International Multidisciplinary
Research Journal

Golden Research
Thoughts

Chief Editor
Dr.Tukaram Narayan Shinde

A STUDY ABOUT SATISFACTION LEVEL OF CUSTOMER RELATIONSHIP MANAGEMENT IN CHENNAI CENTRAL CO-OPERATIVE BANK

N. Rajendhiran[1] and M. Maruthamuthu[2]

[1]Dean of Arts and Professor-cum-Director, Periyar Institute of Management Studies Periyar University, Salem.
[2]Ph.D. Research Scholar, Periyar Institute of Management Studies Periyar University, Salem.

Abstract:-The thought of CRM is that it facilitates businesses utilize technology and human resources expand near into the deeds of customers and the value of those customers. At Present, Co-operative banking sector in Tamilnadu, India has incorporated various features related to CRM into their banking operations. For this reason, the researcher took an effort is made to notice out the effects of the customer relationship management maintaining successfully or not between the customer's and their satisfaction in high level or low level offering by Chennai Central Co-operative bank. With the investigation data consist of 200 customers maintaining their account in the bank, the regression results indicated that the customer satisfaction significantly depends on all the components of CRM (Communication, Responsiveness, Technology and Appearance, Service Quality and Customer Information System) and customer satisfaction. Also, the chi-square test recommended that the CRM is found to be homogenous across different levels of socio-economic values considered in the bank and corresponding implications were discussed.

Keywords: Customer Relationship Management, Satisfaction, Communication, Responsiveness, Technology & Appearance, Service Quality, Customer Information System, Socio-Economic Values

ABBREVIATIONS:

CRM – Customer Relationship Management
CIS – Customer Information System

1. INTRODUCTION OF THE STUDY

The Indian banking sector is offering various services to strengthen the economy. Touching on the potential importance of customer's relationship management helps to keep customers and building right relationship with them to render satisfaction. The relationship between CRM and customer's satisfaction has shown its role and importance in service marketing. The concepts of CRM and service satisfaction have been highly regarded and utilized in marketing texts and natural actions, during previous decades. Marketing researchers have praised the advantages of satisfaction and CRM, and have observed them as indices of an organization competitive benefit. On the other hand, service quality is one of the most significant social organizations in service marketing, due to its final effect on customers' repeated purchases, and in fact, those loyal customers who purchase repeatedly are considered as the foundation of any commercial bank.

Managing customer's relationships and customer satisfaction have effectively been a major challenge for service sector of all characters and sizes. Service sectors are designing customer centric strategies and processes to understand the life value of customers. Changing focus from transactional exchange to relational exchange allows them to establish relationships for mutual profits. Changing customer preferences and expectations, along with the rising sophistication of competitive strategies, are making it hard to keep the competitive advantage.

Most empirical banking systems have some level of inefficiency in their business operations and execution,

N. Rajendhiran[1] and M. Maruthamuthu[2] , "A STUDY ABOUT SATISFACTION LEVEL OF CUSTOMER RELATIONSHIP MANAGEMENT IN CHENNAI CENTRAL CO-OPERATIVE BANK", Golden Research Thoughts | Volume 4 | Issue 7 | Jan 2015 | Online & Print

1

especially with respect to managing the quality of banks-customers relationships and service merchandising. The overhaul is really complex and customized in the transaction process; the external environment is more active rather than static; and the banking is uncertain when banks are unsure as to what the service customers want. The concept of CRM is often specified as the banking interaction relationship between banks and customers.

Service providers must avoid being complacent since retained customers may not forever be the satisfied ones and similarly not all satisfied customers may always be kept. This is because technology & appearance, service quality, communication, responsiveness and customer information system have been found to relate to behavioral issues, particularly in the form of word-of-mouth, complaint, recommendation and changing.

Through a quality service and satisfaction, the banks aspire to produce a mutually beneficial relationship with the customer's; the ultimate goal is for each party to get a positive benefit. The embracing of customer satisfaction may be carried out in several ways, but all of them are produced to retain customers, to generate long term relationships, and to increase the number of customer interactions in order to increase earnings. The significance of this is that a customer's change of aid would have an impingement in the long term revenue of the banks.

Customer's satisfaction is considered to be a central element in order to achieve banking sectors success and sustainability over time. At the customer level of view, trust, commitment, mutuality and long- term relationship with customer which are very essential components to satisfy their customer's demands and desires. In addition trust provides the basis for satisfaction, relationship enhancement, and yet is mediated by customer perceived value of the relationship.

