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CUSTOMER RELATIONSHIP MANAGEMENT AND
MARKETING PERFORMANCE OF KBZ BANK

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CUSTOMER RELATIONSHIP MANAGEMENT AND MARKETING PERFORMANCE OF KBZ BANK

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ABSTRACT

The primary goals of this research are to determine the customer relationship management (CRM) practices that have been implemented by KBZ bank and to investigate the impact that these CRM practices have had on the marketing performance of KBZ bank. There are a total of 150 people working in the departments that use the CRM system; however, only 80% of those people are included for the sample. The research used the 120 employees who currently make use of the CRM system as a representative sample population. This study makes use of both qualitative and quantitative research methods and techniques. Using a process known as simple random sampling, a structured questionnaire with a Likert scale with 5 points is designed and then collected. The employees at KBZ Bank have the perception, based on the mean values of CRM practice, that key client focus and knowledge management are highly crucial for the bank's marketing performance. According to the findings of the regression analysis, key client focus, knowledge management, and CRM organization all have a favorable impact on the marketing performance of KBZ Bank. KBZ Bank ought to keep its client database up to date and make use of customer relationship management strategies in order to deliver service with an individual focus. KBZ Bank ought to make it a priority to fulfill the requirements of its customers and proceed with the creation of individualized goods or the provision of adaptable services in accordance with the actions taken by those customers. In addition, in order to provide improved customer service, KBZ Bank ought to enhance their CRM system. To ensure that customers receive high-quality service, KBZ Bank ought to establish performance criteria for each level of the bank.

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CHAPTER 1

INTRODUCTION

The most significant role that financial intermediaries play in an economy is played by banks. Because of the intense competition that exists in the global market and the rapidly shifting external business environment, businesses have been forced to implement relationship marketing in order to establish, maintain, and improve their relationships with customers and other parties in order to generate a profit while simultaneously ensuring that the goals of all parties involved are satisfied (Sheth & Kellstadt, 2002).

According to Nguyen et al. (2007), customer relationship management (CRM) is an information system that enables organizations to track customers' interactions with their firms and enables employees to instantly pull up information about customers such as past sales, service records, outstanding records, and unresolved problem calls. CRM also enables organizations to create a more personalized experience for customers. Businesses that decide to implement CRM are rumored to experience positive long-term changes and benefits as a result of doing so (McNally, 2007). CRM practices are a set of diverse activities, as defined by Yim et al. (2005). These activities include (1) focusing on key customers, (2) organizing around CRM, (3) maintaining knowledge, and (4) using CRM-based technology.

The "Key Customer Focus" element of the CRM framework is predicated on the principle of adhering to the requirements of specific valuable customers by delivering individualized goods or services that are tailored to fulfill their prerequisites and anticipations (Lemon & Verhoef, 2016). Customer knowledge management is a term that refers to the process of acquiring, distributing, and expanding one's understanding of one's customers among one's workforce in order to generate revenue for both the company and its clientele (Salomann et al., 2005). In the context of businesses, "knowledge management" refers to "any method or practice of developing, collecting, capturing, sharing, and utilizing customer knowledge, wherever it lives, to boost learning and performance." When firms use knowledge management to engage with customers, it brings those customers closer to the company and opens up new options for displaying the company's services and products (Scarborough, & Carter, 2000). The term "technology-based CRM" refers to the efficient and extensive

utilization of any technological CRM business management solution available on the market today, with the end goal of managing customer interactions in the most productive manner possible (Navarro et al., 2020). Organizations are obligated to create an appropriate working environment for service in the workplace. This includes, but is not limited to, supplying employees with up-to-date tools and technology, customer-satisfaction tracking and management systems, inspiring leadership, and appropriate reward systems. The organization's marketing performance can be improved by the strategic application of CRM (Sin et al., 2005).

Companies that want to improve their overall performance should focus their attention first and foremost on improving their marketing performance. To make progress in this area of performance, businesses need to ensure that their clients are value-linked, engaged, involved, satisfied, retained, and loyal in order to realize success. Keeping clients at the heart of business operations is one way to accomplish this goal. In point of fact, businesses are perfectly capable of accomplishing this objective by making full use of their available resources, in accordance with the relationship marketing theory and the resource-based view.

At the end of the year 2020, Myanmar had a total of 46 foreign bank representative offices, 13 foreign banks, four state-owned banks, and 27 private banks. In Myanmar, KBZ Bank operates as a private and commercial financial institution. The first day of operation for the bank was July 1, 1994, and it was located in Taunggyi, Shan State. KBZ Bank is a financial institution located in Myanmar that utilizes CRM technology in order to provide retail customers with banking services.

The purpose of this study is to determine whether or not CRM practices have a significant effectiveness on the marketing performance of KBZ Bank. The outcome of the research and the conversation is beneficial to KBZ Bank in terms of enhancing their customer service, and it will also assist in boosting the bank's marketing performance.

1.1 Rationale of the Study

Enterprises, and especially financial institutions, are being impacted by the dynamic nature of modern-day business environments. This is especially true in today's world. Now, in order for businesses to achieve their objectives, they not only strive to fulfill the requirements of their clientele, but also to perform in a manner that is more productive and successful than that of their competitors in the highly competitive market place.

The role that commercial banks play in the growth of any nation is absolutely essential. It serves as a foundation for a variety of other economic activity. They make a contribution to both the income and employment levels, as well as the tax revenue. However, the business climate has been shifting, and as a result, the level of competitiveness in the banking industry across the globe has intensified as a result of these shifts.

The competitive landscape is shifting at an ever-quickening pace, and commercial banks must adapt or risk falling behind. Because of shifts in the economy and the structures of the market, it has been noticed that customers' expectations and requirements are always evolving. It is becoming increasingly challenging to keep up with the competition while simultaneously meeting the demands of customers, which is producing a driving force for businesses to keep up with the changing conditions. As a result of the heightened level of competition in the banking industry today, financial institutions are beginning to appreciate the value that their clients bring to them rather than the value that their products generate for them.

The cost of obtaining new customers is far higher than the cost of retaining existing customers, making customer retention an extremely important business objective. Customers who are kept as clients have a greater likelihood of becoming brand advocates or participating in word-of-mouth marketing. CRM enables companies to cultivate a relationship with their clientele, which, in turn, fosters consumer loyalty and helps firms keep hold of existing clients. However, just a small percentage of banks have a deep understanding of their consumers, and the vast majority of those that do business with clients have only a passing familiarity with their clientele.

A Customer Relationship Management system in the banking industry assists financial institutions in managing their customers and better comprehending the requirements of their clients in order to give appropriate solutions in a timely manner. Banks are under continuous pressure to deliver consumer value. There are still a lot of banks that don't know enough about customer relationship management (CRM) and how to use this technology in the appropriate way, as well as how this technology will be a solution to help them organize their systems and keep their ties with their clients. When businesses do not use CRM strategies, they lower their prospects of long-term survival and limit their potential for profitability. Developing strategies to attain goal behaviors, effectively targeting consumers based on customer profile and lifecycle stage, and segmenting customers based on customer profile and lifecycle stage are all

common challenges that organizations frequently confront. Their efforts, on the other hand, did not appear to have the desired effect. The modern banking industry is constantly searching for new ways to achieve a competitive edge, one of which is the implementation of customer-centric processes. Customers are the primary focus of the banking industry because banks are customer service oriented businesses. As a result of this, it is essential to set up, cultivate, keep up, and continue to build a long-term relationship with the target clients. Because of the intense competition in the market, it is essential for financial institutions to determine which of their clients have the most potential for becoming consumers.

KBZ bank is one of the major banks in Myanmar (KBZ, 2023), and it practices customer relationship management as well. KBZ bank is also Myanmar's largest privately-owned bank. On the other hand, KBZ bank is fielding some concerns from customers. Because of the enormous number of customers, KBZ bank was occasionally unable to provide adequate service to each individual consumer. Complaints from customers are unanswered for extended periods of time, and there are gaps in service. Customers that are very sensitive end up leaving the bank as a result. Newly emerging competitors in the banking industry are using price competition as a strategy to win over clients and businesses (eg. higher saving interest rate, waive some service charges, reduce operational requirements, etc.). As a direct consequence of this, KBZ bank is losing some of its customers. It is of the utmost importance for KBZ bank to keep its customers. As a result, KBZ needs to conduct an analysis of the CRM aspects it possesses in order to pay more individual attention. It is imperative that an investigation into the effects of customer relationship management on the performance of the bank be carried out in order for it to maintain its competitive edge.

1.2 Objectives of the Study

The main purpose of this study is to evaluate customer satisfaction of banking service.

- 1) To identify the customer relationship management (CRM) practices conducted by KBZ bank
- 2) To analyze the effect of customer relationship management (CRM) practices and marketing performance of KBZ bank.

1.3 Scope and Method of the Study

This study is only concerned with the effects of KBZ bank's customer relationship management practices on the bank's marketing performance. In this particular study, both descriptive statistics and quantitative research techniques were utilized. In terms of the data, this study makes use of both primary and secondary sources. In order to obtain primary data, the study employ structured questionnaires equipped with a Likert scale that has five points. Five different departments at KBZ's headquarters are currently utilizing the CRM system. These departments are the Local Corporate Department, the International Corporate and Financial Institution Department, the SME and Business Banking Department, the Trade Finance Department, and the Payroll Department. A simple random sampling method was used to obtain information from 120 of the 150 employees who use the CRM system. This represents 80 percent of the total workforce. Secondary data are gathered from a variety of sources, including the records of the KBZ Bank, previously published articles and research papers, pertinent text books, and worldwide studies conducted online through Internet databases.

1.4 Organization of the Study

Only the effects of KBZ bank's customer relationship management practices on the bank's marketing performance are examined in this study. In this study, descriptive statistics as well as quantitative research methodologies were utilized. In terms of the data, we make use of primary data as well as secondary data. A standardized questionnaire using a Likert scale with 5 points is utilized to collect primary data. At the KBZ Head Office, the CRM system is being utilized by five different departments, including Local Corporate, International Corporate and Financial Institution, SME and Business Banking, Trade Finance, and the Payroll Department. In order to obtain the primary data, a simple random sample procedure was used to collect information from 120 of the 150 employees who use the CRM system. Secondary data are gathered from the records of the KBZ Bank, as well as from previously published articles, research papers, relevant text books, and foreign studies conducted online through websites.

CHAPTER 2

THEORETICAL BACKGROUND

This chapter provides definitions of customer relationship management (CRM), as well as the benefits of utilizing CRM in the banking business. After that, it discusses the many aspects of CRM as well as past research. In the end, it contains the conceptual framework that was used for the study.

2.1 Concept of Customer Relationship Management (CRM)

Swift (2000) defined customer relationship management (CRM) as a method of understanding the behavior of the customer through intense communication with the customer in order to improve performance, which is represented in attracting the customer, keeping the customer, and increasing the customer's loyalty and profitability. In other words, CRM is a method of improving performance. It is possible to observe that this definition of CRM considers it to be nothing more than communication on the part of the corporation in order to comprehend the behavior of the client.

