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The Influence of Relationship Marketing Strategies on the Performance of Commercial Banks in Tanzania

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Abstract

This paper examined the relationship between customer relationship management strategies and the performance of commercial banks in Tanzania. The study used primary data collected using a questionnaire from randomly selected 100 respondents, who were bank officers from 10 commercial banks. Data were analysed descriptively and by regression analysis. Results show that commercial banks are applying different methods of customer relationship management strategies, including customization, partnership, employee satisfaction, interactive management, key account management and attracting and maintaining the right employees. The results further show that the absence of frequent information upgrading, inadequate funds, absence of qualified workers, inadequate commitments by management, and the absence of proper information systems were the challenges limiting full application of customer relationship management strategies. It was generally observed that there is a positive relationship between customer relationship management strategies and bank performance. In this case, the use of customer relationship management strategies contributes to banking performance. However, identified challenges should be addressed by commercial banks to take advantages of benefits associated with customer relationship management strategies.

Keywords: *customer relationship management; performance of commercial banks*

Introduction

Commercial banks occupy a vital position in any nation's development (Mishkin, 2004). It is a base for other economic activities (Soyibo & Adekanye, 1991). They contribute to income, employment, and tax revenue. However, business environment has been changing, whereby these changes have increased competition in the banking industry worldwide. The changes have been caused by changes in technology, commoditization, deregulation, and globalization (Joyner & Payne, 2002). In the same way, commercial banks (CBs) are competing to maximize and exploit the banking sector to its maximum potential. In this case, customer relationship management (CRM) has occupied an essential marketing perception in the world of competing business environment (Mbizi & Muzividzi, 2013; Diffley & Carvajal-Trujillo, 2018; Nataraj & Rajendran, 2018; Dimyati & Subagio, 2018). CRM strategies have been implemented by companies, including CBs, to keep connection with customers in a market saturated with products, advertisements, and promotions (Nataraj & Rajendran, 2018; Ryals & Payne,

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2001). In CRM, marketers relate to customers at the individual level by using a number of different strategies (Dimyati & Subagio, 2018; Agolla et al., 2018). These strategies fall under employee satisfaction, interactive management, key account management (KAM), customization and partnership (Berndt & Brink, 2008; Mbizi & Muzividzi, 2013).

The importance of CRM is becoming even more evident as time passes. The paradigm shift from focusing on attracting new customers to retaining current ones is at the backbone of CRM (Law et al., 2018; Nataraj & Rajendran, 2018). In this regard, small increases in customer retention rate greatly increase profits and provide long-term customers retention (Reichheld, 1996). More revenue on average is generated from repeat-purchase customers when compared to one-time buyers. CBs use CRM strategies to tap their advantages, which include assurance of long-term profitability by retaining customers (Mbizi & Muzividzi, 2013; Malarvizhi et al., 2018). Through CRM strategies, valuable customers are retained. Berndt and Brink (2004) argue that if 20% of customers contribute to 80 percent of profits, it is worthwhile to give attention on the valuable 20% customers more than the rest. Other benefits of CRM are enhancing loyalty and repeat purchases. These arguments are based on the fact that CRM focuses on exploring interactions with customers to meet customer's needs and eventually improve bank profits.

Commercial banks all over the world, including in Tanzania, are battling to maximize and exploit the banking sector to its maximum potential (Malarvizhi et al., 2018). In this case, banks invest in strategies to ensure that they attract and retain customers by offering quality service that meets customer demands and keep them satisfied (Diffley & Carvajal-Trujillo, 2018; Nataraj & Rajendran, 2018; Dimyati & Subagio, 2018). Established customer relationship and billboards are crucial in such a commoditized environment. With the quantity of same products on the market growing, and competition among banks intensifying, banks are required to maintain customers on several factors other than the quality of a product and price (Agolla et al., 2018). They must focus on structuring unique relationships with their usual customers based on their needs and wants: hence practicing customer relationship management is significant in developing future success of organizations (Nataraj & Rajendran, 2018).

Although commercial banks in Tanzania are dedicating to give the best quality financial services to their customer (Agolla et al., 2018), there is a possibility of the services failing if bank officers have a bad attitude towards customers. Knowing that staff pay important role in maintaining customers, a bank management must understand its relationship with customers (Dimyati& Subagio, 2018). Increased revenue by improving customer experience is the aim of modern service businesses (Sigala, 2018). To achieve this, service managers need to have deep knowledge of customer's needs, behaviour, preferences, and expectation; and be aware of the ways through which services delivered can create value for customers, and thus stimulate their retention and loyalty.

