Research Article

HOW CRM COMPONENTS IMPACT CUSTOMER LOYALTY: A CASE FROM BANGLADESH BANKING INDUSTRY

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Abstract

The purpose of this study is to determine the impact of customer relationship management (CRM) components on customer loyalty of a firm. The three components of CRM in this study are customer knowledge, customer orientation, and technology capability. A structured questionnaire with a 5-point Likert scale was used to gather the data by conducting a survey. The sample size is 200 and chosen on a convenient basis. Indicators were generated based on the literature review. Data were analyzed by using PLS 3.0 software. The key finding is that customer loyalty is negatively impacted by the CRM component, customer knowledge. On the other hand, the impacts of customer orientation and technology capability on customer loyalty have been found to be significant and profound. This study adds to the existing pool of knowledge on CRM components and customer loyalty from the perspective of the Bangladesh banking sector. The findings may facilitate bank officials and can be used as a strategic instrument for cultivating customer loyalty in the Bangladesh context.

Keywords: *CRM, Customer Knowledge, Customer Orientation, Technology Capability, Customer Loyalty.*

Abbreviations: Nil

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BACKGROUND OF THE STUDY

The banking industry has become one of the key pillars of Bangladesh's economy due to its significant contribution to development. It is subjected to changing regulatory, structural, and technological factors and to withstand these changes, financial organizations need to cultivate customer-oriented strategies aimed at maintaining

loyal customers as they are the backbone of all business activities (Pandyanayak & Venkateshwarlu, 2019). Pareto's 80/20 Law claims that the top 20 percent of customers contribute 80 percent of profit for the business. Therefore, firms aiming for profit should retain the top 20 percent of customers by preventing them from defecting. Firms can achieve these statistics by implementing practices of CRM, which primarily purports to cultivate prolonged relationships with customers by comprehending the factors that impact customer retention and loyalty (Nguyen & Mutum, 2012). The three components of CRM in this study are customer knowledge, customer orientation, and technology capability.

To survive the service revolution, service organizations require focusing on customer preferences, quality, and technological interfaces. Banks need to use CRM as a key strategy in order to coordinate a customer-centric approach (Zadeh et al., 2013). It is hard to define CRM strategy due to its multidimensional nature. CRM has been explicated by Wang and Feng (2012) as a cross-functional course of action aimed at constituting and conserving prolonged relationships with customers. Kincaid (2003) describes CRM as the strategic use of information, processes, technology, and people to manage the relationship with customers across the whole customer cycle. On the other hand, the banks are adopting the techniques of customer relationship management to design and develop a customer-focused environment inside banks, build and enhance the long-lasting relationship with their targeted customer, produce and deliver the best products and services to the customers and to find out the most cost-effective customers for the banks (Foss & Stone, 2002).

The banking sector is a knowledge-intensive, skill-based and relationship-rich industry (Mavrides, 2004). Banks have now started to take advantage of the CRM technologies in order to metamorphose from an epitome of account centricity to product centricity (Sivaraks et al., 2011). These days, banks are focusing on self-service technologies with the help of which customers can use bank services when and where they want without time or place barriers and without any personal contact with the banks (Durkin & Howcroft, 2003). Customers spend less time to get more information, as these days, almost everyone is busy doing something so when a bank saves precious time of its customers, it makes its customers more loyal (Lindgreen, 2005). Not only does CRM build relationships and uses systems to collect and analyze data, but it also includes the integration of all these activities across the firm which generates customer value (Boulding, 2005). According to Sayani (2015), the relationship of the banks with the customers eventually leads to higher customer loyalty and retention.

Due to the ever-changing environment and globalization, the banks in Bangladesh are trying to adapt to various CRM activities. The review of the literature of this study and

its findings from the perspective of Bangladesh will amplify the existing pool of knowledge on CRM components. This study takes into account the need for investigating how customer loyalty is impacted by CRM components with respect to the banking sector of Bangladesh. Adequate attention to this context can provide more perspective in the context of Bangladesh's private banking sector. Furthermore, the findings of the study may facilitate bank officials and managers and can also be used as a strategic instrument for cultivating customer loyalty. This paper is one of the few studies in Bangladesh's private banking sector, which provides an extensive overview of CRM components and their relationships with customer loyalty. Lastly, this study is expected to inspire other researchers and can broaden up the opportunities for further research initiatives.

