

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

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KNUST SCHOOL OF BUSINESS

KNUST

THE IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) ON
CUSTOMER SATISFACTION AND LOYALTY: A STUDY OF DIVINE LOVE
HOSPITAL, BIBIANI - WESTERN REGION

BY

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CERTIFICATION

I hereby declare that this submission is my own work toward an award of MBA and to the best of my knowledge it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the university except where due acknowledgement has been made in the text.

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ABSTRACT

Customers are the lifeline of every profit-making business and satisfied customers are a business's surety to remain and thrive. Any effort to so manage a business organisation's customers in the hope of maintaining a longer-lasting business-to-customer relationship is worth supporting by its management. It is in this regard that the Management of Divine Love Hospital thought it prudent to keep and maintain an on-going relationship with its client/customer base. This necessitated the study to assess the impact of customer relationship management on customer retention and loyalty at the said Hospital. Two hundred and thirty (230) comprising both out-patients and admitted cases, patients' relatives as well as staff/management of the Hospital were used using random sampling and purposive sampling procedures for the study. On the impact of customer relationship management on customer satisfaction, it was discovered from the study that, employee behaviour, application of technology, and quality service (all components of CRM) has significant positive impact on customer satisfaction. Using customer loyalty as the dependent variable, the study found that customer loyalty is significantly influenced by customer relationship management. The result shows that behaviour of employees has the most significant impact on customer loyalty, indicating the need for the hospital to train its workforce to improve interaction with customers.

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To God be the glory.

DEDICATION

To my Son

Kwame Akrasi Mensah



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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Relationship advertising is quickly developing to turn into one of the main regimens orders of effective management strategy today. It affects society ordinary in heap of ways – making new items and administrations; helping organisations comprehend what individuals need and want; helping people discover products and services that address the issues and needs of their clients; conveying data that make individuals' lives more productive and in addition making trades that create vocation and riches. To win clients and urge them to stay steadfast or repurchase the product or service, most organizations have depended on meeting and fulfilling client needs by not being just responsive but rather proactive. They are likewise intrigued by discovering new ways to satisfy the client. Nature of administration and consumer loyalty is a basic component for the achievement of any business (Parasuraman et al., 1988). This drums home the need to establish and keep up solid continuous relationship with a business's customer. Such relationship can lead to fostering loyalty with the few from among the rest, whose repeat transactions with the business contribute genuinely to the productivity of the business entity. The goal of relationship promoting is to make strong, even enthusiastic, customer relationship with a brand that can provoke persistent business, free verbal headway (informal) and information from customers that can make drives. Today, relationship marketing includes making simple two-path correspondence in the middle of clients and the business, following customer activities and giving custom-made product/service to clients in light of those activities. This is the place CRM – marketing automation software – can manufacture and bolster a computer-based client information administration system by making it less demanding to record, track and follow up on client data to the organisation's

benefit. "CRM or Customer Relationship Management is the industry term for the set of methodologies and tools that help enterprise manage its customer relationships in an organised way." (Strategic Management site, 2005) Social CRM apparatuses go further by serving to augment relationship marketing into the online networking circle, permitting organizations to all the more effectively screen and react to client issues on social networking channels, which thus aides keep up a superior brand image.

CRM helps organizations comprehend client needs, deal with these connections all the more insightfully and help foresee what's to come. Such information gives an essential aggressive differentiation as business organisations endeavour to increase their market share whilst all the same attempting to reduce operational costs by holding on to their more productive clients. Further reading showed limited revision of literature on CRM in Ghana. This study is, along these lines, an attempt to upgrade and add to data in CRM operations in Ghana particularly, how CRM sways on customer retention and also on an organisation's financial performance in the healthcare industry.

1.2 Statement of the Problem

Research studies have demonstrated that holding ebb and flow clients is substantially less lavish than pulling in new ones. Companies now understand that so as to create effective long haul association with clients, they ought to concentrate on the "economically invaluable" client, while wiping out the "economically unproductive" ones. Productive CRM practice can conceivably affect consumer loyalty rating and can possibly prompt expanded client devotion, consequently expanding customer retention.

Divine Love Hospital is a privately owned medical facility located in Bibiani in the Western Region of Ghana. The Hospital operates a 24/7 open-to-public healthcare services

amidst a silent competition with four other healthcare providers in the Bibiani township alone. It employs a 120-man clinical and administrative staff. Its customer database runs a monthly average of thirteen thousand patients both at the out-patients and detained/admitted cases. The clientele base has been tiered into three categories of patients comprising those on National Health Insurance Scheme, Private Insurance and Cash & Carry Customers. With competition mounting, Management considers service differentiation a healthier alternative to robust advertising which is even frowned upon by the health service regulation bodies. Customer relationship management is a key resource of an association. In such manner, the Hospital's Management's settled on introducing CRM to deal with its client database as a method for reinforcing the effectively positive affinity that exists between the facility and its clients with an end goal to increase their return rate. Along these lines the exploration issue is surveying the effect of Customer Relationship Management on Customer Loyalty and Retention; A Study of Divine Love Hospital, Ltd.

1.3. Objectives of the Study

The general objective of the study is to investigate the effect of CRM on customer retention.

The specific objectives of the study are:

- a) To analyse the effect of CRM on customer satisfaction.
- b) To analyse the effect of CRM on customer loyalty.
- c) To examine the strategies employed by Divine Love Hospital to improve customer loyalty and retention.

1.4. Research Questions

The research questions for the study are:

- a) What is the relationship between CRM and customer satisfaction at Divine Love Hospital?
- b) What is the relationship between CRM and customer loyalty at Divine Love Hospital?
- c) What are the methods utilized by Divine Love Hospital to improve customer loyalty and loyalty?

1.5. Importance of the Study

Patients who seek healthcare services and healing are a people in need of care that goes beyond only medicinal but emotional as well. Medical practitioners know as part of the ethic of the profession to be mindful of such inherent needs of their patients and deliver accordingly. But as a hospital runs as a business among competing forces, there comes an organisational need to manage its customers to their expectation or better still exceed it in the hope of creating long-term loyalty and mutual satisfaction.

This study seeks to come out with a thorough assessment of using computer based technology to augment customer relations, offer useful suggestions and recommendations based on responses from respondents – both from among the hospital staff and high-end users of the hospital's facilities. This will benefit the hospital administration to proactively better manage customer data in fulfilling its obligation as healthcare provider. It is hoped that, after this study, Directors of the hospital shall be better informed in planning ways and developing other strategies to meet the needs and wants of the very patients who seek

healthcare from their facility. Again, the results of this research shall provide and serve as a source of information or data for future researchers.

1.6. The Scope of the Study

The extent of this study is Divine Love Hospital, a privately-owned medical facility situated in the Western Region of Ghana. The hospital was chosen because the researcher works in the facility and therefore has access to information that will help in the smooth conduct of the study. The study would require respondents from among the entire patient-database who access health service delivery from the hospital. Questionnaires and interviews shall be used to obtain data and information from hospital staff and patients on NHIS.

1.7. Limitations of the Study

The study was done in one association and so far as that is concerned the discoveries of the study couldn't be summed up as the case relating to all private/open healing facilities. Likewise CRM applications are generally new idea in Ghana all in all and all the more particularly Divine Love Hospital. Since most Ghanaian organizations – private or administrative – have imposing business model on the products and services that they offer, consumer loyalty and maintenance have not been the first need. Much of the time, there is no rival for them. Some respondents were unwilling to respond wholeheartedly to the questionnaires as issues on health are better kept private. Time and financial constraints on the part of the researcher limited the number of respondents that could have been covered.

1.8 Organization of the Study

This project comprises of five chapters. Chapter one introduces the background of the study, the problem statement, research objectives, research questions and purpose of the study. Other aspects of chapter one are the significance of the study and organisation of chapters. Chapter two focuses on review of related literature. Chapter three captures the methodology employed in the study, describing the research design, the population sample and sampling procedures, data gathering instruments and data collection procedures of the study. Additionally in the part are the variables of the study and systems for information examination. Chapter four displays the exploration discoveries and the dialog in sorted out structure while chapter five exhibits the rundown of the discoveries, conclusions, proposals and recommendations for further research.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The previous chapter outlined the general rationale to the study, including statement of the problem, objectives of the study, limitations and the justification for the research. This chapter takes a critical review of both theoretical and empirical literature on the subject of customer relationship management. The chapter begins by defining and explaining key concepts of the topic before examining the theories of customer relationship management. The theoretical review is then followed by review of empirical studies on the subject.

2.2 Definition of Key Concepts.

This area is dedicated to the meaning of ideas and terms identifying with the subject being considered. The ideas analysed here incorporate client relationship management, customer satisfaction, customer loyalty & retention, relationship marketing and CRM.

