

## AN EMPIRICAL STUDY OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN SELECTED PUBLIC & PRIVATE SECTOR BANKS OF JODHPUR (RAJASTHAN)

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### ABSTRACT

*The customer relationship is important for the organizations to grow a connected way. The customers are important for the business and their profit can be managed by the developed and advanced software's of Customer Relationship Management (CRM) systems available in the organizations. The India dual and small customers and investors are also important for the banking sector to generate the profits and growth. So the banking industry banking is also becoming popular to arrange complete range of monetary facilities to the investors according to their needs, requirements and tastes. This study is analysed the satisfaction of customers towards CRM practices offered by selected public and private sector banks. The size of sample was 300 respondents using the facilities of the private sector banks and the other 300 respondents using the acolytes of the public sector banks. This study is piloted in Jodhpur city, the desert city of Rajasthan. The study revealed that the private banks are providing good services and their relation with customers were always good with their customers but under this study of selected banks working under private and public sector in the city of Jodhpur it acquired that the bank's customers form private sector are not satisfied with average relational variable and average emotional variable.*

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**Keywords:** CRM, Public Sector Banks, Private Sector Banks, Customer Satisfaction.

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### Introduction

The modern economy is impacted by the technological growth of the financial and the banking institutions to give the strength to business systems by managing their funds and resources in a sustainable way. The banking systems have to provide the quality services to the customers who are aware and educated. The strategic customer core innovative service process includes the customer's profiling, segmenting, researching, capitalizing in modern technology, and managing account holders. The service marketing has become important and the service providers need to build the special services for the customers according to their needs and desires.

The relationship service promoting targets to recognise uphold and figure out a network with customer's individual need and to strengthen the bonds to be emotionally associated with the valuable customers continuously. The network builds the common advantage to both sides by collaborating, adapted and value-added acquaintances over a long term period. The customers get the services with the click of mouse. The banking organizations are able build the valuable data of customers to create the relationship of trust and faith. The relationship service marketing focuses mainly on strategy to build the effect business innovative service process to give the easy and quick solutions to the customers. The competition is just by the click of mouse and the banks and the organizations need to build the comprehensive strategy of business service process to get connected to the customers and to give them the solutions for all problems.

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### Indian Banking System

The economic scenario of the global economy is changing where the impact of ICT has integrated the various business sectors through the online networks to work in a systematic and coordinated way. The economic system is the sustenance of any economy. The fluctuations in it get reflected in the performance of the financial system. The business performance is the reflection of the development and growth of the banking industry. The path of development of the economy depends on the efficient planning of the government to build the vision to grow in a collaborated and routine way.

The banking sector is opening and the global markets are getting integrated by the effect networks and the online connections. The momentum to the non-banking financial is also high to give the insurance and other financial derivatives in the markets. The functions of the banks are becoming more diverse with the impact of e-banking, concerns is quality, rigorous credit standards, up gradations of assistances form measuring credit risk, monitoring and observing by corporate governance and education and awareness of the customer etc.

### Review of Literature

The CRM is linked to corporate strategy particularly for particular part that emphasizes on customer and it is about professional procedures and helps the organisations to work in a improved way. **Madan, Agrawal, & Matta (2015)** in their article titled "Relationship Marketing Strategies in Banking Sector: A Review" have examined that relationship marketing means appealing, preserving and augmenting CRM. The authors revealed that trust, assurance and connections hold significant roles for maintaining, enhancing, and developing long-term associations amongst productions and account holders. **Balakrishnan et al., (2014)** examined CRM practices in selected private sector banks and level of customer's satisfaction. Their research showed that suitable practices of CRM increases satisfaction and develop association with existing and probable clients by managing facts and advances performance of delivering banking services at a without hustle that enables customer notion and preservation. **Duygu and Kirmaci (2012)** found that in the banking sector CRM affects loyalty of customer. He observed CRM on the basis of Knowledge and experience of personnel, Customer satisfaction and customer loyalty. **Wei, J., vanderEnde, L. And Lin, B. (2009)** examined that the technology- based CRM can help the organization to advance contact to customers' specific data and can response to customers' requirements by providing well-ordered services. The precise marketing approaches could be intended for individual group of the targeted customers. Therefore, Technology-based CRM has a significant association with marketing innovation. **Mittal (2008)** measured "Empirical Study of Relationship Marketing in Indian Banks (Customers' Perspective)" and analysed the customer's view about their bank and compared the association marketing in both sector banks. The survey exposed that significant difference exists with respect to the application of relationship marketing in public sector & private sector banks. The researcher has suggested that the attitude of bank employees especially managers in public sector banks should be changed completely so that customers can be properly served. **Rao (2006)** measured "Customer Service in Banks" and suggested that any bank wants to grow in size must apply the five steps. These are: acquiring new customers, retaining the existing customers, increasing revenues, sinking the cost and concentrating on expansion and profitable corporate preposition. **Varghese & Ganesh (2004)** also measured "Customer Service in Banks: An Empirical Study" and highlighted three mantras for the success of any organization like bank. These are courtesy, accuracy and speed. The study exposed that there is no difference between the sector wise banks for regard to speed but significant difference exist between the both sector banks with regard to accuracy and responsiveness. **Bull (2003)** explained that there are mounting costs on corporate CRM and it has laid high growth in CRM software sales. The use of CRM software's in market is increasing impacting the business systems.

