

OPEN ACCESS

Manuscript ID:
MGT-2020-08012465

Volume: 8

Issue: 1

Month: July

Year: 2020

P-ISSN: 2321-4643

E-ISSN: 2581-9402

Received: 06.04.2020

Accepted: 20.06.2020

Published: 01.07.2020

Citation:

Limbad, Shaileshkumar Jausukhbhai, and Vinod Patel. "Measuring Overall Customer Satisfaction for CRM Activities Performed by Indian Commercial Banks in Surat City." *Shanlax International Journal of Management*, vol. 8, no. 1, 2020, pp. 16–27.

DOI:

<https://doi.org/10.34293/management.v8i1.2465>



This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Measuring Overall Customer Satisfaction for CRM Activities Performed by Indian Commercial Banks in Surat City

Shaileshkumar Jausukhbhai Limbad

*Assistant Professor, Department of Management
Shree JDG Commerce College and SAS College of Management, Surat, Gujarat, India*

Vinod Patel

*Professor, Department of Business and Industrial Management
Veer Narmad South Gujarat University, Surat, Gujarat, India*

Abstract

Purpose: The primary purpose of this paper is to measure the customer perception towards customer relationship management practices of Indian commercial banks in Surat city. The researcher also tries to study the different factors affecting the private and public sector banks' customers.

Design/methodology/approach: This research study is descriptive. The study adopted a non-probability convenience sampling method after initially applying the stratified sampling.

Findings: For private sector banks, reliability, responsiveness, and marketing mix elements have a significant relationship with overall satisfaction and also a significant relationship between overall customer satisfaction and loyalty. For public sector banks, a significant relationship found between assurance and marketing mix elements with overall customer satisfaction and between overall satisfaction and loyalty.

Practical implications: The study researcher tried to establish a relationship between customer satisfaction and effective management of customer relationships. It is to be suggested that the banking sector, regardless of the tangible elements, should improve its operations in providing customers with highly advanced and reliable services.

Originality/value: The research study aims to make managers able to assess CRM activities and processes in Indian commercial banks, focusing on new methods of delivering banking services and ways to managing healthy relationships with key customers.

Keywords: CRM, Overall customer satisfaction and Indian banking industry.

Introduction

Banks are becoming customer-centric: After the liberalization in India, the banking sector is undergoing spectacular changes. The main reasons for the recent radical changes in the banking industry portfolio are competition, consolidation, information technology, and the need to focus on customers. Banks can improve profitability by adopting strategies such as market segmentation, innovation, price aggregation, and relationship. Technology plays a key role in retail banking but complements customer service initiatives.

Due to the increase in financial market products such as commercial securities and a variety of financial instruments, large corporate customers in many commercial banks have shifted their loyalty, pooled resources directly from the market, and commercial banks have become more focused on retail customers by offering a wide range of services. Banks have identified new segments of clients, such as students, businesswomen, and high-value individuals.

In an era of global and local ring competition, Data Mining is used by almost all proactive companies and organizations to build and manage customer relationships. Data mining helps retain customers by proactively understanding.

We all enjoy being members of many loyalty programs and enjoy collecting and redeeming rewards. By doing so, we have enjoyed the relationship with suppliers or companies, and we continue to be sincere customers. In everyday life, we used to return to the same supermarket, same garage, and bank with the same bank all the time. This happens because we have grown to accept an undeclared relationship with these companies for various reasons, and we are happy to deal with the same seller day after day.

All human interaction and treatment are based on relationships. Network relationships are the fundamental design of human society. No wonder this basic fact has been recognized and explored by all companies where business strategies have been built around the client and strive to build a relationship with each client.

Marketing relationships have evolved not only as a marketing strategy but also as the basis for companies to build their core values and ethics. Marketing relationships define the company's framework for accessing overseas markets and directing itself to external customers as well as business customers, suppliers, and vendors.

Relationship marketing is not limited to customers and suppliers alone but has been expanded to include internal staff as well as an effective way to attract the best talent. If you scan any advertisement for a leading newspaper company, you will see that the bulk of the recruitment announcement relates to the company's background, culture, and efforts to reach potential employees. The ads are designed to close the rope between readers that push someone to apply.

In an era of advanced technology where marketing concepts and tools have undergone significant changes with the introduction of e-commerce, online selling, network marketing, direct marketing, B2B and B2C business models, relationship marketing has become the foundation of business strategies as well as built marketing strategies.

Business organizations are beginning to recognize the human as well as the emotional outcome of business relationships. Marketing relationships have evolved as a system that helps companies look beyond transactions to long-term business associations. A successful relationship marketing strategy helps the organization deepen and enhance its long-term revenue flows.

