

## **IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON ORGANIZATION PERFORMANCE IN SELECTED DEPOSIT MONEY BANKS IN ABUJA**

**Munirat O. Yusuf-Habeeb, Bello Jumoke Fausat, Odichukwuma N. Mary, Dunsin Opebiyi, and Inyang Udoh**

**Department of Business Administration  
Faculty of Management Sciences  
University of Abuja, Nigeria**

**Emails: [muniratyusufhabeeb@gmail.com](mailto:muniratyusufhabeeb@gmail.com); [jnmmaryam@gmail.com](mailto:jnmmaryam@gmail.com)**

**<https://doi.org/10.70118/ajbam-01-2025-107>**

---

### **ABSTRACT**

This study investigates the relationship between Customer Relationship Management (CRM) practices and organizational performance within selected Deposit Money Banks (DMBs) in the Federal Capital Territory (FCT), Abuja. Utilizing a descriptive survey research design, the study explores the extent to which CRM strategies, including interaction management, relationship development, analytical CRM, and operational CRM, impact key performance indicators such as customer satisfaction, loyalty, commitment, and customer base. A sample of 241 staff members from various departments, including customer service, marketing, management, and operations, was selected using stratified random sampling and simple proportion sampling techniques which is the total population of staff within the selected Deposit Money Banks. Data was collected through structured questionnaires and analyzed using descriptive statistics and simple regression analysis. The results reveal that all CRM dimensions significantly affect organizational performance. Interaction management positively influences customer satisfaction, analytical CRM enhances customer loyalty, relationship development fosters customer commitment, and operational CRM contributes to expanding the customer base. The study recommends that DMBs in Abuja should prioritize improving CRM practices to drive better performance outcomes, particularly in customer satisfaction and loyalty.

**Keywords:** Interaction management, Relationship development, Analytical CRM, Operational CRM, Customer satisfaction.

---

### **INTRODUCTION**

Organizations exist primarily to satisfy customer needs, with the ultimate goal of fostering repeat patronage, which leads to increased profitability. As businesses strive to succeed in highly competitive markets, maintaining strong customer relationships becomes central to their performance (Kaur & Rani, 2020). A critical factor influencing organizational performance is

Customer Relationship Management (CRM), which involves a combination of strategies, practices, and technologies aimed at managing and analyzing customer interactions and data throughout the customer lifecycle (Payne & Frow, 2017). CRM is vital for enhancing customer satisfaction, loyalty, and retention, which are essential drivers of long-term profitability.

In recent years, CRM has become increasingly important as organizations, particularly in competitive industries like banking, recognize its potential to help improve customer retention and build lasting relationships (Akinyele & Akinyele, 2021). For the banking sector, CRM is especially crucial due to the high level of competition and the necessity to build a loyal customer base in a market with ever-evolving customer expectations. Deposit Money Banks (DMBs) in Nigeria have adopted various CRM practices to strengthen customer relationships and improve their competitive edge (Akanbi, 2020). DMBs in Nigeria, for instance, have made significant strides in integrating CRM tools to better serve their customers and enhance operational efficiency.

Over recent decades, Nigerian DMBs have undergone significant transformations, particularly through banking sector reforms between 1999 and 2007. These reforms, including the consolidation of banks and the adoption of more rigorous operational frameworks, spurred the introduction of innovative products and services (Ita, 2019). In the post-consolidation era, DMBs introduced technology-driven innovations such as Automated Teller Machines (ATMs), Point of Sale (POS) systems, mobile banking, internet banking, and investment banking services (Aisha & Abdullahi, 2024; Lawal & Abdullahi, 2024). These initiatives have been aimed to foster closer relationships with customers and improve customer satisfaction. However, despite these advancements, many banks in Abuja and across Nigeria still struggle to retain customers due to ineffective or underdeveloped CRM strategies (Akinyele & Akinyele, 2021). Consequently, high customer turnover, low satisfaction, and reduced customer loyalty have become significant challenges for these banks.

Several studies have explored the impact of CRM on organizational performance, often focusing on customer acquisition and retention (Payne & Frow, 2017). While these two CRM dimensions are critical, research has largely overlooked the broader scope of CRM, including interaction management, relationship development, analytical CRM, and operational CRM.

Furthermore, existing research predominantly examines organizational performance through traditional measures such as return on investment (ROI), market share, and sales volume (Mishra & Gupta, 2020). However, these metrics may not fully capture the multifaceted impact of CRM on organizational success. For example, CRM's influence on customer satisfaction, loyalty, commitment, and customer base critical factors for long-term performance has received limited attention in the literature.

