

# The relationship between the ``Big Five`` personality traits and customer satisfaction: A case study of Melli Bank Kerman, Iran.

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## Key words

Extraversion personality, Neurotic personality, Agreeable personality, Openness to experience, Conscientious personality, Customer relationship management and customer satisfaction.

## Abstract

*Since many years ago, customer satisfaction is a common subject for organizations because it makes organization success and also many researchers consider customer relationship management as an essential factor on customer satisfaction. In this study, we want to identify the relationships between customer personality, perceived customer relationship management and customer satisfaction. Statistical universe is customers of Melli Bank of Kerman, Iran and sample contains 80 individuals of whom. We used library method to collect literature and data obtained a questionnaire with 28 questions. Pearson correlation and Regression relation between Extraversion personality customer, Neurotic personality customer and perceived customer relationship management. There is a positive relation between Agreeable personality, Conscientious personality customer, Openness to experience customer and perceived customer relationship management. Also, there is a positive relation. Results of this study can help to organization to be success by understanding differences between customers.*

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## Introduction

Many of organization managers have understood that customer satisfaction is the most important factor for succession of their activities. Customer satisfaction depends on some factors. Some studies have mentioned that customer relationship management is on of them.

The disappointing results from many customer relationship management (CRM) implementations are well documented in both the academic and business press. A 2003 Gartner study estimates that 70% of CRM projects result in either losses or no bottom line improvement. According to a 2001 Bain and Company survey of 451 senior executives, one in every five users reported that their CRM initiatives not only failed to deliver profitable growth, but also had damaged long-standing customer relationships .Despite this evidence, several industry groups have estimated that billions of dollars are being spent on CRM annually. Gartner research suggests that there was a reduction in CRM spending between 1999 and 2003 (Rigby &Ledingham, 2004), but most estimate an increase in CRM spending. Current spending on CRM-related projects is estimated around \$10 to \$15 billion and

experts predict future growth in CRM spending to reach \$75 billion and beyond over the next several years (Chatham, 2002; Winer, 2001). CRM is based on the principle that developing a relationship with customers makes them loyal. CRM is a strategic concept which makes customer satisfaction, loyalty, customer retention and profitability. Customer relationship includes services satisfaction initiatives, services loyalty programs. Customer retention program enhanced customer life time profitability. ( Haq, Ramay, U Rehman, Ahmed Jam,2010)

The customer satisfaction model depends upon analysis of customer needs, expectations and interaction with the organization and its services. Customer satisfaction model is primarily related with customer relationship management in order to have the feedback about the perception of a customer about the organization and its perceived performance and meeting the expectations. Personality is another important area of study in the organization literature. Personality itself is defined differently. However, Big Five model of personality is widely accepted measure for the identification of personality of individuals ( Haq, Ramay, U Rehman, Ahmed Jam,2010).In this study ,we proposed a model that shows the relationships between big five personality, customer relationship management and customer satisfaction .It is according below:

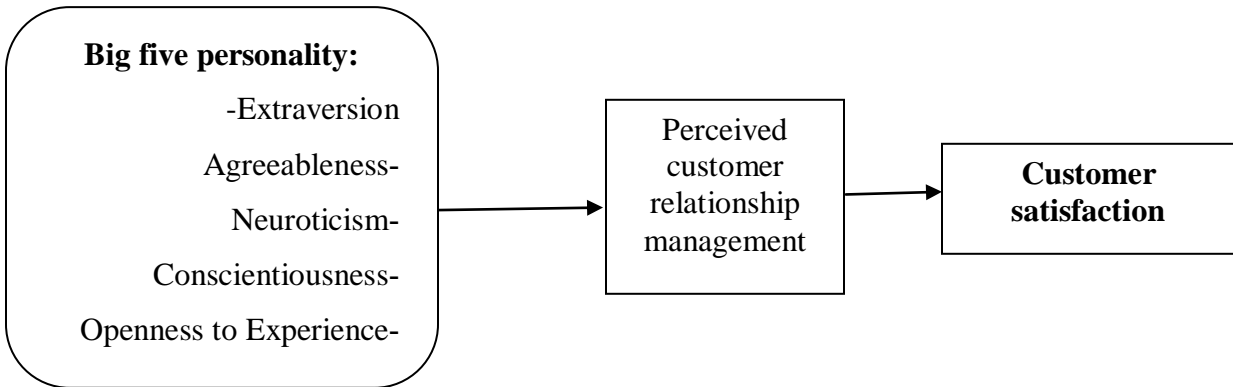


Figure 1- Model of customer satisfaction

### Customer satisfaction

Customer satisfaction is defined by the sum of the discounted life time values of all of its customers (Wu, Batmunkh, 2010). Many researchers have looked into the importance of customer satisfaction. Kotler (2000) defined satisfaction as: “a person’s feelings of pleasure or disappointment resulting from comparing a product or perceived performance (or outcome) in relation to his or her expectations”. Hoyer and McInnis (2001) said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight.

