Impact of Customer Relationship Management Dimensions on Customer Outcomes: Evidence from Pakistan

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Abstract

The purpose of this study is to investigate the effect of dimensions of Customer Relationship Management (CRM) on performance parameters related to customer outcomes. It is an effort to identify requisite activities that will boost up the effectiveness of CRM implementation. To analyze and validate the proposed hypotheses, cross sectional research design was used and data was collected from 202 business executives from manufacturing and service firms, thorough self-administrative questionnaire which was measured on a seven-point Likert scale. The factors structure was examined through Confirmatory Factor Analysis and hypotheses were tested using Structural Equation Modeling. The study supported the impact of organizing around CRM and incorporating CRM based technology on customer satisfaction. Results also proved that focusing on key customers and managing knowledge help in retaining the customers. Furthermore, the hypothesis verified the importance of customer satisfaction towards customer retention and sales growth. After examining the mode of measurement, findings provide help to managers by considering the importance of CRM to upgrade the performance outcomes in an efficient and effective way. Present study also confirms that when companies focus on increasing the performance parameters, they have to build up long lasting CRM strategies in order to strengthen a meaningful relationship with the customers. The originality of the study is the focus of key dimensions of CRM to improve customer satisfaction, customer retention and sales growth in context of Pakistan by developing a valid model which helps in attaining successful performance outcomes for the firms.

Keywords: CRM, focusing key customers, organizing around CRM, incorporating CRM based technology, managing knowledge, customer satisfaction, customer retention, sales growth.

Introduction

Customer relationship management (CRM) has gained much momentum in recent years to make performance of businesses more credible and trustworthy. Any organization who considers CRM activities and strategies in its priority list earns more loyalty from its customers which results in magnification of profitability and goodwill. The use of CRM and its dimensions helps in increasing value for the customers, long term relationships, customer satisfaction and retention along with enhancement of sales (Yim et al., 2004). Every business is trying to embrace customer centric models in the manufacturing concerns and service sectors. They are aware about the fact that CRM can put a benchmark in achieving the competitive edge by attracting the customers positively. Through proper identification of the dimensions of the CRM, superior customer' value can be attained which help in building sustainable quality relationship with the customers because the dimensions can cope up properly to evaluate the challenges of measuring performance parameters (Wang et al., 2004).

The terms relationship marketing and CRM go side by side in broader perspectives as both work in enhancing customer life time value (CLV) by maintaining relationships in the long run. Through profound Research and Development R&D it has been confirmed that when the measurement scale is properly tested and implemented, it results in accurate identification of the key issues, retention and satisfaction of the customers by bringing beneficial and value relationships with the customers (Sin et al., 2005). With the concept of value maximization, emphasis is made on the dual creation of value both for the customers and the firms. The continuous evolution from selling, marketing and profit earning concept of CRM arises because consumers now are involved in having total buying experience than buying the core product only. Different marketing ideas when interrelate with each other, it results in the up gradation of performance parameters through development of customer relationship management (DuŃu & Hǎlmǎjan, 2011).

Although the shift of focus from product selling to customer centric has helped a lot in enhancing the credibility of the businesses because traditional view of focusing of businesses on selling only has totally shifted towards making long term meaningful relations with consumers. The implementation of coordination of information in a systematic way for building value relationship with the customers results in emphasizing positive attitude towards commitment and overall company performance in optimistically mounting scale. Proper alignment of CRM compatibility along with the performance of organization and technology results in significant linkage between the economic performance (Reinartzet al., 2004).With the dramatic up gradation in the field of CRM, immense growth has been observed in those organizations who opted these tools in their strategies to attain loyalty from the customers. So there are great chances of increasing the sales growth with the potential of having long run relationship with the customers (Nikhashemiet al.,2013).