This study seeks to fill this gap by examining how the four CRM dimensions interaction management, relationship development, analytical CRM, and operational CRM affect organizational performance. Unlike previous studies that have focused primarily on financial measures of performance, this research will utilize customer satisfaction, loyalty, commitment, and customer base as unique performance indicators (Wang et al., 2021). By focusing on these factors, the study aims to offer a more comprehensive understanding of how CRM impacts DMBs in Abuja.

The motivation behind this research stems from the recognition of CRM's essential role in the success of DMBs in Abuja, where customer loyalty and satisfaction are pivotal to business growth. As DMBs continue to face high competition and customer turnover, effective CRM strategies could be the key to building strong, lasting relationships with customers (Akanbi, 2020). The findings of this study will not only contribute to academic knowledge but will also provide valuable insights for DMB managers, consultants, and policymakers, helping them develop and implement more effective CRM strategies that can enhance customer loyalty, retention, and overall organizational performance.

This study investigates the impact of CRM on the performance of DMBs in Abuja, with a particular focus on how CRM dimensions such as interaction management, relationship development, analytical CRM, and operational CRM influence customer satisfaction, loyalty, commitment, and customer base. The findings

aim to provide insights for enhancing CRM strategies in the Nigerian banking sector, thereby contributing to the improvement of customer relationship practices and overall organizational performance. The study is guided by the following questions:

- i. To what extent does interactive customer relationship management affect the customers' satisfaction of the selected deposit money banks in Abuja?
- ii. To what degree does analytical customer relationship management influence the customers' loyalty of the selected deposit money banks in Abuja?
- iii. To what extent does relationship development impact the customers' commitment of the selected deposit money banks in Abuja?
- iv. How does operational customer relationship management influence the customers' base of the selected deposit money banks in Abuja?

## **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

The study considers customer relationship management as the process of building and maintaining mutually beneficial relationships with current and potential consumers in order to make them come back, it also involves a combination of strategies, practices, and technologies aimed at managing and analyzing customer interactions and data throughout the customer lifecycle (Payne & Frow, 2017). The Nigerian banking sector has undergone significant transformations, particularly following the 2004 banking reforms. These reforms included the consolidation of banks, which led to an increased focus on customer service and CRM strategies as banks sought to distinguish themselves in a competitive marketplace (Ita, 2019). Akinyele (2020) discusses the importance of CRM practices in Nigerian banks, noting that despite the adoption of CRM tools such as ATMs, mobile banking, and internet banking, many banks still struggle with customer retention due to ineffective CRM

strategies. In the context of Deposit Money Banks (DMBs) in Abuja, CRM practices have evolved alongside these reforms. However, despite technological advancements, many DMBs still face challenges in retaining customers and fostering customer loyalty. The limited effectiveness of CRM strategies can be attributed to a lack of integration between CRM dimensions and insufficient attention to customer needs and preferences (Akinyele & Akinyele, 2021).

### **CRM Dimensions and Organizational Performance**

The literature identifies four key dimensions of CRM that contribute to organizational performance: interaction management, relationship development, analytical CRM, and operational CRM. Interaction Management refers to the way in which a company engages with customers across various touchpoints (Payne & Frow, 2017). It involves managing customer interactions to provide a seamless experience. This dimension has been shown to positively influence customer satisfaction (Mishra & Gupta, 2020). However, research on how interaction management specifically impacts organizational performance in DMBs is limited.

Relationship Development is the process of building and nurturing long-term relationships with customers (Buttle, 2009). DMBs in Nigeria, particularly in Abuja, use relationship development strategies such as personalized customer service and loyalty programs to retain customers. However, studies on the long-term effects of these strategies on customer commitment are sparse. According to Akinyele (2020), highlighted that while Nigerian banks employ relationship-building strategies, customer commitment remains a challenge due to inconsistent CRM practices.

Analytical CRM involves the use of data analytics to gain insights into customer behavior and preferences (Ngai et al., 2009). Analytical CRM is increasingly adopted in DMBs to enhance decision-making and customer retention. Research by Wang et al. (2021), found that analytical CRM can significantly improve

customer loyalty by identifying at-risk customers and personalizing marketing efforts. However, there is limited empirical research on the impact of analytical CRM on customer loyalty in Nigerian DMBs.

Operational CRM refers to the automation of customer-facing processes, such as sales, marketing, and customer service (Zablah et al., 2012). In the Nigerian banking context, operational CRM includes the use of mobile banking, ATMs, and POS systems to streamline customer interactions. Despite the adoption of these technologies, research on their direct impact on customer satisfaction and loyalty in Nigerian banks is scarce (Ita, 2019).

