CUSTOMER RELATIONSHIP MANAGEMENT AND FIRM PERFORMANCE: REVISITING THE CASE OF THE CAMCCUL MICROFINANCE INSTITUTIONS

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ABSTRACT

Customer Relationship Management (CRM) has become a comprehensive strategy of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It is a mutually beneficial relationship built upon a foundation of trust and loyalty through marketing, customer service, and relationship programs.

This study re-examines the link between CRM and the performance of Microfinance Institutions in the Republic of Cameroon. The fierce competition of MFIs in today’s business environment has forced them to seek long-term profitable relationship with customers and retain them. We used a multiple regression model to regress some measure of performance on variables representing CRM practices namely, customer satisfaction, computerized management of customer relationship, customer retention, and financial bonding. The main finding of this study is that contrary to a previous study the computerized management of customer relationship so far does not have positive impact on performance. Customer retention programs appear to be the main driver for firm performance.

Keywords: customer relation, customer retention, customer satisfaction, relationship management

1. INTRODUCTION

Developing customer relationship has historical antecedents going back into the pre-industrial era. Much of it was due to direct interaction between producers of agricultural products and their customers. Similarly, artisans crafted customized items for each customer. Such direct interaction led to relational bonding between the provider of the good and the customer.

Much recently however, the tightening of competitive conditions in markets that have become more globalized and the development of information and telecommunication technologies have contributed to a large extent to the rapid development and evolution of customer relationship management (CRM) allowing producers to directly interact with end users. In industries such as the airline industry, banking industry, insurance or household appliances, the intermediation process is fast changing the nature of marketing and making relationship marketing more popular. In the current era of hyper-competition, markets appear to focus more and more on customer retention and loyalty. As several studies indicate, retaining customers perhaps offers a more sustainable competitive advantage than acquiring new ones. What marketers are realizing is that it costs less to retain customers than to compete for new ones (Rosenberg and Czepiel, 1984) and it pays more to develop closer relationship with a few suppliers than to work with more vendors. Many marketers today are concerned with keeping customers for life rather than making only a one-time sale. There is greater opportunity for cross-selling and up-selling to a customer who is loyal and committed to the firm and its offerings.

Customer expectations also have been changing rapidly over the last decades. Fueled by new
technology and the growing availability of advanced product features, customers are less willing to compromise on quality. Therefore building cooperative and collaborative relationships seem to be the most prevalent way to keep track of customers changing expectations.

CRM is the process that addresses all aspect of identifying customers, creating customer knowledge, building customer relationship and shaping their perception of the organization and its products. In order to have a more efficiently-managed customer relationship, CRM focuses on effectively turning information into intelligent business knowledge. That information can come from anywhere inside or outside the firm. This requires successful integration of multiple database and technologies such as the internet, call centers, sales force automation and data warehousing (John and Fredrick, 2002). CRM integrates sales, marketing services, resources planning and supply chain management through business process automation, technology solutions, and information resources to maximize each customer’s contact. But all these activities need to be used in combination. It is an enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty and customer profitability.

Firms are spending a tremendous amount of time and money to attract new customers as well as retaining old ones through promotional activities. Financial institutions for example are employing researchers to study and discover customer needs and wants. They recognize now that customer satisfaction is a critical success factor.

Research show that customer loyalty has definite benefits as it cost a lot more to attract new customer than to retain existing ones.

The objective of this study is to examine whether customer relationship management enhances the performance of micro finance institutions (MFIs). MFIs in Cameroon are committed to improve the life of the poor or low-income people through the provision of credits, savings, and other financial services. The number of MFIs operating in Cameroon has increased considerably in the last decade, thus facilitating intense competition and the struggle for market share gains. To stay in business, many MFIs have resorted to creating schemes to keep their customers, lower the cost of recruiting new ones, and increase customer retention and loyalty.