CRM AND IT'S IMPORTANCE

The economy of developing nations is dominated by the services sector. The impediments of the service sector such as heterogeneity, perishability, inseparability, and intangibility Parasuraman et al. (1985), can be successfully tackled by the incorporation of CRM initiatives and practices (Wu & Lu, 2012). In this technologically advanced environment, the challenge for commercial banks is developing sustainable customer relationships. Sin et al., (2005) concluded that banks conquered a champion position by establishing a durable relation with the customer through customer relationship management business strategy. Lovelock (1993) pointed out that many services due to the nature of intangibility require a continuing membership with their customers such as banking, insurance and so on. In recent years, technology has brought transformational changes in the banking world and banks are exploiting technologies across multiple channels to deliver consistency, efficiency, personalization, value addition, and customization.

Dmour and Algharabat (2019) found that banks achieved a remarkable profit by aligning their business with CRM strategy. It was acknowledged by Narang et al. (2011) that, CRM practices foster customer loyalty and thus affirms finer customer relationships as due to information bloom, customers have become dynamic and knowledgeable in making a selective choice amongst various offerings available. As economic globalization intensifies competition, retaining customers has become important. Lack of CRM implementation may lead to problems such as worsening of the bank's image, and the loss of competitiveness, customers, revenues and profits (Idzikowskiadam et al., 2019). In India (Uppal, 2008; Sharma & Goyal, 2011) and Pakistan (Hussain et al., 2009; Hasan et al., 2015), studies have already been conducted regarding CRM. Contrastingly, such studies have entirely been missing from the context of Bangladesh. With these aspects into consideration, the objective of the

present study is to identify the impact of CRM constructs of the study, customer knowledge, customer orientation, and technology capability on customer loyalty.

CRM COMPONENTS

CUSTOMER KNOWLEDGE

CRM collects data related to customers, grasps features of them, and applies it in specific marketing activities (Swift, 2001). Customer knowledge management efforts are incorporated by customers as it impersonates a prominent function in the favorable outcome of CRM (Dous et al., 2005). For the functioning of an efficacious CRM system, it is crucial for a firm to simultaneously upgrade itself with customer knowledge as it corresponds to the field of CRM (Stefanou, Sarmaniotis & Stafyla, 2003). Rowley (2002) defines customer knowledge as the knowledge about potential customers, customer segments and individual customers. Knowledge about customers has an explicit nature and includes looking into customer's backgrounds, transaction histories, customer motivations and wants, etc. which help firms better understand customer's needs (Smith & McKeen, 2005). Consequently, CRM and customer knowledge management initiatives are directed towards the delivery of continuous improvement towards customers, which in return creates loyal customers (Bang, 2005).

CUSTOMER ORIENTATION

Numerous researchers have studied the role of customer orientation and established its influence on CRM outcomes (Tseng, 2019). For sustenance of relationships with customers, organizations must embrace a customer-centric culture and constantly deliver value to customers (Chen & Popovich, 2003). Successful implementation of CRM projects requires firms to be customer-oriented (Jayachandran et al., 2005). Customer orientation within a CRM system enables the system to support the firm's marketing campaign efficiency, satisfies customer needs (Chuang & Lin, 2013) and guides the organization's attitude toward the implementation of CRM activities (Day, 2000). Customer orientation is a culture-based concept and it reflects the values, behavioral norms, the shared mental modes that enable a firm to put customers' interest first (Deshpande et al., 1993; Day, 1984). Customer orientation is a set of beliefs that put the customer's interest first, while not excluding those of all other stakeholders; to develop a long-term profitable enterprise.

