CUSTOMER RELATIONSHIP MANAGEMENT AS A STRATEGY FOR ENHANCING BUSINESS PERFORMANCE OF CEYLON ELECTRICITY BOARD A MANAGERIAL PERSPECTIVE

By M.R.M. Farhan

A dissertation submitted to the Postgraduate Unit of the Faculty of Management and Commerce, South Eastern University of Sri Lanka, in partial fulfillment of the requirements of the Master of Business Administration Degree

> Sri Lanka 2013

TABLE OF CONTENTS

List of table vi

List of Figures vii

List of Abbreviations viii

Acknowledgements ix

Abstract x

Chapter 1: INTRODUCTION

- 1.1 Background of the study 1
- 1.2 Statement of the problem 3
- 1.3 Objectives of the study 4
- 1.4 Significance of the study 4
- 1.5 Scope of the study 4
- 1.6 Limitations of the study 5
- 1.7 Chapter organization 5

Chapter 2: LITERATURE REVIEW

- 2.1 Introduction 7
- 2.2 Customer Relationship Management 7
- 2.3 Components of CRM 9
- 2.4 Benefits of CRM 11
- 2.5 CRM and Technology 12
- 2.6 CRM and Knowledge Management 14
- 2.7 CRM and Key Customer Focus 17
- 2.8 CRM and CRM Organization 17
- 2.9 CRM and Business Strategy 18
- 2.10 CRM among service firms 19
- 2.11 CRM Implementation 22
- 2.12 Relevant CRM Researches 24
- 2.13 CRM Studies in Sri Lanka 25
- 2.14 Summary 26

Chapter 3: RESEARCH DESIGN

- 3.1 Introduction 27
- 3.2 Conceptual framework 27
- 3.3 Hypotheses 29

- 3.4 Operationalization 30
- 3.5 Survey Methodology 32
- 3.6 Composition of the sample 32
- 3.7 Method of data analysis 35
- 3.8 Summary 36

Chapter 4: DATA ANALYSIS AND FINDINGS

- 4.1 Introduction 37
- 4.2 Data analysis 37
- 4.2.1 Reliability Analysis 37
- 4.2.2 Factor Analysis 38
- 4.2.3 Association Analysis 51
- 4.2.4 Regression Analysis 54
- 4.3 Discussion of findings 57
- 4.4 Summary 59

Chapter 5: CONCLUSIONS AND RECOMMENDATIONS

- 5.1 Introduction 60
- 5.2 Conclusions 60
- 5.3 Recommendations 61
- 5.4 Implications of findings 63
- 5.5 Areas for further research 64
- 5.6 Summary 65

List of references 66

Appendices:

Appendix 1 : Questionnaire 76

Appendix ii: SPSS Reliability Output 84

Abstract

The major objective of this study was suggesting a model for implementing customer relationship management at Ceylon Electricity Board as a strategy for enhancing business performance.

CEB is unable to respond customer complaints on time for any power rectifications in different areas. As a result, customers are not getting timely services. Any customer requests such as name change, getting estimates for special requests etc. consume a great deal of time to fulfill the needs of CEB's customers. Customer loyalty is also declining towards CEB, which is proved by way of hooks supply, illegal theft in meter, adjustment in measurements etc., directly affect the CEB marketing and financial performance. For the last so many years the relationship gap between management of CEB and consumers is increasing which proves that customer relationship management is not implemented at CEB.

In order to address the research problem, primary data and secondary data were collected. Questionnaire method employed for primary data collection of this study. CEB annual reports, other published journals and magazines used for secondary data. the collected data fed into the SPSS and multiple regressions was used as tool for analysis.

This study attempted to conclude that Customer Relationship Management implementation will improve Ceylon Electricity Board overall business performance. Business performance is mainly influenced by technology Based Customer Relationship Management. Customer relationship management organization (CRMO)is not much contributing to the business performance of CEB. It is, farther, revealed that Knowledge Management is also one of the main variables that influences on Business performance of CEB. Key customer focus is also one of the key variables which will contribute to the business performance of CEB.