



ISSN: 0975-833X

RESEARCH ARTICLE

FACTORS AFFECTING (CRM) PRACTICES IN COMMERCIAL BANKS A CASE OF SELECT BANKS IN INDIA

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ARTICLE INFO

Article History:

Received 10th August, 2014
Received in revised form
28th September, 2014
Accepted 01st October, 2014
Published online 30th November, 2014

Key words:

Customer relationship management,
Service quality,
Factors

ABSTRACT

Banks globally have experienced complex and enormous challenges related to their customer relationship since the economic crisis. How can banks create higher customer satisfaction and loyalty? "Global banking survey- a new era of customer satisfaction" had a shocking finding. Indian customers' are generally leaving their main banks because of poor services though in general there remains a high level of satisfaction with banks. Finding further says that 50% of the customers deciding to move their main banks did so because of general levels of service quality. The above finding became the stimuli for present study. The present study revolves around the Customer Relationship Management in banking industry and factors that may influence the CRM solutions & its implementation in banking industry. The findings & outcome of the present study will be beneficial for the banking industry in avoiding the CRM implementation failure. The purpose of this paper is to identify the independent variables & to investigate likely influence of these independent variables on the CRM in banking industry

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INTRODUCTION

"Since the economic crisis, banks have experienced huge challenges with their customer relationship. How can banks create higher customer satisfaction and loyalty?" "Global banking survey- a new era of customer satisfaction" had a shocking finding. Despite generally high levels of satisfaction with banks, Indian customers are generally leaving their main banks because of poor services. Finding further says that 50% of the customers decided to move their main banks did so because of general levels of service quality. The above finding became the stimuli for this research work. The research study revolves around Customer Relationship Management and service Quality of Banks Marketing philosophy has taken a leap from product philosophy to relationship marketing. Organizations nowadays can only grow if they not only sell their products but also make a place in the heart of customers by keeping customer's satisfaction as the focal point of their philosophy. Philosophy of producing and selling products as per the needs of the consumers has changed to creating a place in customer's heart so that it makes a long lasting impact in their mind to keep them loyal to the organizations. Concept of CRM has proved to be a useful tool in accomplishing the said objective. However a paradigm shift is being observed in all the dependent components.

High degree of automation, era of e-commerce and e-businesses has revolutionized the business processes where markets have become boundryless. Transactions in present era takes place on-line reducing the significance of buyers-sellers meetings and face to face interactions to a great extent. CRM has also travelled a big distance changing its shape from time to time. With the evolution of social media in 21st century, CRM is again changing its shape. Social media gave a way and an alternative for people to connect, interact and share with others frequently. Distances are becoming distance less, Boundaries are becoming further insignificant. CRM is also changing its face from specific departments with couple of people to everyone in the organization; company centric processes to customer centric processes; communication with defined and set channels to customer driven dynamic channels; businesses with set hours to businesses with customer set hours. Transaction is fast converting to interaction; message flow outside is converting to message coming inside. In nut shell CRM is also evolving as Social CRM. Whatever the shape of market emerges in future or Social CRM changes to match it, the usefulness of CRM to keep customers loyalty intact will be beyond doubts.

In spite of tremendous importance of CRM, its implementation failure lead to company's reluctance to invest in CRM "System sciences 2003; Annual Hawaii conference" One of the ways to address the implementation failure and to survive in a complex and competitive business environment, banking institutions will have to focus on their customer's need to a greater extent

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with a concentrated focus on their relationships with customers and levels of service quality. The proposed research revolved around the CRM in Banking Industry and factors that may influence the CRM solutions in Banking Industry so that CRM implementation failure could be avoided in Banking industry.

Literature Review

Kim *et al.* (2003) may be treated as the first research that attempted to establish a model to measure CRM effectiveness. It was an expansion of a customer-oriented balance score card that includes four perspectives viz customer knowledge, customer interaction, customer value and customer satisfaction. Lindergreen *et al.* (2006) concluded in his research that it is necessary for each organization to have skilful, knowledgeable and motivated employees to attain maximum business efficiency and establishing long term relations with business customer in long run. Doyle (2000) concluded that Feelings towards the organization in the mind of customers which would be generated by the employees is solely responsible for making a long term and successful relations with customers. In other words employees can have direct impact on quality of customer relation through their work skills and customer oriented skills. Rootman *et al.* (2008) investigated the influence of variables with respect to Bank employees on CRM of Banks. The impact of predetermined variables on the CRM of Banks was studied and a number of hypotheses was constructed and tested. Findings revealed that variables "Knowledgability and Attitude of the bank employees have statistically significant impact on the effectiveness of CRM of Bank.

