

THE INFLUENCE OF BANK EMPLOYEES ON BANK CUSTOMER RELATIONSHIP MANAGEMENT

C Rootman, M Tait & J Bosch; Nelson Mandela Metropolitan University, Port Elizabeth, South Africa.

Purpose: Despite extensive research in services marketing, much is still unknown to specific service providers on the influence of their employees on their services. This paper attempts to address this limitation and investigates the influence of employees on the customer relationship management (CRM) of banks.

The primary objective of this paper is to investigate the influence of selected independent variables, namely *attitude* and *knowledgeability*, on the CRM of banks.

Design/Methodology/Approach: An empirical investigation was conducted with a structured questionnaire with items that related to banks' CRM in terms of *attitude* and *knowledgeability*. The sample consisted of 290 banking clients in the Nelson Mandela Metropolitan area and the response rate was 91.03%.

Findings: Significant positive relationships exist between both the *knowledgeability*, and *attitude* of bank employees and a bank's CRM. These relationships imply that more extensive *knowledgeability* and more positive *attitudes* of bank employees lead to improved, maintained relationships between a bank and its clients. Employees play an important role in banks' client relationships.

Implications: Banks should focus on increasing their employees' *knowledgeability* and improving their *attitude* to ensure higher levels of CRM. This paper provides strategies for banks and could create greater awareness among South African banks of the advantages of CRM, how their employees influence their CRM, and ways to adapt to these influences.

Originality/Value: No study has focused exclusively on CRM within banks in South Africa. Prior research focused on customer service and service quality; both possible results of superior CRM. However, this research differs, as it identifies the variables influencing CRM in banks in South Africa.

It is proposed that this paper will be beneficial for South African banks, as the recommendations may be used to ensure higher levels of CRM in banks.

Key words and phrases: Banks, customer relationship management (CRM), attitude, knowledgeability.

INTRODUCTION

Service organisations are fundamentally important to the economy of any country, as they contribute, amongst others, to its Gross Domestic Product (GDP) and employment rate. According to McDonald and Leppard (1990:3), the 1990's was characterised with a multiplication of service industries in many countries. Growth in the service sector has persisted and service industries now have a major impact on national economies (Baker, 2003:586). Also, in South Africa, the contribution of the services sector to the country's GDP has increased from 55% in 1992 to 58% in 2002 while its share in employment increased from 58% in 1992 to 64% in 2002 (UNCTAD, 2004). According to Baker (2003:586), the growth in the service sector lead to it becoming much more competitive, transforming the management and marketing of service organisations. Currently, the focus of service organisations is their clients and their needs and preferences (Christopher, Payne & Ballantyne, 1993:5).

Sufficient customer relationship management can ensure loyal clients and a loyal client base is important to service organisations, including banking institutions, in order to survive. Employees also play an important role in the delivery of services and may influence the degree of CRM of a service organisation,

including a bank. Therefore, it is important to identify the variables influencing CRM in banks and the influence of, specifically, bank employees on banks' CRM.

The following sections include a literature overview and an explanation of the problem statement and contribution of this paper. The research objectives, hypotheses and methodology are then elaborated on. Additionally, the empirical results are discussed in detail. The paper concludes with management implications and recommendations.

LITERATURE OVERVIEW

In an address, the Registrar of Banks stated that "... financial stability serves as a precondition for the growth of the economy of any country" (Kemp, 2002:2). Being the institutions responsible for the savings of communities, it is very important that the banks of a country must be financially stable and growing.

Four major banking groups, namely Amalgamated Banks of South Africa Group Limited (ABSA); Standard Bank Investment Corporation Limited; FirstRand Holdings Limited; and Nedbank Limited, dominate the South African banking industry. Together, these groups control 81% of South Africa's banking market share (South African Reserve Bank, 2003:4 and South Africa Yearbook, 2003/04:290). However, a number of challenges are facing this industry's future, which banks will have to focus on if they wish to survive. These challenges include the competing for the un-banked segment of the South African population, the implementation of Basel II and globalisation.

The banking industry is a complex and competitive industry. Due to this challenging business environment in which banks operate, these institutions need to be determined to attract and retain clients, which will be attained only if sufficient customer relationships are formed. Clients are faced with a variety of financial services and expect value, ease of access and personalised offerings from their financial service providers. Therefore, banks need to implement a customer-focused strategy. The best customer service can be rendered through the implementation of relevant CRM initiatives.

