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Chapter

Customer Relationship Management Practices in Islamic Banks

Ahmad Rafiki

Abstract

This chapter explores the implementation of customer relationship management (CRM) in Islamic banks through two components of organizational and technological factors. The CRM is one of the solutions to resolve the two common issues that are low level of public awareness toward the Islamic banks' products and low level of Islamic financial literacy. A mix method that is used in this chapter consists of quantitative method using descriptive analysis and qualitative method using content analysis based on a review of literature. A stratified sampling technique is used to collect questionnaires from a total of 22 respondents. The findings reveal that a majority of respondents agreed to all statements related to organizational and technological factors, which affect the CRM implementation. The information in this chapter can be useful, or as a reference, for stakeholders, particularly the financial service authority and the bank of Indonesia in developing the Islamic banks.

Keywords: CRM, organizational factor, technological factor, Islamic banks, Indonesia

1. Introduction

The borderless business transaction is a challenge in this global competition. There are factors that convince customers to continuously purchase the products. One of them is an excellent service; thus, companies nowadays are improving their services by identifying the customers' preferences and strengthening the relationships with customers, then customers' expectations can be fulfilled and make them satisfy.

Managing personalization of the customer experience has been an important task. The idea of having happy customers through better services is a key motivation in any organizations. Moreover, the increasing of online price-product transparency causes a change in customers' orientations and demands, whereby customers are more meticulous in selecting and comparing the best prices. This is one of the challenges for the Islamic banks to preserve the customer loyalty and obtain the "value for money."

Nowadays, the companies' ways in approaching the customer are changing toward more closer and highly responsible. It is therefore necessary to differentiate the business approaches toward customer and product orientation. As customer orientation is importantly needed to improve customer relationships, companies

are focusing on factors such as personalization, personal contact/care, and privilege marketing to attract customers' attention. When the managers are able to detect, monitor, and satisfy customer needs and expectations, it displays the importance of CRM [1]. In fact, there are studies that revealed the factors affecting the CRM success (e.g., [2–6]).

Customer relationship management (CRM) is a concept, which consists of strategies, technologies, and practices used to analyze and manage their interactions with the customers. The ultimate goal of CRM is to improve the business relationship while driving sales growth and improving customer retention. The company maintains such relationship by analyzing data and information about the customers and hence can predict future sales and behaviors.

CRM might be used and applied in many companies including the Islamic banks. The Islamic bank is an institution, which is governed by the Islamic law called as shariah. However, this institution requires an understanding on the needs of consumers and establishes reliable relationships with customers; one of the ways is by applying the CRM in its business operations. Islamic banks must create competitive advantages and compete in terms of the uniqueness of products and services with other banks. Therefore, it is important to observe the practices of CRM in the Islamic banks, which can be used as a reference to other banks.

2. Literature review

CRM is needed by the company that has high concern on dealing with customers, which considered as a competitive advantage. The main support of CRM is the information technology, which plays a role in maintaining and sustaining CRM [7]. A positive relationship with customers has been attributed to the improved sales volume among different companies [8]. Using CRM, the Islamic banks are able to compete in the industry, where the costs of direct sales can be reduced. However, to get and to collect the information related to the behaviors of consumers are not an easy task. These consumers' databases can be useful for any actions to provide better business operations.

Peppers and Rogers [9] explore the existence of a global tendency to the concept of CRM, regardless of the industry of the business. This is because the companies are concerned on creating the customer satisfactions, increasing the expectations, and achieving the long-term loyalty of the customers.

According to Pradan [10], CRM is increasingly becoming a marketing tool for retail and wholesale businesses. It is meant for long-term growth, which is demanded by multinational corporations. Eventually, CRM is effective in providing strategic concepts through efficiency improvement, customer retention, and market development [11]. The application of CRM is beneficial to the companies including the incidence of innovation, value enhancement, and service improvement. Potentially, company goals regarding the use of CRM are aligned toward creating value for the customers, customization of products, and improving customer profitability [12].

2.1 CRM definition

CRM can be reckoned as a business philosophy that allows organizations to comprehend customers' needs and requirements clearly through their histories and preferences, which can be used as the key in helping organizations to plan for the long run. **Table 1** elaborates CRM definitions.

