

The Effects Of Relationship Marketing In The Performance Of Bank In Cuddalore District

Dr. K. Sundaramoorthy

Assistant Professor,
Department of Business Administration,
BWDA Arts & Science College
Kolliyangunam, Villupuram – 604304.

ABSTRACT

The term 'relationship marketing' can be traced to the industrial and services marketing literature of the 1980s. In the industrial marketing literature, the early work of Levitt (1983) focused on the notion that the real value of a relationship between a customer and a supplier occurs after the sale. He argued that the supplier's emphasis needed to shift from closing a sale to delivering superior customer satisfaction throughout the lifetime of the customer relationship. Further work by Jackson (1985) was among the first literature to differentiate between transaction marketing and relationship marketing. Her work outlined the importance of relationships and how the context of the industrial sale sets the scene for the type of relationship that is possible. She argued that building and enhancing long-term customer relationships involves concentrating on a number of things that have to be executed over long periods and in a consistent manner. Her work was based on organisations operating in the shipping, communications and computer industries.

KEYWORDS: Relationship marketing, Customer satisfaction, Occupation of Relationship, Corporate banking sector.

1. INTRODUCTION

Relationship marketing is a philosophy to change eagerly the customer's behaviors and implementations depending on what the customers thinking about the company and what the personnel of the company should know about the customer. The value of a relationship as it is noted by the customer has been given a lot of thought in recent publications. Analogous to the customer perceived value, the supplier-perceived value of a relationship signifies the supplier's perception of the trade-off between the benefits and the sacrifices incorporated in a relationship. The valuation of customer relationships takes into accounts all positive and negative contributions of the customer to the supplier's goals. The term relationship marketing has been used generally to include different activities, with distinction made between its philosophical, strategic and operational dimensions. Gronroos provided a general definition of the domain of relationship marketing when he described it as being about mutually beneficial exchanges and completion of promises by both parties in a series of interactions over the lifetime of their relationship. A number of recurrent themes have helped to define the domain of relationship marketing, especially trust, commitment, a long term orientation and co-operation. It has been noted that relationship marketing at the level of business to business exchange needs very different principles and techniques with relationship marketing between a company and numerous low value personal customers.

REVIEW OF LITERATURES

Sundaramoorthy.K and Sachithanantham.V (2016).identified the most influenced factor on relationship marketing in public banking sector. Systematic random sampling technique is adopted for this study. 468 sample respondents are selected based on the simple random sampling techniques. Among the 468 responses, the elimination cases with missing data resulted in 415 completed schedules. The sample 415 is considered this research. Descriptive statistics and regression analysis are used for this study. The result shows that bonding, trust, commitment, communication, customer satisfaction is significantly influenced on relationship value. However, customer bonding is the most predictor of relationship value among the customers towards the bank

NalinAbeysekera (2010). examined the commitment-trust dimension of the relationship marketing paradigm in Sri Lankan's corporate banking sector. Random sample method has been used with questionnaire. The findings show that the marketing strategy and a long-term marketing orientation were positively correlated with customer commitment and trust. And To continue to be successful in the corporate sector, banks must invest in the long-term relationship marketing activities.

Martin Reimann,et.al.,(2008) made a study affect of perceived service quality on customer satisfaction. A study involving 303 Spanish, German and Swedish business-to-business customer reveals that clients from cultures with a high degree of uncertainty avoidance were less satisfied than low-uncertainty avoidant clients. As a result of a service defect, their service expectations are not met. In light of the tolerance zone concept, the finding suggests a narrower range of acceptable outcomes for high-uncertainty avoidance cultures.

Hamadi (2010) demonstrated that existence of a causal relationship between perceived quality, satisfaction and commitment in the context of online banking. It is found that the perceived quality is heavy influenced the commitment of customers.

Enrique Bigne, et. al., (2003) investigated the casual relationship of it perceived quality and satisfaction in the particular case of multi service organizations. Survey is made in the study centers of two publicly-owned multi service organizations: hospitals and universities. The five dimensions of perceived service quality are tangibility, reliability, responsiveness, confidence and empathy.

