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Employee Preferential Study on CRM Factors for Public and Private Sector Banks with Reference to Ahmadabad District

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Abstract: *Customer Relationship Management (CRM) was developed as a popular tool in today's competitive business environment. The technique enables the business firms to identify and target their most profitable customers. For applying CRM technique in any business process, a systematic analytical study is required. In this paper an attempt is made to compare the various CRM factors related to employee services provided by private and public sector banks of Ahmadabad district. Also concluding summary is given about effects of demography factors on CRM for both types of banks.*

Key Words: *Relation Marketing, CRM, Demography Factors, Classification of Data, Statistical Analysis, Testing of Hypothesis, t-test statistics.*

I. INTRODUCTION & LITERATURE REVIEW

Customer Relationship Management (CRM) was developed as a popular tool in today's competitive business environment. The technique enables the business firms to identify and target their most profitable customers. CRM involves cultivating systematic steps for new development and improvement in strategies which not only retain the existing customers but also acquire new customers. It has been invented as a unique technique capable of significant changes in total output of business firms. The concept of relationship marketing was initially introduced in early 90s when financial services, airline and other services firms has started to give reward to the existing customers by introducing various loyalty programmes. CRM is only technique through which the customers can release the differences in various organizations' services working in the same business.

There are many definitions for CRM and all of them are more or less correct. It is important that the customer is in the centre, not the product in CRM. According to Michael Otto, (Erste Bank) [7] "Having the right offer for the right customer, at the right time via the right channel' is CRM". According to Radi Badidi, (ABM AMBRO) [7] "CRM to be a business strategy than anything else, not just technology, not just analytics, not just an impressive story of how customer focused you are". Dyche (2001) [6] define CRM as "The infrastructure that enables the delineation of and increasing customer value and the correct means by which to motivate valuable customers to remain loyal-indeed to buy again". According to Gopal Sondur (Infosys) [7] "CRM is the essential instrument to build a customer-centric organization". In the literature, after the growth in the relationship marketing viewpoint the phrase CRM appeared. Berry (1983) [7] has defined the relationship marketing as 'attracting, maintaining and enhancing the customer's relationships in multi-service organization'. After a few decades the development in relationship marketing view point reformed the word relationship marketing to Customer Relationship Marketing (CRM). According to Brown (2000) [4] CRM is process of procuring new customers, retaining the existence customers, and at the same time recognizes, anticipates and manages the needs of an organization's current and potential customers. Furthermore, Mylonakis (2009) [11] described CRM as an innovative process to create a long term relationship and acquisition of trust. From the above, it can be concluded that the purpose of CRM is bring about Customer focused Services.

Almossawi (2001) [1] examined the bank selection criteria and observed that there are four selection criteria of banks in Bahrain namely technology, convenience, financial benefits and employees or customer interactions. Want (2004) [15] developed an integrative framework for customer value and CRM performance based on the identification of the key dimensions of customer value viz. functional value, social value, emotional value and perceived sacrifices. The organizational performance is enhanced because marketing efficiency is achieved due to the cooperative and collaborative process. These bring about two important processes of proactive customer business development and building partnering relationships with the most important customers (Chitanya) (2005) [5]. Bansal and Sharma, (2008) [2] has suggested that a strong idea of CRM along with appropriate strategies if

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applies in bank is beneficial in maintaining the customer’s service quality, customer’s satisfaction and customer’s retention with the bank which ultimately leads to the growth of organization and profitability. Girdhar (2009) [8] observed that by satisfying the internal customers and building good relationships with them, the relationship with the external customers can also be retained and satisfied by the financial organization.

Kumar & Rajesh (2009) [10] reveals that any bank that wishes to either growth in size of its banking operation or improves its profitability must consider the challenges affecting its Customer Relationship Service quality in banking implies consistently anticipating and satisfying the needs and expectations of customers also the challenge before the banks is not only to obtain updated information for each customer, but also to use the information to determine the best time to offer various products to bring in profit for the bank, it becomes necessary for the bank to provide excellent services to those customers, otherwise they switch to other banks. Ray (2007) [13]. Parasuraman (1985) [12], CRM is a key to create a customer relationship by creating a clear understand, by emerging services and products based on the added value for target groups. Hussain (2009) [9] Many researchers have been done in various industries especially in the banking service that focusing on customer oriented services Rootman (2008) [14] The literature on CRM suggests that banks should consider the customer relationship life cycle is in six dimensions namely customer acquisition, customer response, customer knowledge, customer information system, customer value evaluation, and customer information process.

