

Effects of Strategic Customer Relationship Management on the Growth of Commercial  
Banks in Kenya: A Case of Kenya Commercial Bank

by

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EFFECTS OF STRATEGIC CUSTOMER RELATIONSHIP MANAGEMENT ON THE  
GROWTH OF COMMERCIAL BANKS IN KENYA: A CASE OF KENYA  
COMMERCIAL BANK

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In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of the requirements for the Master of Business Administration degree.

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I declare that this is my original work and has not been submitted to any other university  
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## LIST OF ABBREVIATIONS

ATM – Automatic Teller Machine

CBK – Central Bank of Kenya

CRM – Customer Relationship Management

KBA – Kenya Bankers Association

KCB – Kenya Commercial Bank

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## ABSTRACT

Implementing customer relationship management is critical to the growth and future success of firms thus, this paper looks at the effect of strategic customer relationship management on the growth of commercial banks in Kenya with a focus on Kenya Commercial Bank. The objectives guiding the research were to outline the adoption of customer relationship management, to identify the effect of strategic customer relationship management on the growth of the bank and to identify the challenges faced in implementing strategic customer relationship management. The study was done on the employees of Kenya Commercial Bank at the headquarters. The study utilized three theories to inform its dependent and independent variables; value discipline model, justice theory, and relationship marketing theory. The study was undertaken on 90 employees. This represented 11.3% of the target population who were purposively sampled from each of the departments in the organization. The key findings obtained from the study were that KCB adopted customer relationship management as agreed by 47.6% of the respondents, customer relationship management at KCB improved growth, profitability and stakeholders value as agreed by 36.6%, 29.3% and 31.7% of the respondents and the challenges affecting customer relationship management at KCB were cost of operations, delay in loans that affects operations management as agreed by 54.9% and 40.2% of the respondents. The study recommendations were to adopt more strategic customer relationship management practices, to

improve service quality by implementing market segmentation strategy and to set up a proper communication framework to manage the challenges that arise in the implementation of strategic CRM.

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