TECHNOLOGY CAPABILITY

In accordance with Rapp et al. (2010), customers can be consolidated, and their needs can be fulfilled by the aid of CRM technologies. Incorporating CRM technology enhances customer loyalty, more profitable customer relationship and higher customer retention (Butler, 2000). CRM applications analyze data on customer

patterns, customer behavior, develop predictive models, support customer relationships, respond with timely and effective customized communications, and deliver service value to individual customers (Chen & Popovich, 2003). Peppard (2000) opined that technological tools have improved interactivity between the customer and firm, and without technology, the entire customer's data gathered by the firm would be redundant. Technology in the case of banking comprises, for instance, automatic teller machine, internet and mobile banking (Kolodinsky et al., 2004). Traditionally, CRM technology has facilitated the collection, integration, and analysis of customer data and subsequent communication to/with customers (Jayachandran et al., 2005).

CUSTOMER LOYALTY

Oliver (1999) explained customer loyalty as a deeply held commitment to re-buy a preferred product or service again. Ladhari (2011) expressed customer loyalty as a customer's continued patronage of a particular bank. Pullman and Gross (2004) argued that loyal customers are the key to success for many service organizations as retaining a customer is 10 times less costly than acquiring a new customer (Lindgreen & Antioco, 2005). Customer loyalty has become the most important aspect of organizations because getting a new customer costs much higher than retaining an existing customer so organizations should focus more on customer loyalty in order to be profitable (Venkatesh & Morris, 2000). Intense competition in the financial market is pushing the retail banks to focus more on customers, apply relationship marketing and perceive customer loyalty as one of the most important tasks (Ivanauskiene & Auruskeviciene, 2009).

CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER LOYALTY

Narang et al. (2011) agreed that CRM not only builds a better relationship with customers but also helps cultivate the loyalty of the customers which is very crucial and important for developing a competitive advantage over the competitors. According to Xu and Walton (2006), customer relationship management has been widely regarded as a company activity related to developing and retaining customers through increased satisfaction and loyalty. CRM can shorten the distance between customers and the organization, contributing to organizational success through customer loyalty, superior service, better information gathering, and organizational learning. Customer loyalty is the most important objective of especially those organizations that are involved in customer relationship management and it can be most beneficial for companies in this highly competitive world (Grönroos, 1991; Coviello et al., 2002). This study further explicates the relation between the CRM constructs put into consideration and customer loyalty.

CUSTOMER KNOWLEDGE AND CUSTOMER LOYALTY

Banks can get better insights and understanding of their customers and cultivate a remunerative relationship with them with the aid of customer knowledge management (Roscoe, 2003). Customer knowledge is the key to nurturing customer relationships, the more knowledge a relationship manager of a bank has about its customers, the greater the chance of turning a prospective customer into a client (Lavender, 2004). In accordance with Xu and Walton (2006) customer knowledge management fosters customer satisfaction and loyalty as it stipulates customer contacts, perceptions and profile dispositions. Furthermore, Järvinen (2014) also emphasized that communicating with customers and providing them additional services are aided by CRM systems that use customer data. Banks can incorporate CRM strategy to anticipate which customers to serve, what services to offer and what mediums to be used to retain communication with customers (Xu & Walton, 2006).

CUSTOMER ORIENTATION AND CUSTOMER LOYALTY

Customer-oriented service attitudes can help to understand the customer perspectives that ultimately affect the bank's profits as far as they fit customer needs (Colwell et al., 2009).As CRM facilitates in customer-oriented and customized services, it leads to the generation of substantial benefits for customers (Bhat & Darzi, 2016). However, it was also contemplated that in the service industry customer loyalty is firstly nurtured in a salesperson by customer orientation and customer perceived value. In line with Doney and Cannon (1997), as the salesperson impersonates the organization, this sense of customer loyalty is further consigned to the organization from the salesperson. Accordant with Narver and Slater (1990) customer orientation succors in gathering and ruminating customer perceptions, which aid in formulating responsive strategies and upgrading the business performance. Pursuant to this, Sirdeshmukh et al. (2002) and, Pousa and Mathieu (2014) have also found that customer loyalty and financial performance is boosted due to customer-oriented dispositions.

