The Impact of Customer Relationship Management on Customer Satisfaction in the Banking Industry –A Case of Jordan

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Abstract
Due to the tough competition in the banking industry in Jordan, it is very necessary for financial institutions to build and maintain a strong relationship with the customers in order to achieve the ultimate goal of customer satisfaction. For this reason customer relationship management (CRM) has become more important in the service industry; especially in the banking industry. Therefore, the present study came to focus on the impact of CRM on customer satisfaction in banking industry of Jordan. The population of the present study is customers of Jordanian banks operating in Amman city, the capital of Jordan. 528 respondents were selected through convenient sampling and data has been collected through questionnaires which were self administered by researcher. The study proposed that there is no statistical relationship between CRM elements and customer satisfaction as a dependent variable. The statistical analysis revealed that there is a significant relationship between the independent variables(i,e CRM elements represented by service quality, employee's behavior, customer data base, solving customer problems physical environment; and social network interaction) and customer satisfaction as a dependent variable in the services banking industry.
Keywords: CRM ,Customer Satisfaction, Banking Industry, Services Marketing, Jordan.

1-INTRODUCTION

Generally speaking, all businesses and particularly financial institutions have been affected to some degree in what is happening in the global market place. Now, not only the organizations aim to satisfy the customers but they attempt to do this more efficiently and effectively than their rivals in the competitive market place in order to attain their goals. The most important goal of an organization is to maintain customer satisfaction and focus on customer centric approach in their organizational and marketing strategies. The significance of customer satisfaction cannot be dismissed while happy customers are like free advertising for the financial institutions. It is necessary to put the customer at the centre of the business according to its strategies, events and processes. In fact, it is easier and more profitable to sell to present customers than to find new ones. Financial institutions are setting their strategies to ensure customer satisfaction, retention, therefore their employees should be more customer-focused and service-oriented in order to satisfy their customers.

Customer relationship management (CRM) is a concept for managing a company's interactions with customers, clients, and sales prospects which can achieve financial institutions goal such as customer satisfaction. It involves using technology to organize, automate, and synchronize business processes. The objectives of CRM are to enhance profitability, income, and customer satisfaction. To attain CRM, many organizations use set of tools, technologies, and procedures to support the relationship with the customer to enhance sales. Therefore, CRM is an issue of strategic business and process rather that a technical one. Customer relationship management (CRM) is a concept for managing a company's interactions with customers, clients, and sales prospects. (Long, et. al,2013)

Bowen and Chen (2001) argue that having satisfied customers is not sufficient. This is because customer satisfaction needs to have direct impact on customer satisfaction and loyalty. Sivadas and Barker-Prewitt (2000) stress that there is a rising recognition that the last objective of customer satisfaction measurement should be customer loyalty. Many organizations merely categorize customer satisfaction measurement as type of "marketing intelligence" instead of using it as management tool to build customer service quality improvement processes and increase profit (Linnell, 2009)

2-Research Problem and Question

It is very important in our intensity changing competitive environment in the banking industry to be in direct contact with the customers in order to build up good relationship so that satisfaction can be attained. As a result of this knowing the main elements of customer relationship management which can achieve customer satisfaction is a critical issue for financial Institutions; especially with the intensive competition between such institutions. According to these issues, the main problem of the present is formulated in the following questions:
- To what extent do Jordanian banks apply the concept of CRM?
- What are the main elements of CRM that can achieve customer satisfaction in the banking industry in Jordan?
- What is the relationship between CRM and customer satisfaction in the banking industry in Jordan?

3-Research Importance

The importance of the present study can be viewed from two main aspects:-

a) The academic aspect; as this study represents an attempt to add to the international libraries with an important issue that can be beneficial for further studies i,e CRM.

b) The practical aspect, as CRM topic is considered to be one of the base stone for success of many financial institutions in particular and other institution in general. For financial institution it is very important to verify the main elements of CRM which can lead to customer satisfaction with the critical competition in this industry.

4-Research Objectives

The main objectives of the present study can be summarized in the following:-

1) To determine the level of CRM importance in achieving customer satisfaction in banking   industry in Jordan.

2) To determine the main elements of CRM applied in the banking industry in Jordan.

3) To evaluate the relationship between CRM and customer satisfaction in the banking industry in Jordan

To provide valuable suggestion and recommendations to the banking industry in Jordan which can build up good customer relationship and satisfaction in Jordan.