CRM, or customer relationship management, was defined by Stone and Findley (2001) as the practice of an organization gathering a significant amount of data on its clients from a variety of sources and storing it so that the data can be segmented, analyzed, and reused. According to this definition, customer relationship management consists solely of information collection and storage pertaining to the client. This is not hard to spot. On the other hand, Fross and Stone (2001) described CRM as the process by which a corporation utilizes its skills in the areas of research technique, technology, and electronic commerce in order to manage its connections with its customers. The ability to interact with clients using various forms of technology is one interpretation of the term customer relationship management (CRM). CRM stands for customer relationship management and is an all-encompassing strategy that involves the process of obtaining specific consumers, retaining them, and working together with them to produce a distinct value for the organization as well as the client. This approach calls for the integration of the functions of marketing, sales, customer service, and the exposition chain in order to attain the highest possible levels of competence and efficiency in the process of delivering value to the client. According to this definition, customer relationship management (CRM) is a strategy whose primary objective is to

enhance the marketing function in order to maximize the delivery of exceptional value to the client (Parvatiyar & Jagdish, 2001).

According to Tsai (2011), the term "customer relationship management" (CRM) refers to a universal process that is used to win clients with the support of business intelligence, and by maximizing the value that the client brings to the corporation as a whole. Changing the strategy of the businesses so that they no longer concentrate on the product but rather on the needs and wants of the customers is the crux of the matter. Its mission is to add value for customers by gaining an understanding of their requirements and providing services that add value (King, 2008). However, Swayambhu (2014) considered that it is still in a premature stage, as it is a complex concept that aims to build long term relationships with customers; initiatives must be carried out to gain trust and loyalty as well as take care of the reputation of the company to build trust and satisfaction. In recent years, businesses have recognized the meaning of closer relationships with customers, which has made CRM so desirable (Faed et al., 2011). (Sung & Young, 2016)

According to Payne and Frow (2005), CRM is a strategic method related to creating a distinguished value for the contributors through improving good relationships with the main customers and other customer categories. CRM seeks to unify the strategies of marketing by utilizing relationships and information technology to create profitable, long term relationships with customers and other parties. Payne and Frow (2005) stated that CRM is a strategic method related to creating a distinguished value for the contributors through improving good relationships with the main customers and other customer categories. This value is produced by giving employees ample opportunities to use data and information in order to better understand customers and give value for those customers.

2.2 Benefits of Customer Relationship Management in the Banking Industry

Customer relationship management is a philosophy that is providing incredible importance for any businesses, but particularly for the banking industries. This is due to the fact that the knowledges of CRM enhance how to attract, attain, retain, and catch potential and new customers for a business in order to compete and survive in stiff competition. According to Liyun et al. (2008), the focus of customer relationship management (CRM) is on keeping and sustaining long-term relationships with customers, which ultimately results in customer satisfaction and, as a result, generates

business performance in the banking industry. However, Shani and Chalasani (1992) emphasized that the companies' objectives from using customer relationship management are to know their personalized customers and to offer tailored services, in order to intensify both customer satisfaction and their marketing performance in the long run by keeping customers loyal to them. This can be accomplished by offering personalized services.

Nguyen et al. (2007) maintained that customer relationship management, if used appropriately, would develop a bank's ability to attain the ultimate goal of holding customers in order to improve a strategic advantage over its competitors. They stated that this would develop a bank's ability to develop a strategic advantage over its competitors. As a result, effective management of customer relationships can boost customer satisfaction and loyalty, which has a positive effect on a company's ability to compete in the market (Liyun et al., 2008). In addition, healthy client connections are appealing and are becoming increasingly vital for financial institutions as market conditions become more stable. There is an increase in the amount of competition, fewer returns are being made, customers are becoming more demanding, and the life cycles of products and services are becoming significantly shorter. As a result of all of these considerations, it is absolutely necessary for banks to strengthen their relationships with their clients and to supply them with the services they require through the channels that they favor.

2.3 CRM Practices

The management of one's relationships with one's customers is becoming an increasingly significant aspect of marketing in order to win the loyalty of customers, enhance rates of client retention, and boost overall revenues (Wong & Sohal, 2006). In their research, Sin et al. (2005) were able to determine the four components of CRM, which are as follows: key client focus, CRM organization, knowledge management, and technology based CRM. In addition, the key client focus, CRM organization, knowledge management, and technology based CRM were identified as the practices of customer relationship management (CRM). Because together they cover such a wide variety of CRM operations, these four practices were found to be the ones that were employed the most frequently in the majority of the earlier research.

(a) Key Clients Focus

Key customers who have a high level of sustained loyalty are the foundation of an organization's success, and modern businesses view the client as their only friend and the center of their targeted activities toward greater partnership and constructive interaction between the two parties. In this context, the client represents the center of the targeted activities. Therefore, the primary goal of the businesses is to develop meaningful relationships with clients, particularly the clients who generate the most revenue (Bakri & Taleb, 2014). In addition, the most important customers are those who purchase from the company on a consistent basis and who are dedicated to the brand; consequently, it is possible to interact with these customers using the customer pyramid, which is segmented into four categories based on profitability: the Platinum category, the Gold category, the Iron category, and the Lead category (Bakri & Taleb, 2014).

The clients for whom the information needed to recognize and get in touch with them is readily available within the organization are referred to as "important customers." Also included in the definition of key customers are those that have been identified as being the ones that bring the most value to the company by way of increased profitability, robust long term partnerships, and effective leadership for the firm (Akroush et al.,2011). Company-wide comprehension of, and support for, the primary focus on the customer Encourage the sales team to focus on developing long-term connections with customers by providing individualized services. Kotler and Armstrong (2004). The manner in which a business provides value to its consumers is an essential requirement for the organization to be able to claim that its primary focus is on the client (Payne & Frow, 2005). The end goal of key customer focus is to develop such meaningful relationships with customers that the seller organization becomes necessary to its most lucrative clients (Vandermerwe, 2004).

According to Vandermerwe (2004), a key customer focus requires an overall customer-centric emphasis as well as the consistent delivery of superior and added value to the key customers through personalized offers. According to Armstrong and Kotler (2004), the end aim of any key customer focus in today's business contexts is to build a deep customer relationship that makes an organization an essential partner to its most profitable clients. This is the ultimate goal of any key customer focus. Because the organization as a whole understands and supports the importance of the

customer, the sales team is encouraged to cultivate long-term customer connections by providing more individualized services.

According to Evelyn and Hamadallah (1996), companies engage in sufficient numbers of interactions with customers who significantly differ in terms of their wants, tastes, and expectations. In addition to this, they believe that managing the relationships with their customers can be difficult. The majority of companies today have the opportunity to implement formal customer relationship management programs in order to mitigate the difficulties associated with CRM. CRM programs are typically categorized as either database-driven, which refers to recognizing profitable segments through the use of statistical techniques, or customer-needs-driven, which refers to the use of a database to supply information that is beneficial in the development and maintenance of long term relationships with key customers. In addition, Evelyn and Hamadallah (1996) viewed that customer's needs-driven customer relationship management programs are common with firms that adopt business-to-business marketing strategies because customer's needs-driven customer relationship management programs improve inter-firm relationships. This view was presented in the article titled "Customer's Needs-Driven Customer Relationship Management Programs." In conclusion, key customer focus can be considered a function of customer relationship management of a retailer's integrity as well as firms' ability to perform their services, to keep its promises and commitments, and in general to do the right things consistently. This is because key customer focus is a function of customer relationship management of a retailer's integrity.

(b) Knowledge Management

Knowledge management is a means in which companies capture, organize, manipulate, and share implicit and explicit data with both internal and external users Sin, Alan, & Yim (2005). According to Eid (2007) an organization is said to possess Knowledge only when the available information has been analyzed and effectively used to implement appropriate strategic decisions and actions (Eid, 2007). Whereas Levine (2001) defined it as a process through which information is generated as a result of multidimensional classifications of information in many different environments by multiple users Davenport and Prusak (1998) considered that knowledge management or as it can be seen as the operation and advancement of an association's learning resources which can accomplish the objectives of the association. Serban and Luan

(2002) stated that knowledge management is a deliberate and composed methodology in associations with the goal that they can exploit both unequivocal and implicit learning and, which will prompt the creation of new information. (Serban & Luan, 2002) Grodin (2006) trusted that knowledge management is information obtaining, learning creation and changing it into a usable structure, support and revelation and reuse it (Lytras et al., 2008).

Customer knowledge management is firmly associated with marketing capabilities and it greatly enables organizations to take strategic managerial decisions for improving their performance (Fan & Ku, 2010). To enhance customer profitability, information about customers should be gathered through interactions or touch points across all functions or areas of the firm.

It has been proved that knowledge management is one of the critical factors for success of CRM in a long-term. According to Newell (2000) the real value to a company lies in the value they create for their customers and in the value the customers deliver back to the company. Accordingly, it is important to mark that the value does not lie in more information and in more advanced technology. The value lies in the customer knowledge and in how the company uses that knowledge to manage their customer relationships. Knowledge is the sole of CRM (Rasooli, 2005). The CRM discipline's relationship with KM approaches and technologies has widely been recognized as a relevant field of research (Fahey, 2001). KM can be useful for the success of CRM activity. As a concept, KM process is one of the important factors for achievement of CRM in the long term. (Khaksar, et al., 2011).

Recently, knowledge management appeared to be one of the most vital resources in organizations. it is considered as an approach that supports their continuous seeking for better performance and better competitive advantage. Knowledge management as an approach can be of great help for both governmental and non-governmental organizations. From one side, knowledge management helps organizations to perceive the way that people and human knowledge constitutes as a profitable resource of every organization and highlights the area of human knowledge to effectively contend and get by in today's unpredictable and element world like never before (Afrazeh, 2007). Specialists have given a wide range of definitions for knowledge management. As far as Pet rash, knowledge management is the process of gaining the suitable information from the suitable people at the correct time and the right place, with the goal that they can accomplish the objectives of the association to

utilize information (Nabavi, 2006). Sivan (2001) defined KM as the art of performing knowledge-related actions from organizing, storing, collecting, sharing, disseminating and using knowledge elements consisting of data, information, experience, estimates, intellectual practices, judgments, intellectual initiatives.

Strongly related to knowledge management, successful CRM is predicated on effectively transforming customer information to customer knowledge (Freeland, 2003). Specifically, to enhance customer profitability, information about customers should be gathered through interactions or touch points across all functions or areas of the firm (Brohman et al., 2003), so that a 360-degree customer view is established, maintained, and continually updated (Fox & Stead, 2001). Customer knowledge thereby generated needs to be shared and disseminated throughout the organization to address customers' current and anticipated needs (Peppard, 2000). Salespeople are then equipped with a wealth of valuable customer knowledge to meticulously adjust marketing offers to fit the idiosyncratic needs of each customer" (Armstrong & Kotler, 2003).

Knowledge creation and use of information are the two behavioral practices of knowledge management that enterprises use to build relationships with customers (Zahra & George, 2002). These practices are strongly related to customer relationship management because they are based on getting information from customers, analyzing the acquired knowledge and making it useful to improve business performance (Parvatiyar & Sheth, 2000). As a result, customer data has been recognized as a vital organizational resource in recent years. Sharing customer information within the enterprise and transferring it to the appropriate individuals has been acknowledged as the primary resource that allows a company to enhance its relationship with its customers, gain a durable competitive advantage, and improve its performance (Croteau & Li, 2003).