TECHNOLOGY CAPABILITY AND CUSTOMER LOYALTY

Collecting and analyzing data on customer's patterns, developing prediction models, effective customized communications, timely response, and efficient way of delivering personalized offerings to the individual customers; all such CRM applications take great advantage from technology (Peppard 2000; Vrechopoulos 2004). Marketers can be constantly aware of the volatile needs of its customers and can meet these demands with the aid of CRM technology capability (Zineldin, 2000). Furthermore, Butler (2000) complied that the implementation of it leads to the generation of customer loyalty and customer retention. During this process, organizations nurture in-depth coordination

and understanding of service needs due to simultaneous interactions with organizations. CRM technology aids an organization to gather and analyze information about profitable customers, facilitating more firm-customer interactions, and streamlining service customization (Day, 2003). Technology-based CRM apparently enhances operational efficiency, increases productivity and improves customer loyalty (Groznik et al., 2008).

Conceptual Framework and Study Hypotheses

On the basis of above-mentioned discussion about CRM, components of CRM and the relationship between various CRM components and customer loyalty, this study is proposing following conceptual framework and the hypotheses to be tested.

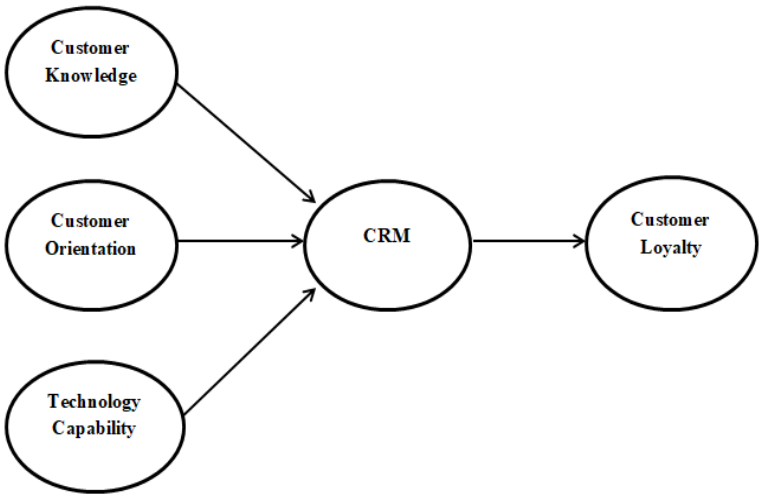

Fig. 1: Conceptual Framework

Thus, the following relationships have been hypothesized,

HI: Customer knowledge positively impacts customer loyalty

H2: Customer orientation positively impacts customer loyalty

H3: Technology capability positively impacts customer loyalty

METHODOLOGY

Sample and Data Collection

Around 200 questionnaires were distributed using a convenience sampling technique during January 2020. 175 questionnaires were received in usable condition, representing a response rate of 87.5 percent. The survey consisted of questions directed at comprehending the insight of customers on CRM components and its probable influence on customer loyalty. The first part of the questionnaire comprises questions on demographic characteristics, while the next part consists of the main

research questions. The survey process was self-administered so respondents completed the survey questionnaire on their own.

MEASUREMENT

The questionnaire consisted of 18 items that measured the CRM components and customer loyalty. The respondents were given questionnaires based on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The variables were measured based on identified scales from prior literature. Customer knowledge was measured based on items adopted from (Yim *et al.,* 2004; Sin *et al.,* 2005; Khodakarami & Chan, 2014), customer orientation from (Rapp *et al.,* 2010) and technology capability from (Yim *et al.,* 2004; Rapp *et al.,* 2010). The concept of loyalty was measured based on the items which were adopted from (Yim *et al.,* 2004; Donnelly, 2009; Kocoglu & Kirmaci, 2012).

DATA ANALYSIS

SEM was performed to assess whether the data fits the conceptual framework and to test the proposed hypotheses. PLS version 3.2.8 and SPSS version 25 were used to carry out the data analysis and analyze the model's goodness of fit, reliability, and validity.

RESULTS AND ANALYSIS

RESPONDENTS PROFILE

Table I illustrates that 57.7% of the respondents were male, 53.70% aged from 31-40 years and 68% of respondents are postgraduates. 38.3% of respondents were a business person and 33.7% had service length of 4-6 years with the bank.

