# Customer Relationship Initiation Process and Marketing Effectiveness of Commercial Banks in Kenya

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## Abstract

*Despite the fact that Customer relationship initiation has been found to have an effect on marketing effectiveness in terms of relationship development, customer loyalty and customer retention, there is very little empirical research in this area. This study aims to bridge this gap. It is argued that companies generate better results when they manage their customers' base in a way that enables them identify, acquire, satisfy and retain profitable customers. The findings of this study show that there is a statistically significant relationship between relationship initiation and marketing effectiveness in terms of customer satisfaction, customer retention and the value of customers in Commercial Banks. The results also indicate that commercial banks in Kenya are proactive in identifying, recruiting and establishing relationship with potential customers, though the level of implementation was mainly to a moderate extent. Based on these findings, the study concludes that efficient implementation and management of relationship initiation sub processes, enhances marketing effectiveness.*

***Key words:*** *Customer Relationship Management, Relationship Initiation, Marketing Effectiveness, Customer Satisfaction, Customer Retention and Value of Customers.*

## 1. INTRODUCTION

Customer Relationship Management (CRM) has been viewed differently by different authors: As a Management philosophy Raab *et al.* (2008), as business processes Kotler *et al.* (2009); Reinartz *et al.* (2004), as a strategy Payne and Flow (2005) and as a capability (Zablah *et al*., 2004). This study considers CRM to be the overall process of establishing, building and maintaining profitable customer relationships by delivering superior customer value and satisfaction (Kotler and Armstrong, 2003; Yim *et al.*, 2005).

The process perspective of CRM acknowledges that, buyer-seller relationships develop over time characterized by a life cycle that evolves to maturity if well managed. Zablah, *et al.* (2004) argues that focus on the CRM process is likely to enhance the success of CRM. Reinartz *et al.*, (2004) conceptualized that the CRM process evolves with distinctive phases (initiation, maintenance and termination) and that the process is a longitudinal phenomenon. The goal of CRM therefore, is to manage the various stages of the relationship systematically and proactively as the relationship moves from initiation to maintenance and to the end termination. (Reinartz *et al.*, 2004) suggest that the continuous balance of CRM activities at each stage should be guided by the attempt to maximize the value of the relationship and thus should be associated with better overall company performance

Relationship Initiation encompasses all the activities that take place before or in the early stages of the relationship with potential customers. It is the formation stage of the CRM process that deals with decisions regarding initiation of relational activities for a firm, with respect to a specific group of customers and/or with individual customers with whom the firm wishes to engage in a collaborative or cooperative relationship (Rababah *et al.*, 2011). Despite the fact that studies such as Thomas (2001) have shown that customer relationship initiation has an effect on relationship development, customer loyalty and customer retention, there is very little empirical research in this area.

Muro (2011) demonstrated that banks in Kenya use CRM to attract and recruit new customers, monitor customer accounts, better handle customer data and complaints, create rapport with customers, increase the effectiveness of customer service, understand customer needs and expectations, identify their key customers and tailor products and services to meet customer needs and expectations.

Liberalization, increasing number of new entrants, massive expansion and changing customers needs have intensified competition among commercial Banks in Kenya. Despite the high adoption rate of CRM by the banks as shown by studies by Muro (2011); Mutua (2011); Thuo *et al.* (2007), banks continue to experience high customer churning to new entrants and to micro finance institutions. This has prompted the need for the commercial banks to differentiate their services, expand their customer base and increase customer value using CRM so that customers who provide them with most profits are attracted and retained (Mutua, 2011). Buttel (2010) argues that companies generate better results when they manage their customers' base in a way that helps identify, acquire, satisfy and retain profitable customers. The goal of CRM at the initiation stage is to identify and recruit customers that have profit potential or are important for strategic purposes. It is argued that the larger the customer base, the more effective marketing becomes and ultimately, firm performance.