Relationship marketing is a core corporate philosophy underlying business strategy. This is reflected in all marketing disciplines, including brands, advertising, promotions, and public relations, as well as through all sales channels and networks through which the company communicates with markets and customers.

Marketing relationships has never been more important to organizations as it was now. In an area where competition is intense, and the life cycle of products and services is very small, the customer relationship has emerged to be one of the key drivers that contribute a significant portion of sales revenue. When we talk about marketing relationships, we don't refer to customer service. Customer service refers to the quality of service in transactional mode. By marketing relationships, we refer to the level of the existing relationship between the client and the company.

About the relationship, there can be several ways to determine or measure the quality of the relationship with the customer. Understanding the depth of the relationship and qualification can help the company improve its market access as well as work to deepen the relationship with the client. In the first place, we have a happy customer who purchased the product or service and found it satisfactory.

Literature Review

A review of the literature revealed that many researchers on the subject of CRM have divergent views on the precise field of CRM because of its multifaceted nature. Moreover, CRM is still ambiguous in terms of its impact on the company's performance because the combination mechanisms have not been fully taken into account.

Ramdani Mohammed Ali et al. (2011), proposed study to determine the impact on the quality of services in the Islamic banking sector in Indonesia and its

impact on customer satisfaction. They have adopted investigative research by distributing questionnaires using a Likert position scale to 184 respondents and a systematic random sampling approach. They found that the quality of service is a commitment to banks. The physical dimension proved to be the lowest impact of QoS. The bank should start looking at the indicators that make up this dimension and then achieve it, such as adding several cashiers who, according to research results, most customers claimed that the number was not enough while the dimensions that should start forming satisfaction is to enhance the speed of transactions or speed of transactions between customers and employees.

Singh Fulbag et al. (2011) Conducted a study to analyze customer perception of service quality in rural and urban bank branches and their impact on customer satisfaction. The researcher used a randomized method of convenience sampling to collect data and data collected from 170 Bank customers through a questionnaire with a scale similar to 5 points. The study identifies six factors of quality of service that affect customer satisfaction about banking services. The analysis shows that the level of satisfaction of rural customers is higher compared to urban customers. It can be concluded from the analysis that all six factors have a positive effect on the overall satisfaction of the customer. Still, the effect of the concrete is not statistically significant.

Ghost Fatima holy et al. (2011), a proposed study to determine the client's perception of service quality factors in commercial banks and customer satisfaction towards banks and analyze the impact of perception on the quality of service factors in commercial banks among different customer groups based on their demographics. Targeted sampling technique was applied, and data were collected through a structured questionnaire of 715 respondents. The study concludes that there is a close link between the customer's perception of the quality of service factors and customer satisfaction. But the effects of QoS factor on customer satisfaction among customers are not unique and depend on the demographic picture of customers. For example, the factors that significantly influence the quality of service on customer satisfaction among urban

customers are reliability, responsiveness, and empathy, whereas perceptions that greatly influence rural customers are reliability, responsiveness, tangibility, and empathy.

Ladhari Riadh et al. (2011) conducted a study to compare the perceptions of the quality of banking service between Tunisian and Canadian customers and determine the dimensions of the quality of service that make the largest contribution to customer satisfaction and loyalty in general. The researchers collected data using self-administered questionnaires on a scale similar to 7 points from two appropriate samples of bank clients (250 in Canada and 222 in Tunisia). The researcher found that participants in both countries reported high levels of perceived service quality in banks. Still, Canadians reported higher perceived service quality than Tunisians for all five service dimensions. In the Canadian sample, empathy and reliability were found to be the most important predictors of satisfaction and loyalty. In contrast, reliability and responsiveness in the Tunisian sample were the most important predictors of satisfaction and loyalty.

Singh Surabi et al. (2011), tried to assess the various aspects of services provided by the public sector, private sector and foreign banks and assess the use of services, especially IT-enabled services in these banks and more to further identify and compare the extent of customer satisfaction with the quality of banking services based on various constituent factors. The researchers used multistage random sampling to select the sample. The descriptive search design was chosen, and data was collected from 60 customers. The study showed that nationalized bank customers were not satisfied with employee behavior and infrastructure. In contrast, participants in private and foreign banks were not satisfied with high fees, accessibility, and communication. The study attempts to assess customer satisfaction with five service quality standards, i.e., employee behavior, accessibility, ambiance, infrastructure, and working hours. It shows that the level of customer satisfaction with employee behavior was higher in private and foreign banks than in nationalized banks. More respondents to private and foreign banks expressed satisfaction with their banks' infrastructure than national banks.

Padmavathy et al. (2012), a proposed study to develop a multi-element scale to measure the effectiveness of customer relationship management (CRM) in Indian retail banks and study their relationship with the main customer response variable. Therefore, 197 retail banking customers in India were contacted through five-point Likert self-completion questionnaires. The researcher found that organizational commitment, process-based approach, and reliability had a positive impact on customer satisfaction. Reliability was found to be directly related to customer loyalty and both customer satisfaction and loyalty cross-purchase.