Table I. Demographic Variables

Demographic	Category	Frequency	Percent
Gender	Male	101	57.70
	Female	74	42.30
	Total	175	100.00
Age	Less than 20	2	1.10
	21-30	31	17.70
	31-40	94	53.70
	41-50	43	24.60
	51 and above	5	2.90
	Total	175	100.00
Education	Undergraduate	14	8.00
	Graduate	42	24.00
	Post Graduate	119	68.00
	Total	175	100.00
Profession	Student	14	8.00

	Service Holder	58	33.10
	Business Person	67	38.30
	Professional	35	20.00
	Others	1	0.60
	Total	175	100.00
Service Length	Less than 1	6	3.40
	1-3	51	29.10
	4-6	59	33.70
	7-10	47	26.90
	More than 10	12	6.90
	Total	175	100.00

ASSESSMENT OF MEASUREMENT MODEL

Figure 1 is representing the output of measurement model. According to the rule of thumb proposed by Vinzi et al., (2010), outer loading should be 0.5 and above. On the criteria for the assessment of internal consistency reliability using composite reliability, Hair et al. (2016) suggest based on Nunnally and Bernstein (1994) that the composite reliability value should be greater than 0.70. In agreement with Nunnaly (1978), the value of Cronbach's alpha should be 0.70 or above. Cronbach's alpha of all the constructs of this study meets the criteria. Average Variance Extracted was used to evaluate the convergent validity based on Hair et al. (2016) and Fornell and Larcker (1981) criteria. As argued by Hair et al. (2016), convergent validity is obtained when the factor loading of all the items is higher than 0.5. The independent variables have satisfactory AVE values of 0.627, 0.604 and 0.549 respectively while the AVE value of dependent variable is 0.575 as shown in table II.