Although CRM strategies have been found to be important in maintaining banks' markets and good relationship with their customers, which eventually lead to their survival and success, there is no evidence of a recent study done in Tanzania to examine the extent to which banks apply CRM strategies, the types of CRM used, their benefits, and challenges. This information gap has, therefore, created a need to conduct this study with the specific objectives to examine:

(a) CRM strategies employed by commercial banks in Tanzania;
(b) The relationship between CRM and commercial bank performance; and
(c) Challenges of implementing CRM in commercial banks in Tanzania.

Theoretical and Conceptual Overview

Different concepts are used in this study, the main being customer relationship management and bank performance. As explained by different researchers (e.g., Dohnal, 2002; Bose, 2007; Nataraj & Rajendran, 2018; Dimyati & Subagio, 2018), CRM includes employee satisfaction, interactive management, customization, key account management, and partnership. Dohnal (2002) further defines CRM as a method of searching for customers; creating, sustaining, and nourishing long-term relationship with them; and when the need arises, terminating economic relationship with customers for mutual benefits of customers and also the organization. Therefore, CRM is a method of continuously collecting customer's information to enable a company know their requirements and purchasing habits, and utilize them for mutual profits. On his part, Bose (2007) defines CRM as "… an enterprise wide combination of technologies and functions such as data storehouse, Websites, intranet/extranet, telephone support system, bookkeeping, sales, advertising and production." Giannakis-Bompolis and Boutsouki (2014) point out that CRM intends to provide service to customers as a set of business processes; while Jazz and Karen (2004) define it as "… a complete set of processes and technologies for supervision of relationships with existing and potential customers and associates of the company, using the marketing, sales and service departments in spite of the channels of communication."

From the above discussions, therefore, CRM is defined as a set of interactive strategy, whereby individuals with diverse views, backgrounds and perspectives are involved in strategic planning, including external customers. However, there are differences between CRM for corporate clients and for individual clients (consumers). This is established by Reinartz (2006) who argues that marketing for corporate clients, as one component of CRM, can be characterized by the difficulty of products and purchase processes. Gummesson (2004) adds that CRM for corporate clients contains ongoing business, while CRM for normal consumers focuses on daily transactions. Therefore, different strategies should be used to achieve CRM for different customers.

Employee satisfaction—which is also known as internal marketing—is one of the strategies used to implement CRM, whereby an organization develops and maintains good relationships with employees (Bendt & Brink, 2004). Accordingly, an organization has to apply different methods to ensure that employees are satisfied: they have to get frequent training, conducive working environment, and monetary incentives. Bendt and Brink (ibid.) argue that employees are internal customers of an organization; therefore, an organization must take care of them to thrive. Bendt (2008) adds that marketing within an organization goes directly with relationships that exist between the same organization and their employees to smoothen the progress of the implementation of a CRM program. To enhance the building of relationships with customers, an organization should undertake several trainings of its personnel, and have a favourable working environment and monetary incentives to satisfy its employees. In this sense, organizational employees are inside marketers for a bank, and an organization will be selling internally by enhancing relations with them.

Dufour and Maisonnas (1997) define interactive management as a set of all activities that should be used to transform a customer to an effective customer of a company. It is a concept originating from the idea of reciprocity: getting customers' feedback and utilizing it to maintain them. When a customer comes into contact with a company's representative, the representative should be able at the first instant to make him/her a loyal customer. Payne (1994) argues that internal marketing is used also to sell strategic ideas and objectives internally. Accordingly, internal marketing is often a part of quality and service plans aiming to ensure that each employee in an organization heads towards the same direction, as well as to bring up a team spirit within business units. Interactive management involves the use of the views and ideas of employees in decision-making because employees are the ones that mostly interact with customers and understand their needs.