Shainesh (2012) proposed a study to empirically validate the underlying mechanisms through which consumers develop trust in service providers and investigate the impact of consumer perceptions of merit and trust on their loyalty intentions. The other objective was to examine the differential impact of consumer trustworthiness beliefs on two distinct aspects of service, front-line staff, and management policies and practices. The researcher used a systematic random sampling method to collect data through a questionnaire of 425 Bank customers. The result shows that trustworthiness, beliefs of competence, charity, and problem-solving orientation contribute to building trust and, therefore, loyalty intentions. He argues that the ability to anticipate and solve problems that arise during the exchange of services will be a critical factor in consumer perceptions of trustworthiness.

Yap Bi Wah et al. (2012), A proposed study to test the proposed CSI model and review the interrelationships between the quality of service and satisfaction and deal with complaints, trust, and loyalty. Researchers selected a total of 239 respondents through a probability sampling method and self-administered questionnaires. Researchers found that service quality has a positive effect on customer satisfaction. Second, satisfaction has a positive impact on trust, and ultimately this confidence will have a positive impact on the bank's loyalty. Finally, handling complaints was found to have a significant impact on satisfaction, trust, and loyalty.

Research Methodology

There are some research gaps in measuring the effectiveness of CRM in the past, with particular reference to its modern applications in banking institutions today. Many studies have been conducted on multiple aspects, but the dynamic aspects of CRM practices make them older. The aim of this research study is to measure customer perception of the CRM practices applied by various Indian commercial banks, so the researcher here tries to evaluate the different models and the relationship between different service parameters of CRM.

Problem Statement: Fierce competition between retail banks in India and all banks realized the need to protect their current customer base. Maintaining customer relationships and building customer loyalty has become a business strategy, and banks also recognize that the value of a customer's life determines the value of a long-term relationship.

They also realized significant financial benefits in managing good relationships with existing customers through sales, banking products, and services. As part of relationship marketing strategies, Indian commercial banks have begun to expand their banking supply.

Problem Statement: To what extent has the banking relationship affected customer loyalty in Indian commercial banks in Surat city?

Sub-problem 1: To what extent do retail banks achieve a high degree of customer loyalty through the application of banking strategies for the relationship and the extent of variation in loyalty?

Research Objectives

1. Primary objective:- To study customer perception towards customer relationship management practices of Indian commercial banks in Surat city.
2. Secondary objectives:- To study the different factors affecting the Indian private and public sector banks' customers in dealing with the banks and in searching for the most suitable bank choice to meet their expectations.

Research Design

Research methodology and research design directly affect the quality of research analysis and

results. It provides a complete description of the research plan, structure, and implementation. Try searching in the form of a research survey.

This research study is descriptive and attempts to study the perception towards CRM practices in the Indian banking industry with specific reference to the top three banks in the public sector category and three months in the private sector category. A structured questionnaire survey was used to collect data for this research, and this process was administered by conducting personal interviews.

Sampling Design

The population of the study: The target population would be people residing in the six zones in the Surat city. The target population for this research defined to include the bank customer belongs to the top three private banks and the top three public sector banks in Surat city.

Sampling Method: The most suitable method of choosing target population is considered to be a non-probability convenience sampling method (Bhatnagar, Mishra, & Syed, 2018 and Dubey & Sangle, 2018) followed by the stratified sampling technique (Valmohammadi & Beladpas, 2014) in which the entire Surat city was divided into six zones.

Sampling Area: The respondents are from Surat city. The entire Surat city was divided into six zones, and per zone, 200 questionnaires were circulated.

Sample Size: The respondents were selected from the top three private sector banks and the top three public sector banks in Surat city. Out of the questionnaire distributed total, 1125 questionnaires were returned, and at the stage of data entry, some unfilled or improper filled questionnaires were not taken into consideration for data analysis and interpretation part. At last, there were 973 questionnaires taken into consideration for proper data analysis.

Method of Data Collection

Secondary Data Collection: Secondary data was collected through the Internet, studying previous scientific articles from libraries and universities. It includes books, academic journals, websites, previous research theses, government publications,

and published and unpublished materials consisting of brochures, pamphlets, brochures, manual notes, project reports, etc. RBI and many CRM sites have a very useful information source.

Primary Data Collection: Total 1200 clients from all banks surveyed and interviewed to see their perceptions. Bank customers were surveyed through a structured questionnaire using a five-point Likert scale (Vyas & Raitani, 2014) from strongly disagree to strongly agree, personally administered by the researcher. The sample of the client is fixed based on researcher convenience, taking into account the lack of time and resources.