In recent years, CRM has emerged as a top commercial priority. CRM is not simply a method used by leading service organisations to gain a competitive advantage: it has become a necessity for their survival (Buttle, 2004:1). As markets become increasingly competitive, the development of relationships that can be maintained in the face of the many inducements to switch service providers, is seen as a method of creating a sustainable competitive advantage. Many professional services, including banking services, are rated and rewarded by the client relationships they manage (Swartz & Iacobucci, 2000:323).

A relationship may be conceived as comprising two stages: firstly attracting the client, and secondly building and managing the relationship over time so that the economic and social objectives of both parties are achieved. The first phase of "attracting", "establishing" or "creating" entails customer relationship marketing that centres on developing or establishing a continuous or long term relationship between a service provider and a client, for their mutual benefit (Swartz & Iacobucci, 2000:320,322). Relationship marketing is viewed as building relationships and networks and ensuring interaction (Baker, 2003:33). The second phase, during which the service provider attempts to maintain and enhance relationships and retain the clients, is customer relationship management (Swartz & Iacobucci, 2000:322). The CRM concept suggests that an organisation should rather focus on maintaining relationships with its markets (Payne, Christopher, Clark & Peck, 1995:4).

Egg Plc, Europe's highest profile Internet bank which has 2.9 million clients, is an example of a bank which successfully implemented CRM. Egg Plc follows a CRM approach by implementing various strategies, including a customer data warehouse and improved cross-channel communication, to maintain client relationships (Jarvis, 2004:1-2). The bank focuses on increasing its response rate from clients and implemented CRM with the belief that this strategy would ultimately accelerate its financial growth. Subsequently, the bank reported acquiring and successfully retaining 340 000 clients and an operating profit increase of 300% in the first six months of 2003 (Jarvis, 2004:2).

Currently, selected South African banks are using different CRM tools and methods to maintain client relationships. The main CRM applications include the following: ABSA focuses on their Free Internet Service Provider (FISP) facility (Nadier-Nir, 2006:1); FNB implemented their eBucks reward-programme; and Nedbank created a shared IT network with new data communications technology with Old Mutual (Booth, 2005:1). Additionally, Standard Bank implements specific CRM measures, for example a standardised complaints management process (Standard Bank, 2004:1).

Employees are directly involved in the CRM strategy of an organisation, including a bank. According to Buttle (2004:4-10), CRM can be applied on three levels within an organisation, leading to strategic, operational and analytical CRM. Strategic CRM is focused on the development of a customer-centric business culture and will involve executive management. Operational CRM is focused on the automation of the customer-facing activities of an organisation and will involve middle-level management, for example a branch manager of a bank. Operational CRM may lead to marketing-, sales- and service automation. Analytical CRM is concerned with exploiting customer data with the application of data mining tools. It is evident that all employees are involved with CRM, either through their direct interactions with clients or their involvement in and application of processes, tools and methods used to enhance client value.

Therefore, this paper addresses the need for a further understanding of CRM in banking institutions, where CRM refers to the process whereby a service provider attempts to maintain and enhance long-term relationships with its clients (Swartz & Iacobucci, 2000:322).

PROBLEM STATEMENT

Against the brief background provided on the importance of CRM, the banking industry and employees, the problem statement of this paper is as follows:

To investigate the variables that may have an impact on customer relationship management in banks and the influence of employees on the customer relationship management of banks.

More formally, the purpose of this paper is to identify the independent variables that influence the degree of CRM in banks (the dependent variable) and to identify the influence of bank employees on the CRM in banks. In this paper, CRM refers to the magnitude and manner of purposeful relationships formed between a bank and its clients. These relationships are important, as they can influence the loyalty and support of banking clients. The possible influences of the selected variables on CRM are indicated in Figure 1. The independent variables constitute two selected variables, as identified in the literature on CRM. These variables are *attitude* and *knowledgeability*. For the purpose of this paper, *attitude* is the reaction, response or behaviour displayed by bank employees towards various aspects of their jobs. In a bank, an employee's *knowledgeability* will depend on his/her insight into, ability to remember and ability to implement banking procedures, policies, products and services.

