

## **GENDER DIFFERENTIATION OVER RELATIONSHIP MARKETING AND CUSTOMER SATISFACTION**

**(A COMPARATIVE STUDY OF PUBLIC AND PRIVATE SECTOR BANKS)**

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### **ABSTRACT**

*The modern commercial banks perform a number of functions. Entry of new banks both in public as well as private sector and the other financial institutions has increased competition. Banking is a customer oriented service industry. Customer satisfaction and relationship marketing are the new forms of strategies been taken care by the banks to improve their functioning. The present study aims at observing the differences between the opinions of male and female customers of private and public sector banks towards the quality of products, services and customer care provided to them. Total sample of 200 customers was selected. Questionnaire of relationship marketing and customer satisfaction was administered on them and results were tabulated using mean, SD, t-ratio. It was concluded that Customer satisfaction in both public and private sector banks was effected by the gender differences whereas in relationship marketing of banks no difference was found among them. Results were discussed and implications were drawn.*

**KEYWORDS:** *Banks, Customer Satisfaction, Relationship Marketing, Gender Difference.*

### **Introduction**

Over the last four years, India's economy has been on a high growth trajectory creating unprecedented opportunities for its banking sector. Most banks have enjoyed high growth and their valuations have appreciated significantly during this period. Looking ahead the most pertinent issue is how well the banking sector is positioned to cater to continued growth (Sengupta 215). In terms of ownership, commercial banks can be further grouped into nationalized banks (majority ownership by government of India), regional rural banks and private sector banks (old and new, domestic and foreign). In 2005, there were 330 scheduled commercial banks (SCB) and 31 scheduled co-operative banks (Dasaand Ghosha 197). Banking is a customer oriented service industry. The customer is the king therefore customer is the main focus and customer service is the differentiating factor. Today, banks have to look much beyond just providing a multi-channel services platform for its customers (Jayawardhena and Foley 71). Customer satisfaction is a measure of how products and services supplied by a bank meet or surpass customer expectation. It is a business term explaining about a measurement of the kind of products and services provided by a company to meet its customer's expectation (Munusamy 42).

Relationship Marketing differs from other forms of marketing in that it recognizes the long term value of customer relationships and extends communication beyond intrusive advertising and sales promotional messages. With the growth of the internet and mobile platforms, Relationship Marketing has

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continued to evolve and move forward as technology opens more collaborative and social communication channels. This includes tools for managing relationships with customers that go beyond simple demographic and customer service data. Relationship Marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a dominant focus on sales transactions. The overall goals are to find, attract and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service (Berry 239). Relationship marketing can be applied when there are competitive product alternatives for customers to choose from and when there is an ongoing and periodic desire for the product or service. Relationship marketing involves the application of the marketing philosophy to all parts of the organization (Perrien 143). The present commercial banking system in India may be distinguished into public sector banks, private sector banks, and foreign banks. The present study is related to public and private sector banks hence only they are discussed here.

A private bank is that in which is owned and controlled by individual or a group of people and these attend personally to its management. In economics, the private sector is that part of the economy, sometimes referred to as the citizen sector, which is run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the state. A public bank is that which is owned and controlled by the government and the decisions taken or the management is totally under the control of the government (Sathye 668). Among the private sector banks, HDFC and ICICI are taken into study, and out of the public sector banks, customers of SBI and PNB have been studied for the present research.

### Objectives

The major objective of the present study is to determine the difference between the level of Customer Satisfaction and Relationship Marketing among the customers of public and private sector banks.

- To examine the difference between male and female customers of both public and private sector banks in the level of Customer Satisfaction.
- To determine the difference between the customers of private and public sector banks in the level of Relationship Marketing.

### Hypotheses

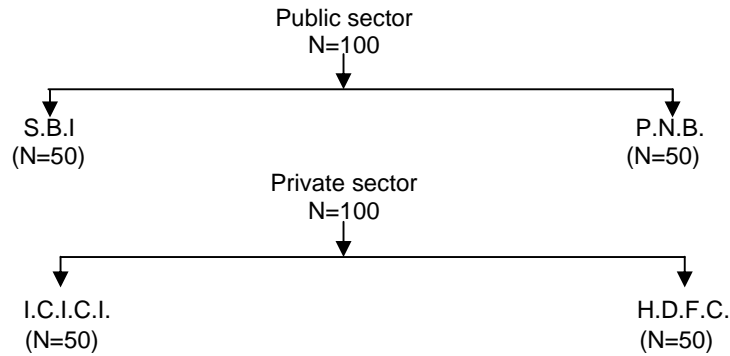
- There will be a significant difference between male and female customers of public and private sector banks in customer satisfaction.
- There will be a significant difference between male and female customers of public and private sector banks in relationship marketing.

