THINK INDIA (Quarterly Journal)

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

An Empirical Study On Analyzing Association Between Factors Of CRM Strategies And Customer's Satisfaction In Axis Bank

Ajay Samyal [1], Dr.Rupali Dilip Taru [2]

1 Ph.D Research Scholar, Shri JJT University, Jhunjhunu

2 Assistant Professor, Deptt. of Management, Shri JJT University, Jhunjhunu

Abstract

This paper evaluates the association of factors of customer relationship management and customers' satisfaction in the sector of banking. Banking sector is one of the most innovative and dynamic sector in this country. Therefore banks are now using the various factors of CRM to attract the fresh as well as retain the existing customers to enhance its profitability. In financial sector there are numerous players operating the in this country which leads to the stiff competition among the banks. To attain the competitive advantages banks are using the CRM as a critical strategy. In this paper five factor of CRM are studied which are reliability, responsiveness, empathy, tangible and assurance. This study is conducted on the customers of AXIS bank in Malout, Punjab. The quantitative approach is employed in this study. In this study 100 customers of AXIS Bank are selected as respondents. Bivariate correlation is used to assess the association between the factors of CRM and customers' satisfaction.

Keywords: banking sector, customer relationship management, reliability, responsiveness, empathy, tangible, assurance and customers' satisfaction.

Introduction

For the period of past few decades the main focus point of the researchers is quality of services having the great impact on the organizational performance, minimizing the cost, increasing the satisfaction among customers, enhance the degree of loyalty and organizational profitability (Cronin and Taylor, 1992; Chang and Chen, 1998; Sureshchander, 2002; Guru, 2003 etc.).

In the present scenario the banks feeling uncertainty with regard to profitability coming from the relationship program of the banks. This paper examines the association amid the factors of CRM system and customers' satisfaction. In the banking sector CRM is used as critical strategies or business tool to enhance the level of quality relationship with customers. It assists in finding, appealing, differentiating and holding customers. CRM creates the customers' value at all the stages by integrating the delivery channels of a bank. It helps in increase the business profits of the banks by increasing the customer base. CRM enables the banks to know their customers, recognize the exceptional needs serve those needs by offering customized and personalized service, which boost up the sales. That's why the CRM is not only technical term but also known as issue of strategic business and process (Dowling G., 2002).

CRM is tool to convert the fresh and current customers into regular customers and further convert them into patronage or stakeholders who become advocates for the company. In most of cases the customers gets the effective services in the initial stage of the relationship with customers and after that the banks doesn't care for the needs of the customers. This raises many issues among the customers and enhances the customers' complaint (Christoper et. al. 1992). Customer loyalty and customer oriented approach is the prime objective of an organization and its strategies (Jain and Singh, 2002).

CRM is a kind of evolution in the corporate sectors as well as in the banking sector as all the sector s' business are being affected upto some extent. So it is mandatory for the organizations work efficiently or in differentiated way in comparison of competitors to achieve the pre-set goal of customers' satisfaction (Kotler and Armstrong, 2011).

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

Quality relationship with customers can be attained with the help of some key dimensions of relationship in businesses that are reliability, assurance-commitment and relationship based investments (Palmatier et al. (2007). According to Mohammed & Rashid (2012) there are major four dimensions of CRM having effect on performance hotel-industry such as customer focused, CRM organization, technology driven CRM (CRM software) and knowledge driven CRM (data mining). In oder to attain the customers' satisfaction in banking sector commitment, process and reliability/trustworthiness are the foremost dimensions of the CRM (Padmavathy et al. 2012).

Al over business of a company is depending on the implementation of CRM strategies as it may increase the level of satisfaction among customers, attain the customers' loyalty and ensure the profitability of the company for long period (Chen and Popovich, 2003).