5-The Theoretical Background
5.1 Concept of CRM

As a logical result of the appearance of the concept '' Relationship Marketing'' since the 1920s, the concept'' Customer Relationship Management'' (CRM) has been brought to attention in late nineties, especially among the academics and partitions. The new concept has directed attention towards various vital aspects, including the necessity of direct relationship between customers and markets, the important of keeping current customer, as well as the inevitability building long-term relationships with customers instead of the customer-oriented transaction method in order to augment the profitable of the institutions, especially in today's increasingly competitive economy (Ismail & et. al, 2007, p.16; Jayachandran & et. al,., 2005,). Therefore, the organization has directed their attention to CRM and abundant investing in the necessary infrastructure, with special concern the great advance in information technology (Ismail & et al., 2007 ; Jayachadran & et. al 2005,). Some considered, therefore, that improving the performance could be achieves through directing more attention to CRM (Malmi et. al, 2004,). Now, CMR is considered one of the most important targets in about 60% of the projects around the world. Great advance in technology helped in better dividing of the market territories, enhancing communications with customers, providing an environment rich with information so as to contribute in improving efficient strategies to deal with customers. Possible to say that CRM systems would only have more future realization and understanding on the part of beneficiaries if they were easy to use and carry out. In a modern study of De Paul University about the best practices of sales administrator, only 50% of companies – of which sales reached more than one million dollars- admitted that they practice CRM, and only 55% of these companies made it clear that their CRM programs greatly helped establish relationship with customers. While, 81% of the companies, which achieved sales of less than 100 million dollars adopted ready-made CRM programs, admitted that these programs were useful; 75% mentioned that this helped establish customer relationships(Hisham, Soliman,2011). Generally speaking, the easier the system, is, the stronger it can help establish customer relationships. Accordingly, the future of CRM technology signals essential improvements in CRM systems, which would be able to improve electronic and direct marketing programs. Enhance prediction models which can improve planning systems of the project resources and change the framework and the organizational culture. Consequently, this will lead to better manage selling teams, enhance sales and increase the investment revenue rate in addition to helping users understand the advantages that they would gain. In conclusion, achieving the above depended on the ability to simplify systems and provide time for users to learn be experienced and skilled in CRM (Baran. 2008). Writers diverged in formulating a specific definition for CRM. This divergence may be owed to a difference in the scientific background of these writers. To begin with, (Swift, 2000) defined CRM as a method of understanding the customer behavior through intense communication with him/her to improve the performance which is represent in attracting the customer, keeping him/ her and increasing his/ her loyalty and profitability. It can be noticed that definition regards CRM as mere communication with the organization to understanding the customer's behavior. (Stone & Findlay, 2001) defined CRM as the organization carrying out a lot of information about the customer from various resource and keeping it in order to divide the territories, analyze and reuse. This definition regards CRM as only collecting and recording information about the customer. (Fross & Stone, 2001) defined CRM as the company use of its abilities in the field of research methodology, technology e-commerce in order to manage customer relationships. This definition for CRM regards it as the ability to use technology in the domain of dealing with customers. (Parvatiyar & Sheth, 2002) mentioned that CRM is a comprehensive strategy that includes the process of

acquiring certain customers, keeping them and cooperating with them to create a distinguished value for both the company and the customer. This strategy requires integrating the functions of marketing, sales, customer's service and exposition chain so as to achieve the highest competence and efficiency in delivering value to the customer. As it shows, this definition regards CRM as a strategy with a main goal of delivering a distinguished value to the customers through improving the marketing productivity and satisfaction.

On the other hand, (Payne & Frow, 2005) demonstrated that there are various points of view related to the concept of CRM. Whereas, some points of view were in favor of regarding CRM as correspondence in direct mail, a diagram for customer satisfaction and loyalty programs or databases, other points of view regarded it as an assistant office work or a call center. Still, some considered it data storage or taking care of data search and processing. Finally, some considered it gaining the systems that make it able to perform e-commerce (Payne & Frow, 2005) mentioned that the obvious lack of accepted and appropriate definition of CRM may lead to the failure of the project of CRM, particularly if organizations adopt the limited point of view, which is related to specific technology (the technological dimension). Therefore, the two researchers tried to put a more comprehensive definition which pays attention to the strategy point of view. So they defined CRM as a strategic method related to creating a distinguished value for the contributors through improving good relationships with the main customer's categories, as it (CRM) seeks to unify the strategies of marketing using relationships and information technology to create profitable, long-term relations with customer and other parties. This value is created through providing good chances to use data information to understand customers and provide them with value. Consequently, this requires the integration of customers, individuals and marketing abilities, which happens through information, technology and applications. (Kumar & Reinartz, 2006) agree with the above definition that CRM is merely a strategic process by which the institution's more profitable customers are chosen, and interactions between this institution and these customers is determined, in order to achieve the goal of maximizing the or the present and future values for customers. Unlike all above, (Ramaseshan, 2006) defined CRM from the employment point of view as a process of achieving a continuous dialogue with each customer or their own, using all the available means to know the quantitative expected response of that customer as a result of practicing marketing activities to the degree that maximize the general profitability of the organization. It is clear that this definition only concerns about short-term CRM. (Brink , et.al 2006) defined CRM as a definite marketing activity by which the institution prepare its customers to use its resources to product and market a valuable product for them. CRM aims at two goals: supporting the cause and improving the marketing performance. In an attempt to summarize the most important concepts of CRM, (Zablah & el.al, 2004) demonstrated that there are five points of view for CRM. The points of view are the process, the strategy, the philosophy, and the technology. Table (1) demonstrates the most important differences among the above points of view (Zablah, 2004). it also demonstrates that since there are various points of view related to CRM concept, writers have not reached an agreement on that concept. In the light of the above, then, the researcher has tried to put a definition that suits the goal of the present study. This definition is "CRM is the activity which is interested in the main customers of the organization, in the efficiency of organization and in the customer knowledge management, with the aim of enhancing the effectiveness of the organization decisions related to customers, leading, therefore, to the improvement of the marketing performance in particular and the organizational performance in general."(Hisham, Soliman,2011)