1.1 Profile of the Study Area

Chennai is the capital city of T.N, besides being an important territory. The district city is one of the metropolitan urban centers of India and assists as the gateway of the cultivation of South India. The urban center was built in the 17th century by the British, who modernized it into a major urban center and naval base.

It is the Chennai Central Cooperative Bank, with its long sighted vision, mooted the concept of "Banking at Doorsteps" by launching its Mobile Branch in the year 1979. The mobile Branch visited the areas in the City, where banking facilities were not available and provided Banking services to the public in that area. Now the Bank has 66 Branches, one mobile unit and its Head Office located at Prakasam Salai (Broadway).

2. STATEMENT OF THE PROBLEM

Co-operative Banking sector has developed into an indispensible area of study in the present scenario. Banks are focusing solely on getting new customers. They infrequently comprehend the consequence and profitability of providing satisfaction and keeping customers. For long time, co-operative banks have been guilty of five interpersonal sins, that have caused tremendous irritation for customers: inability to cross sell, long waiting lines, poor service attitude, lack of data and lack of humility, that prevent them from keeping good customer's relationship. Co-operative banks have to come out with innovative measures to meet the demands of the present and the potential customers at the same time adopt procedures to win bank the lost customers. This enables to define the customer satisfaction whether implementation of CRM processes at different stages is associated with superior performance outcome and relationship building among bank and customers. The final results of the potency of the CRM practices based on the performance areas that ultimately impress the process are the focus of the work.

3. OBJECTIVES

1.To identify the variations in satisfaction level of CRM adoption with reference to the socio-economic values of the customers of Chennai Central Co-operative bank.
2.To distinguish the influence of CRM components adoption in the customer satisfaction among the customers of Chennai Central Co-operative bank.

4. HYPOTHESES

1.Satisfaction level of CRM does vary with based on socio-economic values of the employees such as Age, Educational Qualification, Annual Income and Experience.
2.Customer Satisfaction does depend on CRM (Communication, Responsiveness, Technology & Appearance, Service Quality and CIS) among employees.

5. REVIEW OF LITERATURE

Matzler, et. Al., (2006) developed the reliable and measurement scale for these facets of CRM because limited investigation had done this previously. The finding demonstrated that the CRM scale had a high level of

reliability and robustness. CRM is a decisive sensational factor for business performance circuitously and as considerably as for financial performance where it enhances the business turnover. The customer discernments straightforwardly influencing the customer's satisfaction of services provided by the banks. The customer's satisfaction will generate customer loyalty and will augment organization's profit.

Lu and Shang (2007) investigated the CRM observations in freight forwarder services from managerial perceptions. They had come out with the six dimensions of CRM namely customer acquisition, customer's response, customer's knowledge, customer information system, customer value evaluation, and customer information process. The study originated that customer response dimension was the for the most part, imperative dimension evaluated by others as this dimension are associated with the communication with customers, customer's troubles and criticisms, and the manner of services is endowed with the customers. This study also provides a novel skeleton for classifying the CRM components pedestal on firm's service features.

6.1. RESEARCH METHODOLOGY

Research Design	Descriptive Research
Sample Design:	
Sampling Frame	Customers who have account in Chennai Central Co-operative Bank.
Sampling Unit	Customers from different age groups, gender, locations, income levels, business and educational backgrounds in Chennai region.
Sampling Size	200 Customers
Sampling Method	**Convenience sampling was employed**
Data Collection Methods:	
Primary Data	**Survey Method** (The complete schedule is standardized and formalized)
Secondary data	Data were gathered from respondents and journals and from previous work related to the banking sector.
Type Of Schedule	**Socio-Economic Values** questions are Structured **Questionnaire** with suitable scaling. **CRM** and **Customer satisfaction** questions are Structured **Questionnaire** with 5-point Likert scaling.

6.2 SURVEY INSTRUMENT VALIDITY

S. No.	CRM Components	No. of Items	Cronbach's Alpha
1	Communication	3	0.880
2	Responsiveness	3	0.857
3	Technology & Appearance	3	0.868
4	Service Quality	3	0.824
5	Customer Information System	3	0.848
Overall CRONBACH'S ALPHA ( ) Values			
S. No.	Factors	No. of Items	Cronbach's Alpha
1	Customer Relationship Management	15	0.855
2	Customer Satisfaction	5	0.860

The assessment tools were accordingly validated with appropriate reliability analysis embracing the calculated value of Cronbach's alpha as illustrate in the above table, where it can be eminently that the alpha value for all the components taken up in the survey instrument is originate to be beyond the recommended value of 0.70 (Nunnally, 1967).