### Customer relationship management

CRM is a process designed to collect data related to customers, to grasp features of customers and to apply those qualities in specific marketing activities. Researchers suggest that CRM is an information industry term for methodologies, software and usually Internet capabilities that help an enterprise manage customer relationships in an organized way. It focuses on leveraging and exploiting interactions with the customer to maximize customer satisfaction, ensure return business and ultimately enhance customer profitability.

Generally, CRM is defined as an interactive process that achieves an optimum balance between corporate investments and the satisfaction of customer needs to generate the maximum profit .( Roy and Stavropoulos,2007)

Jackson (1985) suggests CRM to mean “marketing oriented toward strong, lasting relationships with individual accounts.” Payne (2000) asserts that CRM is concerned with “the creation, development and enhancement of individualized customer relationships with carefully targeted customers and customer groups resulting in maximizing their total customer life-time value.” CRM is a concept which incorporates the outcomes of satisfaction, loyalty, customer retention and profitability while relying on technology to harness market relevant data and guide decision making.

## **Big Five personality**

Personality has been conceptualized from a variety of theoretical perspectives, and at various levels of abstraction or breadth (John, Hampson, & Goldberg, 1991; McAdams, 1995). Each of these levels has made unique contributions to our understanding of individual differences in behavior and experience. However, the number of personality traits, and scales designed to measure them, escalated without an end in sight (Goldberg, 1976). After decades of research, the field is approaching consensus on a general taxonomy of personality traits, the “Big Five” personality dimensions. These dimensions do not represent a particular theoretical perspective but were derived from analyses of the natural language terms people use to describe themselves and others. Rather than replacing all previous systems, the Big Five taxonomy serves an integrative function because it can represent the various and diverse systems of personality description in a common framework . It thus provides a starting place for vigorous research and theorizing that can eventually lead to an explication and revision of the descriptive taxonomy in causal and dynamic terms (John, Robins,1998).They are : Extraversion, Agreeableness, Neuroticism ,Conscientiousness, Openness to Experience.

"**Extraversion**" is an aspect of personality that includes characteristics such as sociability, talkativeness, assertiveness, and ambition (Barrick and Mount, 1991).

"**Openness to experience**" characterizes someone who is open to novel experiences and ideas and who is imaginative, innovative and reflective (McCrae, 1987; Costa and McCrae, 1992).

"**Agreeableness**" characterizes someone who is cooperative, trusting, forgiving, tolerant, courteous and soft-hearted (Barrick and Mount, 1991).

"**Neuroticism**" trait is associated with dependability, hard work and perseverance (Barrick and Mount, 1991).

"**Conscientiousness**" reflects the tendencies of achievement, hardworking, responsibility and dependability. They tend to be more risk averse and form long term relationships. Conscientious peoples always prefer an environment where they have better opportunities for accomplishment and success. Literature suggest that conscientiousness is strongly and consistent correlate to job performance and job satisfaction . (Barrick and Mount, 1991; Mount and Barrick, 1995; Salgado, 1997).

## Hypotheses

**H1:** There is a positive relation between Extraversion personality customer and perceived customer relationship management.

**H2:** There is a positive relation between Agreeable personality and perceived customer relationship management.

**H3:** There is a positive relation between Conscientious personality customer and perceived customer relationship management.

**H4:** There is a negative relation between Neurotic personality customers and perceived customer relationship management.

**H5:** There is a positive relation between Openness to experience customer and perceived customer relationship management.

**H6:** There is a positive relation between Perceived customer relationship management and customer satisfaction.

## Variables

In this study, we consider five independent variables as Extraversion , Agreeable, Conscientious, Neurotic and Openness to experience personality and one mediator variable as perceived customer relationship management. Dependent variable is customer satisfaction.