Several studies have been carried out to examine the impact of customer relationship on firm performance. Some studies investigate the contribution of IT to a CRM program and then probe whether a superior CRM capability is a robust indicator of firm performance (Coltman, Devinney, and Midgley, 2010). Other studies first conceptualize a construct for the CRM process and its dimensions, next operationalize and validate the construct, and finally investigate the organizational performance consequences of implementing CRM processes (Reinartz, Krafft, and Hoyer, 2004). However, only few studies on the impact of CRM practices on performance in the context of under-developed nations have been carried out. A recent study (Simonet, Kamdem, Nguelefack, 2012) on the effect of CRM on performance using data from the Camcull network has found that MFIs are globally inefficient with respect to commercial performance. Among all elements of CRM implemented, the study found that computerized management of the customer relationship and the proximity of social contacts were the most influential elements with a positive effect on performance. While that paper investigates the efficiency of MFIs in the network using the Data Envelopment Analysis (DEA) model and to a lesser extent the impact of CRM practices on performance, our study exclusively focuses on examining CRM practices and their effect on performance. Our study adds new explanatory variables of CRM practices such as financial bonding and customer retention programs. We also used an expanded and more recent data set from the 2014 survey as opposed to that of 2010 used by the previous study. This can have a significant effect given that IT has only been introduced relatively recently and is still developing in microfinance institutions. Furthermore, in addition to financial performance, we use another variable to measure performance which is cost reduction. Therefore, our study intends to add new empirical evidence to the present literature by examining whether organizations that take advantage of CRM practices actually improve their performance and which elements of CRM provide more added value.

The paper is organized as follows: we first present a brief review of conceptual and empirical literature on
Next, we present the methodology and data of the research. We then analyze the results of our study in the following section. Finally, we provide our conclusions and recommendations.

2. REVIEW OF CONCEPTS AND EMPIRICAL WORK

The CRM Process

A CRM process encompasses 5 phases: the first phase is the strategy development process requiring a dual focus on the organization’s business strategy and customer strategy. The second phase is the value creation process that transforms the outputs of phase 1 into programs that both extract and deliver value. The three key elements of the value creation process are (1) determine what value the company can provide to its customer (2) determine what value the company can receive from its customer and (3) successfully manage that value exchange. The third phase is the multichannel integration process which is arguably one of the most important processes in CRM development because it takes the outputs of the business strategy and value creation processes and translates those outputs into value-adding activities with customers. The fourth phase involved the information management process. This phase is concerned with the collection, collation, and use of customer data from all customer contact points to generate customer insight and appropriate marketing responses. The key material elements of the information management process are (1) the data repository which provides a corporate memory of customers, (2) the IT systems which include the organization’s computer hardware, software and middleware, (3) the analysis tools, (4) front office and back office applications which support the many activities involved in interfacing directly with customers and managing internal operations, the administration, and supplier relationships. The fifth phase is the performance assessment process. This stage covers the essential task of ensuring that the organization’s strategy aims in terms of CRM are being delivered to an appropriate and acceptable standard and that a basis for future improvement is established. This process can be viewed as having two main components: the shareholder results which provide a macro view of the overall relationships that drive performance, and performance monitoring, which provides a more detailed or micro view of metrics and key performance indicators.

The CRM Strategy Variables

CRM includes all activities directed towards the establishment, development and maintenance of exchange relationships. The CRM strategy variables involve the following: customer satisfaction, computerized management of customer relationship, social bonding, customer retention, financial bonding, customer attraction, customization bonding, and relationship management.

Customer satisfaction is a key factor in the success of any organization and is produced when customer needs have been met and have derived profit or value from their experience. It also brings about new experiences to the customers whose needs have been fulfilled and satisfied. Customer satisfaction implies an extended relationship through activities such as selling, increasing revenue of the customers, and generating customer maintenance. It is a factor that directly or indirectly impacts a company. A company must perform well, adhere to social contracts and show mutual understanding. More satisfaction from customers creates security and decreases loss of clients. It also creates positive word of mouth advertising, attracts more customers, and creates customer loyalty. Customer satisfaction is also seen as an important element in creating profitability and building bond and value for customers (Wang and Yang, ?). It is derived from delighting a customer and providing positive surprise which exceeds customer expectations (Coates, ?). Liljander and Strandk (1995) presented a model which broadens the discussion on satisfaction, quality, and value by including customer relationship specifications. They also draw on both traditional services quality literature and relationship studies within industrial marketing.

Computer Technology is a prerequisite for any successful CRM implementation. It adds to firm intelligence. Advances in IT have enabled organizations to collect huge and precise information about customers. The approaches of one-to-one relationships, customer value analysis, and mass customization (Hart, 1995) are now part of the reality through unparalleled advances in IT, transforming the traditional approach to CRM to an integrated web-
enabled approach equipped by tools such as customer information systems, automation of customer support processes, and call centers (Ghodeswar, 2001). CRM calls for information intensive strategies which utilize computer technologies in establishing relationships, improving existing technologies and thoroughly linking technology positioning to desired business initiatives (Harding and al., 2004).