Superior CRM can lead to many benefits for service organisations, as clients focus on the service aspect, interaction and relationship with the service provider when evaluating a service organisation, as no physical product can be evaluated. Additionally, research has shown that CRM positively influences the level of service quality of a bank (Rootman, 2006:138). Therefore, if a bank can improve its relationships with clients (increase its CRM); it will increase its service quality level. It is evident that banking institutions need to be aware of the variables that influence their level of CRM. This would assist banks in adapting the identified variables to ensure sufficient and beneficial CRM.

CONTRIBUTION OF THIS PAPER

Limited research has been conducted in the field of CRM in South Africa, and no study has focused exclusively on CRM within banking institutions in the country. Prior research within South Africa, as well as internationally, includes studies conducted for the purpose of investigating CRM in specific organisations, for example, the research regarding customer loyalty programmes undertaken for South

African Airways and Discovery Health (Eyles, 2003). Various studies focused on the best method to incorporate effective CRM in organisations, whether through information technology, e-business or e-commerce (Thomas, 2003). Additional studies focused on the extent to which CRM could enhance profitability in organisations (Kennedy, 2004).

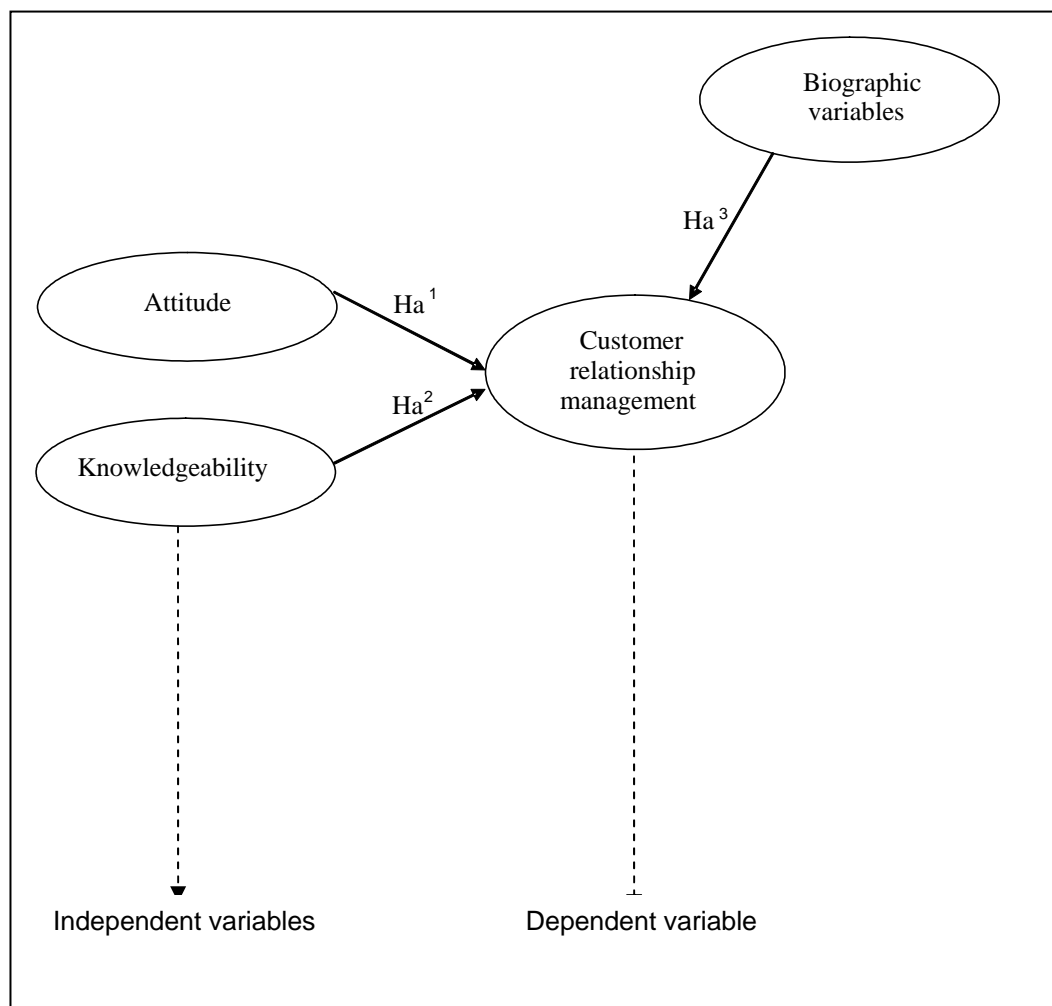
The main focus of prior research was customer service and service quality; both can be the result of superior CRM. However, this research differs from prior studies, as it identifies the variables influencing CRM in banking institutions in South Africa, specifically with regard to bank employees.