2.2.1 Customer Relationship Management

Clients are the most vital resources for the accomplishment of each organization and in this way it is imperative for them to be managed properly. The recognition of this fact compels large companies to invest substantially in relationship management. CRM is a thought for managing an association's relationship with customers, clients, and arrangements prospects. It incorporates using advancement to deal with, mechanize, and synchronize business exchanges with a specific client. The goals of CRM are to upgrade gainfulness, turnover, and consumer loyalty. To accomplish CRM, numerous organisations utilise set of instruments, advancements, and systems to bolster the organisation with the client to upgrade deals. In this way, CRM is an issue of strategic

business and process rather than a technical one (Dowling, 2002). A number of reasons account for why firms are investing in CRM. First, it leads to reduction in the cost of recruiting customers. Getting new customers can be costly than maintaining existing ones since marketing, mailing, contact, follow-up, etc cost may reduce. Secondly, no pressing reason to select such a variety of clients to preserve a steady volume of business. In time, the number of long-term clients will rise and hence the requirement for enlisting numerous new clients diminishes. Third, the costs incurred with respect to offering are decreased inferable from that current customers are typically more responsive. Also, with better learning of channels and partners the associations end up being more feasible, and in addition that expense for marketing campaigns is diminished. Consequently, customer profitability will get higher since the client wallet-offer increments; there are expansions in up-selling, cross-selling and follow up deals, and more referrals from among existing satisfied customers.

2.2.2 Customer Satisfaction

One of the major aims of every organisation is to provide products and services that will satisfy customers. In other words, businesses strive to ensure that the needs, wishes and expectations of their customers are met. Satisfying customers is likely to inure to the benefits of the organisation by way of re-purchasing and customer loyalty (Anton, 1996). Kotler (2008) elucidates that when a customer is highly satisfied, he/she is likely to do five key things. First, the customer is likely to continue shopping for a long time. Second, he is liable to buy more as long as the firm creates new products and the existing products are improved. Third, the client is liable to adulate the firm and its products and services. Fourth, the client will dependably pick the product against other contending ones. At last, he is liable to offer important recommendations and understanding about the products and services. Thus, customer satisfaction is likely to lead to customer loyalty. Be that as it may,

the way that numerous ventures offer products and services of the same quality and at the same value interim makes it troublesome for the undertakings to secure consumer loyalty. It is in this manner essential for businesses to create procedures to enhance the fulfilment of clients. To enhance customer satisfaction, organisations are relied upon to acquaint client focused practices adjusted with every client's needs and values. As indicated by the author, if clients are dealt with distinctively in diverse behaviour, organisations can accomplish consumer loyalty and devotion.

2.2.3 Customer Loyalty

The capacity of an association to create and improve long-term client connections and to fulfil its current clients is imperative for its prosperity and benefit. This is on the grounds that experimental studies have demonstrated that there is a positive effect of client dependability and maintenance on organization gainfulness. The issue of client maintenance must be found in the association of the present level of customer reliability. Holding existing customers diminishes the need of attracting new ones (Replacement) and can even lessen unfriendly advancing cost.

Different authors have tried to characterize customer loyalty in their own particular manners. Analysts are in this manner not able to have an all-around concurred meaning of client unwaveringness. Loyalty is emotional attachments that customers may display to brands, services, stores, item classifications and activities. Loyalty can be additionally characterized as a perspective, an arrangement of states of mind, convictions, wants, and so forth. Customer loyalty is characterized with thought paid to the measure of purchasing for a given trademark. Javalgi and Moberg (1997) watch that the level of faithfulness is measured taking into account the recurrence of purchasing. With the increment in the measure of open data as of late, the cognizant level of clients has enhanced consistently.

Today's clients are mindful of the force they have available and that each movement is acknowledged for them. It is currently less demanding to achieve the items and administrations. Before picking a given trademark, purchasers take a gander at the value, originality, openness of the item and the extra administrations advertised. As the options expanded, buyers' faithfulness to the items and administrations diminished. It is no wonder that firms are making concerted effort to improve customer loyalty through price reduction and quality products/services than their competitors. Karan (2002) provides some strategies that can be used by firms to create the needed customer loyalty. These include:

- Rewarding existing customers who introduce new customers to the firm's products/service.
- appreciating the effort of customers by sending thanks you cards,
- sending individual letters,
- reminding by telephone,
- choosing the field in which they are the best,
- get ready occasions and events curious to client, and
- most importantly, assessing the customer complaints in points of interest and giving prompt feedback.

Karan (2002) trust that organizations that have the capacity to offer the aforementioned services to clients are more prone to have faithful clients than their partners who don't give client focused services.

2.2.4 Customer Retention

Today, as a result of a high competitive business environment, customer retention has become more imperative. While in the past firms adopted product-centered approach to market their products, today, customer-centered approach has become the surest way to retain existing customers. As Kotler (2003) put it; “In the past, many companies took their customers for granted. Customers often did not have any alternative suppliers, or the other supplies were just as poor in quality and service, or the market was growing so fast that the company did not worry about fully satisfying its customers. A company could lose 100 customers a week, but gain another 1000 customers and consider its sales to be satisfactory. Such a company, operating on a ‘leaky bucket’ theory of business, believes that there will always be enough customers to replace the defecting ones. However, today, customers have a lot of product varieties to choose from, making it imperative for firms to strive to retain their existing customers. In addition, customer retention is imperative to most organizations in light of the fact that the expense of getting another client is far more noteworthy than the expense of keeping up an association with a present client.

2.3 Key elements of CRM

Past literature such as Crosby and Johnson (2001), Day (2003) and Tiwana, (2001) observed that CRM is a multi-dimensional construct consisting of four broad behavioural components: key customer focus, CRM organization, knowledge management, and technology-based CRM. This is further grouped into interaction management, relationship development, customer service, employee behaviour, service quality and technology based. According to Day (2003), all the key components of CRM must work in concert to ensure that superior customer-relating capability emerges. For a business to expand its

long term execution in such viewpoints as customer satisfaction, trust, return on deals, and quantifiable profit, it must form, keep up, and upgrade long term and mutually beneficial relationship with its target purchasers. The key segments that make up CRM are further talked about in the ensuing segments.

2.3.1 Interaction Management

Brown and Gulycz (2002) watched that all together for an association to keep up a steady association with its clients, it must receive an alternate communication with them. Building up on-going correspondence between the supplier and the client empowers both accomplices to interface in different parts of item plan and generation. This is viewed as exceptionally fundamental for the foundation and upkeep of solid relationship (Fox and Stead, 2001; Narayandas and Rangan, 2004). Through this, organizations can work with individual clients to offer modified arrangements, make relationship worth, upgrade client faithfulness, and lessen the expense of working together.

They suggest that the relationship be built along customer service points and service channels. The primary aim is to discover various ways the clients might want to collaborate with the organisation. The interactive activities ought to be well structured and interwoven through the accessible service centres in connection to the clients' biodata created by information accumulated from their previous personal information and transactions. Peppers and Rogers (1997) posit that utilizing the service points for dissemination of distinctive items, services and correspondence with clients is dependably the best. Lindgreen et al. (2006) recommend that executing successful interaction management includes getting inputs from clients and expanding the cooperation with clients through appealing and imaginative routes, for example, the utilization of the online networking.

2.3.2 Relationship Development

Relationship development is likewise vital for the improvement of compelling CRM. Relationship development fundamentally manages research structures and handling of relationship between the firm and its clients. The procedure of relationship development includes cooperation where rapport has been created between two parties – the business and the customer. The most vital action in nurturing relationship development is known as observing of the relationship administration process, for example, service delivery or complaints handling (Brown and Gulycz, 2002). These relationship procedures incorporate systems, instruments, calendars, and exercises whereby the items and services have been conveyed to clients. The key performance pointers, for example, rate of maintenance, life time estimation of the clients, and consumer loyalty ought to be set by the business entity (Brown and Gulycz, 2002). As indicated by the works of Hanley (2008) and Lindgreen et al. (2006), relationship improvement is enhanced through responsibility to persuade clients reasons why their inputs are deemed important to the organisation. At the point when clients are made to trust that their recommendations are taken and followed up on, they feel a vital part of the product/service and are thusly continually willing to stay with the firm for quite a while. As per Hanley (2008) the key aspects of this measurement incorporate client driven promoting, key client lifetime esteem identification, personalization, and interactive co-creation advertising. Clientdriven advertising, which has been picking up force in the run up to this millennium, is the attempt to comprehend and fulfil the needs, wants, and assets of chosen individual shoppers (Sheth et al., 2000). CRM thrives on the conscious determination of key clients whose continuous patronage is of key centrality to the business, as not every client is just as attractive (Ryals and Knox, 2001) and beneficial (Thomas et al., 2004). This can be represented by the much talked-about 80/20 lead: 80% of a company's benefit originates from 20% of its clients (Hoffman and Kashmeri, 2000; Ryals and Knox, 2001). Having fastidiously chosen key clients, a

CRM-arranged organization ought to try to comprehend their needs and wants, which is significant to creating solid associations with them.

