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**The role of Customer Relationship Management: An
approach to competitive advantage in the banking
sector.**

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**The role of Customer Relationship Management: An
approach to competitive advantage in the banking sector**

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Thesis Approval

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competitive advantage in the banking sector**




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Jerusalem – Palestine

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Dedication

الى الرسول الأعظم والمعلم الأكرم ... محمد بن عبد الله عليه الصلاة والسلام

To the greatest profit" Mohammad"

الى والدي سعود سعد الدين العلمي ووالدتي أماني حسين خيال

قدوتي الأولى، ونبراسي الذي ينير دربي، الى من يعطي بلا حدود ، الى من رفعت رأسي
افتخاراً بهم ، حفظكم الله

**To my beloved and dear father and mother, the light of my path,
who give without limits, whom I'm proud of**

قال الله تعالى "سَنَشُدُّ عَضُدَكَ بِأَخِيكَ"

الى أخي طاهر السند الحبيب

الى أختي ايناس رفيقة القلب والروح

To my beloved brother Taher

To my beloved sister Enas

أهدي بحثي المتواضع املا من الله عز وجل أن يتقبله مني ويجعله في ميزان حسناتي

يوم لا ينفع مالاً ولا بنون الا من اتى الله بقلب سليم

**I hope Allah the greatest to accept my simple report and keeping
it record to the end day, in which nobody benefits anyone else but
who comes with clean and clear heart.**

With all my love and respect

Nancy Soud Sa'ad Aldeen Al-Alami

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

In the Name of God, the Compassionate, the Merciful

(قَالُوا سُبْحَانَكَ لَا عِلْمَ لَنَا إِلَّا مَا عَلَّمْتَنَا إِنَّكَ أَنْتَ الْعَلِيمُ الْحَكِيمُ)

صدق الله العظيم

سورة البقرة الآية (32)

They said: "Glory to Thee, of knowledge we have none, save what Thou Hast taught us: In truth it is Thou Who art perfect in knowledge and wisdom.

(يَرْفَعُ اللَّهُ الَّذِينَ آمَنُوا مِنْكُمْ وَالَّذِينَ أُوتُوا الْعِلْمَ دَرَجَاتٍ ۗ وَاللَّهُ بِمَا تَعْمَلُونَ خَبِيرٌ)

صدق الله العظيم

سورة المجادلة الآية (11)

Allah raises up in ranks those who believed among you and those who have been given knowledge. Allah is aware of what you do.

Declaration:

I certify that this thesis submitted for Master Degree, is the result of my own research, except where otherwise acknowledged, and that this study (or any part of the same) has not been submitted for a higher degree to any other university or institution.

Signed: *Nancy Al-Alami*

Nancy Soud Sa'ad Aldeen Al-Alami

Date: 25\01\2020

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Abstract:

This study tackles the role of Customer Relationship Management (CRM), and its supporting elements in gaining a competitive advantage in the banking sector of Palestine. This thesis tries to investigate the existing role of CRM as a tool to gain competitive advantage in the banking sector in Palestine. Moreover, this thesis studies and analyze the significant differences between the different types of banks in Palestine which are: local, Islamic local and foreign banks, in implementing the role of CRM and its supporting elements which are marketing, information technology, customer service and quality to enhance a competitive advantage. The study sample included 8 banks working in Palestine. A combination of descriptive-explanatory and empirical analysis was used in this thesis. The primary data was collected by questionnaires which were randomly distributed over 94 general managers, managers, and head of departments.

The results of the research show the significant relationship between the role of CRM and competitive advantage. Moreover, the study shows that the implementation of CRM and its supporting elements helps in building long-term relationship with customer. Furthermore, the study shows that there are no significant differences between the types of banks in terms of implementing information technology, quality, and customer service to gain a competitive advantage. However, there is a significant difference in terms of marketing between local and foreign banks. On the other hand, the study reveals that banks have to concentrate and develop their adoption of the competitiveness generic strategies.

The study recommends that banks in Palestine must consider a full scope of the successful CRM system by developing the management of customer's relations by attracting new customer and maintaining the relations with current customers. Also, banks have to concentrate on providing unique and innovative services and products to gain competitive advantage. Moreover, banks have to emphasize on the development of information technology, customer services, and quality which affects the overall performance and profitability. On the other hand, banks have to emphasizes more on adopting competitive generic strategies. Furthermore, banks have to invest more in enhancing the employee's knowledge and experience to be fully utilized about the CRM and competitive advantage elements.

دور ادارة علاقات العملاء في تحقيق الميزة التنافسية في القطاع المصرفي

اعداد الطالبة: نانسي سعود سعد الدين العلمي

اشراف الدكتور: ابراهيم عوض

ملخص:

هدفت هذه الدراسة الى اختبار وفحص دور ادارة علاقات العملاء في بناء ميزة تنافسية في القطاع المصرفي ومدى اهتمام البنوك العاملة في فلسطين بممارسة مفهوم ادارة علاقات العملاء أثرها على بناء الميزة التنافسية. كما تهدف أيضاً الى التعرف على دور الوظائف الداعمة لإدارة علاقات العملاء والتي تتضمن (التسويق، تكنولوجيا المعلومات، خدمة العملاء، والجودة) وتأثيرها على بناء الميزة التنافسية. كما تناولت الدراسة أيضاً فحص الاختلافات بين البنوك الاسلامية، البنوك الوافدة والبنوك المحلية في تطبيق ادارة علاقات العملاء والوظائف الداعمة لها لتحقيق ميزة تنافسية. وشملت الدراسة مقرات الادارة العامة الموجودة في محافظة رام الله والبيرة لثمانية بنوك وهم البنك العربي، بنك فلسطين، البنك الاسلامي العربي، البنك الاسلامي الفلسطيني، البنك الوطني، البنك العقاري المصري، بنك الاستثمار الفلسطيني، والبنك الأهلي. وتم استخدام مزيج من المنهج الوصفي والمنهج التحليلي. وفي سبيل تحقيق ذلك تم تصميم وتحكيم استبانة، وتوزيعها على (94) موظفاً يشغلون مواقع وظيفية من درجة رئيس قسم فأعلى في مقرات الادارة العامة للبنوك المبحوثة.

وأظهرت نتائج الدراسة أن تطبيق مفهوم ادارة علاقات العملاء يؤدي الى تحقيق ميزة تنافسية من خلال التطبيق الفعال للوظائف الداعمة لإدارة علاقات العملاء، كما وأظهرت النتائج اهتمام البنوك المبحوثة بممارسة وتطبيق ادارة علاقات العملاء التي تؤدي الى اكتساب العملاء والمحافظة عليهم وتقوية العلاقات طويلة الأمد معهم. كما وبينت نتائج الدراسة وجود علاقة ايجابية بين الوظائف الداعمة لإدارة علاقات العملاء وبين الميزة التنافسية حيث كان لتكنولوجيا المعلومات الأثر الايجابي الأكبر، ثم التسويق، ثم خدمة العملاء ثم الجودة.

من جانب آخر، أظهرت الدراسة وجود فروق ذات دلالة احصائية بين البنوك الوافدة والمحلية في ممارسة ادارة علاقات العملاء والوظائف الداعمة في محور التسويق، وعدم وجود فروق ذات دلالة احصائية بين

الوظائف الداعمة الأخرى. كما بينت الدراسة بأن البنوك المبحوثة تعتمد على أكثر من استراتيجية تنافسية واحدة.

وتضمنت الرسالة عدة توصيات أهمها، أن على البنوك الاهتمام ودعم العلاقات مع العملاء من خلال تخصيص ادارة تهتم باستقطاب العملاء والمحافظة عليهم وتقوية العلاقات معهم، كما يجب على البنوك تقديم خدمات جديدة ومميزة بصورة مستمرة من أجل جذب عدد أكبر من العملاء. كما وأوصت الرسالة بضرورة التركيز على استراتيجيات التنافسية. من جانب آخر، أوصت الرسالة بالاستثمار في الموارد البشرية العاملة بالبنوك وتقوية معرفتهم بإدارة علاقات العملاء واستراتيجيات التنافسية.

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Chapter One

ORIENTATION

1.1 Rationale

Many theoretical and practical studies emphasize on the role of the banking sector in the economic growth and achieving sustainable development, which defined by the human development report, to expand human choices, eradicate poverty, unemployment and raise living standards (PMA, 2011). Moreover, the more progress any country makes in the development indicators, the need for the more developed and sophisticated banking system is required. Thus, it means that the developed banking sector and sustainable development are linked together (MAS, 2018). According to the Palestine Monetary Authority (PMA), the banking sector considered as being one of the pillars that supports the infrastructure of economics in Palestine. It has an important impact on the economy, as it attracts foreign investment which affects positively in economic growth. Therefore, the PMA has been working to build and develop a strong and solid economic infrastructure to provide advanced banking services to reach sustainable development (PMA, 2011). Because of that, the banking sector in Palestine is reformed under electronic banking network and services through the automation of transactions using the efficient and effective technology which affect and raise the competitiveness of banking sector.

Moreover, according to the Palestinian Central Bureau of Statistics (PCBS), banking sector in Palestine is one of the most important sectors that contribute to the International Investment Position (IIP) stock by the economic sector. By the end of the year 2017, banking sector contributes to the IIP of Palestine of 2,902 Million USD and 4,752 Million USD as total external assets. Additionally, comparing to other sectors, banking sector occupies the highest rank in international investment over other economic sectors (PCBS, 2019). Over the last years, PMA paid attention to manage weak banks and encourage them to merge in order to increase the level of competition between the banks. Therefore, number of banks decreased from 21 to 18 banks in 2011, and to 14 banks in 2018 (PMA, 2018). Regarding the staffing level, it was nearly 7,209 employees in 2018, which divided into 70 employees on the senior management, 945 employees on the middle management, and 5,377 employees

on the executive staff (ABP, 2018). According to the Association of banks (ABP) in Palestine, this level represents a significant increase compared to the level in 2010 in which the sector employed nearly 4,687 employees, which makes the banking sector as one of the most important promising sectors that may join effectively in improving the Palestinian economy in general.

On the other hand, the huge and modern changes in customers' needs, and the variety of fields, products, services, encouraged companies to find an efficient approach to creating and maintaining a special relationship with customers. Therefore, this research discusses Customer Relationship Management (CRM) and its supportive elements in achieving competitive advantage in the banking sector. Nowadays, most companies have realized that the only way to survive in the market is to attract and maintain their relationship with customers and focusing on consumers' retention by managing effective customer relationships to improve their business. Furthermore, the aim of customer relationship management isn't restricted in the process of collecting data or providing services or products, it's about building an interactive strategy to deal with and focus on customer-centric (Buttle, 2004). Therefore, CRM considered a strategic process rather than a technical process (Dowling, 2002).

In fact, successful companies try to design and produce their services and products in accordance with customer's needs and expectations (Buttle, 2004). CRM consists of several supportive elements used as tools to attract customers, for example; technology, collecting data and information about customers, security, marketing and quality of services provided. To be specific, marketing and technology contribute to raise the awareness of customers and their needs for high-quality products, low-cost and other preferences such as quick response (Buttle, 2004). Moreover, CRM is associated with utilizing information technology and the strategies of new marketing thinking to deliver profitable, long-term relationships (Payne, 2005).

However, in terms of competitiveness, the companies face continues challenges unless they can pursue, enhance and manage their relationship with customers in the same manner on all fronts as a mechanism for achieving a sustainable competitive advantage (Khan, et al., 2016).

This study aims to analyze the impact of customer relationship management and its supportive elements on (8) banks, located in West Bank (Palestine). Having in the mind, the study will help in addressing the role of customer relationship management on competitive advantage. Taking into consideration, the role of CRM supportive elements in gaining competitive advantage. Moreover, the banks are divided into three categories; local banks, Islamic local banks, and foreign banks. In addition, this study will compare the CRM and its role in competitive advantage between those three categories.

1.2. Overview of the banking sector in Palestine:

According to the latest annual report of PMA, there are 14 banks in Palestine, divided into 7 local banks and 7 foreign banks (PMA, 2018). Moreover, according to the Association of Banks in Palestine (ABP) the 14 banks divided into 11 commercial banks and 3 Islamic banks (ABP, 2018). The table below shows the list of the Palestinian banking system institutions 2018 divided into local and foreign bank

Table 1.1. list of the Palestinian banking system institutions 2018

Local Banks			Foreign Banks		
1960	Bank of Palestine	72	1986	Cairo Amman Bank	21
1995	Palestinian Investment Bank	18	1994	Arab Bank	31
1995	Al-Quds Bank	40	1994	Bank of Jordan	36
1996	Arab Islamic Bank	22	1994	Egyptian Arab land Bank	7
1997	Palestine Islamic Bank	43	1994	Jordan Commercial Bank	5
2006	The National Bank	26	1995	Jordan Ahli Bank	9
2016	Safa Bank	6	1995	Housing Bank for trade & Finance	15



Year of Establishment for local banks, or re-opening the first branch for foreign bank



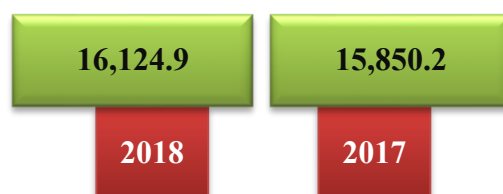
Number of Branches and represented offices

Source: (PMA annual report, 2018)

Additionally, the Palestine Monetary Authority (PMA) showed in their reports that there is a growth in the key indicators which are assets, deposits, facilities, equity and other indicators over the last years (PMA,2018). This growth contributes to the development of the Palestinian investment for example, the services sector in Palestine occupies the highest rate in the contribution of employment with 40% (PCBS, 2018). Moreover, the analysis of the financial statement for the banking sector (at the end of 2018), showed that the total assets in the banking sector increased by 1.7% compared to 11.6% at the end of the year 2017 to reach USD 16,124.9 Million (PMA, 2018). This growth affects the significant changes that influenced the components of assets in the balance sheet of the banks. On the other hand, in 2018, there was a deceleration in the rate of growth of GDP in Palestine to reach 0.9% compared with 3% in 2017, and there was an increase in the unemployment rate to reach 32% in 2018.

The figure below shows the banking sector assets in USD Million:

Figure 1.1. The banking sector assets in USD Million



Source: (PMA annual report, 2018)

Lately, the PMA has worked on setting some regulations and electronic systems to facilitate communication and strengthen the relationship between customers and banks, for example, a credit information system that controls the process of lending and borrowing, protect, secure transactions and reduce the risk of that processes. The credit information system contains a database about all customers and their historical transactions. Moreover, PMA developed a new electronic payment system which called the PMA's Real-Time Gross Settlement System (BURAQ) to support and facilitate payment process on customers and banks to reduce costs, increase the efficiency of transactions and provide quality services to customers. Additionally, it will reduce the settlement period, and drive competition among banks; all this will have a positive impact on investors as well as securities companies.

The table below views the list of banks in Palestine and the branches:

Table 1.2. Number of banks in Palestine and branches from 2014-2018

#	2014	2015	2016	2017	2018
Banks in Palestine:					
Local banks	7	7	7	7	7
Foreign banks:	10	9	8	8	7
Jordanian banks	8	7	7	7	6
Egyptian banks	1	1	1	1	1
Foreign banks	1	1	0	0	0
Total	17	17	16	15	14
Branches of banks in Palestine:					
Local banks	142	155	187	209	227
Foreign banks:	116	119	122	128	124
Jordanian banks	109	112	116	121	117
Egyptian banks	6	6	6	7	7
Foreign banks	1	1	0	0	0
Total	258	274	309	337	351

Source: (PMA Annual Report, 2018)

We can see from the table above that the number of banks in decreased from 2014 to 2018, PMA have paid attention to manage weak banks and encourage them to merge in order to increase the level of competition between banks in Palestine. However, the branches of the banks are increased by the year due to awareness of the importance of reaching more customers to strengthen their relationship with them and reach customers' satisfaction.

1.2.1. Overview of the banks selected in this study

This part of the study will focus on the selected banks in Palestine:

Bank of Palestine (BOP): It considers a local commercial bank, established in 1960. According to ABP, the total assets of the bank of Palestine are USD 4,657,182,978. It's worth mentioning that the data of BOP include data of Arab Islamic bank as one of his subsidiary companies (ABP, 2018). Furthermore, the BOP market share in the Palestinian exchange according to total assets is for the year 2018 is 30.1%.

Arab Bank: Arab Bank operates in 28 countries. It considers a foreign commercial bank, established in 1994. According to ABP, the total assets of the Arab bank are USD 3,753,719,567 (ABP, 2018). Furthermore, the Arab bank market share in the Palestinian exchange according to total assets for the year 2018 is 24.3%

The National Bank (TNB): It considers a local commercial bank, established in 2006. According to ABP, the total assets of the TNB are USD 2,204,690,870. It's worth mentioning that the data of TNB include data of Palestine Islamic bank as one of his subsidiary companies (ABP, 2018). Furthermore, the TNB market share in the Palestinian exchange according to total assets for the year 2018 is 14.2%.

Palestine Islamic Bank (PIB): It considers a local Islamic bank, established in 1997. According to ABP, the total assets of the PIB are USD 1,104,396,137 (ABP, 2018). Furthermore, the Palestine Islamic Bank market share in the Palestinian exchange according to total assets for the year 2018 is 7.1%.

Arab Islamic Bank (AIB): It considers a local Islamic bank, established in 1996. According to ABP, the total assets of the PIB are USD 1,106,302,827 (ABP, 2018). Furthermore, the Arab Islamic Bank market share in the Palestinian exchange according to total assets for the year 2018 is 6.9%.

Palestine Investment bank (PIB): It considers a local commercial bank, established in 1995. According to ABP, the total assets of the PIB are USD 454,812,026 (ABP, 2018). Furthermore, the Palestine Investment bank market share in the Palestinian exchange according to total assets for the year 2018 is 2.9%.

Jordan Ahli Bank: It considers a foreign commercial bank, established in 1995. According to ABP, the total assets of the PIB are USD 398,603,804 (ABP, 2018). Furthermore, the

Jordan Ahli Bank market share in the Palestinian exchange according to total assets for the year 2018 is 2.6%.

Egyptian Arab land Bank: It considers a foreign commercial bank, established in 1994. According to ABP, the total assets of the PIB are USD 178,127,055 (ABP, 2018). Furthermore, the Egyptian Arab land Bank market share in the Palestinian exchange according to total assets for the year 2018 is 1.2%.

In the meanwhile, researchers define market share as a company's or an organization's sale in accordance with total industry sales for a certain period. "Market share is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period" (Hayes, 2019). To illustrate, the market share is an important indicator of organization experience and market power based on its sales and services. Furthermore, the market share used to reveal the competitive position for the organization, and there is a strong and positive relationship between increased market share and success. Researchers show that the positive relationship between market share and profitability is a result of the quality of the management and strategies (Etale, et al., 2016).

From the data mentioned previously, we can deduce that the bank who holds a high total of market share, for example, Bank of Palestine, who has the highest market share, enjoys higher effectiveness and efficient operations, provides distinguished services and demand on successful strategies. Moreover, the rate of the market share provided previously is a sign of the competition between banks and their ability to build strategies that help meet customers' needs throughout trained and qualified employees. The research is going to analyze the competitive strategy adopted by each bank and the ability to apply the strategy of customer relationship management compared to other competitors.

1.3. Problem of the study:

CRM in banking sector faces many obstacles, still needs more efforts to improve, so, banks have to utilize their resources to build and maintain a strong relationship with customers. Nowadays, companies are not relying on their resources to survive in the market; they depend on the most value-oriented customers (Li, 2009). Banks are endeavoring to obtain merit over their competitors by providing distinct services and features, that could be attained by implementing the requirements of competitive advantages which concentrate on the ability for banks to adjust themselves to customer's needs. The increasing competition of wide opportunities encouraged banks to have more contacts and relations with the customers (Abdulrahman, Hasan, 2016). Due to the severe competition in the banking sector, the competitors struggle to have larger market share, attract a larger number of customers by reducing the interest rate and providing flexible credit line. Meanwhile, CRM is an essential tool for achieving better performance and business results (Cvijović, et al., 2017). On the other hand, many studies indicated that CRM plays an important role in improving competitive advantage in the banking sectors and the services provided. Thus, customers are the key to long-term business success by providing high-quality services which meets customers' expectations (li, 2009).

Additionally, the banking sector in Palestine considered one of the most important parts of the economic system in Palestine. There is a close relationship between the banking sector, economic growth, and sustainable development (MAS, 2014). This sector considers as an engine to stimulate both economic and investment activities. In accordance with that, this study tries to investigate the role of Customer relationship management and its supportive elements in achieving a competitive advantage in the banking sector.

In addition, the banking sector in Palestine contains three categories of banks which are; local banks, Islamic banks, and foreign banks. Furthermore, this study aims to compare the CRM strategy and its effect on competitive advantage between different categories of banks; local, Islamic local and foreign banks.

1.4. Importance of the study:

This study aims to shed the light on CRM and its supportive elements as an approach to gain a competitive advantage. Because banks have to provide customers with value beyond the competitors and design unique strategies, to reach the sustainability and success of the business organizations, the importance of the study is evident in the following:

1. Theoretical importance:

1.1. This study aims to identify the role of CRM and its supportive elements in the light of competitive advantage in the banking sector in Palestine, taking into consideration the four elements of CRM which are marketing, information technology, and quality and customer services.