It is proposed that this paper, focusing on CRM in banking institutions, will be beneficial for the South African banking industry. The results and conclusions drawn may be used to ensure higher levels of CRM in banks.

The findings of this paper could create a greater awareness among South African banks of the advantages of superior CRM, the variables influencing it, in what way they can adapt these variables to positively influence their CRM, and how their employees influence their level of CRM. Ultimately, this could lead to benefits for banks, their clients and the South African economy as a whole.

It is proposed that this paper will contribute to the theoretical and empirical knowledge on CRM in the banking industry.

Figure 1: Conceptual framework



RESEARCH OBJECTIVES

The primary objective of this paper is to investigate the influence of selected independent variables, namely *attitude* and *knowledgeability* on the CRM of banks. Secondary objectives were establishing the influence of:

- selected biographic variables on CRM in banks; and
- bank employees on the CRM of banks.

RESEARCH HYPOTHESES

To give effect to the problem statement and research objectives, a number of null hypotheses were formulated, stating that no relationships exist, as depicted in Figure 1. Alternative hypotheses were formulated, stating that relationships exist, as depicted in Figure 1.

Specifically, the null and alternative hypotheses were:

Relationships between the Independent Variables and the Dependent Variable (CRM)

Ho¹: There is no relationship between the perceived *attitude* of bank employees and CRM in banks.

Ha¹: There exists a relationship between the perceived *attitude* of bank employees and CRM in banks.

Ho²: There is no relationship between the perceived *knowledgeability* of bank employees and CRM in banks.

Ha²: There exists a relationship between the perceived *knowledgeability* of bank employees and CRM in banks.

Relationship between the Biographic Variables and the Intervening Variable (CRM)

Ho³: There is no relationship between biographic variables (including gender, population group, age and education level) and CRM in banks.

Ha³: There exists a relationship between biographic variables (including gender, population group, age and education level) and CRM in banks.

METHODOLOGY

In order to measure the research hypotheses, the appropriate research methodology was required. The following section will elaborate on the research methodology used. Specifically, the measuring instrument, sample and methods of data analysis will be discussed.

Measuring Instrument

The measuring instrument used was a structured questionnaire which included some adapted items from previously tested measuring instruments and items, for example, the SERVQUAL instrument from Parasuraman, Zeithaml and Berry (1988:38-40). In addition, structured interviews were conducted with three Customer Relationship Managers, of three different banking groups, in order to identify important aspects of CRM to assist in the development of the questionnaire items.

The questionnaire consisted of two sections. Section A was in the format of a seven-point Likert-type scale, comprising of 47 items. The statements in this section referred to banking clients' perceptions regarding the CRM and service quality of banks. Items included, related to the bank's CRM and service quality in terms of selected independent variables, namely two-way communication; *attitude*; *knowledgeability*; and efficiency of banking services. However, for the purpose of this paper, only the influence of two independent variables, namely *attitude* and *knowledgeability* on the CRM of banks is

investigated. The statements' response continuum ranged from 1 to 7, where 1 = strongly disagree; 2 = disagree; 3, 4 and 5 = neutral; 6 = agree and 7 = strongly agree. The biographical data of the respondents was gathered through eight questions in section B of the questionnaire, namely the gender, population group, age, years of being a client of the bank, the type of bank accounts the client uses, and the level of education of the respondents. The respondents were also requested to identify the bank(s) of which they were clients.

Sample

The population consisted of all the banking clients in the Nelson Mandela Metropolitan area. Random sampling was used, and questionnaires were distributed amongst a sample of 290 banking clients. Additionally, stratified sampling was used, as banking clients were included in the sample according to their banking institution and location. Only banking clients of the four largest banking groups in the Nelson Mandela Metropolitan area were included in the sample. A satisfactory response rate of 91.03% was achieved, as 264 questionnaires were useable for analysis.