Table (1)
The Most Important Concept Of CRM

Point of view	Description	Success requirement	concept
As a process	Improving the relationships between the seller and the buyer; this relationships must be strong and endurable.	The institution should have the ability to discover the customer's desires and to respond to them.	CRM is creating the engagement and relationships with the external parties, specially the agents and end-consumers.
As a strategy	The value of the life period of the customer with the situation determines the amount and kind or resources that the organization can invest in a relationship.	The institution should assess its relationship with the customer continuously. It should assign priorities in dealing with him/her on basis of the quantitative profitability during the life period of the customer.	CRM is the investment of the companies in the customers who are expected to be valuable for the institution, and the reduction of investment in the valueless customers of the company.
As a philosophy	Customer retention can be better achieved through focusing on establishing relationships and maintaining them.	The customer should be the focus of the attention of the institution, which should be oriented towards understanding the changeable needs of the customer.	CRM is not temporary project, but a work philosophy, which aims at putting the customer in the focus of the attention of the organization.
As an ability	Profitable and long-term relationships only arise when the companies are able to customize its behavior continuously towards every customer.	The company should possess a group of tangible and intangible resource, which the company uses to flexibly remodel its behavior towards the customer continuously.	CRM means the desire and ability of the institution to custom its behavior towards every customers, on the basis of the information the customer tells and what the institution knows about that customer.
As a technology	Knowledge management and reaction represent the main resources that the institution needs to establish profitable and long-term relationships with the customer.	The institution should be direct with the functional method, and also the users acceptance of the technology applied by the institution in order to establish the customers knowledge and reaction management.	CRM is the technology used to integrate sales systems , marketing systems and information systems to establish relationships with customers.

Source: Hisham, Sayed Soliman;(2011), Customer relationship Management and It's Relationship to the Marketing Performance, International Journal of Business and Social Sciences, Vol.2.No.10.June.Pp.168.

5.2.Major important Element of CRM

Major critical elements of CRM are to be examined in this study. These element are interaction management, relationship development, customer service , employees' behavior and physical environment.(Long, et.al.2013):

5.2.1. Interaction Management

According to the Brown and Gulycz (2002), if an organization willing to make a stable relationship with its customers, there are different ways to have an interaction with them including interaction along touch points and distribution channels. The main purpose is to find out how and when the customers would like to interact with the organization (Prahalad and Ramaswamy, 2001). The interaction activities should be well customized and organized through the available touch points provide in relation to the customer profiles developed by data gathered from the former records of the customers. Peppers and Rogers(1997) stress that the touch points must

be used for distribution of different products, service and communication with the customers. According to the works of   Lindgreen et.al. (2006) and Peppers et a (1999)l. interaction management is implemented by a few methods such as getting customers feedback and interaction with customers by attractive ways such as using social network.

5.2.2. Relationship Development

According to Ford (1980), the study of relationship development primarily involves research into structure and processing of the relationship between customer and supplier. Hakansson and Snehota(1995) argue that the relationship development process an interaction where connections have been developed between two parties.

The most important activity to achieve relationship development is known as monitoring of the relationship management process such as service or complaint management(Brown and Gulycz, 2002). This relationship process include procedures, mechanisms, schedules, and activities in which the products and services have been delivered to customers (Chritopher et al., 1991). The key performance indicators such as rate of retention, life time value of the customers, and satisfaction should be set by the organization(Brown and Gulyez, 2002)

According to the works of Heleny(2008) and Lindgreen et al.(2006), relationship development can be made through commitment to convince customers that their feedback are taken seriously.