1.2. This study aims to add to libraries about the importance of CRM and how it can affect the life-cycle of any business.

1.3. The importance of customers in the development process of organizations. CRM considered one of the most important elements of any successful business especially financial institutions. As, customers represent the cornerstone of Banks's transactions.

1.4. The importance of this study is to figure out the competitive strategies implementing by the banks in Palestine.

2. The practical importance:

2.1. The importance of CRM as a strategic process for banks in sustainable development and competitiveness.

2.2. The importance of this study is the analysis of CRM and its role in gaining a competitive advantage, and compares the strategy of CRM in the different categories of banks in West bank which are; local banks, Islamic local banks, and foreign banks.

2.3. The importance of studying customer relationship management from the perspective of its supportive elements and identify and determine the factors of competitive advantage in

the banking sector. Moreover, the factors that need improvement to increase the level of competitiveness in the banking sector.

2.4. The importance of this subject in the development & Policymakers.

2.5. This study aims to motivate banks to support the customer relations department by paying more attention to customer's needs and satisfaction as a way to reach profitability and increase their market share. Moreover, design an effective strategy to build long-term relations with customers.

2.6. The researcher hopes that the policy-making institution may find this document a valuable addition to their strategic planning in terms of customer relationship management in order to design policies intended to develop relations with customers.

1.5. Objective of the study:

1.5.1. Overall objectives

CRM contains substantial elements that any business must follow in order to survive in the competitive fields, relationship and information. The main objective of this research is to discuss the role of CRM the competitive advantage of the banking sector and to determine the importance of supportive elements of CRM in assisting bank's strategies to build and retain a wide range of relations. On the other hand, this study determines the factors of competitive advantage of banks and the factors that need to be improved.

1.5.2. Specific objectives:

The specific objectives that drove the research process are:

1. Assign a suggested descriptive model to measure the relationship between CRM as a competitive advantage in the financial institutions in Palestine.
2. Analyze CRM and its supportive elements and their effect on the performance and gaining a competitive advantage in the banks subject to the study.
3. Reveal how the Palestinian banks practice CRM strategies and how it affects their goals in the advantage of competitive.

4. Allocate the factors that define the staff practices of CRM in the banking sector.
5. Identify the competitive strategies implemented by banks in Palestine.
6. Conclude recommendations that could help the administrations of the banking sectors, as well as, the researchers and individuals interested in this field.

1.6. Research Questions:

This study addresses the following main research question: **What is the role of the supportive elements of CRM in enhancing and gaining a competitive advantage in the banking sector?**

In order to answer this main question, the study will answer the following specific questions:

- How marketing plays an important role in gaining a competitive advantage?
- How information technology plays an important role in gaining a competitive advantage?
- How customer service plays an important role in gaining a competitive advantage?
- How quality plays an important role in gaining a competitive advantage?
- What is the difference in the role of CRM in competitive advantage between local, Islamic local and foreign banks in Palestine? In which banks does CRM effects the most in competitive advantage?
- According to Porter, what kind of competitive strategy do banks adopt?

1.7. Research Hypothesis

In the view of the abovementioned questions, the research examines the following main hypothesis:

H1: The supporting elements of CRM are positively related to gain competitive advantage in the banking sector in Palestine.

In order to examine this main hypothesis, the study will examine the following sub-hypothesizes:

H1a: Marketing is positively related to gain a competitive advantage in the banking sector in Palestine.

H1b: Information technology is positively related to gain a competitive advantage in the banking sector in Palestine.

H1c: Customer service is positively related in gaining a competitive advantage in the banking sector in Palestine.

H1d: Quality is positively related to gain a competitive advantage in the banking sector in Palestine.

H2: There are no significant differences between the role of CRM and competitiveness advantage between local, Islamic local, and foreign banks in Palestine.

1.7. Limitations and obstacles of the study

Survey: for more accurate and reliable data the researcher collected data himself by visiting the respondents personally.

The difficulties in determining the accurate number of the employees in the middle management in the West bank; some banks are not able to give the accurate and total number of employees in their management. Moreover, the difficulties in collecting the accurate number of surveys, due to the restrictions of banks procedures to collect certain numbers of questionnaires.

1.8. Operational terms

Customer relationship management (CRM): is a business strategy which concentrates on understanding and managing the needs of organizations current and potential customers. It consists of different stages, strategy, and process which the organization tries to manage customer behavior in order to gain and acquire profitable customers (Adiele & Gabriel, 2013).

Competitive advantage: is taking the offensive or defensive action to create a defensible position in an industry, in order to cope successfully with competitive forces and generate superior return on investment (Porter, 1985).

CRM supporting elements: the elements that assist manage and support the customer relation management to run an organization towards success, which is represented in this study by marketing, information technology, customer service, and quality.

Marketing: activities undertaken by a company to promote the buying or selling of a product or service. Marketing includes advertising, selling, and delivering products to consumers or other businesses” (Twin, 2019).

Information technology: the use of sophisticated information and communication technologies together with computers to enable banks to offer better services to its customers in a secure, reliable, affordable manner and sustain competitive advantage over other banks (Ravi,2007).

Customer Service: is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met (McKinney, 2018).

Quality: activities and processes undertaken by a company as a strategy to increase productivity, reduce costs and attain customer’s satisfaction, in order to achieve companies’ goals and gain competitive advantage.

1.9 Structure of the Thesis

The thesis work is organized and structured as follows. In this chapter (Chapter one), background of the study was presented. This was followed by country context and articulation of the problem statement. Next, the research objectives and questions were stated followed by the boundaries. Finally, the significance of the study, the limitations and the Operational terms were provided.

Chapter Two presents the theoretical framework and the literature review, which describes the CRM and competitive advantage found in literature.

Chapter Three discusses the methodology of the research. This is a detailed explanation of the research approach and design used to address the research objectives of this study.

Chapter Four presents the results of the qualitative and quantitative research.

Chapter Five is a follow-up to the research results in chap. 4. Which includes discussions

Chapter Six includes conclusions as well as the recommendations are made based on the findings.

CHAPTER TWO

Theoretical Framework & Literature review

2.2. Theoretical Framework

2.2.1 Customer relationship management and competitiveness as a Conceptual Framework

2.2.2. Development of CRM

2.2.3. Types of CRM

2.2.4. Elements of CRM

2.2.5. The strategic framework of CRM

2.2.6. CRM Supporting elements

2.2.7. Competitive advantage

2.2.8. Dimensions of Competitive advantage

2.2.9. Porter and Competitive advantage

2.2.10. CRM and competitive advantage

2.3. Literature review

2.3.1 Previous studies

2.3.2 Comments on previous studies.

Chapter Two

Theoretical Framework & Literature review

This section presents the facts of the banking sector in Palestine. The question that comes to the mind after reading this section is: does the implementation of CRM add a competitive advantage to the banking sector in Palestine?

2.1. Theoretical Framework

This section covers the theoretical background of the main areas of the research.

2.1.1 Customer relationship management as a conceptual Framework

Customer relationship management considered as being a contemporary and marked topic that attracts various organizations and stakeholders. The concept of CRM has increased dramatically over the past year, which concerned with creating and developing a relationship with customers and customer-centric in order to increase profits for the organization stakeholders. Moreover, the contemporary financial industry has developed rapidly, become more dynamic with the recent changes that occur in customer needs, behavior, the usage of information technology and the competition of providing services (Buttle, 2009). Accordingly, banks intend to invest great efforts and concentrate on supporting and developing long-term customer relationships, which considered as an added value to banks (Cvijovic, et al., 2017). Banks can, nowadays, face more obstacles in achieving any added value due to the highly competitive markets (Zineldin, 2006). CRM is a broad spectrum of organizational and operational business strategy that contains marketing and building relations with the customer, which affects customers through combining process, people and technology in order to reach customer satisfaction and achieving organizational objectives (Knox, et al., 2003). On the other hand, in a highly competitive market, companies must emphasis on targeting continues relationships with their customers, because the higher rate of good and long-term relationships, the higher chance to achieve customer loyalty. In which it may increases organizational financial performance and the practice of customer relationship management (Zineldin, 2006). Additionally, Customers become one of the most important elements of organizational activities, new thoughts appear in the new economy, which concentrates on quality, improves the designs of products to meet customer's needs.

Those thoughts were the result of the management of relations with customers (Alipour, 2011).

Al-Zoubi (2016) explains that organizations have to be pushed to find new methods to improve their relationships with customers and adopt new plans for CRM including building long – term relations, follow new strategies of marketing which may lead to achieving organizational strategic goals. Nowadays, customer relationship management has developed and undergone some changes within technology and interactions with customers to meet their orientations, expectations, and needs in order to generate a feeling of loyalty and maintain financial interactions (Opara, Opara, 2016). So, CRM requires concentrating on distinguished relations with the customer by the usage of specific skills and techniques that enables organizations to develop their relations with the customer. These techniques depend on technology and human resources to know customer’s attitudes and their needs.

Meanwhile, CRM as a concept started to appear in the latter part of the 1990s, after the industrial revolution and the competition between organizations, there was a need of a new approach to attract customers which focus on the principles of relationship marketing, involving building relationship between customer and organization. In that way, the transformation of marketing and the change of the concept of relationship with customers helped in shaping what is called customer relationship management (Payne, 2005). Godsen (2009) defines CRM as a set of business activities and practices designed to make the organization closer to the customers and understand their needs, to make each customer more important and more valuable to the organization. While, (Opara, Opara, 2016), argues that CRM comes to shift the focus from traditional transactions and operations to developing strong relationships with different stakeholders such as customers, suppliers, media and government. Moreover, CRM as defined by (Adiele, Gabriel, 2013), is a business strategy that concentrates on understanding and managing the needs of organization’s current and potential customers. It consists of different stages, strategy, and process in which the organization tries to manage customer behavior, in order to gain, acquire profitable customers and provide high-value services.

To illustrate, CRM is to focus on individual or one-to-one relationships with customers that integrate database knowledge with long-term customer retention and growth

strategy (Peppers & Rogers, 2004). Besides, CRM defined as “an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time” (Shani and Chalasani, 1992). Thus, we can define customer relationship management as an integrated management strategy that focuses on customers’ needs throughout an effective interactive system between people, processes and technology in order to reach goals for both company and customer.

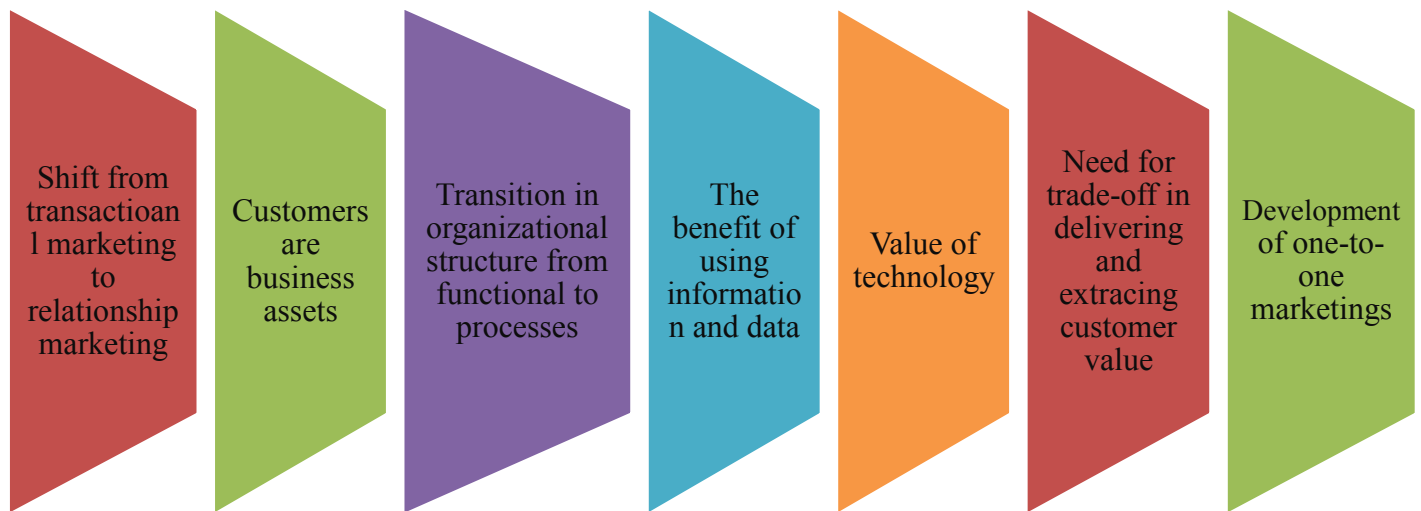
According to Abdulrahman and Hasan (2016), CRM and customer intimacy can be accomplished in three steps which are:

1. Efficient relationship with customers by building a system of contact management, marketing, and commitment in providing services or products with customers.
2. A Specialized and trained team that can deal efficiently with customers.
3. Building CRM software and database that contains information about customers and identify loyal customers in order to target and reward them as a way of customer retention.

2.2.2. Development of CRM:

In the last two decades organizations faced new competitive landscape which carried strong and intensely competitive and technological atmosphere. This competitive landscape motivated organizations to follow new strategies and to create value to attract and retain their customers, CRM came as a new wave of marketing, which carried tools and techniques that have the ability to make customer relationships automatic and open the door for the organization to sell anything to anyone they chose (Pepper, 2004). From that point of view, Payne explained that CRM as a management approach appeared according to different and important trends, which are:

Figure 2.1. Importance of CRM elements



Source: (Payne, 2005)

Any organization aims to maintain its relationships with customers because they are considered as the cornerstone of any successful organization, the figure above shows that the need of CRM developed due to the transition from traditional marketing to relationship marketing, and the changing of perspective towards customers to be considered as business assets. Furthermore, the rapid development of organizational processes and the usage of technology reinforce the importance of customer value. Adding to, (Thompson, et al. 2002) research shows that there are five objectives of CRM, which are: customer retention, increased profit per customer, enhanced cross-selling and up-selling opportunities, cost reduction and efficiency, and acquisition of new customers and reduces its cost.

By analyzing the main five objectives of CRM, we can say that CRM adds value and profitability to the organizations by building a long-term relationship with customers, getting close to customers, know their needs and expectations in order to reach customer's satisfaction and loyalty. The implementation of CRM increases the intensity of competitiveness and enables organizations to sustain competitive advantage (Mugdadi, 2015).

2.2.3. Types of CRM:

According to Payne (2005), analysts divided CRM into three types:

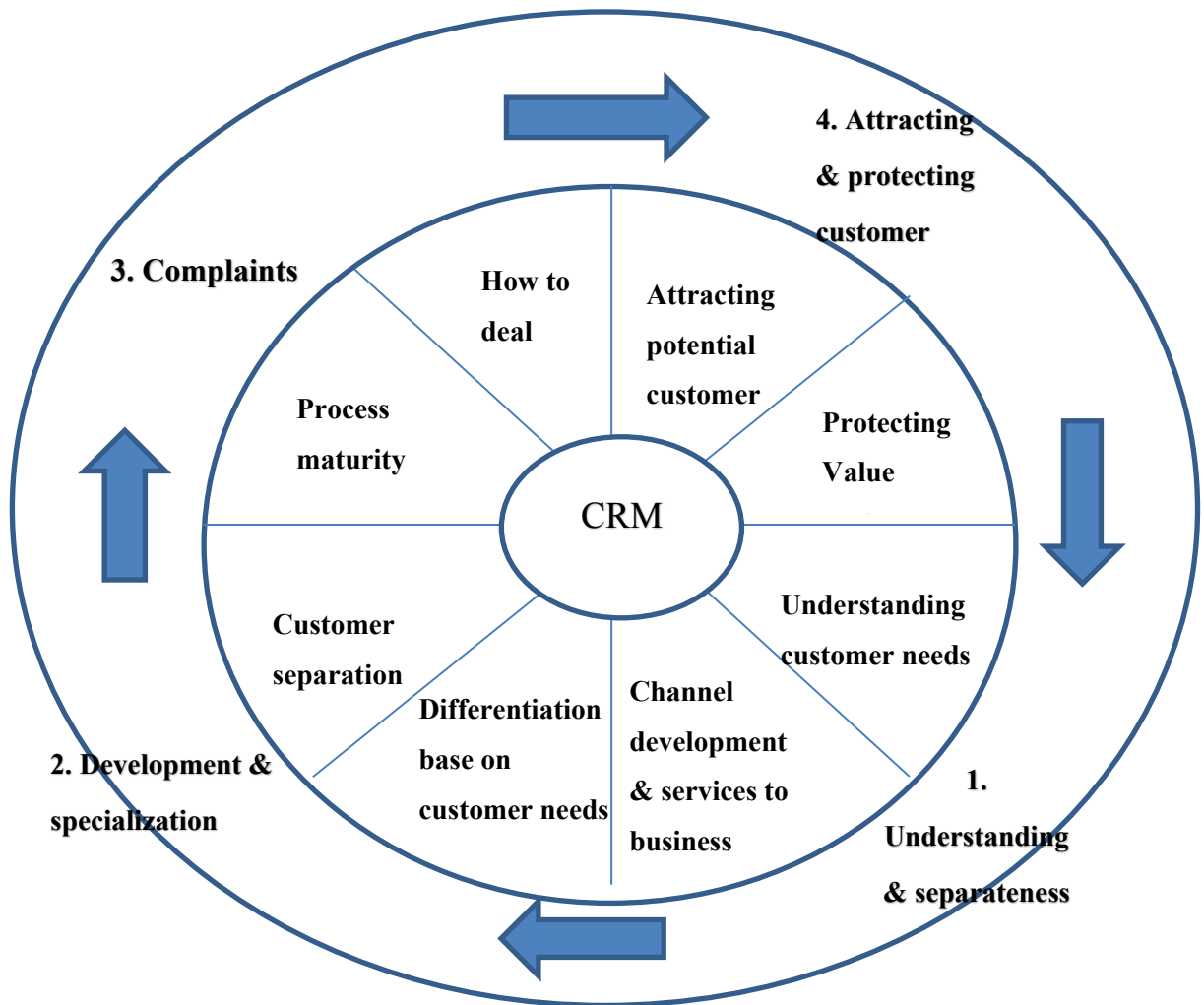
- **Operational CRM** which emphasizes in direct interaction with customers, that includes sales, marketing, and customer services, which is practiced throughout developing call centers and adopting sales force automation systems.
- **Analytical CRM** which emphasizes in the collection, storage, organizing, analysis, and usage of data that have been collected from operational CRM. The combination of the analytical and operational types contributes to the development of CRM.
- **Collaborative CRM** which reinforces the interaction between customers, organization and its employee. It emphasizes on the use of collaborative services, organizational structures to make interactions between the organization and its customers.

Accordingly, this study will focus on the combination of operational and analytical CRM, by explaining the methods of interacting with customers using marketing, customer services, quality, and information technology, in order to analyze the data collected.

2.2.4. Elements of CRM:

In a developed economy that based on customers, Alipour and Mohammadi (2011) showed that customer relationship management helps organization in identifying their customers into four types: the first is customers that have the value of gaining, the second is customers that must be kept and protected, the third is customers with profitability and the last one is customers that should be ignored. In order to identify customer's types, Hoots (2005) suggested a model that describes CRM elements:

Figure 2.2. CRM elements



Source: Hoots, 2005

The first element as shown in the figure understands and separating, which is the basis of CRM elements. This element concentrates on understanding customers throughout different activities such as maintain customer values and determining their needs, attitudes and which services and products they prefer (Alipour and Mohammadi, 2011). The second element is Development and Specialization, which based on the development of channels and products. The establishment of contact channels with customers has brought the efficient implementation of CRM. These channels emphasis on creating direct interactions with customers which are called “the contact point” such as call centers, direct sales, email, and

website. Moreover, after organizations identify their customers, they have to offer goods and services according to customer's needs (hoots, 2005). The third element is attracting and protecting customer, any organization can attract customers by providing high-quality products (Alipour and Muhammadi, 2011). While Turban (2004) shows that preserving customers depend on three points which are:

1. Interact and listen to your customers.
2. Value your customers by maintaining efforts to offer goods and services.
3. Pay attention to the changes in customers' needs.

The fourth element is a response to a complaint, which may ease the possibility for customers to complain and considers feedback to improve the products and services. (Fozia, et al., 2014) mentioned in their study that between 54% and 70% of customers will do business again with the organization if their complaint is resolved and 95% if the customer feels that the complaint was resolved quickly.

Furthermore, the evolution of new technology and new market enables companies to target specific customers and chosen markets by developing certain techniques and activities. Adrain Payne (2005) provided in his book "Handbook of CRM" new approaches in understanding and implementing CRM. He illustrated a strategic, process-driven, business-oriented, result-focused view of CRM as a strategic approach. In which it emphasizes on creating, developing and maintaining shareholder value throughout building efficient and appropriate relationships to gain profitable and long-term relationships (Payne, 2005). We can deduct from Payne's definition that information technology and marketing mainly support CRM in order to increase the acquisition and retention of profitable customers by improving long-term relationships.