### **CRM and Customer Satisfaction, Loyalty, and Commitment**

Customer satisfaction, loyalty, and commitment are critical factors that drive organizational performance. The role of CRM in enhancing these outcomes is well-documented. Research by Kaur and Rani (2020) indicates that CRM practices directly influence customer satisfaction, which in turn affects customer loyalty and commitment. However, while studies have explored the link between CRM and customer satisfaction, there is a notable gap in the literature regarding how CRM dimensions influence customer commitment in Nigerian DMBs (Abubakar et al., 2023).

Loyalty is often seen as a precursor to long-term profitability, yet few studies have explored the specific CRM practices that foster loyalty in Nigerian banks. According to Akinyele and Akinyele (2021), while CRM is acknowledged as a tool for customer retention, banks still struggle with customer churn. This gap underscores the need for further research on how CRM dimensions such as analytical CRM and relationship development can enhance customer loyalty and commitment in the Nigerian banking sector.

### **Organizational Performance Metrics in CRM Studies**

Traditionally, organizational performance in Customer Relationship Management (CRM) studies has been assessed using financial indicators such as return on investment (ROI), market share, revenue growth, and sales volume (Mishra & Gupta, 2020). These financial metrics provide valuable insights into a firm's profitability and market competitiveness but fail to capture the broader impact of CRM on customer-centric outcomes. Since CRM is fundamentally designed to enhance relationships with customers, evaluating its effectiveness solely based on financial performance presents an incomplete picture.

In contemporary research, there is increasing recognition of the importance of customer-based performance indicators in CRM studies, particularly customer satisfaction, loyalty, commitment, and customer base expansion. These indicators are crucial for long-term business sustainability and competitive advantage, as they directly influence repeat purchases, word-of-mouth referrals, and overall brand perception (Akinyele, 2020). High customer satisfaction levels indicate that CRM strategies effectively meet customer needs, while customer loyalty and commitment reflect the strength of the relationship between businesses and their clients. Additionally, an expanding customer base suggests that CRM initiatives are successful in attracting and retaining customers over time.

Despite their significance, customer-centric performance indicators have received comparatively less attention in the existing literature, with most studies prioritizing financial and operational metrics (Lawal & Abdullahi, 2024; Nnajiofor et al., 2024). This study seeks to address this gap by emphasizing customer satisfaction, loyalty, commitment, and customer base as key performance indicators in CRM effectiveness (Reinartz, Krafft & Hoyer, 2024). By shifting the focus from purely financial measures to a more holistic evaluation of CRM performance, this research aims to provide deeper

insights into how CRM initiatives contribute to sustainable organizational growth and long-term customer relationships (Mishra & Gupta, 2020). This perspective aligns with the evolving role of CRM in fostering customer engagement, personalization, and relationship longevity, all of which are increasingly critical in the digital age. As businesses continue to invest in CRM systems, adopting comprehensive performance metrics that integrate both financial and customer-based indicators will be essential in assessing and optimizing CRM strategies for enduring success (Al-Momani, Mahmoud & Ahmad, 2024).

### **Theoretical Framework**

This study is anchored by Resource-Based View (RBV) Theory which is originally introduced by Barney (1991) and it provides a powerful lens for analyzing how organizations achieve competitive advantage and enhanced performance through the effective utilization of internal resources. According to RBV, these resources must fulfill specific criteria to generate sustainable competitive advantages: they must be valuable, rare, inimitable, and non-substitutable (VRIN) (Barney, 1991; Peteraf & Barney, 2003). In the context of Customer Relationship Management (CRM), resources such as customer data, technological infrastructure, skilled personnel, and advanced CRM systems meet the VRIN criteria, enabling organizations to deliver exceptional value to customers and outperform competitors (Chuang & Lin, 2022). These resources, when effectively deployed, foster innovation, operational efficiency, and customer loyalty, all of which contribute to superior organizational performance.

The Key Tenets of RBV Applied to CRM are Valuable Resources (CRM Practices): CRM strategies represent valuable organizational assets that allow Deposit Money Banks (DMBs) to enhance customer satisfaction, loyalty, and commitment. By leveraging customer insights derived from analytical CRM and managing interactions effectively, DMBs can provide tailored services and build long-term relationships with clients, thereby creating

customer-centric competitive advantages (Koryak et al., 2020). Rarity and Inimitability (Strategic CRM Capabilities): Advanced CRM capabilities, such as predictive analytics and real-time customer data integration, provide insights that are not easily replicable by competitors. These rare and inimitable capabilities empower DMBs to anticipate customer needs, optimize service delivery, and foster loyalty, reinforcing the banks' market positioning (Singh & El-Kassar, 2019).

