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# Enhancing Customer Retention: The Role of Customer Knowledge Management

**Hellen Wanjugu Kabue**
Department of Business Administration and Entrepreneurship
School of Business and Management Studies, The Technical University of Kenya
Nairobi, Kenya P.O. Box, 52428-00200, Nairobi, Kenya

**Abstract**

*Customer Knowledge Management (CKM) has emerged a winning strategic tool which organizations and specifically banks can utilize to increase customer retention due to its ability to establish and maintain customer relationships. Through knowledge management organizations can be able to: Monitor customers' behaviour, identify and meet customers' needs, enhance their speed of service delivery and improve the quality of products and services. To achieve this, firms must be in a position to create, store, distribute and utilize customer knowledge in a manner that is accurate, timely and responsive. Through a survey of 385 customers from 25 commercial banks in Kenya, this study empirically investigates the relationship between customer knowledge management and customer retention. The sample was obtained through multistage sampling where stratified and simple random sampling methods were employed. Structured questionnaires were used to correct primary data. The data was subjected to descriptive, correlation and regression analysis. The findings ascertain that customer knowledge management directly and significantly influences customer retention.*

**Key Words:** Knowledge Management, Customer Knowledge Management, Customer Retention

## Introduction

The highly turbulent business environment requires firms to go beyond meeting their customers' needs and expectations to ensuring customer loyalty and retention in order to gain a competitive edge. Over the years, research has shown that customer retention is much more cost effective than attracting new customer. Customer retention rate is also closely linked to company's profitability and growth (Tahrani, Javadizadeh & Nadi 2015). Understanding customer needs and preferences and tracking their satisfaction levels are critical success factors for firms wishing to retain their customers for longer. Knowledge management therefore plays a crucial role in understanding customers, managing customer relationships and consequently in generating customer loyalty and retention. By creating customer knowledge management structures, organizations can be able to establish and maintain relationships with valuable customers, acquire and manage new customers, and develope appropriate responses to customer needs (Aghamirian , Dorri & Aghamirian, 2015; Yaghoub, Khaksar& Banihashemi., 2011; Mithas Krishnan & Fornell ,2005).

Knowledge management enables organizations to get the right information, to the right personnel and customers at the right time (Khalilabad, et al., 2006). This information is critical in understanding customers' needs, product tailoring, service innovation, providing a comprehensive view of the customer, calculating customer life time value, personalizing transactions and establishing and maintaining relationships (Pepered, 2000; Jayachadran , et al., 2005; Badrinarayan & Arnett, 2005). Organizations can also use knowledge management to acquire new customers, sustain existing customers and understand the market better (Kmetova 2013). Effective knowledge management strategy therefore, can enable an organization to create committed customers who will not easily switch to competitors thus promoting customer loyalty and retention.

As projected by (Khalilabad, Mazandarani ,Sentosa , Piaralal,.., 2006), Customer centric businesses have in the recent past been shifting from transaction-based strategies to relationship based strategies in which concepts such as economies of scale are steadily being replaced by notions such as economies of interaction. With relationship based strategies, knowledge management becomes the key focus aimed at generating competitive advantage for the firm. In order to deliver highly personalised and customised communications, products and services, organizations must use customer database information detailing: their demographics, interactions with the company and its products, buying patterns and their purchasing power. Using this database, an organization can be able to trace the number of calls, emails, Frequently Asked Questions, complaints, complements and the most discussed issues. The firm is also able to visualise how the customers interact with their preferred products and services thus provides the organization with an opportunity to make the necessary improvement on products and services (Liu and Wu, 2007; Khalibab et al., 2006).

However, Firm's effort to build relationships and retain customers can be rendered ineffective by poor knowledge acquisition, poor information analysis, information loss, information overload, inappropriate information use, mishandling of information and poor dissemination of knowledge. This can in turn lead to loss in terms of time, opportunities and resources (Jayachandran et al., 2004). Extracting information from customers can be a difficult task for any organization and even when the information is secured, managing and utilizing it effectively and efficiently pauses numerous challenges for firms (Khosravi and Hussein 2016; Annabi & Murilo 2002). Consistently, Yaghoub et al., (2011) observe that although most firms have access to huge amounts of information, they still know very little about how to manage it appropriately. Khosravi and Hussein (2016) categorise the Customer Knowledge Management challenges into three that is: Organizational challenges (structural, cultural), Human challenges (competency, trust and motivation) and Technical challenges (IT infrastructure, capability).