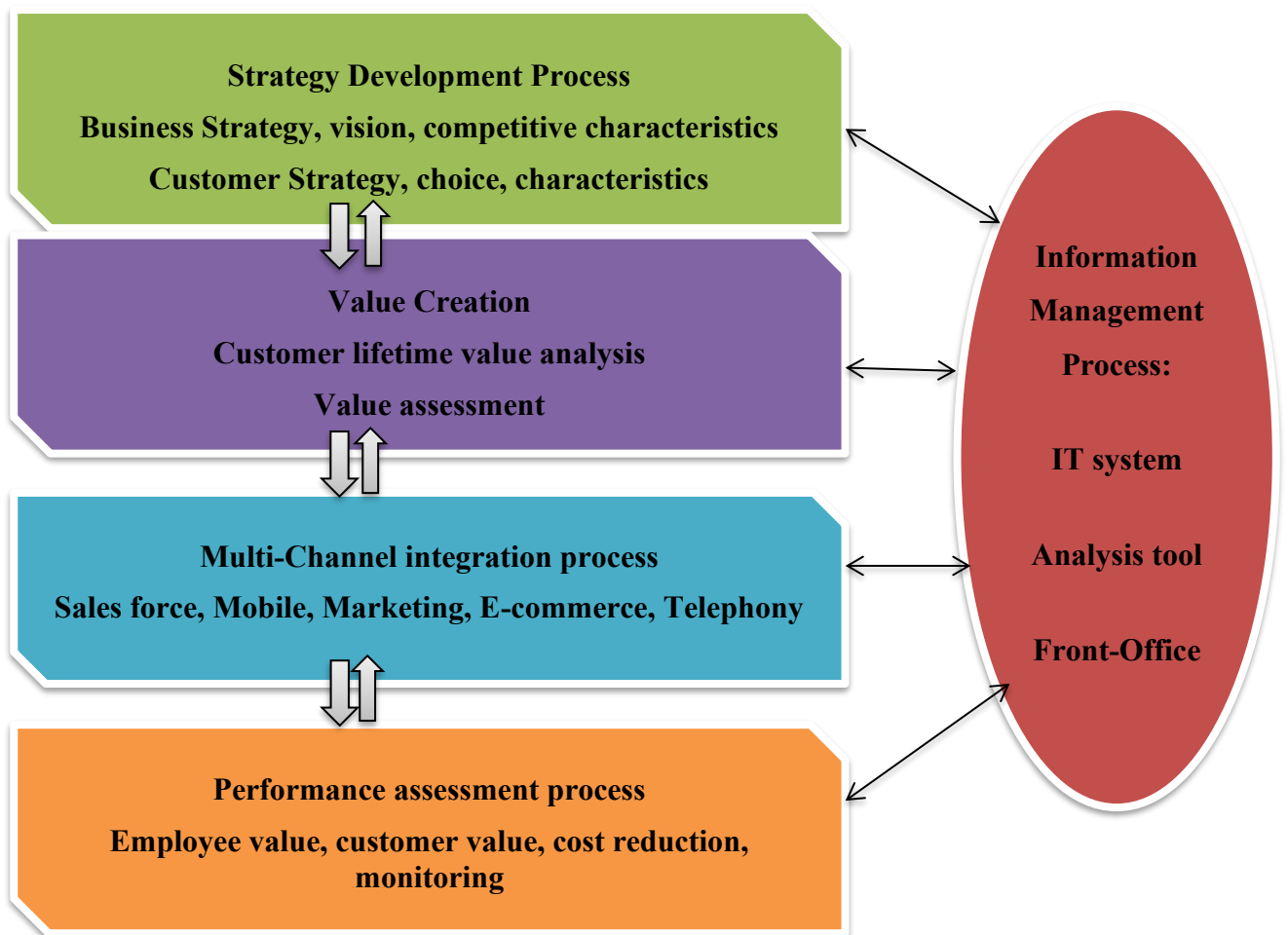
2.2.5. The strategic framework of CRM:

Payne and Frow (2005) argued that successful CRM requires a cross-functional framework, which organizes the process of CRM in organizations. The specific purpose of the framework is to position CRM as a strategic set of processes that add value and improve interaction with customers. Because CRM is a cross-functional activity, large companies try to focus on millions of relationships which can be implemented through a purposeful and

systematic framework (Payne, 2005). To that purpose, the strategic framework of CRM was developed as shown in the figure (2.3) below and contains five cross-functional processes. **The Strategy development process** entails the necessity of considering CRM as a strategic set of processes that emanates from the organization's strategy (vision, customer strategy). Furthermore, the ability to reach "**performance assessment process**" and be capable of evaluating organization's performance to assure that the goals (increase customers, employees, shareholders value and the reduction of costs) are achieved efficiently, the organization should go through some specific processes and functions which are: **Value creation process**: this process reveals that competitive advantage stems from the creation of value of the customer. The value creation process is a key to the success of any relationship (Payne, 2005). In addition, value is what buyers are willing to pay (Porter, 1985). This process emphasizes on customer lifetime value analysis and the importance of "customer value" that affects the organization's acquisition and retention of economic. In addition, value is what buyers are willing to pay (Porter, 1985). **Multi-channel integration process**: organizations must improve the interactions between suppliers and customers throughout improving their channels such as salesforce, E-commerce, Mobile commerce, and direct marketing.

In addition to that, those processes need to be supported **by the Information management process** which plays an important role in collecting and utilizing customer data by different IT systems.

Figure 2.3. The strategic framework of CRM



Source: Payne and frow, 2005

This study will focus on the combination of the value creation (customer services), multi-channel integration process (Marketing) and information management process as the study focused on competitiveness in terms of customer relationship management.

2.2.6. CRM Supporting Elements:

Many organizations adopt CRM as a strategy for many reasons, it could attributing in increasing revenues by better understanding, targeting customer's specific desires and reducing the cost of attracting new customers (Kingstone, 2004). On that account, a strong relationship with current and loyal customers helps in adding value to the balance sheet of the organization (Payne, 2005). So, many organizations started to focus on customer-centric business process and customer life-cycle care by integrating technology with quality data

which provide customers and employees the right information and services they need to optimize performance effectiveness (Kingstone, 2004). This study will discuss the four supporting elements of CRM which are: information technology, customer service, marketing, and quality.

Information technology for CRM: CRM is a technology-enabled approach to the management of customer interaction. CRM has developed by different standalone technologies including call centers, sales-force automation systems and customer information files (CIF) (Buttle, 2009). Information technology developed to support the CRM, it consists of applications which may support sales, services, and marketing. Furthermore, it helps in gathering and analyzing data about customers which may lead to identifying customer's needs and expectations. Information technology improves the organization's ability to sustain profitable customers and strengthen customer-related capabilities (Wang, Fing, 2012). In that matter, organizations started to pay attention to the need for central view of customers and understanding the value of them by increasing the channels of customer interactions. Therefore, organizations have to build a simple and flexible suite of applications in order to deal with customers. For example, communications channels and web technologies that allow customers and employees to access and share information throughout specific accounts without the need for specialist software to be installed (Buttle, 2009). In addition, new technologies and new markets enable companies to target the chosen market and customers (Payne, 2005). Furthermore, Effective implementation of CRM requires concentrating and developing hardware and infrastructure for the organization's system. The aspects/elements of CRM technologies such as online chats, call centers, websites and automated call distributors (Buttle, 2009). New technologies, for instance, include online chats, mobile banking, web integrations, email integrations, telephony integrations, web browsers, application integrations, and online banking are what a customer needs in today marketplace. The benefit of these new technologies is the concept of self-service and 24\7 access, which helps in reducing expenses, increase sales, improve customer service and loyalty, discover customer pain points, faster problem resolution and gain competitive advantage (Gao, 2019). Online chat offers a tool for banks to service customers and decreases the load in call volumes. Additionally, "Bank of America is one such study and early adopter of live chat, remarking that live webchat was a "key part" of their offering — and as American Banker alludes, a

primary factor in their recognition as a top bank in Keynote Systems Banker Scorecard” (SilverCloud Inc. 2019).

Accordingly, Buttle (2009), suggests that effective CRM requires storing and leveraging customer-related knowledge. For instance, Knowledge management is a process for gathering information such as letters and notes of interaction between customers in a sufficient system in order to analyze their needs, to meet customers goals, expectations and organizations mission. On the other hand, customer-related data may contribute to marketing and customer services. So, we can define knowledge management as the organizational practice of gathering, storing, organizing, analyzing and usage of the knowledge to reach and fulfill the organization’s mission. The knowledge that is important for competitive advantage must hold some specific characteristics such as sharable between users, available wherever and whenever users may require, accurate and up to date (Buttle, 2009). Furthermore, (Al-Haraizah, 2014) introduces the ability of E-CRM which depends on information technology to facilitate communications with customers, which can retain profitable and valuable customers by fulfilling their requirements.

Marketing: As the traditional markets transfer and developed into relationship markets, competitions take a very important role in these new markets. Therefore, Marketing focuses on allocating the efforts and budget to improve products which are advantageous for employees, investors, customers and other shareholders (Alipour, Mohammadi, 2011).

The main goal for CRM in any organization is to emphasize on the retention of profitable customers and maximization of the life-time value of customers as being the fundamental goal of CRM. Organizations can reach their goals by implementing some strategies throughout CRM. One of these strategies is marketing. Marketing in CRM comes to redefine the concept of “a market” from the traditional transactional marketing to relationship marketing. Marketing contributes to strengthening the firm’s and market’s performance and shifts the marketing activities from customer acquisition to customer retention (Payne, 2005).

The main objects of marketing activities are to achieve customer’s satisfaction throughout identifying the needs and desires of them, also marketing considered as having a range of competitive advantage that differentiates the organization from others (Al-Zoubi, 2016).

According to (Abdul Munim, 2006), marketing becomes the concern for many pieces of research because it has an effect on many fields such as the customer market, financial market, and internal markets. Moreover, (Wolf, 2007), discussed that there are four stages of customer relationship marketing which increase the value of customers, which include:

- Identification and knowledge of customers.
- Analyzing customers on the basis of their needs and expectations.
- Interacting with customers to find an effective way to improve productivity and best ways of interactions.
- Treating customers differently, by knowing which aspects of goods and products to offer for customers.

However, modern marketing concentrates on the management of relations to increase the profitability, income and the pleasure of customers (Buttle, 2005). To that reason, organizations must consider the combination of the 4Ps as named marketing mix strategy before launching and marketing its services or products. The necessity of formulating marketing mix strategies is to help the organization to attain competitive advantage. Additionally, the 4Ps helps companies to review and define key issues and influence the customers, to meet the needs of the customers and the challenge of the competitors. (Sachitra, 2016). Furthermore, the marketing mix is a tool to survive in a competitive environment which encourages organizations to choose the perfect implementing of the mixed strategy after analyzing the local market and the level of competition to satisfy customer's need and gain competitive advantage (Rahman, Islam, 2015). Thus, the four marketing strategies are:

- Product: which concentrates on the quality and the design of services, the image of the organization, the technology used in the process? Also, it concerns the features of service and the branding to meet customer's needs.
- Price: it's about the value of the service, costs, payment methods, discounts, and the price compared to the competitor's price.
- Place: it's about branches places and numbers, trade channels, how the customer could reach the services and sales force.

- Promotion: it's about customer relationships, public relations, marketing campaigns, and communications, direct marketing and sales promotion.

Customer Service: The element that differentiates one organization from another is the services they provide. Customers are responsive to the quality of service they attain, moreover, the characteristic of the providers of service can attract or reluctance customers. Because of that, customer services have been a necessary preoccupation of services organizations (Buttle, 2009).

Services are different according to the type of organization that customers deal with. The assessment of services by customers can be before performing the service as being a preconceived image, or during the performance or after being delivered. Furthermore, (Buttle, 2009) shows that there are many models of service quality used by organizations. One of these models is The Nordic Model, which divided services into three components. The first one is the technology which is described by “what”, the second one is Functional which is described by “how”. The last one is Reputation which merges the previous components and makes customers forming a specific perspective about the services (better, worse). In order to provide service with high quality, organizations need a supporting service technique which is called service automation (Payne, 2005). We can define service automation as the applications of computerized technologies that are designed to support service providers and management to achieve their goals (Buttle, 2009). According to the International Customer Service Association, the customer service department is responsible for developing and managing service's operations and tools which are:

- Call centers: employees should have responding skills with suitable information to deal with customers.
- Contact centers: communicate with customers by various channel (inbound, outbound)
- Helpdesks: such as information technology infrastructures and management.
- Field services: in order to increase customer value and to be assured that work is distributed equitably and optimally.
- Web self-services: This gives customers the easy way to order, purchase, pay and apply for any product and service at any time or anywhere. (Buttle, 2009).

2.2.7. Competitive advantage:

Due to the rapid development and availability of new technology and the escalating expectations and empowerment of the customer, organizations realized that it isn't enough to provide high-quality products, but creating a long-term relationship with their customers to increase profitability and achieving goals (Payne, 2005). To that purpose, organizations started to find a continuous competitive advantage to attract their customers by offering great value benefits which are better than their competitors (Alipour, Mohammadi, 2011). Moreover, in the world of quality and competition, being competitive means providing unique strength capabilities, perform differently from others, and meet customer's needs (Khan, et al., 2016). Porter (1985) states that competitive advantage is the basis of any successful organization which has a superior business position in the long run. Meanwhile, Rappaport (1991) argued that achieving competitive advantage can be attained by the ability of the organization to reduce total cost and increase overall sales. So, he expressed that there are two main factors for the competitive advantage which are low-cost and have superior value. In addition to that, (Al-Rousan, 1997) argued that competitive advantage has some characteristic as it can be achieved by comparison that differentiates one organization to another, so organizations can attain excellence and performance among competitors. Furthermore, it can reflect the efficiency of the organization's activities and the value offered to consumers. So, we can define competitive advantage is the ability for any organization to be superior from other organizations by offering products or services with high value, quality and acceptable cost effectively and efficiently.

2.2.8. Dimensions of Competitive advantage:

As competitive advantage grabbed the attention of many researcher's topics there are several dimensions of competitive advantage in different studies. Thatte (2007) divided them into the following:

- **Quality:** Products or services with high quality and low prices are the demand of every customer all over the world. It centered on the ability of an organization to offer products or services with high quality and performance in which it can gain high value for customers. In other words, it focused on providing services or products based on quality.

- **Cost/Price:** It is the ability of the organization to decrease the cost of products or services compared to other competitors. That can be performed by improving the efficiency of operations in products and services.
- **Delivery dependability (Time):** Customer's needs are changed rapidly. Competitive advantage supports organizations to deliver the type of products or services required by customers on time.
- **Innovation:** Competitive advantage isn't about providing products or services with high quality and low prices, but it is about creating and innovating new features to fulfill customer's needs and attract them. Organizations must adopt the process of continuous development of their service to keep up with the changing market and customer demands. In other words, innovation means developing and adopting new ideas, new features, and new ways of marketing and production of new sources, new services and new techniques in the way of dealing with customers.
- **Time to market:** which means the ability for the organization to produce new service or products faster than other competitors?

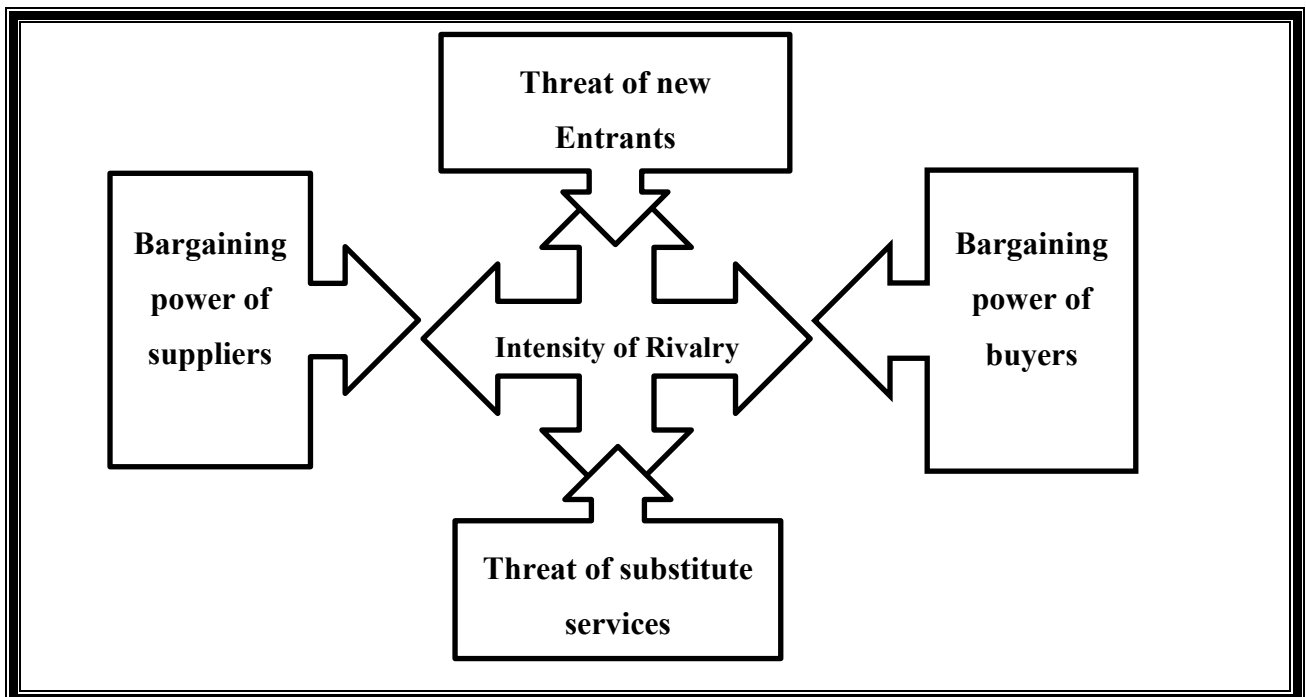
In this study, quality and cost will be examined in terms of elements leads to competitive advantage.

2.2.9. Porter and Competitive advantage:

Porter (1985) argues in "Competitive Advantage" that competition is the key to establish a profitable and sustainable position, by choosing the exact implantation of appropriate activities that contributes to the overall performance. "Competition is at the core of success or failure of firms" (Porter, 1985). As mentioned before, customer advantage is "what makes an organization goods or services superior to the entire customer's other choice". Therefore, companies must build strategies to obtain a sustainable competitive advantage. It should be noted that choosing a competitive strategy carefully is very important to any organization because it plays a powerful role in defining its improvement or erode. Additionally, Porter sets two significant questions for any organization pre-selecting competition strategy to contribute to specifying the exact competitive strategy; the first question is whether the industry is attractive and profitable. The second question is what the determination of relative competitive position within the industry. The first determinant of an organization's profitability is attractiveness (Porter, 1985), which determined by five competitive forces:

rivalry among existing competitors, bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitute services. These five forces may differ in their power according to the differences of industry or firm, which can change the stability of the industry. Particularly, they affect the cost and price of the services and products. After analyzing the five forces have to specify the strength and weaknesses in order to build a stronger position between competitors, these five forces provide the opportunity to examine, evaluate the interaction of competitors (Porter, 1985).

Figure 2.4. Five forces framework



Source (Porter, 1985).

The second question is centered on the organization ability to determine its position. In order to determine its position, each organization has to specify its generic competitive strategy. Besides, for achieving above-average performance, Porter defines three generic strategies: cost leadership, differentiation, and focus. Each generic strategy has its different characteristics and approach in creating a sustainable competitive advantage. In accordance to that, it's very important for the organization to adopt only one strategy to attain a competitive advantage. The organization that fails in choosing one strategy stuck in the middle and will be in non-preferred position among competitors (Porter, 1985).

To illustrate more please see figure 2.6. Below.

Figure 2.5. Generic competitive strategies

		Lower cost	Differentiation
Competitive Scope	Broad Target	1. Cost leadership	2. Differentiation
	Narrow Target	3a. Cost Focus	3b. Differentiation focus

Source: (Porter, 1985).

Cost Leadership: which means provide, produce products or services at a lower cost effectively than competitors. This means the attempt to increase the market share by emphasizing on low-cost among competitors. The organization needs to build efficient-scale facilities, utilize experience to cost minimization. Furthermore, lower cost can attain by implementing innovations process and designs products that needed reduce cost (Alen, et al. 2007).

Differentiation: which means providing products or services with higher quality than competitors? In that case, the customer pays a high price to have high-quality products. Organizations design unique products or services to fulfill customer’s needs. The business provides unique superior value to the customer through product quality (Alen, et al. 2007).

Focus: focus strategy in which an organization focuses or targets specific, particular market, customers or product lines and meet its demand. This strategy adopts a narrow scope within the industry. Porter (1985) argues that focus strategy has two variants: (1) cost focus, which means cost advantage in the specific target segments, while (2) differentiation focus means unique services or products in its targeted segment. The targeted segment holds unusual needs or behavior and the production has to differ from other industries.

This study will investigate the generic strategy that each bank in Palestine adopts and how it affects their performance. Furthermore, the study will analyze the role of the strategy adopted by banks in their market share and their position among other competitors.

2.2.10. CRM and competitive advantage:

CRM is a strategic tool that emphasizes on attracting, developing and building relationships with targeted customers and meet customer's needs and satisfaction. To that purpose, maximize customer's value and reinforce the company's performance to gain a sustainable competitive advantage (Khan, et al.2016). In order to achieve the organization's goals and increase profitability, a certain and constant system of competitive advantage must be established to maintain organization's position in a world full of competitors (Al-Haraizah, 2016). Most researchers and business experts believe that CRM is considered as a tool for competitive advantage, and they affirm that CRM fully influences on the performance and competitive power (Alipour, Mohammadi, 2011). Moreover, being competitive means the ability of the organization to set up practices and adopt a strategy in which they can deliver a unique mix of customer value by implementing a value-creating strategy as a result of marinating suitable competitive advantage (Khan, et al., 2016).