7. ANALYSIS AND DISCUSSION

7.1 Age and Level of Satisfaction with CRM

Table 1: Results of Chi-Square analysis and Cross tabulation for the test of hypothesis-1

Age	Satisfaction level of CRM						Total	
	Low		Medium		High			
Below 25 years	4	2%	11	5.5%	17	8.5%	32	16%
26-35 years	3	1.5%	16	8%	27	13.5%	46	23%
36-45 years	1	0.5%	20	10%	24	12%	45	22.5%
46-55 years	1	0.5%	24	12%	27	13.5%	52	26%
Above 55 years	2	1%	9	4.5%	14	7%	25	12.5%
Total	11	5.5%	80	40%	109	54.5%	200	100%
Result of Chi-Square Test								
	'F' Value		df		Asymp. Sig. (2-sided)			
Pearson Chi-Square	**29.914***		8		**Significant at 1 Percent level**			
N of Valid Cases	200							

* Significant at the 1 percent level; Source: Computed from the primary data.

The kind of association that exist between the customers age groups and their satisfaction level of CRM in the bank service was defined in the hypothesis–1 taken up and its results are shown in table–1 as an outcome of Chi-Square analysis and corresponding cross tabulation. From the results shown, it can be inferred that the Chi-square value of 29.914 with 8 degrees of freedom has been found to be highly significant at the 1 percent level. Hence, the hypothesis–1 is accepted and hence, significant levels of association could be established between customer's age groups and their satisfaction level of CRM. Also, the corresponding cross tabulation established between the different levels of customers Age groups and their different satisfaction levels of CRM is shown along with the table–1, where a highly significant pattern of association can be identified in the age group of customers who are between 25-55 years with medium and high level satisfaction with CRM in the bank. More specifically, 58 percent of customers highlighted with shaded pattern (16+20+24+27+24+27) in the cells of the table–1 are categorized as the customers with medium and high levels of satisfaction in CRM. These results strongly suggest that the Age groups are associated with high level of satisfaction about CRM.

7.2 Educational Qualification and Level of Satisfaction with CRM

Table 2: Results of Chi-Square analysis and Cross tabulation for the test of hypothesis-1

Educational Qualification	Satisfaction level of CRM						Total	
	Low		Medium		High			
School Level	4	2%	17	8.5%	25	12.5%	46	23%
Graduation	1	0.5%	11	5.5%	17	8.5%	29	14.5%
Post Graduation	2	1%	10	5%	12	6%	24	12%
Diploma	1	0.5%	24	12%	23	11.5%	48	24%
ITI	3	1.5%	18	9%	32	16%	53	26.5%
Total	11	5.5%	80	40%	109	54.5%	200	100%
Results of Chi-Square Tests								
	'F' Value		Df	Asymp. Sig. (2-sided)				
Pearson Chi-Square	**22.250***		8	**Significant at 1 Percent level**				
N of Valid Cases	200							

* Significant at the 1 percent level; Source: Computed from the primary data.

The kind of association that survive between the customers educational qualification and their satisfaction level of CRM in the bank was determined in the hypothesis–1 taken up and its outcomes are revealed in table–2 as an outcome of Chi-Square analysis and corresponding cross tabulation. From the outcomes recorded, it can be subject that the Chi-square value of 22.250 with 8 degrees of freedom has been found to be significant at the 1 percent level. Hence, the hypothesis–1 is accepted and hence, significant levels of association could be recognized between customer's educational qualification and the level of satisfaction in CRM. Also, the corresponding cross tabulation established between different educational qualification of the customers and their different levels of satisfaction in CRM is shown along with the table–2, where a highly significant pattern of association can be recognized in the educational qualification of customers who are below under graduation with medium and high level of satisfaction with CRM in the bank. More distinctively 70 percent of customers highlighted with shaded sample (17+24+18+25+23+32) in the cells of the table–2 are classified as the customers with medium and high levels of satisfaction with CRM who are below under graduation. These results strongly suggest that the educational qualification is associated with the level of satisfaction about CRM.

7.3 Experience (Account) and Level of Satisfaction with CRM

Table 3: Results of Chi-Square analysis and Cross tabulation for the test of hypothesis-1

Experience (Maintain Account)	Satisfaction level of CRM						Total	
	Low		Medium		High			
Below 1 Year	1	0.5%	16	8%	38	19%	55	27.5%
1 – 3 Years	2	1%	21	10.5%	24	12%	47	23.5%
3 – 6 Years	5	2.5%	14	7%	19	9.5%	38	19%
6 – 10 Years	2	1%	11	5.5%	12	6%	25	12.5%
Above 10 Years	1	0.5%	18	9%	16	8%	35	17.5%
Total	11	5.5%	80	40%	109	54.5%	200	100%
Result of Chi-Square Test								
	'F' Value		Df	Asymp. Sig. (2-sided)				
Pearson Chi-Square	29.897*		8	**Significant at 1 Percent level**				
N of Valid Cases	200							

* Significant at the 1 percent level; Source: Computed from the primary data.