Other studies on CRM and banking done in Kenya have not focused on relationship process management and more so, the initiation process. Muro, (2011) studied CRM systems among commercial banks in Kenya and found that 77.5% were using CRM systems. Mwangi, (2013) focused on the effect of CRM in achieving competitive advantage and found that CRM is a major source of competitive advantage for Kenyan banks. Chege, (2013) studied CRM strategies and competitive advantage, the study concluded that majority of Kenyan banks are implementing CRM strategies and that in a majority of these banks the strategies have partially worked. The study therefore sought to establish the extent to which CRM initiation process influences marketing effectiveness in terms of value of customers, customer satisfaction and customer retention. The paper is structured as follows; first is literature review on CRM, CRM process and CRM initiation, second is methodology, third are the findings and finally, based on the reviewed literature and the findings of the current study, implication of the study are given and suggestions for further research.

## 2. LITERATURE REVIEW

### *2.1 Relationship Initiation*

Customer relationship initiation has been found to have an effect on relationship development and customer loyalty, though companies often ignore the long term profitability that makes the initial acquisition cost worth the expenditure (Richard and Jones, 2008). Relationship Initiation is the formation process of the CRM process that involves all the activities that take place before or in the early stages of the relationship with potential customers (Rababah *et al.,* 2011). In the formation process, three important decision areas exist which include identifying potential customers, evaluating and selecting prospective customers and selecting the relational activates to engage in and recruiting new customers (Sheth, *et al*, 2009). CRM initiation process focuses more on how to establish relationships with the 'right' type of customers that can have substantial positive impact on marketing effectiveness and ultimately corporate profitability. It is suggested that customer selection may be a critical element in this competitive strategy (Morgan and Hunt, 1994; Zablah *et al.,* 2004).

#### 2.1.1 Identifying Potential Customers

To initiate relationships, organizations need to identify and attract potential customers. The starting point for searching for potential customers is identifying anyone who can conceivably buy the product (suspect).This can be done through: Advertisements, direct mail, phone calls, interviews, sales people, other customers, suppliers, employees, referrals, websites and trade shows. Richard and Jones (2008) demonstrated that improved customer targeting capabilities are positively related to value equity in the initiation stage. The study found that marketing effectiveness is improved by targeting customers who are more likely to find the firm's products and services attractive. Once the suspects have been identified they are then evaluated to qualify them as prospects (Egan 2011; Kotler and Keller, 2006). It is the prospects that the company then turns into customers then into repeat customers, then into clients and then into members. These members can eventually be turned into advocates and partners (Kotler and Keller, 2006). Alawari (2012) found a positive relationship between customer attraction and customer acquisition, with a 6.3% variation in customer acquisition being explained by customer attraction. The study also reported a positive relationship between customer relationship and customer acquisition.

Verhoef (2003) demonstrated that customer recruitment channels have differentiated effects on customer relationship behavior. The study found that direct mails lead to a lower retention rate than other channels and that mass media attracted more loyal customers. Websites were found to have positive effect on customer retention. The fact that website presents the customer with more detailed information, they are therefore able to create a lock-in effect that leads to customer satisfaction (Verhoef, 2003). Lewis (2006) reported that acquisition discount depth is negatively related to repeat-buying rates and customer asset value. Specifically, the study revealed that 35% acquisition discount results in customers with about one-half the long-term value of non-promotionally acquired customers. This means therefore, that customers attracted and recruited through discounts have a lower probability of repurchase. It is however argued that the effect of the acquisition channel holds only during the 1st year of the relationship, in the second year, customer experience with the firm becomes more important (Verhoef, 2003).

### 2.1.1 Evaluating and selecting Prospective

Evaluating prospects involves selecting which market and which cluster of customers or individual customers will be worth approaching (Buttel, 2010). According to Egan (2011) all prospective customers do not have equal potential and chances of recruitment. It is argued that customer who are highly committed to their current supplier, have very high termination cost and therefore, might not be the best targets for a firm. Buttel (2010) suggests that, in estimating prospects value companies should seek to answer the following questions: What is the estimated value of the customer? If the customer switches from their current supplier what proportion of customer spending will the company earn? What is probability that the customer will switch from current supplier? A customer that shows a higher potential contribution is a better prospect; customers who are not committed are more likely to switch to another provider. As a rule, it is suggested that, a prospect should be converted to customer status only when the potential life-time value, exceed the costs of that customer's acquisition (Blattberg *et al.* 2001) as cited in Ang and Buttel, (2004). Makau (2011) in a study on Kenyan banks found that most banks had a marketing mix for identifying and targeting the 'right' customers and would use customer information to develop new markets. The study also revealed that banks were able to categorize their potential customers and use differentiated communication channels to communicate with potential customers.