2.3.3 Product/Service Quality

As indicated by Beverly et al. (2002), quality is portrayed as suitability of the product for utilization, and how well a product/service viably meets shopper needs. Product/Service quality is usually evaluated based on the correlation between client's desire and actual performance of the product (Parasuraman, Zeithaml & Berry, 1988; Caruana, 2002).

As indicated by Gee et al (2008) trying to comprehend the components that affect consumer loyalty, the issue of value has vital influence. Past studies have demonstrated that administration quality has a positive impact on purchaser fulfilment; going ahead, it has a gigantic relationship with customer unwavering quality, and higher business prospects by method for benefits. As per a study led by Hanley (2008), the nature of service can be delivered by a couple of routines, including meeting client's expectation of good customer service, the span of product lines on offer, furnishing great quality items with sensible value and taking care of the customer complaints about the products and service thoughtfully. Different studies have demonstrated that client steadfastness and maintenance are subject to how well the client sees the nature of the item.

Gronroos (2000) partitions the nature of an item/benefit into two principle sorts. These are specialized quality and practical quality. On the other hand, Zineldin (2006) exhausted specialized practical quality models into system of five quality measurements, famously alluded to as 5Qs, which are prone to affect the fulfilment and unwaveringness of a client. First is the quality of the item, which measures the nature of the centre product/service itself. Second, the quality of procedure measures how the product/service supplier renders

the service. It deals with how effective the service is delivered to the customer. Third, quality of infrastructure measures the fundamental assets which are expected to perform the business processes and service. As indicated by Zineldin (2006) nature of infrastructure also manages the quality of the staff ability and aptitudes, experience, know-how, innovation, interior connections, inspiration, states of mind, inward assets and activities, and how these activities are overseen, co-worked and facilitated. The fourth Q is the quality of communication, which measures the quality of information exchange, money related trade and social trade, and so forth. Lastly, the fifth Q is the quality of climate, which manages the relationship and collaboration procedure between the organizations and its clients, are affected by the quality nature of the atmosphere in the particular domain where they work. The atmosphere pointers ought to be viewed as exceptionally basic and critical in view of the conviction that absence of honesty and cordial atmosphere clarifies low quality and less dependability.

2.3.4 Behaviour of the Employees

The role of employees in the management of customers cannot be underestimated. Employees play crucial role in the customer management process. In most cases, a customers' first point of contact is an employee. In this manner, a representative that fits in with the organisation's conducts and values is liable to reinforce the connection between the buyer and the firm. An inverse case of effects is typical much of the time when the specialist exhibition through his/her own particular behaviour. In these cases, a customer may construe that the firm truly does not pass on the average preferences that s/he had expected for and may evaluate the association in a negative way. At the end of the day, under circumstances, for example, the ones portrayed, a representative will most likely apply a number of effects on an organisation's reputation and attitudes. As indicated by the works of Hanley (2008), the impact of positive representatives' conduct could be

communicated by expanding rate of reaction to client and guarantee that representatives are amicable and aware to clients.

2.3.5 Technology-based CRM

Exact client information is key to effective CRM execution (Abbott et al., 2001) and, subsequently, innovation assumes an imperative part in CRM in increasing the firm's knowledge base (Boyle, 2004). Actually, the ground-breaking advances in IT furnish ventures with the capacity to gather, record/document, save and examine client data in ways that enormously upgrade their capacity to react to the needs of individual clients and along these lines to pull in and hold clients (Butler, 2000). The guarantee of one-on-one connections, client esteem investigation, and mass customization (Hart, 1995) are presently conveyed to reality by uncommon advances in IT, changing the conventional way to deal with CRM to a coordinated, web-empowered methodology, highlighted by instruments like client data frameworks, automation of client support procedures, and call centres. CRM calls for "data concentrated techniques" which use computer advancements in building connections, utilizing prevailing innovations and thoroughly connecting such innovation to focus on business initiatives (Harding et al. 2004). Various computer technologies such as computer-aided design/manufacturing are used to improve the product/service delivery.

Based on the key factors affecting customer relationship management, the diagram below shows the conceptual framework linking the variables in the study.

2.4 Strategies for improving customer retention and loyalty

A fulfilled client is not so much constantly faithful client. Clients can be fulfilled, rehashing requests, but also liable to purchase from the rivals later on. The relative

estimation of the products in admiration of the cost paid must be considered when surveying customer satisfaction (CAST). In this way, rather than utilizing the conventional CAST study approach, organisations ought to move towards the use of customer value management (CVM) systems and devices. By such application can a supported change in client devotion, and specialist change in business results/competitive positioning after some time, be accomplished. The point of a CVM technique must be the procurement of products and services to clients that are seen by the client to be of more noteworthy quality than they could hope to buy from the rivals in comparable markets. Consumer loyalty and dependability are some key components of business achievement and benefit. The more fulfilled the client, the more faithful the client and the more strong the relationship. Furthermore, the more drawn out this keeps going, the more benefit the organization stands to make and the higher the piece of the market share. A far reaching retention strategy made out of value, system and strategic projects must be outlined and actualized. The accompanying procedures can be connected by organizations to enhance the customer retention: Measuring customer retention rates after some time and by line of business and in each of the business territories. This consequence of the estimation should then be imparted to the representatives. Understanding why clients are leaving the organization furnishes that Management with the fundamental data expected to execute a client maintenance program. A powerful maintenance system is prone to build consumer loyalty and subsequently enhance customer retention and profitability. To enhance client dedication and retention, Zineldin

(2006) proposes two essential things that must be considered. Initially, the organizations must centre consideration on most gainful clients and setting clear targets and measuring results and in addition recognizing exchanging obstructions. Second, he clarifies that, organizations must pay consideration on internal marketing and especially front-line staff to guarantee that they are putting forth product and service quality that reliably meets the prerequisites of the target market (segment or segments).

2.5 Empirical Literature Review

Aside from the hypothetical writing, various observational studies have been led to inspect the effect of CRM on client steadfastness and maintenance. Case in point, Krishnamurthy and Srinivasan (2013) inspected the effect of client relationship administration on client steadfastness and maintenance. The information was gathered from the clients of private division banks and open segment banks through surveys. Measurable devices, for example, different relapses, component examination were utilized for information investigation. Their discoveries demonstrate that there is an effect on client relationship administration and client devotion. The study further settled that banks words and guarantees are solid; bank satisfies its commitment to client, offering guidance on the best way to contribute are the prevalent variables which have sway on client dedication. The study finished up by prompting that the banking sector needs to concentrate more on the variables that will enhance customer satisfaction and in this manner expanding customer loyalty.

Likewise, Choi et al. (2013) mulled over the effect of CRM components on customer satisfaction and loyalty in Iran. Four critical CRM components have been examined and analysed in that research. They are conduct of the representatives, nature of client administrations, relationship advancement and communication administration. The study was performed at a departmental store in Tehran, Iran. The study utilized quantitative approach and base on 300 respondents. Multiple regression analysis is utilized to look at the relationship of the variables. The discovering demonstrates that conduct of the workers is essentially related and adds to consumer loyalty and reliability.

Zineldin (2006) additionally inspected and added to a deeper comprehension of the relationship between quality, customer relationship management and client dependability.