Author	Definition
Shang and Chen [13]	A philosophically related offspring to relationship marketing which is for the most part neglected in the literature.
Adam et al. [14]	As an enterprise approach that comprehends and affects customer behavior by using effective communications in order to improve customer acquisition, client retention, customer commitment, and customer profitability.
Ramani and Kumar [15]	Involves all the processes needed to achieve, build, and maintain an ongoing relationship with customers through differential and tailored treatment of individual customers based on their likely responses to alternative marketing programs, so the contribution of each customer to the overall profitability of the firm is maximized.
Goldenberg [16]	As a business approach integrating people, processes and technology in maximizing relationships with customers.
Raab et al. [17]	A management philosophy that is aligned toward existing and potential customer relationships within a company.
Grant & Anderson [18]	New avenues for expansion of the organization through improvement of customers' retention, values, and satisfaction.
Schermerhorn [19]	The concept when in business utilizes the latest technology in maintaining intense rapport with customers both current and future.
Nickels [20]	The concept is a process of understanding customers and working toward satisfying and exceeding customer expectation through the provision of customer needs and desires.
Schermerhorn [19]	The concept is important in that it helps the company in anticipating customer needs and wants and thus building strong customer relationships.

Table 1.
CRM definition.

2.2 Islamic banks development

Islamic banking has positive attention by the international banking system and has become a very fast-growing element of global capital markets in the last 20 years. Islamic banks still take a large portion of 75% on global Islamic finance total asset. There is a great interest toward Islamic banking not only by those adopted Islamic law but also in the global scale. According to World Islamic Banking Competitiveness Report 2016 of Ernst and Young,[1] it is estimated that the size of assets of global Islamic banks as of the year 2015 is already over $1 trillion, and the growth rate thereof between 2008 and 2012 is 17.6%. Although most of them are in the countries of densely Muslim population, over 300 Islamic banks carry on their activities in more than 75 countries including many Western ones. The largest share of Islamic financial assets in the world belongs to Islamic banking, and the ratio thereof has reached 81% [21].

Meanwhile, the total assets of Islamic banks in Indonesia reach US$29.94 billion [22]. Another positive indicator of Islamic banks is the Islamic banking growth in 2017 that reaches 11.10%, which is higher than the total banking system growth of 6.78% [23]. However, the Islamic banks in Indonesia have a low market share of 5%, which ironically contrast with the potential as the most Muslim population of 265 million in the world. Among the problems emerged are limited/unvaried product range, low literacy and inclusion level of Islamic finance, unfavorable perception for Islamic banking, lack of talent and qualified employees, limited distribution networks and outreach, and only focus on the retail segment.

[1] www.ey.com

Nalan [21] mentioned that the key principles or features in the Islamic finance system emphasize on the need of sharing the risk, equity, and stakes with the customers. The sharing aspect as the main requirement in the Islamic banking system suggests that the outcome of a project, whether it is profitable or otherwise, will be shared in an equitable manner [24]. The essence of Islamic principles is to achieve a fair distribution of wealth. The main aim of the Islamic banking system is to shield the benefits and interests of all parties who are involved in the economic transaction and to promote the welfare of the whole society as well [25].

2.3 CRM and shariah compliance

Islam has shariah law, which brings benefit to all people and avoids the harms. All products and methods in the Islamic banks have to comply with shariah. CRM is a tool or method used to collect the data of consumers, build the relationship, and create the consumers' retention and satisfaction. Islam allows every person to collect data or any information related to the business purposes. The data must be true and genuine that should be used for goodness or not use for speculative actions. Muslims must avoid from cheating and stealing acts.

Build and establish relationship is encouraged in Islam, which is known as *ukhuwah Islamiyyah*; thus, it is aligned with CRM objectives. With this relationship, consumers and sellers can collaborate and support each other aimed to gain mutual benefits. In CRM, the Islamic banks can widen the network through relationships, which then able to promote the products efficiently, update any features proportionately, and convey the offerings effectively. As CRM aimed for consumer satisfaction, Islam always tries to deliver the excellence services as possible. Satisfaction is *qanaah* in Islamic term, which means an achievement for every Muslims. Thus, CRM and Islam have similar goals that carry *maslahah* for the *ummah*.

2.4 CRM components

CRM practices represent opportunities to proactively extend the services to its customers and gain satisfaction and loyalty. Wang and Feng [26] found that CRM capabilities reflected a firm's skill and knowledge in regularly establishing, maintaining, upgrading, and re-establishing beneficial relationships with attractive customers.

Gupte [27] mentioned that CRM tools are implemented to:

i. manage customer communication and enhance visibility of the organization to its customers;

ii. act as a one stop shop for customer interactions, customer information, and accessible databases; and

iii. act as an information management tool, which is practiced to generate, characterize, store, represent, reproduce, and translate the information.