(c) Technology based CRM

As a result of the customer database and various other information-storing systems, technology that is based on CRM helps businesses to plan and carry out effective marketing campaigns for the purpose of retaining customers over the long term and increasing the profitability of those customers. Roberts, & Hazard (2005). The majority of customer relationship management software programs make extensive use of recent advances in technology by virtue of their capacity to collect and analyze data

on consumer patterns, construct prediction models, and react with appropriate actions. As a result of the customer database and various other information-storing systems, technology that is based on CRM helps businesses to plan and carry out effective marketing campaigns for the purpose of retaining customers over the long term and increasing the profitability of those customers (Roberts, & Hazard, 2005).

The majority of customer relationship management (CRM) applications make excellent use of technological advances by virtue of their capacity to collect and analyze data on customer patterns, develop prediction models, react with timely and effective customized communications, and efficiently deliver personalized value offerings to individual customers. Roberts, & Hazard (2005). The advancement of any company in the field of information technology raises that company's capability of gathering, storing, analyzing, and disseminating information regarding its customers. This ultimately results in an enhancement in the organization's capability of responding to the requirements of the consumers and preserving such relationships. Through the use of customer information systems and the automation of customer support procedures, businesses are able to gain access to the customer values analysis and the personalization of services, both of which are the products of developments in information technologies that represent a departure from the conventional approach to integrated marketing systems (Sin et al., 2005).

According to Abbott et al. (2001), in order to accurately measure the performance of CRM, it is vital to have customer data that is both relevant and reliable. As a result, customer relationship management (CRM) relies heavily on technology in addition to business intelligence in order to collect reliable information regarding customers (Boyle, 2004). Indeed, the growth and enhancement of information technology provide the ability to gather, investigate, and share customer information, which will lead to customer pleasure, customer loyalty, and the retention of customers. These outcomes will result in the retention of consumers (Bulter, 2000). The Customer Relationship Management (CRM) approach calls for "information-wide strategies" that make use of computer technologies in the process of maintaining relationships (Harding et al., 2004). These computer technologies include computer-aided design or manufacturing, data warehouses, data mining, and CRM application systems. These technologies enable businesses to offer maximum customization alongside improved quality and reduced prices. In addition to this, it enables the workers at any and all contact points or touch points to provide improved service to the clients. As a result, a

great number of operations centered on the client would be impossible to carry out without the use of an appropriate technology (Sin et al., 2005).

(d) CRM Organization

In situations in which a company does not have a culture that places a strong emphasis on the cultivation of long-term client relationships, the deployment of CRM may be unsuccessful since the company is not prepared for it (Dutu and Halmajan, 2011). In a same vein, Mechinda and Patterson (2011) noted that firms need to cultivate a climate for service in the workplace in order for service employees to exhibit behaviors that are directed toward the delight of customers (e.g. providing staff with modern tools and technology, customer satisfaction tracking and complaint management systems, inspiring service leadership, and an appropriate reward system). An organization can accomplish the intended employee behaviors that are oriented toward the consumer by basing their policies on these provisions.

Yim et al. (2005) argued that with a strong focus on key customers that are ingrained in an organization's CRM system, the entire company should be organized around cultivating these valuable relationships. They suggested that this could be accomplished by centering the company's operations on the cultivation of these relationships. However, if there is not a full integration of the project into the business, customer relationship management (CRM) will not be successful even if the organization invests in the most cutting-edge technology and strives to develop a customer-centric mindset (Sin et al., 2005). As a result, a successful deployment of CRM is dependent on correctly directing change, changing the organizational structure and processes, and including all members of the company in the project.

According to Liu (2007), organizational structure should also promote communication among functional domains. This is because the information acquired by CRM is only helpful if it is successfully disseminated to all of the relevant departments (Elmuti et al., 2009). In addition, Chang and Ku (2009) reaffirmed that the organization structure plays an essential part in the successful deployment of CRM and, as a result, increases the performance of a business.

2.4 Marketing Performance

Performance is the final result of actions, which includes the actual consequences of the strategic management process. Performance measures how well

an organization meets its goals. The application of strategic management is justifiable on the basis of its capacity to enhance the performance of the firm. The actual output or results of an organization measured against its intended outputs or aims and objectives is what is meant to be included in the definition of organizational performance (Thomas & Hunger, 2010). According to Tamulienė (2004), there is a statistically demonstrated strong positive association between customer retention, customer satisfaction, relationship quality, and switching costs.

The term "marketing performance" relates to the enhancement of an organization's standing in the market, the enhancement of consumers' perceptions of the organization and the items it sells, and the growth in customers' loyalty to the company. In today's world, businesses provide individualized versions of their goods and services to each individual client. Indeed, by tailoring their mass services, these companies can gain a competitive advantage in terms of both the selling of their products and the marketing of their services. Businesses that are successful work hard to transition from providing services on a mass scale to providing individual customer relationship management (Martin & Camero, 2005). Indicators of marketing performance include the retention of existing customers, the attraction of new customers, the satisfaction of existing customers, profitability, increase in sales, and market share. Retaining customers over an extended length of time is referred to as customer retention, and it describes a company's or product's capacity to do so. A high customer retention rate indicates that customers of the product or business have a tendency to return to, continue buying, or in some other way do not defect to using another product or to stop using the product altogether. According to the findings of Gupta et al. (2004), "a one percent improvement in retention can boost firms value by five percent." [Citation needed] Marketers who are interested in enhancing client lifetime value are aware that maintaining existing customers is essential to increasing a company's long-term profitability.

The sales and market share of a corporation are also good indicators of how well a company's marketing efforts are performing (Corvi & Bonera, 2010). It is plain to observe that a company's marketing efforts pay off in the form of increased revenue in the form of sales (Candemir & Zalluhoglu, 2011). The performance of a company's marketing reveals how effectively its marketing efforts increase revenue while simultaneously reducing expenditures. The marketing activities of a firm have a direct influence on the sales that the company generates and the market share that it holds.

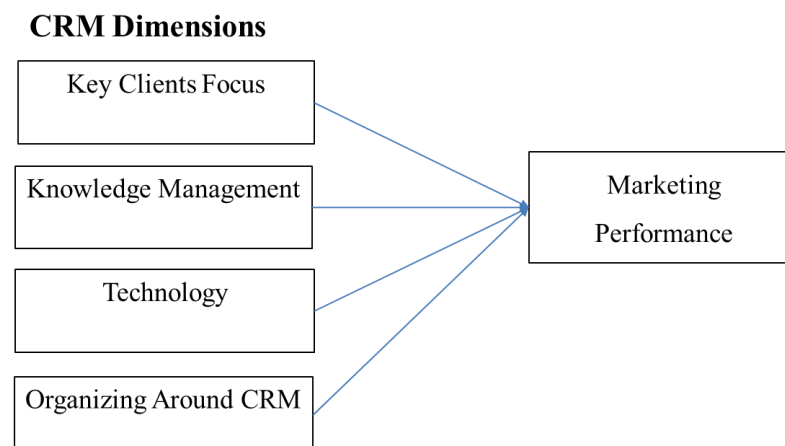
The success of a company is also dependent on its ability to cultivate a favorable public perception of its brand through effective marketing (Madison, 2011).

2.5 Previous Studies

Previous research is absolutely necessary for formulating the study's background idea and conceptual framework in order to ensure its success. In this study, the primary references are to two other studies that were conducted previously.

Tesfaye (2018) conducted the study that was titled "The Effect of Customer Relationship Management on Marketing Performance Case Study On: Zemen Bank S.C.". Zemen Bank S.C. was the subject of the case study. The primary goals of this research are to investigate the impact that key clients focus, customer knowledge management, organization around customer relationship management, and technology-based customer relationship management have had on Zemen Bank S.C.'s marketing effectiveness. In order to collect data for the study, both primary and secondary sources were utilized. The primary data were acquired through the use of a questionnaire using a 5-point Likert scale. Employees of Zemen Bank S.C., including managers, supervisors, and professionals, constituted the study's sample population. The overall number of people who participated in the study was 305, with 34 of them being managers, 21 being supervisors, and the remaining 250 being professionals. The research makes use of a technique called two-stage cluster sampling since the components of the goal can be located in a variety of working units. The conceptual architecture of Tesfaye is seen in figure (2.1). (2018).

Figure (2.1) The Effect of Customer Relationship Management on Marketing Performance of Zemen Bank S.C

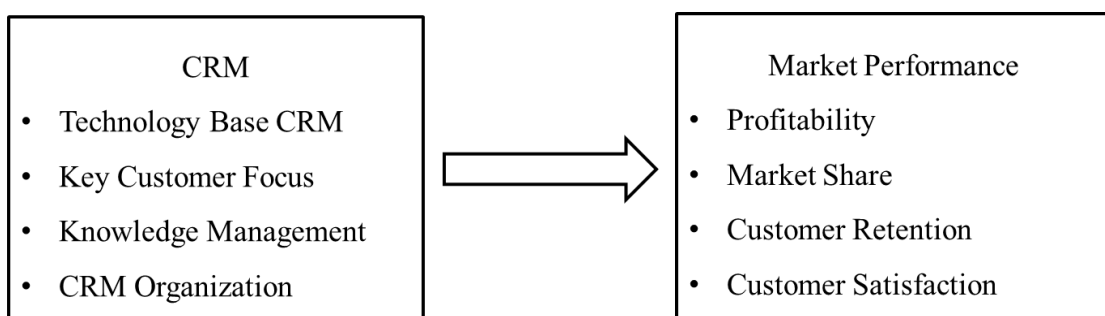


Source: Tesfaye, (2018)

Correlation and multiple regression were utilized in the analysis of the data that was gathered. According to the results of the study, the factor that had the greatest impact on marketing success was key client focus, followed by organizing around CRM and technology. On the other hand, there is no substantial correlation between marketing performance and knowledge management.

The study "Customer Relationship Management and Its Relationship to Marketing Performance of Selected Banks in Addis Ababa" was carried out by Shimelis (2016). He intended to examine the customer relationship management of a number of banks in Addis Ababa and see how that management related to the marketing performance of those banks. Descriptive work was supposed to be accomplished by the study. The research utilized both quantitative and qualitative approaches in equal measure for the investigation. This study's statistical population is comprised of three branches each from the Commercial Bank of Ethiopia, Dashen Bank, and Awash International Bank. Methods of purposeful sampling were utilized in the selection of branches. A self-administered questionnaire has been used throughout the data collection process in order to ensure accuracy. The conceptual framework of is illustrated in figure (2.2). (Shimelis, 2016).