### 2.1.3 Customer Acquisition

Customer acquisition is important to all companies even where customer retention is justified as the core marketing strategy, it has been observed that 25% or more of customers may need replacing annually (Hanan, 2003; Buttle, 2004). According to Buttel, (2010) there are three decisions to be made in customer acquisition: Which prospects to target, how to communicate with them and what to offer them. Buttel argues that customer acquisition programs could produce the effect of a high customer defection rate, simply because new customers are more likely to defect than the existing customers.

Verhoef (2003) found that acquisition tactics of customers, affects customer behavior within the relationship. The study reported that customers acquired through very attractive pricing offers are inclined to defect when they receive attractive offers from the competitors. Consistently, Wang *et al.* (1995) found that customer acquisition determines the lifetime value of the customer while Thomas *et al.* (2001) demonstrated that acquisition channel affect customer retention process.

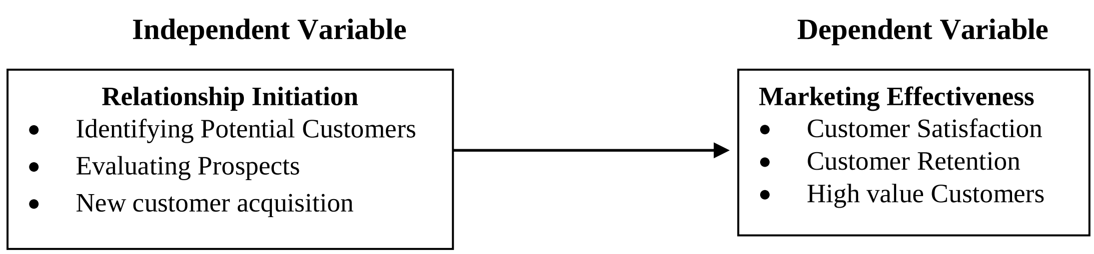
Another important aspect of customer acquisition is documentation of procedures, plans and processes of acquiring new customers. A study by Ang and Buttel (2004) found that less than (47%) of the sample studied had an explicit, documented customer acquisition plan. Only a third of the sample (34%) assigned a specific budget to customer acquisition activities. 74% of the companies had appointed a specific person or group to be responsible for customer acquisition activities, but only 38% of these were sufficiently aware of customer acquisition costs to be able to estimate customer profitability. Only 42% had conducted tests or experiments in the past 12 months to find more cost-effective ways of gaining new customers. Buttel (2010) notes that the final choice of prospect to approach should depend on the estimated value of the customer over a period of time, the proportion of customer spending the company is likely to earn and the probability that the customer will switch from the current supplier. He argues that poorly targeted acquisition efforts waste marketing budget. Kobi and Doku (2010) reported that CRM initiation implementation has the capacity to improve customer acquisition and customer satisfaction. It was therefore, conceptualized that relationship initiation sub-process positively influenced marketing effectiveness in terms of customer value, customer satisfaction and consequently customer retention

*2.2 Effect of CRM on Marketing Effectiveness*

As more firms practice CRM, the question of how to evaluate its performance remains a significant challenge, and there is a strong tendency for research to emphasize on one dimension of CRM performance while ignoring others, which makes it much more difficult for managers to make a deep understanding of the practical implications of different performance measures (Yang *et al*., 2004). Studies done previously on CRM have used different measures of CRM which include performance Ryals, (2005), retention Mutua (2011) , Reinartz *et al.*, (2004) use economic performance, Mithas *et al*., (2005) use customer satisfaction, Jayachandaran *et al.*,(2005) use a combination of retention and satisfaction while Mwangi, (2013) uses satisfaction. This study uses customer satisfaction, Customer retention and value of customers.