### Variables

- Customer Satisfaction
- Relationship Marketing
- Customers of public sector bank
  - S.B.I.
  - P.N.B.
- Customers of private sector bank
  - H.D.F.C
  - I.C.I.C.I.
- Gender
  - Male
  - Female

### Sample and Selection Criteria

Sample consisted of 200 customers. 100 customers of public banks and 100 customers of private banks each were selected on availability basis.



**Selection Criteria**

- Two banks of Public and Private sector banks each were selected namely S.B.I. and P.N.B. from public sector and I.C.I.C.I. and H.D.F.C. from private sector.
- Age ranges between 35-65 years.
- Informed consent of the customers.

**Tools Employed**

Two questionnaires consisting of 20 items each were prepared in order to measure customer satisfaction and relationship marketing respectively.

**Description of the Test and Scoring**

Questionnaires of customer satisfaction and relationship marketing were prepared having 20 items each. Items in both the questionnaires were answered in 5 options namely- Not Experienced, Needs Improvement, Satisfactory, good and Excellent which were scored as 1, 2, 3, 4, 5 respectively.

**Statistical Analysis**

Scores obtained were calculated and Mean, SD, T-ratio were analyzed.

**Results**

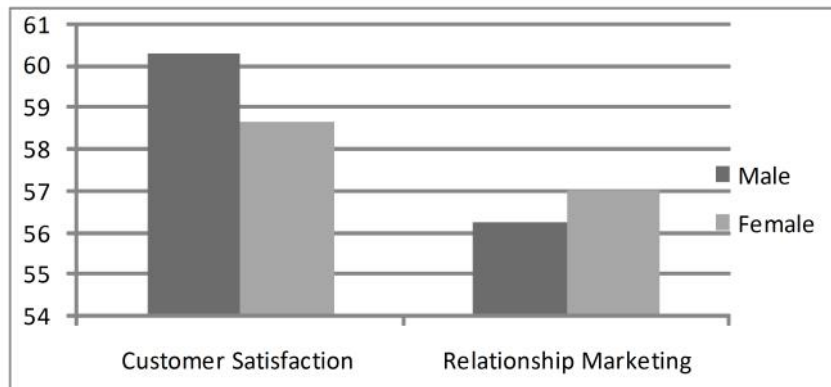
**Table 1: Mean, S.D., SED, t ratio and significance level of customer satisfaction and relationship marketing between male and female customers of public sector banks (N= 50).**

Variables	Category	N	Mean	S.D.	SED	t	Sig
Customer Satisfaction	Male	50	60.26	7.66	1.48	1.09	.28
	Female	50	58.64	7.13			
Relationship Marketing	Male	50	56.22	6.92	1.40	-.54	.59
	Female	50	56.98	7.13			

\* = significant at 0.01 level

\*\* = significant at 0.05 level

**Graph 1: Bar diagram representing Mean scores of customer satisfaction and relationship marketing between male and female customers of public sector banks**



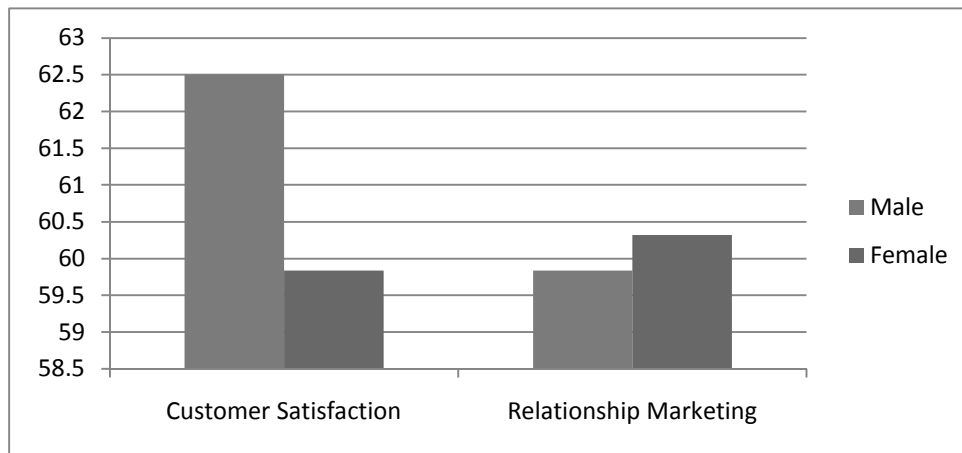
**Table 2: Mean, S.D., SED, t ratio and significance level of customer satisfaction and relationship marketing between male and female customers of private sector banks (N= 50).**