II. RESEARCH METHODOLOGY AND DESIGN

The population for the study consists of public sectors and three private sector banks of Ahmadabad district. Our study is limited for the three Public sector banks State Bank of India, Bank of Baroda and Canara Bank and three Private sector banks HDFC Bank, ICICI Bank and AXIS Bank. Determining the sample size plays critical role in any research. The time taken by researcher for collecting sample is played major role in research, research scolder detailed interaction with bank customer. The population of the study consists of all types of customers of above six Public and Private sector banks of Ahmadabad district. Primary data was collected by researcher from bank customer from six above sample banks by online and offline mode. From collecting the sample of 210 for bank employee, sample of 169 for bank employee is finalized after removing defective samples or not traceable samples. The finalized sample consist of 46 State bank of India, 19 Bank of India, 21 Canara bank, 22 HDFC bank, 28 ICICI bank and 33 of AXIS bank employee. The data are processed through SPSS.

III. CLASSIFICATION OF DATA

As our study focus on comparison of bank type to various CRM factors for employees provided by the different types of bank, here we have made an attempt to tabulated and visualize various tables of bank type and customer related CRM factors based on the data collected through survey. We have taken view of respondents on CRM factors in five scales namely poor, below average, average, good and excellent. It will give us saturation views of respondents. For obtaining general impression of various factors of ambience the last two scales (good and excellent) given by customer to the factor are considered.

A. CRM maintenance

In order to retain the customers and to acquire new business, CRM implementation is the first step in banks but the most crucial step is maintenance of CRM. Implementation process is very simple while maintenance process is very stiff. So every bank should maintain their CRM procedure.

Table 3.1 Sample Statistics for employees regarding CRM factors

| Serial Order | CRM Maintenance | Bank Type | Poor | Below Average | Average | Good | Excellent | Total |
|--------------|--------------------------|-----------|------|---------------|---------|------|-----------|-------|
| (a) | Sufficient Banking Hours | Public | 70 | 2 | 3 | 2 | 9 | 86 |
| | | Private | 70 | 2 | 1 | 0 | 10 | 83 |
| (b) | Punctuality Of Staff | Public | 31 | 1 | 3 | 1 | 50 | 86 |
| | | Private | 38 | 0 | 19 | 0 | 26 | 83 |

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|-----|-------------------------------------------|---------|----|---|----|---|----|----|
| (c) | Sufficient Staff | Public | 66 | 3 | 2 | 0 | 15 | 86 |
| | | Private | 63 | 0 | 9 | 0 | 11 | 83 |
| (d) | Convenient Location | Public | 59 | 0 | 3 | 1 | 23 | 86 |
| | | Private | 65 | 0 | 5 | 0 | 13 | 83 |
| (e) | Prompt And Quick Service | Public | 68 | 2 | 0 | 0 | 16 | 86 |
| | | Private | 56 | 0 | 11 | 0 | 16 | 83 |
| (f) | Minimum Service Charges | Public | 67 | 2 | 0 | 0 | 17 | 86 |
| | | Private | 63 | 3 | 6 | 0 | 11 | 83 |
| (g) | Different Scheme To Customer Requirements | Public | 65 | 1 | 2 | 0 | 18 | 86 |
| | | Private | 58 | 1 | 8 | 0 | 16 | 83 |
| (h) | Value Added Services | Public | 58 | 2 | 2 | 1 | 23 | 86 |
| | | Private | 64 | 1 | 9 | 0 | 9 | 83 |
| (i) | Simplicity Of Operation | Public | 72 | 1 | 4 | 0 | 9 | 86 |
| | | Private | 60 | 1 | 13 | 0 | 9 | 83 |
| (j) | Responsiveness Of Staff | Public | 64 | 0 | 3 | 1 | 18 | 86 |
| | | Private | 62 | 0 | 12 | 0 | 9 | 86 |
| (k) | Sufficient ATMs | Public | 70 | 3 | 4 | 0 | 9 | 86 |
| | | Private | 58 | 1 | 17 | 0 | 7 | 83 |
| (l) | Complain Solved Within Time | Public | 73 | 1 | 3 | 0 | 9 | 86 |
| | | Private | 66 | 0 | 11 | 0 | 6 | 83 |
| (m) | Privacy Of Information | Public | 80 | 0 | 3 | 1 | 2 | 86 |
| | | Private | 68 | 0 | 13 | 0 | 2 | 83 |

In general data suggest public sector banks employees are more satisfied for CRM factor like punctuality of staff, convenient location, minimum service charges, value added services and responsiveness of staff. There is no major difference for CRM factors like Sufficient banking hours, prompt and quick service, sufficient staff, different scheme to different customer, simplicity of operation, sufficient ATMs, complain solved within given time and privacy of information between both types banks.

B. CRM Strategies

CRM (Customer Relation Management) is very important in banking industry. Customer relationships are becoming significant for

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banks as market situation get harder, As Competition is increasing; margins are decreasing. Today's customers are becoming more demanding and more diversified in their demand.