Boulding *et al.* (2005); Reinartz *et al*. (2004) in their studies, found that CRM initiatives have differential effects depending on the level at which they are implemented and that effectiveness of CRM is different at the different stages of the CRM process. The strongest effect was found to be at the maintenance stage followed by the initiation stage. At the termination stage CRM effectiveness was found to be low or insignificant. The studies also found that CRM initiation enhance organizational competitiveness. Thomas (2001) asserted that customer acquisition affects the customer retention process and that relationship initiation has a significant positive effect on marketing effectiveness. Kubi and Doku, (2010) noted that implementation of CRM initiation has the capacity to improve organizational performance in customer acquisition.

*2.4 Conceptual Framework*




## 3. METHODOLOGY

The study employed cross-sectional explanatory research design where the researcher sought to examine and explain the relationship between CRM initiation and Marketing Effectiveness (Cohen and Manion, 1994; Saunders, Lewis and Thornhill, 2009).The study was conducted in Nairobi City County, Kenya focusing on the customers of the 43 commercial banks in Kenya with deposit accounts. The study considered customers whose accounts were domicile in branches within Nairobi City County. This comprised about 8% of the total banking population which as at December 2013 was about 21.796 million. The target population for this study was therefore about 1,600,000 customers.

Multi-Stage sampling method was used to enable get an optimum sample of the banks and of the customers. At stage one; the banks were categorized into Large, Medium and Small as per Bank supervision report (2013) peer grouping by the Central Bank of Kenya. The recommended minimum sample size of 30 was used to obtain a proportionate stratified sample from each stratum of the banks (Hogg and Tannis, 2014). A sample of 4 large, 11 medium and 15 small size banks was considered. At stage two, proportional stratified random sampling was used to consider the number of customers to be sampled from each cluster of the banks. The sample strata were calculated on the basis of the banks category market share as given in the supervisory report (2013). This helped to ensure all the customers and the banks had an equal chance of inclusion (Luke and Rubin, 2008). A total of 202 customers were targeted from the large banks, 151 customers from medium size banks and 31 from the small banks, making a total of 385. At stage 3, Stratified random sampling was used to select the 30 banks and the 385 customers. In addition, purposive sampling was used to pick on either the Marketing or the Customer Care manager from each of the selected banks. A total of 30 Managers were targeted but only 13 were willing to be interviewed. The interview data was used for validation of the customer responses (Copper and Schindler, 2006).

Cronbach's Alpha (α) was used to determine the reliability of the instrument based on internal consistency. A computed alpha coefficient of above 0.70 was adopted for this study as recommended by Sekaran and Bougie, (2009); Nunnaly, (1978). Both face and content validity of the questionnaire were tested through logic where a logical link between the questions and the objectives of the study was sought (Fraenkel and Wallen, 2006). A pilot study of 30 respondents was carried out to help test the reliability and the suitability of the questionnaire. The questionnaire was also given to a CRM expert who through his expertise was able to judge the validity of the instrument. The recommendations made were then incorporated in the questionnaire before its administration. The researcher also put into consideration the views of those who had participated in the pilot study.

*3.1 Data collection procedure*

The study made use of a structured questionnaire with both open ended and close ended questions to collect primary data from the customers. The questionnaires were administered in the banking hall as the customers waited to be served. The customers were requested to complete the questionnaires on the sport. This helped to increase the response rate. In addition, an interview schedule was used to collect primary data from Management.

Relationship initiation was measured using five sub-processes of relationship initiation process indicated in table 1 in the appendix. The rating of the items was done using a five point Likert Scale. Where 1 was strongly disagree, 2 was disagree, 3 was neutral, 4 was agree and five was strongly agree.

## 4. PRESENTATION AND DISCUSSION OF FINDINGS

A total of 530 questionnaires were distributed to the respondents out of which 390 were completed and returned. 5 questionnaires were rejected due to inconsistencies and incompletion. The questionnaires that were used for the analysis were therefore 385 accounting for a 72.6% response rate. The returned questionnaires were distributed as follows; 225 for large banks, 144 for medium size banks and 31 for the small banks. This shows a good representation of all the three categories of banks.

With regard to gender, 56.1% of the respondents were male while 43% were female indicating that more men than women were accessing banking services in Kenya. This was attributed to the traditional marginalization of the girl child. On highest education levels acquired, 49.1% had acquired a Bachelors degree, 16.4% had post graduate qualification while the remaining 34.5% had diploma and below. Asked whether they had ever switched banks, 56.1% of the respondents reported to have switched banks, out of which 60% had switched at least twice. Only 43.9% of the respondents had stuck to their first choice of bank. This was a confirmation that customer churning was very rampant among the commercial banks.

*4.1 Descriptive Analysis*

The study sought to establish the extent to which Commercial Banks in Kenya actively initiated relationships with potential customers. Kubi and Doku (2010) argue that CRM implementation has the capacity to improve organizational performance in areas such as customer acquisition, retention and customer development. The measurement was done using five sub-processes of relationship initiation indicated in Table 1. Descriptive statistics on the extent of CRM initiation implementation show that cumulatively, 84.9% of the respondents agreed that their banks advertise their products and services to enhance the search for new customers. A total of 69.7% of the respondent agreed that their banks had an efficient system of recruiting new customers, 72.6% agreed that their banks used multiple channel of marketing to reach the “right” potential customers, while 72.2% agreed that their banks have effective communication systems that helped attract new customers.

The standard deviations on advertising, whether banks had effective systems for recruiting new customers, use of sales persons and use of multiple channel of communication were 4.164(0.942), 3.829 (0.947), 3.867 (1.1012) and 3.891(0.969) respectively. This indicates that a majority of the banks had implemented relationship initiation processes to a favourable extent. The results imply that most respondents agreed that their banks were keen on advertising their products and actively searched for and initiated relationships with new customers. The findings are consistent with those of Makau (2011) that majority of banks in Kenya had a specified marketing mix for identifying, targeting and recruiting potential customers and that they used different channels of communication to obtain new customers. The findings are validated by the interview information collected from the managers that most banks had put in place proactive processes and activities of attracting new customers such as big sales team, advertising, branding, call centers, Public Relations activities, targeted marketing communications and bundled offers. Thomas (2001) demonstrated that customer relationship initiation has an effect on relationship development, customer loyalty and customer retention. The study deduces that this favorable implementation of CRM initiation by the commercial banks had a positive influence on marketing effectiveness reported in this study.

A relatively low rating was observed on whether banks exploited their potential for recruitment with a mean of 3.591; the results indicate a moderate agreement. This demonstrates that the amount of advertising done, did not translate proportionally to new recruitments. Further analysis on customer expectations during their first encounter with the bank using an open ended question revealed that, customer expect to be given sufficient information on all available products and services, to be treated with courtesy, to be given fast services, fair charges, flexibility, professionalism, honesty, hospitability and individualized attention. The study infers therefore, that if banks adhered to the identified customers’ expectations, they may be able to increase their recruitment rates.

*4.2 Descriptive analysis on marketing effectiveness*

To measure marketing effectiveness the dependent variable, three indicators were used for the study customer satisfaction, customer retention and value of customers. Table 2 shows the descriptive analysis results for the three sub variables. With means ranging between 3.601 and 3.953 and standard deviation ranging between 0.811 and 0.976 the results indicate that the respondents were moderately satisfied with the services they were receiving from their banks. These results were validated by information collected from management interviews with a majority reporting to have achieved up to 80% customer satisfaction. The findings are consistent with those of Mutua, (2011) that commercial banks in Kenya had embraced customer satisfaction practices to a large extent. However, there was an indication that some banks did not meet the expectations of the customers as far as quality is concerned with only 55.0% of the respondents agreeing with the statement that their banks always delivered superior quality of services. The findings are supported by Mwangi, (2010) that, there is a general need to improve service quality in Kenyan banking sector. Mithas *et al.* (2005); Payne and Flow, (2005) reported a positive relationship between CRM and customer satisfaction. The researcher infers therefore that that the favourable levels of CRM implementation resulted to the considerable levels of satisfaction.

Customer retention was also favorably rated with means ranging between 3.659 and 3.865 standard deviation ranging between 0.905 and 1.037. The results indicate that retention rate was significantly high for majority of the banks and that most banks were committed to customer retention management. The findings disagree with those of Ang and Buttel, (2006) that companies are generally not very advanced in customer retention management and that most companies are not giving retention the attention it deserves. On the other hand, the findings agree with those of Payne and Flow, (2005) that, there is a significant relationship between CRM and customer retention. Their study found that significant customer retention had been achieved in 36% of the companies that the study considered. This implies that the more firms implemented CRM the higher the retention rate hence increasing the effectiveness of marketing.

The study also sought to establish whether banks succeeded in maintaining relationships with high value customers. With means ranging between 3.853 and 3.986 and standard deviations from 0.809 and 0.967 the results indicate that a majority of the banks were able to retain valuable customers. This implies that the implementation of CRM initiation contributed positively to the value of customer and consequently to marketing

The correlation results on Table 3 indicate that CRM initiation, positively affects marketing effectiveness ($r$ (385)0.444; $p < 0.001$).

*4.3 Regression Analysis*

The study sought to determine the extent to which relationship initiation influenced marketing effectiveness. From the objective it was hypothesized that there is no significant relationship between CRM initiation and marketing effectiveness. To determine the relationship, the model $ME = \beta_0 + \beta_1 RI + \varepsilon$ was fitted. The regression results were as shown in Table 4. The results reveal that the relationship between initiation and marketing effectiveness was significant ($F$ (1, 383) = 94.055, $p < 0.001$). With $R^2 = 0.197$, the model indicates that about 20% variation in marketing effectiveness is explained by relationship initiation. However the model failed to explain 80% of the variation, meaning that there are other factors associated with marketing effectiveness which were not explained by the model. The model equation is therefore, $ME = 2.129 + 0.433RI + \varepsilon$. Where, ME is marketing effectiveness and RI is relationship initiation. The results also show that β was significant ($\beta = 0.433$, $t = 9.698$, $p < 0.001$) indicating that, for one unit increase in effective management of relationship initiation, marketing effectiveness increases by 0.433units. Since p-value < 0.05, the null hypothesis was rejected. The study concluded that there is a statistically significant relationship between relationship initiation and marketing effectiveness. This implies therefore, that, the more banks efficiently implement and manage the CRM sub-processes at the relationship initiation phase, the more effective marketing becomes. The findings agree with those of Reinartz et al. (2004); Thomas (2001) that there is a statistically significant positive relationship between the CRM initiation and Marketing effectiveness.

*5. Conclusion and implications*

The objective of the study was to establish the relationship between CRM initiation and marketing effectiveness. The study found that CRM initiation was positively associated with marketing effectiveness in terms of customer satisfaction, customer retention and value of customers. The findings also show that banks in Kenya made some deliberate efforts to identify and recruit customer using multiple channels. The findings imply that the more efficiently banks implement and manage the relationship initiation sub-processes, the more effective marketing becomes. This study adds to the body of knowledge, empirical evidence on the association between relation initiation and marketing effectiveness. The study recommends that bank Management should do selective recruitment of customers to ensure that they initiate relationships with value adding customers whose life time value exceeds the cost of acquisition. The study also recommends the use of targeted communications by marketing managers and channel selection with regard to suitability of the channel to the targeted customers, so as to enhance the recruitment process. Bank managers should also demonstrate commitment to relationship initiation initiatives in terms of resource allocation, policies, culture and structures.

*5.1 Limitations and recommendations for future research.*

The findings of the current study indicate positive relationship between customer relationship initiation process and marketing effectiveness. However the findings are limited to the commercial banks. A similar study may be carried out in other sectors such as mobile telephony and insurance to establish if the findings will be reflected.

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***APPENDIX***

***Table 1: Responses on Relationship Initiation***

| **Statement** | **Strongly disagree** | **Disagree** | **Neutral** | **agree** | **Strongly agree** | **mean** | **Standard deviation** |
|---|---|---|---|---|---|---|---|
| 1. My bank advertises its products and services to enhance the search for new customers. | 3.1 | 3.4 | 8.6 | 43.9 | 41.0 | 4.164 | 0.942 |
| 2. My bank has an efficient system of recruiting new customers. | 2.6 | 5.7 | 22.1 | 45.5 | 24.2 | 3.829 | 0.947 |
| 3.My bank uses sales people and other channel to target the right potential customers | 3.1 | 7.8 | 16.4 | 44.5 | 28.1 | 3.867 | 1.012 |
| 4. My bank has an effective communication system that helps attract new customers. | 3.1 | 4.7 | 20.1 | 44.3 | 27.9 | 3.891 | 0.969 |
| 5. In my opinion, my bank exploits its potential for customer acquisition. | 6.6 | 9.2 | 24.4 | 38.3 | 21.5 | 3.591 | 1.119 |