Customization—which is also known as personalization—is one of the methods of CRM, where products are designed according to individual customer's specifications, and assigning one employee to deal with each customer (Grönroos, 1994). It is the degree to which an organization gives each customer a responsible business development manager to prepare specific products for specific customers. Customization of the relationship between an organization and a customer is the most important factor in personalization. On the other hand, key account management (KAM) is defined as a process of identifying valuable customers; and cultivating, nurturing, and establishing a long-term relationship with them (Gummesson & Grönroos, 1987). The marketing perspective is that the attraction of new customers is merely the first step in the marketing process for KAM to cultivate long-term relations. Thus, the customary view of marketing as a safeguard of specialists in planning and executing a marketing mix is not overall true where services are concerned.

Partnership is also considered as an important measure of CRM, and is created when suppliers work closely with customers and add desired services to their traditional product and service offerings (Evans & Laskin, 1994). Payne (1994) puts partnering at the extreme end of his loyalty scale; viewing it as an important step that usually leads to the development of a close and durable relationship between a supplier and a customer. Wilson (1995) developed an integrated model devoted to the explanation of CRM process phases. In this model, partner selection is considered to be the first step in the CRM process. Partnership creates ownership of products and services, which lead to the growth of a business. When a customer takes ownership of a business, automatic retentions will be created; hence portfolio growth. To improve its employees' and customer satisfaction standards, a business management needs to adopt new and more advanced CRM procedures, which include role specification, employee training, effective communication, and evaluation. Role specification is necessary in managing the relationship of CRM, and its main goal is to define the responsibilities and duties of relationship partners such as the organization, employees, and customers (Heide, 1994). Role specification ensures that individuals responsible for maintaining the relationship are held accountable, and are given the necessary resources to continue a CRM program.

It is important to understand the term performance to properly explain the meaning of bank performance. Performance is here conceived as the process of carrying into execution or achievement; or accomplishment of specific activities as per targets (Mundi, 2019). 'Bank performance' may be defined as the reflection of the way in which the resources of a bank are used in a form that enables it to achieve its objectives (Shaban & James, 2018; Mundi, 2019). It means the adoption of a set of indicators that are indicative of a bank's current status, and the extent of its ability to achieve its desired objectives. These indicators include long-term profitability of a bank, retention of customers, improved comparative advantages, increased loyalty, and repeat purchases (Das, 2012; Anuforo et al., 2015). Anuforo et al. (ibid.) argue that the average of the indicators is commonly used to indicate bank performance. For the purpose of this paper, a bank performance is considered as achievements that enable banks to realize positive results profitability, retention of customers, improved competition, repeat purchase, and increased loyalty of customers. These indicators are considered important not only for assessing internal performances of banks, but also customer relationships. In this case, customers' relations form core values for customer relationship management.

Apart from a discussion of key variables, this study is also based on theoretical explanations on how marketing strategies influence the performance of commercial banks. In this case, the economic theory of production and big push theory were adopted as tools to explain the concepts. The economic theory of production states that, other things being constant, production of goods and services is a result of a combination of factors of production such as labour, land, raw materials, time, technology, and capital (Mankiw et al., 2008). The relationship between the factors of production and output is presented by a production function (Mankiw et al, 2008; Varian, 2010). This production function presents a maximum output that a firm can produce given a certain level of factors of production. This function can be presented in terms of a schedule, graph line or curve, or an equation. Accordingly, increasing factors of production leads to increased output (Snyder & Nicholson, 2010). According to Mankiw (2012) and Varian (2010), with a given state of technology, if the quantity of one factor input is increased, by equal increment, quantities of other factor inputs remaining fixed, the resulting increment of total product will first increase but decrease after a particular point. CRM is based on different strategies ranging from employment of qualified employees, training, motivation, and putting in place a conducive working environment; application of ICT to attract and maintain customers by improving service delivery, which then improves performance (Anuforo et al., 2015; Das, 2012). Therefore, the application of a CRM strategy—which involves customization, partnerships, employee satisfaction, key account management and interactive management—is an increase in the factors of production to CBs. In this case, the application of CRM strategies will improve service delivery, which will enhance long-term profitability, retention of customers, improved competition among banks, repeat purchase, and increased loyalty.

Related to this is the big push theory as advocated by Professor Rosentein (Rosentein-Rodan, 1970). According to him, for growth to occur there should be massive investments in different sectors. In connection to this study, there are many types of CRM strategies, which range from attracting and retaining of right personnel, interactive marketing, customization, and partnership to KAM. For these strategies to be effective, a bank should make massive investments not only in one but in all sections. This involves investments in ICT such as ATM, points of sales (POS), telephones, computers, internet, transportation, etc. Moreover, banks must invest in human resource development that include employing qualified employees, training them frequently, and motivating them—especially in monetary terms—and building a conducive working environment, e.g., having nice and attracting offices. Thus, CRM requires massive investments in different areas for it to be fruitful.