Figure (2.2) Customer Relationship Management and Its Relationship to Marketing Performance of Selected Banks in Addis Ababa



Source: Shimelis, (2016)

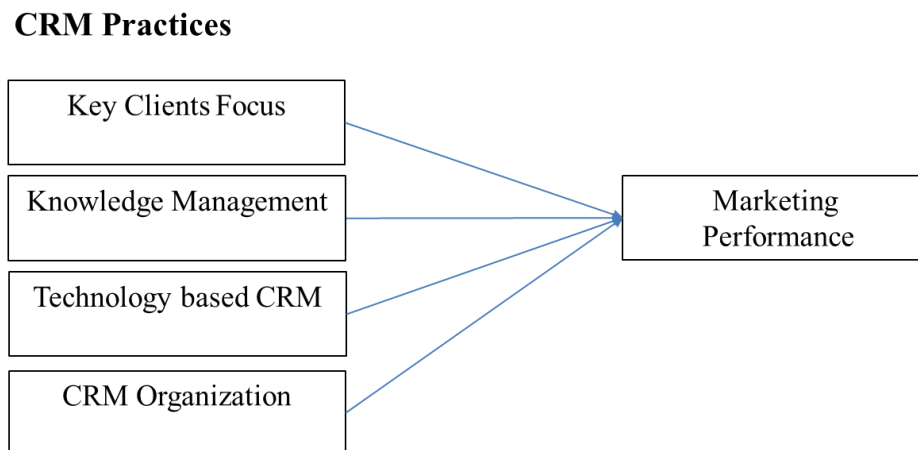
In order to evaluate customer relationship management (CRM) and its connection to marketing performance, a total of 162 questionnaires were handed out to employees of the three branch banks. The vast majority of the questionnaires were filled out and returned, which resulted in a response rate of 96%. In order to conduct an analysis of the research topic that was developed from the previous work done on customer relationship management and marketing performance, the spearman

correlation and descriptive statistics were utilized. The findings of the study suggested, in general, that there was a good connection between customer relationship management and the performance of marketing. In order to evaluate customer relationship management (CRM) and its connection to marketing performance, a total of 162 questionnaires were handed out to employees of the three branch banks. The vast majority of the questionnaires were filled out and returned, which resulted in a response rate of 96%. In order to conduct an analysis of the research topic that was developed from the previous work done on customer relationship management and marketing performance, the spearman correlation and descriptive statistics were utilized. The findings of the study suggested, in general, that there was a good connection between customer relationship management and the performance of marketing.

2.6 Conceptual Framework of the Study

According to the theoretical background, literature review, and previous models, the conceptual framework of the study is developed. Figure (2.3) presents the conceptual framework of the study.

Figure (2.3) Conceptual Framework of the Study



Source: Own Complication Identified as CRM Practices of KBZ Bank, 2023

As can be seen in Figure (2.3), the KBZ bank employs a total of four CRM practices in their operations at this time. The key clients focus, knowledge management, technology based CRM, and CRM organization are the CRM practices. By directing individuals' attentions in a specific direction, as CRM practices intends to do, the

corporation hopes to improve its marketing performance. This study investigates which CRM variables have an impact on marketing performance in order to determine the efficiency of customer relationship management (CRM). In addition to this, it investigates which CRM practices are the most important contributors to the successful marketing performance of KBZ Bank.

Table (2.1) Working Definitions

| No. | Variables | Working Definitions |
|-----|-----------------------|--|
| 1. | Key Client Focus | Employee of KBZ Bank are cared to every interaction that helps the key customers by listening to the voice of customers, and trying to improve and identify opportunities for innovation or improvement. |
| 2. | Knowledge Management | Knowledge management is the process of capturing, storing and sharing the knowledge and experience to increase the workforce's overall knowledge, improve productivity and retain critical information. |
| 3. | Technology Based CRM | Customer relationship management (CRM) records the buying behaviors and characteristics of customers. Organizations could use those records while creating or providing products and services. |
| 4. | CRM Organization | It means how the company organizes to achieve the organizational goals by setting up relevant organizational structure, organization-wide resources, and human resources management. The organizational arrangement and structure need to be flexible and, if necessary, reassembled to generate customer-centric values and develop coordination of customer-focused, cross-functional teams in order to attract potential pool of customers. |
| 5. | Marketing Performance | It refers to sales growth, deposit growth, retaining existing customers, promoting and attracting new customers. In addition, it also relates to the enhancement of organizational performance in the market. |

CHAPTER 3

PROFILE AND CUSTOMER RELATIONSHIP MANAGEMENT (CRM) PRACTICES OF KBZ BANK

This chapter presents the four sections. Firstly, it presents the KBZ's profile and organizational structure. Secondly, it presents the products and services of KBZ. Finally, CRM practices of KBZ bank are presented.

3.1 Profile of Kanbawza Bank

Kanbawza Bank, sometimes known as KBZ, is one of the most successful private banks in Myanmar. In accordance with the statute governing the Central Bank of Myanmar and the Myanmar Financial Institutions and Banking Law, KBZ Bank was established on July 1, 1994 in the city of Taunggyi, which is located in the state of Southern Shan. The Shan people are an ethnic group who live in the Republic of the Union of Myanmar. The word Kanbawza comes from their old name for their state. KBZ Bank was established in Taunggyi, the capital of Shan State in Myanmar, by U Maung Maung Myaing, Chairman of EYE Group, and Daw Hla Hnin Khaine, a professor at Taunggyi University. KBZ Bank is located in Taunggyi. Taunggyi was the location of the first KBZ Bank branch to open. U Aung Ko Win, who took over senior management level in 1995 and he rebuilt the organization structure of the banking company to become Myanmar's largest private bank, reformed the structure of the organization in 1995. The second location of KBZ Bank was given permission to open for business by the Central Bank of Myanmar (CBM) in the year 1999. The headquarters of KBZ Bank were relocated to Yangon in April of the year 2000. Myanmar's commercial center and the Mingalar Zay Branch, which is its first branch outside of the Taunggyi Shan State, opened recently. At the moment, KBZ Bank has more than 400 locations around the country, together with approximately 1300 automated teller machines (ATMs), 9 million KBZ Pay consumers, approximately 46,000 KBZPay Agents, approximately 240,000 KBZPay Merchants, and 34 KBZ Pay centers. KBZ Bank was given an Authorized Dealer License (ADL) by the Central Bank of Myanmar in November 2011, which was the first step toward the bank's ability to engage in international banking operations. In 2012, KBZ bank was the first in Myanmar to open the country's first automated teller machine (ATM) and to issue

the country's first bank debit card. Additionally, KBZ bank was the first bank in Myanmar to expand globally by creating representative offices in other countries. It has a market share of forty percent among retail and corporate customers, as well as twenty-four thousand employees and more than four hundred outlets. To achieve financial inclusion for all of Myanmar's population in 2019, promote KBZ Pay, a mobile money service that can handle large scale transactions, through regional sales events. The banking industry is essential to the growth of the country and has been the industry that pays the most in corporate taxes for the past six years in a row. Banks have made major contributions toward the improvement of the banking sector. The EDGE designation, which stands for Economic Dividends for Gender Equality, was awarded to KBZ Bank. The world's most widely used evaluation and certification standard for gender equality, which was first introduced by the World Economic Forum in 2011. In order to revamp the manner in which it carries out its Corporate Social Responsibility (CSR) initiatives, KBZ Bank establishes a committee known as the Social Purpose and Impact Partnership (SPIP). The objective is to make certain that the levels of professionalism and transparency achieved are commensurate with those of the world community. As a result of KBZ Bank's contributions to CSF, Present U Thein Sein bestowed upon the bank the Presidential Award for Outstanding Achievement. It is given to U Aung Ko Win, Chairman Emeritus of KBZ, as a token of appreciation. U Aung Ko Win, Chairman Emeritus, was presented with the Wunna Kyaw Htin Tharay Sithu award. It is the highest honor a citizen of Myanmar may achieve in the country.

The following are Vision, Mission and Core Values of KBZ bank.

Vision: to be the best-managed bank in the world. To achieve this, since 2017 we have undergone the most radical and ambitious transformation in our history, guided by the international best practices. The transformation focused is the introduction of new technologies and new leadership approaches. As strengthen the Myanmar of today, and lay the foundations for the Myanmar of tomorrow through the following

Mission statement:

- (a) To 100% Financial Inclusion in Myanmar: committed to bringing exceptional banking services and unrivaled customer experience to all people in Myanmar, backed by strong expertise and infrastructure.
- (b) To Service Leadership in ASEAN 2024: constantly pushing ourselves to the highest of standards, we will grow the bank into the region's leading

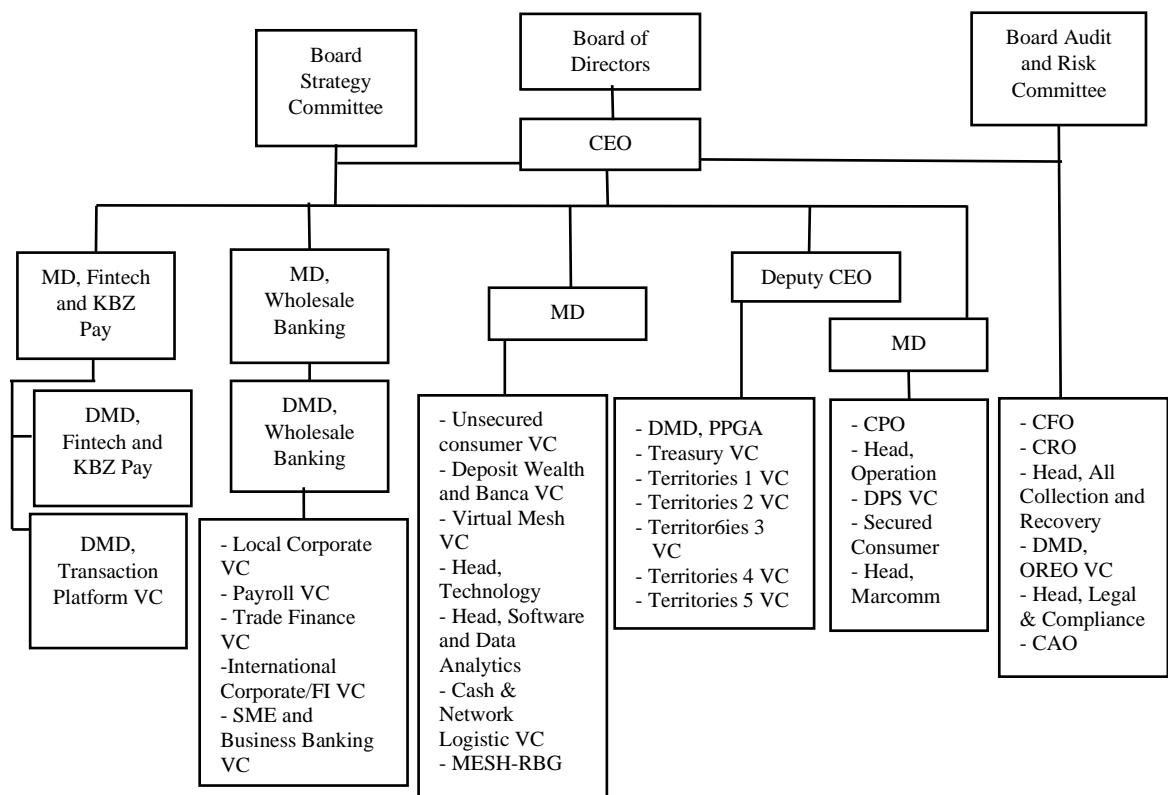
customer-centric financial services provider.

Core Values: The KBZ Bank's actions and decisions are directed by the values and principles that permeate the entire organization. Therefore, employees act in accordance with three values: loving kindness (Metta), perseverance (Thet Ti), and courage (Virya). Research is carried out by KBZ under the motto "Strength of Myanmar," and the company is in the driving seat. Additionally, the goal of KBZ Bank is to not only become the best bank in the world, but also to provide the people of Myanmar with complete access to financial services. Following a period of transition and reform lasting three years, we are now in a strong position to accomplish these objectives. Today, the business model is designed to take advantage of Myanmar's increasingly educated population, its young workforce, an accelerated digitization, community entrepreneurship, and innovative spirit. Additionally, the model benefits the community and contributes tangible value to Myanmar's economy.

3.2 Organization Structure of Kanbawza (KBZ) Bank

In this section, organization structure and roles and responsibilities at KBZ bank are stated. Firstly, Organization structure is illustrated in Figure (3.1).