5.2.3 Quality of Services

According to Gee et al.(2008) in an attempt to understand the factors that induce customer satisfaction , the concept of service quality is increasingly common in the literature. Studies show that service quality has a positive effect on consumer satisfaction and also has significant relationship with customer satisfaction and loyalty , and profitability of the firms. According to the works of Hanley (2008), the quality of services could be implemented by a few methods such as

1)	Meeting customer expectation of good service level and having many varieties of products
2)	Provide good quality products with reasonable price.
3)	To handle the customer complaints about the products and services tactfully.

5.2.4 Behaviors of the Employees

An Employee that conforms with organization behavior and value is likely to strengthen the connection between the customer and the firm. Reverse pattern of effects is to be expected when the employee act through his/ her own behavior. In these cases, a consumer may think that the organization actually does not deliver the symbolic benefits that s/he had expected for and may evaluate the organization in a negative way. In order words, under circumstance such as the ones described, an employee will probably exert a strong impact on organization reputation and attitudes (Coulter 2002) . According to the works of Hanley (2008) and Coulter (2002) , the effect of positive employees behavior could be increasing speed of response to customer and ensure employees are friendly and respectful to customer which enhance customer satisfaction toward the services provided.

5.2.5 Physical Environment

Every customer is expecting that each bank is taking into consideration the importance of physical environment which is represented by decorations, aisles, waiting areas. Air conditioning, lightening, and other facilities that are available for customer convenience. In modern days, especially in the services industry, customers are looking for supplementary services , where the core service is intangible issue to attract and convince customers it is necessary to concentrate on physical issues which can satisfy them. As a result of their facts, physical environment of the bank is a matter of CRM through which customers can have a positive image about the bank which is caring for these issues and finally affect their satisfaction positively.

5.3 Customer Relationship Management In The Banking Industry

Enterprises product benefits of form, time, place and property that will satisfy the customers' demands through goods and service. Forming and marketing of the goods and services that satisfy the customer demands is the basis of producing benefit. (Altitas, 2000:). Whether the customer is satisfied or not depends on whether the he compares what is offered to him with his own expectations. If what is offered suits the expectations, the customer is satisfied. If what is offered is above the expectations, the customer is highly satisfied and pleased. (Kother, 2004: 36) for example, if the real performance of a product or service in a bank is below the expectations, the result is dissatisfaction, but if it equal or higher, customers satisfaction is achieved. (Kocoglu, Duygu ,2012;Gubuz, 2008:)

In recent years, in such fields as banking, where a strong competition, customer satisfaction has gained a good deal of importance. It may be very easy to let another bank capture a displeased customer. To raise the customer satisfaction to the highest level and retain customers, the banks are to attach importance to customer relationship management(CRM).

The advantages provided to the banks by customer relationship management are as followings: (Duygu, 2012; Alagoz, 2003 ;)

- Picking out the real customers in a bank in the long run and helping to make the relationships effective,
- Making the way of bank management customer-based,

- Bringing, with technology, in the foreground the human relationships based on gathering and using information by institutionalizing the personal sale concepts,
- Reshaping the selling and marketing campaigns of the bank,
- A successful customer relationship management system, providing a permanent advantage of competition,
- Increasing the total productivity of the bank.

Whether the banks gain benefit from the customer relationship management and become successful depends on whether they follow technologic development closely and make investments to this end. Also, their ability to determine right strategies for the purposes that they want to attain in customer relationship management are important factors that enhance the success chance of banks.

There are four important stages of following customer relationship management strategy in the banks. The first step is the stage of ''planning, targeting''. It necessary to make a documented strategy stating how customer relationships are wanted to be directed. The second step. ''design'', allows preparing the prime designs supporting the bank strategy. A lot of banks ignore this step, but it is important for coordination and thus success. The third step is ''building''. At this stage, projects for changing are started. The fourth step is '' running and developing the programmes ''. When the first projects for start to give fruits, it should not be thought that the work is over . it is necessary to place the change in the enterprise, to develop the activity and make the strategy more certain.(Sendogdu, 2006). Accurately-directed customer relationship management will be realized thanks to these steps.(Duygu, 2012)

6.Litrature Review

Cho, et . al . (2013) investigate the impact of customer relationship management on customer satisfaction and loyalty.The study was performed at a departmental store in Tehran, Iran. the study employed quantitative approach. And base on 300 respondents. The main findings of the study shows that behavior of the employees is significantly related and contributed to customer loyalty campared to other elements of CRM i,e interaction management , relationship management and services quality.

Hisham Solieman, (2011), in his study customer relationship management and its relationship to marketing performances assured that there is a positive relationship between CRM and marketing performance such as customer satisfaction and customer loyalty . Three major variables of CRM was tested in this study i,e focusing on the main customers, organization efficiency and customer knowledge management. The study concluded that all elements of CRM has positive relationship with customer satisfaction and customer loyalty.