To summarize, to sustain competitive advantage in term of customer relationship management, organizations must have distinctive advantage by turning quality and capability, including unique products and services to attract profitability customers, to create and sustain the relationship with the customer as a source of a competitive advantage which distinguishes an organization from others on the firm.

2.2. Empirical review of Literature:

2.2.1. Previous studies

In this section, previous studies on relevant topics have been introduced and briefly discussed.

(Soliman, 2011) studied the theoretical framework of Customer Relationship Management and its relationship to the Marketing Performance. The methodology assumed that CRM was originated from a systematic comparative analysis of the marketing and relationship literature. Moreover, there are other supportive elements which are focusing on main customers, customer knowledge management, and the efficiency of the organization. The study concluded that there is a positive relationship between CRM and performance taking into consideration the assessment of employee's performance by enhancing their skills and communication channels with customers. In order to achieve that perspective, the organization must designate standards of performance and specify the necessary resources of CRM. The researcher also recommends that the organizations must develop information systems, so the needed information related to customers can help in the decision-making process.

(Ahmad, 2015) had shown Customer Relationship Management and its Impact on Realizing Competitive Advantage in Banking Sector. The study used the analytical descriptive method to identify the interest degree of commercial banks to practice the concept of customer relationship management on achieving a competitive advantage by using the questionnaire as data collective tool. The study targeted the managers and head of departments of banks. Moreover, the impact of the supporting functions of CRM and it contributes to moderate the relationship between CRM and competitive advantage. The study findings show that banks recognize the importance of applying customer relationship management and the supporting functions that lead to the achievement of competitive advantage in the banking sector. Moreover, the impact of information technology, customer services, and marketing in strengthening links with customers. The study shows that maintaining current customers is less expensive than acquitting new ones, and banks must focus on the different ways of marketing and distinguished services to attain customer satisfaction and loyalty. Furthermore, managers and administration show a big interest in practicing CRM through

hiring qualified employees who hold high academic qualifications and good experience which enables them to deal efficiently with customers.

(Fozia, et al., *Impact of Customer Relationship Management as a Strategy for Competitive Advantage in Kenyan Public Universities: A Case Study of Moi University*, 2014). This study shows the significant ability of information technology to highly interact with customers as a way to build and sustain a long-term relationship with customers. So, it can be attained by mobilizing the abilities to quick response to customer requests which lead to gain competitive advantage. The study adopted the case study research design and targeted a population of 1 vice-chancellor, 12 heads of schools in Moi University, and 25,000 students. The study finding shows that CRM elements increased customer confidence, increased purchases, and also build trust between the organizations and the customer. Moreover, improving customer's view by the using of marketing campaigns and organization activities affect long-term profitability.

(Al-Zoubi, 2016) explained in his study *The Role of CRM in Achieving Competitive Advantage* that qualified employees have an important role and impact in getting a competitive advantage, by maintaining the relationships with current customers and attract new customers. The study depends on theoretical and practical frameworks by using questionnaires and interviews on bank's employees to test the hypothesis. Furthermore, the study finds that implementing CRM contributes in building trust and achieves a competitive advantage through the quality of services provided. Moreover, organizations must emphasize on investing in current customers and building long-term relations that can cost less than the process of attracting new customers.

(Alipor, Mohammadi, *The Effect of Customer Relationship Management (CRM) On Achieving Competitive Advantage of Manufacturing Tractor*, 2011) show the impact of CRM to gain competitive advantage in the industrialized manufacture of Truck in Tabriz. The researchers emphasize on the way the organization improves and specializes in the relationship with customers by the responding to the complaints by employees. Also, the strategies used to protect current customers and attracting new ones. The hypothesizes of the study assume that the elements of CRM which are understanding customers, meeting their complaints, attracting, improving, protecting their relationship influence on achieving

competitive advantage in the supporting of marketing and information technology. The findings show a strong relationship between CRM and competitive advantage and the effective impact of understanding customers and resolving their complaints on improving the performance of the organization and reach a superior position between competitors. The study recommends to emphasizes more on developing an information technology system which can deal effectively with the complaints, turn them to satisfied customers and help the organization to interact with customers.

(Wang, Feng, 2012) on CRM capabilities: Measurement, antecedents and consequences seeks to show the role of CRM and develop a measuring model to shows the factor structure of CRM capabilities and its effect on performance using theoretical and practical frameworks and questionnaires to collect data. The model consists of three elements which are: customer interaction management capability, customer relationship upgrading capability, and customer win-back capability. The hypotheses of the study showed that customer orientation, CRM technology and customer-centric influences CRM and develop organization performance.

Furthermore, (Ghusain, 2014) aims to study the role of CRM in competitive advantage in Fusion company for internet and communications system. The researcher used a descriptive analytical approach to test the hypothesis by distributing the questionnaire over 333 customers. Additionally, the study shows that there is a significant coloration between the CRM system management system with technology, customer support, and online services in creating a competitive advantage. On the other hand, the organizations have to pay more attention to developing an information technology system, checking the quality of services, updates customer's information systems, and activates the role of the social network as it considered the primary source of communication.

In addition, (Noorani, et al. 2017): Role of E-CRM on the sustainability of competitive advantage in the hospitality industry in Kenya: A survey of beach tourist hotels in Mombasa County aims to examine the role of E-customer relationship management in competitive advantage in the hospitality industry in Kenya. It emphasizes on the ability of E-CRM to provide profitability and long-term relationship with customers over competitors' hotels. The study took place in Mombasa County which has a high level of competitors in the hotel sector. The Questionnaire was used to obtain comprehensive information from 8 tourist

beach hotels. The analysis of the questionnaires shows that supporting elements of E-CRM which are, customer interaction, expectation, personalization, and technology utilization (online banking and banking application) have a significant impact in achieving sustainable competitive advantage. Because the usage of online banking offers features such as bank statements, loan applications, funds transfer, e-bill payments, and account aggregation allow customers to monitor all their accounts in one place.

Plus, the aim of (Barys, 2017) study is to demonstrate the impact of CRM and modern technique and features used by Egypt air to achieve competitive advantage from 200 employees in the sales office department on Egypt air. Therefore, the results of the hypothesis support the positive impact of CRM in achieving competitive advantage which represented by customer satisfaction, loyalty, and trust. The analysis of the data shows their satisfaction with the new feature that Egypt air applied on their database and the effects of providing and developing an application called Frequent Flyer program which strengthens the relationship between the company and customers. Also, emphasizes on customer-value by concentrating on direct contact with customers and take into considerations their feedback to improve their performance.

(Bolbol, 2011): The evaluation of applying CRM in Jawwal company to maintain customer's loyalty, showed the impact of applying and performing the practices of CRM on customer loyalty, which leads to fulfilling customer's needs and organizational goals that centered on increasing profitability by retaining customers and attracting new ones. Two questionnaires were distributed to collect data, the first one targeted the staff, the other targeted the customers. The study accentuates that applying CRM elements, for example, knowledge management and technology have a strong impact on customer loyalty throughout strengthening the relationship between the organization and the customers. On the other hand, customers answered hold a positive attitude towards organization practices of implementing CRM applications which enhance their loyalty level.

(Islam and Rahman, 2015): indicated that marketing strategies made to make clear understanding about the concept of marketing mix tools that will help service the bank to properly structure and design customized banking products and service with affordable price

to satisfy customer's needs more effectively and efficiently through dynamic and innovative service marketing strategies.

(Shavazi, et al. 2013): CRM and organizational performance: A conceptual framework on the balanced scorecard (study of Iranian bank). This study tries to prove that CRM is one of the most important business strategies for organizations, and how the concept of implementing CRM practices can benefit the organizations. Therefore, customers which considered an important element supports and helps organizations in achieving sustainable advantage and improving performance through building strong relationships with customers. The study examined the way each bank performed CRM and tries to show that CRM processes are linked with bank performance. The findings show that maintain, initiation customer relationship and customer knowledge have the most effect on organization performance. However, each bank differs from another one in performing CRM and each bank has its unique way to perform, practice and apply CRM.

(Githaiga, 2013): CRM as a strategy to gain a competitive advantage in the banking industry determined the useful usage of CRM programs and strategy in order to achieve competitive advantage. The employees of Kenya commercial banks (KCB) were the study sample. The questionnaires were distributed among 60 employees of KCB bank in 3 branches who have intermediate knowledge of CRM. The major results show that the right uses of CRM can lead to reinforcing market productivity, develop market effectiveness and enhances organization knowledge and performance. On the contrary, the study reveals the weakness that the bank is struggling in the process of implementing CRM and leadership. As a result, the bank is suffering from the inability to meet customer's needs because of the diversity of customer's expectations.

So, the study recommends that banks have to focus on the right implementation of CRM by building, improving and the maintenance of relationship qualities, for example, trust, commitment, customer satisfaction, the importance of improving performance through the practicing of different, new activities, better products and services delivery to increase customer loyalty.

(Mugdadi, 2015): The impact of E-customer relationship management strategy upon sustainable competitive advantage: An empirical investigation in Jordanian banks, sought to

assess the effect of E-Customer Relationship management in Jordanian banks in achieving sustainable competitive advantage. 13 banks were the sample study, and 220 questionnaires were collected to analyze data. The analysis of the data confirmed the positive impact between CRM and sustainable competitiveness and value creation. Moreover, the usage of information technology can facilitate new and creative ideas in banking services to enhance competitive advantage. However, there is a need to emphasize more on the mutual understanding between the information technology department and other units in the organizations. By doing so, the coordination of units will enable them to work as a team which will lead to improve performance of the organization and satisfy customer's needs and expectations.

(Mehrmanesh, et al., 2014): Surveying the Influence of Customer Relationship Management on Gaining Competitive Advantage. This study provides an integrated approach to manage CRM in terms of focusing on customer retention and relationship development. According to this, the researchers considered CRM as a combination of three significant elements which are people, process and technology. If these three elements were used effectively, the organization can gain a competitive advantage easily. The field of the study concentrates on Insurance companies in Iran. The Questionnaire was used in data collection among 334 employees. The study measures CRM by seven dimensions which contain top management, knowledge management, technology, personalization, personnel, and system integration. After the analysis of employee's answers, the results show that personnel, personalization, top management, and technology affects significantly on gaining competitive advantage, while, system integration is less favorable.

Moreover, depending on large investment in customer relationship management by leaders, (Simmons, 2010) in The Relationship between Customer Relationship Management Usage, Customer Satisfaction, and Revenue showed the relationship between customer satisfaction and CRM utilization and its impact on business revenue. The study population includes 203 service branches in North America. These organizations specialized in industrial equipment manufacturers. Simmons questioned the relationship between CRM system usage, customer satisfaction, and gross revenue in the industrial service industry? The results provide evidence that CRM positively influences revenue and customer satisfaction. Moreover, the

study recommends decision-makers on any organization to invest more in CRM utilization by concentrating on marketing and customer service.

Through investigating the role of E-customer, E-relation, and E-management, (Al-Haraizah, 2014) *The Role of Electronic Customer Relationship management pillars in achieving competitive advantage for the banking sector in Jordan*: The main goal of the study is to prove the efficiency of using technology and online services in long term value. The study reveals the significant implementation of E-CRM used as a tool to improve the relationship with customers and increase the market share.. The study sample size was 70 employees from 16 banks in Jordan. The data were collected using a questionnaire. The results of this study grant a special feature that shows the development of Jordanian banks in using electronic customer relationship management by interacting and communications with customers directly or indirectly through business activities to gain maximum competition. This study suggested that the efficient usage of E-CRM will enhance the competitive advantage of commercial banks in Jordan by increasing the number of loyal customers and optimizing the cost of marketing activities.

Additionally, (Mantymaa, 2013) *gaining competitive advantage through quality of services in the financial industry*: discussed three approaches to gain competitive advantage which are management, marketing and service quality. By exploring these three elements and their effects on customer relationship management, the study showed that the positive experience between customers and employees plays an important role in achieving competitiveness. The competitive benefit came through a people-centric strategy which contains the following areas: the power of word of mouth, the good behavior and the duration of the relationship.

Furthermore, Zaky (2017) *determinate customer relationship management (CRM) and its effects on sustaining competitive advantage in the Egyptian banking sector*. The main object of this study is to investigate the CRM factors as well as its impact on competitive advantage. The study tested the effects of information technology, management commitment, and knowledge of CRM and human resources on the CRM effectiveness. Moreover, according to the results, all the factors play an important role in CRM but the information technology considered to be more related to CRM which motivates the decision-makers to improve the success factors that affected CRM.

2.2.2 Comments on the previous studies.

In the reviewing of the previous studies, there are some similarities and differences: The previous studies and this study affirm the effective role of the CRM and its supporting elements in gaining competitive advantage in the organizations. Furthermore, the previous studies emphasize on the importance of CRM activities and their contribution to building trust between the customers and the organizations which affect their loyalty and satisfaction in order to gain competitive advantage. Meanwhile, the significant role of the supporting functions of the CRM in preserving and moderating the relationship between CRM and competitive advantage. Moreover, organizations lately adapted the strategy of customer-centric to attain the satisfaction of the customer in order to reach organization goals and profits.

(Bulbul, 2011) study approved that implementing the strategy of CRM fulfills both customer's needs and organizational goals which may lead to increase profitability and market share. (Ahmad, 2015) study used the same hypotheses of this study and the results support all the hypotheses. This shows the role of CRM as a strategy to develop competitiveness. In addition, the supporting functions of CRM and competitiveness relationships were positive and strong.

In (Soliman, 2011), the analysis of the data shows that there is a significant relationship between marketing as a CRM supportive function and competitive advantage. Also, the study emphasizes on the role of employees' performance and their skills and qualifications in terms of customer service as a supportive role of the CRM and considered it as a mandatory requirement. Furthermore, (Mehrmanesh, 2014) underlined the importance combine three main aspects which are people, process and technology in supporting CRM to gain competitive advantage. Furthermore, (Al-zoubi, 2016) study explained that qualified employees through customer services, have an important role and impact on getting competitive advantage, and they have the ability to maintain and develop relationships with current customers and attract new customers. Also, it accepted the significant correlation with a positive connotation between customer relationship management and competitive advantage. (Alipour, Mohammadi, 2011) study, showed that customer service represented by understanding, attracting, improving relationships with customers and supported by the

marketing campaign, plays an important and significant role in supporting CRM in achieving competitive advantage.

In addition, (Otiso, et al., 2014) showed in his study: information technology builds and sustains long-term relationship as well as enhances CRM strategy to gain a competitive advantage. Moreover, (Ghussien,2014), (Noorani, et al., 2017) proofed the ability of the information technology system in supporting the strategy of CRM. The integration between these two aspects plays a significant role in gaining competitiveness as well as improve the organization's performance. Additionally, (Zaky, 2017) study approved the ability of information technology effect on customer relationship management effectiveness in the Egyptian banking sector.

On the other hand, (Al-Haraziah, 2014) examined the impact of E-customer, E-relation, and E-management on sustainable competitive advantage. The staff of information technology and business units needs to understand the nature of the work, in order to deal with customers in the most effective ways. This is compatible with my study on the importance of the integrated system and the consistency between the organization departments to fulfill customer needs to achieve a competitive advantage. In the same way, (Barsy, 2017) emphasizes on the importance of providing high-quality services as an element to support customer relationship management to have a positive effect in achieving competitive advantage. On the contrary, (Sinmons, 2010) study rejected the relationship between customer relationship management and increasing profitability, which my study tries to approve the opposite. CRM as previous studies affirm, play an important role in achieving competitive advantage which can affect the market share of the organization.

To conclude, previous studies suggested that different types of strategies are adopted by different organizations according to the differences in the market environment. So, this study will help in identifying the competition strategy that has been adopted by different banks in Palestine and its impact on the bank's position in the market. By reviewing the studies that have adopted these assumptions, it was found that there are a variety of their results. However, for the parallels, the study agreed with (Ahmad, 2015) study which has a positive strong relationship between CRM and enhanced a competitive advantage. From the reviewed literature empirical studies, many studies described success factors for CRM and its

supporting function as an approach to competitive advantage. Also, many critical success factors of CRM have been studied, but there is little work that discussed competitive advantage strategies in the banking sector, moreover, the implementation of the competitive strategy that each bank is adopted. This study proposes a framework for studying CRM and the competitive advantage of the Palestinian banking sector. Furthermore, this study is different than others in taking other variables, and emphasizes on the integrated work of the supportive functions in the terms of CRM as considered the corner-stone to attain competitive advantage.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

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Chapter Three

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This chapter introduces the research approach adopted in the study. It thoroughly explains the research methodology, justification, and answers to the research questions in order to achieve the objectives. Also, the research illustrates the tools and techniques utilized to gather relevant information. Based on the literature review from the previous chapters, this research designs a survey to analyze the current system at the targeted banks.

This research aims at investigating the role of CRM in gaining competitive advantage. Different methods and approaches are used to answer the research questions through the use of a questionnaire, and secondary data as shown below.

This chapter presents an overview of the research methodology used. A presentation of the study population is discussed in section 3.2. Sample distribution is discussed in section 3.3. Section 3.4 illustrated research tools. Moreover, section 3.5 covers the research methodology. Section 3.6 deals with variables and model research. Section 3.7 discusses reliability and validity. Finally, section 3.8 presents statistical treatments, and section 3.9 summary.

3.2. Study Population

The population of the study includes the banks working in Palestine. The population of banks was taken from the PMA for the year 2018. The population is consisting of 7 banks out of 14 banks. The population of the study took randomly according to the high level of market share, taking into consideration the diversification in bank's types (Local, Islamic Local, and Foreign banks). The banks are Bank of Palestine, Arab Bank, Arab Islamic Bank, Bank of Palestine, Egyptian Arab Land Bank, Jordan Ahli Bank, Palestinian Investment Bank, Palestine Islamic Bank, and the National Bank.

3.3. Study Sample

A non-probability judgmental sampling from an infinite population was used; because of the inability to have the exact number of employees in each bank according to the bank's

regulations. Moreover, the research didn't adopt the probability sampling, because of the restrictions and limitations in distributing the questionnaires in the selected banks. Furthermore, we cannot select a simple random sample because we can't construct a frame consisting of all elements. A random sample of size n from an infinite population is a sample selected by satisfying two conditions; (1) each element selected comes from the same population, (2) each element selected independently (Williams, 2012).

The respondents have been randomly selected from seven main banks in Palestine, the total number of respondents was 94. Correspondingly, for orientation of the study results, we considered specific standards which are: bank name, level of experience, position and educational qualifications.

3.3.1 Sample Distribution

Table 3.1. Bank's name

Bank Name	Frequency	Valid Percentage
Arab Bank	20	21.3
Arab Islamic Bank	7	7.4
Bank of Palestine	27	28.7
Egyptian Arab Land Bank	8	8.5
Jordan Ahli Bank	8	8.5
Palestinian Investment Bank	5	5.3
Palestine Islamic Bank	14	14.9
The National Bank	5	5.3
Total	94	100%

From the table above, there are 21.3% of the respondents from Arab Bank, 7.4% from the Arab Islamic Bank, 28.7% from Bank of Palestine, 8.5% from the Egyptian Arab Land Bank, 8.5% from the Jordan Ahli Bank, 5.3% from Palestinian Investment Bank, 14.9% from Palestine Islamic Bank, and 5.3% the National Bank, Palestine

Table 3.2 Position

Position	Frequency	Valid Percentage
Head of Department	59	63.4
Manager	31	33.3
General Manager	3	3.2

For this question 1 respondent didn't answer this question

From the table above, the position of employees is classified as 63.4% of the respondents are heads of departments, 33.3% of the respondents are managers, and 3.2% of the respondents are general managers

Table 3.3 Gender

Gender	Frequency	Valid Percentage
Male	68	73.1
Female	25	26.9

For this question 1 respondent didn't answer this question

From the table above, 73.1% of the respondents are males, while 26.9% are females.

Table 3.4 Age

Age	Frequency	Valid Percentage
Below 28	14	15.1
From 28 - 35	31	33.3
From 36 – 43	34	36.6
From 44 – 51	10	10.8
More than 51	4	4.3

For this question 1 respondent didn't answer this question

From the table above, the age of the respondents has been categorized as 15.1% are below 28 years, 33.3% are from 28 – 35 years, 36.6% are from 36 – 43 years, 10.8% are from 44 – 51 years, and 4.3% are more than 51 years.

Table 3.5 Educational Qualification

Educational	Frequency	Valid Percentage
Bachelor	68	73.1
Master	25	26.9

From the table above, 73.1% of the respondents hold bachelor degree, while 26.9% hold Master degree.

Table 3.6 Years of Experience

Years of Experience	Frequency	Valid Percentage
5 and less	16	17.2
6-11	27	29.0
12-17	27	29.0
18-23	17	18.3
More than 23	6	6.5

For this question 1 respondent didn't answer this question

The table above shows that, the experience of the respondent have been classified as 17.2% of the respondents have 5 years of experience and less, 29% of the respondents have 6 – 11 years of experience, 29% of the respondents have 12 – 17 years of experience, 18.3% of the respondents have 18 – 23 years of experience, and 6.5% of the respondents have more than 23 years of experience.

