

Abstract

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Customer Relationship Management (CRM) & its effect on customer loyalty in the Egyptian banking sector.

Abstract Purpose -To present customer relationship management (CRM) components as applied in the Egyptian banking sector, and to measure the level of customer satisfaction and customer loyalty. In addition, the relationship between CRM and customer satisfaction and customer loyalty are examined. **Design/methodology/approach** -The paper used mixed methodology, qualitative and quantitative. The qualitative part consists of a semi structured in depth interviews which were carried out with 9 branch managers of the ed banks, while the quantitative part consists of two different structured questionnaires distributed on a stratified sample. The first one involved 180 employees in the sampled banks to measure the CRM applicability and the second one involved 270 customers to measure the level of both 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. Furthermore, it shows that there is a significant positive relationship between CRM and customer satisfaction in the Egyptian Banking Sector, when applying the four components of CRM altogether not separately. In addition, there is a strong positive effect between customer satisfaction and customer loyalty. **Research limitations/implications** – Since this study was conducted in the Egyptian Banking Sector, the replication of this study could be done within other services and within other countries. In addition, a stratified sample and a cross-sectional data were used in this study. Future studies should collect time-series data for testing the relationship between CRM and customer satisfaction and then measuring the effect of customer satisfaction on customer loyalty. **Practical implications** – The findings confirm the importance of studying the CRM, for the purpose of improving it in the Egyptian Banking Sector in order to satisfy customers and to obtain their loyalty. Firms 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 in the Egyptian Banking sector in order to enhance a bank’s ability to achieve the ultimate goal of retaining customers and to gain a sustainable competitive advantage over its competitors.