Kocoglue (2012), in his study titled customer relationship management and customer loyalty in the banking industry. The study has been conducted on a sample of 350 staff employed in all the branches in Denizili of T.C. Ziraat Bank.The study concluded that all elements of CRM I,e customer database, learning customer needs and complaints, and providing solutions peculiar to customers are positively correlated with customer loyalty.

Khaligh et al. (2012) investigate the impact of CRM on customer loyalty and retention in the telecom industry in Iran. The data are collected from 200 Iranian telecom services users. Finding shows that commitment and vision of the management system is highly required for a successful CRM implementation, the structure of the strategy should be based on flexibility and explicitly of the policies especially pricing policies. These factors are very importance to increase customer loyalty and benefit of the firm (Khaligh et al.2012)

According to the research Bhattachacharya(2011)CRM is implemented in an organization to reduce cost and increase company performance, which means profitability result through customer satisfaction and loyalty. Indeed in a successful CRM implementation, data are collected from internal and external sources such as sales department, customer service, marketing, after sales services, and procurement, This is crucial in obtaining a holistic view of each customer requirement in real times systems. This information will able to aid employees to make fast accurate decision when   dealing with the customers in different areas and touch points. The finding of this study shows that the customer perception and treatment given to each customer individual able to assist in solving many customers problems. Thus, customer satisfaction and loyalty would be achieved through a successful CRM implementation. Therefore, organization should discover different requirements of the customers and adjust their policies according to their needs increase the firms competitiveness.

According to the conceptual framework proposed by Faed (2010), customer relationship management amplifies the relationships of customers and competitors in a firm to increase the share of the organization in marketplace by integration technology, procedures and people. The aim of CRM is to maintain the customers and increase their satisfaction and loyalty and organization profit. Customer satisfaction and pleasing are two main elements in successful CRM implementations for retaining customer's loyalty to firm.

Kim et.al., (2003) stress that each perspective of the CRM framework is evaluated by set of related metrics. In this regards, a case study has been carried out by Kim et al.(2003) to an online shopping company in South Korea that sales 30,000 products in 12 categories. This company ranked as 18 online shopping mall in

South Korea. Data collected through expected interview, questionnaires and weblog analysis. Finding illustrates that, the factor which is very important to increase customer satisfaction, customer loyalty and benefits of the firm is to clean all vagueness and implicit problems that exist in the top level of strategic managements. A single and explicit language would be provided for accurate communication in an organization.

According to study on 1000 firms who are active in different area of industry such as : manufacturing, communication, financial and others, Bohling et al. (2006) develop a number of criteria to implement CRM successfully. These criteria are divided to three main groups:

1) Project focused.
2) Internally oriented metrics, employees' adoption.
3) Externally oriented metrics, customer satisfaction and loyalty .

According to the findings, the most important externally oriented criteria are as follows

1) Verified customer influence in terms of loyalty and satisfaction
2) Measurable revenue development
3) Enhanced information and perception
4) Measurable cost drop
5) Enhance employee efficiency
6) Practice by employees
7) Compliance to particulars

Wang and Lo (2004) found that model is based on two perspective. First, measures the factors related to customer behavior such as: repurchasing, cross and customer acquisition rate, and second, measures the relationship quality, such as customer satisfaction and customer loyalty (Wang and Lo, 2004) . data were collected randomly from 400 selected customers of two security companies from China. The finding show that emotional and functional behavior of customers has positive impact on customer satisfaction and customer satisfaction has positive effect on customer behavior based on CRM elements. Finally, the result of this study shows that customer behavior based on CRM have a positive customer and brand loyalty (Wang and Lo, 2004)

Zineldin, (2006) developed a triangle strategy between quality, CRM, and customer loyalty which is leading to companys' competitiveness. This research was designed to measure satisfaction and loyalty of the customers based on two main conditions where the customer database information and strategy of CRM should be well structured and the capacity of the system should be enough to produce data accurate analysis. According to the findings of the research, any changes of the quality of the services or productions in a firm over time could be used as an indicator to find the level of customer loyalty a through a well-structured CRM strategy. If the indicators of interaction, infrastructure, and atmosphere are linked to the product and process quality, it helps the researchers to find what changes are required in CRM strategy to improve customer satisfaction and loyalty. Izquierdo et al.(2005) developed a model in which, car repair and maintenance are tested as a case where long-term customer relationship is frequentative. Path analysis is used to evaluate the association of customers, perception market loyalty and market position .The hypotheses were evaluated using a path analysis, which examines the relationship between marketing activities and economic performance.

This model is proposed based on performance of the market and economic. The measures of proposed model are as follows (lzquierdo el.al. 2005):

1) The position of market
2) Customer loyalty
3) Customer insight
4) Economic and market performance

The findings suggest that CRM implementation include attraction activities which are service quality, commercial practices and loyalty programs such as bonus, contact, and satisfaction and complain handling. This result in appropriate perception of customers leading to increasing customer loyalty and therefore. Economic performance of the firm would be increased.

Feinberg and Kadam(2002) argue that emphasizing to online business rather than traditional way of business is necessary nowadays. So in this way, the usage of internet provides an opportunity for business to use it as a tool for CRM. According to their research, there are 42 different e-CRM features used by the retailers. The finding shows that there is significant relationship between CRM implementation on websites of the retailers and customer satisfaction which leads to customer loyalty. However all attributes of implemented CRM are not equal in terms of predicting the customer satisfactions and loyalty (Feinberg and Kadam, 2002)

7. Research Model and Hypothesis
7.1 Research Model
A wide range of customer relationship are responsible for creating customer satisfaction, yet most banks in Jordan consider most of such elements which may foster customer satisfaction and loyalty .This research investigate the main elements of CRM that are responsible for customer satisfaction and loyalty(Long, 2013 ;

Khaligh et . al . 2012 ; Bhattachry 2011 ; Hisham, 2011 ; Kocoglu, 2012; Faed, 2010; Kim et al., 2003; Bohling et al., 2006; Wang and lo, 2004 ; Zineldin, 2006; Izquierdo et al , 2005) .

Researcher based on the literature reviewed proposes a model which reflect the main elements of CRM that are responsible for creating customer satisfaction as shown in figure(1)

As can be seen in figure (1). CRM elements, as an independent variables represented on the left side of the model with six main elements i,e services quality, learning customer needs and complaints, producing solutions peculiar to customer, behavior of bank employees, physical environment of the bank and social network capabilities of the bank. On the right side of the model the dependent variable is represented by customer satisfaction.

Figure (1) Research Model

INDEPENDENT VARIABLES   DEPENDANT VARIABLE

CRM:
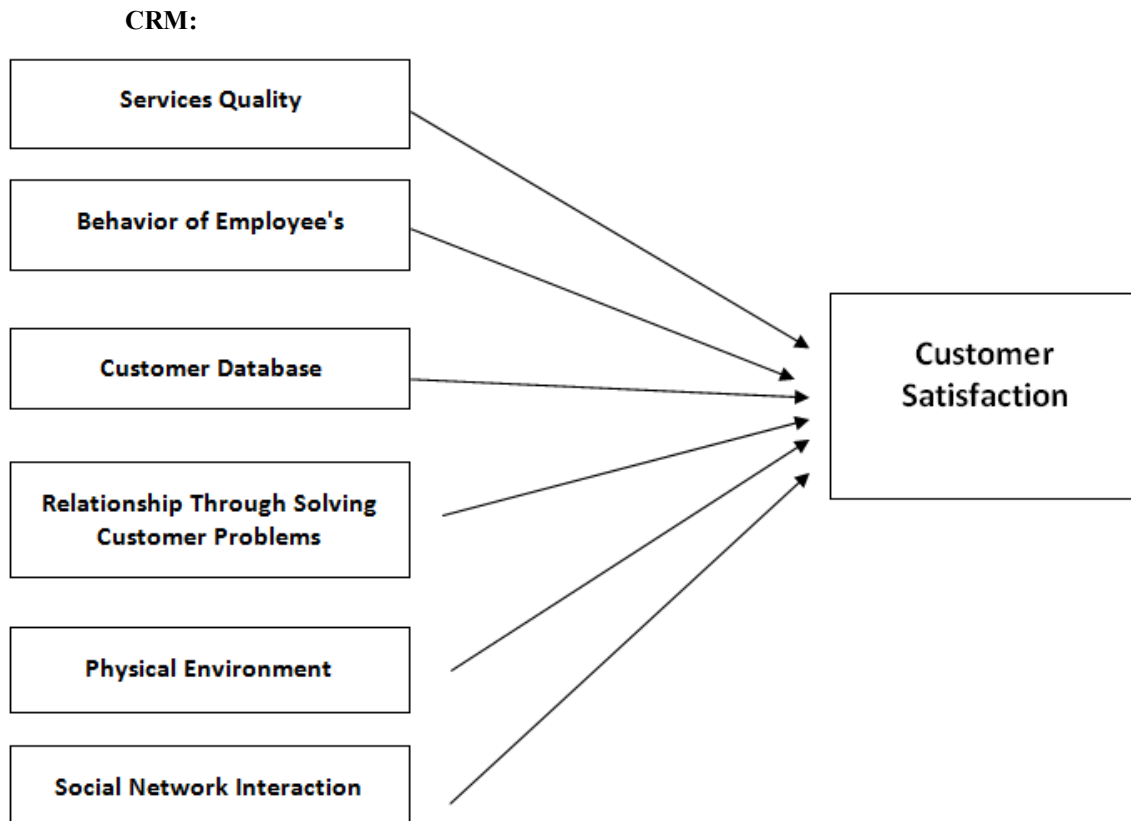
7.2 Research Hypothesis:

Research hypothesis can be formulated as follows:

Ho: There is no statistical significant relationship between customer relationship management and customer satisfaction in banking industry in Jordan.