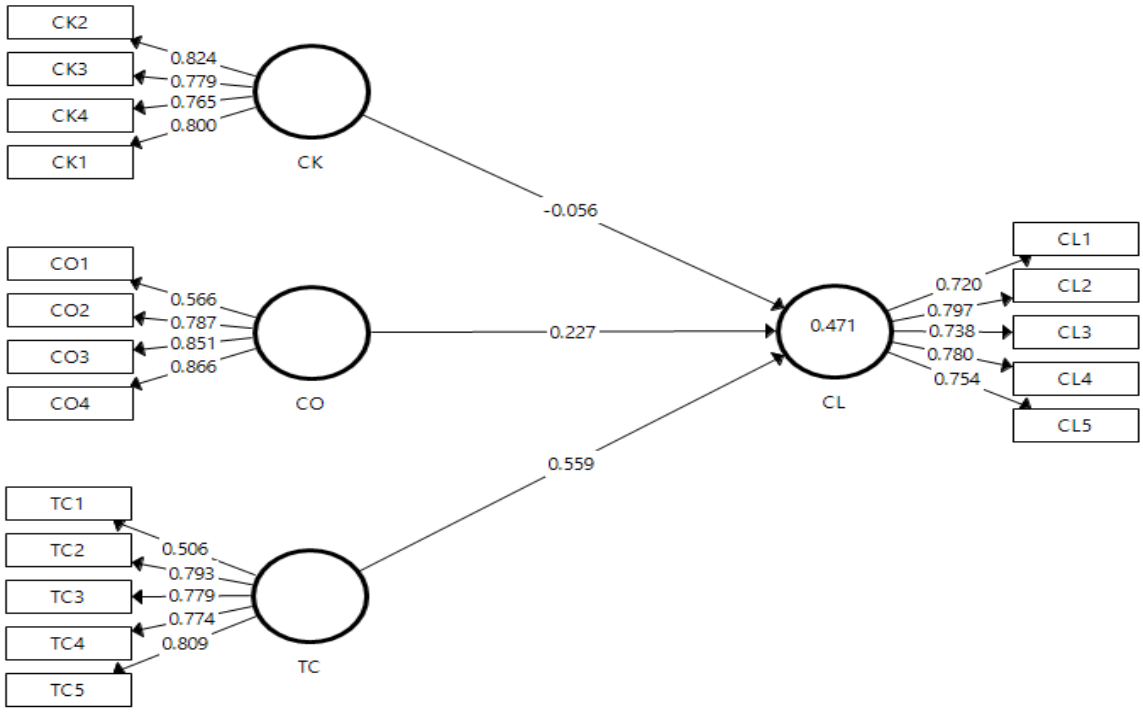

Fig. 2: Measurement Model

Table II: Assessment of Measurement Model

Construct	Items	Loadings	Cronbach's Alpha	Composite Reliability	AVE
Customer Knowledge	CK1	0.800	0.810	0.871	0.627
	CK2	0.824			
	CK3	0.779			
	CK4	0.765			
Customer Orientation	CO1	0.566	0.778	0.856	0.604
	CO2	0.787			
	CO3	0.851			
	CO4	0.866			
Technology Capability	TC1	0.506	0.791	0.856	0.549
	TC2	0.793			
	TC3	0.779			
	TC4	0.774			
	TC5	0.809			
Customer Loyalty	CL1	0.507	0.816	0.871	0.575
	CL2	0.795			
	CL3	0.752			
	CL4	0.791			
	CL5	0.764			

Table III: Fornell-Larcker Criterion

	CK	CL	CO	TC	AVE
CK	0.792				0.627
CL	0.313	0.758			0.575
CO	0.485	0.519	0.777		0.604
TC	0.462	0.663	0.571	0.741	0.549

Table IV: Cross Loading

Factors →	CK	CO	TC	CL
Items ↓				
CK1	0.800	0.374	0.396	0.259
CK2	0.824	0.461	0.442	0.304
CK3	0.779	0.360	0.352	0.236
CK4	0.765	0.280	0.155	0.120
CO1	0.208	0.566	0.201	0.267
CO2	0.379	0.787	0.348	0.278
CO3	0.375	0.851	0.519	0.467
CO4	0.491	0.866	0.585	0.513
TC1	0.287	0.313	0.506	0.267
TC2	0.322	0.425	0.793	0.511
TC3	0.392	0.451	0.779	0.471
TC4	0.301	0.493	0.774	0.498
TC5	0.409	0.430	0.809	0.624
CL1	0.187	0.350	0.438	0.720
CL2	0.309	0.409	0.582	0.797

CL3	0.154	0.398	0.546	0.738
CL4	0.179	0.395	0.377	0.780
CL5	0.336	0.410	0.526	0.754

The cross-loadings are the first approach to assess the discriminant validity of the indicators. Specifically, an indicator's outer loading on the associated construct should be greater than any of its cross-loadings (i.e., its correlation) on other constructs (Hair et al., 2016). Along with Chin's (1998) criterion, the outer loadings of a construct should be greater than the cross-loadings (i.e., all of its loadings on other constructs). The Fornell-Larcker criterion is the second approach and it compares the square root of the AVE values with the latent variable correlations. Specifically, the square root of each construct's AVE should be greater than its highest correlation with any other construct. These criteria are met as depicted in tables III and IV.

ASSESSMENT OF THE STRUCTURAL MODEL

HYPOTHESES TESTING

To attain the statistical T-values the PLS bootstrapping was run. SmartPLS 3.0 directly provides p-value where p-value was calculated based on 95 percent confidence interval, as it is acceptable social science research (Bickel, 2012; Cox & Hinley, 1979; Tacq & Tack, 1997). Figure 2 represents the structural model of the study. From the table V, it was found that customer knowledge (CK) does not have any positive impact on customer loyalty (CL) (t= 0.610; p= 0.542) and the first hypothesis (CK→CL) was not supported. The result of the second hypothesis (CO→CL) (t= 3.226; p=0.001) and third hypothesis (TC→CL) (t= 7.913; p=0.000) provide significant and positive relationship with customer loyalty.