Figure (3.1) Organization Structure of Kanbawza Bank



Source: Kanbawza Bank Ltd, (2022)

In accordance with the framework of the KBZ Bank organization, there are fourteen value centers, eight functions, and five territories. KBZ Bank is composed of departments for all value centers and functions with the exception of MESH, RBG, PPGA, CPO, CFO, CRO, and CAO. They are referred to as Wholesale Banking, Local Corporate, Payroll, Trade Finance, International Corporate/FI, SME and Business Banking, Transaction Platform, Unsecured consumer, Deposit Wealth and Banca, Virtual Mesh, Cash & Network Logistic, Treasury. Five Territories are Territories 1, Territories 2, Territories 3, Territories 4 and Territories 5. In addition to this, there are eight functions, which are known as Fintech and KBZ Pay, Technology, Software and Data Analytics, Operation, Secure Consumer, Marcomm, Collection and Recovery, and Legal and Compliance. The management of each Value Center and Function is handled by one Deputy CEO and four Managing Directors respectively. The organizational structure of KBZ bank is depicted in figure (3.1).

3.3 Customized Products

KBZ Bank is a financial institution in Myanmar offering banking services to consumers. Major products of KBZ Bank includes E-Fixed Deposit, PayAdvance, and KBZ QuickPay (Cash Collection Service).

(1) E-Fixed Deposit

Customers have the ability to open and apply for their own e-Fixed Deposit Accounts via the internet and mobile banking at any time and from any location. E-fixed deposits can be applied for by individual accounts with a minimum of 10,000 MMK. E-fixed deposits can be applied for with a minimum of 100,000MMK for corporate and business accounts. Customers on an individual basis, as well as organizations and corporations (companies and businesses), have the ability to open an E-Fixed Deposit using KBZ online and mobile banking at any time, eliminating the need to physically visit the bank.

(2) PayAdvance

PayAdvance is the product that enables employees to get fifty percent of their monthly salary at the middle of the month via KBZPay. PayAdvance can be accessed by employees. Door step Banking, in addition to all company clients who signed up for the PayAdvance service, enrolled their employees in the PayAdvance portal so that they

might be eligible for PayAdvance. As long as you are an employee of the organization, PayAdvance can be paid off quickly and easily using the KBZPay application wallet. In order for businesses to place a call, they will first need to register for PayAdvance services and establish contact with the payroll department at KBZ.

(3) Door step Banking

This service is available for use by any and all corporate companies, be they domestic or international. Customers who are appreciated by KBZ Bank and who use its goods and services can take advantage of the Cash Pick Up and Delivery service that is offered by Door Step Banking. Customers are able to conveniently withdraw or deposit cash without having to make a trip to the bank from the comfort of their own homes or places of business. During the first month after signing up for the service, customers can take advantage of up to three door-to-door cash withdrawals and delivery services anywhere in Yangon at no additional cost. (Clients are expected to pay the service fee as well as insurance for the desired service after they have received three times of that particular service.) They have access to home cash withdrawal and delivery services beginning at a minimum of 2 million MMK and with no limit on the maximum amount that can be withdrawn or delivered. This service is available for use by any and all corporate companies, be they domestic or international. Customers who are appreciated by KBZ Bank and who use its goods and services can take advantage of the Cash Pick Up and Delivery service that is offered by Door Step Banking. Customers are able to conveniently withdraw or deposit cash without having to make a trip to the bank from the comfort of their own homes or places of business. During the first month after signing up for the service, customers can take advantage of up to three door-to-door cash withdrawals and delivery services anywhere in Yangon at no additional cost. (Clients are expected to pay the service fee as well as insurance for the desired service after they have received three times of that particular service.) They have access to home cash withdrawal and delivery services beginning at a minimum of 2 million MMK and with no limit on the maximum amount that can be withdrawn or delivered.

(4) KBZ QuickPay (Cash Collection Service)

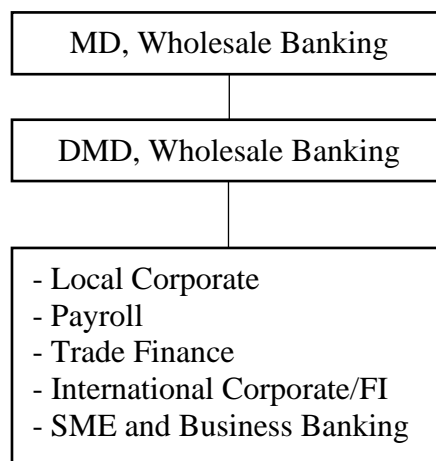
This service is available to all business customers, whether they are individuals or corporations. Cash is collected using a service known as "KBZ QuickPay," which

acts as a go-between for corporate retailers and the customers they serve. All of the funds will be collected in real time over the counter at each and every KBZ branch as well as through the KBZ internet banking system. Keeping the monetary resources of the organization under swift and effective control while also facilitating their use.

3.4 Customer Relationship Management of KBZ Bank

KBZ Bank CRM Portal was launched in late 2020 under the direction of the CEO. Currently, five departments under wholesale banking have been using CRM practices. Those departments are shown in Figure (3.2).

Figure (3.2) CRM Using Management Chart



Source: Kanbawza Bank Ltd, (2022)

At KBZ Bank, the primary goals of implementing CRM are to have a good relationship with the bank's customers, to keep existing customers, to keep the customer who left, to acquire new customers, and to maintain daily contact with existing customers. Other secondary goals include retaining the customer who left the bank. By doing research on the requirements of consumers, KBZ also intends to enhance the number of products it offers for sale.

(i) Local Corporate Department

Local Corporate is a department that offers cross-selling, up-selling, and banking relationship management services. This department is also closely responsible for all Public and Private Corporate Customers operating locally, such as Companies, Businesses, and Organizations. Local Corporate There are suitable relationship

managers assigned to each company in accordance with the industry sector, and this department is responsible for providing in-depth advisory services for the banking services required by customers. The local corporate department is in charge of offering communication services to companies who have more than 100 employees and annual revenue that is greater than MMK2.5 billion. In addition, this department offers services linked to corporate loans and credit related activities.

(ii) International Corporate & Financial Institutions Department

The Foreign Corporate department is in charge of providing banking relationship management services, as well as cross-selling and up-selling to international firms, multi-national enterprises, international organizations (NGOs/INGOs), and embassies that are located in Myanmar. This department functions as a financial institution that is responsible for the relationships with and banking services provided by International Banks and Representative Offices of International Banks.

(iii) SME and Business Banking Department

The SME and Business Banking department is in charge of offering various services to small and medium-sized enterprises (SMEs) that are run in the local community. The Small and Medium-Sized Enterprise (SME) section offers responsible services to companies that have fewer than 100 workers and annual revenues of fewer than MMK 2.5 billion. This department offers services connected to small and medium-sized enterprise (SME) loans as well as activities related to credit, and it is staffed with relationship managers who accept personal responsibility.

(iv) Trade Finance Department

The department of Trade and Finance is in charge of the company's export and import trading activity. Trade Finance is a specialist company that focuses on offering appropriate trade products and services, and it assigns a relationship manager to each company it works with. Trade Finance is in charge of the distribution of products that are connected to trade. This department works closely with the local corporate, international corporate, and SME departments, as well as with the bank branches, to provide additional customer services.

(v) Payroll Department

The Payroll Department is a department that offers specialized services solely for significant Payroll Services with applicable Relationship Managers for each organization. These services are provided by the department known as the Payroll Department. Cooperate with local corporate, multinational corporate, small and medium-sized business departments, and bank branches to provide additional customer services. It is the responsibility of the Payroll Department to produce items that are relevant to payroll.

In general, there are four approaches, and they are as follows: key client focus, knowledge management, technology-based CRM, and CRM organization.

(a) Key Client Focus

By concentrating on the needs of key customers, KBZ Bank hopes to improve the quality of service it provides. The following customer classification is carried out first because of the enormous number of customers that KBZ Bank has. This is done as part of the bank's Key Client Focus initiative. The several categories of KBZ Bank's most valuable customers are outlined in Table (3.1).

Table (3.1) Classifications of Key Clients

| Parameters | Silver | Gold | Diamond | Platinum |
|---|----------------------------|-----------------------------------|-------------------------------------|----------------------|
| Transaction value (Dr/Cr/FX/CBM) | MMK 1.0 B < | > MMK 1.0 B - MMK 5.0 B | > MMK 5.0 B to MMK 10 B | > MMK 10.0 B |
| Transaction Volume (per month transactions) | 5 < | > 5 to 10 | > 10 to 20 | > 20 |
| Cross sales in KBZ | CASA Only | CASA + 1 product | CASA + 2 products | CASA + 3 products |
| Average Monthly Balance with KBZ | MMK 100 Mil | > MMK 100 Mil - MMK 500 mil | > MMK 500 Mil - MMK 1,500 Mil | > MMK 1,500 Mil |
| Total Credit Limit | > MMK 1.0 B - MMK 3.0 B | > MMK 3.0 B - MMK 8.0 B | > MMK 8.0 B - MMK 15.0 B | > MMK 15.0 B |

Source: Kanbawza, (2023)

Table (3.1) reveals that the KBZ bank has four major client rankings that are determined by the total deposit amount. Customers who maintain a monthly total deposit balance of one hundred million MMK are considered to be Key Clients. Key clients are customers who engage in multiple transactions on a daily basis. However, beginning with Platinum subscribers, daily calls and treatment calls will be initiated in a phased fashion. The KBZ bank would like to hear the feedbacks regarding the ease or difficulty of using the products and services that are currently available. KBZ bank investigates the situation in order to determine the cause of a decrease in the volume of transactions used in the bank as well as the deposit balance. If there was an issue with the service, just quick action will be taken. If the officers at KBZ bank are unable to make a decision or take action right away, the relevant management will give a solution for the situation. The CRM database allows KBZ bank to provide customers with individualized products and services. In addition, the bank will onboard the customer and introduce goods to them that correspond to the customer's business conduct while also updating the customer on the status of their account. Following the completion of the onboarding process, the bank personnel will continue to take care of customers by calling them again.

(b) Knowledge Management

As a result of the fact that KBZ bank builds a system, the bank is in a position to disseminate information concerning CRM technology, host training sessions to simplify its use, provide user manuals, make available technology, and facilitate networking. KBZ Bank integrates the customer relationship management system with the basic banking system. After that, KBZ bank offers training sections to make certain that each employee is able to comprehend and utilize CRM data. The workers at KBZ bank are given the responsibility of contacting the consumers, and the bank positions them as the primary contact point. Management ensures that all of the personnel who will be providing such personal services to customers have received the appropriate training. In addition, KBZ Bank offers training on a variety of different items, including product training, sale training, marketing training, crucial selling training, credit management training, and so on. KBZ bank is also responsible for setting the user's privileges, which enables the bank's workers to access specific client information at each touch point. KBZ performs real time updates on the client database, which ensures that the information is always current and can be used to better help staff.