It is also interesting to note that Knowledge created and availed to the customers may not necessarily be the knowledge the customers want. Further, what customers know or perceive about the organization might not be consistent with what the organization may want them to know (Feng and Tian 2005) . This mismatch in knowledge need and supply could therefore prevent the firm from leaping the full benefits accrued to customer knowledge management. Customer feedback therefore, becomes a key input in managing this gap (Jayachandran et al., 2004; Gilbert, Leibold & Gilbert, 2002). Customer knowledge management should therefore focus on establishing and strengthening productive relationships with customers that can help identify what the customers know and what they need to know.

To respond to customers' needs, organizations must make deliberate efforts to gather information from the customers about their needs, wants, preferences, their perception of the company, perception of the products as well as competition (Attafer et al., 2013; Feng and Tian 2005). Customer knowledge should then be integrated into the organizational processes and procedures to bring more value to the customers and also to the firm (Rahmil 2012; Tahrani et al., 2015). The main objective of this study therefore, is to empirically determine the association between customer knowledge management and customer retention in the banking sector.

## 2.0. Literature Review

### 2.1 The Concept of Knowledge Management

Knowledge management could be defined as the creative, effective and efficient use of knowledge in order to attract and retain customers and improve the organization (McDonald 1999 as cited in Tahran et al., 2015). On their part, (Pan Huiming and Guo Yi, 2011) define Knowledge Management as the acquisition, creation, sharing, and transfer of knowledge for the promotion of organizational performance. Customer knowledge management is one of the major and most valuable aspects of knowledge management that focuses on generation, storage, dissemination and utilization of customer related knowledge (Attafar et al., 2013). Companies that effectively create and utilize customer knowledge, are able to keep up with the customers' changing tastes and preferences, customer's demands about products and services and also their buying patterns. These company then use this information to make changes that enhance customer satisfaction, improve products and services, counter competition and enable the company to sense and utilize emerging market opportunities in the business environment (Khosiravi and Hussain 2016; Bou lding et al., 2005; Mithas et al., 2005).

Customer Knowledge in this study takes two perspectives: 1) the knowledge that a customer has about issues relating to the products or services that he or she is interested in buying. 2) The knowledge that the firm should have that can be used to assist the customer in making a purchase decision. (Tahrani et al., 2015; Lee et al., 2011, Campabell, 2003)

Gilbbert et al., (2002); Feng & Tian (2005) identify three categories of customer knowledge which include: 1) Knowledge for customers; knowledge that is provided to customers to satisfy their needs. This may include information on products, product features and benefits, product quality and availability of products. Knowledge for customers is a key resource that enables a firm to strengthen its customer loyalty and enhance customer retention. 2) Knowledge from customers; this is knowledge that is obtained from customer interactions covering aspects such as customer tastes and preferences, product quality and competition. Obtaining and utilizing information from customers, changes the customers from being a passive recipient of knowledge to being an active partner with up to date and sufficient knowledge (Aghamirian et al., 2015). Studies such as Kmetova (2013) have found that organizations that utilize knowledge from their customers are in a better position to identify and utilize market opportunities before their competitors. 3) Knowledge about customers; knowledge that is used for profiling and segmentation of customers. This knowledge includes customer requirements, demographics, expectations, income levels and buying patterns. Managing customer relationships therefore, requires managing these three types of customer knowledge (Khalibab et al., 2006, Gebert et al., 2002).