The breed of association that subsist between the customers banking experience and their satisfaction level of CRM in the bank was definite in the hypothesis–1 taken up and its results are shown in table–3 as an effect of Chi-Square analysis and parallel cross tabulation. From the results revealed, it can be contingent that the Chi-square value of 29.897 with 8 degrees of freedom has been originated to be nonsignificant at the 1 percent level. Hence, the hypothesis–1 is accepted and hence, significant levels of association could be conventional between customer banking experience and the level of satisfaction in CRM. Also, the resultant cross tabulation reputable flanked by the different levels of customers banking experience and their different levels of satisfaction in CRM is shown along with the table–3, where a highly significant outline of association can be acknowledged in the banking experience of customers who are below 3 years and above 10 years with medium and high level satisfaction with CRM in the bank. More exclusively 67 percent of employees highlighted with shaded pattern (8+10.5+9+19+12+8) in the cells of the table–3 are set out at the customers with medium and high levels of satisfaction with CRM. These results strongly recommend that the banking experience is associated with the level of satisfaction about CRM.

7.4 Annual Income and Level of Satisfaction with CRM

Table 4: Results of Chi-Square analysis and Cross tabulation for the test of hypothesis-1

Annual Income	Satisfaction level of CRM						Total	
	Low		Medium		High			
Below 100000	2	1%	25	12.5%	40	20%	67	33.5%
100001-150000	4	2%	30	15%	27	13.5%	61	30.5%
150001-200000	2	1%	16	8%	22	11%	40	20%
200001-250000	1	0.5%	8	4%	8	4%	17	8.5%
Above 250000	2	1%	1	0.5%	12	6%	15	7.5%
Total	11	5.5%	80	40%	109	54.5%	200	100%
Result of Chi-Square Test								
	'F' Value		Df		Asymp. Sig. (2-sided)			
Pearson Chi-Square	13.962*		8		Significant at 5 Percent level			
N of Valid Cases	200							

* Significant at the 5 percent level; Source: Computed from the primary data.

The class of association that is present between the customer's annual income levels and their satisfaction level of CRM in the bank was delineated in the hypothesis–1 taken up and its consequences are made known in table–4 as an end result of Chi-Square analysis and analogous cross tabulation. From the results exposed, it can be anecdotal that the Chi-square value of 13.962 with 8 degrees of freedom has been established to be significant at the 5 percent level. Hence, the hypothesis–1 is accepted and hence, significant levels of association could be established between customer's annual income levels and the level of satisfaction in CRM. Also, the consequent cross tabulation time-honored among the different levels of the customer's income levels and their different levels of satisfaction in CRM is exposed beside with the table–4, where a significant pattern of association can be acknowledged in the annual income levels of customers who are below 200000 with medium and high level of satisfaction with CRM in the bank. More expressly 80 percent of employees decorated with a sheltered pattern (25+30+16+40+27+22) in the cells of the table–4 are set out at the customers with medium and high levels of satisfaction about CRM. These results strongly propose that the annual income level is related to the level of satisfaction about CRM.

7.5 Customer Satisfaction Dependencies on Customer Relationship Management

Table 5: Results of the regression for hypothesis – 2

Model	Unstandardized Coefficients		Standardized Coefficients	"t" Value	Sig. Value	Mean	Std. Deviation	Adjusted R Square	F
	B	Std. Error	Beta						
(Constant)	22.958	1.743		13.170	.000	41.7050	6.31644		
Communication	1.217	.224	.306	5.443	.000	4.3400	1.58650	0.380	25.364*
Responsiveness	.518	.157	.186	3.303	.001	4.6100	2.27017		
Technology & Appearance	.832	.131	.355	6.340	.000	6.2050	2.69430		
Service Quality	1.119	.213	.295	5.240	.000	3.3400	1.66380		
CIS	.328	.094	.196	3.502	.001	6.6350	3.78064		

a. Predictors: (Constant), Communication, Responsiveness, Technology & Appearance, Service Quality, Customer Information System
b. Dependent Variable: Customer Satisfaction; *significant at the 1 percent level; Source: Computed from the primary data