Data Analysis

Data processing and analysis was executed by using the computer programs BMDP4M (Frane, Jennrich & Sampson, 1990), SAS (SAS Institute, 1990) and SPSS (SPSS Version 12.0 2004).

The data were analysed in three phases. During the first phase of analysis, the discriminant validity of the measuring instrument was subjected to an exploratory factor analysis. Once a clear factor structure emerged, the internal reliability of each factor was assessed, using Cronbach Alpha coefficient scores. The factors that emerged after the exploratory factor analysis phase were then used as independent variables in a multiple regression analysis to assess the relationships predicted by the hypotheses and conceptual model depicted in Figure 1.

EMPIRICAL RESULTS

The findings obtained from the empirical investigation are presented in the following sections. Firstly, sections dealing with the discriminant validity and the internal reliability of the measuring instrument and then the findings of the multiple regression analyses.

Discriminant Validity Results

As stated, the first phase of data analysis involved an assessment of the discriminant validity of the measuring instrument. This was done by means of an exploratory factor analysis by using the computer program BMDP4M (Frane *et al.*, 1990). Maximum likelihood was used as the method of factor extraction, and a direct quartimin oblique rotation was specified.

The items of the questionnaire loaded onto six distinct factors which were labelled knowledgeability, CRM, attitude, efficiency of banking services, service quality and two-way communication. The six factors explained 50.46% of the variance (R^2) of the data. For the purpose of this paper, only the influence of two independent variables on CRM are focused on, namely *attitude* and *knowledgeability*. Consequently, the factors named *attitude*, *knowledgeability* and CRM are discussed.

Factor one was named *knowledgeability* (KNOW), because all five items expected to measure *knowledgeability* loaded significantly (above 0.4) on this factor. Additionally, two items expected to measure *two-way communication*, COMM4 (information) and COMM6 (availability), and two items expected to measure the *efficiency of banking services*, EFF4 (security) and EFF10 (law), loaded significantly on this factor. The loading of these four items onto this factor can be explained through their relationship with *knowledgeability*.

All the items that significantly loaded (above 0.4) on factor two were expected to measure CRM. Therefore factor two was named *CRM* (CRM). One item expected to measure the degree of *CRM* (CRM1 – concern) was removed from any further analysis, as it did not load significantly on any factor.

Factor three was named *attitude* (ATT), because the items expected to measure *attitude* (ATT) loaded significantly (above 0.4) on this factor. Two additional items loaded on this factor, namely an item expected to measure *two-way communication* (COMM2 - managers) and an item expected to measure the influence of CRM on *service quality* (CRMSQ3 - relationship). The unexpected loading of these two items on factor three can be explained by their relationship with *attitude*. Four items expected to measure *attitude* (ATT), did not load significantly on any factor and were subsequently removed from any further analysis (ATT1 -employee attitude), ATT4 -proclaim satisfaction, ATT5 - commitment and ATT7 - display positive attitude).

The Reliability Assessment

The second phase of the data analysis was to assess the internal reliability of the measuring instrument used to test the variables in the model. This was done by calculating Cronbach Alpha coefficient scores using the computer program SAS (SAS Institute, 1990).

Nunnally and Bernstein (1994:264-265) recommend Cronbach Alpha coefficient scores above the 0.7 cut-off value. Table I show that all the constructs were measured with scales that could be described as reliable.

Table 1: Rotated exploratory factor analysis
(displaying the results of the variables *attitude*, *knowledgeability* and *CRM*)

Items	Factor 1 (KNOW)	Factor 2 (CRM)	Factor 3 (ATT)
KNOW5 - procedures	0.763	0.000	0.000
KNOW4 – advise	0.731	0.000	0.000
COMM6 - availability	0.699	0.000	0.000
KNOW3 – policies	0.618	0.000	0.000
EFF10 – law	0.558	0.000	0.000
COMM4 - information	0.532	0.000	0.000
KNOW2 - knowledgeable	0.505	0.000	0.000
KNOW1 - inform	0.481	0.000	0.000
EFF4 - security	0.409	0.000	0.000
CRM3 - bond	0.000	0.813	0.000
CRM4 - benefits	0.000	0.680	0.000
CRM5 - committed client	0.000	0.669	0.000
CRM2 - confidence	0.000	0.481	0.000
ATT3 - family	0.000	0.000	0.719
CRMSQ3 - relationship	0.000	0.000	0.567
COMM2 - managers	0.000	0.000	0.552
ATT2 - job satisfaction	0.000	0.000	0.477
ATT8 - happiness	0.000	0.000	0.400
Cronbach Alpha	0.878	0.812	0.783

Multiple Regression Analyses Results

A multiple regression analysis was used to test and explain the casual relationships between the independent and dependent variables. The results of the multiple regression analysis are shown in Table 2.

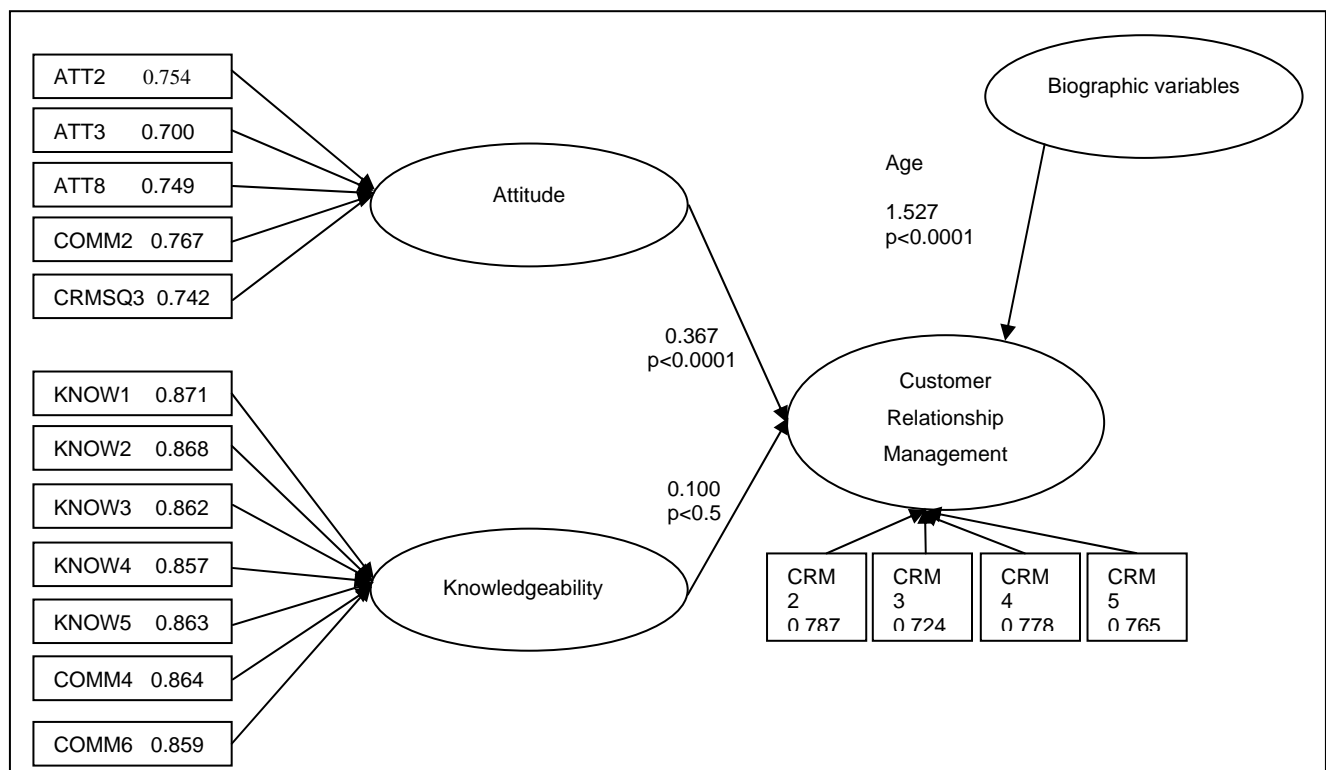
Table 2: Multiple regression analysis: influence of independent variables on CRM