Table 3.2 Sample Statistics for employees regarding CRM strategies

| Serial Order | CRM Strategies | Bank Type | Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree | Total |
|--------------|-----------------------------------------------------|-----------|-------------------|----------|-----------|-------|----------------|-------|
| (a) | Customer Handling Training | Public | 76 | 0 | 2 | 3 | 5 | 86 |
| | | Private | 77 | 0 | 4 | 0 | 2 | 83 |
| (b) | Reward For Good Performance | Public | 27 | 3 | 5 | 1 | 50 | 86 |
| | | Private | 30 | 0 | 29 | 0 | 24 | 83 |
| (c) | Different Treatment For Different Customers | Public | 66 | 4 | 1 | 0 | 15 | 86 |
| | | Private | 68 | 1 | 3 | 0 | 11 | 83 |
| (d) | Proper Guidance For New Customer | Public | 75 | 2 | 0 | 1 | 8 | 86 |
| | | Private | 71 | 0 | 4 | 0 | 8 | 83 |
| (e) | New Concepts And Approach For Customer Retention | Public | 64 | 4 | 0 | 0 | 18 | 86 |
| | | Private | 59 | 0 | 13 | 0 | 11 | 83 |
| (f) | Pamphlets And Notice For New Services | Public | 68 | 2 | 1 | 1 | 14 | 86 |
| | | Private | 59 | 0 | 9 | 0 | 15 | 83 |
| (g) | Brand Image | Public | 60 | 2 | 9 | 1 | 14 | 86 |
| | | Private | 62 | 0 | 16 | 0 | 5 | 83 |
| (h) | Aggressive Sales Promotion | Public | 72 | 2 | 1 | 0 | 11 | 86 |
| | | Private | 67 | 0 | 8 | 0 | 8 | 83 |
| (i) | 24 Hour Customer Care Centre | Public | 69 | 3 | 2 | 1 | 11 | 86 |
| | | Private | 66 | 0 | 12 | 0 | 5 | 83 |
| (j) | Special Initiative/ Privileges To Regular Customers | Public | 74 | 2 | 4 | 1 | 5 | 86 |
| | | Private | 75 | 1 | 6 | 0 | 1 | 83 |

In general data suggest public sector banks employees are more satisfied for CRM stetegeries for factor like Customer handling training, rewards for good performance, new concepts and approach for customer retention, brand image and 24 hour customer care

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center. There is no major difference for CRM factors like different treatment for different customers, proper guidance for new customer, pamphlets and notices for new services, aggressive sales promotion and special initiative or privileges to regular customer between both types' banks.

C. Technology In CRM

Now a day digital technology matters is widely used, today's employees are generally aware with telephone, mobile, gadgets and computer. So there is need of technology in CRM, technology in CRM helps employee to serve their customers need without visiting to bank branch. It will save the time and money of bank as well as customers.

Table 3.3 Sample Statistics for employees regarding Technology in CRM

| Serial Order | Technology In CRM | Bank Type | Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree | Total |
|--------------|----------------------|-----------|-------------------|----------|-----------|-------|----------------|-------|
| (a) | Core Banking | Public | 77 | 0 | 5 | 3 | 1 | 86 |
| | | Private | 77 | 0 | 6 | 0 | 0 | 83 |
| (b) | Computerized Service | Public | 48 | 2 | 4 | 1 | 31 | 86 |
| | | Private | 44 | 0 | 29 | 0 | 10 | 83 |
| (c) | Mobile Banking | Public | 57 | 2 | 7 | 3 | 17 | 86 |
| | | Private | 58 | 1 | 20 | 0 | 4 | 83 |
| (d) | Internet Banking | Public | 76 | 3 | 3 | 1 | 3 | 86 |
| | | Private | 62 | 1 | 17 | 0 | 3 | 83 |
| (e) | Paperless Operation | Public | 78 | 0 | 2 | 3 | 3 | 86 |
| | | Private | 66 | 0 | 16 | 0 | 1 | 83 |

In general data suggest public sector banks employees are more satisfied for technology in CRM for factor like computerized service and mobile banking. There is no major difference for CRM factors like Core banking, internet banking and paperless operation between both types' banks.

D. Impact of CRM

After implementation of CRM in banks, banks should study the impact of CRM on customers. It will help banks to find positive and negative CRM factors for employee and after analyzing this factors bank takes actions on these factors.

Table 3.4 Sample Statistics for employees regarding Impact of CRM

| Serial Order | Impact Of CRM | Bank Type | Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree | Total |
|--------------|------------------------------|-----------|-------------------|----------|-----------|-------|----------------|-------|
| (a) | Customer Are Maximized | Public | 75 | 0 | 3 | 2 | 6 | 86 |
| | | Private | 78 | 0 | 1 | 0 | 4 | 83 |
| (b) | Services Output Is Increased | Public | 42 | 1 | 6 | 3 | 34 | 86 |
| | | Private | 40 | 0 | 26 | 0 | 17 | 83 |

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|-----|-----------------------------------|---------|----|---|----|---|----|----|
| (c) | Customer Satisfaction Is Achieved | Public | 71 | 1 | 1 | 0 | 13 | 86 |
| | | Private | 64 | 0 | 10 | 0 | 9 | 83 |
| (d) | Better Financial Performance | Public | 75 | 0 | 0 | 1 | 8 | 86 |
| | | Private | 67 | 0 | 7 | 0 | 9 | 83 |
| (e) | Meeting Amid Competition | Public | 69 | 1 | 5 | 0 | 11 | 86 |
| | | Private | 70 | 1 | 12 | 0 | 0 | 83 |
| (f) | Increase In Overall Performance | Public | 75 | 0 | 9 | 1 | 1 | 86 |
| | | Private | 75 | 0 | 8 | 0 | 0 | 83 |

In general data suggest public sector banks employees are more impact of CRM for factor services output is increased. There is no major differences for impact of CRM factors like Customer are maximized; customer satisfaction is achieved, better financial performance, meeting amid competition and increase in overall performance between both types' banks.

IV. T-TEST FOR THE PERCEPTIONS OF EMPLOYEE OF PUBLIC SECTOR BANKS AND PRIVATE BANKS CONCERNING THE CRM.

For Factor analysis by principle component method on employee satisfaction we have divided whole phenomena in to five variables namely CRM maintenance, CRM strategies, Technology in CRM and Impact of CRM. The perceptions of employees of both types of banks are analyzed Variable-wise using parametric T- test at 5% of significant level with respective degrees of freedom.

Table 4.1 Sample Statistics and T-test for Analysis of CRM factors on employees

| Factors | Bank Type | N | Mean | Std. Dev. | Mean Std. Error | t-Value | Sig. Value | Decision |
|-------------------|-----------|----|-------|-----------|-----------------|---------|------------|---------------|
| CRM Maintenance | Public | 86 | 49.17 | 3.795 | 0.409 | -4.703 | 0.000 | Not to Accept |
| | Private | 83 | 51.65 | 2.985 | 0.327 | | | |
| CRM Strategies | Public | 86 | 37.66 | 4.114 | 0.443 | -4.873 | 0.000 | Not to Accept |
| | Private | 83 | 40.12 | 2.080 | 0.228 | | | |
| Technology In CRM | Public | 86 | 19.05 | 2.671 | 0.288 | -5.298 | 0.000 | Not to Accept |
| | Private | 83 | 20.79 | 1.359 | 0.149 | | | |
| Impact Of CRM | Public | 86 | 23.13 | 2.058 | 0.222 | -4.277 | 0.000 | Not to Accept |
| | Private | 83 | 24.27 | 1.300 | 0.142 | | | |

V. CONCLUSIONS

A. As per study suggest that we can say that private banks have better Ambience than public banks.

The ambiances which are better in private sector are proper working environment, cleanness, supportive tools and security measures. From analysis we conclude that there is no major difference for Parking facility, refreshment facilities, sign boards and

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operational stationary between both types of banks.

B. Here we conclude that private sector banks have better maintain CRM then public banks

The CRM maintenance which are better in private sector are punctuality of staff, sufficient staff, convenient location, prompt and quick service, value added services, responsiveness of staff, sufficient ATMs, complain solved within given time and privacy of information. Data suggest that for Sufficient banking hours, minimum service charges, different scheme to different customer and simplicity of operation there is no major difference between both types of banks.

C. Study shows that private sector banks have better use CRM strategies compare to public sector banks.

The CRM strategies which are better in private sector are Customer handling training, rewards for good performance, new concepts and approach for customer retention, brand image, aggressive sales promotion, and 24 hour customer care center. Study reveals that there is no major difference for different treatment for different customers, proper guidance for new customer, pamphlets and notices for new services and special initiative or privileges to regular customer between both types of banks.

D. It is conclude that private banks have better implemented Technology in CRM compare to private banks.

The Technology in CRM which are better in private sector are computerized service, mobile banking, internet banking and paperless operation. For Core banking there is no major difference between both types of banks.

E. Based on findings we conclude that private banks have better Impact of CRM compare to public banks.

The Impact of CRM which are better in private sector are services output is increased; customer satisfaction is achieved, meeting amid competition. Study shows that there is no major difference for Customers are maximized, better financial performance and increase in overall performance between both types of banks

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