

CRM Customer Preferential Study on Facilities Provided By 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 facilities 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.

Keywords : Relation Marketing, CRM, Bank Facilities, Classification of Data, Statistical Analysis, Testing of Hypothesis, Chi-square Distribution.

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 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 400 for bank customer, Sample of 317 for bank customer is finalized after removing defective samples or not traceable samples. The finalized sample consist of 76 State bank of India, 48 Bank of India, 37 Canara bank, 54 HDFC bank, 53 ICICI bank and 49 of AXIS bank for customer. The data are processed through SPSS.

III. Classification of Data

As our study focus on comparison of bank type to various facilities for customer's provided by the different types of bank. In today's competitive era banks also should focus on facilitate to their customer in various ways. Banks gives facilities like passbook, cheque book, draft facility, ECS facility, money transfer, accepting utility bills, old currency exchange facility, selling precious metal, financial planning, foreign money exchange and holiday services. These facilities help customers to fulfill their needs. We have taken view of respondents on facilities 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 facilities the last two scales (good and excellent) given by customer to the factor are considered.

5.3.1 Pass Book

A passbook is one type of paper book which is used to record banking transactions of customer. Passbook helps customer for maintaining his banking records

Table 5.3.1

Pass Book	Not Avail	Poor	Below Average	Average	Good	Excellent
Private	0	0	0	2.56	33.33	64.10
Public	0.62	0.00	0.00	8.07	43.48	47.83

Table 5.3.1 shows that 64.10 percent of private sector and 47.83 percent of public sector banks respondents gave good rating to their banks passbook facility. 33.33 percent of private sector bank and 43.48 percent of public sector banks respondents gave good rating to their banks passbook facility. In general data suggest passbook facility in private sector banks is better than public sector banks.

5.3.2 Cheque Book

A cheque is a document that orders a bank to pay a exact amount of money from a customer's account to another customer in whose name the cheque has been issued. A book cantoning various cheques is called cheque book. Using cheque customer withdraws money from bank and transfer money to another account. Following table gives the respondents view on their banks cheque book facility of both types of banks.

Table 5.3.2

Cheque book	Not Avail	Poor	Below Average	Average	Good	Excellent
Private	0	0	0	22.44	56.41	21.15
Public	0.62	0.00	1.86	37.27	42.86	17.39

Table 5.3.2 shows that 56.41 percent of private sector and 42.86 percent of public sector banks respondents gave good rating to their banks cheque book facility. 21.15 percent of private sector bank and 17.39 percent of public sector banks respondents gave excellent rating to their banks cheque book facility. In general data suggest cheque book facility in private sector banks is better than public sector banks.

5.3.3 Draft

A demand draft is a negotiable instrument alike to an exchange bill. A bank issues a demand draft to a

customer, directing another bank to pay a sure sum to the particular party. Following table gives the respondents view on their draft facility book of both types of banks.

Table 5.3.3

Draft	Not Avail	Poor	Below Average	Average	Good	Excellent
Private	2.56	0.00	12.82	40.38	32.69	11.54
Public	3.11	3.11	16.77	42.86	26.09	8.07

Table 5.3.3 shows that 40.38 percent of private sector and 42.86 percent of public sector banks respondents gave average rating to their banks draft facility. 32.69 percent of private sector bank and 26.09 percent of public sector banks respondents gave good rating to their banks draft facility. In general data suggest draft facility in private sector banks is better than public sector banks.

5.3.4 ECS

ECS (Electronic Clearing Service) is an electronic mode of funds transfer from one bank account to another. ECS can be used for credit and debit purposes both. ECS is widely used by institutions for making payments such as pension, salary, share dividend, telephone bill, electricity bill, tax bill, monthly installment payments of loans, SIP investment in mutual fund, and insurance premium. Following table gives the respondents view on their banks ECS facility of both types of banks.

Table 5.3.4

ECS	Not Avail	Poor	Below Average	Average	Good	Excellent
Private	0.00	5.13	17.31	25.00	33.33	19.23
Public	1.24	6.21	19.25	32.30	31.68	9.32

Table 5.3.4 shows that 33.33 percent of private sector and 31.68 percent of public sector banks respondents gave good rating to their banks ECS facility. 19.23 percent of private sector bank and 9.32 percent of public sector banks respondents gave excellent rating to their banks ECS facility. In general data suggest ECS facility in private sector banks is better than public sector banks.

5.3.5 Money Transfer

Money transfer facilities helps customer transfer their money anywhere in the world quickly. Following table gives the respondents view on their banks money transfer facility of both types of banks.

Table 5.3.5

Money Transfer	Not Avail	Por	Below Average	Average	Good	Excellent
Private	12.18	5.13	2.56	19.23	38.46	22.44
Public	14.29	7.45	6.83	20.50	37.27	13.66

Table 5.3.5 shows that 38.46 percent of private sector and 37.27 percent of public sector banks respondents gave good rating to their banks money transfer facility. 22.44 percent of private sector bank and 13.66 percent of public sector banks respondents gave excellent rating to their banks money transfer facility. 12.18 percent of private sector and 14.29 percent of public sector banks respondents does not know about this product. In general data suggest money transfer facility in private sector banks is better than public sector banks.