Operational Efficiency (CRM as an Operational Resource): Operational CRM ensures the efficient execution of customer-facing activities, such as query resolution and service personalization. This streamlining of processes minimizes delays and enhances customer satisfaction, directly influencing organizational performance metrics (Rust & Huang, 2021). Operational efficiency, as achieved through CRM systems, reflects the practical application of valuable resources in line with RBV principles. Performance Outcomes (CRM and Organizational Success): The study findings align with RBV by showcasing how CRM practices influence performance outcomes. Interaction management positively affects customer satisfaction, analytical CRM enhances loyalty, relationship development fosters commitment, and operational CRM drives customer base expansion. These outcomes illustrate the direct impact of effectively managed resources on organizational performance (Zhang et al., 2023).

This study integrates the RBV framework to emphasize the strategic importance of CRM practices as key organizational resources. By applying RBV, the study positions CRM as a resource-based tool that enhances customer satisfaction and loyalty, which are critical for achieving sustainable competitive advantages. The findings demonstrate that CRM dimensions significantly impact organizational performance, validating RBV's assertion that internal resource utilization drives success (Chuang & Lin, 2022). The RBV framework also supports the study's focus on data analytics and operational efficiency, underscoring their roles as inimitable resources that improve decision-making and service delivery. This theoretical alignment provides a



robust foundation for the study's hypotheses and reinforces the emphasis on CRM as a critical enabler of organizational success.

By adopting the RBV perspective, DMBs in FCT, Abuja, can strategically invest in CRM capabilities that meet VRIN criteria. This strategic investment ensures sustained improvements in customer satisfaction, loyalty, and commitment, which are essential for achieving superior organizational performance. Additionally, the RBV framework highlights the need for continuous innovation in CRM practices to maintain their rarity and inimitability in a competitive banking environment (Peteraf & Barney, 2003). Investing in CRM capabilities also allows DMBs to harness operational efficiencies and data-driven insights, enabling them to adapt to dynamic customer needs and preferences. Thus, leveraging the RBV framework, DMBs can achieve long-term competitive advantages and enhanced performance outcomes.

### **Empirical Studies**

Payne and Frow (2017) conducted a study on customer satisfaction in service industries, with specific relevance to Deposit Money Banks (DMBs) in Abuja. Their research utilized a literature review and case studies from various service sectors. The study found a significant positive relationship between interaction management and customer satisfaction, highlighting the importance of personalized, direct interactions with customers. The study concluded that DMBs in Abuja that prioritize meaningful customer interactions are better able to address customer needs, leading to higher satisfaction levels. They recommended that DMBs in Abuja invest in enhancing customer interaction strategies to improve satisfaction and retention.

Mishra and Gupta (2020) examined the impact of analytical customer relationship management (CRM) on customer loyalty in Indian financial institutions, offering insights applicable to DMBs in Abuja. The study employed quantitative

analysis using surveys and CRM data. The findings revealed that analytical CRM has a positive impact on customer loyalty, emphasizing the importance of data-driven decision-making to understand customer preferences. The study concluded that banks that invest in CRM analytics can tailor their services more effectively, which leads to increased customer loyalty. The authors recommended that DMBs in Abuja prioritize investing in analytical CRM tools to enhance customer retention strategies.

Wang et al. (2021) conducted a study in China examining the relationship-building practices in banks, which has implications for DMBs in Abuja. The study utilized mixed methods, including customer surveys and interviews with bank managers. The research found a strong positive relationship between relationship development and customer commitment, supporting the argument that relationship-building initiatives foster emotional connections with customers. This emotional bond ultimately leads to increased customer commitment. The study recommended that DMBs in Abuja focus on strengthening relationship-building strategies to deepen emotional connections with their customers, thus improving long-term commitment.

Akinyele and Akinyele (2021) explored the role of operational CRM in expanding the customer base in Nigerian banks, including DMBs in Abuja. The study employed quantitative research methods, using structured questionnaires and CRM data analysis. The findings indicated that operational CRM, particularly automation and streamlined services, positively impacts the customer base by attracting and retaining customers. The study concluded that banks that implement operational CRM practices provide faster and more efficient services, which helps to grow their customer base. The authors recommended that DMBs in Abuja invest in operational CRM technologies to enhance service delivery and increase customer acquisition and retention.

Payne & Frow (2017), Mishra & Gupta (2020), Wang et al. (2021), and Akinyele & Akinyele

(2021), confirming that CRM practices play a significant role in influencing customer satisfaction, loyalty, commitment, and customer base expansion. However, a notable discrepancy was observed in the underutilization of analytical CRM by DMBs in Abuja, despite its strong correlation with customer loyalty. This underutilization may be due to gaps in infrastructure or resources available to local DMBs.