## Methodology

We used library method to collect literature and data were collected through a questionnaire with 31 questions. The five-point categorical Likert scales (Strongly agree, Agree, Uncertain, Disagree, Strongly disagree) employed to measure each construct of both stages. A total of ,80questionnaires was completed by customers of Melli Bank of Kerman in 2010. We used alpha Cronbach to assess reliability. Reliability for each variable is according below:

Table 1- Reliability of each variable

Variable	Alpha Cronbach
Extraversion personality	0.72
Agreeable personality	0.70
Conscientious personality	0.71
Neurotic personality	0.82
Openness to experience personality	0.78
perceived customer relationship management	0.83
customer satisfaction	0.81

According of above amounts, all of them have acceptable reliability and questionnaire has acceptable reliability with 0.79. We used Pearson correlation and Regression analyze to assess hypotheses.

## Data analysis

Descriptive analyzes are according below:

Table 2- Descriptive analyzes

Variables	Mean	Std.Deviation	N
Extraversion personality	4.00	.52	80
Agreeable personality	3.78	.22	80
Conscientious personality	3.77	.34	80
Neurotic personality	3.76	0.21	80
Openness to experience personality	3.76	.22	80
perceived customer relationship management	3.84	.27	80
customer satisfaction	3.64	0.25	80

We used regression analyze to assess hypotheses1, 2,3,4,5. Findings were shown in table 3

Table3- Regression analyze of Extraversion, Agreeable, Conscientious, Neurotic, Openness to experience and Perceived customer relationship management

Adjusted R <sup>2</sup>	R <sup>2</sup>	r	Sig of t	Standardized beta	t	B	Independent variable	Dependent variable
0.02	0.03	-0.18	0.000	-0.52	-.96	0.6-	Extraversion personality	Perceived customer relationship management
0.01	0.02	0.14	0.001	0.21	2.40	0.22	Agreeable personality	
0.03	0.04	0.21	0.000	0.25	3.12	0.26	Conscientious personality	
0.08	0.11	-0.33	0.002	0.65	-0.81	-0.7	Neurotic personality	
0.01	0.02	0.14	0.000	0.51	.47	0.06	Openness to experience personality	

Findings indicate that:

- There is a negative relation between Extraversion personality and Perceived customer relationship management ( $r = -0.18$ ,  $B = -0.6$ ,  $\text{sig} = 0.000$ ). Thus first hypothesis is rejected.
- There is a positive relation between Agreeable personality and Perceived customer relationship management ( $r = 0.14$ ,  $B = 0.22$ ,  $\text{sig} = 0.001$ ). We can conclude second hypothesis is accepted.
- There is a positive relation between Conscientious personality and Perceived customer relationship management ( $r = 0.21$ ,  $B = 0.26$ ,  $\text{sig} = 0.000$ ). Thus, third hypothesis is accepted.

- There is a negative relation between Neurotic personality and Perceived customer relationship management ( $r = -0.33$ ,  $B = -0.7$ ,  $sig = 0.002$ ) and hypothesis 4 is accepted.
- Finally, there is a positive relation between Openness to experience personality and Perceived customer relationship management ( $r = 0.14$ ,  $B = 0.06$ ,  $sig = 0.000$ ). Thus hypothesis 5 is accepted.

Also we used Pearson correlation to assess hypothesis 6 and was shown in table 4.

**Table 4- Pearson correlation analysis**

Perceived customer relationship management		
Sig(one tailed)	Pearson correlation	
0.03	0.73	Customer satisfaction

According to table 4, there is a positive relation between perceived customer relationship management and customer satisfaction ( $r = 0.73$  and  $sig = 0.03$ ) and hypothesis 6 is accepted.

## Discussion

In the contemporary era, customer and their satisfaction is the key to the success of organizations and companies. Customer relationship management is another concept that is related to customer satisfaction. But we should consider differences in personality of customers. Hence in this study, we want to examine the relation between Big Five customer personality, customer relationship management and customer satisfaction. Findings indicated there is a positive relation between Agreeable personality, Conscientious personality, Openness to experience personality and perceived customer relationship management ( $B = 0.22$ ,  $B = 0.26$ ,  $B = 0.06$ ). Also, there is a negative relation between Extraversion personality, Neurotic personality and perceived customer relationship management ( $B = -0.6$ ,  $B = -0.7$ ). According to the results of Pearson correlation analysis, there is a positive relation between perceived customer relationship management and customer satisfaction. ( $r = 0.73$ )

This study can guide managers to understand the way of succession and implementation of a suitable customer relationship management program.

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