(c) Technology Base CRM

The Customer Relationship Management system of KBZ is implemented as a web portal and accessed via that portal. The site has a number of different customer lists. Customers who are affiliated with the corporation are the responsibility of the corporate department. Using the list of corporate customers, KBZ Bank delivers responsible service to the major customers by assigning relevant workers to such accounts. In order for responsible employees to make use of the portal, they will need to have a login and password. Users need to be able to easily navigate the dashboard, settings, and content of the portal in a short amount of time. KBZ bank builds CRM system to be user friendly. The comments and feedback that are obtained from major customers are written in the remark box after each time an employee contacts that client. As a result, employees can refer back to those reviews in the future. The specific information on each service and call is documented in each applicable customer account together with the exact date and time of the occurrence. The management is able to get a clear picture of what the teams and employees in each department are working on, as well as their performance and whether or not they are maintaining active and close touch with customers and other employees thanks to these reports. In addition, the technology allows users to view the call and transaction frequency that has occurred. However, KBZ Bank does not frequently refresh the CRM system. Because of this, the system is unable to manually update the customer information, which can be time-consuming and occasionally frustrating. Because of this, personnel are occasionally unable to refer to the most recent updated customer information while providing service.

(d) CRM Organization

For the purpose of tracking and monitoring the customer's performance, a tracking record is created. In order to keep its most valuable customers, KBZ bank provides excellent customer service to its current clientele and uses CRM. When there are customer concerns, the management team at KBZ comes up with the necessary solutions. After that, and only then, will we be able to work quickly in the operational aspect, which will result in the customer being happy. In addition, representatives from KBZ will arrange a meeting with the customer, travel to the customer's location, and provide comprehensive service all at one location. In the past, in order to provide services that were in line with what consumers required or desired, KBZ bank would

make educated guesses about their customers' expectations by consulting the database. Sharing sessions on KBZ Bank's products are held occasionally in order to simplify the bank's services and make them more accessible to clients. For example - Mobile banking, internet-banking etc. In addition, in order to provide superior customer service, KBZ bank recognizes and compensates its workers who go above and beyond.

CHAPTER 4

ANALYSIS ON THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) PRACTICES ON PERFORMANCE

This chapter is broken up into five different pieces. The research design is presented in the first portion, followed by the reliability test in the second section. The third section contains profiles of the people who responded to the survey. The fourth segment gives the workers' perspectives on the customer relationship management aspects of KBZ bank. In the final section, the results of the regression analysis that was performed to determine the connection between CRM practices and marketing performance are presented.

4.1 Research Design

In order to obtain the results that were needed and to provide a description of the connection between customer relationship management and marketing performance, this study made use of both descriptive statistics and quantitative research methodologies. In terms of the data, it was gathered through a combination of primary and secondary data collection approaches. The calculation was based on an interval of confidence that was 95 percent certain. Simple random sampling was used to collect the primary data, which came from a sample population of 120 people consisting of 80 percent of employees from five different departments (Local Corporate, International Corporate and Financial Institution, SME and Business Banking, Trade Finance, and Payroll Department). In order to collect this information, a survey questionnaire was constructed, and then this questionnaire was transformed into Google surveys and forms.

The study was carried out in the month of February in 2023. The structured questionnaire has been thoughtfully prepared, and it contains a Likert scale with five points to measure the effect that different styles of leadership have on work satisfaction and staff performance. Secondary data are gathered from a variety of sources, including the records of the KBZ Bank, previously published articles and research papers, pertinent text books, and worldwide studies conducted online through Internet databases.

4.2 Reliability Test

Within the context of the structured questionnaire, reliability refers to a measurement of the stability or consistency of a variable. The Likert scale is used to construct the questions that will be asked. Cronbach's Alpha was used to conduct the reliability test, and the results are provided in Table below (4.1).

Table (4.1) Reliability Test

| Sr. No. | Variable | No. of Items | Cronbach's Alpha | Reliability Level |
|----------------|-----------------------|---------------------|-------------------------|--------------------------|
| 1 | Key Client Focus | 7 | .878 | Reliable |
| 2 | Knowledge Management | 7 | .805 | Reliable |
| 3 | Technology Based CRM | 7 | .869 | Reliable |
| 4 | CRM Organization | 7 | .835 | Reliable |
| 5 | Marketing Performance | 7 | .884 | Reliable |

Source: Survey Data, 2023

The results of Cronbach's Alpha for each variable are presented in Table (4.1), and it can be seen that all of the scores are higher than 0.7. As a result, we can say that it has a high degree of reliability, and the findings are applicable to this research.

According to Fen and Randall (2018), the range of possible values for reliability coefficients is from 0 to 1, with 0 denoting the least trustworthy possible value and 1 indicating perfect dependability. Table 4.2 provides an illustration of the reliability value known as Cronbach's alpha (Hair et al., 2010).

Table (4.2) Cronbach's Alpha Level of Reliability

| Sr. No. | Cronbach's Alpha Score | Reliability Level |
|----------------|-------------------------------|--------------------------|
| 1 | 0.0-0.20 | Less Reliable |
| 2 | >0.20-0.40 | Rather Reliable |
| 3 | >0.40-0.60 | Quite Reliable |
| 4 | >0.60-0.80 | Reliable |
| 5 | 0.80-1.00 | Very Reliable |

Source: Hair et al., 2010

4.3 Profile of the Respondents

Using a standardized questionnaire, primary data were collected from 120 KBZ employees. It is also vital for the research to have a profile of the respondents in order to accurately identify the characteristics of the persons. The demographic information of the respondents is presented in table (4.3).

Table (4.3) Demographic Data of the Respondents

| Sr. No | Item | Category | No. of Respondents | Percent |
|--------|-----------------|----------------|--------------------|---------|
| | | Total | 120 | 100 |
| 1 | Gender | Male | 44 | 37 |
| | | Female | 76 | 63 |
| 2 | Marital Status | Single | 70 | 58 |
| | | Married | 50 | 42 |
| 3 | Age (Years) | below 20 | 2 | 2 |
| | | 20-25 | 10 | 8 |
| | | 26-30 | 30 | 25 |
| | | 31-35 | 31 | 26 |
| | | 36-40 | 30 | 25 |
| | | 41-45 | 11 | 9 |
| | | Above 45 | 6 | 5 |
| 4 | Education Level | Under graduate | 4 | 3 |
| | | Graduate | 72 | 60 |
| | | Post Graduate | 43 | 36 |
| | | Other | 1 | 1 |
| 5 | Position | Junior staff | 7 | 6 |
| | | Senior staff | 11 | 9 |
| | | Supervisor | 27 | 23 |
| | | Manager | 47 | 39 |
| | | Other | 28 | 23 |

| | | | | |
|---|--------------------|------------------|----|----|
| 6 | Working Experience | Less than 1 year | 11 | 9 |
| | | 1 - 3 years | 44 | 37 |
| | | 5-8 years | 34 | 28 |
| | | Above 8 years | 31 | 26 |

Source: Survey Data, 2023

It is also vital for the research to have a profile of the respondents in order to accurately identify the characteristics of the persons. Among the 120 people who participated in the survey, Table (4.3) shows that the majority of the respondents are single and that the majority of the respondents are female. The age ranges from 31 to 35 years old represents the largest age group. Due to the fact that the organization primarily recruited educated individuals, the vast majority of the persons who participated in the survey have at least a bachelor's degree. The respondents for this survey were from a variety of employment positions; however, the bulk of them held the position of manager, and others included officers who are currently making use of a CRM system. The job positions of the respondents were taken into consideration for this survey. The majority of those who responded had an employment history ranging from one to three years with the KBZ bank.

4.4 Descriptive Analysis of CRM Practices and Marketing Performance

This section gives an analysis of CRM Practices and marketing performance of KBZ bank. The data for this analysis was collected from 120 employees who are working at the departments applied CRM system through the use of a standardized questionnaire.

4.4.1 CRM Practices

In this part of the chapter, customer relationship management (CRM) is broken down into four different practices: key client focus, knowledge management, technology based CRM, and CRM organization. The success of CRM within the organization can be defined by these four pillars taken together.

(a) Key Client Focus

The term "key client focus" refers to the requirement that the business, its personnel, and its procedures all have to be customer-focused in order for the CRM strategy to be successfully implemented. Businesses that place a great emphasis on their customers cultivate a company culture that is committed to boosting customer satisfaction and developing robust relationships with their clientele. The survey is conducted with a standardized questionnaire that includes a Likert scale with 5 points, and the findings are shown in Table (4.4).

Table (4.4) Key Client Focus

| Sr. No. | Key Client Focus | Mean Score | Std. Dev |
|----------------|---|-------------------|-----------------|
| 1. | KBZ works with individual key customer through continuous communication to customize offerings. | 3.92 | 0.72 |
| 2. | The employees in KBZ bank treat customers with great care. | 3.92 | 0.68 |
| 3. | KBZ bank makes an effort to find out what key customer needs. | 3.96 | 0.83 |
| 4. | KBZ bank provides customized services to key customers. | 3.83 | 0.85 |
| 5. | KBZ bank makes coordinated effort to meet their demand. | 4.08 | 0.74 |
| 6. | KBZ bank has four levels of key customers (silver, gold, diamond, and platinum) based on total balance. | 4.03 | 0.67 |
| 7. | If the deposit balance is down, KBZ bank asks the reason, and fulfills the needs of customers. | 4.14 | 0.91 |
| | Overall Mean | 3.96 | |

Source: Survey Data, 2023

According to Table (4.4), the highest mean score of 4.14 demonstrates that the respondents are confident that KBZ finds out the reason, and provides the solution through officers or the relevant management if the deposit balance is down. Additionally, the respondents believe that KBZ provides the solution through officers or the relevant management. According to the respondents, KBZ bank makes an effort to reach clients' need and introduces products that match the customer's business

activity, which received the second highest mean score of 4.08 out of a possible total of 10. The lowest possible mean score of 3.83 indicates that the respondents are in agreement with the statement that KBZ customized services to key customers and that KBZ makes phase by phase daily calls and treatment calls for comments about the convenience and inconvenience of the products and services that are currently being used. The fact that KBZ bank has an overall mean score of 3.96 indicates that they are successfully managing their major client focus, and the respondents have a favorable opinion of the service.

(b) Knowledge Management

By ensuring that customer data is always accurate and up to date, a knowledge management system for customer care can significantly increase the success of CRM. The opinions of the respondents are presented in this section regarding the knowledge management CRM of KBZ bank. The survey is conducted with a systematic questionnaire that includes a Likert scale with five points, and the findings are shown in Table (4.5).

Table (4.5) Knowledge Management

| Sr. No. | Knowledge Management | Mean Score | Std. Dev |
|---------------------|--|-------------------|-----------------|
| 1. | KBZ bank uses customer information to identify appropriate channel of Communication. | 3.94 | 0.78 |
| 2. | KBZ bank clearly understands key customers' need and offers customization through knowledge learning. | 3.92 | 0.67 |
| 3. | KBZ bank collects and updates customer information on a regular basis. | 3.98 | 0.85 |
| 4. | KBZ bank regularly interacts and communicates with its customers to create good relationship with them. | 3.88 | 0.85 |
| 5. | KBZ staff have good knowledge about customers. | 4.09 | 0.82 |
| 6. | Customers' information is updated regularly. | 3.99 | 0.73 |
| 7. | Individual customer information is made available through core banking system at every point of contact. | 3.78 | 0.85 |
| Overall Mean | | 3.93 | |

Source: Survey Data, 2023

According to Table (4.5), the highest mean score, 4.09, describes that the respondents state that KBZ staff have good knowledge about the clients because KBZ bank provides the training for the customer care and applies CRM data and assigns the employee to customers set as the main contact point. This is because KBZ bank provides the customer care and assigns the employee to customers set as the main contact point. The second highest mean score, 3.99, indicates that the respondents are in agreement that KBZ updates its customer database in real time because the information is so current to assist customers. The lowest possible mean score of 3.78 indicates that the respondents believe that KBZ builds a system and links its CRM system with its core banking system in order to ensure that individual customer information is accessible at every point of interaction. The respondents have a favorable opinion of the knowledge management CRM offered by KBZ bank, as indicated by the positive overall mean score of 3.93.