Achieving and utilizing knowledge from customers has become the new competitive advantage for firms; successful customer focused firms acknowledge that in some instances customers could even be more knowledgeable than some employees due to the experience they gain through their interaction with the company, its products, its services and also with the employees. Consequently, these customer centric organizations capture customer information through: direct engagements with customers, through their sales representatives and also through their channel members (Tahrani et al., 2015; Gilbert et al., 2003). To increase the success of Customer Knowledge Management, organizations should gather effective information from customers and turn it into knowledge. Customers must therefore play a significant role in generating this information so as to increase the efficiency of the gathered data (Aghamirian et al., 2015); Attefar et al 2013)

Customers can provide the firm with knowledge that may be used to improve its internal operations, innovate the existing products and develop new products (Plyasunav et al., 2017; Jayachandran et al., 2004). This information may include information about customer processes, desired products, preferred features, positive or negative experience linked to a product or service and areas of improvement. The customers' approach to knowledge management should therefore aim at learning from customers using customer friendly tools and understanding their knowledge needs. In their study, Plasunav et al., (2017) find that companies that claim to be customer driven and have close relations with their customers, use simple customer-friendly tools and methods such as surveys, customer feedback forms, suggestion boxes, complaint/complement register and customer care desks to keep in touch with their customers

Customers on the other end, need knowledge from the firms which they can use to make purchase decisions. Therefore, recognising key knowledge areas that customer they require becomes a critical success factor. Organization should therefore provide the customer with information about their products services, processes, procedures and policies. This exchange of information helps to establish, build and maintain relationship with customers thus enhancing loyalty and customer retention (Plyasunav et al., 2017). Actively engaging in the development and maintenance of a customer relationship through communication involves sending planned and timely messages to the customers as well as receiving and promptly replying to messages from individual customers. The quality of communication with customers then becomes a central ability for facilitating knowledge management. Poor communication has been identified as one of the barriers to successful implementation of CKM while effective communication has been found to have a positive significant relationship with customer retention (Hasbi, Sumarwan & Krismatuti (2018). To increase the impact of CKM Knowledge should be communicated through multiple customer friendly channels (Tahrani et al., 2015; Attafar et al., 2013).
In their study on the role of relational information on Customer Relationship Management (CRM), Jayachandran *et al*., (2005) identify five dimensions of customer information processes namely: Information Capture, Information Integration, Information Reciprocity, Information Access and Information use.

Information reciprocity ensures effective two way communication, information capture and integration prevent information loss, information access limits information overload, while information use routines ensure that customer information is used consistently with both organization and customer needs. Jayachandran *et al*. (2005) support the argument that these processes provide guidelines to help firms manage customer information and engage with customers in a way that is consistent with their needs, their expectations and with the goals of the organizational.

A study by Huiming and Guo Yi 2011) found Knowledge acquisition, knowledge creation, knowledge transfer and knowledge sharing to be critical factors in customer retention; they study found the four factors to significantly correlate with customer retention. In a similar study, Khosravi and Hussein (2016) concluded that customer knowledge management is anchored on four key processes namely: knowledge acquisition, knowledge storage, knowledge dissemination and knowledge utilization.

To increase the effectiveness of customer knowledge management therefore, firms need to develop knowledge stores that relate to the desirability of prospects, customer defection intentions, needs, preference, likely profitability of current customers, buying patterns, customer loyalty and emergence of threats (Crosby & Johnson, 2005). By coordinating and using this knowledge, organization can provide superior services to customers and progressively improve this excellence by communicating with them through multiple channels (Khalibab 2006; Mithas et al., 2005). The ultimate outcome of knowledge management programs should therefore be application of knowledge in a way that generates long-term relationships and creates additional value for the firm and its customers (Badrinarayan and Arnett, 2005). For effective knowledge management an organization must be able to: identify which knowledge and information is most valuable to them, collect, organize and store the required knowledge, and most importantly share this knowledge between users and not waste time and effort collecting and storing knowledge that might not be useful (Capeda, 2006; Gebert et al., 2002).

Customer Knowledge management strategies therefore, require that organizations develop information systems and processes that are suitable for knowledge capture, knowledge storage, knowledge sharing and knowledge utilization. CKM could therefore be divided into two sets of systems; first, a system that can build relationships with customers to facilitate exchange of information and second a system that can store and make available information meaningful and available for utilization. To enhance effectiveness in customer knowledge management, information about and from customers should therefore be gathered from customer touch points across all functional areas of the firm and transformed into customer knowledge ( Attafar et al., 2013; Brohman *et al.*, 2003).

### 2.2 Knowledge Management and Customer Retention in Banking

A study by Chege (2013) on Kenyan banks found that 88.9% of the respondents had tailored their products as a result of customer feedback while 77.8% reported that their service provision levels had improved significantly after acquiring customer feedback. Alhawari (2012) found customer knowledge capture and customer data analysis to have a significant impact on customer acquisition which consequently increases customer retention. Soliman (2011) found that there is a strong direct and statistically significant correlation between customer knowledge and marketing performance with a coefficient of 0.765. Consistently, Yaghoubl (2011); Yim, Anderson, & Swaminathan. (2005); found that managing customer knowledge had a significant positive effect on customer satisfaction, customer retention and customer loyalty. \

In their study of Customer Relationship Management and Customer Centric Knowledge Management Constantinous and Sarmaniotis (2003) establish that 50% of the organizations frequently used specific instruments to evaluate external environment and to obtain knowledge from customers, while the other 50% did not employ any Customer Knowledge Management methods. Only 25% carried out marketing research, 41.5% reported having a customer satisfaction recording system, 61.7% had a customer complaint recording system. Chege (2013) found 44% of banks in Kenya had adopted customer care centres as a source of feedback while 88% indicated that they highly adopted relationship managers as a source of feedback from customers. The least adopted source of feedback in the banking sector was suggestion boxes and research companies. On access to information, 44.6% of the respondents indicated that there was a challenge in obtaining full customer information. Jayachadran *et al*. (2005) argue that providing relevant employees with access to updated information should be a priority for firms.

In their study on Enhancing Customer-Needs Driven CRM Strategies, Jayachadran *et al*. (2005) reported that providing quick and effective responses to customers enhances customer satisfaction and retention. In reference to the reviewed literature, this study hypothesises as follows:

**$H_0$1:** There is no statistically significant association between Customer Knowledge Management and Customer Retention.

### 3.0 Methodology

The present study adopted both cross-sectional survey and explanatory research designs (Saunders, *et al*., 2009; Fraenkel & Wallen, 2006). The double design enabled optimisation of results in terms of establishing the extent of knowledge management implementation in the banking sector and evaluating the relationship between knowledge management and customer retention. Based on a sample size determination formula by Cochran (1977), the sample size was estimated at 385. Multi-stage sampling method was uses to select the sample. At stage one of sampling, stratified sampling was utilized where the Commercial banks in Kenya were categorised into three (Large, Medium and Small); each category was considered to be a stratum. To obtain the sample from each of the three categories, purposive sampling was used to obtain proportionate samples to the number of customers in each category. At stage three, simple random sampling was used to select the respondent from each stratum. This ensured that each participant had an equal chance of participating. Commercial Banks were deliberately chosen for the study based on the extent of implementation of knowledge management and professionalism on the same as evidenced by studies such as Chege, (2013); Mutua, (2011).

A self- administered questionnaire was used to collect primary data from the bank customers. The questionnaire had two sections; section one covered the general information about the respondents while section two contained specific questions on customers' perception on the different aspects of knowledge management as implemented by their banks. Measurement was done on a five point Likert scale ranging from strongly disagree to strongly agree (1 to 5 respectively). Descriptive and Inferential statistical methods were used in the study. The descriptive were used to analyse the extent to which knowledge Management is implementation in the banking sector in Kenya. While inferential analysis was used to test the association between customer knowledge management and customer retention.

### 3.1 Instrument Reliability

Cronbach Alpha reliability test was used to determine the internal consistency of the instrument; the more the Cronbach's Alpha coefficient was close to 1, the higher the reliability was considered to be. Alpha coefficient value of 0.7 was used as the threshold; the values obtained are indicated in Table 1. The constructs Alpha coefficients ranged from .739 to .801 which wasis above the recommended threshold of 0.7. (Hair et al., 2010). This indicated that the questionnaire had the necessary reliability to give consistent results. Therefore, the internal consistency was considered to be sufficiently high and to have adequately measured the study variables (Sekaran and Bougie, 2009; Frankel and Wallen, 2006).

### 3.2 Multicollinearity Test

As shown in Table 2, Variance Inflation Factor (VIF) for all the constructs were below 10 and tolerance was above 0.1. According to Bryman (2012), VIF of more than 10 and tolerance of below 0.1 is an indicator of multicollinieaity. The results indicated therefore that multicollinearity would not pose a problem to this study.

### 3.3 Data Cleaning and Editing

Questionnaires were physically checked for completeness and quality of responses. A Further scrutiny was done to ensure accuracy, uniformity and consistency. Obvious errors were corrected by reviewing the other information in the questionnaire (Luke and Rubin, 2008).

### 4.0 Results and Discussion of Findings

### 4.1 Descriptive Analysis for Knowledge Management

The present study sought to establish whether Commercial Banks in Kenya had effective systems of collecting, analysing and utilizing customer knowledge to enhance customer retention. Knowledge management implementation was measured using five items; customers were asked to rate their responses on a scale of 1 to 5 (from strongly disagree to strongly agree).

The descriptive results in Table 3 show that cumulatively; 70.95% of the respondents agreed with the statement that their banks used multiple communication channels to ensure effectiveness of communication, 62.6% agreed that their banks kept them updated on new product and service development, 54% agreed that their banks had two way communications with the customers which ensured interactive communication. The two way this helped to ensure that customers are not just receivers of information but that they also actively contribute to knowledge creation. On knowledge sharing, 67.1% of the respondent agreed that their banks always availed sufficient and relevant information to customers while 68.5% agreed that the employees always had relevant information that enabled them to respond quickly to customer queries. When employees are well informed they are able to respond promptly and professionally to customer queries thus creating customer satisfaction. The means ranged from 3.470 and 3.792, with an average mean of 3.668 indicating a moderate implementation of CKM among the commercial banks in Kenya.

The standard deviations ranged between 0.970 and 1.135, meaning that the respondents were fairly homogenous in their responses. Use of multiple communication channels obtained the highest mean of 3.792 suggesting that most banks were of the opinion that using multiple channels increases communication effectiveness which subsequently increases customer loyalty and retention (Alwani, Yussoff, Al-Swidi and Al-Matari, 2015).

The results suggest therefore that most commercial banks in Kenya had relatively effective customer knowledge management systems in terms of collecting, analysing, sharing and utilizing customer knowledge. The findings corroborate with those of Chege, 2013; that most banks had put in place measures such as customer care centres, relationship managers and customer feedback forms to collect feedback from customers. An open ended posed to the respondents on the kind of information they expected to receive frequently from their banks revealed the following as the expected by a majority of the respondents: available products and services, bank charges, credit availability, interest rates, transaction alerts, bank statements, change of policy, systems interruptions, new outlets (Automated Teller Machines, Bank Branches, and Bank Agents) and changes in terms and conditions of engagement.

### 4.2 Correlation Analysis Knowledge Management and Customer Retention

The results of the correlation analysis shown on Table 4 indicate that customer knowledge management is positively and significantly correlated with customer retention ($r\ (384) = .499^{**}$; $p < 0.001$) implying that customer knowledge management positively and significantly affects customer retention. The study findings are consistent with those of (Plyasunav et al., 2017) that management of customer knowledge enables the organization to better understand the customers and establish long lasting relationships with them. With this understanding, organizations are able to customize their products and services to customer requirements thus increasing customer satisfaction. Further, these relationships makes the customers feel valued and thus increases their level of trust and commitment. As a result, these customer tend to stay with the organization for longer and become less vulnerable to competition.

Communication is identified as a critical element in the formation of a relationship .This study deduces therefore that frequent communication with customers on the issues highlighted above would increase customer satisfaction and consequently increase their retention. The more banks obtain and avail relevant, timely and accurate information from and to the customers, the more they are able to develop customer relationships and deliver products that meet customers' needs and expectations. Effective knowledge management should therefore ensure that all customer contact persons have access to accurate and sufficient information on products, services and policies so that customers are guaranteed of consistent information at all customer touch points.