Two main CRM components are widely used in many organizations including in the Islamic financial institutions namely organizational and technological factors. Some organizations have spent tremendous resources on information and computer technologies; however, the organization factor also needed to support and implement the CRM.

2.4.1 Organizational factors

Organizational factors refer to the factors that relate directly or indirectly to the structural, operational, human, and managerial sides of the business entity. Becker et al. [28] stated that the organizational factors such as organizational structure, employee training, employee incentives, and customer orientation are significantly related to CRM performance. Nath et al. [29] posited that a few numbers of dedicated workers contribute to the failure of CRM implementation; therefore, companies must engage the workers with necessary advancement and transformation to accommodate the CRM systems.

Payne and Frow [30] mentioned that the key organizational factors associated with the CRM success consist of company's structure and its operational business procedures. Meanwhile, Croteau and Li [31] added that a suitable organizational arrangement through collaboration of various units and functions in the company is crucial to accomplish CRM missions.

Though there are other dimensions of CRM that could be adopted, the organizational factors still remain considered as the main dimensions based on previous studies [32–50]. There are three organizational factors that will be discussed in this chapter.

2.4.1.1 Top management support

This crucial attention from the executive level is emphasized by Buttle [51]. In Islamic banks, the top management support has shown in their plan to conduct motivation program, which the employees being asked the purpose and dedication in accomplishing their tasks. With a role model by the leaders, the employees are transformed into the good behavior or attitudes. This commitment from the leaders may generate trust, which plays a significant role in building long-term relationships. One of the bodies that always giving its support is a Shariah Advisor Board. This body will monitor and guide the Islamic banks to the ways in implementing the shariah principles. In having an innovation of products and services, this body is expected to encourage its promotions as long as complied with the shariah law.

Below are the impacts of top management support to CRM implementation in an organization:

Authors	**Function/impact of top management support to CRM implementation**
Adam et al. [14]	Establishes necessary level of commitment of staff with relevant expertise to support the needs of CRM.
Chen and Popovich [33]	As an essential element for bringing an innovation online and ensuring delivery of promised benefits.
Mendoza et al. [52]	Sets the stages in CRM initiatives for leadership, strategic direction, and alignment of vision and business goals.
Kim et al. [53]	• It is essential for assisting the improvement of the relationship and for meeting customers' needs when introducing new technologies with its traditional business activities. • The key success factor in CRM (customer acquisition, retention, and expansion).
Sohrabi et al. [54]	Is positively related to organizational performance (customer satisfaction, profitability, customer loyalty, and market share).
Eid [4]	Has a minor negative relationship with organizational performance.
Kale [55]	Helps CRM deployments and implementation initiatives.

Most of the abovementioned arguments state a positive relationship between top management support of CRM initiatives. The absence of continuous commitment from the top management can result in the failure of the CRM implementations.

2.4.1.2 Customer orientation

Cai [56] posited that customer orientation is defined as "the set of activities, behaviors, and beliefs that place high priority on customers' interests and continuously create superior customer value." The customer orientation can be seen through the existence of social media that can be used to build sustainable relationships. The client-oriented companies have an emphasis and more attention to personal workers' initiatives, which generate unique values for customers. Those companies recognized the importance of client data handling activities and practices, which used to attain higher CRM performance.

Authors	Function/impact of customer orientation to CRM implementation
Kim [5]	The weakness in applying and developing customer orientation is the major reason of inefficient CRM.
Day and Van den Bulte [57]	Has a critical connection to relative sales, benefit, social favorable position, and retaining client performance.
McNally [58]	Customer orientation imperative element for CRM achievement is related to marketing and information technology, which encourages to create customer loyalty and other positive impacts to organizational performance.

Various studies on customer orientation were used as the potential precursors of CRM achievement, e.g., Eid [4], Faed et al. [59], Kim [5], Becker et al. [28], and Sohrabi et al. [54].

2.4.1.3 Training orientation

An adequate training is importantly required in the CRM processes to gain success [13]. The employee's engagement in a training contributes to the advancement of knowledge by accommodating the employees in seeking, disseminating, and using the information to respond the customers' problems and inquiries. Employees who serve the customers closely must be trained. Kim [5] added that the training of employees improves features of the quality creation such as accomplishment of administration excellence, communicating with customized correspondence between the firm and its customers, and also could be used as a benchmark for attitude and behavior.

Training is a requirement to contribute for better outcomes. In Islam, it relates to purifying one's soul (*tazkiyah al-nafs*), embedding Islamic values (*at-ta'dib*), understanding the philosophies of Allah's Oneness and Greatness (*at-tawheed al-uluhiyyah and ar-rububiyyah*), the concepts of working as a representative (*khalifah*), a team (*jemaah*), full submission to Allah (*ibadah*), and a way to succeed (*al-falah*). Thus, in order to implement CRM successfully, the Islamic banks need to invest in training and development of employees' skills.

Authors	Function/impact of training orientation to CRM implementation
Payne and Frow [30]	It is impossible for an organization to develop and operate suitable customer-focused systems and processes if they lack trained employees.

Authors	Function/impact of training orientation to CRM implementation
Rigby et al. [60]	Training of employees is a key in implementation process encompassing customer service, improving efficiencies, nurturing consumer confidence, and repeating purchase.
Kim [5]	Improves CRM performance and achieves CRM goals of high customer satisfaction and profitability.
Eid [4]	Employee training has a significant positive impact on CRM success in the light of customer retention.
Plakoyiannaki et al. [61]	CRM practice failure is due to the lack of full attention for the role of workers.

A well-trained employee has the ability to create a good customer relationship by delivering high-quality products and services. Numerous studies stated that employee training is a key driver, which brings tangible and intangible advantages in CRM implementation [28, 62–67]. All of them gave positive proof to the role of employee training to the CRM activities.

2.4.2 Technological factors

Zablah et al. [68] posited that the information technology and communication (ICT) are utilized as the instruments for communicating throughout organization, knowledge management, and strategies. The Islamic banks must adopt the ICT as an important element to implement CRM. Technological factors refer to the factors that relate to the soft and hard aspects including ICT infrastructure, system evaluation, and selection criteria; vendor after sale support; software selection criteria; complexity; and integration [2].

Liu [69] stated that there is a necessity to provide the compatible technology and tools to the company due to the significance on establishment of customer strategy. However, some managers are not updated with the latest technology and fail to choose the most suitable package to fit their customer strategy. Kim et al. [12] warned that the success of the CRM depends on how well the information technology (IT) is implemented.

Several researches are confirming the relationship between technology factors and CRM performance such as Lucchetti and Sterlacchini [45], Siegele [70], Cavalcanti [71], Ndubisi and Jantan [72], Utomo [73], and Buonanno et al. [74]. The components of technological factor are customer data, customer information processing, and integration of CRM.

2.4.2.1 Customer data

Islamic banks have to collect customer data, which can be analyzed to come out with a right decision. With a complete data, the marketing or sales staff can execute the plan of approaching customers and maintain a relationship. Islamic banks can collaborate with other bodies formally and informally to get primary or secondary data that can be used for future actions. The danger of dirty, inaccurate, old data for the companies, which include the erroneous numbers, mistakes in spelling, and old contact information that has a high probability of infecting the system, must be avoided. This will also incur huge costs to adjust any damages.

Authors	Function/Impact of Customer Data to CRM Implementation
Nelson and Kirkby [75]	A top cause of failure of CRM initiatives is the poor-quality customer data and information. This may result in poor data analysis followed by poor decision making.
Ryals and Payne [76]	Lack of data quality and quantity to be a barrier to successful CRM initiatives.
Kim et al. [53]	Better quality of data can improve the confidence of the employees in CRM.
Peikin [77]	Data quality occasionally does not strongly support the CRM success.
Bose and Chong [78]	• The unfortunate problem of "bad data" hinders the growth of CRM • Most effective and efficient CRM strategies need good quality data.
Jaychandran et al. [79]	Can support the front-office or customer interaction solutions, which in turn, will help integrate and analyze the data.

Many researchers as mentioned above provide evidence of the importance of data analysis and quality for CRM initiatives. A basic factor for successful CRM is an efficient link of customer data to fulfill the customer expectations. The companies are overwhelmed with information, and CRM ultimately focuses on effectively turning information into intelligent business knowledge to administer customer relationships.

2.4.2.2 Customer information processing (CIP)

Customer information processing is defined as relational information processing, which encompasses particular routines used by the organization to set up customer long-term relations [79]. It is also as a component that makes a clear picture of customer and market behaviors, which leads to suitable business actions required in the constantly unstable market environments [80].

Kim [5] stated that the effective CIP has become an emerging challenge for the firms due to the Internet and database technology's potential to assist the collection of comprehensive information on customers' needs, preferences, and behaviors. Kim also added the construct of CIP that consists of one activity after another such as acquisition/generation, analysis, interpretation, and storage of customer information. Moreover, the CIP is crucial for the Islamic banks because it has to deal with the constantly changing of products' offerings as well as the increasingly knowledgeable customers.

Authors	Function/impact of customer information processing to CRM implementation
Becker et al. [28]	Has a significant positive link between the activities related to the collection, storage, and access to customer information and CRM performance.
Kim et al. [53]	Managing and using customer information in the marketing efforts will have a strong impact on their CRM performance improvement.
Kim [5]	Can be assisted in identifying their most significant customers to increase their business value.

Based on the arguments above, it could be concluded that empirical evidence has shown a positive influence of customer information processing on the CRM initiatives.

2.4.2.3 Integration of CRM

Cross-functional integration emerges as key aspects for CRM success [81]. In both operational and customer-handling systems, various types of integrations are importantly required such as system compatibility, multi-channel integration, functional integration, and data integration [30, 63]. There are two factors of system integration that are crucial to CRM: (i) the connection into legacy systems and organizational applications and (ii) throughout other functional customer information [30, 51].

In the Islamic banks, this system integration has a significant and positive influence on both operational and strategic benefits in the organizations, particularly for customer retention. Wang and Feng [26] posited that a number of researchers have shown the importance of system integration as a key success component of a successful CRM system.

Authors	Function/impact of integration of CRM to CRM implementation
Roh et al. [80]	The integration of CRM system with legacy MIS system positively influences customer satisfaction and efficiency.
Capacity [63]	The integration helps to forecast the future trend of CRM.

Based on the past studies, the proposed framework of CRM in Islamic Banks is shown in **Figure 1**.

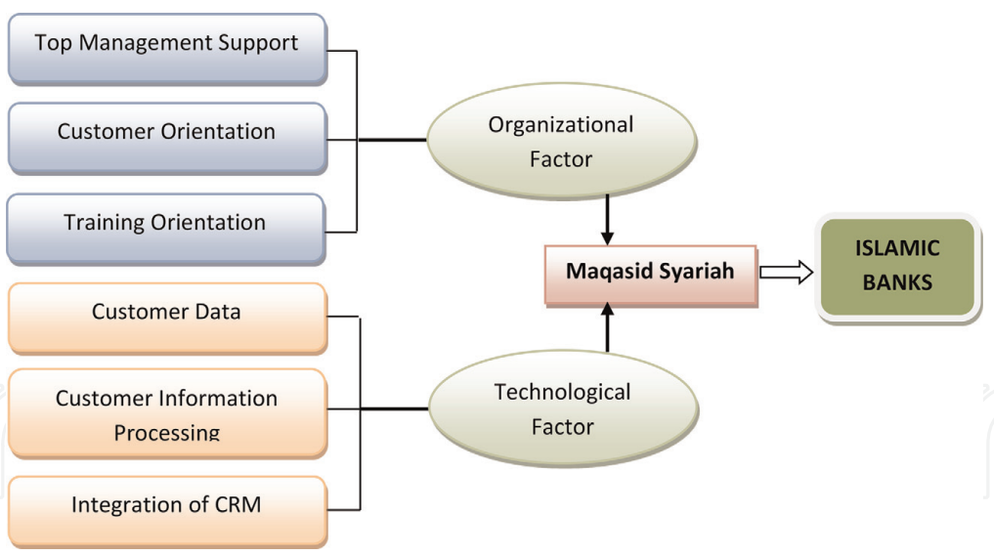


Figure 1.
CRM in Islamic banks (Author's proposed framework).

3. Methodology

This chapter conducts a mix method of quantitative method using descriptive analysis and qualitative method using content analysis based on a review of literature from academic research journals, websites, social media platforms, electronic databases (secondary data), and other relevant sources.

A descriptive analysis is conducted using a survey by distributing questionnaires to support the arguments and elaboration on the CRM practices in Islamic Banks. In this survey, the respondents are the employees from two Islamic banks in Indonesia (PT. Bank Mandiri Syariah and PT. Bank BNI Syariah), which located in Medan City of North Sumatera province. A stratified sampling method is used to collect a total of 22 employees chosen are whom in charge and associated with customer services, sales and marketing, and information technology.

4. Discussion

There are two parts of questions related to organizational and technological factors of CRM that are responded by the respondents:

Below are the responses of respondents on each statement in **Table 2**.

1. 45% of respondents agree that top management frequently discusses CRM with the staff involved, while 19% of them disagree with the statement.

2. 40.9% of respondents agree that CRM is regarded as a high priority by top management. While 13.6% of them disagree with the statement.

3. 22.7% of respondents agree that top management perceives CRM to be part of the organization's vision, while 13.6% of them disagree with the statement.

4. 40.9% of respondents agree that top management motivates the employees to achieve the CRM objectives, while none of the respondents disagree with the statement.

5. 45.5% of respondents agree that top management is involved to a great degree in CRM implementation, while 18.2% of them disagree with the statement.

6. 45.5% of respondents agree that they strive to improve the value, which provided to customers, while 4.5% of them disagree with the statement.

7. 28% of respondents agree that customer satisfaction is an important business objective, while 10% of them disagree with the statement.

8. 27.3% of respondents agree that they attempt to understand customer needs, while 13.6% of them disagree with the statement.

9. 13.6% of respondents both agree and disagree, respectively, that they pay close attention to customer service.

10. 59.1% of respondents agree that retaining customers is considered to be a top priority, while none of them disagree with the statement.

11. 36.3% of respondents agree that the employees are encouraged to focus on customer relationships, while 22.7% of them disagree with the statement.

12. 68.2% of respondents agree that the training facilitates employee's learning of effective ways to address customer complaints, while 13.6% of them disagree with the statement.

Statements of organizational factor	Scale				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Top management measures					
1. Top management frequently discusses CRM with the staff involved					
Frequency	4	6	8	3	1
Percentage (%)	18	27	36	14	5
2. CRM is regarded as a high priority by top management					
Frequency	3	6	10	3	0
Percentage (%)	13.6	27.3	45.5	13.6	0.00
3. Our top management perceives CRM to be part of the organization's vision					
Frequency	1	4	14	2	1
Percentage (%)	4.5	18.2	63.6	9.1	4.5
4. Top management motivates the employees to achieve the CRM objectives					
Frequency	3	6	13	0	0
Percentage (%)	13.6	27.3	59.1	0.0	0.0
5. Top management is involved to a great degree in CRM implementation					
Frequency	2	8	8	2	2
Percentage (%)	9.1	36.4	36.4	9.1	9.1
Customer orientation measures					
6. We strive to improve the value we provide to our customers					
Frequency	6	4	11	1	0
Percentage (%)	27.3	18.2	50.0	4.5	0.0
7. Customer satisfaction is an important business objective					
Frequency	3	3	14	1	1
Percentage (%)	14	14	64	5	5
8. We attempt to understand customer needs					
Frequency	0	6	13	3	0
Percentage (%)	0.0	27.3	59.1	13.6	0.0
9. We pay close attention to customer service					
Frequency	2	1	16	1	2
Percentage (%)	9.1	4.5	72.7	4.5	9.1
10. In our company, retaining customers is considered to be a top priority					
Frequency	7	6	9	0	0
Percentage (%)	31.8	27.3	40.9	0	0
11. Our employees are encouraged to focus on customer relationships					
Frequency	3	5	9	4	1
Percentage (%)	13.6	22.7	40.9	18.2	4.5
Training orientation measures					
12. Our training facilitates employee's learning of effective ways to address customer complaints					
Frequency	6	9	4	2	1

Statements of organizational factor	Scale				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Percentage (%)	27.3	40.9	18.2	9.1	4.5
13. Our training helps employees understand customer needs					
Frequency	1	5	11	5	0
Percentage (%)	4.5	22.7	50.0	22.7	0.0
14. Our training facilitates interpersonal skill training to build customer relationships					
Frequency	3	7	10	1	1
Percentage (%)	13.6	31.8	45.5	4.5	4.5
15. Our training helps improve employee's team building skills to enhance company operations					
Frequency	1	6	8	6	1
Percentage (%)	4.5	27.3	36.4	27.3	4.5
16. Our training facilitates learning to promote the quality of our products/services					
Frequency	4	6	5	4	3
Percentage (%)	18.2	27.3	22.7	18.2	13.6

Table 2.
Statements on organizational factor.

13. 27.2% of respondents agree that training helps employees understand customer needs, while 22.7% of them disagree with the statement.

14. 45.4% of respondents agree that training facilitates interpersonal skill training to build customer relationships, while 9% of them disagree with the statement.

15. 31.8% of respondents both agree and disagree, respectively, that training helps improve employee's team building skills to enhance company operations.

16. 45.5% of respondents agree that training facilitates learning to promote the quality of our products/services, while 31.8% of them disagree with the statement.

Based on the statements from the organizational factor above, all 16 statements concluded that the Islamic banks are concerned on the CRM implementation. It is noted that there are two statements: nos. 9 and 15 where the respondents either agree and disagree, meaning that the Islamic banks were not focus on customer service and training, which help to improve employee's team skills that importantly support the CRM initiatives:

Below are the responses of respondents on each statement in **Table 3**.