Customer Relationship Management:

In this global financial market satisfy the customers by establishing a quality as well as positive relationship with customers has become the need of all the banks. Banks are now paying special attention towards the customers' needs and requirements. Banks are also believed that the acquiring new customers need money ten times more than to retain the existing customers. CRM is most efficient strategic approach for establishing the quality relationship with potential customers. CRM assists banking sector to integrate the roles of technology and human resources to deliver the better quality to the customers, making the staff efficient, making the marketing simple, identify new customers, enhance profitability etc. CRM is a process of recognizing, acquiring, developing and holding existing customers (Berry,L.L., 1983). CRM assists to retain and develop customers by understanding their needs and fulfill the same through customer centric approach (Mohamed, P, H. and Sagadevan, A., 2002). CRM helps in improving the performances of marketing activities in banking sector. Banks are now adopting various efficient strategies of CRM. In this paper the association of factors of CRM is analyzed with customers' satisfaction.

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

Customer Satisfaction:

Customers' satisfaction is main focal area in the financial industry especially in the segment of banking. The profitability of the banks are depending upon the customers' satisfaction as the customer is satisfied with the services of the bank will repurchase the products of the bank. It also enable the banks to minimize the cost of the banks as the cost to bank in retaining affluent customers for long time is lesser than to acquiring fresh customers. There is a strategic benefit of service quality which leads to customers' satisfaction. Continuous improvement in quality of services is very costly process but yet it is considered as investment in any organization which enhances the profitability of the organization (Hussain et al, 2014). There is significant positive relation of Good behavior of service providers, good-quality, prompt services, suitable products with customers' satisfaction ()

Customers' satisfaction can be measured by analyzing the products' perceived performance and customers' expectation. The customers will be satisfied if both products' perceived performance and customers' expectation matches with each other and no gap is exist between them (Armstrong and Kotler 2003).customer satisfaction is the outcomes of the various factors of relationship marketing which leads to service quality. Customer relationship management is now being adopted in the banking sectors. There are many factors of CRM practices which make the services superior than others services. In this study the five factors of CRM is studied such as reliability, responsiveness, empathy, tangible and assurance and the relationship between the factor and customers' satisfaction is analyzed in this study.

Objective of the study:

To identify the major factors of CRM strategies and to analyze the association between factors of CRM and Customer Satisfaction in AXIS bank in Malout, Punjab.

Research Methodology:

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

The survey is conducted in the Malout city of the Punjab state. In this study the 100 customers of the AXIS bank are taken as sample size. Questionnaire method is used for the collection of data. Bivariate correlation is applied to test the association between the CRM factors and customers' satisfaction.

Association between factors of CRM Strategies and Customers' Satisfaction

To analyze the association of factors of CRM strategies with customers' satisfaction in AXIS Bank, five factors are undertaken in this study such as reliability, responsiveness, empathy, tangible and assurance (table 1).

Pearson correlation

Factors of CRM Strategies	**Customers' Satisfaction**	
	r	**p**
Reliability	**0.597****	**<0.001**
Responsiveness	**0.681****	**<0.001**
Empathy	**0.621****	**<0.001**
Tangible	**0.542****	**<0.001**
Assurance	**0.612****	**<0.001**

(**)significant at 1% level

Reliability: Table 1 represents the association between the factors of CRM strategies and Customers' Satisfaction. In this study positive and significant correlation is founded as the value of r=0.597at the level of significant 0.001 (1%). Therefore it shows a significant association betwixt the variable reliability and customers' satisfaction.

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

Responsiveness: table 1 shows that the degree of correlation between the variable responsiveness and customers' satisfaction. Results shows the strong and significant relationship betwixt the Responsiveness and customers' satisfaction at 1% significant level as the value of r=0.681.

Empathy: based on results the value of r is 0.621 (lying in the interval of -1.0 to+1.0) which shows the strong and positive significant relationship amid the factors of CRM strategies and customers'' satisfaction at 1% (<0.001) significant level.

Tangible: based on the views of the customers of AXIS bank the correlation between the factor tangible and customers' satisfaction is calculated which is founded as 0.542. r=0.542 shows the significant and strong association between them at 1% significant level.

Assurance: (table 1) the value of r is 0.612 asserts the strong and positive significant relationship amid the factor assurance and customers' satisfaction at 1% level of significance. Means attributes under the assurance factor having the positive impact on customers' satisfaction.

Conclusion and future scope

In this study it is concluded that CRM strategies of CRM are having positive and strong relationship with customers' satisfaction. There are many factors influencing customers' satisfaction in such a way which may lead to customers' loyalty in future. Five factors are undertaken for the completion of this study such as reliability, responsiveness, empathy, tangible and assurance. As per the customers views responsiveness is ranked as 1st which is having impact on satisfaction of customers in AXIS bank. 2nd rank is given to empathy and 3rd rank is given to assurance. Therefore, AXIS Bank should work on theses five factors to enhance satisfaction level of customers especially reliability and tangibility to improve. The contribution of these factors can be studied in context of loyalty in coming future.

Referances

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

Armstrong, G. and Kotler, P., (2003), Marketing: An Introduction, 6th ed., Upper Saddle River, NJ: Prentice Hall.

Baker, S. (2003). *New consumer marketing: Managing a living demand system.* England: Wiley.

Berry, L. L., (1983), Relationship Marketing, Emerging Perspectives on Service Marketing, Chicago: American Marketing Association, p. 19.

Chang, T.Z. and Chen, S.J. (1998), Market orientation, service quality and business profitability: a conceptual model and empirical evidence, Journal of Services Marketing, Vol. 12 No. 4, pp. 246-64.

Chen, I. J., & Popovich, K. (2003), Understing customer relationship management (CRM) People, process technology Business process management journal, Vol. 9 No.5, pp. 672-688.

Christopher, M., Payne, A. and Ballantyne, D. (1992), Relationship Marketing: Bringing Quality Customer Service and Marketing Together, Oxford: Butterworth-Heinemann, p. 11.

Cronin, J.J. and Taylor, S.A. (1992), Measuring service quality: a reexamination and extension, Journal of Marketing, Vol. 6, July, pp. 55-68.

Dowling, G. (2002). Customer Relationship Management: In B2C Markets, Often Less Is More*. California Management Review, 44*(3), pp. 121-137.

Guru, C. (2003), Tailoring e-service quality through CRM, Managing Service Quality, Vol. 13 No. 6, pp. 20-531.

Hussain, R., Amjad A.N., Yomna, H. (2014), Service quality and customer satisfaction of a UAE-based airlines: An empirical investigation, Journal of Air Transport Management, 4(3), 1-9

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

Jain, D., & Singh, S. (2002). Customer lifetime value research in marketing: A review and future directions. Journal of Interactive Marketing, 16(2), pp.34-46.

Kotler, P., & Armstrong, G. (2011). *Principles of Marketing* (14th ed.). New Jersey: Prentice Hall.

Mohammed, A. A., and Rashid, B. (2012), Customer Relationship Management (CRM) in Hotel Industry: A framework proposal on the relationship among CRM dimensions, Marketing Capabilities, and Hotel performance, International Review of Management and Marketing, Vol. 2 No. 4, pp. 220.

Mohammad H., Abaszadeh H., and Habibollah, D., 2015, The Relationship between Customer Relationship Management and Customer Satisfaction with Services Received. Buletin Teknologi Tanaman Journal, 12, pp.418-426

Mohamed, P, H. and Sagadevan, A. (2002), Customer Relationship Management, Vikas Publishing House (Pvt.) Ltd, New Delhi, pp. 3.

Padmavathy, C., Balaji, M. S., and Sivakumar, V. J. (2012), Measuring effectiveness of customer relationship management in Indian retail banks, International Journal of Bank Marketing, Vol. 30(4), pp. 246-266.

Palmatier, R. W., Dant, R. P., & Grewal, D. (2007). A comparative longitudinal analysis of theoretical perspectives of inter-organizational relationship performance, Journal of Marketing, pp. 172-194.

Sureshchander, G.S., Rajendran, C. and Anatharaman, R.N. (2002), “The relationship between service quality and customer satisfaction: a factor specific approach”, Journal of Services Marketing, Vol. 16 No. 4, pp. 363-79.