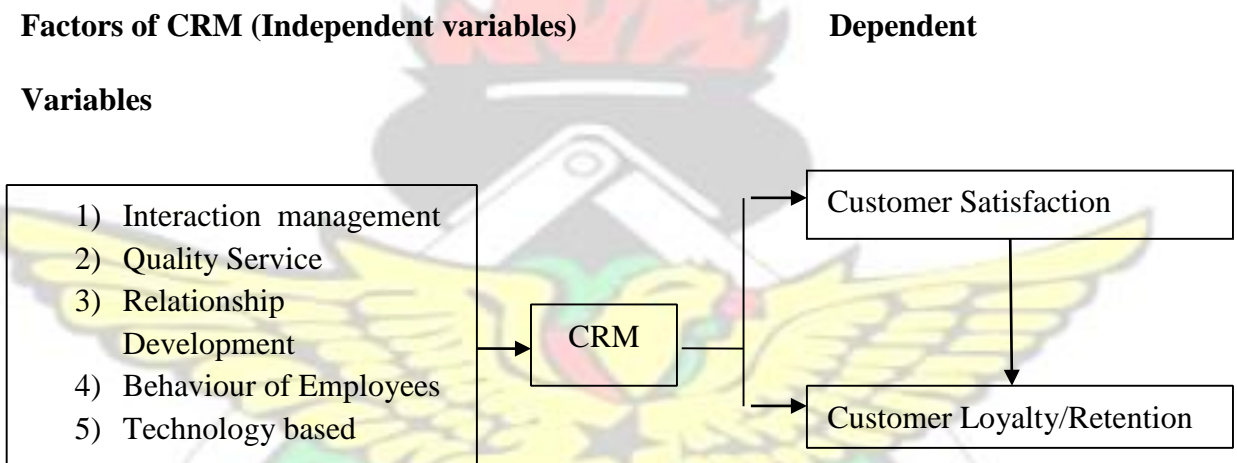
A research model (5Qs) was designed to measure satisfaction and loyalty. This model is in light of two conditions: the client database and CRM technique are very much organized; and that administration control frameworks have the ability to produce required information for the investigation. The study found that by interfacing base, connection and environment pointers to the nature of items and administrations, experts and managers can record which changes in CRM framework upgrade the general satisfaction and devotion, henceforth the conclusive results and changes in CRM methods.

Nadia and Zekeriya (2013) additionally directed a study to examine the effect of client relationship on client devotion by concentrating on cell industry. The populace chose for the study is college understudies and staff individuals in Kohat (KP). 150 respondents were chosen through convenient sampling and information was gathered through surveys. The statistical analysis uncovered that there is huge positive relationship between dependent variable (customer loyalty) and independent variable (CRM).

In Nigeria, Agbaje (2014) led an exact study by assessing customer relationship management in the telecom division in Nigeria and its considerable impact on customer loyalty. Primary data were produced with the guide of structured questionnaire. An arbitrary specimen size of 50 respondents was chosen from each from 4 telecom firms to speak to the whole populace of the study. Therefore a specimen size of 200 respondents was utilized. Information gathered was investigated utilizing descriptive statistics and variance estimation procedure. Discoveries demonstrate that customer retention and competitive advantages are real advantages that are accruable to the business. These are accomplished through better understanding and tending to the client needs and issues. Among the systems utilized by the players in this industry to encourage these are promotional activities and quick service delivery.

In India, Kocoglu and Kirmaci (2012) researched the relationship between customer relationship management (CRM) and customer loyalty in the banking industry of India. The study was led on a sample group of 350 staff employed in all the branches of a chosen bank. The study found that client relationship administration influences client reliability in the banking sector.

Figure 2.1: Conceptual Framework of the variables in the study



CHAPTER THREE

METHODOLOGY

3.1 Introduction

The previous chapter presented a review of relevant literature for the study. This chapter presents the methodology applied for the study. Research methodology is a systematic technique used to ‘discover reality’. It follows steps and processes leading to the validity and reliability of the research. The main issues considered in this chapter include the

research design, research purpose, research approach and strategy. Also, the study population, sampling techniques and size, sources of data and data analysis techniques are examined in this chapter. Finally, the chapter ends by discussing issues bothering on research validity and reliability as well as ethics.

3.2 Research Design

The study utilized quantitative strategy in examining the information gathered. A set of questionnaires was utilized to gather information from the clients of Divine Love

Hospital, Bibiani - Western Region. The poll was outlined utilizing Likert scale rating. The Likert scale rating is a rating framework in which the respondents show how emphatically they concur with the inquiries or cannot help contradicting those (Saunders et al., 2009).

The collected data will be analysed quantitatively using Statistical Package for the Social Scientist (SPSS) software. To achieve the objective of the study, inferential statistical techniques like correlation and regression analysis was used. On the whole, a sum of 230 polls were appropriated and got back 198. To find the relationship between dependent and independent variable Pearson correlation and regression analysis will be performed.

3.3 Research Purpose

Three main research purposes, according to Yin (2003), can be observed. These are descriptive, exploratory and explanatory. According to the author, any of the approaches can be used depending on the nature of the research objectives. Descriptive approach seeks to provide description of objects or events. The descriptive research approach usually aims at answering the questions: what, who, where, when and how.

The explanatory research approach is relevant for studying cause-effect relationships. In order to adopt this research purpose, the researcher will have to develop a hypothesis and

analyse them. According to Davidson & Patel (2006), given the cause-effect nature of the approach, it is of utmost significance that the study be led without the danger of an unexpected factor influencing the outcome.

Exploratory study is intended to increase much understanding and more profound learning around a phenomenon or object (Davidson & Patel, 2003). The principal thought of this approach is that it empowers the researcher to gather however much information as could reasonably be expected in the area of research.

This research adopts explanatory design. This method was adopted in order to establish the effect of customer relationship management on customer loyalty and satisfaction.

3.3.1 Research approach

Two research approaches have been identified as quantitative and qualitative. The quantitative research refers to measurements conducted by data collection and statistical facts. According to Saunders et al. (2009) data for quantitative research is usually obtained using standardized research instrument in the form of questionnaires. Qualitative research approach on the other hand, seeks to collect data in the form of qualitative interview. For the purposes of this study, the research adopted the quantitative approach. This is because a standardized questionnaire was used to gather quantitative data. Also, the data collected were analysed using statistical techniques in the form of descriptive statistics, correlation analysis and regression analysis.

3.3.2 Research Strategy

According to Yin (2004), five main research strategies can be observed. These are experiments, surveys, archival analysis, histories and case studies. The researcher further

contended that the decision to get a particular framework depends on three discriminating conditions; the kind of examination question, the level of control the researcher has over genuine behavioural events and the level of focus on contemporary rather than obvious events. Details of these conditions are summarized in the table below.

Table 3.1: Research Strategy

| Strategy | Form of research questions | Requires control over behavioural events? | Focus on contemporary events? |
|-------------------|--------------------------------------|---|-------------------------------|
| Experiment | How, why | Yes | Yes |
| Survey | Who, what, where, how many, how much | No | No |
| Archival analysis | who, what, where, how many, how much | No | Yes/No |
| History | How, why | No | No |
| Case studies | How, Why | No | Yes |

Source: Yin 2004

In view of the conditions over, the study embraces the survey strategy. It empowered the researcher to answer the "what" inquiries suggested in the research questions. Also, since Customer Relationship Management (CRM) is a contemporary issue, its relevance would be served by adopting the survey strategy which focuses on contemporary issues.

3.4 Target Population

A study population is described as the collection of individuals or objects that possess similar characteristics (Mason et. al. 2007). In this study, the population consisted of respondents from among the entire patient-database from Divine Love Hospital who assess

health service delivery from the hospital. The records from the hospital show that there are about 1400 active patients who frequently access health services at the hospital on a monthly basis. This forms the population for the study.

Moreover, information will be gathered from the organisation on the subject through a face-to-face interview with the customer relationship manager of the hospital to gain more insight on the hospital's strategy to improve customer relationship management.

3.4.1 Sampling Technique and Size

Sampling techniques give an extensive variety of routines that empowers a researcher to lessen the measure of information required for a study. This is accomplished by considering just information from a sub-bunch as opposed to every conceivable component or persons (Saunders et al, 2009). The sampling techniques are grouped under probability and non-probability techniques. As indicated by Saunders et al (2009), with the probability sampling technique, all cases or items in the populace has equivalent shot of being chosen to speak to the populace, whiles with non-probability sampling, all cases do not have equal possibility of being chosen to speak to the populace. Since the entire population could not be used due to logistical and time constraint, a sample was chosen to represent the population. For the purposes of this study, a non-probability sampling technique called convenience sampling was employed. According to Bryman and Bell (2003), a convenience sampling technique is available to the researcher by virtue of its accessibility. In other words, this technique was employed in order to select respondents the researcher could easily access. The researcher visited the selected health facilities and explained the purpose of the study to the clients. Those who expressed interest in the study were given structured questionnaires to complete.

Since the entire population of clients and employees could not be contacted to take part in the survey, a sample was taken to represent the entire population. As explained by Agresti and Finlay (2009), the sample size constitutes a sub-set of a population. The researcher sampled 230 customers to represent the population. The sample size decision was arrived at based on time and logistics constraints.

3.5 Source of Data

Information for an exploration could either originate from primary or secondary sources. Key data are new data accumulated especially hence; while discretionary data are data formally assembled for some other reason (Saunders et al., 2009). For the reasons of this study, the author depended on both essential (primary) and auxiliary (secondary) information for the study.