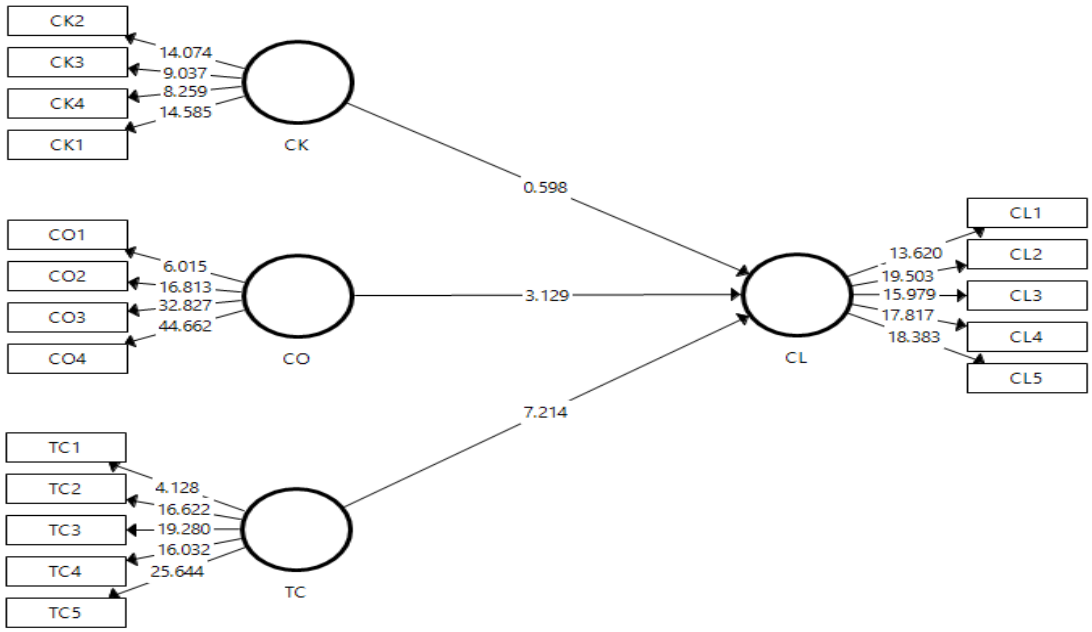

Fig. 3: Structural Model

Table V: Direct Effects with Customer Loyalty

H. Path	Path Co-eff.	Std. Dev	T-Value	P-Value	Decision
CK→CL	−0.056	0.091	0.610	0.542	Not Supported
CO→CL	0.227	0.070	3.226	0.001	Supported
TC→CL	0.559	0.071	7.913	0.000	Supported

Coefficient of Determination (R^2)

The coefficient of determination is a measure of the model's predictive power and is calculated as the squared correlation between a specific endogenous construct's actual and predicted values (Hair et al., 2016). The coefficient represents the exogenous latent variables' combined effects on the endogenous latent variable. That is, the coefficient represents the amount of variance in the endogenous constructs explained by all of the exogenous constructs linked to it (Rigdon, 2012; Sarstedt, Ringle, Henseler, & Hair, 2014). According to Falk and Miller (1992), (R^2) is deemed satisfactorily if it exceeds 1.5 percent. However, Cohen (1988) and Chin (1998) recommended three levels of structural model quality; substantial (0.26 and 0.67), moderate (0.13 and 0.33) and weak (0.02 and 0.19) respectively. A value of 47.1%, as per table VI, is substantial in terms of structural model quality.

Table VI: R Square (R^2), Effect Size (f^2) & Predictive Relevance (Q^2)

Endogenous Constructs	Exogenous Constructs	R^2	f^2	Q^2
CL	CK	0.471	0.004 (no effect)	0.233
	CO		0.060 (Small)	
	TC		0.371 (Large)	

Effect Size (f^2)

The effect sizes are evaluated as small (0.020), medium (0.150) or large (0.350) respectively according to Cohen (1988). Although, Chin et al. (2003) posited that even a small effect size should not be neglected, and arguing thus, "even a small interaction effect can be meaningful under extreme moderating conditions, if the resulting beta changes are meaningful, then it is important to take these conditions into account" (Chin et al., 2003). Thus, table VI demonstrated that according to Cohen (1988), technology capability has the large effect on customer loyalty with 0.371 while customer orientation has the small effect on customer loyalty with 0.060 and customer knowledge has almost no effect on customer loyalty.