### Aims of the Study

The basic aim is to analyses the CRM supported facilities provided by the selected both sector banks. The aim is:

- To gain understanding of the customer relationships management programs.
- To gain insights into the aspects that contributes to the accomplishment of CRM.

### Data Analysis and Interpretation

To identify significant difference about quality of service supported by CRM systems in the Private Sector Banks (HSBC, ICICI & Standard Chartered) and the average satisfaction amongst customers classified under various dimensions. Table 1 shows distribution of the responses of various respondents.

**Table 1: Descriptive of Respondents**

	N	$\mu$	
Gender	300	1.53	.500
Occupation	300	1.98	.797
Age	300	2.46	1.083
Education	300	2.36	1.111
Income	300	3.05	1.416
Physical facilities	300	3.63	1.356
Equipment's	300	3.55	1.457
Credit cards	300	3.64	1.413
Updated websites	300	3.70	1.533
Technology	300	4.17	1.253
Trustworthiness	300	2.77	1.544
Honesty	300	2.78	1.530
Believability	300	2.69	1.481
Reputation	300	2.41	1.241
Brand name	300	2.83	1.485
Faith	300	3.08	1.519
Knowledge	300	3.35	1.758
Skills	300	3.39	1.538
Talents	300	3.07	1.502
Support	300	2.87	1.478
Communication	300	3.22	1.543
Capability	300	3.51	1.602
Consistency	300	1.30	.487
Accuracy	300	1.67	.513
Recordkeeping	300	2.26	.659
Information	300	1.39	.791
Delivery on time	300	1.64	.927
Dependability	300	3.63	1.756
Willingness	300	1.70	1.184
Prom services	300	1.71	.571
Appointments given	300	2.29	.639
Follow-up	300	1.95	1.170
Respect	300	4.31	1.685
Service availability	300	1.70	1.184
Approachability	300	1.71	.571
Ease of contact	300	2.31	.643
Convenient location	300	2.07	1.172
Convenient time	300	3.11	1.296
Valid N (list wise)	300		

Table 1 shows the circulation of responses of various respondents regarding CRM actions of private sector banks. This shows that major impact over the services comes from the modern technology and the respect given by their employees. The mean is 4.17 and 4.31 respectively.

To identify significant difference about quality of service supported by CRM systems in the Public Sector Banks (SBI, PNB & BOB) and the average satisfaction amongst customers classified under various dimensions. Table 2 shows distribution of the responses of various respondents.

**Table 2: Descriptive Statistics**

	N	$\mu$	
Gender	300	1.48	.500
Occupation	300	1.81	.824
Age	300	2.33	.976
Education	300	2.59	1.098

Income	300	2.96	1.249
Physical facilities	300	3.79	1.391
Equipment's	300	3.39	1.280
Credit cards	300	3.79	1.177
Updated websites	300	4.36	.994
Technology	300	4.70	1.335
Trustworthiness	300	2.94	1.487
Honesty	300	2.77	.867
Believability	300	4.15	1.439
Reputation	300	4.72	1.539
Brand name	300	4.81	.648
Faith	300	5.07	1.401
Knowledge	300	1.37	1.018
Skills	300	1.62	1.013
Talents	300	3.51	1.861
Support	300	3.55	1.291
Communication	300	1.98	.337
Capability	300	4.81	1.654
Consistency	300	2.15	.564
Accuracy	300	2.21	.558
Recordkeeping	300	2.70	1.394
Information	300	3.39	1.711
Delivery on time	300	5.07	1.524
Dependability	300	5.73	.552
Willingness	300	3.63	1.232
Prompt services	300	3.49	.901
Appointments given	300	3.41	.982
Follow-up	300	4.17	1.178
Interaction	300	5.43	.805
Respect	300	5.06	1.123
Service availability	300	2.07	.531
Approachability	300	2.90	1.533
Ease of contact	300	3.11	1.227
Convenient location	300	4.30	1.717
Convenient time	300	4.96	1.465
Valid N (list wise)	300		

