

Abstract

One of the major advances in current corporate practices is the rising importance in Customer Relationship Marketing (CRM). Marketers keep placing increased strategic importance on developing relations with clients and capitalizing on relation information technology. This project sought after establishing the effect of Customer Relationship Marketing on market share of commercial banks in Meru town. Specifically, the research examines the effect of customer information management, customer attraction, customer loyalty programs and interaction on market share of commercial banks in Meru town. The research uses descriptive research design. The research was done at Meru town. The population of research composed of 51 senior level managers, 88 middle level managers and 125 low level managers. Simple random sampling technique was used to select the sample of 137 middle and low level managers. The research also employed census approach for senior level managers. The collected primary data using a questionnaire. To establish the legitimacy of the questionnaire a preliminary study was done. Data collected was quantitative and examined using descriptive analysis. The descriptive statistical tools such as SPSS V 21.0 and MS Excel assisted the researcher to define the data. The researcher also did a multiple regression analysis so as to determine the effect of each of the independent variables. The research established that customer tracking; customer records; customer data mining affected the operation performance to a great extent. That customer information helps reduce unproductive contact with customers and also in rewarding of royal customers. Service quality; active interaction; solid reputation and user-friendly technology affected operational performance of commercial banks to a great extent. The respondents also agreed that creating strong customer-focused relationship enhance market share of banks. The respondents were neutral whether successful loyalty programs manage loyalty and profitability properly. The study established that the trend of market shares in the institution in the past five years had improved. The research concludes that customer information management; customer tracking and customer data mining affected market share to a great extent. The study also concludes that customers information aids in rewarding royal customers; that solid reputation; service quality; active interaction; and user-friendly technology affect the operation performance of commercial banks to a great extent. The research further concludes that the banks that offer superior services can charge high and still enjoy a large market share; offering a high quality service is one observable way in which a bank can compare itself with its competitors and that

creating strong customer- focused relationships enhance market share of banks. The researcher recommends should use customer friendly technology y which their customer and brings value in their life as they can easily interact with the bank; should invest on information aids in focusing marketing strategies since they maximize revenue for the banks and banks should also launch customer education programs to improve understanding of bank's procedures and decision making and increase comfort levels.