Dependent Variable: CRM					
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	4	1624.791	406.198	21.96	0.0001
Error	259	4791.693	18.501		
Corrected Total	263	6416.485			
R-Square	C.V.	Root MSE	CRM Mean		
0.253221	23.15518	4.3012493	18.575758		
Parameter	Estimate	T for H0: Parameter = 0	Pr > ITI	Std Error of Estimate	
INTERCEPT	4.290	2.18	0.0301	1.967	
KNOW	0.100	2.12	0.0353*	0.047	
ATT	0.367	5.87	0.0001**	0.063	
* p <0.05					
** p <0.001					

Table 2 shows that the two independent variables, namely *knowledgeability* (KNOW) and *attitude* (ATT), exert a statistically significant positive influence on the intervening variable *CRM* (CRM).

The results of the data analysis are evident in Figure 2.

Figure 2: Modified model



The empirical results summarised in Figure 2 suggest that:

- H_o^1 had to be rejected, while H_a^1 can be accepted. There exists a positive relationship between *attitude* and *CRM* (at the 99% significance level).
- H_o^2 had to be rejected, while H_a^2 can be accepted. There exists a positive relationship between *knowledgeability* and *CRM* (at the 95% significance level).
- H_o^3 can be accepted for the biographic variables gender, population group and education level, as the empirical findings revealed that no relationships existed between these biographic variables and *CRM*. However, H_o^3 had to be rejected for the biographic variable age, as there is a positive relationship between the age of banking clients and *CRM* (at the 99% significance level). Therefore, H_a^3 had to be rejected for the biographic variables gender, population group and education level, but not for the biographic variable age.

MANAGEMENT IMPLICATIONS AND RECOMMENDATIONS

The empirical results indicated positive relationships between perceived *attitude* and *CRM* and between perceived *knowledgeability* and *CRM*. In other words, if the *attitude* of employees improves, *CRM* in a bank would improve, and if the *knowledgeability* of employees increases, *CRM* in a bank would also improve.

As the knowledgeability and attitude of bank employees are considered to be important aspects in a bank-client relationship, it is evident from the research findings that the face-to-face personal contact and interaction between banking clients and their bank are very important. Therefore, it is evident that bank employees play a vital role in the *CRM* of a bank. These results satisfied two of the research objectives, which stated that the paper aims to investigate the influence of selected independent variables on the *CRM* of banks and the influence of bank employees on the *CRM* of banks.

People's financial matters are important to them; people want to have assurance that their money is safe and secure and that they can trust their bank and its employees. Therefore, banking clients desire their bank's employees to be knowledgeable about the bank's products and/or services. Clients want to be fully informed about new and changed products and/or services. Additionally, clients will feel their financial matters are secure if they are satisfied with the bank employees' attitudes. Clients will feel more comfortable if bank employees are positive, display job satisfaction and are self-confident regarding their tasks. Specifically, this indicates that the bank employees at the front enquiry desk and tellers, whom clients directly interact with, should be knowledgeable regarding bank matters and should display positive attitudes towards their working environment and the banking clients. In other words, bank managers can increase their bank's level of *CRM* by focusing on the knowledgeability and attitude of their bank employees. Various strategies can be implemented in order to ensure the development of employees' knowledgeability and a positive change in their attitudes.

Specific training sessions can be designed for bank employees emphasising these two aspects. The training sessions can be made compulsory to attend for new bank employees and can be repeated every year for all employees, to reinforce the importance of these aspects. It is important to emphasise the bank's focus on the knowledgeability and positive attitudes of employees to new employees and constantly repeat this to employees. A bank can incorporate these two principles as key values in its mission statement and ensure that each employee has a copy of and understands the bank's mission statement. In order to have knowledgeable employees with positive attitudes, awards, for example an "employee of the month" award, can be used to motivate employees to display these characteristics.

Knowledgeability

In order to develop employees' knowledgeability, a bank can continuously inform all employees of new and changed products and/or services. Employees must be motivated to notify clients about new and changed products and/or services. Banks should educate their employees about the complex, ever-changing environment in which their bank operates and inform them of all the banking policies and procedures. Bank employees should be immediately informed when banking policies, procedures, rules and/or regulations change. Additionally, a bank should encourage employees to admit to clients, who enquire about a product, service, policy and/or procedure if they do not fully understand it or if they are unable to inform them immediately about certain aspects, rather than incorrectly informing a client. The employee should immediately consult the bank manager or another employee, who might be more knowledgeable, in order to correctly respond to the client's query, or the employee should obtain the client's details and contact him/her as soon as possible with the correct response.