Shang and Shu Fanglin (2010) attempts to investigate the importance of people driven process of CRM in organization and identify factors affecting the effectiveness of people driven CRM Processes. Four depending factors viz customer's emotional needs, customer involvement, employee's capabilities and organizational customer oriented culture identified as likely factors affecting the effectiveness of people driven processes were found to be statistically significant. Lindergreen and Antioico (2005) made a case study that reveals some key issues in a good CRM implementation within the banking sector. Personalized attention was found to be an important variable but frequent personalized messages was found to have a negative impact on the result of a good CRM. Research found four major quality drivers viz: product usability, service strategy, service environment and service delivery. Various researchers have found various quality drivers in their studies which have contributed to the present researcher to find set of independent variables for the present research. Kim *et al.* (2006) attempts to identify the effects of five factors of Service Quality on customer satisfaction and repurchase intention for spectators. Factors considered were tangibles, reliability, responsiveness, assurance and empathy. Considering five factors as independent variables and customer satisfaction as dependent variable; it was found that factors of reliability and assurance were the most influential factors on overall customer satisfaction.

Kheng *et al.* (2010) attempts to study the impact of five dimensions of service quality (independent variables) on

customer loyalty (dependent variable) among bank customers with customer satisfaction as mediating variable. The finding showed that improvement of Service Quality can enhance customer loyalty. It was concluded that three dimensions viz reliability, empathy and assurance play a significant role. Heffernan (2006) concluded that interpersonal relationship between banks and their customers may be developed through communication, professionalism, trust and personality. Aihie and Eddine (2007) concluded CRM to be an Idea having its heredity line in the technology. It was concluded that Trust, Cooperation and satisfaction are the factors that should be seen as the face of assurance between two parties for a long lasting relationship with customers.

Hollander (1985); Czepiel (1990) finds that Interaction has got a very prime place in the banking services. In order to make the interactions good, Study highlights importance of two-way communication and suggests that active involvement of bank and its customers in frequent interaction is important for long term relationship. Wong and Sohal (1998) Trust was found to be vital aspect for understanding the potency of marketing relationship. Trust was found to be essential relationship structure. Mosad (1995) finds service quality as an important criterion that is used by the customers in selecting a bank. Accounts, transaction accuracy, carefulness, functional quality like availability of information technology, helpful and friendly personalized behaviour, effectiveness in correcting mistakes were found to be the most important determinants influencing the CRM and ultimately the customers' satisfaction. Wilmshurst and Mackay (2002) concludes that Trust and mutual respect are important determinants and clients are willing to build long term relationship when the firms based on these determinants provide differentiated and personalised services.

Research methodology

The study of influence of an independent variable on a dependent variable or moderating variable comes in the domain of positivistic research (Hussey and Hussey, 1997:47-52). The present study of testing H01-H06 to investigate the cause & effect relationship therefore falls in the domain of positivistic research.

Data collection

Present study uses both types of data collection methods viz primary and secondary sources more inclined towards primary source. Primary data has been collected from clients of government banks (SBI and Others), private banks (ICICI Bank and others) and others (cooperative banks and others). Primary data was collected from different retail branches located in districts of Delhi and NCR, Maharashtra, west Bengal, Gujarat, A.P, Rajasthan, Bihar, Jharkhand, UP, Tamilnadu and Karnataka. Districts were clubbed in four regions viz East zone, West zone, north zone & south zone. East zone is grouped with Bengal, Jharkhand and Bihar. Random and convenient sampling was used to collect the sample. Using Irwin formula, minimum sample size was considered as $(43 \times 7 = 300)$. However considering the size of population and nature of the sampling

method, the sample consisted 700 respondents for the present study.

Data collection instruments

The data collection instrument viz questionnaire was designed matching the problem statement. In addition to the already developed items from the previous researches of similar nature, SERVQUAL instrument has been taken for the present study. The questionnaire consisted of five point ordinal LIKERT Scale covering different aspects of conceptual model (Fig.1). The data collection reference of year is 2012-13 (calendar year).

