

Abstract

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Measuring the Effect of Customer Relationship Management (CRM) Components on the Non Financial Performance of Commercial Banks: Egypt Case

Purpose - To present customer relationship management (CRM) components, as applied on the Egyptian Commercial Banks, examined from the bankers' point of view. Then, it intends to measure their effect on the level of customer satisfaction and loyalty from the customers' point of view as examples of the non financial performance measures. **Design/methodology/approach** - The paper is quantitative in nature and it consists of two different structured questionnaires using convenience/quota sampling. The first one involved 180 employees in order to measure the CRM applicability and the second one involved 270 customers to measure the level of customer satisfaction and loyalty. **Findings** - The findings show that the ed banks apply the CRM components but the level of application differs from one bank to another. The results showed that there is a significant positive relationship between CRM and customer satisfaction in the Egyptian Commercial Banks, when applying them together and not separately. In addition, there is a strong positive effect between customer satisfaction and loyalty. **Research limitations/implications** –This study was conducted only on the Egyptian Commercial Banks, therefore future studies could be extended to include other services sectors in different contexts. Also, future studies could collect time-series data to test the relationship between CRM and customer satisfaction and loyalty as nonfinancial performance measures and their effect on the financial performance of these banks. **Practical implications** – The findings confirm the importance of studying and implementing CRM to achieve customer loyalty that improves the customer satisfaction of clients of the Egyptian Commercial Banks. Banks wishing to improve their relationships with customers need to focus on the CRM components to develop relevant and effective marketing strategies and tactics. **Originality/value** – The paper measures the CRM as a multidimensional construct as applied on the Egyptian Commercial Banks and relating it to the achievement of the ultimate goal of retaining customers to gaining a sustainable competitive advantage and achieve more profits.