Data Analysis: Appropriate statistical tools and techniques were used for the research study. The use of different statistical techniques to analyze the data depends on the type of data to be collected. Thus, accurate statistical tests like reliability analysis, Kruskal Wallis test, structural equation modeling was used after the data collection. SPSS and AMOS were used for statistical analysis of data.

Data Analysis & Findings

Reliability Analysis: Reliability refers to the extent to which a scale produces consistent results if the measurements are repeated several times.

	Cronbach's Alpha	
	Private banks	Public banks
Tangibility	.85	.88
Reliability	.78	.76
Responsiveness	.74	.65
Assurance	.79	.73
Empathy	.81	.73
Trust	.70	.80
Convenience	.81	.80
Technological	.80	.74
Cultural	.80	.67
Marketing elements	.80	.83

Alpha values were described as excellent (0.93-0.94), strong (0.91-0.93), reliable (0.84-0.90), strong (0.81), fairly high (0.76-0.95), high (0.73-0.95), good (0.71-0.91), Relatively High (0.70-0.77), Slightly Low (0.68), Reasonable (0.67-0.87), Relevant (0.64-0.85), Average (0.61-0.65), Acceptable (0.58-0.97), Acceptable (0.45-0.98), adequate (0.45-0.96), unsatisfactory (0.4-0.55) and low (0.11).

Kruskal-Wallis Test

The Kruskal-Wallis test is used to answer research questions comparing three or more independent groups and to test whether the samples originate from the same distribution. It is used to compare two or more independent samples of equal or different sample sizes.

To determine whether the differences between the averages are statistically significant, compare the value p to the level of importance to evaluate the empty hypothesis. The empty hypothesis states that the average population is equal. Typically, the significance level (referred to as α or alpha) of 0.05 works well. The significance level of 0.05 indicates a 5% risk in finding a difference when no actual difference exists.

$P \leq 0.05$: If p is less than or equal to the level of significance, the researchers reject the null hypothesis.

$P > 0.05$: If p is greater than significance, researchers do not have sufficient evidence to reject the empty hypothesis.

Empty hypothesis: There is no significant difference between the perception of CRM practices between 8 different age groups and four educational categories for respondents from private and public banks.

Alternative hypothesis: There is a significant difference between the perception of CRM practices between 8 age groups and four categories for educating respondents from public and private banks.

No.	Statements	AGE		Education		Occupation	
		Private Banks Sig. level	Public Banks Sig. level	Private Banks Sig. level	Public Banks Sig. level	Private Banks Sig. level	Public Banks Sig. level
1	Tangibility 1	0.87	0.20	0.70	0.05	0.15	0.44
2	Tangibility 2	0.28	0.53	0.30	0.09	0.03	0.13
3	Tangibility 3	0.50	0.07	0.41	0.07	0.01	0.03
4	Tangibility 4	0.79	0.04	0.47	0.16	0.29	0.03
5	Tangibility 5	0.32	0.91	0.56	0.12	0.16	0.34
6	Tangibility 6	0.09	0.38	0.45	0.01	0.05	0.60
7	Reliability 1	0.46	0.28	0.48	0.57	0.60	0.61
8	Reliability 2	0.15	0.41	0.86	0.18	0.77	0.94
9	Reliability 3	0.80	0.39	0.84	0.01	0.33	0.11
10	Reliability 4	0.54	0.04	0.06	0.13	0.41	0.36
11	Reliability 5	0.09	0.16	0.56	0.34	0.68	0.00
12	Responsiveness 1	0.17	0.37	0.06	0.77	0.54	0.45
13	Responsiveness 2	0.27	0.11	0.08	0.28	0.21	0.19
14	Responsiveness 3	0.12	0.04	0.59	0.36	0.39	0.49
15	Responsiveness 4	0.15	0.03	0.32	0.12	0.00	0.79
16	Assurance 1	0.78	0.92	0.50	0.15	0.51	0.63
17	Assurance 2	0.96	0.53	0.40	0.00	0.06	0.65
18	Assurance 3	0.26	0.01	0.12	0.10	0.13	0.08
19	Assurance 4	0.00	0.71	0.96	0.26	0.07	0.32
20	Assurance 5	0.84	0.45	0.89	0.00	0.93	0.01
21	Empathy 1	0.94	0.02	0.83	0.02	0.67	0.10
22	Empathy 2	0.99	0.55	0.36	0.69	0.43	0.14
23	Empathy 3	0.82	0.73	0.74	0.15	0.11	0.08