3.4. Research Tools and Methods of Data Collection

This section highlights methods and the reasons behind their selection.

Questionnaires can be used in descriptive or explanatory research. As for the descriptive research, it describes the variability in different phenomena; however, explanatory research enables the examination and explanation of relationships. The purpose of this questionnaire is descriptive- explanatory and empirical analysis.

Additionally, to achieve the research objectives, the theoretical method was adopted through examining research and the internet in data collection. Practically, a questionnaire, which was designed in the light of relevant literature, was used to collect the data.

The researcher randomly selected and distributed (120) questionnaires to the regional administration's offices of banks. About (94) valid questionnaires were returned. The questionnaire was directed to the general managers, the managers, and the head of departments of the regional administration offices. The purpose of the survey is a descriptive- explanatory and empirical analysis.

Questionnaires were prepared (English, Arabic). The English version (Appendix A-2) has been translated into Arabic (Appendix A-1) by the researcher.

The questionnaire consists of three sections. The first section includes questions about the respondents and the bank name, while section two contains questions about the supportive elements of CRM, the third section contains questions about competitiveness, elements of Porter's generic strategies and five forces model.

These elements were also measured with a five-point scale; often the scale is used as a semantic differential. In addition to measure statements of agreement, Likert scales can measure other variations such as frequency, quality, and importance. Five-point Likert scales of frequency used in this research, (1 = Always and 5 = Never).

3.5. Research Methodology

The research approach includes two main aspects; the theoretical aspect that describes the research variables, and the empirical analysis aspect to test the structural validity of measures used in the research, and to test the research hypothesis and compare them with appropriate and accredited measures in this technique.

The research methodology includes two approaches which are descriptive- explanatory and empirical analysis by using multiple regression analysis. To find the results. SPSS statistical software was run to test descriptive, frequencies, Cross Tabs, One-Sample T-Test, Independent Sample T-Test, Kruskal-Wallis Test and regression.

3.6. Research Variables and Model:

The following figure (3.1) indicates the assumed model of the study which was composed by the researcher.

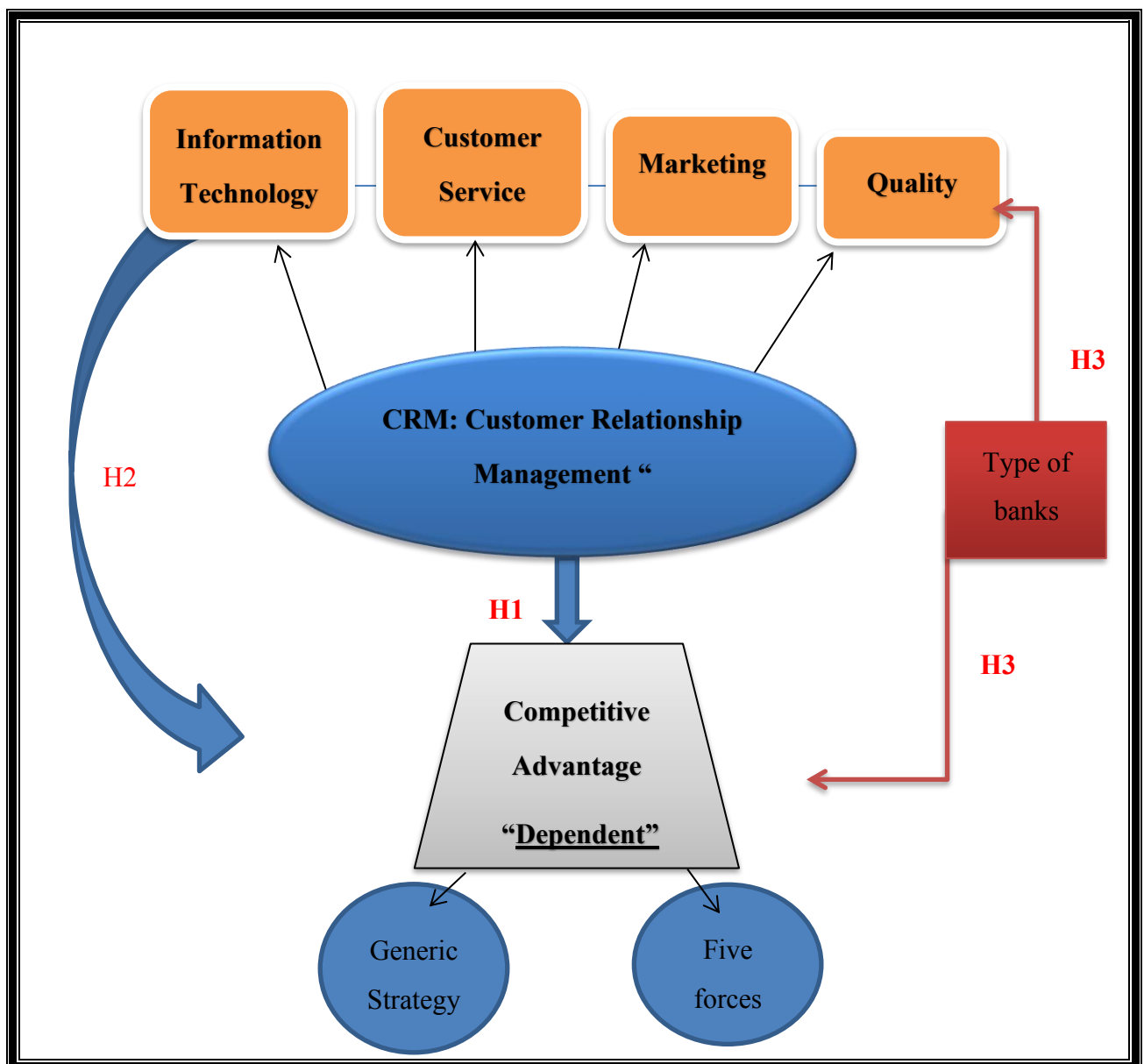


Figure 3.1. The research model

3.6.1 Discussion Variables of the study

In this figure, the independent variable (**CRM**) is an integrated management strategy that focuses on customers' needs throughout an effective interactive system between customer service, quality, marketing, and information technology in order to reach goals for both company and customer in order to enhance and gain **competitive advantage** as the dependent variable.

3.7. Reliability and Validity

3.7.1 Reliability of the study

The study was calculated using the Cronbach Alpha Formula to ensure internal consistency. Accordingly, the reliability coefficient was (0.911), which fits the purpose of the study.

Reliability analysis allows determining the extent, to which items in the questionnaire are related to each other, and the reliability coefficient value represents the overall index of the repeatability or internal consistency of the scale (questionnaire) as a whole, this procedure also enables to identify problem items that should be excluded from the scale.

The Reliability Coefficients (Alpha Cronbach) were 0.911 of the whole questionnaires, which represents extremely excellent value for the internal consistency of the national structure of the exploratory scale

Table 3.7. Reliability Statistics

Cronbach's Alpha	N of Items
.911	37

Table 3.8. at its last column presents the coefficient Cronbach α of all the rest variables that remain and take part in the reliability analysis when this/ each specific item is missing from the scale.

Table 3.8 Item-Total Statistics

Statement	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Marketing enhances competitiveness in the banking sector.	147.19	221.948	.324	.910
Your bank considers customer's opinion in building marketing	148.09	211.057	.565	.907
In your bank, marketing campaigns play an important role in attracting customers.	147.38	221.317	.280	.911
All services provided by your bank go throughout marketing processes.	147.61	217.767	.405	.909
Your bank sends messages to customers to keep them up to date for the newly services.	147.61	220.662	.234	.911
Your bank depends on its marketing expertise to enhance CRM.	148.62	210.948	.434	.909
Bank motivates new methods of marketing (e.g. Social Media)	148.08	209.073	.456	.909
Your Bank has an integrated system of services to deal with customers. (online banking, Relationship officer for accounts	147.39	214.662	.517	.908
Your bank clarifies the needs of customers from period to period.	147.64	214.813	.594	.907
Your bank considers any feedback of customers for improved its services.	147.57	213.880	.649	.907

Your bank gives individual attention to specific customer to retain customers.	147.70	216.212	.399	.909
Your Bank arranges special events to keep in touch with their customers.	147.83	212.326	.464	.909
Your Bank forms different services to meet different demands.	147.56	215.460	.527	.908
Your bank cares about measuring customer's satisfaction about services	148.01	209.302	.588	.907
Your bank has an integrated system of information	147.29	219.180	.336	.910
Your bank tends to update information about customers periodically.	148.22	218.543	.305	.911
All information necessary for customers can be provided by all your bank branches.	147.47	217.568	.392	.909
Your bank motivates customers to update their data and information.	147.56	216.145	.478	.908
Marketing departments provide data about nominated customers to be	147.74	214.642	.507	.908
Your bank provides enough disclosure for data and information needed for customers.	147.79	212.219	.569	.907
The data available for your bank enable you to deal promptly with customers.	147.74	213.011	.630	.907
Technology used in your bank can be enough for improving services and	147.58	214.167	.597	.907
You bank uses external resources to increase the quality of services.	148.05	214.839	.452	.909

You bank uses external resources to increase the quality of services.	147.87	209.009	.670	.906
Your bank considers customer's complaints and suggestions.	147.57	217.222	.350	.910
Your bank practices the strategy of increasing productivity, quality and low-cost in its activities.	147.69	216.744	.446	.909
Managers have the authority to deal with customers who tend to leave your bank (e.g. reducing interest rate).	148.09	215.926	.406	.909
Your bank offers free fees on credit cards.	148.86	214.940	.286	.912
Your bank uses the strategy of reducing interest rate to attract customers.	148.70	213.817	.403	.909
Your bank invests in development and researches to reduce costs.	148.31	208.902	.588	.907
Your bank invests in development and researches to increase quality.	147.99	214.487	.468	.908
Your bank uses low-cost strategy in providing	148.61	219.609	.191	.913
Your bank considers competitor's pricing of services or products.	147.90	216.305	.504	.908
Your bank uses social media (e.g. Facebook) to connect with customers.	147.73	218.701	.339	.910
Your banks consider staff development by trainings and promotions.	147.61	214.820	.522	.908

Your bank strengthens the relations between managers and employees (e.g. social events).	147.91	213.031	.490	.908
Your bank considers social events as type of social commitment.	147.57	214.511	.505	.908

From the last column it is evident that if any item deleted from the reliability scale, the coefficient Cronbach α will get the same value approximately > 0.90 which mean that there is no increase in Cronbach α if item deleted. Therefore, as there is no important benefit in case the specific item deleted, it is preferable to maintain all items at the scale.

3.7.2 Tukey's Test for Nonadditivity

Reliability analysis refers to the fact that a scale should consistently reflect the construct it is measuring. There are certain times and situations where it can be useful. In order to overcome this problem, Cronbach (1951) introduced a measure that is common in reliability analysis. This measure is loosely equivalent to the splitting of the data in two halves in every possible manner and further computing the correlation coefficient for each split. The average of these values is similar to the value of Cronbach's alpha.

While conducting reliability analysis in SPSS, the researcher clicks on "Tukey's test of additivity" as additivity is assumed. Independence within the observations is assumed. However, it should be noted that thus retest type of reliability analysis involves the correlated data between the observations which do not pose a statistical problem in assessing the reliability.

By using Tukey's Test for Nonadditivity evaluates the zero hypotheses H_0 which is that the scale presents additivity. The table 3.9 below for Nonadditivity reliability analysis (ANOVA with Tukey's Test for Nonadditivity) indicates a relative observatory level of statistical significance between all the rest variables tested, therefore the H_0 is characterized as acceptable, which means that the model has additivity. In order to test reliability, Tukey's

Test for Nonadditivity algorithm was used. As per Tukey's Test for Nonadditivity (ANOVA test) is 2.333 and P value is 0.000, ($P < 0.05$). This reveals that the data is reliable.

Table 3.9 ANOVA with Tukey's Test for Nonadditivity

			Sum of Squares	Df.	Mean Square	F	Sig
Between People			465.508	76	6.125		
Within People	Between Items		433.952	36	12.054	22.103	.000
	Residual	Nonadditivity	7.470 ^a	1	7.470	13.760	.000
		Balance	1484.633	2735	.543		
		Total	1492.102	2736	.545		
	Total		1926.054	2772	.695		
Total			2391.562	2848	.840		
Grand Mean = 4.11							
a. Tukey's estimate of power to which observations must be raised to achieve additivity = 2.333.							

3.7.3. Validity of the study

To ensure content validity, the researcher discussed the problem with experts who have had experience in banks and CRM, then the questionnaire was distributed to several referees from the college of (Sustainable Rural Development Institute) at Al-Quds University and outside the university. They were asked to judge the appropriateness of each item for the whole purpose of the study. Some of them suggested some modifications in the arrangements of some items, which the researcher took into account.

The validity of a questionnaire is the degree in which the questionnaire measures what it used to measure, which called also the accuracy measurement. One of the most useful methods to measure validity is Factor analysis. It gives Extraction commonalities that estimate the variance in each questionnaire's item accounted for by the factors (components or dimensions). For other extraction methods, these values are the proportion of the amount of variance accounted for in each variable by the rest of the variables.

High values of the extraction coefficients (>0.5) indicate that variables (Items) fit well with the factor solution, and should possibly not be dropped from the analysis.

The extraction coefficients were lied between 0.59-0.82 of all items of the questionnaire, 0.57-0.82 for the Marketing items, 0.71-0.80 for Customer service items, 0.69-0.81 for the Information technology items, 0.72-0.75 for the Quality items and 0.65-0.81 for the competitive advantage items, this means that the questionnaire is accepted and shows how the questionnaire is very strong and suitable for this study. The following table shows factor analysis results:

Table 3.10 Factor Analysis Results

Statement	Extraction
Marketing enhances competitiveness in the banking sector.	.828
Your bank considers customer's opinion in building marketing strategies.	.810
In your bank, marketing campaigns play an important role in attracting customers.	.747
All services provided by your bank go throughout marketing processes.	.816
Your bank sends messages to customers to keep them up to date for the newly services.	.592
Your bank depends on its marketing expertise to enhance CRM.	.745
Bank motivates new methods of marketing (e.g. Social Media, and uses bus as a marketing	.579
Your Bank has an integrated system of services to deal with customers. (online banking)	.774
Your bank clarifies the needs of customers from period to period.	.724
Your bank considers any feedback of customers for improved its services.	.769
Your bank gives individual attention to specific customer to retain customers.	.802

Your Bank arranges special events to keep in touch with their customers.	.717
Your Bank forms different services to meet different demands.	.720
Your bank cares about measuring customer's satisfaction about services from time to time.	.731
Your bank has an integrated system of information technology about old and new	.812
Your bank tends to update information about customers periodically.	.697
All information necessary for customers can be provided by all your bank branches.	.795
Your bank motivates customers to update their data and information.	.749
Marketing departments provide data about nominated customers to be new customers of the	.743
Your bank provides enough disclosure for data and information needed for customers.	.814
The data available for your bank enable you to deal promptly with customers.	.806
Technology used in your bank can be enough for improving services and relations with customers.	.697
You bank uses external resources to increase the quality of services.	.721
You bank uses external resources to increase the quality of services.	.754
Your bank considers customer's complaints and suggestions.	.731
Your bank practices the strategy of increasing productivity, quality and low-cost in its activities.	.815
Managers have the authority to deal with customers who tend to leave your bank (e.g.	.679
Your bank offers free fees on credit cards.	.728
Your bank uses the strategy of reducing interest rate to attract customers.	.818

Your bank invests in development and researches to reduce costs.	.823
Your bank invests in development and researches to increase quality.	.870
Your bank uses low-cost strategy in providing services.	.704
Your bank considers competitor's pricing of services or products.	.652
Your bank uses social media (e.g. Facebook) to connect with customers.	.687
Your banks consider staff development by trainings and promotions.	.740
Your bank strengthens the relations between managers and employees	.812
Your bank considers social events as type of social commitment.	.834

3.8. Statistical treatments

The researcher collected the data from initial resources, the study sample. Data were considered of a cross-sectional type, processed statistically by a computer using the Statistical Package for Social Sciences program SPSS / program for the purpose of statistical analysis and description required by the research. Therefore, the following statistical techniques and methods will be used:

- Frequencies and Percentages to describe personal and demographic variables
- Means (averages) and Standard Deviations to measure respondents' perceptions toward the Questionnaires' Items.
- The Analysis of Variance (ANOVA) to test inner differences between statements of Factors the Questionnaire Dimensions
- Cross Tabs to quantitatively analyze the relationship between multiple variables.
- One Sample T-Test to test whether a population mean is significantly different from some hypothesized value

- Independent Sample T-Test to compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different
- Kruskal-Wallis Test to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable.
- Regression to estimate the relationships among variables
- Alpha (Cronbach) scales for Reliability: A formula to determine the reliability coefficient of the questionnaire
- Factor Analysis for validity.

3.9. Ethical Considerations

In this section, the researcher represents a number of ethical considerations that were taken into account through this study.

1. The researcher took appropriate measures to ensure that research would cause no physical or psychological harm to research participants.
2. The researcher promised to report the outcomes of the research honestly and completely, and he did not mislead the others about the finding's nature. Therefore, other person or organization materials were acknowledged.
3. The participants were informed about the study nature and their consent was asked to join by the researcher.
4. Select the analysis data carefully.
5. Quote from others studies without plagiarism.
6. Elements sample should be creatively representative.
7. The scientific secretariat should be considered when making a document, and data from sources should be transferred.

3.10. Summary

This chapter indicates the methodology used to carry out this research. First, it includes the specification of the study sample and the selection of the tool (questionnaire) which was distributed and emptied using the SPSS program. The Structural Model is selected to apply this study and examine the hypothesis, and in order to examine the assumptive form.

CHAPTER FOUR

RESEARCH RESULT

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4.2. Descriptive Analysis of Research Sample

4.2.1 Analysis of Statements (CRM)

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Chapter Four

RESEARCH RESULT

4.1. Introduction

The previous chapter highlighted the methodological approach adopted in this study. However, this chapter focuses fundamentally on the analysis of the collected data and research findings.

4.2. Descriptive Analysis of Research Sample

4.2.1. Analysis of Statements (CRM)

This section discusses the supportive elements of CRM, particularly marketing, customer service, information technology, and quality. Moreover, the respondents were asked to identify whether their banks use online chat or not. Additionally, this section tries to discuss the important element of CRM by the respondent's point of view.

Table 4.1 Analysis of CRM supporting elements

Variable	Mean	%	T	df	Std. Deviation	Sig. (2-tailed)	Rank
Marketing	4.18	83.6%	18.956	93	.604	.000	2
Customer service	4.23	84.6%	17.626	93	.679	.000	3
Information Technology	4.35	87%	23.292	93	.562	.000	1
Quality	4.13	82.6%	14.841	93	.737	.000	4
Total	4.22	Total percentage = 84.45%					

Ranking according to significant level

Accordingly, the total mean degree of CRM supporting elements is 4.22, which means that the respondents agreed on the supporting elements of CRM in competitive advantage with 84%.

From the table above, it is clear that the total mean degree of marketing is approximately high (4.18) with $t=18.95$, the total mean degree of customer services is approximately high (4.23) with $t=17.62$, the total mean degree of Information Technology is approximately high (4.35) with $t=4.35$, and the total mean degree Quality is approximately high (4.13) with $t=14.84$.

1.2.1.1. Marketing:

The respondents from different banks were asked to assess each component and question about the marketing strategy that the bank adopts. They were asked to evaluate the activities, rules, and regulations provided by their bank in terms of the marketing process. Table (4.1) below, shows the significant differences the marketing questions.

Table 4.2 One sample T-Test for Marketing Section

Marketing Questions	Mean	T	df	Sig. (2-tailed)	Mean Difference	Rank
Marketing enhances competitiveness in the banking sector.	4.69	30.984	93	.000	1.691	1
Your bank considers customer's opinion in building marketing	3.84	9.222	93	.000	.840	5
In your bank, marketing campaigns play an important role in attracting	4.51	21.928	93	.000	1.511	2
All services provided by your bank go throughout marketing processes.	4.33	17.803	93	.000	1.330	3
Your bank sends messages to customers to keep them up to date	4.33	16.501	93	.000	1.330	4
Your bank depends on its marketing expertise to enhance CRM.	3.28	2.335	91	.022	.283	7
Bank motivates new methods of marketing (e.g. Social Media, and uses bus as a marketing vehicle).	3.85	6.596	92	.000	.849	6

Ranking according to significant level

The statement “Marketing enhances competitiveness in the banking sector” has the highest mean (4.69). However, the statement “Your bank depends on its marketing expertise to enhance CRM” has the smallest mean (3.28). Since in Table 4.2. $p < 0.002$ for all marketing related questions, we rejected the null hypothesis that the sample mean is equal to the hypothesized population mean and conclude that the mean of the sample is significantly different than the average of all section questions overall banks population.

Based on the above-mentioned table, the results reveal that: Marketing enhances competitiveness in the banking sector, the banks consider customer’s opinion in building marketing strategies; Marketing campaigns play an important role in attracting customers; All services provided by the banks go throughout marketing processes; the banks send messages to customers to keep them up to date for the new services. Moreover, CRM and banks motivate new methods of marketing (e.g. Social Media, and uses the bus as a marketing vehicle) and the banks depend on its marketing expertise to enhance competitiveness.

4.2.1.2. Customer Services

The respondents from different banks were asked to assess each component and question about the customer service strategy that the bank adopts. Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high-quality service, and assistance. Table (4.3) below shows the significant differences in the customer service questions.

Table 4.3 One sample T-Test for Customer Service

Customer service	Mean	T	df	Sig. (2-tailed)	Mean Difference	Rank
Your Bank has an integrated system of services to deal with customers. (Online banking,	4.57	20.618	93	.000	1.574	1
Your bank clarifies the needs of customers from period to	4.33	19.010	93	.000	1.330	3

Your bank considers any feedback of customers for improved its services.	4.35	19.503	92	.000	1.355	2
Your bank gives individual attention to specific customer to retain customers.	4.17	12.498	92	.000	1.172	5
Your Bank arranges special events to keep in touch with their customers.	4.13	10.999	91	.000	1.130	6
Your Bank forms different services to meet different demands.	4.38	18.409	92	.000	1.376	4
Your bank cares about measuring customer's satisfaction about services from	3.91	8.583	93	.000	.915	7

Ranking according to significant

The statement “Your Bank has an integrated system of services to deal with customers (Online banking, Relationship officer for accounts on the website which includes the contact details for account manager)” has the highest mean (4.57). However, the statement “Your bank cares about measuring customer satisfaction with services from time to time” has the smallest mean (3.91). Since $p < 0.000$ for all Customer service questions, we reject the null hypothesis that the sample mean is equal to the hypothesized population mean and conclude that the mean of the sample is significantly different than the average of all sections questions overall bank population. Your bank cares about measuring customer's satisfaction with services from time to time.

Based on the above-mentioned table, the results reveal that: The banks in Palestine have an integrated system of services to deal with customers for example Online banking, Relationship officer for accounts; the banks clarify the needs of customers from period to

period. Moreover, the banks give individual attention to specific customer to retain customers; the banks arrange special events to keep in touch with their customers. Also, banks form different services to meet different demands. On the other hand, banks have to work on designing a system to consider customer's feedback for improving the services

4.2.1.3. Information Technology

The need of using information technology is to enable banks to offer better services to its customers in a secure, reliable, affordable manner and sustain competitive advantage over other banks. Table (4.4) below shows the significant differences in the information technology questions.

Table 4.4 One sample T-Test for Information Technology

Information Technology	Mean	T	df	Sig. (2-tailed)	Mean Difference	Rank
Your bank has an integrated system of information technology about old and new customers. (E.g. an electronically linked branch network, automated telephone banking, internet banking and banking through mobile phones).	4.57	17.473	93	.000	1.574	4
Your bank tends to update information about customers periodically.	3.72	8.143	85	.000	.721	8
All information necessary for customers can be provided by all bank	4.44	18.424	93	.000	1.436	2
Your bank motivates customers to update their data and information.	4.39	18.348	93	.000	1.394	3
Marketing departments provide data about nominated customers.	4.24	15.742	92	.000	1.237	5
Your bank provides enough disclosure for data and information needed for customers.	4.20	13.841	91	.000	1.196	7

The data available for your bank enable you to deal promptly with	4.20	15.713	91	.000	1.196	6
Technology used in your bank can be enough for improving services and relations with customers.	4.40	20.596	93	.000	1.404	1

Ranking according to significant

The statement “Your bank has an integrated system of information technology about old and new customers. (E.g. an electronically linked branch network, automated telephone banking, internet banking and banking through mobile phones)” has the highest mean (4.57). However, the statement “Your bank tends to update information about customers periodically” has the smallest mean (3.72). Since $p < 0.000$ for all information technology related questions, we reject the null hypothesis that the sample mean is equal to the hypothesized population mean, and conclude that the mean of all questions to the sample are significantly different than the average of all section questions overall banks population.

Based on the above-mentioned table, the results reveal that: The banks have an integrated system of information technology about old and new customers (E.g. an electronically linked branch network, automated telephone banking, and banking through mobile phones). Moreover, all information necessary for customers can be provided by the bank’s branches. Banks motivates customers to update their data and information. While marketing departments provide data about nominated customers to be new customers of the bank. The banks provide enough disclosure for the data and information needed for customers. The data available enables managers to deal promptly with customers; the technology used in the banks can be enough for improving services and relations with customers. On the other hand, banks have to work on updating information about customers periodically

4.2.1.4. Quality

Quality contributes to create competitiveness through the existence of developed services with high quality.

Table 4.5 One sample T-Test for Quality

Quality	Mean	T	df	Sig. (2-	Mean	Rank
You bank uses external resources to increase the quality of	3.84	9.487	93	.000	.840	3
You bank uses external resources to increase the quality of	4.06	11.921	93	.000	1.064	2
Your bank considers customer's complaints and suggestions.	4.41	15.947	93	.000	1.415	1

The statement “Your bank considers customer’s complaints and suggestions.” has the highest mean (4.41). However, the statement “You bank uses external resources to increase the quality of services.” has the smallest mean (3.84). Since $p < 0.000$ for all quality related questions, we reject the null hypothesis that the sample mean is equal to the hypothesized population mean and conclude that the mean of the sample is significantly different than the average of all sections questions overall bank population.

Based on the above-mentioned table, the results reveal that: banks consider customer’s complaints and suggestions; banks use external resources to increase the quality of services. Moreover, banks use external resources to increase the quality of services.

4.2.1.5. Analysis of Statements (Does your bank have live chat with customers).

The respondents were asked to determine if their bank uses the live chat to contact with customers. The table (4.6.) shows the differences in the respondent’s answers from different banks.

Table 4.6 Your bank has (live chat with customers)

Bank Name	Count	Your bank has (live chat)		Total
		No	Yes	
Arab Bank	Count	9	9	18
	Within bank	50.0%	50.0%	100.0%
	% of total	10.1%	10.1%	20.2%
Arab Islamic Bank	Count	6	1	7
	Within bank	85.7%	14.3%	100.0%
	% of total	6.7%	1.1%	7.9%
Bank of Palestine	Count	20	7	27
	Within bank	74.1%	25.9%	100.0%
	% of total	22.5%	7.9%	30.3%
Egyptian Arab Land Bank	Count	7	1	8
	Within bank	87.5%	12.5%	100.0%
	% of total	7.9%	1.1%	9.0%
Jordan Ahli Bank	Count	6	2	8
	Within bank	75.0%	25.0%	100.0%
	% of total	6.7%	2.2%	9.0%
Palestine Investment Bank	Count	2	2	4
	Within bank	50.0%	50.0%	100.0%
	% of total	2.2%	2.2%	4.5%
Palestine Islamic Bank	Count	9	4	13
	Within bank	69.2%	30.8%	100.0%
	% of total	10.1%	4.5%	14.6%
The National Bank, Palestine	Count	4	0	4
	Within bank	100.0%	0.0%	100.0%
	% of total	4.5%	0.0%	4.5%
Chi-Square Tests				

		Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square		8.308 ^a	7	.306
Likelihood Ratio		9.304	7	.232
N of Valid Cases		89		
a. 9 cells (56.2%) have expected count less than 5. The minimum expected				

When reading this table, we are interested in the results of the "Pearson Chi-Square" row. We can see here that $\chi^2(1) = 8.308$, $p = 0.306$, it is not statistically significant association between Bank Name and live chat with customers; that is, both using and not using live chat are equally.

Based on the above-mentioned table, there are no significant differences in using live chat on banks as an element of marketing on achieving competitive advantage.

4.2.1.6. Frequency analysis for which is the most important element of CRM.

The frequency analysis in table 4.7 shows that the most important element of the CRM from the respondent point of view is Quality of service with 34%, the second important element is Customer Services with 28%, the third element is marketing with 18.9% and the last important element is the Information Technology with 17.8%.

Table 4.7 CRM element Distribution of Participants

CRM element		Frequency	Percentage	Valid	Rank
Marketing	Very Important	17	18.1	18.9	3
	Fairly Important	21	22.3	23.3	
	Important	24	25.5	26.7	
	Slightly	28	29.8	31.1	
	Total	90	95.7	100.0	
Customer Services	Very Important	26	27.7	28.0	2
	Fairly Important	32	34.0	34.4	

	Important	14	14.9	15.1	
	Slightly	21	22.3	22.6	
	Total	93	98.9	100.0	
Information Technology	Very Important	16	17.0	17.8	4
	Fairly Important	19	20.2	21.1	
	Important	31	33.0	34.4	
	Slightly	24	25.5	26.7	
	Total	90	95.7	100.0	
Quality	Very Important	31	33.0	34.4	1
	Fairly Important	18	19.1	20.0	
	Important	21	22.3	23.3	
	Slightly	20	21.3	22.2	
	Total	90	95.7	100.0	

4.2.2. Analysis of Statements (Competitiveness)

This section discusses the competitive forces considered by Porter (1985), particularly the five forces; in addition, the 4P's strategies are discussed as an element to competitiveness. The generic strategies are discussed while strategy is analyzed by asking respondents to select the most appropriate strategy (cost leadership, differentiation, and focus) relevant to their banks. Furthermore, the respondents asked to specify the important elements that affect the competitive advantage regarding their banks.

4.2.2.1 Competitive advantage elements.

The respondents in the eight banks were asked to evaluate the regulations, rules, productivity, costs strategies and other activities regarding competitive advantage. Table (4.8.) below shows the significant differences in all of the competitive elements.

Table 4.8 One sample T-Test for competitive advantage Section

Competitive advantage	Mean	T	df	Sig. (2-	Mean	Rank
Your bank practices the strategy of increasing productivity, quality and low-cost in its activities.	4.20	15.714	93	.000	1.202	3
Managers have the authority to deal with customers who tend to leave your bank (e.g. reducing interest rate).	3.79	8.943	93	.000	.787	7
Your bank offers free fees on credit cards.	3.04	.352	93	.726	.043	12
Your bank uses the strategy of reducing interest rate to attract customers.	3.23	2.249	92	.027	.226	11
Your bank invests in development and researches to	3.53	5.039	93	.000	.532	9
Your bank invests in development and researches to	3.89	9.292	92	.000	.892	6
Your bank uses low-cost strategy in providing services.	3.28	2.602	93	.011	.277	10
Your bank considers competitor's pricing of services or products.	4.01	15.133	93	.000	1.011	4
Your bank uses social media to connect with customers.	4.13	14.556	93	.000	1.128	5
Your banks consider staff development by trainings and promotions.	4.32	17.369	93	.000	1.319	1
Your bank strengthens the relations between managers and employees (e.g. social events).	3.90	8.905	93	.000	.904	8

Your bank considers social events as type of social commitment.	4.31	15.788	93	.000	1.309	2
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Table 4.9 Total degree of Competitiveness

Competitive Advantage	Mean	%	Std. Deviation	Variance
Total	3.88	77%	.584	.341

From the table above, it is clear that the total degree of Competitive elements is approximately high (3.88). This means that 77% of the respondents affirmed the role of competitive advantage in the banking sector. Since $p < 0.027$ for all competitiveness related questions except the question (Your bank offers free fees on credit cards), we reject the null hypothesis that the sample mean is equal to the hypothesized population mean and conclude that the mean of the sample is significantly different than the average of all section questions overall banks population.

Based on the above-mentioned table, the results would be: banks practice the strategy of increasing productivity, quality and low-cost in its activities; Managers have the authority to deal with customers who tend to leave bank; banks invest in development and researches to reduce costs; banks consider competitor’s pricing of services or products; bank uses social media as an updated communication tools to connect with customers; banks consider staff development by training and promotions and banks consider social events as type of social commitment.

4.2.2.2. Bank strategy reviews.

The respondents asked to clarify the period their bank tend to review the strategy, in table 4.10. below, the data revealed that the respondents don’t clearly specify and clarify the period of reviewing bank’s strategy as a competitive advantage, the respondents from the

same bank answer different answers related to the question of how often does your bank review its strategy?

Table 4.10 Crosstabs (Bank Name * How often does your bank review its strategy?)

Bank Name		How often does your bank review its strategy?					Total
		Monthly	Quarterly	Quarterly half	Annually	Other	
Bank of Palestine	Count	3	5	1	16	1	26
	% within Bank	11.5%	19.2%	3.8%	61.5%	3.8%	100.0%
	% of Total	3.3%	5.5%	1.1%	17.6%	1.1%	28.6%
Arab Bank	Count	3	7	3	5	0	18
	% within Bank	16.7%	38.9%	16.7%	27.8%	0.0%	100.0%
	% of Total	3.3%	7.7%	3.3%	5.5%	0.0%	19.8%
Arab Islamic Bank	Count	1	1	2	3	0	7
	% within Bank	14.3%	14.3%	28.6%	42.9%	0.0%	100.0%
	% of Total	1.1%	1.1%	2.2%	3.3%	0.0%	7.7%
The National Bank, Palestine	Count	1	0	3	1	0	5
	% within Bank	20.0%	0.0%	60.0%	20.0%	0.0%	100.0%
	% of Total	1.1%	0.0%	3.3%	1.1%	0.0%	5.5%
Palestine Islamic Bank	Count	1	2	0	11	0	14
	% within Bank	7.1%	14.3%	0.0%	78.6%	0.0%	100.0%
	% of Total	1.1%	2.2%	0.0%	12.1%	0.0%	15.4%
Egyptian	Count	1	0	1	6	0	8

Arab Land Bank	% within Bank	12.5%	0.0%	12.5%	75.0%	0.0%	100.0%
	% of Total	1.1%	0.0%	1.1%	6.6%	0.0%	8.8%
Jordan Ahli Bank	Count	1	2	3	1	1	8
	% within Bank	12.5%	25.0%	37.5%	12.5%	12.5%	100.0%
	% of Total	1.1%	2.2%	3.3%	1.1%	1.1%	8.8%
Palestine Investment Bank	Count	2	2	1	0	0	5
	% within Bank	40.0%	40.0%	20.0%	0.0%	0.0%	100.0%
	% of Total	2.2%	2.2%	1.1%	0.0%	0.0%	5.5%
Total	Count	13	19	14	43	2	91
	% within Bank	14.3%	20.9%	15.4%	47.3%	2.2%	100.0%
	% of Total	14.3%	20.9%	15.4%	47.3%	2.2%	100.0%

4.2.2.3. Bank's Generic strategy.

The respondents were asked to specify one generic strategy that is implemented by their bank, the table 4.11 shows that there is a difference in respondents answers.

Table 4.11 Crosstabs (Bank name * which generic strategy is being implemented by your bank?)

Bank Name		Which generic strategy is being implemented by your bank?			Total
		Focus	Differentiation	Cost leadership	
Bank of Palestine	Count	8	15	3	26

	% within Bank	30.8%	57.7%	11.5%	100.0%
	% within Which	28.6%	28.8%	25.0%	28.3%
	% of Total	8.7%	16.3%	3.3%	28.3%
Arab Bank	Count	6	12	1	19
	% within Bank	31.6%	63.2%	5.3%	100.0%
	% within Which	21.4%	23.1%	8.3%	20.7%
	% of Total	6.5%	13.0%	1.1%	20.7%
Arab Islamic Bank	Count	1	6	0	7
	% within Bank	14.3%	85.7%	0.0%	100.0%
	% within Which	3.6%	11.5%	0.0%	7.6%
	% of Total	1.1%	6.5%	0.0%	7.6%
The National Bank, Palestine	Count	0	5	0	5
	% within Bank	0.0%	100.0%	0.0%	100.0%
	% within Which	0.0%	9.6%	0.0%	5.4%
	% of Total	0.0%	5.4%	0.0%	5.4%
Palestine Islamic Bank	Count	4	9	1	14
	% within Bank	28.6%	64.3%	7.1%	100.0%
	% within Which	14.3%	17.3%	8.3%	15.2%
	% of Total	4.3%	9.8%	1.1%	15.2%
Egyptian Arab Land Bank	Count	1	2	5	8
	% within Bank	12.5%	25.0%	62.5%	100.0%
	% within Which	3.6%	3.8%	41.7%	8.7%
	% of Total	1.1%	2.2%	5.4%	8.7%
Jordan Ahli Bank	Count	6	0	2	8
	% within Bank	75.0%	0.0%	25.0%	100.0%
	% within Which	21.4%	0.0%	16.7%	8.7%
	% of Total	6.5%	0.0%	2.2%	8.7%
Palestine Investment Bank	Count	2	3	0	5
	% within Bank	40.0%	60.0%	0.0%	100.0%
	% within Which	7.1%	5.8%	0.0%	5.4%

	% of Total	2.2%	3.3%	0.0%	5.4%
Total	Count	28	52	12	92
	% within Bank	30.4%	56.5%	13.0%	100.0%
	% within Which	100.0%	100.0%	100.0%	100.0%
	% of Total	30.4%	56.5%	13.0%	100.0%

Based on the table 4.10 and table 4.11, the respondents from the same bank have different answers among defining the generic strategy that their bank adopts.

However, if we do the Kruskal-Wallis test, it shows that the differences between the mean ranks are statistically not significant over the question (Which generic strategy is being implemented by your bank?) across the banks.

Table 4.12 Independent-Samples Kruskal-Wallis Test for generic strategy

#	Null Hypothesis	Test	Sig.	Decision
1	The distribution of (Which generic strategy is being implemented by your bank?) is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	.105	Retain the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				

Meanwhile, the differentiation strategy has the highest total rank in comparison with focus and cost leadership strategies, which indicates that banks in Palestine tend to serve different services with high quality in order to meet customer's needs.

4.2.2.4. Analysis of the Marketing strategies.

In this section, the respondents asked to assess the marketing strategy implemented by their bank and considered to be an element of competitive advantage

Table 4.13 Crosstabs (Bank name *, what are the marketing strategy enjoyed by your bank?).

Bank Name		From your point of view, what are the sources of				Total
		Pricing	Promotion	Placing	Product and	
Bank of Palestine	Count	0	4	5	18	27
	% within	0.0%	14.8%	18.5%	66.7%	100.0
	% within bank	0.0%	40.0%	50.0%	28.1%	28.7%
	% of Total	0.0%	4.3%	5.3%	19.1%	28.7%
Arab Bank	Count	1	3	0	16	20
	% within	5.0%	15.0%	0.0%	80.0%	100.0
	% within bank	10.0%	30.0%	0.0%	25.0%	21.3%
	% of Total	1.1%	3.2%	0.0%	17.0%	21.3%
Arab Islamic Bank	Count	2	1	0	4	7
	% within	28.6%	14.3%	0.0%	57.1%	100.0
	% within bank	20.0%	10.0%	0.0%	6.2%	7.4%
	% of Total	2.1%	1.1%	0.0%	4.3%	7.4%
The National Bank, Palestine	Count	0	0	0	5	5
	% within	0.0%	0.0%	0.0%	100.0%	100.0
	% within bank	0.0%	0.0%	0.0%	7.8%	5.3%
	% of Total	0.0%	0.0%	0.0%	5.3%	5.3%
Palestine Islamic Bank	Count	0	0	2	12	14
	% within	0.0%	0.0%	14.3%	85.7%	100.0
	% within bank	0.0%	0.0%	20.0%	18.8%	14.9%
	% of Total	0.0%	0.0%	2.1%	12.8%	14.9%

Egyptian Arab Land Bank	Count	5	0	0	3	8
	% within	62.5%	0.0%	0.0%	37.5%	100.0
	% within bank	50.0%	0.0%	0.0%	4.7%	8.5%
	% of Total	5.3%	0.0%	0.0%	3.2%	8.5%
Jordan Ahli Bank	Count	2	2	1	3	8
	% within	25.0%	25.0%	12.5%	37.5%	100.0
	% within bank	20.0%	20.0%	10.0%	4.7%	8.5%
	% of Total	2.1%	2.1%	1.1%	3.2%	8.5%
Palestine Investment Bank	Count	0	0	2	3	5
	% within	0.0%	0.0%	40.0%	60.0%	100.0
	% within bank	0.0%	0.0%	20.0%	4.7%	5.3%
	% of Total	0.0%	0.0%	2.1%	3.2%	5.3%
Total	Count	10	10	10	64	94
	% within bank	10.6%	10.6%	10.6%	68.1%	100.0
	% within	100.0%	100.0%	100.0%	100.0%	100.0
	% of Total	10.6%	10.6%	10.6%	68.1%	100.0

The frequency analysis in table (4.14.) shows that the source of marketing strategy enjoyed by the banks is regarding to the product and services strategy with 68.1% of respondent's answers

Table 4.14 Frequency analysis from your point of view, what are the sources of competitive advantage enjoyed by your bank?

Bank's Marketing Strategy	Frequency	Percent
Pricing strategy	10	10.6
Promotion strategy	10	10.6
Placing strategy	10	10.6
Product and services strategy	64	68.1
Total	94	100.0

4.2.2.5. Analysis of the important strategies to the contribution of competitive advantage.

This research in the quest to ascertain the most important strategies been implementing to achieve the competitive advantage to the bank is illustrated below:

Table 4.15 Important elements in order of importance to the contribution of competitive advantage

Variable		Frequency	Valid Percentage	Rate
Customer services	Very Important	35		1
	Fairly Important	19	20.2	
	Important	27	28.7	
	Slightly	13	13.8	
	Total	94	100.0	
Low bank charges	Very Important	6	6.4	4
	Fairly Important	19	20.2	
	Important	17	18.1	
	Slightly	52	55.3	
	Total	94	100.0	
Extensive branch	Very Important	20	21.3	3

network	Fairly Important	18	19.1	
	Important	33	35.1	
	Slightly	23	24.5	
	Total	94	100.0	
Differentiate services and products	Very Important	33	35.1	2
	Fairly Important	38	40.4	
	Important	17	18.1	
	Slightly	6	6.4	
	Important			
	Total	94	100.0	

According to the analysis of the data, it shows that the most important element for competitive advantage from the respondent point of view is customer services with 37.2%, the second important element is the different services and products with 35.1%, the third element is the extensive branch network with 21.3% and the fourth important element is low bank charges with 6.4% (the least important of the strategies that earned the bank any competitive edge).