Apart from theoretical explanations on the role of CRM on the performance of commercial banks, there are several empirical studies on CRM and performance. For example, Mbizi and Muzividzi (2013) conducted a study on CRM practices in the financial sector, and its role and implications to the performance of commercial bank in Zimbabwe from 2008–2009. The study found that customization, interactive management, and customer prospecting were the most popular CRM strategies that were utilized by financial institutions. Also, a study conducted by Ujakpa et al. (2015) on CRM practices that are effective in CBs and their effect on customer satisfaction in Ghana, found out that CRM practices are effective in that conflict handling between customers and employee, staff competence, commitment, trust, quality of the service, empathy, reciprocity and reliability are due to effective CRM practices in the banking sector.

Das' (2012) study on CRM in the banking sector in India found that the utilization of CRM as an alternative market approach enables timely service delivery, retains customers, increases customer loyalty, improves customers' awareness about banks' products, attracts new customers, and creates customer bases. However, the study's shortcoming is that it looked only on the advantages of CRM but did not delve into the factors that limit the application of CRM despite its usefulness. As we saw earlier, Anuforo et al. (2015) did a study to assess the impact of CRM strategies on bank growth in Nigeria. The study used a sample of three banks in the state of Abia. The study used a sample of 400 respondents. Its descriptive results showed that there is a relationship between CRM strategy and bank growth in that CRM improves a bank's performance in terms of customer loyalty, sales volume, and market share. Still, the study looked only into CRM and bank performance without exploring the challenges that banks encounter in applying CRM.

We can see from the foregoing literature review that the benefits of CRM to market performance of CBs are customer loyalty, customer retention, re-purchase, as well as sustained profits. However, none of the studies examined the relationship between CRM strategies and the performance of commercial banks. This article seeks to fill this lacuna by studying this aspect in Tanzania's CBs.

Conceptual Framework

It is clear from the literature review that CRM strategies lead to improved bank performance in terms of enhancing long term profitability, retention of customers, improved competitiveness, increased loyalty of customers, and repeat purchase. Therefore, in this case bank performance is the dependent variable, while the independent variables are CRM strategies application, which are customization, partnership, employee satisfaction, key account management and interactive management (Fig. 1).

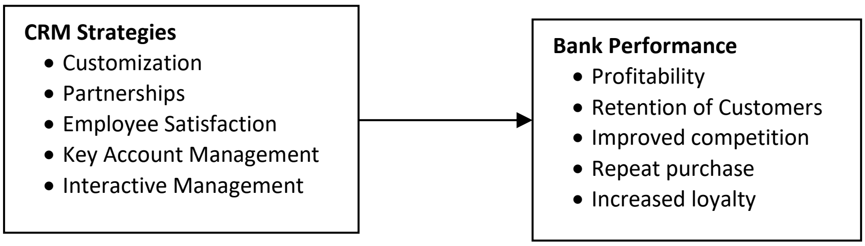

Figure 1: ***Conceptual Framework***
Source: Summarized from literature

Research Methods and Design

The research used mainly quantitative data, with a support of qualitative data. Explanatory research design was used to explain the existing relationship between CRM and bank performance. The population of the study included staff of departments of customer service, marketing, IT, and the top management as the study wanted to explore the influence of CRM management strategies on the performance of commercial banks. The study was conducted in commercial banks' head offices and main branches in Dar es Salaam. The head offices and main branches were selected because it was easy to get bulk information about CRM and bank performance. This is due to the fact that all policies and strategies are formulated at the head offices of these banks.