3.5.1 Primary sources of information

The information utilized for the study was essentially gathered from primary sources; however other auxiliary wellsprings of information were regarded pertinent. The reactions acquired from clients of the health facility through the survey and interview guide formed the primary data for the study. The survey and interview guides were very much intended to catch all the important essential information for the study.

3.5.2 Secondary Data Sources

Secondary data was acquired from journals, books, articles, bulletins and other helpful materials on the web. The auxiliary information helped with looking into existing data on the issue of Customer Relationship Management (CRM).

3.6. Data Collection Instrument

The study employed structured questionnaire to collect data from respondents. The questionnaire was deemed appropriate because the research method employed in the study was quantitative and it has been suggested by Saunders et al (2009) that questionnaire it is the best way of collecting quantitative data. The questionnaire was developed on the basis of a literature review and adopted to suit the electricity consumption environment. The questions were designed using a five point Likert.

3.7 Questionnaire Administration

Keeping in mind the end goal to get the full backing of the chosen respondents, the surveys conveyed had brief introduction clarifying the reasons of the study, those in charge of the study, and an announcement ensuring secrecy of respondents. The researcher, with support from two other assistants visited the selected health facilities to administer the questionnaire. Clients and staff members who expressed interest in the study were given the questionnaire to complete. For respondents who could not read and write, they verbally responded to structured questionnaire and their answers were recorded accordingly by the interviewers.

3.8 Specification of Regression Model

As indicated earlier, multiple regression analysis was performed to examine the effect of service CRM on the satisfaction and loyalty of customers of Divine Love hospital in the Western Region. Five factors of measuring CRM; Interaction, Quality service, Relationship Development, Behaviour of employees and Technology, adapted from the

study of Leo et al. (2005) served as the independent variables; while customer satisfaction and customer loyalty served as the two dependent variables.

Based on the objectives of the study, two regression models are proposed. The models are depicted as follows:

$$Y_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

.....(1)

$$Y_2 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

(2)

$$Y_2 = Y_1$$

Where:

Y_1 = Customer Satisfaction

Y_2 = Customer Loyalty

X_1 = Interaction Management

X_2 = Behaviour of Employees

X_3 = Quality of Service

X_4 = Relationship Development

X_5 = Application of Technology

β_i 's = Coefficients of the independent variables

ϵ = The error term of the model

3.9 Data analysis

Data analysis includes three stages. These are data reduction, data display and conclusion drawing and verification. Data reduction is used to sharpen, sort, focus, discard and

organize the information in order to reach conclusions and to verify them. The questions to the responses in the questionnaire were coded and analysed using SPSS. Descriptive statistics were generated to describe the various responses given. Tables and graphs were employed to analyse and interpret the results obtained. In order to examine the effect of CRM on customer loyalty and retention, correlation and regression analysis were performed. The result were presented in the form of tables and discussed with reference to existing studies.

3.10 Reliability and Validity

Reliability alludes to the degree to which measurements are conducted effectively. The criteria for reliability are in view of impartiality of the research instruments, they ought to give the same result free of the particular case. At the point when the reliability is solid, two analysts utilizing the same technique will no doubt touch base at the same result. Denscombe (2000) further clarifies that validity implies that information and routines are "correct". To the extent research information is concerned, validity clarifies whether the information gathered mirrors reality and truth and spreads the conclusive inquiries.

In directing this examination, the author paid specific considerations to reliability and validity. To start with, the poll and the interview guide were given to a researcher supervisor, named by the university to look at our inquiries to break down on the off chance that they were clear and reasonable. Second, the interview guide and the survey were likewise sent ahead of time to our respondents so as to give them the time and chance to plan. Third, the information gathered was painstakingly coded and investigated to maintain a strategic distance from oversights and mistakes.

3.11 Ethical considerations

Ethics is important in Business and Scientific research. In Business research, ethics involves the ‘the codes of behaviour adopted by the researcher’ (Zikmund 2000). In this study, the researcher took steps to ensure that there are high ethical standards. A number of actions were taken to achieve this goal. First, the researcher took steps to protect the confidentiality of respondents and the case study organization. Second, issues relating to plagiarism, avoiding shading the result of the research and informing interviewees about the research were taken seriously. Finally, permission was sought from the hospital involved before the study commenced.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION OF RESULTS

4.0 Introduction

The section that went before this one managed the methodology and information accumulation method for this research. This section examines the information gathered from respondents and translates them in connection to the objectives of the study. What is more, this chapter talks about the outcomes trying to focus or set up legitimate connections between variables in connection to the study questions and the specific research questions. Further, the exchange looks to plot the principal realities of the discoveries keeping in mind the end goal to draw correlations with existing hypothesis. The study had three goals. The fundamental goal was to focus the effect of customer relationship management on customer satisfaction. The second goal inspected the effect of customer relationship management on client steadfastness. Likewise, the third objective explored the techniques

being embraced by the Divine Love Hospital to improve patient satisfaction, loyalty and retention. The investigation is by and large done taking into account these three topical ranges.

4.1 General Background of Respondents

In achieving the objective of the study, questionnaires were administered to 230 customers/patients of Divine Love Hospital in the Western Region of Ghana. Out of this number, 198 completed and returned their questionnaires. The research team had 86.3 percent response rate. In addition to the responses obtained from the customers, management of the hospital in specific departments were interviewed to solicit their views on the strategies being implemented by the hospital to improve customer satisfaction, loyalty and retention through effective relationship management. The general background information of the respondents is displayed in the following table.

Table 4.1: Background characteristics of Respondents (N=198)

| Variable | Classification | Frequency | Percent (%) |
|----------|----------------|-----------|----------------|
|----------|----------------|-----------|----------------|

| | | | |
|--|---------------------|-----|------|
| Gender | Male | 88 | 44.4 |
| | Female | 110 | 55.6 |
| Age Group (Years) | Less than 26 | 86 | 43.4 |
| | 26-30 | 82 | 41.4 |
| | 31-35 | 14 | 7.1 |
| | 36-40 | 10 | 5.1 |
| | 46-50 | 2 | 1.0 |
| | 51 and above | 4 | 2.0 |
| Educational Qualification | Basic | 7 | 3.5 |
| | Secondary | 64 | 32.3 |
| | Diploma/Certificate | 76 | 38.4 |
| | First Degree | 37 | 18.7 |
| | Postgraduate Degree | 14 | 7.1 |
| Experience with the services of the hospital | Less than 1 year | 68 | 24.3 |
| | 1-3 years | 68 | 34.3 |
| | 4-10 years | 47 | 23.7 |
| | More than 10 years | 15 | 7.6 |

Source: Own Survey, 2015

The data accumulated incorporates data on demographic attributes of the respondents, for example, age, gender and educational qualification. The outcome show that out of the

198 respondents examined, 88(44.4%) of the respondents are males whiles the staying 110 (54.6%) are females. The outcome additionally shows that larger part of the respondents (44.3%) is underneath the age of 26 years. Also, 41.4 percent of the respondents is aged between 26 and 30, whiles the remaining 14.3% are above age 30. The result clearly shows that significant number of the respondents is youthful. As far as the educational level of

respondents is concerned, respondents with diploma/certificate make up the majority, i.e. 38.4%. First degree holders constitute 18.7% of the total respondents, while postgraduate degree holders are the smallest group of the respondent comprising of 7.1 percent of the sample. Table 2 provides a summary of the background information of the respondent.

4.2 Reliability Analysis

In order to ensure that there is internal consistency in the data collected, a reliability test was conducted. Inward consistency can be measured in various ways. The most regularly utilized measurement is Cronbach's coefficient alpha. This measurement gives an evidence of the average correlation among the greater part of the items that make up the scale. Values range from 0 to 1, with higher values demonstrating more noteworthy reliability (Pallant, 2011). Keeping guaranteeing that there is internal consistency, a reliability test was performed with the guide of Statistical Package for Social Science (SPSS v. 20). The internal consistency of the construct, as measured with Cronbach's alpha went from 0.60 to 0.797, demonstrating adequate levels of internal consistency.