Predictive Relevance (Q^2)

According to Hair et al. (2016), Q value is obtained by using the blindfolding to assess the parameter estimates and also assess how values are built around the model. The results were retrieved from the blindfolding output of PLS through the variable score out of which cross-validated redundancy extracted. This cross-validated redundancy,

analyze the capacity of the model to predict the endogenous variables and also explain the quality of the model. Moreover, blindfolding is done for the endogenous reflective latent variables in the model and it is evaluated as having predictive relevance if the Q^2 value for the endogenous latent construct is greater than 0 (Hair et al., 2016). According to table VI, the Q^2 value is 0.233, so there is evidence for predictive relevance among exogenous and endogenous constructs.

DISCUSSION AND CONCLUSIONS

The positive impact of customer knowledge on customer loyalty was found insignificant inconsistent with (Bhat & Darzi, 2016; Lin, Su & Chien, 2005; Bhat, Darzi & Parrey, 2018). This is because, in the context of Bangladesh, many banks are incompetent in using customer databases such that it yields customer loyalty. As determined by Dyer (1998), firms are not able to make the best use of customer database due to their infirmity in upgrading, qualifying and quantifying the customer data. Furthermore, 41.7% of the respondents revealed that banks provide services according to their business policy, but not in accordance with the customer's expectations. This could stem from the reason that banks have little knowledge about their customers and their respective needs. Consistent with previous studies, this research recognizes positive correlations between consumer orientation and customer loyalty (Alrubaiee & Nazer, 2010; Bhat & Darzi, 2016; Sampaio, Mogollon, & Rodrigues, 2019) and, technology capability and customer loyalty (Al-Dmour, Algharabat & Khawaja, 2019; Siddiqi, Khan & Sharna, 2018; Dubey & Sangle, 2018).

RESEARCH IMPLICATION

From a theoretical perspective and in the context of Bangladesh, this study addresses the research gap in the knowledge pool of present literature, where CRM is limited only as a technological outcome. The factors customer knowledge, customer orientation, and technology capability were synthesized to analyze its effect on customer loyalty. These factors provide insight into achieving a complete CRM success solution. This foundation development was based on studies from Bhat and Darzi (2016), Rapp *et al.,* (2010), Xu and Walton (2006), etc. Moreover, studies on the components of CRM that are customer-focused are quite limited; hence this gap is addressed by the present study to some extent. The study has systematically proposed an integrated model that can facilitate CRM implemented practices from a management perspective in Bangladesh banking sector.

On the other hand, though statistical evidence does not support the impact of customer knowledge on customer loyalty; the demographic characteristic of the data and the current situation in the context of Bangladesh justified the mysterious findings.

Therefore, the current study helps enrich our understanding of this aspect. In addition, the findings of the study can aid managers in communicating with new customers regarding their marketing services while withholding the old customers with new CRM initiatives. Besides, banks must continuously invest efforts in understanding the changing needs of its customers and tailor their services in accordance. Furthermore, banks should train their employees in creating and designing a customer database and making use of it in an efficient manner such that it leads to an increase in customer loyalty. This would also require the bank to simultaneously qualify and quantify the customer database.

LIMITATIONS AND SCOPE FOR THE FUTURE RESEARCH

The study is not devoid of limitations, which should be considered when evaluating and generalizing its conclusions. Firstly, the survey was done only in Chittagong. Also, the sample size was 175 which may not be representative of the whole population. Moreover, due to time constraints and lack of enough funding, data from the whole private banking sector of the country was not possible to collect. Next, the unwillingness of the respondents to cooperate while conducting the survey has also stemmed from a constraint for this study. The concept of CRM comprises many dimensions. However, the components considered in this study do not encompass the other issues related to the incorporation of CRM practices in a bank. Lastly, the convenience sampling method has been used in this study which may lead to biased results due to the under or over-representation of the population from various districts of Bangladesh. Also, further study can be done by collecting more sample size. Moreover, future research could be orientated in other national and cultural settings. As this study has entailed only three components (customer knowledge, customer orientation, and technology capability) of CRM, whereas there are many other components of CRM like complaint handling, customer empowerment, it can be incorporated. Future studies can be done using non-probability sampling and may consider the impact of other factors affecting customer loyalty.

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