As at the end of 2018 there were 53 supervised banks and financial institutions in Tanzania; comprised of 39 commercial banks, 2 development finance institutions, 5 microfinance banks, and 7 community banks (BOT, 2018). Among these, 52 had their headquarters in Dar es Salaam (ibid.). Due to different reasons, it was not practical to study the whole population of commercial banks; hence the study took a sample to represent the entire population's views. The sample consisted of 10 CBs and a total of 100 officers from the banks. The respondents were purposively selected to ensure that only knowledgeable respondents and banks that practice CRM were chosen. The selected sample is considered to be enough because any sample size greater than 30 tends to have a normal distribution that can be used for generalization (Baradyana & Ame, 2005). Also, Tabachnick and Fidel (1996) suggest that a sample size for testing multiple correlations can be $N \geq 50 + 8m$; where m is the number of independent variable(s), and N is the sample size. This study aimed at testing multiple correlations, and the number of independent variables was five (5). In such a case a minimum sample size required was $N \geq 50 + 8(5) = 90$. To minimize the limitations associated with the sample size, the sample sizes taken was higher than those provided by the above rules.

This study mainly used primary data, which were collected through questionnaires. The questionnaire had both closed and open-ended questions. The questions were used to collect both qualitative and quantitative data. The questionnaire comprised of personal information, CRM strategies employed by the banks, challenges encountered in the application of CRM strategies, and the performance of the commercial banks. The study used a questionnaire because it gives more honest responses and an investigator is not needed when it is being filled by a respondent. This reduces prejudice due to minimal interference from an investigator that diminishes biased responses by a respondent (Leedy & Ormrod, 2005). After the questionnaires were filled and before the data entry exercise, the questionnaires were edited for accuracy, consistency, and completeness.

Apart from descriptive statistics, the relationship between CRM strategies and bank performance was done using multiple regression analysis. Bank performance was measured by finding the average value of its indicators, while dependent variables were bank adherence to employee satisfaction, interactive marketing, customization, partnership, attracting and retaining right personnel, and key account management (KAM).

Findings and their Interpretations

Profile of Respondents

The demographic characteristics examined in this study include gender, age, and education level of respondents. Of the sampled respondents, 54.6% were males and 45.4% were females. The majority (62%) of the respondents were aged 18-30 years; 32% were of the age of 31-40 years, while 6% were aged 41 and above. The results further show that 66.5% of the respondents had a university degree, followed by 17.0% that had postgraduate degrees, and 16.5% that had diploma qualifications.

The respondents came from the following departments: customer service (36.1%); marketing (41.2%); legal (11.3%), public relation (7.2%), and the remaining 4.2% were from other departments.

Customer Relation Management Employed by Banks

To achieve the first objective, respondents were asked to rank the extent to which their banks apply different CRM strategies on a scale ranging from 'fully applied, applied to a great extent, partially applied, and not applied at all. The CRM strategies ranked were employee satisfaction, interactive marketing, customization, partnership, attracting and retaining right personnel, and KAM. For employees' satisfaction, 53% reported that it is fully applied, 28% reported that it is used to a great extent, 17% said that it is applied partially, and only 1% reported that it is not applied at all (Table 1).

Table 1: CRM Strategies Used by Commercial Banks in Tanzania

CRM strategies	Freq. & %	Fully applied	Applied to a great extent	Partially applied	Not applied at all	Total
Employees satisfaction	Freq.	51	27	18	1	**97**
	%	52.6	27.8	18.6	1	**100**
Interactive Management	Freq.	27	52	14	4	**97**
	%	27.8	53.6	14.4	4.1	**100**
Customization	Freq.	30	48	17	2	**97**
	%	30.9	49.5	17.5	2.1	**100**
Partnership	Freq.	28	48	19	2	**97**
	%	28.9	49.5	19.6	2.1	**100**
Attraction and retaining	Freq.	28	39	22	8	**97**
right employee	%	28.9	40.2	22.7	8.2	**100**
KAM	Freq.	41	30	20	6	**97**
	%	42.3	30.9	20.6	6.2	**100**

Respondents who reported that it is fully applied, applied to a great extent, and partially applied were 99%, which is an indication that CBs in Tanzania apply employee satisfaction. Similarly, respondents showed that interactive management is also applied by CBs in Tanzania: 28% of the respondents showed that it was fully applied, 54 % said that it is applied to a great extent, 14% were of the opinion that it is partially applied, while only 2% reported that it is not applied at all. Therefore, those who ranked it on the scale of been applied (fully applied, applied to a great extent, and partially applied) were 98% of all respondents. From the respondents' opinion it is shown that interactive management is applied by commercial banks of Tanzania at different levels.