In order to compare between the banks in Palestine in terms of Customer services as it considered the most important element in the strategy of competitive advantage, Independent-Samples Kruskal-Wallis test shows that the differences between the mean ranks are statistically significant over the customer services, low banks charges and differentiate services across the banks.

Table 4.16 Independent-Samples Kruskal-Wallis Test for most important element for competitive advantage

#	Null Hypothesis	Test	Sig.	Decision
1	The distribution of customer services is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	.0004	Reject the null hypothesis.

2	The distribution of low bank charges is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.047	Reject the null hypothesis.
3	The distribution of extensive branch network is the same across categories of	Independent-Samples Kruskal-Wallis Test	0.075	Retain the null hypothesis.
4	The distribution of differentiate services and products is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.042	Reject the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				
Element for competitive	Bank Name	N	Mean Rank	
Customer services	Palestine Islamic Bank	14	63.29	
	Bank of Palestine	27	55.59	
	Jordan Ahli Bank	8	46	
	Arab Bank	20	45.95	
	Arab Islamic Bank	7	45.71	
	The National Bank, Palestine	5	32	
	Egyptian Arab Land Bank	8	27.63	
	Palestine Investment Bank	5	18	
	Total	94		
Low bank charges	Arab Bank	20	61.8	
	Palestine Investment Bank	5	54.7	
	Palestine Islamic Bank	14	51.43	
	Bank of Palestine	27	44.81	
	Jordan Ahli Bank	8	42.94	
	Arab Islamic Bank	7	36.93	
	Egyptian Arab Land Bank	8	34.13	
	The National Bank, Palestine	5	30.1	
	Total	94		
Differentiate services and products	The National Bank, Palestine	5	68.8	
	Egyptian Arab Land Bank	8	65.25	
	Arab Islamic Bank	7	55.79	

	Palestine Investment Bank	5	52.5
	Jordan Ahli Bank	8	50.94
	Bank of Palestine	27	47.5
	Palestine Islamic Bank	14	40.64
	Arab Bank	20	34.35
	Total	94	

Based on table 4.16., in accordance with the most important element of the strategy of competitive advantage, we can see that Palestine Islamic Bank has the highest rate over other banks in customer services with rank 63.29. Due to many features which are: the Palestine Islamic bank has the largest number of branches to deal with customers which are 43 branches for the year 2018. Moreover, the Palestine Islamic bank gains the awards for "Best Islamic Bank in Palestine for the Year 2018" according to EMEA Finance, the "Most Innovative Islamic Bank in Palestine" Award for the year 2018 from International Finance Magazine (IFM), and the award for Excellence in Islamic Banking Services for the year 2018 from the International Union of Arab Bankers.

On the other hand, the differences between the mean ranks are statistically significant over the low bank charges across the banks. However, the Arab Bank has the highest rate over other banks with a mean rank 61.8, which is represented by the diversity of loans provided by the bank and the decreased low bank charges during the period of payment.

Furthermore, the differences between the mean ranks are statistically significant over the differentiate services and products across the banks, the National Bank (TNB) have the highest rate over other banks with rank 68.8, which can be explained by their specific concentration on giving special loans, saving accounts and rewards to women in Palestine. The aim of these services is to empower the women's economic, financial and social role in society. Moreover, the TNB 2018-2022 strategic plan concentrates on supporting women to build their startup projects in order to earn sustainable incomes. Furthermore, TNB takes the leading position in funding the microenterprise and agricultural projects.

On the contrary, the differences between the mean ranks are not statistically significant over the extensive branch network across the banks.

4.2.2.6. Evaluation of factors based on their threats on enterprise

This section discusses the five competitive forces of the banking sector in Palestine. Each respondent was asked to assess the threat of each competitive force.

Table 4.17 The significant differences in all of the factors based on their threats on enterprise

The announcement	Mean	Standard Deviation
The intensity of competition between existing banks.	4.11	.978
The degree the customer's control.	3.33	.999
The degree of the supplier's control.	3.46	1.038
Threats of having alternative substitutes.	2.88	1.217
Threats of having new competitors in the banking sector.	3.35	1.170

The table above shows the intensity of competition between existing banks have the highest rate with mean (4.11). While the statement Threats of having alternative substitutes have the lowest mean. This is due to the huge capital is needed to be enrolled to the local market and the difficulties to survive and compete.

Table 4.18 The significant differences in all of the factors based on their threats on enterprise

#	Null Hypothesis	Test	Sig.	Decision
1	The distribution of the rivalry of competition between existing banks is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.012	Reject the null hypothesis.
2	The distribution of the degree the customer's control is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.221	Retain the null hypothesis.
3	The distribution of the degree of the supplier's control is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.767	Retain the null hypothesis.
4	The distribution of threats of having alternative substitutes is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.167	Retain the null hypothesis.
5	The distribution of threats of having new competitors in the banking sectors the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.300	Retain the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				

Based on the data, it shows that the differences between the mean ranks are statistically significant over the rivalry of competition between existing banks. However, most of the banks rank is the National Bank - Palestine with mean rank = 67. Furthermore, the test shows that there is no significant difference between the banks over the degree of the customer's control, the degree of the supplier's control, threats of having alternative substitutes and the threats of having new competitors in the banking sector. This means that banks have a higher rank in the rivalry threat because most of the existing firms compete within the same segment.

4.2.2.7. Analysis of bank branches.

The respondents were asked to assess if the branches of the bank can reach villages and remote areas. Table 4.19 shows that the differences between the mean ranks are statistically

significant over the question (Do you think your bank can reach villages and remote areas?). However, the most of the banks rank is (Bank of Palestine, Arab Bank, The National Bank, And Palestine Investment Bank) with mean rank =54.5, the other bank is less mean rank as represented in the table below.

Table 4.19 Analysis of bank branches locations

#	Null Hypothesis	Test	Sig.	Decision
1	The distribution of (Do you think your bank can reach villages and remote areas?) is the same across categories of banks.	Independent-Samples Kruskal-Wallis Test	0.000	Reject the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				
Do you think your bank can reach villages and remote areas?	Bank Name	N	Mean Rank	
	Bank of Palestine	25	54.5	
	The National Bank, Palestine	5	54.5	
	Palestine Investment Bank	5	54.5	
	Arab Islamic Bank	7	48.14	
	Palestine Islamic Bank	13	47.65	
	Arab Bank	20	45.6	
	Jordan Ahli Bank	8	21.13	
	Egyptian Arab Land Bank	6	10	
	Total	89		

4.3. Testing of hypothesis of the study

In order to test the study hypotheses, simple regression analysis will be used. Moreover, in order to test the third One-way ANOVA and Tukey HSD will be used.

The research examines the following hypotheses:

H1: The supporting elements of CRM are positively related to gain competitive advantage in the banking sector in Palestine.

4.3.1. H1: The supporting elements of CRM are positively related to competitive advantage in the banking sector.

The following table 4.20. shows the analysis of CRM and competitive advantage relationship.

Table 4.20 CRM*Competitiveness

Independent Variable	Adjusted R Square	F	B	T	Sig.
CRM	0.089	10.083	0.34	3.175	0.002
Dependent Variable: Competitive advantage					

The results of the table above show that CRM elements have a positive significant effect on competitive advantage, the calculated F value is (10.083), indicate at the level of ($\alpha= 0.002 < 0.05$). In the complete model for all the predictors, R2 explains 8% of the variance related to Competitive Advantage, and consequently accepts and supports hypothesis H1.

The following table 4.21 shows the analysis of CRM supporting elements and competitive advantage relationship.

Table 4.21 CRM supporting elements *Competitive advantage

Independent Variable	Adjusted R Square	F	B	T	Sig.	Order
Marketing	0.049	5.802	0.235	2.409	0.000	3
Customer services	0.147	17.045	0.340	4.129	0.000	1
Information Technology	0.04	4.890	0.233	2.211	0.000	4
Quality	0.103	11.634	0.266	3.411	0.001	2
Dependent Variable: Competitive advantage						

H1a: Marketing is positively related to Competitive advantage in the banking sector.

A Simple Linear Regression Analysis was utilized between Competitive Advantage, as the dependent variable, and Marketing as the independent variable. Based on table 4.22., the Standardized coefficient (beta) value for Relationship is positive, and the entire model has a significant effect on Competitive Advantage, the calculated F value is (5.802) indicate at the level of ($\alpha = 0.000 < 0.05$). In the entire model, R² explains 4% of the variance related to Competitive Advantage. Accordingly, H2a was confirmed.

H1b: Customer service is positively related to Competitive advantage in the banking sector.

A Simple Linear Regression Analysis was utilized between Competitive Advantage, as the dependent variable, and customer services as the independent variable. Based on table 4.22., the Standardized coefficient (beta) value for Relationship is positive, and the entire model has a significant effect on Competitive Advantage, the calculated F value is (17.045) indicate at the level of ($\alpha = 0.000 < 0.05$). In the entire model, R² explains 14.7% of the variance related to Competitive Advantage. Accordingly, H2b was confirmed.

H1c: Information Technology is positively related to Competitive advantage in the banking sector.

A Simple Linear Regression Analysis was utilized between Competitive Advantage, as the dependent variable, and information technology as the independent variable. Based on table 4.22., the Standardized coefficient (beta) value for Relationship is positive, and the entire model has a significant effect on Competitive Advantage, the calculated F value is (4.890) indicate at the level of ($\alpha = 0.000 < 0.05$). In the entire model, R2 explains 4% of the variance related to Competitive Advantage. Accordingly, H2c was confirmed.

H1d: Quality is positively related to Competitive advantage in the banking sector.

A Simple Linear Regression Analysis was utilized between Competitive Advantage, as the dependent variable, and quality as the independent variable. Based on table 4.22., the Standardized coefficient (beta) value for Relationship is positive, and the entire model has a significant effect on Competitive Advantage, the calculated F value is (11.634) indicate at the level of ($\alpha = 0.001 < 0.05$). In the entire model, R2 explains 10.3% of the variance related to Competitive Advantage. Accordingly, H2d was confirmed.

From the above table, the data shows that customer service has the highest effectiveness over competitive advantage. Quality has the second-high effective element over competitive advantage. Then Marketing and information technology have the same effect over competitive advantage.

To sum up, CRM supporting elements have a significant impact on competitiveness, but the size effect for each one is small especially less than 1%. The explanation of this result will be reviewed in Chapter 5.

4.3.2. H2: There are no significant differences between the role of CRM and competitiveness advantage between local, Islamic local, and foreign banks in Palestine.

This section tries to answer the research question about what are the differences between local, Islamic local and foreign banks in accordance to CRM and competitiveness.

Table 4.22. shows the analysis of variance statistics comparing the relationship between local Islamic banks, local banks and foreign banks.

Table 4.22 comparison between type of banks in accordance to CRM elements and competitive advantage

Variable		Sum of	df	Mean	F	Sig.
Marketing	Between Groups	2.255	2	1.128	3.240	.044
	Within Groups	31.671	91	.348		
	Total	33.926	93			
Customer services	Between Groups	1.355	2	.677	1.485	.232
	Within Groups	41.496	91	.456		
	Total	42.851	93			
Information Technology	Between Groups	.603	2	.302	.952	.390
	Within Groups	28.812	91	.317		
	Total	29.415	93			
Quality	Between Groups	.816	2	.408	.748	.476
	Within Groups	49.652	91	.546		
	Total	50.468	93			
Competitive Advantage	Between Groups	.261	2	.131	.378	.686
	Within Groups	31.451	91	.346		
	Total	31.713	93			

Based on the table above, there is a statistically significant difference in the marketing element between the means of the different levels of the bank's variable. The sig. of marketing is (.044) which means there is a significant difference in terms of marketing between local, Islamic local and foreign banks in Palestine. However, there are no statistically significant differences between customer services, information technology, quality, and competitive advantage and type of banks.

To illustrate more, the table 4.23 shows significance values have been generated for the mean differences between pairs of the various banks' categories variable (local banks, and foreign banks). Tukey HSD (Honest Significant Difference) shows that there are statistically significant differences in the mean of marketing between local banks and foreign banks.

Table 4.23 Multiple Comparisons between local Islamic banks, local banks and expatriate banks using Tukey HSD

Dependent Variable	(I) Bank Type	(J) Bank Type	Mean Difference (I-J)	Std. Error	Sig.
Marketing	Local Islamic Banks	Local Banks	-.161	.161	.580
		Foreign Banks	.190	.162	.471
	Local Banks	Local Islamic Banks	.161	.161	.580
		Foreign Banks	.351*	.138	.034
	Foreign Banks	Local Islamic Banks	-.190	.162	.471
		Local Banks	-.351*	.138	.034
Customer Service	Local Islamic Banks	Local Banks	-.188	.184	.567
		Foreign Banks	.079	.185	.904
	Local Banks	Local Islamic Banks	.188	.184	.567
		Foreign Banks	.267	.158	.214
	Foreign Banks	Local Islamic Banks	-.079	.185	.904
		Local Banks	-.267	.158	.214
Information Technology	Local Islamic Banks	Local Banks	.023	.154	.988
		Foreign Banks	.179	.155	.483
	Local Banks	Local Islamic Banks	-.023	.154	.988
		Foreign Banks	.155	.132	.468

	Foreign Banks	Local Islamic Banks	-.179	.155	.483
		Local Banks	-.155	.132	.468
Quality	Local Islamic Banks	Local Banks	-.196	.202	.598
		Foreign Banks	-.008	.203	.999
	Local Banks	Local Islamic Banks	.196	.202	.598
		Foreign Banks	.188	.173	.526
	Foreign Banks	Local Islamic Banks	.008	.203	.999
		Local Banks	-.188	.173	.526
Competitiveness	Local Islamic Banks	Local Banks	-.055	.161	.937
		Foreign Banks	-.135	.161	.682
	Local Banks	Local Islamic Banks	.055	.161	.937
		Foreign Banks	-.080	.138	.832
	Foreign Banks	Local Islamic Banks	.135	.161	.682
		Local Banks	.080	.138	.832

The table above shows that there is a significant difference in the marketing elements between local banks and foreign banks. The differences of marketing run in favor of local banks, as compared with foreign banks. Owing to the fact that, the local banks for example Bank of Palestine (BOP), have the highest total of contribution in the social commitments and responsibility over the last years and the bank which gives the most expensive rewards compared to others. Moreover, BOP launched the Zamalah program for academic and vocational development, which aims to raise the caliber of Education University in Palestine. This program assists in improving the quality of education and teaching to match market needs and requirements with supplying the market with unique modern specialization.

4.4. Summary

In conclusion, this chapter analyzed data that were collected through research tools, statistical methods, questionnaire development, questionnaire recovery, and the sample profile. SPSS Program is used to analyze the questionnaire data, observation. The next chapter presents discussions conclusions drawn and recommendations.

CHAPTER FIVE

5.1. Introduction

5.2. Discussion of Results and Conformity with Previous Studies; Academic and Practical Significance

Chapter Five

Discussion of the results

5.1. Introduction

In this chapter, the study will discuss the results and conformity with previous studies

5.2. Discussion of the results

This chapter includes the most significant research results. In addition, the conformity of results and hypothesis with previous studies is also discussed.

As in the previous studies, this research confirms the positive relationship between the CRM and its supporting elements and the achievement of competitive advantage. This hypothesis is accepted and conforms to (Ahmad, 2015) study on the role of CRM supporting elements in achieving competitive advantage. Moreover, (Shavazi, et al., 2013) study shows the significant importance of supporting elements of CRM on organization performance. Additionally, the major benefit perceived from the use of CRM that leads to better organizational performance, building a system of marketing, information technology, customer services and taking into consideration the quality of services provided. Furthermore, this study finds that the banks in Palestine have challenges and obstacles in gaining competitive advantage which is presented by their ability to adopt a specific generic strategy of competitiveness.

Moreover, the study shows that marketing considered an important element of supporting CRM; it has a significant impact on CRM. The results show that marketing campaigns play an important role in attracting customers by the bank's ability to adapt new methods of marketing such as social media and consider customer's opinions in building market strategies. Moreover, banks understand the importance of marketing strategies in terms of CRM which indicates bank's interest of providing services to meet customer's needs and demands. Also, banks try to strengthen the relationship between them and their customers by market their services in applying activities that enable them to reach each customer to keep them updated with the new services.

On the other hand, the analysis of the significant relationship between marketing and competitive advantage, indicates that marketing has a positive effect on gaining a competitive advantage in the banking sector of Palestine. The findings of the importance of marketing in gaining competitive advantage is similar to Soliman's (2011) study which affirms the importance of marketing strategies which plays an important role in supporting CRM. Moreover, Ahmad's (2015) study shows that marketing moderates the relationship between CRM and competitive advantage. Otiso's (2014) study emphasizes on the importance of customer's opinions in marketing campaigns which influences the performance of marketing activities.

Likewise, the banks in Palestine shows that customer services are still the key for building strong relationships with customers. Therefore, banks have an integrated system of services to deal with customers such as online banking, relationship officer for accounts on websites which ease the accessibility of bank's services in anytime and anywhere. However, banks don't have a significant system to measure customer satisfaction for the services provided which will affect the competitive advantage. That was approved in the analysis of the hypotheses that there is a significant relationship between customer service and competitive advantage, which means that customer service has a positive effect on gaining a competitive advantage in the banking sector of Palestine. The findings of the effect of customer services on CRM proven in Barsy's (2017) study, which shows the positive relationship between customer services as considered one of CRM supporting elements. (Basry, 2017) and (Fozia, et al., 2014) studies motivate banks to provide more attention to customer's feedback to improve the performance and build a strong and long-term relationship with customers. Furthermore, (Mugdadi, 2015) study shows the importance of value-creation among customer services to support CRM.

On the other side, banks in Palestine depend on upgrading their information technology system by transfer all the processes into automated systems that enable the employees to deal with customers effectively and provide distinguished services. Moreover, banks operate activities to connect with their customers and make their services reachable by developing an online website and banking applications. Thus, the importance of developing online banking and banking application enables customers to monitor their account safely, easily and improve their experience with the services provided. So, the majority of banks in Palestine

have online banking; it becomes a much-needed investment. Moreover, the findings show that employees can easily reach customer's data throughout the information technology system, which enable them to deal with customer's complaints and needs quickly which will support their relationship with customers.

Accordingly, the positive impact of information technology that proved in this study is similar to (Ghussien, 2014) and (Noorani, et al., 2017) studies which improve the significant importance of information technology as an element of CRM. (Noorani, et al., 2017) particularly emphasizes on transferring CRM into E-CRM which depends on utilizing information technology to gain competitive advantage. Moreover, (Fozia, et al., 2014) shows the significance of information technology in facilitating the communication between customers and banks which lead to long-term relationships. (Mugdadi, 2015) assess that information technology supports CRM in targeting, retaining and building long-term relationship with customers. Moreover, the study of Mugdadi confirms that in order to achieve sustainable competitive advantage through deploying IT infrastructure to support CRM strategies.

Whereas, the quality considered being one of the most important elements of CRM. Meanwhile, the banks consider the complaints provided by the customers in order to improve their services. Moreover, that was approved in the analysis of the hypotheses that there is a significant relationship between quality and competitive advantage. This is similar to (Alipour and Mohammadi, 2011), which emphasizes on the effective impact of understanding customers and resolving their complaints on improving the performance of the organization and reach a superior position between competitors.

Based on analyzing the Live Chat feature on the website, the results show there is a significant difference in the respondent's answer within the same bank and within different banks. We can see that employees in the same bank have different answers on their usage of live chat on their website; it indicates the lack of knowledge about the bank's website features. Meanwhile, the previous literature reviews the importance of using live chat as an advantage for delivering the services quickly and helps in dealing with customer's complaints, suggestions and enquires to gain a competitive advantage over competitors. So,

banks have to pay more attention to apply and use the feature of online chat on their website in order to improve customer services and CRM to gain competitive advantage.

The findings of the study show the bank's practices and strategies to achieve competitive advantage. Bank's activities aim to increase productivity by providing services with quality rather than providing services with low-cost in order to gain a competitive advantage. The finding of this study is different than (Barys, 2017) study which emphasizes on providing low-cost services to gain competitive advantage. Furthermore, the banks realize the importance of investing in their employees to gain competitive advantage as they considered one of the most valuable assets in the bank and the key to gain competitiveness. The results show a significant relationship between investing in qualified employees and competitiveness. (Al-Zoubi, 2016) study asserts that qualified employees are the key components in determining the long-term profitability, overall efficiency and productivity of the companies.

Reviewing the strategy in each bank are very important to examine the current situation to take quick actions to improve overall performance. The results of this study revealed that the respondents don't clearly specify how often their bank reviewed its strategy.

