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A study on customer relationship management practices of public sector banks in Srivilliputhur Taluk

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Abstract
Today, many businesses such as banks, insurance companies and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers retain existing ones and maximize their lifetime value. The study deals with to analyze the impact of CRM practices on customers, to measure their satisfaction level on CRM practices offered by public sector banks and to evaluate the various factors that influenced the customer satisfaction on public sector banks. The study is designed as a descriptive and analytical one. Considerable data are available both from primary and secondary sources. The researcher has framed the null hypotheses to fulfill the objectives of the study like there is no significant relationship between socio economic variables and level of satisfaction of the customers. The study focuses only 3 Town Panchayats in Srivilliputhur Taluk which are having totally 6 public sector banks. So 35 customers have been selected from each public sector banks by adopting Judgement sampling method. Totally 210 respondents have been selected for the present study. The researcher has used the tools and techniques for analysis such as Kruskal Wallis Rank sum U Test, Mann Whitney Rank sum U Test, Factor analysis using SPSS 16.0. The researcher to bring out the suggestion on the basis of findings of the present study. This study is analyzed the satisfaction of customers towards CRM practices offered by public sector banks. The result of the study is that most of the respondents are satisfied, but some of the respondents are dissatisfied about transparency, trust and loyalty.

Keywords: CRM, satisfaction level, public sector banks

Introduction
Banking sector is the backbone of Indian economy. The Indian Banking system is regulated by the central bank of the country i.e. Reserve Bank of India (RBI). CRM can help banking institutions efficiently manage their customers, many banks fail to meld the concept into the prevailing work culture. CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with Banking Industry in India.

Statement of the Problem
Any business firm's success is fundamentally based upon the satisfaction of the customers. The business strategy of a company needs to be customer centric. CRM is the business strategy which puts the customer in the nucleus of business. In modern world the customer's needs and wants have been changed at various situations. So the banking industries should provide much more products and services on the basis of their needs and wants. At the same time the various CRM strategies are implemented by the public sector banks. Banks offered so many CRM strategies to attract their customers. Hence the study has been undertaken to measure the satisfaction level of customers towards CRM practices of public sector banks.

Scope of the Study
The present study attempts to examine the CRM practices on public sector banks. The present study is concentrated the customers of public sector banks located at Srivilliputhur Taluk.

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Objectives of the Study
The researcher has framed the following objectives for the study:
- To analyze the impact of CRM practices on customers.
- To measure their satisfaction level on CRM practices offered by public sector banks in Srivilliputhur Taluk.
- To evaluate the various factors that influenced the customer satisfaction on public sector banks.

Methodology
The study is designed as a descriptive and analytical one. Considerable data are available both from primary and secondary sources.

Hypotheses
The following hypotheses framed to fulfill the objectives of the present study:
- There is no significant relationship between socio economic profile such as Age, Occupation, Income, Educational qualification and level of satisfaction of the respondents.
- There is no significant relationship between Gender, Marital status and level of satisfaction of the respondents.
- There is no significant association between Name of the banks and type of customer relationship practices offered by public sector banks.

Sampling Design
There are 7 Town Panchayats in Srivilliputhur Taluk. They are Srivilliputhur Municipality, Mamsapuram Town Panchayat, Watrap Town Panchayat, Sundarapandium Town Panchayat, V. Pudupatti Town Panchayat, S. Kodikulam Town Panchayat and Padikkasuvaithan Town Panchayat. There are no public sector banks in S. Kodikulam Town Panchayat, Padikkasuvaithanpatti Town Panchayat, Sundarapandium Town Panchayat and V. Pudupatti Town Panchayat. Thus the study focuses only 3 Town Panchayats which are having totally 6 public sector banks. So 35 customers have been selected from each public sector banks by adopting Judgement sampling method. Totally 210 respondents have been selected for the present study.

Tools and Techniques
The researcher has used the following tools and techniques for analysis:
1. Percentage
2. Garret Ranking method
3. Chi-square Test
4. Kruskal Wallis Rank sum U Test
5. Mann Whitney Rank sum U Test
6. Factor analysis.

Analysis of Customer Relationship Management Practices on Public Sector Banks
Gender Wise Classification of the Respondents
The researcher has analyzed the gender wise classification of the respondents in the study area.

Table 1.1: Gender wise classification

S. No	Gender	No. of. Respondents	Percentage
1.	Male	120	57.10
2.	Female	90	42.90
	Total	210	100%

Source: Primary data

It is understood from the survey that majority (57.1 per cent) of the respondents are male.

Age Wise Classification of the Respondents
Age is an important factor that influencing the behavior of an individual.

Table 1.2: Age wise classification

S. No	Age	No. of. Respondents	Percentage
1.	Less than 25 years	29	13.80
2.	26 to 35 years	83	39.50
3.	36 to 45 years	64	30.50
4.	Above 45 years	34	16.20
	Total	210	100%

Source: Primary data

It is exposed that most (39.5 per cent) of the respondents are under the age group of 26 to 35 years.