Results for customization, partnership, key account management, and attracting and retaining right employee show similar pattern on the scale to those of employee satisfaction and interactive management (see Table 1). The results show that 98%

of the respondents were of the opinion that customization is applied by their banks. Of these, 31% reported that customization was fully applied, 49% showed that it is used to a great extent, and 18% stated that it was partially used. In the case of partnership, result shows that 29% believed it is used fully, 49% said it is used to a great extent, and 20 percent showed that it was partially used. The remaining 2% responded that partnership was not applied at all.

Likewise, the results for attracting and retaining right personnel show that 92% of the respondents accepted that their CBs apply this strategy; whereas 29% said it was fully applied, 40% were of the opinion that it is applied by their banks to a great extent, and 23% said it was partially applied. Only 8% of the respondents said that it was not used at all. Lastly, the results on KAM show that 42% of the respondent said that their banks fully apply KAM, 31% stated that it is used to a great extent, and 21% said it was partially applied.

Relationship Between CRM Strategies and Bank Performance

The relationship between CRM strategies and bank performance was done using multiple regression analysis. Before the regression was done, multicollinearity and heteroscedasticity tests were performed. To test for multicollinearity, variance inflation factor (VIF) was performed. The rule of thumb is that if VIF exceeds 10, then the problem of severe multicollinearity is present (Mela & Kopalle, 2002). The results show that the VIF values for all indicators (i.e., customization, partnerships, employee satisfaction, interactive management, and key account management), were far below the cut-off point of VIF. Variables used in the regression models were also correlated to test for statistical independence between the variables. The results show that the no correlation coefficient between two regressed variables was higher than 0.8, which is the cutting point recommended by Gujarati (2004).

Furthermore, the study conducted the Breusch-Pegan/Cook-Weisberg test for heteroscedasticity. The result showed that there was heteroscedasticity since the significance value was 0.0000; therefore, the null hypothesis of homoscedasticity was rejected. The study used robust command after regression to get rid of the problem of heteroscedasticity (Gujarati, 2004).

In addition to the above tests, the study performed tests for overall model feet and coefficient of determination. The value of R-squared was 0.56, which indicates that 56% of variation in bank performance was attributed to the independent variables (CRM strategies being applied by the banks). On the other hand, the *P-value* for the F-test was significant at 0.000. In this case we can conclude that the overall model fit was significant at 5% level of significance (Gujarati, 2004). After interpreting the overall model fit, the individual influence of each CRM strategy was as seen in Table 2.

Table 2: Coefficients Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	*Std. Error*	*Beta*		
(Constant)	.909	.200		4.549	.000
Employee Satisfaction	.151	.083	.201	1.817	.003
Interactive Management	.039	.095	.050	.413	.001
Customization	.222	.086	.273	2.590	.011
Partnerships	-.004	.086	-.005	-.044	.005
Key Account Management	.077	.074	.118	1.042	.003

The results from regression show that all CRM strategies were significant, in this case the p-values for all variables were less than 5%. All CRM strategies, except for partnership, were positively related to bank performance. For example, customization was significant at 5%. This shows that a unit change in customization will lead to 0.222 changes in bank performance. Likewise, other strategies will contribute to a change in bank performance as indicated in Table 2. A negative relationship between partnership and bank performance was not expected. However, this variable has a very little contribution in terms of its coefficient. which is -0.004.

Challenges in Applying CRM Strategies

The respondents were asked to rank the challenges that limit the application of CRM strategies on a scale of 1 to 5. The scale ranged from, strongly agree (SA), agree (A), neutral (N), disagree (D), and strongly disagree (SD). The challenges were absence of frequent information updating, inadequate fund, inadequate commitment by banks management, and absence of proper ICT. Table 3 presents the results.

Table 3: Challenges facing Implementation of CRM Strategies

Challenges	Percentages				
	SA	*A*	*N*	*D*	*SD*
Absence of frequent information updating	27.8	27.8	18.6	21.6	4.1
Inadequate fund	23.7	28.9	21.6	15.5	10.3
Absence of qualified technical staffs	10.3	32.0	26.8	20.6	10.3
Inadequate commitment by management	10.3	21.6	33	26.8	8.2
Absence of proper ICT technologies	12.4	24.7	30.9	23.7	8.2

We can see from Table 3 that 56% of the respondents agreed that the absence of frequent information updating was a challenge (strongly agree, 27.8% and agree 27.8%), 19% were neutral, and the rest believed this is not a challenge. Equally, 53% had the opinion that inadequate fund is a challenge to implementing CRM strategies, 22% were neutral, while 26% disagreed that this was a challenge to CRM application. Correspondingly, the absence of qualified technical staffs was seen as a challenge by 42% of the respondents; while, in contrast, 27% were neutral; and 31% were of the view that this is not a challenge. Results further show that 32%

agreed that commitment by management was lacking, while 33% were neutral, and the remaining 35% disagreed. Finally, 37% agreed that the absence of ICT was a problem, 31% were neutral, while 32% disagreed.