24	Empathy 4	0.45	0.19	0.41	0.29	0.11	0.82
25	Empathy 5	0.39	0.80	0.62	0.75	0.84	0.34
26	Trust 1	0.16	0.22	0.05	0.00	0.06	0.21
27	Trust 2	0.13	0.70	0.14	0.35	0.84	0.45
28	Trust 3	0.10	0.48	0.30	0.03	0.32	0.96
29	Trust 4	0.06	0.15	0.03	0.00	0.18	0.85
30	Convenience 1	0.90	0.79	0.02	0.00	0.30	0.01
31	Convenience 2	0.81	0.35	0.00	0.00	0.02	0.84
32	Convenience 3	0.59	0.01	0.02	0.00	0.62	0.06
33	Convenience 4	0.27	0.28	0.74	0.01	0.24	0.81
34	Convenience 5	0.68	0.22	0.93	0.11	0.87	0.96
35	Convenience 6	0.37	0.30	0.92	0.00	0.95	0.99
36	Technological 1	0.57	0.06	0.06	0.26	0.11	0.13
37	Technological 2	0.85	0.06	0.42	0.02	0.63	0.44
38	Technological 3	0.03	0.04	0.33	0.00	0.63	0.79
39	Technological 4	0.68	0.06	0.03	0.00	0.04	0.19
40	Cultural 1	0.01	0.75	0.25	0.00	0.17	0.23
41	Cultural 2	0.47	0.85	0.88	0.01	0.12	0.21
42	Cultural 3	0.07	0.65	0.53	0.10	0.00	0.21
43	Cultural 4	0.19	0.36	0.54	0.11	0.00	0.19
44	Cultural 5	0.70	0.19	0.61	0.08	0.38	0.01
45	Marketing Mix 1	0.17	0.83	0.34	0.06	0.17	0.12
46	Marketing Mix 2	0.04	0.45	0.25	0.37	0.04	0.23
47	Marketing Mix 3	0.49	0.38	0.29	0.58	0.54	0.24
48	Marketing Mix 4	0.05	0.36	0.94	0.72	0.49	0.41
49	Marketing Mix 5	0.26	0.45	0.61	0.01	0.57	0.41
50	Marketing Mix 6	0.86	0.05	0.11	0.24	0.18	0.19
51	Marketing Mix 7	0.05	0.69	0.10	0.28	0.45	0.00
52	Marketing Mix 8	0.10	0.03	0.00	0.35	0.59	0.00
53	Overall service quality	0.44	0.01	0.20	0.17	0.18	0.00
54	Overall performance of employees	0.09	0.71	0.67	0.14	0.18	0.07
55	Loyalty 1	0.06	0.11	0.49	0.00	0.03	0.13
56	Loyalty 2	0.71	0.60	0.44	0.18	0.81	0.47
57	Loyalty 3	0.02	0.10	0.49	0.09	0.12	0.35
58	Loyalty 4	0.35	0.21	0.51	0.27	0.01	0.00
59	Loyalty 5	0.94	0.25	0.30	0.07	0.63	0.10

Interpretation - Age

For private banks: - Based on the table above, we can explain that out of 59 terms presented to measure the perception of CRM practices, overall satisfaction, and loyalty, only seven statements were rejected in which a null hypothesis was rejected, and

an alternative hypothesis was accepted.

For public banks: - Based on the table above, we can explain that out of 59 terms presented to measure the perception of CRM practices, overall satisfaction, and loyalty, only ten statements were rejected, and a null hypothesis was accepted.

Interpretation - Education

For private banks: - Based on the table above, we can explain that out of 59 terms presented to measure the perception of CRM practices, overall satisfaction, and loyalty, only seven statements were rejected in which a null hypothesis was rejected, and an alternative hypothesis was accepted.

For public banks: - Based on the table above, we can explain that, out of 59 terms presented to measure the perception of CRM practices, overall satisfaction, and loyalty, only 19 statements were rejected in which a null hypothesis was rejected, and an alternative hypothesis was accepted.

Interpretation - Occupation

For private banks: - Based on the table above, we can explain that out of 59 terms presented to measure the perception of CRM practices, overall satisfaction, and loyalty, only ten statements were rejected, and a null hypothesis was accepted.

For public banks: - Based on the table above, we can explain that out of 59 terms presented to measure the perception of CRM practices, overall satisfaction,

and loyalty, only ten statements were rejected, and a null hypothesis was accepted.

Structure Equation Modeling

The study proposed the Structural Equation Model (SEM) to describe the relationship between overall customer satisfaction and CRM practices and to define the perception of services provided by the bank by their customers.

The appropriateness of the model was assessed using the Fit Fit Index (GFI), Incremental Fit Index (IFI), Standard Fit Index (NFI), Comparative Fit Index (CFI), and RMSEA. All the above criteria meet the recommended level (GFI = 0.938, IFI = 0.958, NFI = 0.957, CFI = 0.958, RMSEA = 0.220) to fit reasonably well.