This research has been done to explain the importance of CRM by broadening its clear perspective and interrogating the effect of the different dimensions of CRM through its outcomes. So it will further explore that how managers use the performance parameters of CRM to attain positive results. Different aspects are there in which companies fail to cater the needs of the customers systematically in order to provide them benefits. When the companies do not fully understand the decision making of consumers then profitability and performance of the business suffers a lot (String fellow et al., 2004). The secret of CRM lies in interacting with the customers by identifying their needs and thinking beyond the traditional way of selling. Great momentum has been observed in recent years which depicts that the dimensions of CRM significantly affects the customer outcomes and result in customer satisfaction which attains the retention of customers and increase the sales growth (Yim et al.,2004). When different factors are aligned together to make strategies in wider perspective such as coordination among intra and inter organizational entities then fruitful results are achieved. With the practice of CRM in organizations, success is assured in all operations and marketing capabilities (Bohling et al., 2006).

This study explains the impact of dimensions of customer relationship management on performance parameters. All the four dimensions (focusing on key customers, organizing around CRM, incorporating CRM based technology and managing knowledge) are assumed to have significant relationship with outcomes (customer satisfaction, loyalty and sales growth). After explaining literature on the dimensions and performance outcomes the second part explains conceptualizing and testing of model that how CRM dimensions are interrelated with performance outcomes. It also narrates the process of data collection through specified respondents and the last part illuminates how these results put an impact on proposed hypothesis and in the field of CRM in Pakistan.

Literature Review:

Customer Relationship Management (CRM)

When people, process and technology are embraced to bridge all the gaps by creating and maintaining meaningful relationship with the customers, it can be referred as Customer Relationship Management. CRM helps in identifying and matching the needs with the offerings to have profitable customers in the long run with the reduction of costs. The way of serving customers efficiently and effectively in businesses ultimately aims to maximize profits while having long term and meaningful relationships with the customers (Peppers & Rogers, 2004).When focus is made to serve the best by maintaining meaningful relationships with customers, it create lifetime value and satisfaction towards businesses. It also depicts how different dimensions of CRM results in positive and profitable outcomes (Yim et al., 2004). Businesses who consider CRM on the front step in this era definitely achieve the success due to proper planning and clear objectives but improper changes and poor integration in strategic planning leads to failure (Foss et al., 2008).

Evolution of CRM

CRM was firstly recognized in the late 1980's and early 1990's. Different companies started using CRM in their strategies for delivering competent and reliable services. In the mid of 1990's existing as well as potential customers were enabled to interact with companies. The concept of E-CRM came in 2000's and the next era is all about delivering the offerings by focusing on the needs and wants of customers. The different assessments about CRM give significant hypothesis regarding satisfaction, customer orientation and CRM based technology. Customer centric organizations lead towards attaining eloquent relationship by interacting with the customers professionally. CRM also comprehends that how the profitable view is taken through VRIN resources (i.e. if resources are valuable, rare, costly to imitate and non-substitutable) as well as perspective of capabilities is considered for attaining best performance (Wang & Feng, 2012). The reflection of social media in CRM with its important indicators and interaction of company with customers shows its utmost importance. The companies use technology to deliver messages about the brand in innovative ways (Malthouse et al., 2013). In CRM perspective the process of selling has been shifted from ownership to sharing by centering on customers rather than products (Chen & Popovich, 2003).

Focusing on Key Customers

All the businesses have been shifting their structures from product to customers in the modern era. CRM provides a full fledge framework for growth of any business in any sector. When the strategies, traditions, policies and effective management are aligned with the CRM, success is obligatory. In result, customer life time value, satisfaction and retention is achieved (Ryals & Knox, 2001). In business to business (B2B) and business to customers (B2C) markets CRM fills the gaps which are being prevailed among customers through different models have shifted the things from product based marketing to customer based marketing. Companies now invest after accomplishing continuous feedback and immediate interactions with the aim of having a better competitive edge by consolidating such systems that are acceptable to all the stakeholders (Xu et al., 2002).People are the real assets and companies focus on customers by entertaining their needs and putting attention to retain the customers through changes in organizational processes which make them feel prestige. It draws out long term relationship with the aim of gaining profitability and loyalty from the customers. The relationship with the customers when bridged in an organized way leads towards retention of the customers (Chen & Popovich, 2003).