Table 2 shows the spreading of responses of various respondents regarding CRM actions of public sector banks. This shows that major impact over the services comes from the faith, delivery on time, dependability, interaction and the respect given by the public sector bank's employees. The mean value of this contrast is higher than 5.

To compare the difference about quality of service supported by CRM systems in Private and Public Sector Banks and to measure the linkage of average satisfaction amongst customers classified by various variables following hypothesis was being developed:

**H<sub>0</sub>** : There is insignificant difference about quality of banking services and customer satisfaction on the basis of various variables (Product service, relational variable, interaction variable, Channel Touch point, emotional variable and customer service accessibility).

**H<sub>1</sub>** : A significant difference exists for quality of banking industry and customer satisfaction on the basis of various variables (Product service, relational variable, interaction variable, Channel Touch point, emotional variable and customer service accessibility).

The hypothesis is measured with one way T Test of average differences according to various variables has been used under table 3.

**Table 3: One-Sample T-TEST Statistics**

<b>Descriptive</b>							
<b>Area covered</b>	<b>Sector of Bank</b>	<b>N</b>	<b>μ</b>			<b>S. E.</b>	
Average Product service	Private	300	3.74	.791	.046		
	Public	300	4.01	.622	.036		
Average relational variable	Private	300	2.76	.579	.033		
	Public	300	4.07	.470	.027		
Average interaction variable	Private	300	3.22	.615	.036		
	Public	300	2.81	.627	.036		
Average Channel Touch point	Private	300	1.98	.439	.025		
	Public	300	3.54	.676	.039		
Average emotional variable	Private	300	2.77	.688	.040		
	Public	300	4.20	.451	.026		
Average customer service accessibility	Private	299	2.18	.510	.029		
	Public	300	3.47	.573	.033		
<b>One-Sample Test</b>							
	<b>Sector of Bank</b>	Test Value = 2.75					
		t	D.f.	Sig. (2-tailed)	μ Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Average Product service	Private	21.611	299	.000	.987	.90	1.08
	Public	9.094	299	.000	.327	.26	.40
Average relational variable	Private	.299	299	.765	.010	-.06	.08
	Public	14.455	299	.000	.392	.34	.45
Average interaction variable	Private	13.300	299	.000	.472	.40	.54
	Public	-23.967	299	.000	-.868	-.94	-.80
Average Channel Touch point	Private	-30.338	299	.000	-.769	-.82	-.72
	Public	-3.589	299	.000	-.140	-.22	-.06
Average emotional variable	Private	.587	299	.558	.023	-.05	.10
	Public	19.940	299	.000	.519	.47	.57
Average customer service accessibility	Private	-19.303	298	.000	-.569	-.63	-.51
	Public	-6.366	299	.000	-.211	-.28	-.15

Table 3 revealed that alternative hypothesis were accepted in case of all the variables which revealed that there is no differences ( $\text{Sig}=0.00 < p=0.05$ ) amongst the private sector and public sector bank in terms of various variables selected for analyzing effectiveness of CRM but in terms of private sector bank a significant difference were found (acceptance of null Hypothesis) under two variables i.e., Average relational variable ( $\text{Sig}=0.765 > p=0.05$ ) and Average emotional variable ( $\text{Sig}=0.558 > p=0.05$ ). Hence the alternative hypothesis can be selected in terms of these two variables and it can be said that private bank customers were not satisfied with the Average relational variable and Average emotional variable as the mean of the above two in private banks are 2.76 and 2.77 respectively which is below the mean value of public sector bank.

### Conclusion

The CRM has a straight connection with the quality of service in banking. It is evitable that they use CRM to gain satisfaction from their banking services. If executed properly CRM can lead to increase in Customer retention and hence develop overall effectiveness from their organisational services.

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