While existing studies provide valuable insights into CRM and its impact on organizational performance, several gaps remain: Most studies focus on customer acquisition and retention, with little exploration of how the four CRM dimensions (interaction management, relationship development, analytical CRM, and operational CRM) individually influence organizational performance in the banking sector (Abubakar et al., 2022). There is a lack of research on how CRM impacts customer commitment, particularly in Nigerian DMBs (Akinyele & Akinyele, 2021). Existing studies have largely ignored the specific context of Nigerian DMBs, particularly in Abuja, where the dynamics of CRM implementation and its effects on customer satisfaction, loyalty, and organizational performance may differ from other global contexts (Mishra & Gupta, 2020).

This study fills the identified gaps by examining the four CRM dimensions and their impact on customer satisfaction, loyalty, commitment, and customer base in Nigerian DMBs. By focusing on these customer-based performance indicators, the study provides a more comprehensive understanding of how CRM affects organizational performance beyond traditional financial metrics. Furthermore, this research aims to contribute to the body of knowledge on CRM in emerging markets, particularly in the Nigerian banking sector, where CRM practices are still evolving (Abubakar et al., 2023).

## **METHODOLOGY**

This study adopts a descriptive survey research design, which is appropriate for exploring the relationship between Customer Relationship Management (CRM) practices and organizational performance in selected Deposit Money Banks within the Federal Capital Territory (FCT), Abuja. The descriptive design provides an opportunity to gather detailed information about the current state of CRM practices and their impact on the performance of these banking institutions. This approach is particularly effective in capturing insights into how CRM strategies influence the success of banks in the area.

The population for this study comprises 241 staff members from selected Deposit Money Banks in Abuja. These staff members come from various departments, including customer service, marketing, management, and operations. The focus on these employees aims to gather information from those directly involved in or affected by CRM practices and organizational performance.

This study utilizes a combination of stratified random sampling and simple proportion sampling techniques. First, the population will be divided into different strata based on relevant categories, such as departments or levels of responsibility. This ensures that all key subgroups are represented in the sample. Then, a proportionate number of respondents were selected from each group based on the size of each stratum. This two-step process helps to ensure that the sample accurately reflects the distribution of the population.

The sample size for this study is set at 241 respondents, which is the total population of staff within the selected Deposit Money Banks. Given the manageable size of the population, this sample size is deemed appropriate and ensures that the findings can be generalized to the larger population with a high degree of accuracy.

This study utilized both primary and secondary data sources. Primary data was collected through

the administration of questionnaires, which gathered firsthand insights from the selected staff regarding their perspectives on CRM practices and organizational performance. Secondary data was also sourced from textbooks, journals, and other relevant published materials. These secondary sources help to provide a theoretical framework for understanding CRM and its impact on organizational performance.

Primary data was gathered through structured questionnaires that assess variables such as CRM practices, customer satisfaction, and organizational performance. The questionnaire was distributed to the 241 staff members across various banks. In addition, secondary data was collected from textbooks, peer-reviewed journals, and other reputable sources related to CRM and organizational performance.

The instrument for data collection was a structured questionnaire consisting of closed-ended questions. These questions are designed to capture specific, quantifiable data on various aspects of CRM practices and their influence on organizational performance. The questionnaire underwent a pilot study with a small group of staff members to test its clarity and relevance. Feedback from the pilot study was used to refine the instrument. The reliability of the questionnaire was assessed using Cronbach's Alpha, a statistical method to measure internal consistency and ensure the instrument's reliability.

The collected data was analyzed using both descriptive and inferential statistical techniques. Descriptive statistics, such as percentages and frequency tables, were used to summarize the data and provide an overview of CRM practices

and organizational performance within the selected banks. Inferential statistics, specifically simple regression analysis, was conducted using E-Views software to examine the relationship between CRM practices and organizational performance. The regression model helps determine how CRM practices influence changes in organizational performance and identify the strength and direction of this relationship.

The data analysis process will begin with data cleaning and preparation, where the raw data collected from the questionnaires will be checked for completeness and accuracy. Missing or inconsistent responses will be addressed before proceeding with the analysis. Descriptive statistics will then be calculated, including simple percentages and frequency distributions, to summarize demographic information and responses related to CRM practices and organizational performance. Finally, simple regression analysis will be conducted using E-Views to assess the relationship between CRM practices (independent variable) and organizational performance (dependent variable), evaluating the statistical significance of this relationship.

## **RESULT AND DISCUSSION**

### **Descriptive Statistics of CRM Practices**

To examine the extent of CRM practices across the selected DMBs, descriptive statistics were conducted on four key CRM dimensions: Interaction Management, Relationship Development, Analytical CRM, and Operational CRM.

**Table 1: Descriptive Statistics of CRM Practices**

| <b>CRM Dimension</b>     | <b>Mean Score</b> | <b>Standard Deviation</b> |
|--------------------------|-------------------|---------------------------|
| Interaction Management   | 3.85              | 0.68                      |
| Relationship Development | 4.01              | 0.72                      |
| Analytical CRM           | 3.56              | 0.75                      |
| Operational CRM          | 3.92              | 0.70                      |

Source: Computed by Author using SPSS Statistical Software (Version 21).



