

Exploring the impact of CRM strategies on customer loyalty: With special reference to state-owned commercial banks in Sri Lanka

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Abstract

CRM is aimed at building strong long term relationships that keep customers coming back repeatedly. It aims to help organizations building individual customer relationships in such a way that both the firm and the customer get the most out of the exchange, providing both parties to long term benefits. Hence, in this study, researchers attempted to investigate on "The impact of CRM strategies on customer loyalty in the context of state- owned commercial banks in Sri Lanka." Further, literature provides sufficient evidence to support the empirical gap existing in Sri Lankan context. The main objective of the study is to identify the influenced made by CRM strategies on customer brand loyalty and recommending strategies for state-owned commercial banks to develop loyal customer base. The five hypotheses were formulated to determine the relationship among key constructs. Survey method was used to gather primary data from 160 randomly selected customers of two state- owned commercial banks located in Colombo city limits. Reliability test was carried out and Cronbach's Alpha values of each construct was found that a good interring reliability exist with the data. The results indicated that there are positive relationships between CRM strategies and customer brand loyalty towards state- owned commercial banks in Sri Lanka. The results provide evidence to accept three hypotheses and reject two hypotheses. Finally researchers have emphasized some implications to bank marketers to develop their CRM strategies in competitive markets.