Organizing around CRM

Change in one organizational system is not enough rather changes in all the structures i.e. information technology, personal policies are required by adopting the cultures and customers perceptions. Active participation shifts the process from product to customers with the alliance of all resources (Homburg et al., 2000).When companies sincerely consider customers as the backbone then relationship with them becomes valuable and cherished. The interaction with the customers has also been improved through defined values by attaining desired customer outcomes and building strong relations with them (Yim et al., 2004). Organizations now focus on strategic plans which identify such processes that revolve around CRM and enhance the value by increasing performance and integration for customers and company simultaneously (Payne & Frow, 2005). When the needs and wants of the customers are properly identified and processed through best communication channels, it leads to the meaningful and profitable relationship with customers in the long run (Stringfellow et al., 2004).

Managing knowledge

The organizations that practice CRM in narrow perspective, their benefits also prevail in limits while those viewing CRM in widespread embrace the success and their graphs of profitability move in upward direction. As CRM provides the guideline that how you customize your services by understanding the needs and wants of customers to satisfy them, you attain the competitive advantage and earns a good name in the market (Peppard, 2000).CRM and knowledge management business activities are assembled in allocation of resources to attain a better competitive edge. Different aspects play a vital role by depicting the fact that customers' attention is the ultimate focus and aim of businesses so knowledge about them in high intensity and preference is given to them using different models and approaches. All aspects of customers knowledge are implemented in an organized way which are for them, about them and from them (Gebert et al., 2003). The bonding of CRM and knowledge management has vital importance in the success of CRM as it applies knowledge from, about and for customers. It is now viewed in broader perspective by taking customers knowledge as an important factor for their product improvement by disseminating knowledge of customers to boost up relationship and integrating the knowledge across CRM processes to make their systems viable (Dous et al., 2005). The customers knowledge has crucial importance in enhancing information related to them and explaining the effects of customer relationship management significantly (Mithas et al., 2005).

Incorporating CRM based Technology

When technology is infused in the selling process, it accelerates the working of the businesses. Technology is now being used in every aspect i.e. organizing plans of the sales for customers by minimizing time, in presenting the proposals professionally that appeals the customers, reporting these technologies to the main bodies and informing them. Through technologies a large amount of data is supported and processed in an easy way to make the customers satisfied. Technology has also made the communication easy, and reachable at the doorstep at any time (Widmier et al., 2002).When people, process and technology are balanced together in the strategies the desired consequences are ultimately achieved. In this era, more empowerment is given to the customers while technological advancements are implemented for refined communication about the offerings of businesses with the customers (Chen & Popovich, 2003). Organizations link the technology with its processes to make better interaction at all levels. The application of technology and information is associated to integrate the modifications in CRM depending on organizational structural changes.

Technology acts as driver in CRM performance with the support of users that regulates its implementations' (Becker et al., 2009). The use of technology have been witnessed in every field and in result of technological marketing, reporting is aimed efficiently to head offices in organized and standardized form. It supports and processes the transaction by resulting better communication. Substantive information can be stored and retrieved through modern technology (Widmier et al., 2002).

Hypotheses development

After making explanation on the dimensions of customer relationship management and moving towards the required consequences by implementing CRM in business firms-following outcomes are achieved.

Customer Satisfaction

When you shift your business from transaction based to customer based, it ultimately results in satisfaction for customers. These relations different evaluations are stemmed like trust which is incorporated as an important ingredient by putting confidence in customers. Commitment of long term relation is also processed and the mediating role is played by overall satisfaction with specific products or facilities (Garbarino & Johnson, 1999). Organizations apply different tactics and strategies to satisfy the customers. It keeps the attitude and behavior of employees towards customers and considers its vital importance through maintaining relations with positive interaction by entertaining the needs in a sophisticated way (Long et al., 2013). Some other procedures also put a bench mark in building relationship between customers and company i.e. through emotional CRM with the purpose of attaining customer satisfaction. Customers are the real assets and considered as backbone (Saeed et al., 2013). So this study proposed that:

H1: *There is significant relation among "focusing on key customers" and customer satisfaction*

H2: *There is significant association among "organizing around CRM" and customer satisfaction.*

H2: *There is significant relation among "managing knowledge" and customer satisfaction.*

H4: *There is significant association among "incorporating CRM based technology" and customer satisfaction.*

Customer Retention

The mainstay of any business is showed by its customer traffic. One of the important outcome which results from CRM is retention or loyalty of the customers with that specific organization. Even a small boost in it can maximize your profits dramatically. While reviewing economic benefits customer value is upgraded and intensified in retention. It is mandatory and the absence of this factor will give the results zero (Pfeifer & Farris, 2004). A strong bonding between CRM, customer relations and customer value has been observed to retain them. Researchers have proved that customer relationship is more important than acquisition of the customers to remain in competition. In retention positive words of mouth are delivered by creating meaningful relationship and promoting the product (Nwankwo & Ajemunigbohun, 2013). Some relationship bonds depict strong or weak satisfaction level for appraisals regarding trust, beliefs and commitment towards the organization. Overall it coincides with the purchase and consumption pattern of a particular good or service. Benefits given to the consumers automatically creates positive relationship (Garbarino & Johnson, 1999). The use of internet technology when applied in CRM helps in providing positive

results and can create long term relationship with the customers. Proper implementation takes the graph of customer retention and customer loyalty in the mounting direction. A satisfied customer influences his retention towards organization in a positive way (Nikhashemi et al., 2013)

H5: *There is significant relation between "focusing on key customers" and customer retention.*

H6: *There is significant relationship between "organizing around CRM" and customer retention.*

H7: *There is significant relationship between "managing knowledge" and customer retention.*

H8: *There is significant relationship between "incorporating CRM based technology" and customer retention.*

A strong relationship has also been seen between customer satisfaction and customer retention in different studies. When a customer will be highly satisfied, his ratio of retention will be more.

H9: *There is significant relationship between customer satisfaction and customer retention.*

Sales Growth

When customer lifetime value (CLV) is achieved by businesses, it has been proved advantageous and constructive in many areas i.e. acquiring or using the right customers, customers' retention and satisfaction. Studies show that shifting from unprofitable to profitable phase results in either firing of some of unprofitable customers by businesses or serving their profitable customers on value based segmentation. One of the notable and striking line from the book Animal Farm balances this statement which says "all animals are created equal but some are more equal than others". Value based financial decisions are measured and managed in this context (Gupta & Lehmann, 2003). When CRM and technology are well communicated and fill the gaps then profitability is up hilled and strategic benefits are attained (Payne & Frow, 2005). ECFV expected customer future value along with the financials enhance the relationship by offering a new dimension of retention from customers (Pfeifer & Farris, 2004). So the proposed hypothesis says that:

H10: *There is significant relationship between customer retention and sales growth.*