Social bonding

Marketers build social bonds with customers by viewing them as clients who are not nameless faces. They find ways to keep in touch and interact with them, and offer solutions for their changing needs. Social bonding is easier to visualize in the context of the provision of professional services. Information sharing often occurs during interactions and allows those who transact to cement social, interpersonal bonds. Marketing thinkers exhort organizations to literally focus on customers (Hieber and al. 1998), know customers (Sharp and Johnson, 1997), put consumers first (Walker, 1990), bond more intensively with customers (Cross and Smith, 1995), get intimate with customers (Wiersema, 1998) and even to own customers (Vander Merwe, 1997). Despite the alleged customer-centric character of marketing theory and practice, the writings of its foundation scholars make scant reference to matters of customer focus other than to recite the key mantras of the marketing concept: “become customer oriented, practice inter-functional coordination, and generate profitable sales”. Marketing was (and to a significant degree still is) a technological matter for it is concerned with how best to manage the methods of marketing-advertising, sales promotion, product development, and pricing. When customer expectations were uniform and demand exceeded supply, shifting a greater volume of output resulted in lower unit costs enabling a price-driven market share strategy to succeed. It made sense in an undifferentiated market place to excel at the technology of marketing. But now things have evolved so much so that firms need new strategies. Climbing the experience curve no longer guarantees success. Customers in business-to-business (B2B) markets and, increasingly customers in business-to-consumer (B2C) markets are demanding tailored value propositions. Businesses expect suppliers to understand their business and to contribute to their value chain. Hence, the new battlegrounds are: service, process, knowledge and information. The new mantra is CRM that is, the development and maintenance of long-term, mutually beneficial relationships with strategically significant customers. Customers having lifetime value potential are among the most strategically significant. These are the customers at the top or moving to the top of the relationship marketing ladder (or staircase). They are the partners, advocates and patrons who not only buy more, but also influence others with positive word-of-mouth. These are the customers with whom firms want to forge strong bonds that serve as exit barriers to the relationship. The economic significance of bonding is two-fold: first if bonds break, and customers defect, they take with them their future and lifetime value. Second, the cost of replacing defected customers is more than that of retaining them. Social bonding reinforces customer retention and is important because customer satisfaction is not a sufficient condition to bond customers to suppliers in the long-run.

Customer retention is vital for the survival of any organizational. Depending on the business sector, different retention strategies are used in an attempt to keep profitable clients. In the service sector, product bundling, cross-selling, and cross-promotions are the most popular.

Product bundling refers to the technique of offering a combination of related products at a reasonable cheap price. The advantage to the buyer is the benefit of cheaper price when those goods are sold separately.

Cross-selling is much similar to product bundling. However, unlike bundling, the deal is only offered to current customers of the firm in the form of lower price that competitors can hardly match. Hence, the technique serves as a switching barrier.

Cross-promotions refer to discounts offered to clients of a firm to entice them to make repeated purchases and further make it difficult for them to switch to competitors.

Customer retention also takes the form of social bonding with customers. Firm may organize end-of-the year activities and develop social ties to strengthen customer loyalty.
Financial bonding is a CRM strategy that attempts to make the customer stick to the firm primarily through financial incentives. The incentives can be in the form of lower prices for greater purchase volume or lower prices for customers that have been loyal to the firm for a long period of time. An example of financial bonding is the frequent flyer program in the airline industry. Financial incentives can also come in the form of stable prices or lower prices than competitors for loyal customers.

Although financial bonding is widely used as a retention tactic, caution is warranted when implementing a financial reward loyalty program. Indeed, these programs are easy to duplicate by competitors and hence not likely to succeed unless they are structured so that they truly lead to repeat or increased purchases by incumbent buyers rather than serving new customers and potentially causing endless switching among competitors.

Customer Attraction is the element that creates the interest of the service provider and his commitment to a given customer or vice versa. The attraction can be based on financial technology or social constructs. Social contacts that are highly appreciated may be a source of attraction that can lead to a business relationship. Understanding the role of attraction in a customer commitment decision is a key issue in marketing and quality should play the role of chief facilitator to achieve the objectives of relationship management such as commitment to the brand, emotional involvement and active interaction. Succeeding in delivering more effective service quality than others is one way a firm can be successful in today’s business environment.