Inference

The CRM components such as communication, responsiveness, technology & acceptance, service quality and customer information system for customer satisfaction among customers is defined in the hypothesis–2 taken up and its outcomes are revealed in table–5 as an effect of regression model conceptualized. From the consequences, it can be contingent that the 'F' value of 25.364 is originated to be significant at the 1 percent level and hence, the hypothesis–2 is accepted. These results recommend that the customer satisfaction depends on the CRM components influencing levels of the customers. Further, the adjusted R square value of 0.380 from the table–5 signifies that 38 percent of the customer satisfaction among the customers significantly depends on the obtainable CRM components influencing levels along with them. Also, the "t" values of 5.443, 3.303, 6.340, 5.240 and 3.502 subsequent to the entire components of CRM such as communication, responsiveness, technology & acceptance, service quality and customer information system are established to be having significant influence on the model regard. More deliberately the influence CRM between the customer satisfaction is originated to be having significant highly influence by the technology & appearance with utmost t–value of 6.340. Similarly, other components also influencing amongst the customers causes highly significant influences on the customer satisfaction with a next higher t–values.

8.1. FINDINGS

H1: Satisfaction level of CRM adoption among the customers does vary highly significantly on different socio-economic values precise for the customers. Thus, the customer satisfaction is derived to be homogenous with significant deviations on different socio-economic values such as Age Groups, Educational Qualification, Banking Experience and Annual Income of employees. In this regard, the different Age groups of customers measured include below 25, 26-35, 36-45, 46-55 and above 55 years. The different Educational Qualification considered comprises as School level, Diploma, ITI, Under graduated and Post graduated. In similar lines, the different levels of Banking Experience considered encompass below 1 year, 1-3 years, and 3-6 years, 6-10 years and above 10 years. Besides, the different annual income groups considered embraces of below 1lakh, Rs.100001-150000, Rs.150001-200000,

Rs.200001-250000 and Rs.250000 above. Furthermore, the different levels of customer satisfaction consist of the levels such a (a) Low customer satisfaction (b) Medium level customer satisfaction and (c) High level customer satisfaction.

H2: Satisfaction about CRM among the customers has very potent and highly significant dependencies on their satisfaction. The components of CRM such as Communication, Responsiveness, Technology & Appearance and Customer Information System are found to be having highly significant influences on the dependencies conventional involving customer satisfaction and CRM. More specifically technology & appearance among the customers has superior significant influences on the dependencies between customer satisfaction and technology acceptance. The other components of the CRM which are communication, service quality, customer information system and responsiveness are in orderly, established to be having next significant influences on customer's satisfaction.

8.2. IMPLICATIONS & CONCLUDING COMMENTS

Based on the findings through in the present study the following suggestions are pointed out in the requisites of Managerial and hypothetical implications;

(a)Since, the satisfaction levels of the customers depend upon the CRM, the bank must planning to cover aged customers, well educated customers and highly salaried customers, they expect more satisfaction and ensure the subsistence of higher levels of satisfaction. In this regard, the bank must adopt various good CRM plan should identify and rectify the inadequacies towards enhancing the better satisfaction.
(b)The bank adopted technology in their operations should come forth to identify the acceptance levels of the technology adopted or intended to be taken. This will enhance the schematic and seamless conversion of the technology into their satisfaction. In this respect, the various banks that have been implementing various new technologies should identify the existing levels of adoption of the technology incorporated and set up the inadequacies causing shortcomings in the satisfaction levels of cutting inconvenienced.
(c)The bank that has succeeded in successful adoption of new CRM in their service process can appraise the insufficiency in the customer satisfaction in addition to their assessment to reduce difficulties in the customer satisfaction. Meanwhile, shortcomings in the satisfaction about CRM are accredited in terms of invented usefulness and simplicity of use, the shortcomings in the intention implement the CRM among the customers should be notorious in terms of deficiency of adequate customer satisfaction.
(d)The bank must have concentrated in adopting new technology in the e-CRM can improvise existing satisfaction in terms of supporting seamless upgrading of the current movement in the service procedure. In this respect, it becomes exceedingly significant for banks to successfully plan and implement for long-time relationship with customers that would shape the foundation for future successful operations.

REFERENCES

1.Berndt A, Du Plessis L, Klopper HB, Lubbe I, Roberts-Lombard M (2009). Starting out in marketing. Roodepoort: Future Vision Business Consultants.
2.Lu, C.S. & Shang, K.C. (2007). An Evaluation of Customer Relationship Management in Freight Forwarder Services. Proceedings of the 13th Asia Pacific Management Conference, Melbourne, