

Customer relationship management in bahrain investment banking arena

[Finance](#), [Banks](#)



The global financial crisis has had a huge impact on the international banking industry including financial institutions in Bahrain. Economic recession has influenced the quality of operations and productivity of banking institutions, which prompted the need to look for various means to resolve the situation. Since the finance industry, like any other service-oriented industry, primarily relies on its customers or end users for the continuity and development of operations, strategies or approaches to improve the industry's current conditions may be directed towards rebuilding or improving these institutions' relationship with customers.

In doing so, the banking industry will be able to capitalize on its primary asset, which is the customer, and rebuild the structure and operations of the industry to be more efficient and productive despite setbacks." The arguments of the service-profit chain proceed as follows: (i) profit and growth are stimulated primarily by customer loyalty; (ii) loyalty is a direct result of customer satisfaction; (iii) satisfaction is largely influenced by the value of services provided to customers; (iv) value is created by satisfied, loyal, and productive employees; (v) employee satisfaction results primarily from high-quality support services and policies that enable employees to deliver results to customers" (Harker & Zenios 2000: 15). Customer Relationship Management (CRM) is both a concept and practice in management that develops and oversees various strategies, approaches, policies, and practices that concern the customers. Thus, CRM will be an important tool in assisting banking institutions focus their efforts and resources in addressing the needs of their customers in order to raise the quality of services they provide and increase chances of success and

productivity. With this in mind, this literature review will focus on exploring CRM, including its definition, uses, results and outcomes, and overall contributions to the industry of banking, investment, or finance. Customer Relationship Management (CRM) Customer Relationship Management (CRM) may be defined in two ways: as a concept and as a practice.

CRM “ is a comprehensive approach for creating, maintaining, and expanding customer relationships” (Anderson & Kerr 2001: 2). From this definition, CRM is generally described as “ comprehensive” and “ an approach.” CRM, as a concept, is considered a comprehensive approach because it encompasses all areas and levels within the organization. CRM does not only focus on Human Resources Management for instance, or marketing and advertising, but it also influences the mission, vision, culture, and overall goals and objectives of the organization. (Anderson & Kerr 2001: 2-3) Furthermore, CRM as a concept is also an approach or “ way of thinking” by which the organization plans and implements strategies and techniques to foster desirable and productive customer relationships.

“ CRM involves a clear plan.... CRM strategy can actually serve as a benchmark for every other strategy” in the organization (Anderson & Kerr 2001: 3). On the other hand, CRM as a practice “ provides seamless integration of every area of business that touches the customer – namely marketing, sales, customer services and field support – through the integration of people, process and technology” (Calvert 2004: 151). Thus, CRM as a practice pertains to the actual implementation of customer-

centered strategies and integration of these strategies to all areas and levels within the organization.