The high mean score of 3.85 indicates that interaction management practices are frequently utilized across the selected Deposit Money Banks (DMBs) in Abuja. This suggests that the banks place significant emphasis on customer interactions, focusing on engagement and direct communication with customers and the relatively low standard deviation (0.68) reflects a high level of consistency across the banks in how these practices are implemented. This means that most banks have similar practices in place for managing customer interactions, and there is little variation in their approach.

The mean score of 4.01 suggests that relationship development is viewed as a crucial CRM practice. DMBs are heavily invested in building and nurturing long-term relationships with their customers. This indicates a focus on customer retention and engagement strategies, which are fundamental to CRM practices and the standard deviation of 0.72 indicates that while banks generally prioritize relationship development, there is a moderate level of variation in how intensively different banks implement these practices. Some banks may be more proactive than others in fostering these long-term relationships.

Also, with a mean score of 3.56, analytical CRM practices are less frequently employed compared to other CRM dimensions like interaction management or relationship development. This suggests that while data analysis and customer insights are important, they are not yet fully integrated or leveraged in many of the banks' CRM practices and the standard deviation of 0.75 indicates considerable variation among the banks, with some likely having stronger analytical CRM capabilities than others. This variability suggests that there is room for improvement in how banks utilize data for decision-making, which could be a key area for development in CRM practices.

The mean score of 3.92 indicates that operational CRM practices, such as the automation of customer services and streamlining of internal processes, are commonly employed across the banks. This practice is contributing to the operational efficiency of DMBs, likely helping them manage customer requests and interactions more effectively and the relatively low standard deviation of 0.70 suggests that there is less variability in how operational CRM is applied across the banks, meaning most banks are relatively uniform in their approach to implementing operational CRM systems, which likely contributes to standardization and consistency in service delivery.

**Table 2: Results of Regression Analysis**

| CRM Dimension            | Dependent Variable    | Regression Coefficient ( $\beta$ ) | p-value |
|--------------------------|-----------------------|------------------------------------|---------|
| Interactive CRM          | Customer Satisfaction | 0.47                               | 0.000   |
| Analytical CRM           | Customer Loyalty      | 0.39                               | 0.001   |
| Relationship Development | Customer Commitment   | 0.51                               | 0.000   |
| Operational CRM          | Customer Base         | 0.42                               | 0.000   |

Source: Computed by Author using SPSS Statistical Software (Version 21).

The above table shows the relationship between CRM practices and organizational performance was analyzed using simple regression. Four separate regression models were created to

examine how each CRM dimension affects different aspects of organizational performance, namely customer satisfaction, loyalty, commitment, and customer base.

From the first hypothesis, Regression coefficient ( $\beta$ ) = 0.47, p-value = 0.000 (statistically significant). This shows that there is a strong positive relationship between interactive CRM practices and customer satisfaction. This suggests that DMBs with higher levels of customer interaction tend to report greater customer satisfaction. From the second hypothesis, Regression coefficient ( $\beta$ ) = 0.39, p-value = 0.001 (statistically significant). This shows that Analytical CRM practices significantly influence customer loyalty. Banks that effectively analyze customer data are better positioned to meet customer needs, fostering greater loyalty.

From the third hypothesis, Regression coefficient ( $\beta$ ) = 0.51, p-value = 0.000 (statistically significant). This shows a positive relationship exists between relationship development efforts and customer commitment. Banks that invest in nurturing long-term relationships are more likely to develop a committed customer base. From the fourth hypothesis, Regression coefficient ( $\beta$ ) = 0.42, p-value = 0.000 (statistically significant) which implies that Operational CRM practices have a significant effect on expanding the customer base. Efficient processes and services are key drivers in attracting new customers.

## **Discussion**

The findings of this study highlight the significant impact of CRM practices on the performance of DMBs in Abuja, specifically in terms of customer satisfaction, loyalty, commitment, and customer base. The significant positive relationship between interaction management and customer satisfaction in the first findings is consistent with previous studies that emphasize the importance of direct, personalized customer interactions in improving satisfaction (Payne & Frow, 2017). DMBs in Abuja that prioritize meaningful interactions with customers are better able to address customer concerns and needs, leading to higher satisfaction levels.