Variables	Category	N	Mean	S.D.	SED	T	Sig
Customer Satisfaction	Male	50	62.50	7.23	1.48	1.80	.07
	Female	50	59.84	7.52			
Relationship Marketing	Male	50	59.84	7.89	1.44	-.33	.74
	Female	50	60.32	6.40			

\* = significant at 0.01 level

\*\* = significant at 0.05 level

**Graph 2: Bar diagram representing Mean scores of customer satisfaction and relationship marketing between male and female customers of private sector banks.**



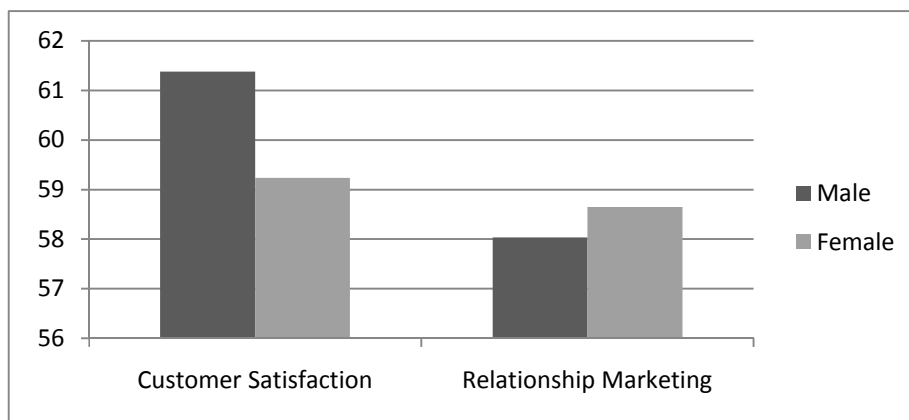
**Table 3: Mean, S.D., SED, t ratio and significance level of customer satisfaction and relationship marketing between male and female customers of private and public sector banks (N= 100).**

Variables	Category	N	Mean	S.D.	SED	t	Sig
Customer Satisfaction	Male	100	61.38	7.49	1.05	2.04	.04**
	Female	100	59.24	7.32			
Relationship Marketing	Male	100	58.03	7.61	1.03	-.60	.55
	Female	100	58.65	6.95			

\* = significant at 0.01 level

\*\* = significant at 0.05 level

**Graph 3: Bar diagram representing Mean of customer satisfaction and relationship marketing between total male and female customers of private and public sector banks.**



## Discussion

Table 1 reveals Mean, S.D., SED, t ratio and significance level of customer satisfaction and relationship marketing between male and female customers (N= 50) of public sector banks. It was observed that there was no significant difference in the customer satisfaction among the male and female ( $t=.28$ ). Difference may be seen at the mean level of male ( $M=60.26$ ) and female ( $M=58.64$ ) customers in customer satisfaction. A minor difference was observed at the mean level of Relationship Marketing of banks among the males ( $M=56.22$ ) and females ( $M=56.98$ ) whereas there was no difference found at significant level between the male and female customers. It may be observed that no difference at significant level has been found among the male and female customers of public sector banks in the customer satisfaction and relationship marketing. When calculated, difference was observed at the mean level and it was found that the customer satisfaction was higher among the male customers than the female customers in the public sector banks.

It may also be observed that there is a difference in the relationship marketing, where female customers scored more than the male customers at mean level indicating that the females are more satisfied with the marketing techniques followed by the banks in the public sector. At significant level no difference was seen in the male and female customers regarding relationship marketing (Pahwa and Saxena 12).

Table 2 states Mean, S.D., SED, t ratio and significance level of customer satisfaction and relationship marketing between male and female customers of public sector banks (N= 50). It may be observed that there is no difference between satisfaction level of the male and female customers in customer satisfaction ( $t=.07$ ) and relationship marketing ( $t=.59$ ) at significant level. But at the mean level difference can be seen among male ( $M=62.50$ ) and female customers ( $M=59.84$ ) in the customer satisfaction. The difference was also seen among male customers ( $M=59.84$ ) and female customers ( $M=60.32$ ) regarding the relationship marketing techniques followed by the banks.