1. 36.4% of respondents agree that the cost of acquiring data within our company is reasonable, while 9.1% of them disagree with the statement.

2. 36.3% of respondents agree that data (error rates, defect rates, scrap, defects, etc.) are easily available when needed, while 22.7% of them disagree with the statement.

Statements of technological factor	Scale				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Customer data measures					
1. The cost of acquiring data within our company is reasonable					
Frequency	2	6	12	2	0
Percentage (%)	9.1	27.3	54.5	9.1	0
2. Data (error rates, defect rates, scrap, defects, etc.) are easily available when needed					
Frequency	3	5	9	4	1
Percentage (%)	13.6	22.7	40.9	18.2	4.5
3. We can get access to the quality data on time					
Frequency	1	3	16	1	1
Percentage (%)	4.5	13.6	72.7	4.5	4.5
4. Quality data are available to employees, managers, and supervisors up to a great extent					
Frequency	3	3	13	3	0
Percentage (%)	13.6	13.6	59.1	13.6	0
5. Quality data, control charts, etc. are displayed on employee's workstations up to a great extent					
Frequency	5	8	4	3	2
Percentage (%)	22.7	36.4	18.2	13.6	9.1
Customer Information Processing Measures					
6. We gather customer-related data					
Frequency	4	4	8	4	2
Percentage (%)	18.2	18.2	36.4	18.2	9.1
7. We maintain a customer database					
Frequency	3	6	7	3	3
Percentage (%)	13.6	27.3	31.8	13.6	13.6
8. We store data extracted from operational data					
Frequency	4	6	9	2	1
Percentage (%)	18.2	27.3	40.9	9.1	4.5
9. We use customer database information to develop attractive offerings					
Frequency	2	4	13	0	3
Percentage (%)	9.1	18.2	59.1	0	13.6
10. We offer a loyalty program to reward repeat customers					
Frequency	0	5	14	2	1
Percentage (%)	0	22.7	63.6	9.1	4.5
Integration of CRM Measures					
11. We provide our sales force with adequate customer information					
Frequency	5	5	10	1	1
Percentage (%)	22.7	22.7	45.5	4.5	4.5
12. We provide customized offers to sales people in the field					
Frequency	3	7	8	2	2

Statements of technological factor	Scale				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Percentage (%)	13.6	31.8	36.4	9.1	9.1
13. We control sales through multiple sales channels					
Frequency	5	8	3	0	6
Percentage (%)	22.7	36.4	13.6	0	27.3
14. We assist the marketing department in generating customized offers					
Frequency	4	14	3	1	0
Percentage (%)	18.2	63.6	13.6	4.5	0
15. We allow customer support personnel to access data on customer interactions with all functional areas					
Frequency	4	9	3	4	2
Percentage (%)	18.2	40.9	13.6	18.2	9.1

Table 3.
Statements on technological factor.

3. 18.1% of respondents agree that they can get access to the quality data on time, while 9% of them disagree with the statement.

4. 27.2% of respondents both agree that quality data are available to employees, managers, and supervisors up to a great extent, while 13.6% of them disagree with the statement.

5. 59.1% of respondents agree that quality data, control charts, and so on are displayed on employee's workstations up to a great extent, while 22.3% of them disagree with the statement.

6. 36.4% of respondents agree that they gather customer-related data, while 27.3% of them disagree with the statement.

7. 40.9% of respondents agree that they maintain a customer database, while 27.2% of them disagree with the statement.

8. 45.5% of respondents agree that they store data extracted from operational data, while 13.6% of them disagree with the statement.

9. 27.3% of respondents agree that they use customer database information to develop attractive offerings, while 13.6% of them disagree with the statement.

10. 22.7% of respondents agree that they offer a loyalty program to reward repeat customers, while 13.6% of them disagree with the statement.

11. 45.4% of respondents agree that they provide our sales force with adequate customer information, while 9% of them disagree with the statement.

12. 45.4% of respondents agree that they provide customized offers to sales people in the field, while 18.2% of them disagree with the statement.

13. 59.1% of respondents agree that they control sales through multiple sales channels, while 27.3% of them disagree with the statement.

14. 71.8% of respondents agree that they assist the marketing department in generating customized offers, while 4.5% of them disagree with the statement.

15. 59.1% of respondents agree that they allow customer support personnel to access data on customer interactions with all functional areas, while 27.3% of them disagree with the statement.

Based on the statements from the technological factor above, all 15 statements concluded that the Islamic banks are concerned on the CRM implementation.

Among the biggest Islamic banks in Indonesia where all their headquarters are located in Jakarta, CRM initiatives have been adopted just few years ago. This is a concern and a need to improve the development of Islamic banks. The CRM is useful to overcome several issues, for example, the low level of public awareness toward the Islamic banks' products and the low level of Islamic financial literacy, which caused low penetration of Islamic finance that only reached 11.6%. As many of the personnel do not practice effective CRM, some of the Islamic banks thus still engage in training of CRM's familiarization particularly on its systems' applications and technical functions.

In terms of organizational aspect, the top management support is importantly required to implement CRM in Islamic banks especially when the CRM practices involved many departments such as customer services, human resources, information technology, finance/accounting, marketing, production/operation, and multi job tasks. With one commitment from the top management, all the subsidiaries have to obey the instruction of them. From the five questions related to top management support revealed that majority of respondents agreed on its role in CRM implementation. Similarly with the two components of organizational factors (customer orientation and training orientation), a majority of respondents agreed on the imperative influence to CRM practices. Meanwhile, some of the Islamic banks did not have the right structures for recording and updating the customer information. Thus, they have difficulties to create customer satisfaction and loyalty.

The adoption of CRM creates more satisfied and loyal customers, thereby resulting in better organizational effects in both the short and long terms [33, 82], among others by the use of loyalty programs and direct mailings as has been suggested by Verhoef [83]. Most Islamic banks have developed relationship management programs to aid in the enhancement of customer relationships. Keramati et al. [84] asserted that a collaboration of people and technology in an organization is effective in the attainment of holistic approaches to CRM models.

Moreover, on the technological aspect, the customer data play a crucial role because it is a main source that must be right, reliable, and valid, otherwise the use of CRM is ineffective. If a requirement of having a good data is fulfilled, then the findings or results on data analysis can be useful to make right decision. Based on the five questions on customer data indicate that a majority of respondents agreed on the significant impact of customer data to CRM implementation. Similarly for the two components of technological factors (customer information processing and integration of CRM), a majority of respondents agreed on both vital effects toward the CRM practices.

The Islamic banks have to upgrade the database system of CRM. The details of the customers including their names, phone links, and other communication data are captured in the database. In addition, for every transaction including deposits and withdrawals, the details of the customers must be updated. Most of the Islamic

banks should have automated processes, where details of the customers are automatically captured in the relevant fields for every successive transaction. Moreover, data retrieval for the different customers is a click away, and customers' details can be traced by keying in their names. This is particularly helpful as staff can trace the saving history of different clients and advice the customers in case of any problems or issues.

There are several issues that may face by the Islamic banks in implementation of CRM such as the absence of sufficient human resource and lacked the general knowledge on the best practices to achieve the better performance. The systems and technology embedded in CRM will support the existence of human personnel to maintain the personalized services. Meanwhile, the Islamic banks offered the highest level of customer service to their clients; thus, CRM is a right system to use in accommodating any expectations. Additionally with the emergence of the online platform including social media, the Islamic banks have to improve the quality of their interaction with customers.

The CRM system is designed to compile customer data and information through different channels, which connect the company and customers. The channels include live chat, social media, marketing materials, emails, telephone, and the company's website. The systems also provide the customer services staff with data that will improve the experience of the client. Through this system, the company is able to complete customer's information on their personal information, buying preferences and purchase history. Thus, the systems deliver various benefits especially in creating a personalized experience.

In Islamic view, CRM is complied with the shariah where more benefits can be obtained by the *ummah* (society). Maintaining relationships with customers and enhancing easy ways in dealings are considered as bringing the goodness to all people. Islam encourages Muslims to involve in a good intention, process, and actions, which results valuable outcomes that are not harming others. All of this can be done and achieved through CRM implementation.

5. Conclusion

The Islamic banks realized the importance of CRM to the organization and the customers. Organizations in today's world must remain responsive to the dynamic needs of the customers. Through applications or platforms provided in the CRM, all information related to customers' preferences and expectations are available and can be used to create a personalized experience. Thus, CRM concept is a way to help companies in anticipating the same needs and desires of their future customers.

The results and discussions in this chapter suggest that many of the Islamic banks are concerned on the implementation of CRM and admitted its usefulness in a bigger context. It can also be adopted to create competitive advantage that will develop the Islamic banks. CRM is a continuous learning process aimed at increasing the understanding and knowledge of a company's client. It is a complex issue, which requires a holistic approach in the transformation of the culture of customers. In general, CRM is an increasingly important aspect to the Islamic financial institutions that will improve the company's chances of retaining and attracting new customers.

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