(c) Technology Based CRM

The most fundamental functions of CRM technology are the collection and storage of data, and CRM, being a more advanced system, provides assistance in improving customer satisfaction. The customer relationship management (CRM) system allows you to consolidate, unify, and concentrate all of the essential company data and customer information in a single location. The responses of the people who took the survey are displayed in this area, and they discuss how they feel about KBZ bank's implementation of the technology-based CRM. The survey is conducted with a systematic questionnaire that includes a Likert scale with five points, and the findings are shown in Table (4.6).

Table (4.6) Technology Based CRM

| Sr. No. | Technology Based CRM | Mean Score | Std. Dev |
|---------------------|--|-------------------|-----------------|
| 1. | KBZ Bank maintains a comprehensive database of our customers. | 3.89 | 0.68 |
| 2. | KBZ Bank has the right software to serve customers. | 3.90 | 0.65 |
| 3. | KBZ Bank has the right hardware to serve customers. | 3.82 | 0.83 |
| 4. | KBZ Bank has the right technical personnel to provide technical support for the utilization of computer technology in building customer relationships. | 3.78 | 0.81 |
| 5. | Individual customer information is available at every point of contact. | 3.93 | 0.80 |
| 6. | CRM system is available at all branches. | 3.91 | 0.84 |
| 7. | There is an act of deploying technologies to communicate with customers. | 4.08 | 0.88 |
| Overall Mean | | 3.89 | |

Source: Survey Data, 2023

According to Table (4.6), the respondent's perception that KBZ constructs a web portal where the customers' data can be stored so that the bank can communicate with customers more efficiently has the highest mean score of 4.08. This indicates that the respondents believe that KBZ can communicate with customers more effectively. Because CRM of KBZ is placed as a web portal, and all customers are listed in the on the portal, the second largest mean score was 3.93, which shows that the respondents are confident that individual customer information is available at every point of contact. This is shown by the fact that the score was the second largest mean score. The lowest possible mean score of 3.78 indicates that KBZ recruits the relevant personnel who are required to have a username and password in order to utilize the portal, and that the dashboard, settings, and material contained inside the portal are required to be user pleasant. The respondents are pleased with the technology-based CRM that is utilized in KBZ bank since it is simple to use and there is a CRM system available at all of the bank's branches, as indicated by the overall mean score of 3.89.

(d) CRM Organization

The customer relationship management (CRM) organizational methodology prioritizes the requirements of the client over those of the company. The responses of the respondents are reported in this section, which discusses the utilization of CRM organization in KBZ bank. The survey is conducted with a standardized questionnaire that includes a Likert scale with 5 points, and the findings are shown in Table (4.7).

Table (4.7) CRM Organization

| Sr. No. | CRM Organization | Mean Score | Std. Dev |
|----------------|--|-------------------|-----------------|
| 1. | Customer-centric performance standards are established and monitored at all customer touch points. | 3.88 | 0.68 |
| 2. | KBZ Bank has established clear business goals related to customer acquisition, development, retention, and reactivation. | 3.99 | 0.72 |
| 3. | KBZ Bank has the sales and marketing expertise and resources to succeed in Customer Relationship Management. | 3.79 | 0.77 |
| 4. | KBZ Bank commits time and resources to managing customer relationships. | 3.92 | 0.83 |
| 5. | Employee performance is measured and rewarded based on meeting customer needs and successfully serving them. | 3.97 | 0.56 |
| 6. | Employee training programs are designed to develop the skills required for acquiring and deepening customer relationships. | 3.98 | 0.63 |
| 7. | KBZ Bank structure is meticulously designed around customers. | 3.95 | 0.65 |
| | Overall Mean | 3.96 | |

Source: Survey Data, 2023

According to Table (4.7), the respondent's highest mean score of 3.99 indicates that they believe KBZ set clear business goals related to the customer acquisition, development, retention, and reactivation as KBZ constructs a tracking record and observes the customers' performances. These goals are related to customer acquisition,

development, retention, and reactivation. The fact that the respondents gave a mean score of 3.98, which is the second highest possible, demonstrates that they are in agreement that the staff coaching program is designed to develop the skills for customer relationship. This is due to the fact that management provides the necessary training to employees who will provide such close services to the client. The respondents agree that KBZ Bank has the sales and marketing expertise and resources to succeed in Customer Relationship Management, according to the response with the lowest mean score of 3.79. They also agree that KBZ recruits qualified employees, provides the necessary training, and grants the reward and benefits to outstanding employees. The respondents are satisfied with the CRM organization that is performed in KBZ, as indicated by the total mean score of 3.96, because the bank established clear business goals, designed required training, and adequate experienced staff to handle customer care.

Table (4.8) CRM Practices

| Sr. No. | CRM Practices | Mean Score |
|----------------|----------------------|-------------------|
| 1. | Key Client Focus | 3.96 |
| 2. | Knowledge Management | 3.93 |
| 3. | Technology Based CRM | 3.89 |
| 4. | CRM Organization | 3.96 |

Source: Survey Data, 2023

It can be shown in Table (4.8) that all of the mean ratings for CRM practices are higher than 3.00. As a result, one can get the conclusion that the CRM procedures utilized by KBZ bank are successful. The primary effective aspects for the staff to perform well are, among others, a focus on key clients and the organization of CRM systems.

4.4.2 Marketing Performance

The relationship between the marketing team's declared aims and objectives and the actual results is what constitutes "marketing performance." In this section, the responses of the respondents are gathered regarding the performance of the marketing. The survey is conducted with a systematic questionnaire that includes a Likert scale with five points, and the findings are shown in Table (4.9).

Table (4.9) Marketing Performance

| Sr. No. | Marketing Performance | Mean Score | Std. Dev |
|---------------------|--|-------------------|-----------------|
| 1. | Putting customer- center operation enables the bank to increase its sales growth. | 3.98 | 0.76 |
| 2. | Having effective customer relationship management strategy to promote and attract new customers. | 3.93 | 0.68 |
| 3. | Having successful customer relationship management strategy to increasing market share and sales growth. | 4.05 | 0.89 |
| 4. | Being attractive to new clients due to customer care of the bank. | 3.83 | 0.85 |
| 5. | Being an increasing number of transactions from key clients. | 4.17 | 0.77 |
| 6. | Being an increasing of account opening rate of KBZ bank. | 4.11 | 0.71 |
| 7. | Key client business partners often open new accounts at KBZ. | 4.14 | 0.91 |
| Overall Mean | | 4.01 | |

Source: Survey Data, 2023

According to Table (4.9), the highest mean score of 4.17 demonstrates that the respondents agree that there is an increasing number of transactions from key clients due to the bank's good customer care and smooth process as KBZ always monitors every customer's performance through web portal. This can be seen by the fact that the highest mean score was achieved. The second highest mean score of 4.14 demonstrates that the respondents are confident that Key account clients bring their business partners to open at KBZ because they trust the good customer care, easy and quick service, and skilled employees, and also because KBZ provides customized products and services in terms of CRM database. Additionally, the respondents believe that KBZ provides customized products and services in terms of CRM database. The lowest possible mean score of 3.83 indicates that the respondents have a favorable impression that KBZ is successful in acquiring new customers due to the quality of its services and that the management team provides the specific training necessary to provide close attention to consumers. In addition, KBZ regularly updates the clients' most recent data in order to

provide real-time help. According to the overall mean score of 4.01, the respondents have a positive view on the marketing performance of KBZ bank. The respondents believe that KBZ bank provides multiple trainings, such as sale training, marketing training, critical selling training, etc., and that these trainings help employees improve their performance in particular fields. In addition, clients receive comprehensive support through the data base that is stored on the web portal that is associated with CRM.

4.5 Analysis on the Effect of CRM Practices on Marketing Performance

A systematic questionnaire will be given to 120 workers at KBZ bank in order to determine the impact that customer relationship management methods have had on the bank's overall performance. In order to conduct an analysis of the data, multiple regression is utilized, and the findings are laid out in Table (4.10).

Because the value of adjusted R square is 0.970, as shown in Table (4.10), one can reach the conclusion that the model in question is capable of explaining 97 percent of the variation in marketing performance that is predicted by CRM practices. This conclusion can be reached because the value of adjusted R square. In terms of the model's overall importance, the F value is very significant at the 1 percent level; hence, it is possible to say that this model is valid. Three of the four CRM practices have a substantial positive relationship with marketing performance, however the technology-based CRM practice does not have a meaningful effect on marketing success. Because it does not have any particular impact on either the independent or the dependent variables, the presence of a negative value for the constant or the intercept is not a cause for concern.

Table (4.10) Effect of CRM Practices on Marketing Performance

| Variable | Unstandardized Coefficients | | Standardized Coefficients (Beta) | t | Sig |
|----------------------|-----------------------------|-----------|----------------------------------|--------|------|
| | B | Std Error | | | |
| (Constant) | -.310 | .113 | | -2.742 | .007 |
| Key Client Focus | .827*** | .073 | .798 | 11.383 | .000 |
| Knowledge Management | .150*** | .042 | .129 | 3.538 | .001 |
| Technology Based CRM | .046 | .062 | .044 | .737 | .462 |
| CRM Organization | .069* | .037 | .039 | 1.863 | .065 |
| R Square | .971 | | | | |
| Adjusted R Square | .970 | | | | |
| F Value | 977.202*** | | | | |

Source: Survey Data, 2023

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

The importance of focusing on key clients is substantial, and job satisfaction is at a one percent level. If the main client focus is improved by one unit, then the marketing performance will increase by .827 of a unit as a direct result of this change. Keeping in mind that customers value personalized attention, KBZ shows its important customers that it values them by maintaining open lines of communication and providing them with unique offerings, such as bringing banking services to the customers' locations.

The relationship between effective knowledge management and marketing performance at the 1 percent level is extremely substantial. If the knowledge management is improved by one unit, then the marketing performance will increase by .150 unit as a direct result of this change. When staff are given the ability to access information about consumers at various touch points, they are better able to see and anticipate the requirements and preferences of customers by consulting the CRM database. After that, personnel will be able to deliver appropriate service to customers. Because it does not automatically update the preferences and requirements of the customers, technology-based CRM does not have a substantial impact on the performance of marketing. After having conversations with consumers, personnel are required to manually enter the customer information. It may take some time, and during

that period KBZ bank may not be able to perform as expected. As a result, staff are unable to view real-time customer information while they are providing service to customers.

When compared to marketing performance at the 10 percent level, CRM organization is really significant. If the CRM organization is improved by one unit, then the marketing performance will increase by .069 of a unit as a direct result of that improvement. In order to accomplish the most effective exploitation of the CRM system, KBZ bank establishes the organizational structure and process necessary.

When compared to the other three significant explanatory factors, the standardized coefficient (Beta) score indicates that the primary client focus has the highest value. It indicates that the key client focus is the most effective factor for people who are working at the KBZ bank, since customers value the individual attention while they are using banking service, and since key client focus is the most effective factor for individuals working at the KBZ bank.