n = 385, Cronbach alpha = 0.779

***Table 2: Responses on Marketing Effectiveness***

| **Statement** | **Strongly disagree** | **Disagree** | **Neutral** | **agree** | **Strongly agree** | **Mean** | **Standard deviation** |
|---|---|---|---|---|---|---|---|
| **Customer Satisfaction** | | | | | | | |
| 1.Am happy doing business with my bank | 1.3 | 3.6 | 16.6 | 55.3 | 23.1 | 3.953 | 0.811 |
| 2.Am satisfied with the services I get from my bank | 1.0 | 6.5 | 17.4 | 55.3 | 19.7 | 3.862 | 0.841 |
| 3.Am comfortable with my relationship with the bank | 2.1 | 7.0 | 20.3 | 53.0 | 17.7 | 3.774 | 0.892 |
| 4.My bank always delivers superior services | 2.0 | 7.7 | 34.7 | 38.4 | 16.6 | 3.607 | 0.924 |
| **Customer Retention** | | | | | | | |
| 5. Am willing to maintain my relationship with the bank for the next five years. | 2.6 | 7.0 | 18.5 | 45.1 | 26.8 | 3.865 | 0.976 |
| 6. I don't intend to switch from my bank in the near future. | | | | | | | |
| 7. The services I get encourage to me continue banking with my bank. | 3.6 | 9.6 | 24.0 | 40.6 | 22.1 | 3.680 | 1.037 |
| 8. My bank gives me value for money. | 2.9 | 6.0 | 8.4 | 25.7 | 21.6 | 3.771 | 0.967 |
| **Value of Customers** | | | | | | | |
| 9. I can always open another account with my bank if need be. | 3.1 | 8.4 | 25.7 | 45.3 | 17.5 | 3.657 | 0.967 |
| 10.I can always recommend my bank to my friends and family | 2.1 | 6.8 | 16.2 | 53.4 | 21.5 | 3.853 | 0.905 |
| 11. Generally am happy with the services I get from the bank. | 1.3 | 5.5 | 16.7 | 56.5 | 20.1 | 3.885 | 0.832 |
| 12. I transact frequently with my bank. | 0.8 | 6.0 | 17.2 | 57.3 | 18.8 | 3.872 | 0.809 |
| | 1.3 | 5.5 | 15.7 | 56.1 | 21.4 | 3.986 | 0.837 |

n=385, Cronbach Alpha = 0.946

**Table 3: Correlation between Relationship Initiation and Marketing effectiveness**

| | | Marketing Effectiveness | Relationship Initiation |
|---|---|---|---|
| **Marketing Effectiveness** | Pearson Correlation | 1 | 444** |
| | Sig. (2-tailed) | | .000 |
| | N | 385 | 385 |
| **Relationship Initiation** | Pearson Correlation | .444** | 1 |
| | Sig. (2-tailed) | .000 | |
| | **N** | **385** | **385** |

**** Correlation is significant at the 0.01 level (2-tailed).**

***Table 4: Regression results for Relationship Initiation and Marketing Effectiveness***

| | | | | | | |
|---|---|---|---|---|---|---|
| **Model Summary** | | | | | | |
| Model | R | $R^2$ | Adj. $R^2$ | Std. Error | | |
| 1 | .444a | 0.197 | 0.195 | 0.63752 | | |
| **ANOVA b** | | | | | | |
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 38.227 | 1 | 38.227 | 94.055 | < 0.001a |
| | Residual | 155.663 | 383 | 0.406 | | |
| | Total | 193.89 | 384 | | | |
| **Coefficients a** | | | | | | |
| Model | | Unstand. Coefficients | | Stand.Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | Constant) | 2.129 | 0.176 | | 12.108 | < 0.001 |
| | Initiation | 0.433 | 0.045 | 0.444 | 9.698 | < 0.001 |

a) Predictors(c) CRM Initiation

b) Dependent variable – Marketing Effectiveness