The positive impact of analytical CRM on customer loyalty supports the argument that data-driven decision-making in the second findings is essential for understanding customer preferences

and behaviors (Mishra & Gupta, 2020). Banks that invest in analytics can tailor their services to retain customers and improve loyalty. The result of the third finding aligns with previous research that suggests a strong relationship between relationship development and customer commitment (Wang et al., 2021). By focusing on relationship-building initiatives, banks in Abuja are fostering deeper emotional connections with their customers, which in turn increases customer commitment. The significant effect of operational CRM on the customer base in the fourth findings is in line with studies that highlight the role of operational efficiency in attracting and retaining customers (Akinyele & Akinyele, 2021). Automation and streamlined services help banks provide better and faster services, contributing to a larger customer base.

These findings are consistent with the work of Payne & Frow (2017), who argued that CRM practices are crucial for maintaining customer satisfaction and loyalty in competitive industries. However, this study extends existing research by demonstrating the specific influence of each CRM dimension on different performance outcomes (satisfaction, loyalty, commitment, and customer base), rather than focusing solely on financial outcomes. Some discrepancies were noted in the lesser emphasis placed on analytical CRM by DMBs in Abuja, despite its strong correlation with customer loyalty. This could suggest that while DMBs understand the importance of data, they may lack the necessary tools or infrastructure to fully leverage analytical CRM.

## **CONCLUSION AND RECOMMENDATIONS**

This study confirms that CRM practices play a critical role in enhancing the performance of DMBs in Abuja. Interaction management, relationship development, analytical CRM, and operational CRM all have significant effects on various aspects of organizational performance, including customer satisfaction, loyalty, commitment, and customer base. By improving

CRM strategies, DMBs can enhance their operational effectiveness, customer retention, and market competitiveness. Based on the study's findings, the following recommendations are made for DMBs in Abuja:

- i. Banks should continue to prioritize and strengthen interactive CRM practices, focusing on personalized customer service and engagement, which directly improve customer satisfaction.
- ii. Efforts should be directed towards building and nurturing long-term relationships with customers. Implementing targeted retention strategies and loyalty programs will help increase customer commitment.
- iii. There is a clear need for DMBs to adopt and invest in robust data analytics tools. By leveraging customer data, banks can make informed decisions that lead to higher customer loyalty and satisfaction.
- iv. Banks should further develop operational CRM strategies to automate processes and streamline service delivery, thereby improving efficiency and enhancing the customer experience.

## CONTRIBUTIONS TO KNOWLEDGE

This study contributes to the existing body of knowledge on CRM practices by examining their effects not only on financial performance but also on broader metrics of customer satisfaction, loyalty, commitment, and the customer base. While previous studies have concentrated on financial outcomes, this research underscores the importance of CRM in fostering non-financial performance outcomes. By focusing on the specific dimensions of CRM and their impact on organizational performance, this study offers valuable insights for DMBs in Abuja and beyond.

The study has several implications for practice, theory, and policy:

DMBs should prioritize the enhancement of CRM practices, particularly in areas of interactive

and relationship-building CRM. Investment in analytical CRM tools is essential to better understand customer needs and improve loyalty.

The study expands the literature by exploring CRM's impact beyond financial metrics, emphasizing customer satisfaction, loyalty, commitment, and customer base as key performance indicators.

Policymakers should encourage DMBs to adopt comprehensive CRM strategies, particularly in technological innovation and analytical CRM. They should also consider promoting training programs for bank staff on CRM best practices.

For future research, it is recommended that studies expand beyond the Abuja region to include DMBs in other parts of Nigeria. Additionally, incorporating customer feedback alongside staff responses could provide a more comprehensive view of the impact of CRM practices.

## REFERENCES

- Abubakar, A., et al. (2022). *Customer relationship management in Nigerian banks: Challenges and prospects*. *International Journal of Business and Management*, 12(4), 215-230.
- Aisha, A., & Abdullahi, N. (2024). Effect of focus strategy on the performance of Guinness Nigeria Plc, Abuja. *Abuja journal of business and management*, 2(4). <https://doi.org/10.70118/x2bhx433>
- Akanbi, M. O. (2020). Customer relationship management in Nigerian banks: A focus on innovations and challenges. *International Journal of Business and Management Studies*, 12(2), 45-59.
- Akinyele, S. T. (2020). *The impact of CRM on customer retention in Nigerian banks*.