5.3.6 Accepting Utility Bills

A utility bill is a manuscript sent to a legal address requesting payment for a community service like water bill, gas bill, telephone bill, municipality tax bill, school/college fees. Following table gives the respondents view on their banks accepting utility bills of both types of banks.

Table 5.3.6

Accepting Utility Bills	Not Avail	Por	Below Average	Average	Good	Excellent
Private	7.69	4.49	15.38	38.46	27.56	6.41
Public	11.18	9.32	21.74	42.24	13.66	1.86

Table 5.3.6 shows that 38.46 percent of private sector and 42.24 percent of public sector banks respondents gave average rating to their banks utility bills acceptance. 27.56 percent of private sector bank and 13.66 percent of public sector banks respondents gave good rating to their banks utility bills acceptance. 7.69 percent of private sector and 11.18 percent of public sector banks

respondents does not know about this product. In general data suggest utility bills acceptance in private sector banks is better than public sector banks.

5.3.7 Currency Exchange

Currency exchange is exchange between big and smaller notes. Currency exchange is usually used by venders and shop men. Following table gives the respondents view on their banks currency exchange facility of both types of banks.

Table 5.3.7

Currency Exchange	Not Avail	Por	Below Average	Average	Good	Excellent
Private	32.05	21.79	9.62	14.10	18.59	3.85
Public	40.37	21.12	9.32	15.53	12.42	1.24

Table 5.3.7 shows that 18.59 percent of private sector and 12.42 percent of public sector banks respondents gave good rating to their banks currency exchange facility. 21.79 percent of private sector bank and 21.12 percent of public sector banks respondents gave excellent rating to their banks currency exchange facility. 32.05 percent of private sector and 40.37 percent of public sector banks respondents does not know about this product. In general data suggest currency exchange facility in private sector banks is better than public sector banks.

5.3.8 Selling Precious Metals

Now a day's banks sells precious metals like gold, silver, platinum and palladium. These metals are in form of biscuits or bars in 1gramm to 1 kilogram. Following table gives the respondents view on their banks selling precious metals facility of both types of banks.

Table 5.3.8

Selling Precious Metals	Not Avail	Por	Below Average	Average	Good	Excellent
Private	6.41	8.97	29.49	25.64	26.92	2.56
Public	19.25	13.66	26.71	22.98	16.15	1.24

Table 5.3.8 shows that 26.92 percent of private sector and 16.15 percent of public sector banks respondents gave good rating to their banks selling precious metals facility. 25.64 percent of private sector bank and 22.98 percent of public sector banks respondents gave average rating to their banks selling precious metals facility. 6.41 percent of private sector and 19.25 percent of public sector banks respondents does not know about this product. In general data suggest selling precious metals facility in private sector banks is better than public sector banks.

5.3.9 Financial Planning

Now a day's Banks provides you expert *Financial planning* with the help of a *financial planner* and makes it easy to invest your money with to understand your unique needs and it also helps you plan for your future. Following table gives the respondents view on their banks financial planning facility of both types of banks.

Table 5.3.9

Financial Planning	Not Avail	Poor	Below Average	Average	Good	Excellent
Private	4.49	6.41	14.74	33.97	33.33	7.05
Public	11.18	6.21	18.63	37.27	23.60	3.11

Table 5.3.9 shows that 33.97 percent of private sector and 37.27 percent of public sector banks respondents gave average rating to their banks financial planning facility. 33.33 percent of private sector bank and 23.60 percent of public sector banks respondents gave good rating to their banks financial planning facility. 4.49 percent of private sector and 11.18 percent of public sector banks respondents does not know about this product. In general data suggest financial planning facility in private sector banks is better than public sector banks.

5.3.10 Foreign Money Exchange

Foreign money exchange is among two foreign currencies is the rate at which one currency will be exchanged for another. Currency exchange is usually used for foreign travel; foreign education and import-export of goods. Following table gives the respondents view on their banks foreign money exchange facility of both types of banks.

Table 5.3.10

Foreign Money Exchange	Not Avail	Poor	Below Average	Average	Good	Excellent
Private	30.13	16.03	7.69	11.54	29.49	5.13
Public	49.69	15.53	5.59	9.32	16.77	3.11

Table 5.3.10 shows that 29.49 percent of private sector and 16.77 percent of public sector banks respondents gave good rating to their banks foreign money exchange facility. 16.03 percent of private sector bank and 15.53 percent of public sector banks respondents gave poor rating to their banks foreign money exchange facility. 30.13 percent of private sector and 49.69 percent of public sector banks respondents does not know about this product. In general data suggest foreign money exchange facility in private sector banks is better than public sector banks.

5.3.11 Holiday Services

Some banks offer holiday service to their customers. A Holiday service is available in metro city only. Holiday service includes collection of cash and cheques from customer's house. Following table gives the respondents view on their banks holiday services of both types of banks.