Chi-square was used to test the proposed relationship. In addition to the kai-square test and associated p-values, the comparative t-phi index (CFI), the normed t-phi index (non-food), the non-normed t-phi index (NNFI), and the root mean square residue (RMR), model fit tests are used.

Model Fit Index- Private Banks

Chi-square	240.354	
RMR	0.028	RMR near to zero indicate a perfect fit. The smaller the RMR is the better.
RMSEA	0.220	Good models have small RMSEA.
GFI	0.938	Values of 0.90 or greater indicate well-fitting models.
NFI	0.957	Values greater than 0.90 indicating a good fit.
CFI	0.958	Values greater than 0.90 indicating a good fit.
IFI	0.958	Values greater than 0.90 indicating a good fit.
TLI	0.722	Values greater than 0.90 indicating a good fit.

SEM Parameter Estimations- Private Banks

Result (Default model)

Minimum was achieved
Chi-square = 240.354
Degree of freedom = 10
Probability level = 000

Group number 1 (Group number 1 - Default model)
Estimates (Group number 1 - Default model)
Scalar Estimates (Group number 1 - Default model)
Maximum Likelihood Estimates
Regression Weights: (Group number 1 - Default model)

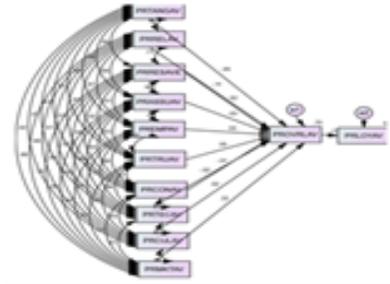
			Estimate	P	Result	Supported
PROVRLAV	<---	PRTANGAV	-.051	.321	Insignificant	No
PROVRLAV	<---	PRRELAV	-.110	.050	Significant	Yes
PROVRLAV	<---	PRRESAVE	.587	***	Significant	Yes
PROVRLAV	<---	PRASSUAV	.032	.411	Insignificant	No
PROVRLAV	<---	PREMPAV	.032	.441	Insignificant	No
PROVRLAV	<---	PRTRUAV	.047	.235	Insignificant	No

PROVRLAV	<---	PRCONAV	-.008	.834	Insignificant	No
PROVRLAV	<---	PRTECAV	-.019	.615	Insignificant	No
PROVRLAV	<---	PRCULAV	.015	.758	Insignificant	No
PROVRLAV	<---	PRMKTAV	.391	***	Significant	Yes
PRLOYAV	<---	PROVRLAV	.757	***	Significant	Yes

In this study, “reliability,” “response elements,” and “marketing mix elements” were found to be the most important and most important estimate of overall customer satisfaction. Customer satisfaction, in general, has a significant impact on loyalty to private banks.

As an example, the concrete path factor for overall customer satisfaction is -0.051. This value indicates that for each single unit increase in CRM practices, its effects will contribute to a -0.051 unit increase in customer satisfaction. Most importantly, the effects of QoS on customer satisfaction are not

significant ($p < 0.001$). Thus, the hypothesis that the quality of service has significant and positive effects on customer satisfaction is not supported.



Model fit index- Public Banks

Chi-square	375.527	
RMR	0.046	RMR near to zero indicate a perfect fit. The smaller the RMR is the better.
RMSEA	0.277	Good models have small RMSEA.
GFI	0.917	Values of 0.90 or greater indicate well-fitting models.
NFI	0.917	Values greater than 0.90 indicating a good fit.
CFI	0.918	Values greater than 0.90 indicating a good fit.
IFI	0.919	Values greater than 0.90 indicating a good fit.
TLI	0.456	Values greater than 0.90 indicating a good fit.

The appropriateness of the model was assessed using the Fit-Fit Index (GFI), Incremental Fit Index (IFI), Standard Fit Index (NFI), Comparative Fit Index (CFI), and Root Medium Error (RMSEA).

All the above criteria meet the recommended level (GFI = 0.917, IFI = 0.919, NFI = 0.917, CFI = 0.918, RMSEA = 0.277) to fit reasonably well.