The alpha estimations of the different constructs are outlined in table 4.2 underneath:

Table 4.2: Test of Reliability

| Construct | Number of items | Cronbach's Alpha |
|-----------|-----------------|------------------|
| INTMGT | 3 | 0.60 |
| BEHEMP | 6 | 0.797 |
| QUASERV | 4 | 0.777 |
| RELDVPT | 5 | 0.675 |

| | | |
|------|---|-------|
| TECH | 4 | 6.33 |
| CSAT | 3 | 6.48 |
| CLOY | 4 | 0.748 |

Key: Customer satisfaction (CSAT) and Customer loyalty (CLOY). The independent variables include Interaction Management (INTMGT), Behaviour of Employees

(BEHEMP), Quality Service (QUASERV), and Technology Application (TECH) Source;

Field survey, June 2014

4.3 Descriptive Statistics of the Variables

The Mean, minimum, maximum and standard deviation values of the various constructs used in the study is presented in Table 4. The two dependent variables used were customer satisfactions (CSAT) and Customer loyalty (CLOY). The independent variables include Interaction Management (INTMGT), Behaviour of Employees (BEHEMP), Quality Service (QUASERV), and Technology Application (TECH). These variables were chosen based on the study conducted by Gulycz (2002). All the variables have means greater than 4.0. This shows that the respondents agreed to most of the statements regarding customer relationship management within the hospital. Customer Loyalty (CLOY) has the highest mean score of 4.4579, indicating that most of the customers are loyal to the hospital and its services. The result further reveal that customers are generally satisfied with the way the hospital relates to them. The customers also agree that Technology (Information Technology) is being applied to the relationship management of the hospital.

Additionally, contrasting the standard deviation figures and their relating mean values, it can be found that it is low, demonstrating that the values do not go astray altogether from their means. The outcome is outlined in the table below:

Table 4.3: Descriptive Statistics of the Mean score for customer relations dimensions.

| Variables | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------|-----|---------|---------|--------|----------------|
| INTMGT | 198 | 2.33 | 5.00 | 4.0337 | 0.58943 |
| BEHEMP | 198 | 2.67 | 5.00 | 4.0623 | 0.53532 |
| QUASERV | 198 | 2.50 | 5.00 | 4.1073 | 0.64085 |
| RDVLM | 198 | 3.20 | 5.00 | 4.1293 | 0.50686 |
| TECH | 198 | 2.25 | 8.25 | 4.1654 | 0.82558 |
| CSAT | 198 | 2.33 | 5.00 | 4.2559 | 0.57161 |
| CLOY | 198 | 3.00 | 5.00 | 4.4579 | 0.56017 |

Key: Customer satisfaction (CSAT) and Customer loyalty (CLOY). The independent variables include Interaction Management (INTMGT), Behaviour of Employees

(BEHEMP), Quality Service (QUASERV), and Technology Application (TECH)

Field Data, 2015

4.4 Pearson Correlations Analysis

To inspect the relationship between the dependent variables (CSAT and CLOY) on the different measurements of client relationship administration of the doctor's facility, a Pearson's Correlation Analysis was led. The outcome is displayed in Table 4.4. The outcome demonstrates that there is an in number positive relationship between consumer loyalty and client relationship management. For instance it can be observed from the correlation coefficients that all the measurement of relationship administration have positive association with consumer loyalty and reliability. This implies that improvement in interaction management, employee behaviour towards customers, service quality, relationship development and information technology lead to customer satisfaction and

loyalty. The result implies that for customers to derive maximum satisfaction from their experience with the hospital there is the need for the hospital to develop effective customer relationship. This, according to the study, can go a long way to improve customer loyalty.

The correlation result further provides a piece of information that there is no issue of multicollinearity among the independent variables. The outcome demonstrates that the independent variables are not very related, showing that there is no issue of multicollinearity. Pallant (2011) contends that having correlation of more than 0.8 or 80% between independent variables suggests some type of multicollinearity. On the other hand, the Pearson's correlation coefficients in Table 4.4 unmistakably demonstrate that there is no issue with multicollinearity.

Table 4.4: Pearson's Correlation Coefficient Result

| | CSAT | CLOY | INTMGT | BEHEMP | QUASERV | RDVLM | TECH |
|---------------------|------|------|--------|--------|---------|-------|------|
| Pearson Correlation | 1 | | | | | | |
| Sig. (2-tailed) | | | | | | | |
| CSAT | | | | | | | |
| Pearson Correlation | | 1 | | | | | |
| Sig. (2-tailed) | | | | | | | |
| CLOY | | | | | | | |
| Pearson Correlation | | | 1 | | | | |
| Sig. (2-tailed) | | | | | | | |
| INTMGT | | | | | | | |
| Pearson Correlation | | | | 1 | | | |
| Sig. (2-tailed) | | | | | | | |

| | | | | | | | |
|---------|-----------------|---------|--------|--------|--------|--------|--------|
| | | 1 | | | | | |
| BEHEMP | Pearson | | | | | | |
| | Correlation | | | | | | |
| | Sig. (2-tailed) | .607 ** | .619** | .851** | | | |
| | | .000 | .000 | .000 | | | |
| | | 1 | | | | | |
| QUASERV | Pearson | | | | | | |
| | Correlation | | | | | | |
| | Sig. (2-tailed) | .597 ** | .595** | .523** | .621** | | |
| | | .000 | .000 | .000 | .000 | | |
| | | 1 | | | | | |
| RDVLM | Pearson | | | | | | |
| | Correlation | | | | | | |
| | Sig. (2-tailed) | .551 ** | .565** | .589** | .672** | .702** | |
| | | .000 | .000 | .000 | .000 | .000 | |
| | | 1 | | | | | |
| TECH | Pearson | | | | | | |
| | Correlation | | | | | | |
| | Sig. (2-tailed) | .520 ** | .548** | .435** | .465** | .393** | .512** |
| | | .000 | .000 | .000 | .000 | .000 | .000 |
| N | | 198 | 198 | 198 | 198 | 198 | 198 |

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

4.5 Regression Result

To recognize whether diverse measurements of CRM have solid effect on consumer loyalty and faithfulness various relapse investigation was utilized. Two regression models were used. The first regression analysis uses customer satisfaction as the dependent variables whiles the second uses customer loyalty as the dependent variable.

The multiple regression equations are presented as follows:

$$Y_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \dots$$

(1)

$$Y_2 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon \dots\dots\dots$$

(2)

Y1= Customer Satisfaction (CSAT); Y2= Customer Loyalty (CLOY) X1 = Interaction Management (INTMGT); X2 = Behaviour of Employees (BEHEMP); X3 = Quality of Service (QUASERV); X4= Relationship Development (RDVLM); X5= Application of Technology (TECH); β_i 's = Coefficients of the independent variables; ϵ the error term of the model. The regression result for model (1) is shown in Table 4.5.

Table 4.5: Regression Analysis Result for EQUATION (1)

| Model | Unstandardized Coefficients | | Standardized Coefficient | T-values | Sig(Pvalues) |
|------------|-----------------------------|------------|--------------------------|----------|--------------|
| | B | Std. Error | Beta (β) | | |
| | | | | | |
| (Constant) | 1.099 | 0.254 | | 4.324 | .000 |
| INTMGT | -0.072 | 0.095 | -0.074 | -0.762 | .447 |

| | | | | | |
|--|-------|-------|-------|-------|------|
| BEHEMP | 0.374 | 0.116 | 0.350 | 3.213 | .002 |
| QUASERV | 0.276 | 0.067 | 0.309 | 4.144 | .000 |
| RDVLM | 0.008 | 0.092 | 0.007 | 0.084 | .933 |
| TECH | 0.183 | 0.042 | 0.265 | 4.372 | .000 |
| <p>a. <i>Dependent Variable: CSAT (Customer Satisfaction)</i></p> <p>b. <i>Predictors: (Constant), TECH, QUASERV, INTMGT, RDVLM, BEHEMP</i></p> <p><i>R-Square = 0.501; Adjusted R Square = 0.488</i></p> <p><i>F=38.56</i></p> <p><i>Prob F = 0.001</i></p> | | | | | |

Source, Regression result of field data, June 2015

From Table 4.5 it can be watched that three of the independent variables (BEHEMP, QUASERV and TECH) all have critical constructive outcome on consumer loyalty. This is because the coefficients of these variables are statistically significant at 95% (ie pvalues ≤ 0.05). It can also be observed from the result that RDVLM has a positive but insignificant effect on customer satisfaction. The R-squared value of 0.501 implies that about 50.1% of the variations in customer satisfaction are explained by the independent variables. This means that there are other variables which can explain the remaining 49.9% of variations in customer satisfaction. Further, the F-statistics value of 38.56 indicates that the independent variables jointly and significantly affect customer satisfaction at the hospital.

Table 4.6: Regression Analysis Result EQUATION (2)

| Model | Unstandardized Coefficients | | Standardized Coefficients | T-values | Sig(pvalues) |
|---|-----------------------------|------------|---------------------------|----------|--------------|
| | B | Std. Error | Beta | | |
| (Constant) | 1.315 | 0.239 | | 5.492 | 0.000*** |
| INTMGT | -0.239 | 0.389 | -0.251 | -2.674 | 0.088 |
| BEHEMP | 0.526 | 0.110 | 0.503 | 4.801 | 0.000*** |
| QUASERV | 0.243 | 0.063 | 0.278 | 3.873 | 0.000*** |
| RDVLM | 0.029 | 0.087 | 0.026 | 0.330 | 0.742 |
| TECH | 0.204 | 0.040 | 0.301 | 5.165 | 0.000*** |
| a. Dependent Variable: CLOY b. Predictors: (Constant), TECH, QUASERV, INTMGT, RDVLM, BEHEMP R-Square =0.539; Adjusted R Square =0.4527 F=44.86 Prob F =0.000 ***, Result significant at 1% | | | | | |

Source: Result From Data Analysis, June, 2015

Table 4.6, demonstrates the impact of customer relationship dimensions on client reliability. It can be seen from the outcome that four independent variables (BEHEMP,

QUASERV and TECH) all have huge beneficial outcome on consumer loyalty. This is because the coefficients of these variables are statistically significant at 95% (i.e. pvalues ≤ 0.05). This is similar to the result obtained in model one, where customer satisfaction was designated as the dependent variable. The result however, shows that RDVLM has a negative but insignificant effect on customer loyalty. The R-squared estimation of 0.539 infers that around 53.9% of the variations in customer loyalty are clarified by the independent variables. This implies that other factors not included in the model explain the remaining 46.1% of the variations in customer loyalty. Further, the Fstatistics value of

44.86 is significant at 99 percent confidence level ($p \leq 0.01$) indicating that the independent variables jointly and significantly influence customer loyalty at the hospital.

4.6 Discussion of Regression Results

The above results obviously demonstrate that CRM has a positive association with the indigent variables (consumer loyalty and dedication). On the other hand, not all components have critical effect on the indigent variables. The conduct of the representatives and relationship improvement found to contribute most to consumer loyalty. This outcome affirms the discoveries of past studies (Coulter, 2002; Brown & Gulycz, 2002; Hanley, 2008). The result of the discoveries suggests that healing center workers who have great connection with clients will expand consumer loyalty. Conduct of employees additionally assumed noteworthy part in expanding client dedication. This outcome bolsters various studies, for example, Hanley (2008) and Szczepańska & Gawron (2011).

To upgrade consumer loyalty and devotion, an organisation's staff are relied upon not simply to be well mannered and polite towards their client, yet above all must have product or service knowledge and relational abilities that can make an association with the clients. As indicated by a study directed by Hanley (2008), the positive conduct of representatives towards clients and customers further push that the pleasantness of workers' conduct is essential in maintaining consumer loyalty and dependability.

In the hospital setting, customer care and employee attitude towards customers is highly important. Sick people are highly vulnerable and require the care of employees to make them feel at home. It is therefore not surprising that the behaviour of employees towards patients has been found to have a significant impact on customer satisfaction and loyalty.

The implication of this finding is that the hospital must continuously train its employees to have good relationship with employees and care for them. Conduct change must be done if administration group is not kidding in putting resources into their human capital. This must be done through arrangement of preparing and formative projects for the workers. By enhancing the capabilities of workers around there will most likely enhance the general administration nature of the association. Association should likewise always keep their representatives roused in light of the fact that exceptionally energetic individuals would certainly capable give better administrations. The study is in concurrence with the discoveries of Choi et al. (2013) who found that conduct of workers i essentially relate and add to consumer loyalty and dependability.

The regression result also found that quality of service offered by the hospital has significant positive impact on customer satisfaction and loyalty. The findings highlight the need for organisations, especially the hospital, to place much emphasis on quality of service. Customers who receive quality of service in the form of quality health care are more likely to be satisfied with the services of the hospital. Such patients are more likely to be loyal to the hospital by continuously patronizing its services. It is therefore important for the hospital to improve the services it offers to its clients since it has direct bearing on the satisfaction and loyalty of customers. This result is in agreement with the findings of (Toyese, 2014), who found that perceived service quality has significant impact on customer satisfaction and loyalty.

The regression result further revealed that the application of technology to manage information of customers significantly affect customer satisfaction ($\beta=0.265$, $\text{sig}<.001$) and loyalty ($\beta=0.301$, $\text{sig}<.001$). The result is not surprising given the important role played by technology in promoting customer relationship. Exact client information is vital to effective CRM execution and, thus, innovation assumes a vital part in CRM in adding

to firm knowledge intelligence (Boyle, 2004). In the hospital certain, patients expect their information to be kept in a confidential manner and must be retrieved as easily as possible. The application of technology, equip the hospital with the capacity to gather, store, break down, and offer client data in ways that extraordinarily improve their capacity to react to the needs of individual clients and in this manner to pull in and hold clients (Butler, 2000).

The overall regression result clearly indicates that CRM has significant impact on customer satisfaction and loyalty at Divine Love Hospital. The result corroborates the findings of Kocoglu and Kirmaci (2012) who examined the relationship between client relationship administration (CRM) and client devotion and found that customer relationship management affects customer loyalty in the banking sector.

In some cases, satisfied customers are not necessarily loyal. However, the findings of this study revealed that there is an in number positive relationship between consumer loyalty and devotion ($\beta=0.694$, $\text{sig}<.001$). The implication of this finding is satisfied customers are more likely to be loyal and continue to patronize the services of the hospital.

4.7 The point of view of the Hospital in regards to Customer Relation Management

In order to obtain information on how the hospital is handling customer relationship management, an interview was conducted with the customer relationship manager. The interview bothered on two important issues. The first examined the effort being made to improve customer satisfaction; while the second examined the strategies put in place to improve customer relationship management at the hospital.

4.7.1 Improving Customer Satisfaction

Turnaround Time (Waiting Time)

The customer relationship manager admitted that long waiting time is a major challenge affecting customer satisfaction at the hospital. According to the interviewee, *“waiting time alone has been the chief devastating factor chipping away customer satisfaction. Folder retrieval and acquisition per visit takes average 25 minutes in the early mornings, about an hour or more in the afternoons and late evenings per normal visits. These waiting times can worsen (and almost always do!) on peak days such as Mondays and Fridays and any other day after a holiday. The observation made is that: longer the queue, the longer the waiting time for customers”*.

E-folder

The interviewee explained that the hospital is planning to introduce e-folder system. This means at every customer service point, references could take few minutes to retrieve in a computerized system. This, he believes, will go a long way to reduce the waiting time and improve customer satisfaction and loyalty.

Planned Visits

The meeting further uncovered that the healing centre plans to actualize a timetable visit programme to enhance its operation. "As a client focused medicinal services administration supplier, a few patients must be put on timetable for specific pharmaceuticals and occasional visits for survey. Such visits could rather effortlessly be modified and mechanized updates sent to individual patients by means of their given telephone contacts. The standard practice has been to educate such patients on their last

visit when their following visit is expected. In any case, very regularly most do overlook in light of the fact that there was no steady update".

4.6.2 Strategies to Enhance CRM

For a more seamless customer database management, the Hospital is considering overhauling its current computer software to a more integrated one specially designed for hospital setups. This way, Management envisages an e-folder system to replace the old hardcopy folder book which takes several hours to retrieve for a customer on attendance.

Not only will patients' bio data be taken, but the e-folder shall keep track of all their medical history which, in effect, shall greatly cut short the average waiting time per visit, enable physicians have easy access to patients' previous diagnosis, bring down the inventory cost of keeping such folders and even clearing up more space for offices and consulting rooms.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The previous chapter dealt with the methodology and sources of data for the study. In this chapter, the key discoveries of the study are displayed. Notwithstanding this, this chapter gives finish of the whole study and pronounces a few proposals for key partners.

5.2 Summary of Key Findings

The study, which examined the impact of customer relationship management on customer satisfaction and loyalty, was conducted using responses from customers and management of Divine Love Hospital in the Western Region of Ghana. The specific objectives of the study were (i) to examine the impact of customer relationship management on customer satisfaction (ii) to ascertain the impact of customer relationship management on customer loyalty, (iii) to evaluate the strategies being employed by the hospital to improve customer relationship and customer satisfaction. For the purposes of clarity, the findings are summarized based on the objectives of the study.

5.2.1 The Impact of Customer Relationship Management on Customer Satisfaction

Multiple regression analysis was used to examine the impact of customer relationship management on customer satisfaction. Customer satisfaction was designated as the dependent variable, while customer relationship management components (Relationship management, Employee Behaviour, Application of Technology, Interaction Management and Quality Service). The result revealed that employee behaviour, application of technology, and quality service has significant positive impact on customer satisfaction. The entire model also indicate that customer relationship management significantly impact customer satisfaction.

5.2.2 Impact of Customer Relationship Management on Customer Loyalty

Using customer loyalty as the dependent variable, the study found that customer loyalty is significantly influenced by customer relationship management. The result shows that behaviour of employees has the most significant impact on customer loyalty, indicating

the need for the hospital to train its workforce to improve interaction with customers. The analysis of the data further revealed that consumer loyalty and client dedication are altogether related. This means that satisfied clients are more likely to be loyal to the course of the hospital.