Data Analysis and Methods

Data collected in the research was processed and analyzed using computer programs SAS (SAS Institute, 1990) and SPSS Version 12.0 2004).

Analysis phases

Analysis of data has been done in following phases

- Factor analysis (Table 1) was conducted on the validity of the instrument used to measure CRM and Service quality to get the clear factor structure.
- Internal reliability of each factor (clear factor structure) was assessed using Chronbach alpha coefficient scores.
- The factors emerged after the factor analysis were used as Independent variables in further analysis to assess relationships and test the hypotheses and the theoretical model depicted in earlier chapter.

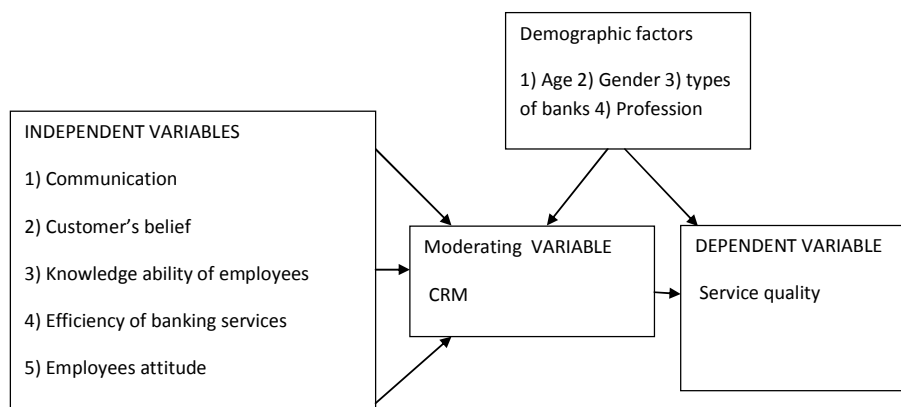
Hypotheses tested in the research

- Following null hypotheses have been formulated in order to achieve the above stated objectives in accordance with the Figure 1.
- Relationship between selected variables (Independent) and the CRM (Intervening)
- H_0^1 -> No relationship exists between “knowledge ability” and CRM in banks”.
- H_0^2 -> No relationship exists between “efficiency of banking services and CRM in banks”.
- H_0^3 -> No relationship exists between “Communication” and CRM in banks”.
- H_0^4 -> No relationship exists between “Attitude” and CRM in banks.
- H_0^5 ->No relationship exists between “personalized treatment” and CRM in banks.
- H_0^6 -> No relationship exists between “Mutual trust” and CRM in banks.
- H_a^6 -> Relationship exists between “Mutual trust” and CRM in banks

Demographical characteristics of the sample (Table 04 – Table 09)

The computer program SPSS (SPSS Version 12.0 2004) was used to get frequency distribution from the demographical data. The percentage of respondents for each group was calculated and following characteristics emerged:

Table 1. Conceptual model



Broad objectives of the study

The present study has been designed to explore and investigate following objectives:

- Identifying independent variables having likely influence on CRM
- Investigating the likely influence of the independent variables on the CRM in banking industry.
- Investigating the relation and likely influence of independent variables on demographic factors with respect to CRM and Customer satisfaction.

- It is evident that majority of the respondents were male (67.3%, n=471). The rest of the respondents consisted of 229 Females (32.7%, n=229).
- Age wise respondents are nearly equally distributed. However more than 40 yrs category respondents are on little higher side.
- The respondents level of education is highest of Graduates (40%; n=280). Close to it is that of Post graduates with (39.1%; n=274). Undergraduates are lowest at (20.9%;n=146)

- Profession wise, Highest respondents belong to Service class (43.6%; n=305). Close to it was others (34.3%; n=240). Others included students, housewife and professionals. Respondents belonging to business class was lowest at (22.1%; n=155).
- Public sector bank (SBI, PNB,BOI,BOB,UBI) occupies little higher percentage with (53.4%;n=374) whereas Private sector banks (ICICI Bank, HDFC,AXIS UTI) had nearly same percentage with (46.6%;n=326).
- Highest respondents belong to the category of saving account holders with (80.7%; n=565). Current account & others have a low percentage with (19.3%; n=135). Others include OD account holders, loan account holders & they have been clubbed with current account category as its percentage was less.
- It must be mentioned here that ICICI Bank respondents in private sector banks are 200/326. Therefore ICICI Bank respondents at 62% amongst private bank respondents give more weightage to ICICI Bank thus justifying the research topic "A case of ICICI Bank".
- As regards Zones, all zones are being represented by the respondents. However zone-3 has a highest representation at 70% because of convenience sampling. However presentation of other zones in Table 21 justifies the true reflection of population.