A customization bonding strategy includes elements of social bonding and financial bonding. The concept suggests that customer loyalty can be encouraged through intimate knowledge of individual customers and through the development of “one-to-one” solutions that fit the individual customer’s needs.

Relationship management is defined as “all marketing activities directed towards establishing, developing, and maintaining successful relationships”.

Empirical Studies

In a study carried out by Coltman, Devinney and Midgley (2010), customer relationship management is conceptualized as an endogenously determined function of the organization’s ability to harness and orchestrate lower order capabilities that comprise physical assets such as IT infrastructure, and organizational capabilities such as human analytics and business architecture. These authors reveal that the contribution of IT to a CRM program is best measured as a higher-order combination of IT, human and business capabilities. This is so because CRM is embedded in a web of capabilities, none of which is superior alone, but combined with appropriate resources and other capabilities create a superior value that can make a significant contribution to firm performance. Few firms will master these socially complex capabilities effectively. Mastering them will henceforth create a source of competitive advantage for firms that do because those skills will be difficult to imitate in a short run. Their findings validate the conclusions of previous studies conducted by Powell and Dent-Medcalfe (1997), Bharadwaj (2000), Piccoli and Ives (2005).

Ernst, Hoyer, Krafft, and Krieger (2011) developed a conceptual framework in which multiple facets of CRM are linked to a new product and company performance. They find evidence that CRM can strengthen new product performance which in return will enhance firm performance. New product performance is an important mediator of the CRM-firm performance link.

Reinartz, Krafft, and Hoyer (2004) try to elaborate on what constitutes a CRM process. In their study, they construct the CRM process and its dimensions, operationalize and validate the construct, and empirically investigate the organizational consequences of implementing it. They were able to group the key activities of a formalized CRM process in terms of three primary dimensions: relationship initiation, maintenance, and termination. They then developed items to assess the extent to which those dimensions were implemented. Their work represented the first attempt toward developing what constitutes a standard for defining the nature of CRM processes. The authors conclude that the implementation of CRM processes is associated with better firm performance in two of the three stages: the strongest effect is from relationship maintenance followed by relationship initiation. Relationship
termination provided no significant effect on performance. That study demonstrates that although CRM produces a payoff, some activities are more effective than others and some could have a negative impact on performance. In the case of relationship termination, a possible explanation for the negative effect could be that firms are reluctant to terminate relationships with customers who are not profitable. It could also be that firms are not as effective in implementing the CRM processes at the termination stage.

Simonet, Kamdem, and Nguefack (2012) carried out a study to measure the impact of CRM on the commercial performance of MFIs in Cameroon. They used a censored tobit model to regress a performance score on a set of CRM practices namely the satisfaction of customers with regards to past experiences, the computerized management of the customer relationship, and the closeness of the contacts between the MFI and their customers. The study concludes that the computerized management of the customer relationship and the proximity (closeness) of the social contacts exert a positive influence on performance, while satisfaction toward past experiences with customers exerts a negative and very significant influence on performance.

Our present research takes on Simonet and al study to provide new empirical evidence on the effect of CRM practices on firm performance. Because CRM information technology investments were relatively recent at the time of their study the impact of IT may have been minimized. Furthermore, technological investments may offer better returns after the firm have overcome initial implementation difficulties.

3. RESEARCH METHODOLOGY

Recall of Objectives and Specification of variables

The central objective of the study is to investigate the effect of customer relationship management on firm performance. We use the construct built by previous studies to capture CRM practices. Our main hypothesis is that CRM has a positive impact on firm performance. However we try to measure the importance of each element of CRM practices and the effect it has on performance.

The CRM elements used in the study are: customer satisfaction, customer computerization, customer retention programs, and financial bonding activities. Performance variables used here are financial performance and cost reduction which is interpreted as a measure of economic performance.

We regress performance (dependent variable) on CRM practices (independent variables) using a multiple OLS model. The standard model is:

\[ Y_i = A + b.X_i + \epsilon_i \]

Where \( Y_i \) is the vector of dependent variable, \( X_i \) is the vector of independent variables, and \( \epsilon_i \) represents the error term.