Occupation Wise Classification of the Respondents
The researcher has analyzed the data about occupation of the respondents in the study area.

Table 1.3: Occupation wise classification

S. No	Occupation	No. of. Respondents	Percentage
1.	Business man	27	12.90
2.	Employee in Government	24	11.40
3.	Employee in private	47	22.40
4.	Student	28	13.30
5.	Professionals	33	15.70
6.	Agriculturalist	32	15.20
7.	Any other specify	19	9.00
	Total	210	100%

Source: Primary data

It is examined that most (23.0 per cent) of the respondents are private employees.

Income Wise Classification of the Respondents
The level of family income determines the standard of living and their financial background in the society.

Table 1.4: Monthly income wise classification

S. No	Monthly Income	No. of. Respondents	Percentage
1.	Below Rs.10,000	20	9.50
2.	Rs.10,000 to 20,000	54	25.70
3.	Rs.20,000 to 30,000	72	34.30
4.	Rs.30,000 to 40,000	40	19.00
5.	Above Rs.40,000	24	11.40
	Total	210	100%

Source: Primary data

It is explained that most (34.3 per cent) of the respondents are earning the income of Rs. 20, 000 to 30,000 per month.

Hypotheses
Relationship between Age and Level of Satisfaction of the Respondents-Kruskal Wallis Test
To test the null hypothesis, the Kruskal Wallis Test has been applied and the results are shown in Table 1.5.

Table 1.5: Relationship between Age and Level of satisfaction – Result of Kruskal Wallis Test

S. No	Level of satisfaction	C.S	D.F	A.S	P	R
1.	Bank's performance	4.609	3	.203	0.05	N.S
2.	Infrastructure	2.154	3	.541	0.05	N.S
3.	Loans and advances	2.393	3	.495	0.05	N.S
4.	Managing accounts	6.516	3	.089	0.05	S
5.	Utility services	2.209	3	.530	0.05	N.S
6.	Card services	3.954	3	.266	0.05	N.S
7.	E-Banking services	3.632	3	.304	0.05	N.S

Source: Computed primary data

(S and N.S denotes Significant and Not Significant at 5% level), (C.S - Chi-Square, A.S - Asymp. Sig, R- Results)

It is noticed from the above analysis that the level of significance for the satisfaction of Managing accounts is less than P value (0.05). Therefore, age of customers influences the Managing accounts. It is also noted that the levels of significance for the satisfaction like bank's performance, infrastructure, loans and advances, utility services, card services, e-banking services are more than P value (0.05). Hence, age does not influence on these satisfaction. It is evident from Table 1.5 that as the level of significance for six satisfaction level is more than P value (0.05), the null hypothesis is accepted.

Hence, it is concluded that there is no significant relationship between the age and level of satisfaction of the respondents. It shows that age does not influence the satisfaction level of respondents.

Relationship between Educational Qualification and Level of Satisfaction of the Respondents- Kruskal Wallis Test
To test the null hypothesis, the Kruskal Wallis Test has been applied and the results are shown in Table 1.6.

Table 1.6: Relationship between Educational qualification and Level of satisfaction-Result of Kruskal Wallis Test

S. No	Level of satisfaction	C.S	D.F	A.S	P	R
1.	Bank's performance	2.047	4	.727	0.05	N.S
2.	Infrastructure	0.658	4	.956	0.05	N.S
3.	Loans and advances	4.017	4	.404	0.05	N.S
4.	Managing accounts	3.801	4	.434	0.05	N.S
5.	Utility services	11.17	4	.025	0.05	S
6.	Card services	3.926	4	.416	0.05	N.S
7.	E-Banking services	4.401	4	.354	0.05	N.S

Source: Computed primary data

It is noticed from the above analysis that the level of significance for the satisfaction on Utility services is less than P value (0.05). Therefore, educational qualification of customers influences the Utility services. It is also noted that the levels of significance for the satisfaction like bank's performance, infrastructure, loans and advances, managing accounts, card services, e-banking services are more than P value (0.05). Hence, educational qualification does not influence on these satisfaction. It is evident from Table 1.6 that as the level of significance for six satisfaction level is more than P value (0.05), the null hypothesis is accepted.

Hence, it is concluded that there is no significant relationship between the educational qualification and level of satisfaction of the respondents. It shows that educational qualification does not influence satisfaction level of respondents.

Relationship between Occupation and Level of Satisfaction of the Respondents- Kruskal Wallis Test
To test the null hypothesis, the Kruskal Wallis Test has been applied and the results are shown in Table 1.7.