STATEMENT OF THE PROBLEMS

Whilst research has been conducted on general aspects of relationship marketing, there appears to be no significant study on how relationship marketing determinants efforts can promote relationship marketing performance in the banking industry. It is the intention of this study to examine whether the communication efforts of cellular providers result in a satisfying long-term relationship with their customers. The subsidiary problems relate towwhether the relationship marketing determinants efforts of the banking services result in satisfied customers over the long-term, whether the relationship marketing determinants tools used by the banks are effective in promoting relationship marketing, whether existing customers will become advocates of the banks and how customer grievances are handled by the various service providers.

2. OBJECTIVES OF THE STUDY

- To examine the performance level of customer satisfaction, trust, loyalty, and relationship value.
- To analyze the relationship between relationship marketing determinants and customer satisfaction, trust, loyalty.
- To find out the effect of relationship value on customer satisfaction, trust and loyalty.

HYPOTHESES OF THE STUDY

- There is no significant relationship between relationship marketing determinants and customer satisfaction, trust, loyalty.
- There is no significant effect of relationship marketing determinants on customer satisfaction, trust, and loyalty.

PROFILE OF RESPONDENTS IN CUDDALORE DISTRICT

PROFILE	FACTORS	FREQUENCY	PERCENTAGE
Age	Below 30	33	8.0
	30 – 40	112	27.0
	40 – 50	180	43.4
	Above 50	90	21.7
Educational Qualification	School	66	15.9
	High School	199	48.0
	Degree	127	30.6
	Others	23	5.5
Occupation	Government employee	164	39.5
	Private employee	114	27.5
	Business	52	12.5
	Other	85	20.5
Association With Bank (Year)	Below 1	56	13.5
	1-5	75	18.1
	6-10	209	50.4
	11 above	75	18.1
Frequency of visits	Daily	26	6.3
	Weekly	195	47.0
	Monthly	105	25.3
	Quarterly	54	13.0
	Half Yearly	35	8.4
No. of bank commonly being used	1	116	28.0
	2	225	54.2
	More	74	17.8
Type of Account	Saving A/c	395	95.2
	Current A/c	20	4.8
Which bank you used	Public	348	83.9
	Private	67	16.1
Monthly income (Rupees)	Less 20,000	163	39.3
	20000 -30000	197	47.5
	30,000 Above	55	13.3

Sources: Primary data (2016).

TABLE NO 1

With the regard to educational qualification, 48 percent of the respondents are having high school level education followed by degree qualification (30.6%) school level (15.9%) and other qualification, like diploma, post graduates etc., (5.5%).

In the case of occupation of the respondent, 39.5 percent are belongs to Government employee, 27.5 percent are belongs to Private employee's, 12.5 percent are business people and rest of them are belongs to other categories, namely teacher, carpenter, mason etc.

With regard to association with the bank among the respondents, 50.4 percent of them are having association with bank 6 to 10 years followed by below 5 years (31.6%) and above 10 years (18.1%). 47.0 percent of respondents are visiting the bank weekly. 25.3 percent of the respondents are visiting the bank monthly once, 13 percent of respondents are visiting the bank quarterly basis and 8.4 percent of respondents are visiting the bank every half yearly.

The study respondents are commonly having accounts one or more banks. Here, 54.2 percent of the respondents are having the account with two banks, 28 percent of the respondents are having the account only one bank and 17.8 percent of the respondents are having the account two or more banks.

In the case of type of accounts, 95.2 percent are operating saving account only and 4.8 percent of them operating current account. 83.9 percent of the respondents are used public bank and 16.1 percent of them are used private banks.

With regard to monthly income of respondents, 47.5 percent of the respondents are in the Rupees 20,000 to 30,000 income level, 39.3 percent of the respondents are in the less then Rupees 20,000 income group and 13.3 percent of respondents are belongs to above rupees 30,000 income group.

RELATIONSHIP MARKETING DETERMINANTS OF BANKS BASED ON CUSTOMER OCCUPATION

The below table 2 explains the customer opinion towards relationship marketing dimension of banks based of their occupation. The respondent's occupation is classified into four categories. Relationship marketing dimensions mean score and standard deviation values are calculated based on the occupations of respondents. From the mean score, it is observed that the agrilabours are experienced higher level opinion towards the dimensions of relationship marketing namely customer welfare, communication, commitment and work behavior, and customer bonding, when compared with other categories.

H₀: There is no difference of opinion towards relationship marketing dimension.

In order to examine the above stated hypothesis, One-way ANOVA is executed. Customer welfare, relationship commitment and customer grievance & care are the relationship marketing dimensions are found to be significant. Hence, communication, relationship commitment and customer grievance care are the dimensions significantly varied based on the respondent's occupation. But, communication and employee work behavior and customer bonding are the dimensions found to be non- significant.

In the case of customer welfare, the calculated mean score is ranged between 21.07 to 19.31. The ANOVA results (f-value is 5.435 and p-value is 0.001) indicates that there is a significant difference of opinion towards customer welfare of the bank based on the respondents

occupation. Here, those who are having the occupation as agriculture labour, they are experienced higher level of customer welfare from the bank than other groups.

**RELATIONSHIP MARKETING DETERMINANTS OF BANKS BASED ON
CUSTOMER OCCUPATION**

RELATIONSHIP MARKETING	OCCUPATION	MEAN	S.D	F-VALUE	P-VALUE
Customer welfare	Agrilabour	21.07	3.31	5.435	0.001*
	Former	19.31	3.75		
	Carpenter	20.25	3.46		
	Other	20.22	3.95		
Communication	Agrilabour	24.42	5.31	1.449	0.228 (NS)
	Former	24.33	5.13		
	Carpenter	22.80	4.48		
	Other	24.22	4.67		
Commitment	Agrilabour	19.26	5.21	5.796	0.001*
	Former	16.89	4.79		
	Carpenter	18.38	3.77		
	Other	19.00	4.80		
Work behaviour	Agrilabour	20.95	3.87	1.419	0.237 (NS)
	Former	19.91	4.34		
	Carpenter	20.65	3.46		
	Other	20.42	4.85		
Customer grievance and care	Agrilabour	23.20	5.38	6.719	0.001*
	Former	20.71	5.90		
	Carpenter	22.53	4.46		
	Other	24.04	6.44		
Customer bonding	Agrilabour	19.88	3.41	2.929	0.033*(NS)
	Former	18.64	3.89		
	Carpenter	18.75	4.48		
	Other	19.11	3.53		

Source: Primary data computed;*Significant at one percent level; (NS) Non-significant

TABLE NO 2

For commitment the calculated mean value is lies between 19.26 to 16.89. The ANOVA result indicates that there is a significance difference of opinion towards commitment of the bank based on the respondent occupation. Here, agrilabour and other occupation respondents are having higher level of opinion towards commitment of the bank. But, farmers are experienced the least level of opinion towards commitment towards of the bank.

In the case of the customer grievance care, the calculated mean score is ranged between 24.04 to 20.71. Here, other occupation groups are having higher level of mean score (24.04). The ANOVA results (f-value is 6.719 and p-value is 0.001) indicated that there is a significant difference of opinion towards customer grievance & care among the customer based on their occupation. It is found that other category and agri-labour group are having higher level of opinion towards customer grievance & care of the bank.

It is observed that the mean score is significantly varied due to respondents occupation towards the relationship marketing dimensions namely customer welfare, relationship commitment and customer grievance & care. It is found that agrilabour groups is experienced higher amount of

customer welfare and relationship commitment. But, other occupants are experienced higher amount of customer grievance care services of the bank.

CUSTOMER SATISFACTION OF BASED ON OCCUPATION

OCCUPATION	CUSTOMER SATISFACTION		ANOVA RESULT	
	MEAN	S.D	F-VALUE	P-VALUE
Former	14.23	3.88	2.145	0.005**
Agri labor	13.27	4.37		
Business	14.57	3.90		
Other	14.51	4.19		

Source: Primary data computed* *Significant at five percent level;

TABLE NO 3

Table shows the customers opinion toward level of customer satisfaction of bank based on their occupation. The mean score and standard deviation values are calculated with respect to customer satisfaction based on the occupations of the respondents. From the mean score, it is noticed that the business people are having higher level of means score (14.57) followed by other categories (14.51), former (14.23) and agri labor (13.27). It shows that business people are having higher level of customer satisfaction towards the bank.

Ho: There is no difference of opinion towards satisfactions with bank based on their occupation.