SEM parameter estimates - Public banks

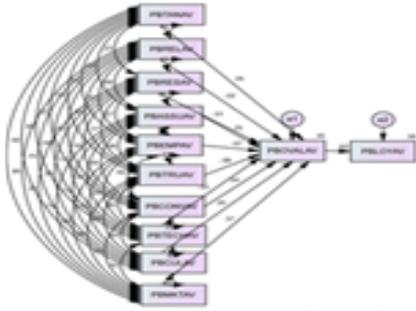
Result (Default model)

Minimum was achieved
Chi-square = 240.354
Degrees of freedom = 10
Probability level = 000

Group number 1 (Group number 1 - Default model)
Estimates (Group number 1 - Default model)
Scalar Estimates (Group number 1 - Default model)
Maximum Likelihood Estimates
Regression Weights: (Group number 1 - Default model)

			Estimate	P	Result	Supported
PBOVALAV	<---	PBTANAV	.056	.232	Insignificant	No
PBOVALAV	<---	PBRELAV	-.016	.822	Insignificant	No
PBOVALAV	<---	PBRESAV	-.010	.859	Insignificant	No
PBOVALAV	<---	PBASSUAV	.268	***	Significant	Yes
PBOVALAV	<---	PBEMPAV	.069	.275	Insignificant	No

PBOVALAV	<---	PBTRUAV	-.072	.179	Insignificant	No
PBOVALAV	<---	PBCONVAV	.044	.454	Insignificant	No
PBOVALAV	<---	PBTECHAV	-.008	.880	Insignificant	No
PBOVALAV	<---	PBCULAV	.057	.415	Insignificant	No
PBOVALAV	<---	PBMKTAV	.398	***	Significant	Yes
PBLOYAV	<---	PBOVALAV	.576	***	Significant	Yes



In the present study, “Assurance,” and “Marketing mix elements” were found to be the most important and significant estimator of overall customer satisfaction. And overall, customer satisfaction is also having a significant impact on loyalty for public sector banks.

Conclusion

The study examines the perception of CRM in Indian banks. Try with the researcher to establish a relationship between customer satisfaction and effective management of customer relationships. The researcher concludes that for some factors, there is an important relationship between CRM and overall customer satisfaction, and an increase in the customer base. Therefore, bank management encourages the implementation of CRM programs so that they can take advantage of the current competitive business environment. Bank managers must ensure that banks protect customers’ interests, or provide guarantees against the impression that customers are interested in business, not customers. This can lead to a negative image of the customer, which may eventually lead to customers thinking about changing their bank. Bank managers should be completely transparent concerning bank fees to avoid negative verbal expression, which has proven to be a factor in changing banks. Customer relationship management contributes significantly to the profitability of banks. Thus, Indian banks must

design a potential customer relationship strategy that can identify the most profitable customers to enable tailoring services according to their needs. They must also design a way to transfer low balance, that is, unprofitable customers, to be profitable. The Bank’s management should always support any customer relationship strategy aimed at improving the performance of banks. Customer satisfaction depends on the happiness of the staff. Therefore, management should always support employees because they represent banks before the customer. They must also be trained and retrained to meet the current CRM.

References

- Abdou, H. et al. “An Evaluation of Customer Perceptions on CRM within the UK Retail Banking.” *Journal of Money, Investment and Banking*, vol. 26, 2012, pp. 74-86.
- Aldlaigan, A. and Francis Buttle. “Beyond Satisfaction: Customer Attachment to Retail Banks.” *International Journal of Bank Marketing*, vol. 23, no. 4, 2005, pp. 349-359.
- Anabila, P. et al. “Relationship Marketing Practices and Customer Loyalty: Evidence from the Banking Industry in Ghana.” *European Journal of Business and Management*, vol. 4, no. 13, 2012, pp. 51-61.
- Blery, E. and M. Michalakopoulos. “Customer Relationship Management: A Case Study of a Greek Bank.” *Journal of Financial Services Marketing*, vol. 11, 2006, pp. 116-124.
- Bravo, R. et al. “Effects of Customer Perceptions in Multichannel Retail Banking.” *International Journal of Bank Marketing*, vol. 37, no. 5, 2019, pp. 1253-1274.
- Chen, C. *Conceptualizing Customer Relationship Management and Its Impact on Customer Lifetime Value in the Taiwanese Banking Sector*, De Montfort University, 2012.