Data Analysis and testing of hypotheses

Exploratory factor analysis was conducted to assess the discriminant validity of the measuring instrument. Factor analysis was used to reduce number of variables. After considering a number of different solutions (iterate 25), 42 items of measuring instrument were loaded on eight distinct factors, explaining a total of 49.3% of the variance (R2) in the data. Table 1 represents the most interpretable eight factor solution. One item did not demonstrate sufficient discriminant validity by not loading to a significant extent. Cut off point 0.33 was taken and one item no.8 of the instrument was dropped from further analysis as its value was below the cut off point of 0.33.

Naming of factor loading

After the rotated component matrix of 26 iterations, questionnaire items were loaded on to the eight factors. Each factor was named after analyzing commonalities of the loadings. Eight factors that emerged from the factor analysis were named as:-

- 1) Knowledgeability
- 2) CRM (moderating variable)
- 3) Service Quality (dependent variable)
- 4) Efficiency of banking services
- 5) Communication
- 6) Attitude of employees
- 7) Personalized attention
- 8) Mutual trust

Table 2. Rotated exploratory factor analysis result

Question	code	name	Factor1 (KNOW)	Factor2 (CRM)	Factor3 (SQ)	Factor4 (EFF)	Factor5 (COMM)	Factor6 (ATT)	Factor7 (preat)	Factor8 (Trust)
19	Know 1	Time adherence	0.579	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21	Know 2	Problem solving approach	0.599	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23	Know 3	Understanding need	0.652	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24	Know 4	Benefit to client	0.478	0.000	0.000	0.000	0.000	0.000	0.000	0.000
26	CRM 3	Clients bondage	0.608	0.000	0.000	0.000	0.000	0.000	0.000	0.000
27	CRM CS1	Clients satisfaction	0.567	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29	CRMCS2	Relationship satisfaction	0.506	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	Know 5	Time display & adherence	0.427	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36	Know 6	Employees competency	0.437	0.000	0.000	0.000	0.000	0.000	0.000	0.000
43	CRM 5	Clients satisfaction	0.572	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20	CRM 1	Extensive relationship	0.000	0.684	0.000	0.000	0.000	0.000	0.000	0.000
22	CRM 2	Value	0.000	0.364	0.000	0.000	0.000	0.000	0.000	0.000
40	C.Belief 3	commitment	0.000	0.512	0.000	0.000	0.000	0.000	0.000	0.000
41	Know 9	Policies&proced	0.000	0.524	0.000	0.000	0.000	0.000	0.000	0.000
42	C.Belief 4	family	0.000	0.653	0.000	0.000	0.000	0.000	0.000	0.000
13	SQ 5	Tangible	0.000	0.000	0.446	0.000	0.000	0.000	0.000	0.000
16	Know 2	knowledge	0.000	0.000	0.452	0.000	0.000	0.000	0.000	0.000
18	SQ 6	safety	0.000	0.000	0.393	0.000	0.000	0.000	0.000	0.000
31	SQ 7	Modern equips	0.000	0.000	0.574	0.000	0.000	0.000	0.000	0.000
33	SQ 8	security	0.000	0.000	0.437	0.000	0.000	0.000	0.000	0.000
35	Eff 4	technology	0.000	0.000	0.541	0.000	0.000	0.000	0.000	0.000
37	SQ 10	variety	0.000	0.000	0.502	0.000	0.000	0.000	0.000	0.000
01	EFF 1	Accurate Statement	0.000	0.000	0.000	0.647	0.000	0.000	0.000	0.000
03	EFF-2	efficiency	0.000	0.000	0.000	0.591	0.000	0.000	0.000	0.000
05	C.Belief 1	Employee attitude	0.000	0.000	0.000	0.557	0.000	0.000	0.000	0.000
28	COMM 6	interaction	0.000	0.000	0.000	0.361	0.000	0.000	0.000	0.000
34	SQ 9	lawful	0.000	0.000	0.000	0.376	0.000	0.000	0.000	0.000
07	COMM 1	Information	0.000	0.000	0.000	0.000	0.505	0.000	0.000	0.000
14	Eff 3	confidentiality	0.000	0.000	0.000	0.000	0.532	0.000	0.000	0.000
15	COMM 3	Advise	0.000	0.000	0.000	0.000	0.524	0.000	0.000	0.000
17	COMM4	information	0.000	0.000	0.000	0.000	0.487	0.000	0.000	0.000
25	COMM 5	Availability	0.000	0.000	0.000	0.000	0.433	0.000	0.000	0.000
38	SQ 15	Neatness	0.000	0.000	0.000	0.000	0.000	0.387	0.000	0.000
09	ATT 1	Display attitude	0.000	0.000	0.000	0.000	0.000	0.633	0.000	0.000
10	COMM 2	Manger availability	0.000	0.000	0.000	0.000	0.000	0.540	0.000	0.000
11	KNOW 1	knowledgable	0.000	0.000	0.000	0.000	0.000	0.507	0.000	0.000
39	ATT 3	happiness	0.000	0.000	0.000	0.000	0.000	0.448	0.000	0.000
04	SQ 2	Attention	0.000	0.000	0.000	0.000	0.000	0.000	0.591	0.000
06	SQ 3	courteous	0.000	0.000	0.000	0.000	0.000	0.000	0.620	0.000
12	SQ 4	Responsiveness	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.519
02	SQ 1	interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.601
32	CRM 4	Committed client	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.439
Cronbach's Alpha coefficient score			0.931	0.928	0.930	0.930	0.929	0.930	0.931	0.931

Internal reliability of the measuring instrument

Cronbach alpha coefficient was calculated for each of the factors. Table 3 and 4 reflects overall value and factors value indicating the measuring instrument to be reliable. Items that loaded on Eight Factors correlated positively with every other item in the specific factor. Table 2 and 3 thus reflects the score on discriminant and construct validity and reliability of instrument used to measure the independent and intervening variables used in the subsequent multiple regression analysis.

Empirical findings

Composition of respondents on various parameters justifies that Sample of the study truly represents the population on demographic variables.

Table 10- Table 17 represents normal correlation matrix. One to one correlation between independent variables on the one hand and intervening and dependent variable on other hand has been worked out and presented in tables enabling the researcher to draw conclusion and make recommendations.

Table 2. Case Processing Summary Reliability Statistics

	N	%	Cronbach's alpha	Number of items
Cases valid	700	100.00		
Excluded	0	.00	0.932	42
Total	700	100.00		

Table 3. Factor's Cronbach's Alpha

Fasctors	1	2	3	4	5	6	7	8
Name	Know	Crn	Sq	Eff	Comm	Att	P.att'n	M.Trust
Cronbach's Alpha value	0.931	0.928	0.930	0.930	0.929	0.930	0.931	0.931

Table 4. Demographic characteristics of Sample:- (Gender wise)

Gender	Frequency	Percentage
Male	471	67.3
Female	229	32.7
Total	700	100

Table 5. (Age wise)

Age	Frequency	Percentage
20 yrs- 30 yrs	225	32.1
31 yrs- 40 yrs	203	29.1
40 yrs and above	272	38.8
Total	700	100

Table 6. (Education wise)

Education level	Frequency	Percentage
Under graduates	146	20.9
Graduates	280	40.0
Post graduates	274	39.1
Total	700	100

Table 7. (Profession wise)

Profession	Frequency	Percentage
Service class	305	43.6
Business class	155	22.1
Others	240	34.3
Total	700	100

Table 8. (bank wise)

Type of bank	Frequency	Percentage
Public sector bank	374	53.4
Private sector banks and others	326	46.6
Total	700	100

Table 9. (Zone wise)

	Frequency	Percent	Valid percent	Cumulative percent
East zone	121	17.3	17.3	17.3
West Zone	39	5.6	5.6	22.9
North Zone	500	71.4	71.4	94.3
South zone	40	5.7	5.7	100

Normal correlation and group mean analysis: Table 10-17. One to one correlation between independent variables and Intervening and dependent variables (SQ, CRM)