H11: *There is significant relationship between customer satisfaction and sales growth.*
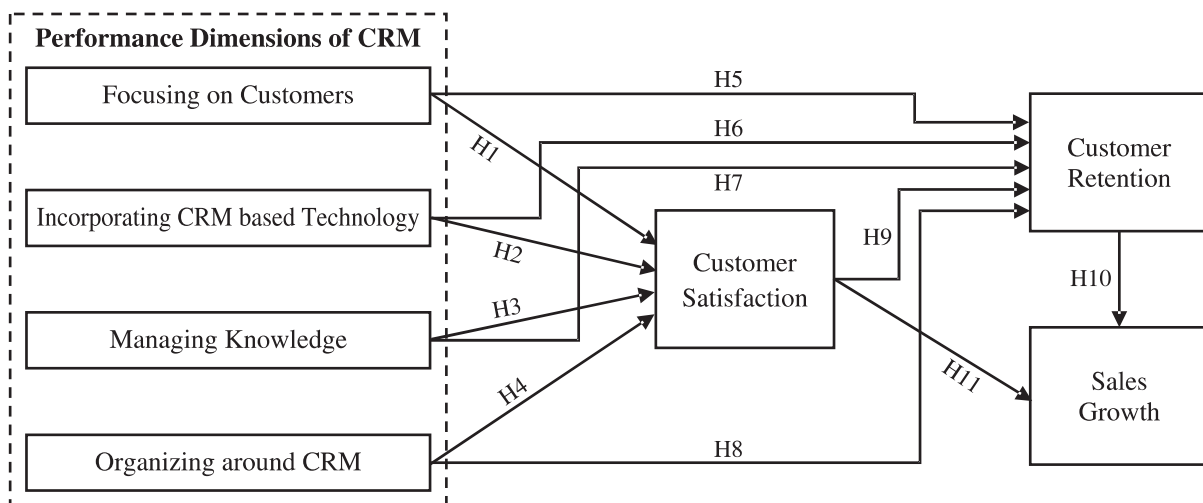
Conceptual model depicting the impact of the dimensions of CRM on performance outcomes.

Methodology

Following the quantitative research, study setting was non-contrived and non-experimental and deductive approach was used by developing the instrument referenced from the previous research (Yim et al., 2004). The proposed hypothesis were tested using cross sectional research design by collecting responses from different organizations of Pakistan as it was specific because skilled persons were found to get the requires responses (Sekaran, 1983).To measure proposed research model hypothesis were compiled using adapted scale of previous studies on a 7-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree". To measure *focusing on key customers,* 5 items of this dimension measured the results that how organizations focus on their customers to make strong relationships with them. For *incorporating CRM-Based technology* all the 5 items of this performance parameter identified that to what extent different organizations incorporate technology in customer relationship management. For *managing knowledge* the 3 items on a 7- point Likert scale depicted how organizations work in converting customer information into customer knowledge and in *organizing around CRM* all the 7 items on the scale ranging from "Strongly Disagree to Strongly Agree" measured the extent that how strategies are made which are organized around customer relationship management. The *CRM outcomes* have been observed in 3 parts in which the effect of the performance parameters of CRM were measured according to customer satisfaction, customer retention and sales growth and evaluated the current performance of the companies of managers in comparison to their competitors

The database of different organizations working in Pakistan was used. The sample which was selected consisted of many firms and sample frame included production and service firms, financial institutions, banks, restaurants, investment companies and other organizations which are mainly directed towards strong relationship with the customers. Different public and private limited organizations were visited and the branch managers, general managers were requested to cooperate in giving responses to research. The total number of usable questionnaires received was 202 out of 500 with a response rate of 40.4%.

Data Analysis

The construct consisting of 20 items for four performance dimensions was adopted from the suggested guideline by Anderson & Gerbing(1988) and (Churchill Jr, 1979)on a 7-point Likert scale along with 3 additional items for the performance parameters – customer retention, customer satisfaction and sales growth. The measurement of business performance variables was based on the company performance of respondents with comparison to major competitors ranging from "Strongly Disagree" to "Strongly Agree". The performance variables were measured through single statements which helped the respondent to judge his/ her company performance in comparison with competitors in the industry. Regression statistical process was usually used to test model consisting of several independent and one dependent variable along with relationship between them by using SPSS21 and AMOS 22. Anderson & Gerbing (1988) proposed the two step procedure to run Structural Equational Model (SEM) for analysis of the data through testing mediation, moderation and multiple dependent variables(Gefen et al.,2000). SEM is a two-step procedure i.e. CFA tests the discriminant and convergent validity in first step and hypothesis testing is made in second step to identify the relationship between the variables and indicate whether any of the measured variable can test the latent variable accurately (Hair, 2009).