Table 1.7: Relationship between Occupation and Level of satisfaction-Result of Kruskal wallis Test

S. No	Level of satisfaction	C.S	D.F	A.S	P	R
1.	Bank's performance	7.223	6	.301	0.05	N.S
2.	Infrastructure	4.325	6	.633	0.05	N.S
3.	Loans and advances	4.409	6	.622	0.05	N.S
4.	Managing accounts	7.596	6	.269	0.05	N.S
5.	Utility services	7.443	6	.282	0.05	N.S
6.	Card services	6.332	6	.387	0.05	N.S
7.	E-Banking services	7.044	6	.317	0.05	N.S

Source: Computed primary data

It is noticed from the above analysis that the levels of significance for all type of satisfaction like bank's performance, infrastructure, loans and advances, managing accounts, utility services, card services, e-banking services are more than P value (0.05). Hence, educational qualification does not influence on these all types of satisfaction. It is evident from Table 1.7 that as the level of significance for all satisfaction level is more than P value (0.05), the null hypothesis is accepted.

Hence, it is concluded that there is no significant relationship between the occupation and level of satisfaction of the respondents. It shows that occupation does not influence the level of satisfaction.

Relationship between Gender and Level of Satisfaction of the Respondents- Mann Whitney Rank Sum U – Test

To test the above hypothesis Mann – Whitney Rank Sum "U" test is applied and the result is presented in the following Table1.8.

Table 1.8: Relationship between Gender and Level of satisfaction – Result of Mann- Whitey Rank Sum U- Test

S. No	Level of satisfaction	Mann U	Wilcoxon	Z	A.S	P.V	R
1.	Bank's performance	5187.500	9282.500	-.548	.584	0.05	N.S
2.	Infrastructure	4.596E3	8.692E3	-2.074	.038	0.05	S
3.	Loans and advances	5.120E3	9.216E3	-.740	.459	0.05	N.S
4.	Managing accounts	4.676E3	9.216E3	-1.827	.068	0.05	S
5.	Utility services	4.700E3	8.796E3	-1.706	.088	0.05	S
6.	Card services	4.918E3	1.218E4	-1.194	.232	0.05	N.S
7.	E-Banking services	4.784E3	1.204E4	-1.529	.126	0.05	N.S

Source: Computed primary data

(S and N.S denotes Significant and Not Significant at 5% level), (Mann U – Mann Whitney U, Wilcox on - Wilcox on W, A.S – Asymp. Sig [2- tailed], P.V – P Value, R- Results) It is depicted from the above analysis that the level of significance for the satisfaction an infrastructure, managing accounts, and utility services are less than P value (0.05). Hence, the gender determines the satisfaction level of the customers. It is also observed that the level of significance for the satisfaction such as bank's performance, loans and advances, card services and e-banking services are more than P value (0.05). Therefore, the gender does not influence the satisfaction on bank's performance, loans and advances, card services and e-banking services. It is evident from Table 1.8 that as the level of significance for four satisfaction level is more than P value (0.05), the null hypothesis is accepted.

Hence, it is inferred that there is no significant relationship between the gender and level of satisfaction of the respondents.

Various Factors That Influenced the Customer Satisfaction on Public Sector Banks - Results And Interpretation
The rotated factor matrix for the variable relating to the factors which are the most influenced by the customers of public sector banks on the basis of customer satisfaction.

Table 1.9: Rotated Component Matrix

S. No	Variable	Rotated Compound Matrix					
		1	2	3	4	5	6
1.	Maintaining privacy and confidentiality	.765					
2.	Employees have the willingness to answer their queries	.676					
3.	Amount charged for various banking services	.510					
4.	E-channel is improve the quality		.627				
5.	More formalities are required to get e-channels		.584				
6.	They can talk with customer services representatives		.517				
7.	Response to customers telephonic queries			.656 .656			
8.	Information provided by e-channels is accurate			.650 .650			
9.	Online banking helps to managing transformation			.539 .539			
10.	Courtesy and friendliness to the staff				.700		
11.	Availability of staff				.632		
12.	Proper intimation of changes					.638	
13.	Equal treatment of all customers					.576	
14.	Knowledge to staff						.723
15.	Information provided to customers						.581

Source: Computed primary data

Factor I (F1)
As shown in the Table 1.9, Maintaining privacy and confidentiality (0.765), Willingness to answer your queries (0.676) and Amount charged for various banking services (0.510) are the items with high loading on Factor I. The above items refer to the maintenance strategies. Hence the Factor I is characterized as "Maintenance strategies".

Factor II (F2)
As shown in the Table 1.9, E-Channels improve the quality (0.627), More formalities are required to get e-channels (0.584), You can talk customer services representative (0.517) are the items which high loading on Factor II. The above items refer to the service strategies. Hence, the Factor II is characterized as "Service strategies".