CHAPTER 5

CONCLUSION

This chapter is broken up into three different pieces. Following the presentation of the findings and discussions comes the conclusion. In the second part of the discussion, suggestions and recommendations based on the findings are brought forward. Thirdly, the argument is made for the importance of conducting additional study.

5.1 Findings and Discussions

The primary purpose of this research is to investigate the customer relationship management (CRM) practices that have been implemented by KBZ bank and to investigate the impact that these CRM practices have had on the marketing performance of KBZ bank. A structured questionnaire with 5-point Likert scales is used to survey 120 employees who are collected from using a CRM system in order to obtain primary data. The questionnaire is used to collect data. When looking at the ages of the respondents as a whole, there are a significant number of respondents who are middle adults. This indicates that the majority of those who participated in the survey are of an appropriate age to explain the questions that were asked.

With regard to the respondent's gender and marital status, the majority of respondents are female and unmarried, whereas the majority of respondents are male and married. This indicates that female respondents and single respondents who are considered interested have a greater chance of being productive by responding survey questions. The majority of the respondents had college degrees and have been employed by KBZ bank for between one and three years.

According to the findings of the analysis, the mean values of CRM practices have been given a higher mean value. Therefore, employees have the impression that the CRM methods utilized by KBZ bank are effective on the bank's marketing performance. According to the findings of this poll, developing innovative banking goods and services that are competitive in the market is not only an effective strategy for retaining existing customers but also an effective strategy for attracting new customers. The best possible treatment that is specifically crafted for each person's most important customers is currently on-trend in the financial industry. Through the

utilization of this improvement strategy, KBZ bank intelligence is able to preserve its market share.

According to the findings of this research, the primary customer orientation at KBZ Bank is very significant. KBZ Bank is accustomed to monitoring the bank accounts of its most valuable customers and acting swiftly by hunting down consumers whose deposit balances fall below a certain threshold. On the other hand, KBZ bank should provide its customers with the guidance necessary to ensure that they make use of the products that are optimal for their companies in order to sustain a long-term relationship with the bank.

Participants in the survey had favorable things to say about the customer relationship management (CRM) component of KBZ Bank's knowledge management. Because staff members have a good understanding of customer connections, which they have gained via consistent involvement and dialogue with consumers, this enables them to give individualized service through knowledge acquisition that is more laser-focused. In addition, respondents expressed satisfaction with the ease of use of CRM based on the technology utilized by KBZ Bank and the accessibility offered by a number of different departments. Regarding the CRM organization, respondents have expressed their contentment with the CRM organization that is practiced at KBZ Bank, which enables the structure to be changed in a flexible manner. According to the findings, KBZ's marketing performance was in par with expectations.

According to the findings of the study, the key client focus, knowledge management, and CRM organization practices of customer relationship management (CRM) have a good and significant effect on the marketing performance of the KBZ bank. Nevertheless, this was noticed with technology based CRM, which indicates the KBZ bank's lackluster marketing performance.

According to the findings of the regression analysis, the focus on key customers is the component that has the greatest influence on the marketing performance of KBZ bank, as indicated by the beta value that has the highest level of significance. Clients have the perception that they are cared for, which results in less customer complaints and the continued retention of customers over the long term. Management of one's knowledge comes in at number two on the list of factors that influence the effectiveness of marketing. The CRM procedures that a firm implement is also the third most significant factor in terms of the effect on marketing performance. On the other hand,

technology based CRM systems with lower betas are significantly less relevant to the performance of marketing.

CRM systems based on technology that have betas that are lower are less important to marketing performance. The KBZ Bank CRM system does not automatically update the client information; instead, KBZ Bank employees are responsible for manually updating those details. The customer relationship management (CRM) system of KBZ Bank is not consistently updated, and the system has several restrictions when it comes to updating customer information. As a result, staff do not always have access to the most recent customer information, and they do not always experience the benefits of technology based CRM in the manner that was intended.

5.2 Suggestions and Recommendations

The management of the KBZ bank ought to go on utilizing CRM strategies in order to continue providing service with an individual focus. In light of the findings, KBZ bank could be able to enhance its marketing success by emphasizing certain aspects of the business. When it comes to the most important consumers, the management of the KBZ bank should develop individualized or adaptable service options depending on the activities of the bank's clients. In addition, the financial institution ought to keep in touch with its clients on important occasions, such as birthdays, anniversaries of the organization, and so on. Bank workers should receive training to ensure that the service is provided with care and confidence. After that, clients might feel satisfied and continue doing business with KBZ bank.

In order to facilitate knowledge management, the management of KBZ banks should ensure that its client database is kept up to date at all times. In addition, the financial institution needs to ensure that all of its workers who are offering support to clients are easily reachable so that they can update consumers' information. Employees will have a better understanding of how to interact with clients if they follow those guidelines.

Employees with a solid grasp of technology should be appointed to managerial positions at KBZ Bank so that the bank can implement a technology based CRM system. In addition to this, KBZ ought to make arrangements for the database to be updated on its own accord. In addition, KBZ Bank needs to ensure that the hardware

and software are updated on a yearly basis. After that, workers will be able to tailor their services to the requirements and preferences expressed by clients.

KBZ bank ought to recruit industry veterans who have a solid track record of successfully putting CRM technology to use in order to staff the CRM department. In addition, the KBZ bank ought to make use of data mining strategies in order for the financial institution to learn more about the requirements and preferences of the clients. In conclusion, in order to deliver quality service, KBZ Bank needs to investigate expanding their CRM practice to all of their branches and establishing performance objectives at every level of the bank. The KBZ bank will be able to keep its important customers and increase its profitability if it implements CRM on every level of the organization.

5.3 Need for Further Research

This study is only concerned with the effects of KBZ bank's customer relationship management strategies on the bank's marketing performance. It does not address the customer relationship management strategies utilized by any other banks in Myanmar. As a result, future research ought to concentrate on the CRM practices of each and every other bank, which will enable it to cover the entire banking sector. In addition, it is recommended that the further research concentrate on the contentment of the customers. Next, a more in-depth study will be conducted to investigate whether or not employees and consumers are happy with the products and services that have been developed using CRM.

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APPENDIX A
QUESTIONNAIRE SURVEY

Dear Sir/Madam,

The purpose of this questionnaire is to collect data for the research titled “**A study on the Effect of Customer Relationship Management (CRM) on Performance of KBZ Bank**” as part of my academic research study for the MBF at YUE. I appreciate your value and time in responding to the questions and assure you of confidentiality and privacy.

Yours Sincerely,

May Mon Han

Section A: General Information

1. Gender

- Male Female

2. Marital Status

- Single Married

3. Age (Years)

- below 20 20-25 26-30
 31-35 36-40 41-45
 Above 45

4. Education Background

- Undergraduate Graduate
 Post Graduate Others.....

5. What is your Job?

- Junior staff Senior staff Supervisor Manager
Other.....

6. Working experience at KBZ

- Less than 1 year 1-4 years
 5-8 years Above 8 years

Section B: Influencing Factors

Please state level of your agreement on each statement by providing the most relevant number.

1= Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 =

Strongly Agree

Key Client Focus

| No. | Items | Scale | | | | |
|-----|---|-------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | KBZ works with individual key customer through continuous communication to customize offerings. | | | | | |
| 2 | The employees in KBZ bank treat customers with great care. | | | | | |
| 3 | KBZ bank makes an effort to find out what key customer needs. | | | | | |
| 4 | KBZ bank provides customized services to key customers. | | | | | |
| 5 | KBZ bank makes coordinated effort to meet their demand. | | | | | |
| 6 | KBZ bank has four levels of key customers (silver, gold, diamond, and platinum) based on total balance. | | | | | |
| 7 | If the deposit balance is down, KBZ bank asks the reason, and fulfills the needs of customers. | | | | | |

Knowledge Management

| No. | Items | Scale | | | | |
|-----|--|-------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | KBZ bank uses customer information to identify appropriate channel of Communication. | | | | | |
| 2 | KBZ bank clearly understands key customers' need and offers customization through knowledge learning | | | | | |
| 3 | KBZ bank collects and updates customer information on a regular basis. | | | | | |
| 4 | KBZ bank regularly interacts and communicates with its customers to create good relationship with them. | | | | | |
| 5 | KBZ staff have good knowledge about customers. | | | | | |
| 6 | Customers' information are updated regularly. | | | | | |
| 7 | Individual customer information is made available through core banking system at every point of contact. | | | | | |

Technology Based CRM

| No. | Items | Scale | | | | |
|-----|--|-------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | KBZ Bank maintains a comprehensive database of our customers. | | | | | |
| 2 | KBZ Bank has the right software to serve customers. | | | | | |
| 3 | KBZ Bank has the right hardware to serve customers. | | | | | |
| 4 | KBZ Bank has the right technical personnel to provide technical support for the utilization of computer technology in building customer relationships. | | | | | |
| 5 | Individual customer information is available at every point of contact. | | | | | |
| 6 | CRM system is available at all branches. | | | | | |
| 7 | There is an act of deploying technologies to communicate with customers. | | | | | |

CRM Organization

| No. | Items | Scale | | | | |
|-----|--|-------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Customer-centric performance standards are established and monitored at all customer touch points. | | | | | |
| 2 | KBZ Bank has established clear business goals related to customer acquisition, development, retention, and reactivation. | | | | | |
| 3 | KBZ Bank has the sales and marketing expertise and resources to succeed in Customer Relationship Management. | | | | | |
| 4 | KBZ Bank commits time and resources to managing customer relationships. | | | | | |
| 5 | Employee performance is measured and rewarded based on meeting customer needs and successfully serving them. | | | | | |
| 6 | Employee training programs are designed to develop the skills required for acquiring and deepening customer relationships. | | | | | |
| 7 | KBZ Bank structure is meticulously designed around customers. | | | | | |

Marketing Performance

| No. | Items | Scale | | | | |
|-----|--|-------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Putting customer- center operation enables the bank to increase its sales growth. | | | | | |
| 2 | Having effective customer relationship management strategy to promote and attract new customers. | | | | | |
| 3 | Having successful customer relationship management strategy to increasing market share and sales growth. | | | | | |
| 4 | Being attractive to new clients due to customer care of the | | | | | |
| 5 | Being an increasing number of transactions from key | | | | | |
| 6 | Being an increasing of account opening rate of KBZ bank. | | | | | |
| 7 | Key client business partners often open new accounts at | | | | | |

APPENDIX B

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .986 ^a | .971 | .970 | .10860 |

a. Predictors: (Constant), CRM Organization Mean, Technology Based CRM Mean, Knowledge Management Mean, Key Client Focus Mean

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 46.102 | 4 | 11.526 | 977.202 | .000 ^b |
| | Residual | 1.356 | 115 | .012 | | |
| | Total | 47.459 | 119 | | | |

a. Dependent Variable: Marketing Performance Mean

b. Predictors: (Constant), CRM Organization Mean, Technology Based CRM Mean, Knowledge Management Mean, Key Client Focus Mean

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|---------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.310 | .113 | | -2.742 | .007 |
| | Key Client Focus Mean | .827 | .073 | .798 | 11.383 | .000 |
| | Knowledge Management Mean | .150 | .042 | .129 | 3.538 | .001 |
| | Technology Based CRM Mean | .046 | .062 | .044 | .737 | .462 |
| | CRM Organization Mean | .069 | .037 | .039 | 1.863 | .065 |
| | | | | | | |

a. Dependent Variable: Marketing Performance Mean