Results and Discussion

Cronbach's alpha was used in the study to test any item in the instrument with reference to

the identical variable. Table 1 showed that every value in the column Cronbach alpha is greater than 0.7 ranging from 0.880 to 0.937 and depict that instrument has satisfying reliability by following the standard criteria defined by (Fornell & Larcker, 1981). These results have been confirmed by CR values in the next table. The Cronbach alpha for the performance variables cannot be determined because of single items. Table 1 also depicted the mean and standard deviation values ranging from 5.26-5.74 and 1.35-1.427 respectively. It shows that there is no issue of normality in the data. So after performing descriptive statistics, confirmatory factor analysis can be conducted to evaluate the convergent and discriminant validity with obtained samples. Table 2 showed values of the factor loading in which CFA was run in AMOS by allowing the variables to freely covariate with each other and the result showed that all the items of the variables are being loaded on that particular variable with values ranging from 0.782 to 0.882 means all are above 0.5 and meeting the minimum level suggested by (Fornell & Larcker, 1981). The model fit analysis provided satisfactorily levels defined with values Chi-square =189.585, DF=161, p= .061, Normed Chi -square= 1.178 which is less than 3, GFI=.917, AGFI=.892, TLI= .989, CFI=.991 because all are greater than .9 and value of RMESA= .030 meeting with standard criteria 0.3 along with PCLOSE= .986 which is near to 1. It depicted that after finding all the values in fit ranges CFA model can check discriminant and convergent validity.

Table 1: Descriptive Statistics

Variables	Mean	Standard Deviation	Cronbach's α value
Focusing on key customers (FKC)	5.489	1.135	0.919
Organizing around key customers (OAKC)	5.358	1.161	0.937
Incorporating CRM based technology (ICRM)	5.277	1.292	0.910
Converting customer information into customer knowledge (CICK)	5.741	1.145	0.880
Customer satisfaction (CS)	5.31	1.352	-
Customer retention (CR)	5.26	1.401	-
Sales growth (SG)	5.34	1.427	-

While measuring any variable convergent validity facilitated uniform results even by performing different methods and discriminant validity assesses the uniqueness of the different measuring instrument. The procedure suggested by Fornell & Larcker(1981) has been tested to check discriminant and convergent validity. The standard values for meeting the acceptance level of composite reliability CR if exceeds .8 then convergent validity is proved along with AVE > .5 and factor loading > .7. So Table 3 showed psychometric properties of the construct with each value of the average variance extracted AVE exceeding 0.5 for each factor (0.657 - 0.711). It proved the standard criteria defined by (Fornell & Larcker, 1981)with good convergent validity. While considering the correlation between AVE and all other factors the square root of AVE must be greater than the correlation of all other items by proving the results empirically and conceptually distinct as suggested by (Fornell & Larcker, 1981). The stated conditions have been successfully met in proving the discriminant validity.

After successfully testing normality, reliability and validity issues, SEM tested different hypothesis to find relationships between various variables. Firstly H1 hypothesis checked by considering the proposed hypothesis that how focusing on key customers put an impact on customer satisfaction and the result showed that there is significant relationship between focusing on key customers and customer satisfaction (Un-standardized β = .284,

Standardized β = .263 and P < 0.001) which depicts that when companies focus on their key customers, it increases their level of satisfaction. Second hypothesis was checked that how relationship with organizing around CRM and customer satisfaction is made.

Table 2: Factor Loading

Variables	No. of Items	Factor Loadings
Focusing key customers (FKC)	5	0.814, 0.816, 0.855, 0.846, 0.841
Incorporating CRM technology (ICRMT)	5	0.786, 0.782, 0.860, 0.839, 0.784
Managing customer knowledge (CICK)	3	0.853, 0.882, 0.792
Organizing around customers relationship management (OAKC)	7	0.835, 0.846, 0.846, 0.800, 0.805, 0.827, 0.842