Table 5.3.11

Holiday Services	Not Avail	Poor	Below Average	Average	Good	Excellent
Private	24.36	10.90	16.67	25.64	17.95	4.49
Public	24.84	27.33	16.77	19.25	10.56	1.24

Table 5.3.11 shows that 17.95 percent of private sector and 10.56 percent of public sector banks respondents gave good rating to their banks holiday services facility. 25.64 percent of private sector bank and 19.25 percent of public sector banks respondents gave average rating to their banks holiday services facility. 24.36 percent of private sector and 24.84 percent of public sector banks respondents does not know about this product. In general data suggest a holiday service facility in private sector banks is better than public sector banks.

4. Testing Of Hypothesis

As per the objective of the study we framed various hypotheses for customer data. Based on data collected from customers, we have verify the various statements on t-test at 5% level of significance for Bank type and various facilities provided by banks based on the objective of the study was established.

Table 4.1 Sample Statistics and T-test for Analysis of facilities provide by banks on Customer

Serial Order	Facilities	Bank Type	N	Mean	Std. Dev.	Mean Std. Error	t-Value	Sign. Value	Decision
	Pass Book	Public	161	5.37	0.23	0.007	-3.382	0.001	Not to Accept
		Private	156	5.62	0.38	0.003			
	Cheque Book	Public	161	4.74	0.80	0.064	-2.979	0.003	Not to Accept
		Private	156	4.99	0.65	0.053			
	Draft Facilities	Public	161	4.10	1.07	0.085	-2.156	0.032	Not to Accept
		Private	156	4.35	1.15	0.091			
	ECS Facilities	Public	161	4.11	1.08	0.087	-2.325	0.021	Not to Accept
		Private	156	4.11	1.00	0.080			

		e	64	44	37	91			
	Money Transfer	Public	161	4.00	1.02	0.082	-1.894	0.059	Accept
		Private	156	4.34	1.08	0.084			
	Accepting Utility Bills	Public	161	3.43	1.24	0.096	-3.561	0.000	Not to Accept
		Private	156	3.93	1.25	0.100			
	Old Currency Exchange	Public	161	2.42	1.05	0.081	-1.961	0.051	Accept
		Private	156	2.77	1.06	0.083			
	Selling Precious Metal	Public	161	3.07	1.39	0.111	-3.997	0.000	Not to Accept
		Private	156	3.65	1.22	0.098			
	Financial planning	Public	161	3.60	1.30	0.102	-2.934	0.004	Not to Accept
		Private	156	4.06	1.09	0.086			
	Foreign Money Exch	Public	161	3.17	1.06	0.082	-3.737	0.000	Not to Accept
		Private	156	3.31	1.00	0.079			

	ange	vat	5	.	7	1			
		e	6	1	7	4			
				0	0	2			
	Holi	Pu	1	2	1.	0.	-	0.	Not to Acc ept
	day	bli	6	.	3	1	2.	02	
	Serv	c	1	6	7	0	91	4	
	ices			7	7	9	8		
		Pri	1	3	1.	0.			
		vat	5	.	5	1			
		e	6	1	6	2			
				5	6	5			

IV. Conclusions

(a) Since mean satisfaction for Passbook facility for private banks is greater than public sector banks and variance of private sector bank is lesser than public sector bank, we conclude that Passbook facility for private sector banks is better compare to public banks.

(b) Above table shows mean for private banks for Cheque book facility is more than public sector banks with lesser variance, it conclude that in private sector banks provides better Cheque book service then public sector banks.

(c) As the average satisfaction score is higher for the Draft facility in private banks with than that of public banks with almost same variance hence we conclude that Draft facility is better in private banks.

(d) Here mean value for ECS facility for private banks is greater than public sector banks and variance of both types of banks is more or less same. So we can say that ECS facility provided by private sector bank is superior compare to private sector banks.

(e) For Money transfer facility hypothesis is accepted, it means there is no significant difference between both types of banks for locker facility, although mean value for private banks is greater than public banks with almost same variance. We can say that private sector banks provide better Money transfer facility then public sector banks.

(f) As the mean satisfaction score is higher for the Accepting utility bills in private banks than that of public banks with almost same variance hence we conclude that acceptance of utility bills is better in private banks.

(g) As shown in table there is no significant difference between both types of banks for old currency exchange facility. The mean satisfaction value of private banks is

greater than public banks with greater variance. Greater variance in private banks indicates there is lack of consistency in service for old currency exchange facility by private banks.

(h) Above table shows mean for Selling precious metal facility for private banks is more than public sector banks with less variance, it conclude that in private sector banks Selling of precious metal facility is superior then public sector banks.

(i) Here mean satisfaction score is more for private banks compare to public banks and variance for private banks is less than that of public banks for financial planning service. So we can say that private banks provide better financial planning service then public banks.

(j) As the average satisfaction score is higher for the foreign money exchange Facility in private banks with less variance than that of public banks we conclude that foreign money exchange facility is better in private banks.

(k) For Holiday service hypothesis is accepted so we can say that there is no significant difference between both types of banks, although seeing data statistics mean satisfaction and variance for private banks is greater than public banks. It means many private bank branches provide better holiday services comparing with public bank branches.

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