5.2.3 Strategies by the Hospital to Improve CRM and Customer Satisfaction

To understand the strategies instituted to improve CRM and customer satisfaction at Peace and Love hospital an interview was conducted with the customer relationship manager of the health facility. The result revealed that the hospital intends to implement an e-folder system which will ensure that at every customer service point, references could take few minutes to retrieve in a computerized system. This he believes will go a long way to reduce the waiting time and improve customer satisfaction and loyalty.

5.3 Conclusion

The objective of the study was to examine the impact of customer relationship management on customer satisfaction and loyalty. Out of this general objective, three specific objectives were developed. The study was conducted by collecting data from customers/patients of the hospital within a period of 3 months. In addition, the customer relationship manager of the hospital was interviewed to ascertain the viewpoint of the hospital. The result revealed that that customer relationship management has significant impact on customer satisfaction and Loyalty. The study further revealed that consumer loyalty is decidedly identified with client faithfulness, implying that satisfied customers are more likely to remain loyal to the cause of the hospital.

5.4 Recommendations

The study established that the behaviour of employees towards client significantly affect the satisfaction and loyalty of customers. Relying on this finding, the study recommends that staff should be adequately trained to be responsive to the customers' needs in a timely fashion. They must also be trained to show concern and care to the customers. By enhancing the abilities of workers here will, without a doubt, enhance the general administration nature of the hospital and in turn upgrade consumer loyalty and devotion. Secondly, the association should always keep their workers inspired in light of the fact that exceptionally energetic individuals would most likely have the capacity to give better care and administrations to clients. This will go a long way to improve customer satisfaction and loyalty.

Thirdly, it is a conviction that the more advanced techniques included in actualizing CRM, the more productive is the business. Divine Love Hospital should consider truly putting in resources into infrastructural apparatuses for actualizing CRM frameworks in the health facility.

The study also found that quality to service offered by the hospital has impact on customer satisfaction and loyalty. It is therefore recommended that the hospital must continuously improve their service delivery by offering quality services to their patients.

This will help to improve customer satisfaction and loyalty.

The study was conducted using just one hospital. It will therefore be difficult to generalize the findings to cover all health facilities in Ghana. It is therefore recommended that the study be replicated in other public organisations to determine whether there are variations in the findings.

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APPENDIX 1

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY SCHOOL OF BUSINESS

INTRODUCTION

I wish to introduce myself as a student at the Kwame Nkrumah University of Science and Technology, Kumasi. As part of the programme I am required to conduct a research entitle; ‘The Impact of Customer Relationship Management (CRM) on Customer Satisfaction and Loyalty at Divine Love Hospital’. Your responses to this questionnaire will be very much valued and the information provided will be used for academic purposes only. Kindly tick (√) or write your opinion where appropriate Thank you.

SECTION A: DEMOGRAPHICS

INSTRUCTIONS: Please tick against options where they apply to you.

1. Gender

☐ Male

☐ Female

2. Age

Less than 26 ☐ 26 – 30 years ☐ 31 – 35 years

☐

36 – 40 years ☐ 41 – 45 years ☐ 46 – 50 years

☐

51 years and above ☐

3. Educational level

Primary ☐ Secondary ☐ Diploma ☐ Undergraduate ☐ Postgraduate ☐

Other (please specify.....)

4. How long have you been accessing health services from the hospital.

Less than a year ☐ 1-3 years ☐ 3-4 years ☐ above 10 years ☐

5. Current Occupation

.....

SECTION B: EXPERIENCE WITH THE HOSPITAL

5. How do you perceive the quality of customer relation at the hospital?

Excellent ☐ Very good ☐ Good ☐ Poor ☐ Very poor ☐ extremely poor ☐

6. If the customer relation is good, why is it so?

.....

.....

.....

7 If the customer relation is bad, why is it so?

.....

.....

.....

8. Will you recommend the services of the hospital to others?

Yes [] No []

9. Would you use the services of other health facilities if there are alternatives?

Yes [] No []

SECTION C: IMPACT OF CRM ON CUSTOMER SATISFACTION AND

LOYALTY

15. Please indicate the extent to which you agree or disagree with the following statement with regards to customer relationship management (CRM).

Where 5=strongly agree, 4=agree; 3= neutral; 2=Disagree; 1=strongly disagree (Please circle your choice)

| Interaction Management | Ratings | | | | |
|---|---------|---|---|---|---|
| The hospital provides channels to enable ongoing, two-way communication with customers. | 5 | 4 | 3 | 2 | 1 |
| The hospital customizes customer interactions to optimize value and loyalty. | 5 | 4 | 3 | 2 | 1 |
| Customer feedback is used to create strategies conducive to positive customer perceptions | 5 | 4 | 3 | 2 | 1 |
| BEHAVIOUR OF Employee | | | | | |
| The hospital's employees are willing to help customers in a responsive manner. | 5 | 4 | 3 | 2 | 1 |

| | | | | | |
|--|---|---|---|---|---|
| Employees of the deal with customers in a caring fashion. | 5 | 4 | 3 | 2 | 1 |
| The employees fully understands the needs and expectations of patients | 5 | 4 | 3 | 2 | 1 |
| I receive prompt service from employees of the hospital. | 5 | 4 | 3 | 2 | 1 |
| The technical/production/operation people of the hospital treat customers with great care. | 5 | 4 | 3 | 2 | 1 |
| All employees of the hospital understand and share the common goal of building and maintaining customer relationships. | 5 | 4 | 3 | 2 | 1 |
| QUALITY SERVICE | | | | | |
| The hospital accepts the suggestion of the patients to improve the quality of health delivery | 5 | 4 | 3 | 2 | 1 |
| The hospital provides customized services and products to our key customers. | 5 | 4 | 3 | 2 | 1 |
| The hospital works with individual key customers to customize the services provided | 5 | 4 | 3 | 2 | 1 |
| The hospital makes concerted and coordinated efforts among functions to satisfy o customers. | 5 | 4 | 3 | 2 | 1 |
| RELATIONSHIP DEVELOPMENT | | | | | |
| The hospital makes an effort to find out what o customers needs. | 5 | 4 | 3 | 2 | 1 |

| | | | | | |
|--|---|---|---|---|---|
| The hospital commits time and resources in managing customer relationships. | 5 | 4 | 3 | 2 | 1 |
| The hospital involves customers in the service design and delivery. | 5 | 4 | 3 | 2 | 1 |
| The hospital exchanges information with customers frequently. | 5 | 4 | 3 | 2 | 1 |
| The hospital's customer relationships is good | 5 | 4 | 3 | 2 | 1 |
| TECHNOLOGY BASED CRM | | | | | |
| The hospital has the right hardware to serve customers. | 5 | 4 | 3 | 2 | 1 |
| Individual customer information is available at every point of contact. | 5 | 4 | 3 | 2 | 1 |
| The hospital maintains a comprehensive database of customers. | 5 | 4 | 3 | 2 | 1 |
| The hospital has IT facilities that manage customer relationships. | 5 | 4 | 3 | 2 | 1 |
| Customer Satisfaction and Loyalty | | | | | |
| The hospital's CRM have worked out as well as I thought it would | 5 | 4 | 3 | 2 | 1 |
| Overall, I am satisfied with the quality of customer relations at the hospital | 5 | 4 | 3 | 2 | 1 |
| My choice to use the services of the hospital was a wise one. | 5 | 4 | 3 | 2 | 1 |
| If there are other health facilities, I'd continue to use the services of this hospital. | 5 | 4 | 3 | 2 | 1 |
| I normally say positive things about the hospital to others | 5 | 4 | 3 | 2 | 1 |

| | | | | | |
|--|---|---|---|---|---|
| I intend to be a customer of the hospital for a long time to come | 5 | 4 | 3 | 2 | 1 |
| I encourage friends and family members to use the services offered by the hospital | 5 | 4 | 3 | 2 | 1 |

KNUST

APPENDIX 2

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS

Introduction

I wish to introduce myself as a student at the Kwame Nkrumah University of Science and Technology, Kumasi. As part of the program, I am required to conduct a research titled; ‘The Impact of Customer Relationship Management (CRM) on customer satisfaction and loyalty’. Your responses to this interview will be much appreciated.

1. Position at the hospital
2. Please explain your current position on Customer Relationship Management as a hospital
3. Has the company put in place measures to enhance customer relationship at the hospital?
If so, what are these mechanisms?

4. What are the challenges associated with CRM in the Hospital?

KNUST