### 4.3 Regression Analysis for Knowledge Management and Customer Retention

To test the hypothesis, a simple linear regression model was fitted and the null hypothesis was rejected based on the p-value obtained. A p-value of $< 0.05$ meant the null hypothesis was rejected. The results of the analysis are shown in Table 5.Consistent with the correlation results, the results of the regression analysis results show that the association between customer retention and customer knowledge management is positive and significant ($F\ (1,382) = 126.538$, $P < 0.05$). This means therefore that the way organization capture, interpret, store, share, and utilize customer knowledge has a significant impact on customer retention. This is supported by the coefficient of determination ($R^2$) of .249 which shows that 24.9% of customer retention can be predicted by the independent variable knowledge management.

The model also suggests that 74.1% of customer retention is caused by factors other than customer knowledge management which may include customer care, quality of products, the price of products and value for money.

The results also show that the model was satisfactory in predicting the relationship with an F significant value of .000. The ANOVA results further confirm the linear relationship between customer knowledge management and customer retention since the level of significance is less than .005. The model equation can therefore be written as follows: CR=1.750 +.543CKM. Where CR is customer relationship and CKM is customer knowledge management. Beta coefficient was also significant at ($\beta$ = 0. 499, t =11.249, P< 0.05) meaning that each unit change in knowledge management creates a 0.449 unit change in customer retention. With a P-value of < 0.05, the null hypothesis that there is in no statically significant relationship between customer knowledge management and customer retention was therefore rejected and the study concluded that there is a statistically significant relationship between customer retention and knowledge management.

The results of the current study confirm therefore that, the more banks effectively manage customer knowledge, the more they are able to retain their customers for longer. The findings agree with Alhwari (2012); Yaghboul, 2011; Huiming & Yi (2011) that knowledge management has a significant effect on customer acquisition, satisfaction, loyalty and subsequently customer retention. The findings are also consistent with Alhwali et al., (2015) that customer knowledge management has statistically significant effect on customer loyalty and ultimately on customer retention. The study however, differs with Lee et al., (2011) that CKM has no direct relationship with organization’s performance bearing in mind that customer retention is one of the key indicators of organization’s performance. Retained customers have higher customer life time value and are more cost effective thus increasing firm’s performance and profitability.

## Conclusion

This study focuses on the use of customer knowledge management in generating customer retention. Based on the findings, the current study concludes that effective management of customers’ knowledge results to increase in customer retention; effective capturing, storage, sharing and utilization of customer knowledge positively impacts on customer loyalty and retention. Bank Management can improve customer commitment levels by ensuring that customers are well informed, the information provided is accurate and meets their needs and that customers are actively engaged in knowledge creation. When actively engaged, customer develop a sense of ownership and obligation thus enhancing their commitment and loyalty to the firm.

The study also concludes that there is need for improvement on the implementation of CKM practices among the commercial banks in Kenya. This study established that customers expect frequent communications from their banks in terms of the available products and services, bank charges, credit availability, interest rates, transaction alerts, bank statements, change of policies, systems interruptions, new outlets and any changes in terms and conditions of engagement. Effective management of such information would therefore improve the overall customer experience and generate better results in terms of customer loyalty and customer retention. In the current era of knowledge economy, organizations that fail to actively engage their customers in knowledge management will not be in a position to create long term relationships with them.

## Implications and Recommendations

The study makes the following recommendations that could help improve customer knowledge management and as a result enhance customer retention:

1. Bank managers should commit more resources and efforts in implementing knowledge management practices. Banks need to invest in technology and IT infrastructure to enhance knowledge creation, storage, dissemination and utilization. To be effective customer knowledge must be identified, collected and stored in a proper medium.
2. Customers should be actively engaged in knowledge creation through customer friendly communication channels such as surveys, relationship managers, interviews, opinion polls, customer feedback forms, customer care desks, interviews, online platforms and social media depending on the customers’ preferred medium to help the organizations collect efficient knowledge. Banks should also establish and maintain productive relationships with customers that can help identify what the customers know and what they need to know to ensure the information they provide is in line with what their customers know and what they need to know.