The data revealed that there are differences in the respondent's answers among choosing one generic strategy implemented by their bank; this difference refers to the lack of knowledge of bank's policy, regulations, and strategy by the employees. This indicates that the employees don't have enough information about the bank's strategies which enable them to build their activities based on the bank's generic strategy.

According to Porter (1985), every organization has to choose and implement one generic strategy in order to perform effectively by concentrating in one strategy in its services. The act of concentrating on one strategy makes the organization superior in its field. The analysis of the data reveals that the banks in Palestine are stuck in the middle, therefore it may affect competitiveness. Additionally, the Kruskal-Wallis Test shows that there are no significant differences in the generic strategy between banks, so it reduces the level of competitiveness between them. The finding of this study is similar to (NJOROGE, 2006) study, which concludes that 40% of banks in his study were stuck in the middle meaning that they fail to develop their specific strategy, which affects their performance comparing to banks who

adopt cost leadership strategy or differentiation strategy. This can be related to the results shown in analyzing the third hypothesizes, there are no significant differences between banks (local, Islamic local and foreign) in the role of CRM and gaining competitive advantage. Thus, the effect of not choosing a specific generic strategy for all the banks makes it harder for them to compete effectively and they will be unable to highly penetrate the market compared to other banks.

Furthermore, the study of (Wesulah, 2016) shows that banks who adopted one generic strategy were performing effectively to a great extent compared to others. Thus, banks have to train their employees to fully understand the concept of competitive strategy that is using by the bank in order to be competitive. Besides, regarding respondents' point of view about important elements in order of importance to the contribution of competitive advantage, customer services seem to be the major strength in the banking sector, which indicates that the customer services have been given a high priority by the majority of banks in Palestine. Moreover, banks realized that customer services and building long-term relationships with customers are an important key to success. This result contradicts (Awuah, 2011) study, which concluded that the extensive branch network strategy is the most important element of competitive advantage. In addition, the result of the analysis shows that the rivalry of the competitors plays the most significant part in five forces analysis, which indicates that rivalry among banks and threat of new entrants greatly affected the competitiveness of Palestinian bank while the power of suppliers, power of buyers and availability of substitutes affected to a little extent. This is similar to (Wesulah, 2016) who argues that competition is inevitable and in order for organizations to be successful and competitive, they have to learn how to cope with business rivals.

Chapter Six:

6.1. Conclusion and Policy Implications.

6.1.1. Conclusion

Based on the research findings; we find that there is a positive relationship between CRM supporting elements (marketing, information technology, customer service, and quality) and gaining competitive advantage. Moreover, there is a significant impact on CRM supporting elements and competitiveness but the size of the impact is small, owing to the fact that banks in Palestine unable to adopt one generic competitive strategy, most of them are stuck in the middle. So, according to Porter, stuck in the middle affects the performance, profitability and leads to the inefficiency of gaining competitive advantage. However, the study found that there are no threats of having new competitors because of the huge capital needed to enroll in this market, furthermore, the restrictions over the local market and situation.

Moreover, the banks consider the significant importance of implementing the supporting elements of CRM on their activities in order to build long-term relationships with customer, to meet their needs and demand which lead to customer satisfaction. Overall, the implementation of CRM will lead to an increase in the profitability of the banks. In addition, the usage of online banking and banking application have a significant effect towards implementing CRM. So, they support and maintain the communication between bank and customers. However, the banks have to periodically update their technologies and features of their website which aims to ease the interaction with customers and serve them effectively. On the other hand, the respondent's answers for certain questions show that many employees aren't familiar with the needed information about bank strategies. Therefore, the head of departments and managers should have more experience in competitive strategy. On the other hand, there are no significant differences in the role of CRM and gaining competitive advantage, between local, Islamic local and foreign banks, due to certain limits which are: some banks have mutual members in the board of directors which contradicts the good governance principles. Moreover, the regulation of the PMA, in the supervision and control procedures over banks operations and performance. In addition, PMA determines the permitted activities which banks have to follow including instructions to deal with customers or a specific group of customers.

6.1.2 Policy implications

The banks in Palestine have to consider the full scope of a successful CRM system and implementation with serving unique and low-cost services. Moreover, banks have to work on adopting a specific competitive generic strategy to increase the competitive advantage of the banking sector. Furthermore, banks have to invest more in human resources as considered one of the keys to gain a competitive advantage, by enhanced training about the role of the CRM in gaining competitive advantage. Additionally, the employees have to be fully utilized the CRM system and competitive strategies to achieve the intended goals. Also, banks have to develop and update their technologies and features to their website, for example, live chat, to support their interaction with customers.

In order to work effectively and meet the goals, banks have to engage more with customers by periodic meetings to clarify their needs and demands. In conclusion, banks have to develop a process to measure customer satisfaction and have feedback to evaluate the bank's performance.

Future research should be done in:

Future researches can examine:

- The other elements which contribute in gaining competitive advantage.
- The importance of applying Porter's generic strategies: An exploratory study of their use in the banking sector in Palestine.
- The relationship between Porter's generic strategies and competitive advantage.
- The effect of CRM on competitiveness in other sectors.
- The last recommendation is that other scholars replicate this research in additional markets to ensure the results apply broadly.

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Appendix 1 Questionnaire Arabic

جامعة القدس

عمادة الدراسات العليا

معهد التنمية المستدامة

الأخ الفاضل/الأخت الفاضلة:

تحية طيبة وبعد،

يطيب لي أن أضع بين أيديكم هذه الاستبانة التي تم تصميمها لأغراض البحث العلمي، بهدف جمع المعلومات حيث تقوم الباحثة بإجراء دراسة بعنوان:

" دور الوظائف الداعمة لإدارة علاقات العملاء في تعزيز الميزة التنافسية في البنوك العاملة في فلسطين "

كمطلب لنيل درجة الماجستير في بناء المؤسسات وتنمية الموارد البشرية، أمل منكم التكرم بتعبئة الاستبانة المرفقة بعد قراءة موضوعية ومتأنية لكل فقرة من الفقرات، ووضع إشارة (✓) في الخانة التي تتوافق مع رأيكم الشخصي، وتعبّر عن الواقع الذي تعملون به، علماً بأن اجاباتكم ستكون موضع تقدير، وستحاط بالسرية التامة ولن تستخدم إلا لأغراض البحث العلمي، حيث إن استكمال الإجابة على كافة فقرات الاستبانة والدقة في الإجابة ينعكسان على صحة النتائج التي ستوصل إليها الدراسة.

شاكرة لكم حسن تعاونكم

وتفضلوا بقبول فائق الاحترام والتقدير

الباحثة/ نانسي سعود العلمي

القسم الأول:

اسم البنك:

البيانات الشخصية:

الجنس:				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
العمر:				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
المؤهل الأكاديمي:				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
المسمى الوظيفي:				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
عدد سنوات الخبرة العملية:				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

القسم الثاني:

الوظائف الداعمة لإدارة علاقات العملاء: يحتوي هذا القسم على اسئلة تتمحور حول الوظائف الداعمة لإدارة علاقات العملاء لدراسة مدى تأثيرها على تحقيق التنافسية في القطاع المصرفي.

الرقم	الفقرة	دائماً	غالباً	أحياناً	نادراً	أبداً
	التسويق: " يشير مصطلح التسويق إلى الأنشطة التي تقوم بها الشركة للترويج لشراء أو بيع منتج أو خدمة. يتضمن التسويق الإعلان عن المنتجات وبيعها وتسليمها إلى المستهلكين أو الشركات الأخرى" (توين، 2019).					
1.	يعزز التسويق عملية المنافسة في القطاع المصرفي.					
2.	يقوم البنك باستطلاع رأي العملاء في بناء استراتيجيات التسويق.					
3.	الحملات التسويقية تلعب دوراً مهماً في جذب العملاء في البنك الذي تعمل به.					
4.	ينظم البنك حملات تسويقية منتظمة لكافة الخدمات المقدمة.					

					5. يقوم البنك بإرسال رسائل نصية او مكالمات هاتفية الى العملاء لإعلامهم بالخدمات الجديدة.
					6. يعتمد البنك على متخصصين تسويق خارجيين لدعم ادارة علاقات الزبائن.
					7. يشجع البنك أدوات تسويق جديدة ومبتكرة (مثال: بنك مصرفي متنقل).
العناية بالعملاء: "هي عملية الاهتمام باحتياجات العميل من خلال توفير وتقديم خدمة مفيدة بشكل محترف وبجودة عالية ومساعدتهم قبل وأثناء وبعد تلبية متطلبات العميل" (ماكينى، 2018).					
					8. يمتلك البنك نظام خدمات متكامل للتعامل مع العملاء (خدمة بنك اونلاين، مسؤول حساب خاص بالعميل على حساب العميل الالكتروني).
					9. يحدد البنك احتياجات العملاء من حين الى آخر.
					10. يأخذ البنك بعين الاعتبار التغذية الراجعة من العملاء.
					11. يهتم البنك بعملاء محددين من أجل المحافظة عليهم.
					12. ينظم البنك فعاليات وأنشطة لتقوية العلاقات مع العملاء في المناسبات الاجتماعية.
					13. يمتلك البنك خدمات متنوعة تناسب المتطلبات والانواق المختلفة.
					14. يوفر البنك نظام لقياس مدى رضا العملاء على الخدمات المقدمة.
					15. هل يقدم الموقع الالكتروني الخاص بالبنك خاصية " اونلاين تشات" (بين العميل ومسؤول الحساب) <input type="checkbox"/> نعم <input type="checkbox"/> لا
تكنولوجيا المعلومات: " هي عملية استخدام أنظمة تكنولوجيا المعلومات والاتصالات المتطورة لتمكين البنوك من تقديم خدمات أفضل لعملائها بطريقة آمنة وموثوقة وبأسعار معقولة والحفاظ على ميزة تنافسية على البنوك الأخرى" (رافي، 2007).					
					16. يمتلك البنك نظام متكامل من تكنولوجيا المعلومات (شبكة فروع مرتبطة إلكترونياً، أتمته الخدمات المصرفية هاتفياً، حوالات بين الحسابات الكترونياً، (mobile application).
					17. يقوم البنك بتحديث معلومات العملاء بشكل دوري؟
					18. يستطيع مدراء الفروع الوصول الى كافة المعلومات الضرورية للتعامل مع العملاء.

					19. يقوم البنك بتشجيع العملاء لتحديث المعلومات الخاصة بهم.
					20. يقوم البنك بجمع معلومات عن عملاء محتملين لاستقطابهم.
					21. يوفر البنك افصاحاً كافياً عن المعلومات التي يطلبها العملاء.
					22. يوفر البنك معلومات عن العملاء تتيح لك عملية التعامل الفورية واتخاذ القرار.
					23. يستخدم البنك التكنولوجيا كأداة لتحسين العلاقات والتعامل مع العملاء (مثال: تطوير الموقع الالكتروني وتحديثه دورياً).
الجودة:					
					24. يعتمد البنك على موارد خارجية لزيادة جودة الخدمات المقدمة.
					25. يقوم البنك بدراسة جودة الخدمات المقدم من فترة الى اخرى
					26. هناك ادارة متخصصة في البنك للتعامل الاقتراحات والشكاوى المقدمة بطرق سريعة.

- برأيك، ما هي أهم العناصر والوظائف الداعمة لإدارة علاقات العملاء في البنك الذي تعمل به (الرجاء ترتيبها من 1 الى 4 من الأهم الى الأقل أهمية):

	التسويق
	خدمات العملاء
	تكنولوجيا المعلومات
	الجودة

القسم الثالث:

التنافسية: يحتوي هذا القسم على أسئلة توضح مدى قدرة البنك على تحقيق الربح والاستدامة من خلال الأنشطة والعمليات فيما يتعلق بالمنافسين.

الرقم	الفقرة	دائماً	غالباً	أحياناً	نادراً	أبداً
1.	يعتمد البنك على استراتيجية زيادة الانتاجية، والجودة والتكلفة المنخفضة					

					في أنشطته.
					2. يعطي البنك الصلاحيات الكاملة للمدراء في الفروع لمعالجة شكاوى العملاء بغرض لمحافظة عليهم.
					3. يقدم البنك رسوم مجانية على بطاقات الائتمان
					4. يستخدم البنك استراتيجية خفض سعر الفائدة لجذب العملاء
					5. يستثمر البنك في التطوير والأبحاث لخفض التكاليف.
					6. يستثمر البنك في التطوير والأبحاث لزيادة الجودة.
					7. يعتمد البنك على استراتيجية التكلفة المنخفضة في تقديم الخدمات.
					8. يأخذ البنك بعين الاعتبار تسعيرة المنافسين للخدمات.
					9. يعتمد البنك على وسائل التواصل الاجتماعي للتواصل مع العملاء.
					91. يهتم البنك بتدريب وتطوير الطاقم العامل فيه (حواضر، دورات تدريبية)
					11. تهتم ادارة البنك بتقوية العلاقة بين الادارة والموظفين (على سبيل المثال اللقاءات الاجتماعية)
					12. يرفع البنك الفعاليات والأنشطة الخاصة بالمجتمع المحلي كنوع من الالتزام الاجتماعي.

❖ أرجو تحديد المدة التي يراجع بها البنك الذي تعمل به خطته الاستراتيجية:

شهرياً ربع سنوي نصف سنوي سنوياً غير ذلك: حدد

❖ ما هي استراتيجية التنافسية المعتمدة لدى البنك الذي تعمل به: (أرجو اختيار استراتيجية واحدة)

التركيز (Focus): مما يعني التركيز على سوق معين والعملاء ذوي الأذواق والاحتياجات المشتركة أو التركيز على منطقة جغرافية محددة. على سبيل المثال: التركيز على الخدمة الخاصة أو منطقة خاصة.

التمييز: مما يعني إرضاء العملاء بمنتجات أو خدمات عالية الجودة. على سبيل المثال: تقديم خدمات خاصة بالبنك الذي تعمل به ومختلفة عن غيرك من البنوك. حدد.....

الريادة في التكلفة: مما يعني توفير الخدمات والمنتجات بأسعار منخفضة مقارنة بالآخرين، مع الحفاظ على مستوى جودة متوسط نسبيًا.

من وجهة نظرك، ما هي مصادر الميزة التنافسية التي يتمتع بها البنك الذي تعمل به: (أرجو اختيار استراتيجية واحدة)

استراتيجية التسعير Pricing strategy .

استراتيجية الترويج Promotion strategy .

استراتيجية المكان او المنطقة Placing strategy .

استراتيجية المنتج والخدمات Product and services strategy .

من وجهة نظرك، أرجو ترتيب العناصر التالية حسب الأهمية في الميزة التنافسية الخاصة بالبنك الذي تعمل به: (1

يمثل العامل الأكثر أهمية، الرقم (4) يمثل العامل الأقل أهمية):؟

خدمة العملاء	
رسوم البنك المخفضة	
شبكة فروع واسعة النطاق	
التمييز في الخدمات والمنتجات	

كيف تقيم العوامل التالية بناءً على المخاطر في البنك الذي تعمل به: يمثل الرقم (1) العامل الأكثر أهمية؛ الرقم (5)

يمثل العامل الأقل أهمية؟

#	العبرة	1	2	3	4	5
1	شدة المنافسة ما بين المنافسين الحاليين					
2	القوة التفاوضية للعملاء					
3	القوة التفاوضية لمقدمي الخدمات					
4	المخاطر من دخول منافسين جدد					
5	المخاطر من وجود خدمات بديلة					

هل تعتقد بأن فروع بنكك تصل للأشخاص في المناطق النائية والقرى؟ نعم لا

Appendix 2 Questionnaire English

Section A:

Bank Name:

Gender: Male Female

Age: Below 28 28 – 35 36 – 43 44 – 51 More than 51

Educational Qualification: B.A M. A Other:

Experience: 5 years and less 6-11 years 12-17 years 18-23 years More than 23 years

Position: Head of Department Manager General Manager

Section B:

Customer Relationship Management: this section includes the supportive factors of customer relationship management in order to measure its effect on competitiveness in the banking sector.

#	Statement	Always	Often	Sometimes	Rarely	Never
Marketing: “Marketing refers to activities undertaken by a company to promote the buying or selling of a product or service. Marketing includes advertising, selling, and delivering products to consumers or other businesses” (Twin,2019).						
1.	Marketing enhances competitiveness in the banking sector.					
2.	Your bank considers customer’s opinion in building marketing strategies.					
3.	In your bank, marketing campaigns play an important role in attracting customers.					
4.	All services provided by your bank go throughout marketing processes.					
5.	Your bank sends messages to customers to keep them up to date for the newly services.					
6.	Your bank depends on its marketing expertise to enhance CRM.					

7.	Bank motivates new methods of marketing (e.g. Social Media, and uses bus as a marketing vehicle).					
Customer Service: “is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met” (McKinney, 2018).						
8.	Your Bank has an integrated system of services to deal with customers. (online banking, Relationship officer for accounts on website which includes the contact details for account manager).					
9.	Your bank clarifies the needs of customers from period to period.					
10.	Your bank considers any feedback of customers for improved its services.					
11.	Your bank gives individual attention to specific customer to retain customers					
12.	Your Bank arranges special events to keep in touch with their customers.					
13.	Your Bank forms different services to meet different demands.					
14.	Your bank cares about measuring customer’s satisfaction about services from time to time.					
15.	Your bank has (live chat with customers).	Yes	No			
Information Technology: “the use of sophisticated information and communication technologies together with computers to enable banks to offer better services to its customers in a secure, reliable, affordable manner and sustain competitive advantage over other banks” (Ravi,2007).						
16.	Your bank has an integrated system of information technology about old and new customers. (e.g. an electronically linked branch network, automated telephone banking, internet banking and banking through mobile phones)					

17.	Your bank tends to update information about customers periodically.	Semi annually	Annually	Once two years	Once three years	Never
18.	All information necessary for customers can be provided by all your bank branches.					
19.	Your bank motivates customers to update their data and information					
20.	Marketing departments provide data about nominated customers to be new customers of the bank.					
21.	Your bank provides enough disclosure for data and information needed for customers.					
22.	The data available for your bank enable you to deal promptly with customers.					
23.	Technology used in your bank can be enough for improving services and relations with customers.					
Quality:						
24.	You bank uses external resources to increase the quality of services.					
25.	Your bank considers customers opinions about the quality of services.					
26.	Your bank considers customer's complaints and suggestions.					

- From your opinion, order the following choices by ascending order from 1 to 4 to determine which one is the most important element of CRM:

Marketing	
Customer Services	
Information Technology	

Quality	
----------------	--

Section C:

Competitiveness: This section shows the capability a bank has to achieve profitability and sustainable position throughout its activities in the market in relation to its competitors.

#	Statement	Always	Often	Sometimes	Rarely	Never
1.	Your bank practices the strategy of increasing productivity, quality and low-cost in its activities.					
2.	Managers have the authority to deal with customers who tend to leave your bank (e.g. reducing interest rate).					
3.	Your bank offers free fees on credit cards.					
4.	Your bank uses the strategy of reducing interest rate to attract customers					
5.	Your bank invests in development and researches to reduce costs.					
6.	Your bank invests in development and researches to increase quality.					
7.	Your bank uses low-cost strategy in providing services.					
8.	Your bank considers competitor's pricing of services or products.					
9.	Your bank uses social media (e.g. Facebook) to connect with customers.					
10.	Your banks consider staff development by trainings and promotions.					
11.	Your bank strengthens the relations between managers and employees (e.g. social events).					
12.	Your bank considers social events as type of social commitment.					

- **How often does your bank review its strategy?**

- Monthly Quarterly Quarterly-half Annually Other: Specify

- **Which generic strategy is being implemented by your bank?**

Focus: which means concentrating on specific market and customers with common tastes and needs or focus on a specific geographical area. For example: focus on special service or special area.

Differentiation: which means satisfying customers with high quality products or services. For example: providing different services than others. Specify:
.....

Cost leadership: which means providing services and products with low price compared to others, while maintaining a relatively average level of quality.

- **From your point of view, what are the sources of competitive advantage enjoyed by your bank?**

- Pricing strategy.
- Promotion strategy.
- Placing strategy.
- Product and services strategy.

- **From your point of view, please rank the following elements in order of importance in the competitive advantage regarding your bank:**

Customer services	
Low bank charges	
Extensive branch network	
Customer bases	
Differentiate services and products.	

- **How do you evaluate the following factors based on their threats on your bank: number (1) represents the most significant factor; number (5) represents the least significant factor?**

#	Statement	1	2	3	4	5
1	The rivalry of competition between existing banks.					
2	The degree the customer's control.					
3	The degree of the supplier's control.					

4	Threats of having alternative substitutes.					
5	Threats of having new competitors in the banking sector.					

Do you think your bank can reach villages and remote areas? Yes No

Appendix 3 Arbitrators Sheet:

#	Name	Position	Phone	Email
1.	Ibrahim M. Awad. PH.D.	PhD. Assoc. Prof. of Business Economics and Econometrics- Director of Al- Quds Institute for Competitiveness and Strategy	0599707737	iawad00@gmail.com
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3.	Dr. Saadi Kurunz	Lecturer in Al- Quds university	0598888620	Skrunz@staff.alquds.edu
4.	Mr. Sary Ghashash	Expert in the banking sector	0594501050	sary.ghashash@arabbank.ps
5.	Mr. Ihsan Shusha'a	Expert in the banking sector	0599851010	-