RELQUAL: A TOOL TO MEASURE CUSTOMER RELATIONSHIP QUALITY IN BANKS

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Abstract

Relationships are the essence of life. It is difficult to think about any society or organization to survive without relationships. Organizations are realizing the importance of the vital role played by relationships in achieving and maintaining the cutting edge at the market place. The present study focuses to develop a simple tool to measure customer relationship quality in Banks especially Public, Private and New private Sector banks. The study infers that even though the Public Sector banks are doing more business, it is comparatively week in customer Relationship management, they are lacking behind the other two groups of banks.

Key Words: Relationship Quality, Banking Services, Relqual

Introduction

Researchers studying services were among the first to embrace the concept of relationship marketing. The study of services marketing seeks to explain and understand service management and service-marketing relationships across various service categories (e.g. Callaghan et al., 1995; Patterson and Cicic, 1995), while paying particular attention to the relationship between the individual consumers and the employees of services companies (Moller and Halimen, 2000). Services researchers argue that a consumer's satisfaction with a particular service is primarily an outcome of the interactive relationship between the service provider and the consumer (Berry and Parasuraman, 1993) In fact, the findings of several studies on services marketing have suggested that in order to acquire and maintain a competitive edge, service organizations should develop long-term relationships with their customers (Gronroos, 1991 and Gummesson, 1987)

Relationship Quality

Relationship refers to relationships developed with so many stake holders of the banks. Relationship quality reflects the intensity of information sharing, communication quality, long term orientation and satisfaction with the relationship between all stake

holders in banks. The RELQUAL scales have been used to measure the relationship quality in banks. Measuring the Relationship Quality is a foundation for better customer service and satisfaction.

Objective of the Study

The present study is confined to the following objectives:
i)   To exhibit the profile of the employees in banking
ii)   To examine the Quality of Customer Relationship among banks.
iii)   To summate the findings and offer suitable suggestions.

Methodology

The banks are classified into public sector banks, private sector banks and new private sector banks. Initially, 10 each banks from three sectors in Madurai have been selected for the study purposively. From each bank, 5 employees are selected purposively for the study. In total the proposed sample size come to 150 employees. The pre structured questionnaire was mailed to all employees by post. Within a prescribed period of 10 days, the number of employees, who have responded and that will be taken as the sample size of the present study. Since the present study is highly relied on primary data, the data are collected using questionnaire. The content of the questionnaire have been designed on the basis of the objectives of the study.

The Relationship quality in commercial banks is measured with the help of 19 variables from relevant review of literature. The employees are asked to rate the 19 variables at five point scale from greater extent to not at all according to the nature of implementation at their banks. After the pilot study, the necessary additions and modifications were carried out to obtain the final draft of questionnaire. The data are collected through the mailed questionnaire. The collected data are processed with the help of appropriate statistical tools. These are Factor analysis, One way Analysis of Variance and Reliability Test (Cronbach Alpha).

Profile of the Respondents

Present study reveals the CRM in banks as per the view of their customers. The important sex among the customers is male. The dominant occupation among the customer is business. The important levels of education among the staffs are under graduation. The most important monthly income among the employees is Public sector bank is above RS.25000 whereas is Private Sector banks, it is Rs.20001 to 25000. In the case New Private Sector banks, it is RS.15001 to 20000.

Findings and Discussion

The score of the 19 variables have been taken for factor analysis is implemented with the help of KMO measures and Bartlett's best of Sphericity to develop a measurement model called "Relqual". The results are given in Table 1.1.

Table 1.1RELQUAL Factors in Banking

Sl.No.	RELQUAL Factors	Reliability Co-efficients
1.	**Relationship**	0.8011
	i. Maintain long term relationship	
	ii. Willing to sacrifice for customers	
	iii. Open sharing	
2.	iv. Believe in long term relationship	
	v. Relationship with officers and associates	0.7510
	vi. Response of customers regarding CRM	
3.	**Communication Quality**	
	i. Extensive informal communication	
	ii. Established formal communication	0.6004
	iii. Sharing of business strategy	
4.	iv. Performance of CRM	
	v. Association with customers	
	Information Sharing	
	i. Frequent sharing of information	0.5395
	ii. Communication of any new implementation	
	iii. Result of Relationship	
	Satisfaction with the relationship	
	i. Continuous interaction	
	ii. Focus on long term goals	

The important RELQVAL factors narrated by the factor analysis are Relationship, communication quality, information sharing and satisfaction with the relationship among the employees. The variables included in relationship explain this factor to the extent of 80.11 per cent. The highly associating variables in this factor are maintaining long term relationship, willing to sacrifice for customers and Open sharing. The Communication quality consists of five variables with the reliability Coefficient of 0.7334. The high

associating variables in this factor are extensive informal communication, established formal communication and sharing of business strategy. The highly associating variables in Information sharing are believe in long term relationship, maintain long term relationship and willing to sacrifice for customers. The satisfaction with the relationship factor consists of two variables with the reliability coefficient of 0.5395. The important variables associated with this factor are Continuous interaction focus on long term goals association with customers and result of relationship.

Conclusion:

The present study conclude with the development of a measurement scale called " Relqual". Necessary changes may be carried to adopt this scale to measure the relationship quality perception of customer of service providers. It may be used along with other regular satisfaction instruments.

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