It was observed that there is no significant difference between the male and female customers in the level of customer satisfaction and relationship marketing techniques of the banks in the public sector. At significant level no difference was found among the male and female customers in customer satisfaction though at mean level it was found that the male customers perceived significantly more satisfaction as a customer than the females. It may also be analyzed in the mean scores that in the relationship marketing variable, the mean scores of females is higher in comparison to the male customers. At significant level no differences were found among the male and female customers regarding relationship marketing of the banks (Patnayak and Swain 256).

Table 3 shows the Mean, S.D. (Standard Deviation), SED (Standard Error Difference), t ratio and significance level of customer satisfaction and relationship marketing between male and female customers of private and public sector banks (N= 100) and level of significance achieved by the scores. It may be observed that there was a significant difference between the male and female ( $t=.04$ ) customers in the level of customer satisfaction but no difference was seen in the relationship marketing of the banks. A difference in the mean level may be seen in the customer satisfaction of male ( $M=61.38$ ) and female ( $M=59.24$ ) customers. At relationship marketing the difference in the mean level among male ( $M=58.03$ ) and female customers ( $M=58.65$ ) was also seen. When the customer satisfaction among the male and female customers was compared among the male and female customers,

It was found that in customer satisfaction there was a significant difference between the male and female customers. At the mean level also differences were found. The male customers perceived greater customer satisfaction in comparison of the female customers whereas no difference at significant level was found in the relationship marketing of the private and public sector banks among the male and female customers. According to the mean scores female customers perceived greater satisfaction than the male customers in the relationship marketing of the banks but this difference was not very significant.

The significant differences among the male and female customers regarding their perception may be caused by several reasons. The male customers lay more emphasis on the variable of customer satisfaction as compared to female customers. These differences result from the personality associated with gender. There are male customers who may be more experienced in dealing with the banks because they have been rating financial decisions in their families for a very long period. The male customers visit banks on a regularly basis than the female customers. They are in direct contact with the working conditions and the employees of the banks and hence feel more satisfied (Neilson and Chadha 213). They are aware and informed in all banking related issues hence they give more weightage to

factors like loan rates, services offered, process time, investment opportunities etc. The recent involvement of female customers in the banking activities makes them more demanding (Muniraju and Kumar 3).

Female customers however have become an important market segment for the financial institutions but as they visit less in the banks and thus they are found influenced by the marketing techniques like response from bank employees, goodwill and awareness of the bank in the social group, trust in the bank, execution of the campaigns, etc. The interpersonal relationship maintained by the male and female customers might be one of the reasons for such difference. The female customers are highly dependent on the word of mouth more than the male customers (Ketkar 1692).

Spathiset. al discussed the service quality on the basis of their customer's perceptions and analyses how gender differences affects the customer's perceptions of service quality dimensions such as effectiveness and assurance, access, price, tangibles, service portfolio and reliability. The results of an empirical study of 1,260 customers of banks generally support the hypothesis that gender affects service quality perceptions and the relative importance attached to various banking service quality dimensions.

The paper provides important information for bank managers to use in developing operational, human resource, and marketing strategies, and in targeting those strategies in terms of the gender differences in quality perceptions among their customers (98). Duffyet. al observed that through means of an empirical study of service industry in US retail banking, the aim was to establish the link between satisfaction and various recovery strategies.

A total of 310 bank customers responded to a survey addressing customer demographics, levels of satisfaction, types of recovery strategies, and service recovery employees. Frequencies, chi-square analysis and correspondence analysis were used to analyze the data. The findings show no significant difference in recovery strategies or satisfaction by customer age, gender, or tenure with bank. However, the degree of customer satisfaction was strongly influenced by the type of recovery strategy used by the bank. The results indicate that recovery efforts are best directed toward empathic listening and fixing the problem rather than apologizing or making atonement (121).

### **Conclusion**

It may be concluded from the findings are customer satisfaction in both public and private sector banks was effected by the gender differences whereas in relationship marketing of banks no difference was found among them.

### **Implications**

- More research variables may be added so that the views of the customers may be collected in detail.
- Training programs may be organized in the banks to deals with the components which require emphasis in the particular bank of the respective sector.
- Continuous feedback may be taken from the customers in order to ensure continuous improvement in the policy systems of the banks.
- More banks of both public and private sectors may be included in order to strengthen the results.

### **Limitations**

Although the study was carried out with extreme enthusiasm and careful planning there are several limitations, which are as follows:

- The sample size was relatively small to generalize the results.
- It is difficult to know if all the respondents gave accurate information; some respondents tend to give misleading information.
- It was difficult to find respondents as they were busy in their schedule, and collection of data was very difficult. Therefore, the study had to be carried out based on the availability of respondents.
- More variables may be added in further research.

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