Factor III (F3)
As shown in the Table 1.9, Response to your telephonic queries (0.656), Information provided by e-channels is accurate (0.650), Online banking helps to managing transformation (0.539) are the items which high loading on Factor III. The above items refer to the accuracy strategies. Hence, the Factor III is characterized as "Accuracy strategies".

Factor IV (F4)
As shown in the Table 1.9, Courtesy and friendliness of the staff (0.700) and Availability of staff (0.632) are the items with high loading on Factor IV. The above items refer to the customer relationship strategies. Hence, the Factor IV is characterized as "Customer relationship strategies".

Factor V (F5)
As shown in the Table 1.9, proper intimation of changes (0.638) and Equal treatment of all customers (0.576) are the items with high loading on Factor V. The above items refer to the communication strategies. Hence, the Factor V is characterized as "Communication strategies".

Factor VI (F6)
As shown in the Table 1.9, Knowledge of staff members (0.723) and Information provided to customers (0.581) are the items with high loading on Factor VI. The above items refer to the performance strategies. Hence, the Factor VI is characterized as "Performance strategies".

Summary of Findings
The following findings are bring out the present study:
- It is understood from the survey that majority (57.1 per cent) of the respondents are male.
- It is exposed that most (39.5 per cent) of the respondents are the age group of 26 to 35 years.
- It is examined that most (23.0 per cent) of the respondents are private employees.
- It is explained that most (34.3 per cent) of the respondents are earning the income of rs.20, 000 to 30,000.
- It is examined that most (28.1 per cent) of the respondents have their account with Canara bank in the study area.
- It is understood that most (36.19 per cent) of the respondents are satisfied the advertisements about CRM practices through newspapers.
- It is found that most (30.00 per cent) of the respondents are dissatisfied in formalities for opening the account.
- It is inferred that most (26.67 per cent) of the respondents are satisfied in drinking water and dissatisfied with intra-network expansion.
- It is covered that most (35.71 per cent) of the respondents are satisfied in 24*7 hours services.
- It is inferred that most (48.10 per cent) of the respondents are satisfied in mobile banking services.
- It is revealed that most (35.71 per cent) of the respondents are dissatisfied with high rate of interest.

Result of Testing Hypotheses
- It is evident that as the level of significance for six satisfaction level is more than p value (0.05), the null hypothesis is accepted. Hence, it is concluded that "there is no significant relationship between the age and level of satisfaction of the respondents". It shows that age does not influence the satisfaction level of respondents.
- It is evident from table 1.6 that as the level of significance for six satisfaction level is more than p value (0.05), the null hypothesis is accepted. Hence, it is concluded that "there is no significant relationship between the educational qualification and level of satisfaction of the respondents". It shows that qualification does not influence satisfaction level of respondents.
- It is evident from Table 1.8 that as the level of significance for four satisfaction level is more than P value (0.05), the null hypothesis is accepted. Hence, it is inferred that "there is no significant relationship between the gender and level of satisfaction of the respondents".
- It is evident that the level of significance for all satisfaction level is more than p value (0.05), the null hypothesis is accepted. "There is no significant difference between monthly income and level of satisfaction of the respondents".

Suggestions
The following suggestions are offered by the researcher on the basis of findings:
➢ 45.70 per cent of the customers felt that their bank probably implemented CRM practices. So the public sector banks should take necessary steps to implement CRM practices always.
➢ Most of the customers are highly dissatisfied with trust of their bank. So the bank may create trust in way of allowing customers to act as performance indicators.
➢ Most of the customers are highly dissatisfied with loyalty of their bank. So the bank should be very loyal to every customer and make them feel much secured.
➢ Most of the customers are highly dissatisfied with transparency of their bank. So the bank should disclose financial and non-financial transactions to every customer to satisfy them.
➢ According to garret ranking analysis, annuity and retirement scheme, farmer's deposit scheme, insurance linked saving bank account have got least ranks. Hence it is suggested that the banks should develop these schemes and have to give advertisements more in number about these schemes.
➢ The respondents did not have much idea about EFT, ECS and E-cheque. Hence it is suggested the bank should create awareness about these products through effective advertisements, brochures and magazines.
➢ The customers have some dissatisfaction on relationship with customers, customer prospecting, interactive management, charging the rate of interest, frequency of response, new product and services and better competitors offering. Public sector banks of the study area should develop their performance in these particular criteria.
➢ The public sector bank should create awareness with variety of loan schemes to satisfy the highly dissatisfied customers.

Conclusion
The present study has been made an attempt to study the "Customer Relationship Management practices of public sector banks in Srivilliputhur Taluk". This study is analyzed the satisfaction of customers towards CRM practices offered by public sector banks. The result of the study is that most of the respondents are satisfied, but some of the respondents are dissatisfied about transparency, trust and loyalty. If the above suggestions will be carried out in the study area, customers will feel safe and secure with public sector banks.

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