We come up with two models:

Model 1: financial performance = \( F \) (CS, CC, CR, FB)

Model 2: Cost reduction = \( f \) (CS, CC, CR, FB)

where, in both models CS, CC, CR and FB respectively represents customer satisfaction, customer computerization, customer retention programs, and financial bonding.

The Data

Data were obtained from MFIs affiliated with the CAMCCUL network. This network is the most the oldest and the most organized in the Economic Community of Central African States (ECCAS). A total of 300 questionnaires were sent to managers and employees of different MFIs. The return rate of questionnaires was 70% leaving us with a sample of 200 respondents. Questions were asked on the types of CRM practices used in the MFI and how those practices affect firm performance. A Likert scale-type questionnaire was used with responses ranging from 1 to 5 (1= strongly agree; 2 = agree; 3 = disagree; 4 = strongly disagree; 5 = no opinion).

4. RESULTS AND INTERPRETATION

Table 1 presents the descriptive statistics for independent variables. The mean of those variables suggest that customer retention programs are a popular CRM practice among Microfinance Institutions followed by use of customer computerization, and financial bonding. Customer satisfaction has the lowest mean. The correlation coefficients are displayed in table 2.
Table 1: Descriptive Statistics for CRM Practices

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>200</td>
<td>1.81</td>
<td>1.103</td>
<td>1.217</td>
</tr>
<tr>
<td>Customer Computerization</td>
<td>200</td>
<td>1.43</td>
<td>.554</td>
<td>.307</td>
</tr>
<tr>
<td>Customer Retention programs</td>
<td>200</td>
<td>1.37</td>
<td>.485</td>
<td>.236</td>
</tr>
<tr>
<td>Financial bonding</td>
<td>200</td>
<td>1.63</td>
<td>.798</td>
<td>.636</td>
</tr>
</tbody>
</table>

Table 2: Correlation for CRM practices

<table>
<thead>
<tr>
<th>Var</th>
<th>CS</th>
<th>CC</th>
<th>CRP</th>
<th>FB</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>1.00</td>
<td>.575</td>
<td>.464</td>
<td>.820</td>
</tr>
<tr>
<td>CC</td>
<td>.575</td>
<td>1.00</td>
<td>.680</td>
<td>.679</td>
</tr>
<tr>
<td>CRP</td>
<td>.464</td>
<td>.680</td>
<td>1.00</td>
<td>.634</td>
</tr>
<tr>
<td>FB</td>
<td>.820</td>
<td>.679</td>
<td>.634</td>
<td>1.00</td>
</tr>
</tbody>
</table>

The ANOVA results and coefficients for Model 1 are also shown below in Table 3 and Table 4.

Table 3: ANOVA for Model 1: dependent variable (financial performance)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>DF</th>
<th>Mean square</th>
<th>F</th>
<th>Sign.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regressions</td>
<td>66.595</td>
<td>4</td>
<td>16.649</td>
<td>11.00</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>294.925</td>
<td>19</td>
<td>15.151</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Regression Results for Model 1: Dependent variable (financial performance)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>.496</td>
<td>.28</td>
<td>1.76</td>
<td>.079</td>
<td>- .058</td>
</tr>
<tr>
<td>CC</td>
<td>.203</td>
<td>.10</td>
<td>1.86</td>
<td>.064</td>
<td>- .012</td>
</tr>
<tr>
<td>CRP</td>
<td>1.238</td>
<td>.25</td>
<td>4.82</td>
<td>.000</td>
<td>.751 - 1.744</td>
</tr>
<tr>
<td>FB</td>
<td>-.131</td>
<td>.18</td>
<td>-.077</td>
<td>.705</td>
<td>-.496 - .235</td>
</tr>
</tbody>
</table>

The coefficient for customer computerization is negative suggesting that investment in IT has a negative effect on financial performance. A possible explanation of that result may be that investments in IT are so important that they may significantly increase the firm expenses and hence affect its profitability. That explanation is backed by the positive coefficient of customer computerization displayed by model 2. The firm’s cost and the variable customer computerization are positively associated. An increase in investment in technology leads to a significant rise in cost. This result contradicts Simonet and al (2012) finding that investments in IT enhance firm performance. The coefficient of -.121 for customer computerization is not significantly different from 0. If any the effect of IT investment on financial performance may be negative contrary to the previous study. The negative coefficient for IT may reflect the fact that investments in IT in the MFIs Camccul network are still relatively recent to generate positive returns on investment. In addition (and in line with previous studies), IT investment alone without adequate
training for employees to take advantage of the benefits of new technology are not able to generate a higher-order “superior CRM capability”. Information technology is clearly necessary to automate customer touch-points to combine data silos and enable customer data interpretation. However, that aspect of IT is effectively commoditized and alone, adds nothing to competitive advantage.

Customer retention programs affect financial performance positively and significantly. A drop in retention ratios is a critical early warning signal that trouble may be brewing. Low retention can lead to a reduction or stagnation of average loan size, which can reduce future returns and cause other financial hazards. Tracking customer retention ratios is inexpensive and serves two purposes: first, it provides a blunt or general indicator of customer satisfaction and second, it is important in forecasting the overall financial performance of the MFI. To develop accurate financial projections, an MFI has to have information about customer retention so that it can predict the effect on average loan size and acquisition costs necessary to replace lost customers.

Financial bonding with a coefficient of -0.131 does not seem to affect financial performance significantly.

Table 6 shows that customer retention and cost structure are negatively related. The coefficient of -0.213 is significant at 5% level of significance. This infers that if the firm retains customers after properly managing one’s relationship, the cost incurred by the microfinance will fail. Customer satisfaction shows a coefficient that is not significant with regards to cost. Hence, customer satisfaction as an element of CRM is not properly implemented. There is no effective follow-up to obtain feedback from customers after sale. So, individual satisfaction data are not sufficiently gathered and used in the firm’s CRM implementation process.

5. CONCLUDING REMARKS

The main objective of the paper was to revisit the impact of customer relationship management on firm performance for microfinance institutions of the Camccul network in the republic of Cameroon. A previous study has revealed that customer satisfaction has a significant negative impact and that information technology used in the management of customer relations has a significantly positive effect on firm’s performance. In this research we find no convincing evidence that satisfaction has a negative effect on performance. Although the coefficient for satisfaction is negative, it turned out to be not significantly different from 0. More importantly, there is no evidence of IT investments having positive effect on performance. If any, we find a negative non-significant effect of IT investments on firm’s profitability. Customer retention programs seem to have the most effective impact on firm’s performance. Our finding also reveals a direct link between IT investments and cost. An increase of spending in information technology has led to an increase in operations cost. However, those investments have not translated into higher returns on investments.

These results mitigate Simonet and al (2012) findings that IT investments of the Camccul network MFIs have had a positive effect on performance. However, they add credence to the belief that IT investments alone do not add value to efficient management of CRM. This is paramount because although firms are under constant pressure to engage in a plethora of IT-based initiatives, few have the potential to use those initiatives to create positions of sustained measurable advantage. Firms need to master these socially complex capabilities effectively and turn them into competitive advantage by associating IT infrastructure with customer-oriented business architecture and a more developed human analytics.

Table 5: ANOVA for cost reduction and CRM practices

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of square</th>
<th>DF</th>
<th>Mean square</th>
<th>F</th>
<th>Sign.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
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<td>1.041</td>
<td>3.908</td>
<td>.004a</td>
<td></td>
</tr>
<tr>
<td>Residual</td>
<td>51.918</td>
<td>195</td>
<td>-266</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>56.080</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors; (constant, customer satisfaction, customer computerization, customer retention, financial bonding.)
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Table 6: Regression coefficients Model 2

Dependent variable: Cost reduction

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>Cst</td>
<td>1.19</td>
<td>.118</td>
<td>10.12</td>
<td>.00</td>
<td>.961</td>
<td>1.426</td>
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<tr>
<td>CS</td>
<td>- .055</td>
<td>.046</td>
<td>- .113</td>
<td>.23</td>
<td>.145</td>
<td>-.036</td>
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</tr>
<tr>
<td>CC</td>
<td>.364</td>
<td>.101</td>
<td>- .380</td>
<td>3.593</td>
<td>.00</td>
<td>.564</td>
<td></td>
</tr>
<tr>
<td>CRP</td>
<td>- .213</td>
<td>.108</td>
<td>- .195</td>
<td>.04</td>
<td>.425</td>
<td>-.001</td>
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<td>FB</td>
<td>- .112</td>
<td>.078</td>
<td>- .168</td>
<td>1.439</td>
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REFERENCES


