



## ABSTRACT

This study empirically recognizes customer relationship management (CRM) and examines its impacts on firm performance in the situation of freight forwarder services. Using data collected from a survey of 158 freight forwarding firms in Sri Lanka, a structural equation modeling application was conducted to identify crucial CRM dimensions and their influences on the supposed financial performance. Results indicated that only fact which positively effects on the perceived financial performance is company profit rate. This research not only investigates critical CRM but also suggests a model for empirical studies to link CRM and firm performance. The model may be used as a milestone for empirical research in transportation services on CRM.

The understanding of relationships between customer response, information technology, knowledge management application, profit interaction, and organizational performance may provide a clue to show how freight forwarding companies can adjust customer relationship establishment processes to tolerate their performance.

The conceptual framework was structured based on the qualitative approach and 28 potential influential factors were explored. Primary data was collected by means of a questionnaire from Freight forwarders in Sri Lanka. 158 valid questionnaires were used in the analysis. Cronbach's Alpha was 0.820 in the reliability test. A Chi Square test and a Multinomial Logistics Regression were used to identify the most influential factors which were Customer loyalty, stability, company profit and maintaining customer database.

**Keywords:** Financial Performance, CRM, Information technology, Knowledge management, Customer intention, Profit rate, Growth rate