This main hypothesis leads to the following sub-hypothesis:

Ho1: There is no statistical significant relationship between services quality and customer satisfaction in banking industry in Jordan .

Ho2: There is no statistical significant relationship between customer database availability and customer satisfaction in banking industry in Jordan .

Ho3: There is no statistical significant relationship between availability of solving customer problems service and customer satisfaction in banking industry in Jordan .

Ho4: There is no statistical significant relationship between behavior of bank employees and customer satisfaction in banking industry   in Jordan.

Ho5: There is no statistical significant relationship between physical environment and customer satisfaction in banking industry in Jordan   .

Ho6: There is no statistical significant relationship between social network interaction and customer satisfaction in banking industry in Jordan .

8.Research Methodology

The research design adopted in this study is of descriptive nature. Both primary data and secondary data sources are used to collect data for the present study. In order to achieve the objectives of the present study, the instrument for data collection was designed to suit the method used and to reflect the construct to be measured. The questionnaire is designed which was self administered. Prior to data collection pilot testing is done to check the appropriateness of questionnaire.

The questionnaire developed by the researcher contained two main parts.

The first part is related to demographic variables of the respondents regarding their years of dealing with the bank, gender, age, income, level of education , status, and bank they deal with .

The second part of the questionnaire deals with elements of customer relationship management and its impact on customer satisfaction based on Likert – scaled items scoring from 1 (strongly disagree) to 5 (strongly agree) to measure all variables of the study.

A list all banks operating in Jordan was obtained from the websites which is 25 banks. The research population consists of all customers in Amman city the capital of Jordan. A randomly selected customer of different banks operating in Amman city was the sample of the present study. A total of 600 questionnaires were self administered distributed to the sample which was randomly selected. Only 526 usable survey forms returned by respondents out of the total 600 survey forms that are distributed, which represent 87.5 % response rate. The respondents were mainly customers of Arab bank, Jordan Islamic bank, international Arab Islamic Bank, Cairo, Amman Bank, Housing bank, and Kuwait, Jordan bank, operating in Amman city the Capital of Jordan.

9. RESULTE AND DISCUSSION

Considering the demographic features of the customers included in the study 71.8% of them are males and 28.2% are females .The customers are mostly between the age 36 and 45 years which represent 45% of the sample .Related to qualification variable 39.6% are having bachelor degree .Majority of the respondents are working in the private sector with 45% of them . Finally 37.8% of the customers are having 6 to 10 years period of dealing with their bank .

Scale Reliabilities

To find out the degree of effect of between the dependant variable (customer satisfaction) and independent variable (CRM elements; service quality, customer database, solving customer problems and complaints, employee's behavior, physical environment and social network interaction), correlation and regression analysis is done. For this purpose SPSS program is used.

Table (2)
Reliability analysis

variable	Items	Gronbanch's Alpha
Service Quality (SE)	5	0.756
Customer Database (CDB)	4	0.784
Solving Customer Problems (SCP)	4	0.819
Employee's Behavior (EB)	4	0.792
Physical Environment (PE)	5	0.801
Social Network Interaction (SNW)	4	0.860
No of Items	26	0.802

As shown in table (2) all the variables are inter related and show inter consistency, where the value of Gronbanh Alpha is greater than 0.60 which is acceptable.

Table (3)
Descriptive statistic of variables

Variable	No	mean	St. deviation
Service quality	526	3.98	0.5382
Customer Database	526	3.51	0.5759
Solving Customer Problems	526	4.01	0.8304
Employee's Behavior	526	3.92	0.5391
Physical Environment	526	3.21	0.6712
Social Network Interaction	526	2.81	0.5917

Table (4)
Regression Analysis for CRM on customer satisfaction

model	R	R^2	AdjustedR^2	St.Error
1	0.642	0.412	0.392	0.663
CRM elements	**B**	**R**	**Sig.(P.Value)**	**Result**
Service quality	0.528	0.381	0.001	Accept
Customer data base	0.401	0.173	0.037	Accept
Solving customer problems	0.106	0.401	0.002	Accept
Employee's behavior	0.491	0.191	0.000	Accept
Physical environment	0.481	0.183	0.000	Accept
Social network interaction	0.0.382	0.239	0.001	Accept

Independent variable: CRM
Dependent variable: Customer Satisfaction.