3. Employee training on information creation, storage, sharing and utilization of knowledge could also play a key role in maximising the benefits accrued to customer knowledge management. Management should then ensure that employees have sufficient access to information concerning policies, procedures, products and services. In addition, providing appropriate incentives to employees could also encourage employees to participate in knowledge sharing which is considered to be the most challenging aspect of knowledge management.
4. Since customer behaviour is a very dynamic phenomenon, this study recommends that bank managers frequently review their CKM practices and policies to ensure they send well planned, timely and accurate messages to their customers as well as receive and promptly respond to communication from individual customers

**Table 1: Cronbach Alpha Values for the Constructs/ Items**

| Construct | Cronbach's Alpha | Comment |
|---|---|---|
| 1. My bank uses multiple communication channels to ensure effectiveness. | .772 | Reliable |
| 2. My bank keeps me updated on new product development. | .760 | Reliable |
| 3. My bank has an interactive two way communication with the customers | .739 | Reliable |
| 4. My bank always avails sufficient and relevant information to the customers | .744 | Reliable |
| 5. The employees always have relevant information that enable them respond quickly to customer queries | .801 | Reliable |

**Table 2: Results of the Multicollinearity Test**

| | Collinearity Statistics | |
|---|---|---|
| **Model Coefficients** | **Tolerance** | **VIF** |
| 1. My bank uses multiple communication channels to ensure effectiveness. | .677 | 1.478 |
| 2. My bank keeps me updated on new product development | .629 | 1.590 |
| 3. My bank has an interactive two way communication with the customers | .533 | 1.875 |
| 4. My bank always avails sufficient and relevant information to the customers | .554 | 1.804 |
| 5. The employees always have relevant information that enable them respond quickly to customer queries | .776 | 1.288 |

**Table 3: Descriptive Results on Knowledge Management**

| Statement | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Mean | Standard deviation |
|---|---|---|---|---|---|---|---|
| 1. My Bank uses multiple communication channels to ensure effectiveness. | 2.6 | 11.7 | 14.8 | 45.7 | 25.2 | 3.792 | 1.030 |
| 2. My bank keeps me updated on new product development. | 4.7 | 14.8 | 17.9 | 39.0 | 23.6 | 3.621 | 1.135 |
| 3. My bank has effective two-way communication with customers. | 3.1 | 15.1 | 27.8 | 39.7 | 14.3 | 3.470 | 1.013 |
| 4. Bank always avails sufficient and relevant information to customers. | 2.6 | 9.9 | 20.5 | 48.1 | 19.0 | 3.709 | 0.970 |
| 5. Employees always have relevant information and respond quickly to queries. | 2.3 | 10.4 | 18.8 | 46.6 | 21.9 | 3.753 | 0.988 |

n=385, $\bar{X}$ = 3.668, Figures in %.

**Table 4: Correlation Results between Customer Retention and Knowledge Management**

| | | Customer Retention | Knowledge Management |
|---|---|---|---|
| Customer Retention | Pearson Correlation | 1 | .499** |
| | Sig. (2-tailed) | | .000 |
| | N | 384 | 384 |

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

**Table 5: Regression Results for Knowledge Management and Customer Retention**

**Model Summary**

| Model | R | $R^2$ | Adj. $R^2$ | Std. Error | Change Statistics $R^2$ Change | df1 | df2 | Sig. F Change |
|---|---|---|---|---|---|---|---|---|
| 1 | .499[a] | .249 | .247 | .72757 | .249 | 1 | 382 | .000 |

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 66.984 | 1 | 66.984 | 126.538 | .000[b] |
| | Residual | 202.214 | 382 | .529 | | |
| | Total | 269.198 | 383 | | | |

**Coefficients**

| Model | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | T | Sig. |
|---|---|---|---|---|---|
| 1 (Constant) | 1.750 | .181 | | 9.669 11.249 | .000 |
| CKM | .543 | .048 | .499 | | .000 |

a. Dependent Variable: Customer retention

b. Predictors: (Constant), Knowledge Management

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