Table 10. (correlation between independent variable “knowledgability” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
KNOW	P.Correlation	1	.501**	.570**	.567**	.499**	.590**	.549**	.576**
	Sig.(2tailed)		.00	.00	.00	.00	.00	.00	.00
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Table 11. (correlation between independent variable “Efficiency” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
EFF	P.Correlation	.501**	1	.592**	.542**	.330**	.381**	.588**	.602**
	Sig.(2tailed)	.00		.00	.00	.00	.00	.00	.00
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Table 12. (correlation between independent variable “communication” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
COMM	P.Correlation	.570**	.592**	1	.513**	.313**	.365**	.585**	.623**
	Sig.(2tailed)	.00	.00		.00	.00	.00	.00	.00
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Table 13. (correlation between independent variable “Attitude” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
ATT	P.Correlation	.567**	.542**	.513**	1	.363**	.411**	.564**	.563**
	Sig.(2tailed)	.00	.00	.00		.00	.00	.00	.00
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Table 14. correlation between independent variable “personalized treatment” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
PT	P.Correlation	.499**	.330**	.313**	.363**	1	.430**	.366**	.378**
	Sig.(2tailed)	.00	.00	.00	.00		.00	.00	.00
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Table 15. correlation between independent variable “Mutual Trust” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
MT	P.Correlation	.590**	.381**	.365**	.411**	.430**	1	.383**	.443**
	Sig.(2tailed)	.00	.00	.00	.00	.00		.00	.00
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Table 16. “correlation between independent variable “CRM Measures” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
CRM	P.Correlation	.549**	.588**	.585**	.564**	.366**	.383**	1	.602**
	Sig.(2tailed)	.00	.00	.00	.00	.00	.00		.00
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Table 17. (correlation between independent variable “Service quality measures” and (SQ,CRM)

		KNOW	EFF	COMM	ATT	PT	MT	CRM	SQ
SQ	P.Correlation	.576**	.602**	.623**	.563**	.378**	.443**	.602**	1
	Sig.(2tailed)	.00	.00	.00	.00	.00	.00	.00	
	N	700	700	700	700	700	700	700	700

** Correlation is significant at the 0.01 level (2-tailed)

Following findings are summarized in subsequent paragraphs:-

Correlation between all independent variables and (CRM and SQ) have been found to be statistically significant at the 0.01 level (2-tailed).

- Correlation between all independent variables and (CRM) has been found to be statistically significant at the 0.01 level. Hence all null hypotheses with respect to independent variables are rejected and all alternative hypotheses are not rejected. Hence $H_0^1 - H_0^6$ is rejected.

Conclusions and recommendation

- All the factors (independent variables) have been found to be significantly significant thus indicating their influence on the CRM and Service Quality.

Since all factors have been found to be significant, following recommendations can be made

- Communication between bank and its clients by sending bank statements, through advertisements, mail, sms are important and contributing to a bank's CRM.
- Efficiency of bank's services by installing automated machines like cash deposit kiosks, passbook printing machines etc is viewed as an important aspect contributing to a bank's CRM.
- Similarly Bank's CRM would increase if employee's attitude and knowledgability increase.
- Similarly, personalized attention, face to face personal contact and interaction comes out to be important aspect contributing towards improved CRM.
- Financial matters, safety of money and transactions are important for clients. Its quite natural that clients expect their bank's employees to be knowledgable about the bank's products and services. Clients will get the feeling of security if they are satisfied with the employee's attitude.

Training sessions, monthly reward system, employee of the week/month/year, incentives, feedback report coupled with more innovative steps can be used to motivate employees to display knowledgability and attitude.

- Statistical significant relationship between CRM and perceived Service Quality implies that if CRM increases, service quality will also increase. Therefore all steps should be taken to increase the level of CRM. In this direction, employees should be motivated to know its customers well, interact with them, generate welcome feelings in clients visiting their banks, making an atmosphere in the branch that clients feel relaxed and at home. This would inculcate a feeling of trust which may increase the level of CRM of the Bank and thus high level of service quality.

Limitation of the study

Limitation of the study was that it was conducted in few selected cities representing the respective zone. More cities

could have been added to add more diversity. Another limitation of the study was that few major banks like ICICI, SBI, UBI were investigated. The results therefore cannot be generalized for banking industry as such. Further selection of branches and respondents on convenient method may not represent the population & leaves a scope for improvement in future studies.

Scope of future research

Prior research in this subject area has already been discussed in literature review. However future research related to this topic can be extended to include more geographical areas, more cities, rural consumers and smaller and diversified banking consumers groups. Further more variables can be identified that could influence CRM and SQ and the existing tested model can be redesigned and tested for logical conclusions.

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