Attitude

Friendliness should be a key value of the bank and should be practically displayed by bank managers to their subordinates and the bank's clients. A bank can apply the principle of job rotation, in other words, employees can be stationed in one position in a bank for a specified time period and then be moved to another position in the bank. For example, a bank employee arranging appointments for consultants may be moved to assist clients at the enquiries desk after six months. This strategy might lead to two benefits for the bank. It might increase the knowledgeability of the employees, but it might also ensure that bank employees do not experience boredom in their jobs. This will lead to job satisfaction, which will ensure a positive attitude displayed by bank employees.

Additionally, other strategies, for example specific incentives schemes, can be used to increase job satisfaction and ultimately ensure positive attitudes. The research findings indicated that banking clients evaluate a bank employee's attitude also according to his/her interaction with fellow bank employees. Bank managers should ensure good relations between bank employees, which will contribute to positive attitudes, in order for clients to view the bank employees as a coherent family, which will ultimately lead to higher levels of CRM. Clients regard a bank's CRM to be of a higher level if employees display commitment to the bank and seem attached to the institution. Therefore, a bank should ensure high levels of commitment from employees through implementing incentives schemes that motivate employees to deliver their best and ensure job satisfaction.

Customer Relationship Management

It is evident that the CRM of banks are very important and research has shown that if a bank's CRM improves, its level of service quality will also increase (Rootman, 2006:138). Therefore, it is important for banks to increase their CRM by improving the attitude and knowledgeability of their employees.

In order to maintain long-term client relationships (improve CRM), a bank may provide special benefits to loyal clients, for example, lower bank charges. Bank employees should be motivated to acknowledge clients, personally know regular clients, interact with clients, and generally make clients feel welcome. A pleasant atmosphere should be created in a bank branch to ensure that clients feel relaxed, important and that they can trust the bank. These actions might increase the bank's level of CRM, as perceived by clients.

Biographic Variables

The results of the multiple regression analysis indicated the relationships between the biographic variables, and the dependent variable (*CRM*). This satisfied the secondary research objective which stated that the paper aims to investigate the influence of biographic variables on the CRM in banks. A significant positive relationship between age and *CRM* was evident. In other words, banking clients who

are older regard CRM to be more important than younger clients. These findings were substantiated by the statistical ANOVA test conducted.

It is evident from the analysis of variance test (ANOVA) that female clients older than 45 years consider CRM more important than other banking clients. As females are generally perceived as being more sensitive than males, it might be argued that females regard a strong relationship as very important in any situation, including a relationship with a service organisation such as a bank. Older clients, with more life experience, might value relationships, including the relationship with their bank, to be more important than material aspects. Therefore, banks need to be more sensitive to the needs of their older, female clients. Banks explicitly need to focus on establishing and maintaining relationships with this market segment. For example, to create a loyal bank-client relationship with older female clients, banks can employ older, female employees to directly interact with this group of clients. Clients may feel more comfortable interacting with and sharing financial matters with bank employees similar to them in terms of gender and age group.

CONCLUSION

It is important to note that, although the research was conducted in the Nelson Mandela Metropolitan area, the same findings and recommendations may be applicable to banks in other areas within South Africa, due to the complex, competitive banking industry in the country.

Banks should be aware of the fact that a bank's interaction with its clients influences the institution's CRM. Specifically, two variables influence the CRM of banks, namely *knowledgeability* and *attitude*. As these two variables also refer to the interaction of bank employees with banking clients, it is evident that employees play a vital role in the level of CRM in banks. The *knowledgeability* of bank employees with regard to banking products, services, policies and/or procedures and the *attitude* of bank employees in each banking branch should be positively adapted in order to ensure high levels of CRM.

Strategies to improve, specifically, the *knowledgeability* and *attitude* of bank employees can and should be implemented by banks in ways to positively influence their CRM. In effect, this will increase client satisfaction, ensure client loyalty, and increase the service quality of the bank. Ultimately, this will contribute to the bank's success, which will ensure economic stability and prosperity for a country.

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