Based on table no. (4), which shows that customer relationship management (CRM) elements overall has a positive, relationship with customer satisfaction (R=0.642). However, base on the adjusted R square value of 0.41, these elements is responsible to 41.1% to dependent variable I,e customer satisfaction. As a result of this, the researcher rejects the null hypothesis and accepts the alternative hypothesis which states that there is a significant relationship between CRM and customer satisfaction where p value is less than the significant value ($p \leq 0.05$)

Testing the sub hypothesis results shown in table(4) which shows that all CRM element measured, shows a significant statistical relationship with customer satisfaction. As a result of which all alternative sub hypothesis are accepted which states that elements of CRM represented by service quality, customer database, solving customer problem and complaints, bank employee's behavior, bank physical environment, and banks social network interaction are all responsible for creating customer satisfaction.

The result of the present study reveals that solving customer problems and complaints (B=0.601, sig<0.05) element is the most influential factor, followed by service quality (B=0.528, sig<0.05) and banks employees behavior with (B0.491,sig<0.05) are the most influential factors responsible for customer satisfaction. The least influential factor responsible for customer satisfaction is social network interaction with (B 0.382, sig < 0.05).

10.Conclusion and Recommendations

The objective of the present study was to show the impact of customer relationship management on customer satisfaction which ultimately leads to customer loyalty. The study considered all banks customers operating in Amman city the capital of Jordan as population of the study. The customer relationship management elements were the independent variables and customer satisfaction is the dependant variable.

It is concluded from the analysis of the present study that CRM elements are responsible for creating customer satisfaction. This indicates that banks management should give greater emphasis on service quality provided to customer and giving high tension to solving customer problems and complaints which was responsible mainly for customer satisfaction as shown in this study

Banks should be viewed as a source to provide addition value added services which is developed based on customer needs and wants, and not only to consider CRM as customer's record only. Since competition in the banking industry is very tense, financial institution should give greater importance to CRM as a tool to gain competitive advantage through customer satisfaction.

Based on the above conclusion, the researcher recommends the following:

1- Banks in Jordan should conduct special training programs to all front stage officers in order to deal positively with customers through indentifying main CRM tools in banking industry.

2- Banking management should enhance the process and procedures of solving customer complaints and problems directly which can foster CRM and customer satisfaction.

3- Special attention should be given by banks management to physical environment and technological

infrastructure which has a direct relationship with customer satisfaction.

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Appendix

Demographic variable

-Age

- 20 – 25
- 26 – 35
- 36 – 45
- 46 – 55
- Above 56

-Gender

- Male
- Female

-Qualification

- Secondary Certificate
- Diploma degree
- Bachelor degree
- Higher Education Degree

-Status

- Single
- Married

-Job

- Private sector
- Government sector
- Own business
- Other

-Years of dealing with the bank

- 1 – 5 years.
- 6 – 10 years.
- 11 – 15 years.
- Above 16 years.

-Bank you are dealing with: -------------

Items	Strongly agree	agree	neutral	disagree	Strongly disagree
Service Quality:					
1-Providing banking services quickly increases customer satisfaction.					
2-Dealing with customer confidentially foster customer satisfaction					
3-Accuracy is essential for customers satisfaction in banking services .					
4-Providing developed services by the bank is essential for customer satisfaction.					
5-Spreading bank's branches is important for customers satisfaction.					
Customer Database:					
6-Availability of bank customer database is essential for effective marketing performance.					
7-Upgrading customer database is effective to customer satisfaction.					
8-The bank can get any information about customers when needed.					
9-Customer's all necessary information is easily obtained by officer to satisfy customers.					
Employee's Behavior:					
10-Dealing sincerely with customers makes them happy with the bank.					
11-Being helpful with customers makes them loyal to the bank.					
12-Being kind with customer makes them satisfied					
13-Highly skilled and experiences employees is necessary to provide good banking service .					
Solving Customers Problems and Complaints:					
14-Banks deals effectively with customer problems.					
15-Bank review complaints periodically.					
16-The bank officers response directly to problems.					
17-Customers give greater attention to bank reaction toward complaints offered .					
Physical Environment:					
18-Decoration in the bank is attractive to customer.					
19-Cleanness of the bank foster customer satisfaction.					
20-Area arrangement in the bank is attractive.					
21-Electronic screen services is up to customer expectations.					
22-Lighting and conditioning facilities provided is attractive to customers.					
Social network interaction:					
23-Sending e-messages to customers enhance customer satisfaction.					
24-Providing e-promotion foster customer satisfaction.					
25-Providing e-information is essential for customer satisfaction .					
26-Web site availability gives competitive advantage to the bank.					

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