The result showed that organizing around CRM has significant relationship on customer satisfaction (Un-standardized β = .560, Standardized β = .463 and P < 0.001) so it supported that the current era revolves around to build meaningful relationships with customers and when companies work on CRM it creates satisfaction among customers. H3 hypothesis gave the result that there is a positive relationship between managing knowledge and customer satisfaction (Un-standardized β = .213, Standardized β = .151 and P < 0.1). So here it verified that when customer's information is meaningfully converted into customer's knowledge it put significant impact on customer satisfaction. There is no significant relationship between incorporating CRM based technology and customer satisfaction is the next H4 hypothesis (Un-standardized β = -.116, Standardized β = -.084 and P >0.05) so it articulates the fact that when companies focus on technology then it does not directly relate with the satisfaction of customers as it may increase the work with more efficiently and effectively but has no connection with customer satisfaction.

After checking H5 hypothesis it was comprehended that there is no significant relationship between focusing on key customers and customer retention and the result showed that when companies focus on their customers in Pakistan it does not directly help in retaining the customers. (Un-standardized β = -.124, Standardized β = -.110 and P > 0.05). In H6 the proposed hypothesis made a statement that there is positive association between organizing around CRM and customer retention and the result showed insignificant relationship among both of these (Un-standardized β = -.029, Standardized β = -.023 and P > 0.05) so it can be concluded that organizing around customer relationship management does not help a lot in retaining the customers in Pakistani context. H7 was revealed a positive relationship between managing knowledge and customer retention and the result also strongly supported the proposed hypothesis (Un-standardized β = .478, Standardized β = .327 and P < 0.001).

Table 3: Psychometric Properties

	CR	AVE	FKC	OAKC	ICRM	CICK
FKC	0.920	0.696	**0.835**			
OAKC	0.939	0.687	0.779[**]	**0.829**		
ICRM	0.906	0.657	0.646[**]	0.647[**]	**0.811**	
CICK	0.880	0.711	0.699[**]	0.683[**]	0.562[**]	**0.843**

Next it was anticipated that there is significant relationship between incorporating CRM based technology and customer retention and the result again not supported the

proposed hypothesis (Un-standardized β = -.153, Standardized β = -.107 and P > 0.05). In H9 it was proposed that there is positive relationship between customer satisfaction and customer retention and the result strongly supported this proposed hypothesis (Un-standardized β = .561, Standardized β = .541 and P < 0.001) so it lies with the fact that when a customer will be satisfied then he will definitely remain loyal towards that company. H10 proposed that there is positive relationship between customer retention and sales growth and the result showed significant relationship among both of them (Un-standardized β = .334, Standardized β = .328 and P < 0.001). It is noticeable when customers will be retained towards specific firms then profit margin of that firm will rise due to high sales. H11 gave significant impact of customer satisfaction with the sales growth and depicted that when the satisfaction of the customers increase then they make positive inclination towards sales so that there is strong connection between customer satisfaction and sales growth. (Un-standardized β = .433, Standardized β = .410 and P < 0.001).

Table 4: Hypothesis Testing Results

Relationships	Unstandardized β	Standardized β	S.E.	C.R.	P
OAKC→ CS	.560	.463	.124	4.527	***
ICRM→ CS	.284	.263	.087	3.262	**
FKC→ CS	-.116	-.084	.144	-.806	ns
CICK→ CS	.213	.151	.123	1.732	ns
OAKC→ CR	-.029	-.023	.123	-.232	ns
ICRM→ CR	.124	.110	.085	1.455	ns
FKC→ CR	-.153	-.107	.138	-1.109	ns
CICK→ CR	.478	.327	.121	3.947	***
CR→ CS	.561	.541	.071	7.955	***
CR→ SG	.334	.328	.075	4.469	***
CS→ SG	.433	.410	.078	5.582	***

Note: ns=not significant,*=p<0.05, **=p<0.01, ***=p<0.001.