- Journal of African Business, 21(3), 357-372.
- Akinyele, S. T., & Akinyele, A. T. (2021). The role of customer relationship management in the success of Nigerian banking institutions. *Journal of Business Research*, 14(3), 122-133.
- Ita, F. (2019). The impact of banking reforms on customer satisfaction and loyalty in Nigerian banks. *Journal of Financial Services*, 11(1), 35-48.
- Akinyele, S. T., & Akinyele, D. (2021). *Exploring CRM strategies in Nigerian Deposit Money Banks*. International Journal of Marketing Studies, 13(2), 45-59.
- Al-Momani, A. M., Mahmoud, M. A., & Ahmad, M. S. (2024). *Customer Relationship Management (CRM) Systems and their Impact on SMEs' Performance: A Systematic Review*. Preprints. <https://www.preprints.org/manuscript/202410.1538/v1>
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120. <https://doi.org/10.1177/014920639101700108>
- Buttle, F. (2009). *Customer relationship management: Concepts and tools* (2nd ed.). Elsevier.
- Chen, I. J., & Popovich, K. (2003). *Understanding customer relationship management (CRM): People, process and technology*. Business Process Management Journal, 9(5), 672-688.
- Chuang, H. M., & Lin, P. W. (2022). Customer relationship management systems as strategic resources for competitive advantage. *Information Systems Research*, 33(2), 356-374. <https://doi.org/10.1287/isre.2022.1109>
- Ita, I. E. (2019). *Customer relationship management in the Nigerian banking sector: An analysis of customer retention strategies*. Nigerian Journal of Business and Management Studies, 5(2), 112-130.
- Kaur, P., & Rani, S. (2020). Impact of customer relationship management on customer loyalty and satisfaction in the service sector. *Journal of Marketing Research*, 28(4), 211-225.
- Kaur, R., & Rani, S. (2020). *CRM and customer satisfaction in banking sector: An empirical study*. International Journal of Research in Marketing, 37(1), 105-120.
- Koryak, O., Lockett, A., Hayton, J. C., Nicolaou, N., & Mole, K. (2020). Disentangling the resource-based view and dynamic capabilities: Is there a clear boundary? *Academy of Management Review*, 45(2), 222-244. <https://doi.org/10.5465/amr.2019.0330>
- Lawal, N. A., & Abdullahi, N. (2024). Effect of naira redesign policy on the performance of selected small-scale businesses in Gwagwalada Area Council, FCT-Abuja. *Abuja Journal of Business and Management*, 2(3). <https://doi.org/10.70118/ajbam-03-2024-51>
- Mishra, M., & Gupta, V. (2020). Exploring customer relationship management and its impact on organizational performance in the banking sector. *International Journal of Marketing Studies*, 19(4), 98-112.
- Mishra, P., & Gupta, V. (2020). *Impact of CRM practices on organizational performance: A review*. Journal of Marketing Management, 25(7), 504-521.
- Ngai, E. W. T., Xiu, L., & Chau, D. C. K. (2009). *Application of data mining techniques in customer relationship management: A literature review and classification*. Expert

- Systems with Applications, 36(2), 259-272.
- Nnajifor, E. O., Mohammed, U. D., & Abdullahi, N. (2024). Impact of Nigeria's currency redesign policy on the performance of selected deposit money banks in Nigeria. *Abuja Journal of Business and Management*, 2(3). <https://doi.org/10.70118/ajbam-03-2024-45>
- Oliver, R. L. (1999). *Whence consumer loyalty?* Journal of Marketing, 63, 33-44.
- Payne, A., & Frow, P. (2005). *A strategic framework for customer relationship management*. Journal of Marketing, 69(4), 167-176.
- Payne, A., & Frow, P. (2017). Developing superior customer value through customer relationship management. *Journal of the Academy of Marketing Science*, 45(4), 447-461.
- Peteraf, M. A., & Barney, J. B. (2003). Unraveling the resource-based tangle. *Managerial and Decision Economics*, 24(4), 309-323. <https://doi.org/10.1002/mde.1126>
- Reinartz, W., Krafft, M., & Hoyer, W. D. (2024). *The Customer Relationship Management Process: Its Measurement and Impact on Performance*. Journal of Marketing Research, 41(3), 293-305. <https://www.researchgate.net/>
- Rust, R. T., & Huang, M. H. (2021). The service revolution and the transformation of marketing science. *Marketing Science*, 40(1), 17-36. <https://doi.org/10.1287/mksc.2020.1259>
- Singh, S. K., & El-Kassar, A. N. (2019). Role of big data and predictive analytics for CRM systems: A resource-based view perspective. *Journal of Business Research*, 104, 120-130. <https://doi.org/10.1016/j.jbusres.2019.06.012>
- Wang, L., Hu, Z., & Zhang, Y. (2021). Exploring the effects of CRM dimensions on customer satisfaction and loyalty: Evidence from the banking sector. *Journal of Service Marketing*, 35(3), 250-263.
- Zablah, A. R., Bellenger, D. N., & Johnston, W. J. (2012). *Customer relationship management: A framework for enhancing customer satisfaction and loyalty*. Journal of Marketing Theory and Practice, 20(3), 247-263.
- Zhang, M., Guo, L., Hu, M. Y., & Liu, W. (2023). CRM analytics and organizational performance: A longitudinal study. *Decision Support Systems*, 165, 113895. <https://doi.org/10.1016/j.dss.2022.113895>