with their inability to decide what they need. This in turn contributes directly to the difficulties that IT managers experience in scoping out CRM projects where the organizational goalposts seem to move continuously. Board directors, for their part, can feel that investment in IT projects is often much higher, and the benefits much lower, than promised.

4.1 Research Comments and Position

Dr. Steve Spitler is a seasoned lecturer on marketing and business development practitioner who is based in Canada but renders consultancy services for a good number of multinational in both North American and Europe.

The article had the **objective** of presenting the modalities for adopting CRM principles to enhance the market share of originations especially financial institutions.

The author pointed out that the key principles involved in relationship marketing are the gathering, coordinating and analyzing of accurate data on customers, developing marketing strategies that personalize the relationship, and maximizing the value to the organization by focusing on higher value customers. Within the banking and other originations, the article explained that this calls for a considerable degree of cross-functional co-operation. For example, all of the departments that have dealings with customers (e.g. accounts, dispatch, sales, customer service and agents) normally hold data on them.

Organizing the whole firm around its customers in the view of the article requires the convergence of these disparate information systems in order to accelerate processes and facilitate "whole customer" information sharing. This, the writer explains is a key CRM role and goes on to say that CRM integrates marketing, sales and service functions through business process automation, technology solutions and information resources to maximize each customer contact. CRM facilitates relationships among enterprises, their customers, business suppliers and employees. This convergence of business functions, according to the author, assists in cost reduction, efficiency improvements and increased productivity and should pervade the culture of the organization.

In conducting the study, the author adopted the purposive sampling technique in approaching some corporate institutions with the views to isolating their mechanisms for adopting CRM principles. Much as purposive sampling could help in soliciting good quality information for hardness it could also introduces some biases in the findings for instance management members could overlook certain non-financial factors which could be responsible for the apparent success of their CRM implementation strategies. A random sampling technique would have minimized to a large extent the level of biasness and therefore make the findings more credible to be consumed by the marketing community. Despite this critique of the research methodology, the study made very useful revelations on the implementation customer relationship management which are worth discussing by the stakeholder.

The study surveyed some corporate institutions with the views to isolate the mechanisms for adopting CRM principles, it was discovered that although it plays a huge role in successful CRM implementation, there doesn't seem to be any proper coordination within these organizations. Moreover, not much in terms of budgetary allocation to enhance successful adoptions of CRM, the boards of directors do not also seem to help matters. Therefore, there is the need for concerted effort by all stakeholders to ensure the success of any sounded CRM migration.

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