- Choudhury, K. "Service Quality: Insights from the Indian Banking Scenario." *Australasian Marketing Journal*, vol. 16, no. 1, 2008, pp. 48-61.
- Cintamür, G. and Yüksel, C.A. "Measuring Customer based Corporate Reputation in Banking Industry: Developing and Validating an Alternative Scale." *International Journal of Bank Marketing*, vol. 36, no. 7, 2018.
- Clemes, M.D. et al. "Customer Switching behaviour in the Chinese Retail Banking Industry." *International Journal of Bank Marketing*, vol. 28, no. 7, 2010, pp. 519-546.
- Dewan, M. and Sadhana Mahajan. "A Study of the Perceived Service Quality and its Dimensions in Private Sector Banks." *IOSR Journal of Business and Management*, vol. 16, no. 2, 2014, pp. 44-51.
- Garg, R. et al. "Measuring Customer Experience in Banks: Scale Development and Validation." *Journal of Modelling in Management*, vol. 9, no. 1, 2014, pp. 87-117.
- Gharibpoor, M. et al. "Developing a Measurement Model for Evaluating CRM Effectiveness (In service-based industries)." *Journal of American Science*, vol. 8, no. 7, 2012, pp. 270-276.
- Gupta, A. and Dev, S. "Client Satisfaction in Indian Banks: An Empirical Study." *Management Research Review*, vol. 35, no. 7, 2012, pp. 617-636.
- Izogo, E.E. et al. "Determinants of Relationship Quality and Customer Loyalty in Retail Banking: Evidence From Nigeria." *African Journal of Economic and Management Studies*, vol. 8, no. 2, 2017, pp. 186-204.
- Jaganathan, A. et al. "Measuring the Service Quality of Private Sector Banks In Tirupur - Application of SERVQUAL Model." *International Journal of Research in Management & Technology*, vol. 3, no. 4, 2013, pp. 136-140.
- Kaura, V. et al. "Service Quality, Service Convenience, Price and Fairness, Customer Loyalty, and the Mediating Role of Customer Satisfaction." *International Journal of Bank Marketing*, vol. 33, no. 4, 2015, pp. 404-422.
- Khan, A.G. et al. "Understanding the Service Quality and Customer Satisfaction of Mobile Banking in Bangladesh: Using a Structural Equation Model." *Global Business Review*, 2018.
- Krishnamoorthy, V. et al. "Relationships Between Bank Service Quality and Customer Satisfaction." *International Journal of Marketing & Financial Management*, vol. 4, no. 6, 2016, pp. 11-22.
- Kumar, M. et al. "Determining the Relative Importance of Critical Factors in Delivering Service Quality of Banks: An Application of Dominance Analysis in SERVQUAL Model." *Managing Service Quality: An International Journal*, vol. 19, no. 2, 2009, pp. 211-228.
- Kumbhar, V.M. "Factors Affecting the Customer Satisfaction in E-Banking: Some Evidences form Indian Banks." *Management Research and Practice*, vol. 3, no. 4, 2011, pp. 1-14.
- Kyei, D.A. and Bedman Narteh. "Relationship Marketing Practices and Customer Satisfaction in the Ghanaian Banking Sector." *European Journal of Business and Management*, vol. 8, no. 16, 2016, pp. 74-88.
- Milan, G.S. et al. "Determinants of Customer Loyalty: A Study with Customers of a Brazilian Bank." *Benchmarking: An International Journal*, vol. 25, no. 9, 2017, pp. 3935-3950.
- Minh, N.V. and Huu, N.H. "The Relationship between Service Quality, Customer Satisfaction and customer Loyalty: An Investigation in Vietnamese Retail Banking Sector." *Journal of competitiveness*, vol. 8, no. 2, 2016, pp. 103-116.
- Paul, J. et al. "Impact of Service Quality on Customer Satisfaction in Private Sector Banks." *International Journal of Bank Marketing*, vol. 34, no. 5, 2016, pp. 606-622.
- Rabbani, M.R. et al. "Service Quality, Customer Satisfaction and Customer Loyalty: An Empirical Study on Banks in India." *VFAST Transactions on Education and Social Sciences*, vol. 11, no. 2, 2016, pp. 1-9.
- Rajalakshmi, M. "Study on Customer Service Quality of Commercial Banks in Chennai City." *Innovative Management Practices*, vol. 1, no. 1, 2016.

- Ramdhani, M.A. et al. "The Influence of Service Quality toward Customer Satisfaction of Islamic Sharia Bank." *Australian Journal of Basic and Applied Sciences*, vol. 5, no. 9, 2011, pp. 1099-1104.
- Sayani, Hameedah. "Customer Satisfaction and Loyalty in the United Arab Emirates Banking Industry." *International Journal of Bank Marketing*, vol. 33, no. 3, 2015, pp. 351-375.
- Siddiqi, K.O. "Interrelations between Service Quality Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh." *International Journal of Business and Management*, vol. 6, no. 3, 2011, pp. 12-36.
- Singh, F. and Kaur, D. "Customer Perception of Banking Services - A Comparative Study of Rural and Urban Branches." *Asia-Pacific Business Review*, vol. 7, no. 2, 2011, pp. 37-47.
- Singh, K. and Gupta, N. "Customer's Perception and Satisfaction towards Services of Public & Private Sector Banks." *International Journal of Management*, vol. 7, no. 6, 2016, pp. 77-88.

Author Details

Shaileshkumar Jausukhbhai Limbad, Assistant Professor, Department of Management, Shree JDG Commerce College and SAS Collage of Management, Surat, Gujarat, India. **Email ID:** shailesh.limbad1987@gmail.com.

Vinod Patel, Professor, Department of Business and Industrial Management, Veer Narmad South Gujarat University, Surat, Gujarat, India.