Discussion of the Findings

The results from the analysis have brought almost similar results to those of the literature reviewed. It is generally observed that CRM has an influence on bank performance. The results on customization, interactive management, and KAM bring out the same conclusions like those of the study done by Mbizi and Muzividzi (2013), whose findings revealed that customization, interactive management, and customer prospecting to be the most popular CRM strategies applied by financial institutions. Likewise, results on employee satisfaction, attraction, and retention of right personnel are similar to those of Ujakpa et al. (2015), who found employee competence to be a popular CRM strategy used in CBs in Ghana. This shows that there are common CRM strategies that are applied by commercial banks across countries.

Das (2012) and Anuforo et al. (2015) ague that understanding customers and also handling customer's queries promptly will increase profits and revenues, win competitions, and maintain customer's loyalty. In this study, the general model was significant, which shows that there is a relationship between CRM strategies and the performance of commercial banks in Tanzania. Specifically, the bank performance indicators were enhancement of long-term profitability, retention of customers, improved competitiveness, increased customers' loyalty, and repeated purchases. This concurs with the economic theory of production and big push theory applied in this study (Mankiw, 2012; Varian, 2010; Rosentein-Rodan, 1970). In this regard, using different methods of CRM will lead to better performance of a bank as proposed by the big push theory.

Likewise, results on the challenges of CRM strategies used by CBs in Tanzania concur with the results by Das (2012) and Anuforo et al. (2015) who found that the factors that limits the application of CRM strategies include the lack of management commitment, cost of maintaining CRM strategies, changes in technologies, and staffs skills. Moreover, ICT skills, frequent information updating, and system upgrading were also identified as challenges for CRM to improve bank performance.

Conclusion and Recommendations

From the study findings we can conclude that employee satisfaction, interactive management, customization, partnership, key account management, and attracting and maintaining right employees are the CRM strategies employed by commercial banks in Tanzania. These strategies are important catalysts in fostering the performance of commercial banks. The findings also lead to the conclusion that the absence of frequent information upgrading, inadequate financial resources, absence of qualified workers, inadequate commitments by management, and the absence of proper ICT are the challenges limiting fully application of CRM strategies in CBs in Tanzania.

These conclusions lead to both theoretical and practical implications. Theoretically, the results corroborate the two theories adopted by this study: the production theorem and the big push theory. The production theorem entails that CRM strategies are inputs for bank performance; which means that increasing the use of CRM strategies leads to better bank performance. Similarly, since several CRM strategies are significantly related to bank performance, investing in different strategies will lead to better bank performance as suggested by the big push theorem. Practically, the results lead to the conclusion that commercial banks should strongly use CRM strategies because they are important tools that enhance performance. As such, CRM strategies should not be partially used, but fully applied by all banks. From these implications, the following are the recommendations derived from the findings:

(a) Banks should put supporting infrastructure, employ right personnel, and allocate enough funds for investing in CRM strategies.
(b) The management of commercial banks should take a bold step to emphasize on CRM programs for employees. This will enable employees to provide best customer services because they will be aware of the ethics of CRM and thus have a better knowledge of their customers, which will in turn enhance performance.
(c) All CBs should ensure that persons seeking employment at the management level must be trained in customer care management. This is important to enhance customer-firm relationships.
(d) To improve its employees' and customer satisfaction standards, CBs' managements needs to adopt new and more advanced CRM procedures, which include role specification, employee training, effective communication, and evaluation. Role specification is necessary in managing the relationship of CRM; the main goal being to define the responsibilities and duties of relationship partners such as the organization, employees, and customers. Role specification ensures that individuals responsible for maintaining the relationship are held accountable, and are given the necessary resources to continue using CRM.

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