Here, One-way ANOVA is applied to examine the above stated hypothesis. The f-value is 2.145 and P-value is 0.094. It is observed that the p-value is significant at five percent level. Hence, the stated hypothesis is rejected. So, the customer satisfactions is significantly varied based on their occupation. It is found that business people are having more satisfaction with the bank than others.

TRUST OF BANKS BASED ON OCCUPATION

OCCUPATION	TRUST		ANOVARESULT	
	MEAN	S.D	F-VALUE	P-VALUE
Former	24.40	5.57	0.884	0.449 (NS)
Agri labor	23.32	5.73		
Business	24.21	5.45		
Other	23.76	5.79		

Source: Primary data computed; (NS) Non-significant

TABLE NO 4

The customer are asked to rate their opinion towards their trust with the bank. Then mean and standard deviation value of trust is calculated based on occupation. The calculated mean score is displayed in the table. From the mean score, it is identified that farmers are secured higher levels of means score (24.40) followed by business people (24.21)other categories (23.76) and agrilabour (23.32). It is inferred that former are having higher level of trust with the bank.

Ho: There is no difference of opinion towards trust of the bank based on their occupation.

In order to examine the above stated hypothesis, One-way ANOVA is applied. While observing the ANOVA result (f-value is 0.884 and p value is 0.449). The p-value is non-significant.

Hence, the stated hypothesis is accepted. It is noted that the customers trust with bank is not significantly varied based on their occupation.

CUSTOMER LOYALTY BASED ON OCCUPATION				
OCCUPATION	LOYALTY		ANOVA RESULT	
	MEAN	S.D	F-VALUE	P-VALUE
Former	24.87	5.48	0.235	0.872 (NS)
Agri labor	24.57	5.87		
Business	24.19	6.10		
Other	24.88	5.69		

Source: Primary data computed (NS) Non-significant

TABLE NO 5

Table explains the customer's opinion towards customers loyalty with the bank based on their occupation. On the basis of respondent occupation, the loyalty mean score and standard deviation value are calculated. From the mean score, it is inferred that the other categories are secured higher level of mean score (24.88) followed by former (24.87), agrilabour (24.57) and business people (24.19). It shows that other people are having higher level of loyalty toward the bank.

Ho: There is no difference of opinion toward customers loyalty based on their occupation.

Here, One-way ANOVA is executed to test the above stated hypothesis. From the ANOVA result (F-value is 0.235 and P-value is 0.872), it is observed that the p-value is non-significant. Hence, the stated hypothesis is accepted. It is found that the customer loyalty with the bank is not significantly varied based on their occupation.

FINDINGS

The relationship, effects between relationship marketing dimensions and customer satisfaction, trust, and loyalty. The following finding obtained for this objectives

- Relationship marketing dimensions are having positive relationship with customer satisfaction. It is found customer grievance and care is having the strong relationship with customer satisfaction. Commitment has the moderate level of relationship. But, customer welfare, communication and work behaviour are having least level of relationship with customer satisfaction.
- It is clearly indicated that the relationship marketing dimensions are having significant effect on the customer satisfaction. However, customer bonding customer grievance and care dimensions strongly predicting the customer satisfaction. But, commitment, trust, customer bonding and work behaviour do not predict the customer satisfaction.
- It is found that the relationship marketing dimensions are positively and significantly related with trust. Customer grievance and care and commitment are the dimensions have the strong relationship with trust of the bank. However, customer welfare and work behaviour are having low level of relationship with trust.
- Relationship marketing dimensions are having the significant effect on the trust. Commitment, communication and customer grievance and care customer bonding are having more effect on trust and positively influenced the trust of the bank. But, customer welfare and work behavior do not have influence on trust of the banks.
- Customer grievance and care and commitment and communication lead to have higher level of relationship with customer loyalty towards the bank. Whereas, customer

welfare, work behavior and customer bonding leads to have lower level of customer loyalty.

3. CONCLUSION

This study examined the strength of the relationship between relationship marketing dimension and customer satisfaction, trust and loyalty. The results showed that the customers were given more importance to relationship marketing dimension. Further, correlation results indicates, that the relationship marketing are having relationship with customer satisfaction. The dimensions predicting quality were found to be least predictors of customer trust in the banks. It is known fact the banks are still following traditional way. It is acceptable, but now a day's bank customers like to changing due to technological advancement and other private and foreign banks services.

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