Conclusion and Managerial Implications

This study contributed in many ways by focusing on the dimensions of CRM along with performance parameters and helped in developing a proper measurement model. It brings the firms closer to apply CRM strategies which attract consumer force. The results showed that how firms can upgrade their capabilities by establishing and maintaining relationships with the customers as CRM has explored new ways of developing worthy relationship with customers to attain high performance outcomes. The findings have encouraged the firms to apply CRM processes as it will engage the customers to have long run relationship. It also contributed in considering CRM processes that proper management of customer's knowledge can make the firms able to attain satisfaction and retention of customers by enriching their profits. Moreover CRM soft wares have also been designed in enhancing functionality of sales management which have charted much expansion in CRM processes (Shoemaker, 2001). Frontline sales persons have vital importance due to their direct interaction with customers (Williams & Attaway, 1996).

The main aim behind customer relationship management CRM practices is to escalate the sales and functionality of sales management so frontline sales persons are required to

fully understand the CRM initiatives as they have to interact with the customers (Weitz & Bradford, 1999). An indispensable role has been observed from salespeople in satisfying the consumers which in return increase the performance of sales (Grewal & Sharma, 1991). For successful orientation of CRM, motivation at every level is required through proper marketing efforts internally (Ahmed & Rafiq, 2003). It will increase sales performance if these frontline people are motivated by giving training and rewards through proper involvement of employees and communication system. Through suitable participation, salespersons are trained which automatically increase their internal communication resulting positive performance parameters i.e. customer satisfaction, retention and sales growth (Zikmund et al., 2003).

Following points will narrate that how salespersons can play their role in successful implementation of CRM activities.

- Salespersons who make regular interaction with customers require training programs as they will have skills to make significant relationship with customers(Conduit & Mavondo, 2001). An infinite elasticity has been observed in expectations of customers because their demands change drastically so proper training and motivation will help in demonstrating positive CRM outcomes with performance outcomes (Jain et al., 2002).

- Amplified and high attention when paid towards internal communication process results in clarification of responsibilities in understanding the needs of customers because here accurate and exact information is required for effective and efficient building of relationship with customers. When businesses work on the strategies to satisfy the customers, it ultimately results in bringing high loyalty them(Wulf et al., 2001).

- In order to opt new behaviors and approaches in congruence with orientation of CRM, proper reward system is required to provide motivation to employees (Rigby, Reichheld, & Schefter, 2002). With the accurate implementation of reward system, performance of business is enhanced that help in retaining the customers. But uniformity in designing reward processes is an integral part in maintenance of motivation, satisfaction and commitment of employees (Brashearet al., 2004).

- Empowerment is an important aspect in which each level of employees are given the power that they can best meet the interests of the customers by catering their needs as well. It also helps salespersons to positively negotiate with customers that can boost up their satisfaction level (Berry, 1995). Studies have revealed that when salespersons are empowered then they are quicker in resolving issues and complaints of customers. They are also a major source of innovative customer ideas so positive involvement of employees help the companies in sustaining meaningful and worthy relationship with customers (Zeithaml et al., 2006).

Limitations and Future Research

This study has some limitations which are important to be considered. At first, different market environments of the industries put an impact on performance of the businesses which decrease the global generalizability. Then the sample size which has been used to represent the whole population carries great worth because respondents can vary the results so if larger sample size will be selected it will more generalize with less error ratio. Secondly, it is not compulsory that all the organizations will have same nature of relationships with the customers so depending on the nature of business of concerned companies; results may differ as a whole. The organizations with a larger size and more resources may have proper R&D

on CRM while the smaller organizations may face difficulty in dealing with the customers and implementing processes of CRM through advanced modes and technologies. So resources available in the firms may also put an impact on the results. Moreover, as the study has been conducted in Pakistan which is not a developed country so many other factors are important to consider which may have restricted the results. Several situational and environmental factors, biasness of the respondents along with the unprofessional attitudes towards providing the responses may also affect the results. For further research, the first thing to consider is larger sample size which can generalize the results more accurately. It is an empirical study and it is recommended that more performance variables can be added in future along with the possible moderators which influence internally and externally such as environment turbulence and culture or size of the companies respectively. Future studies may also focus the commitment of the customers with their future expectations of benefits from firms to attain high business performance.

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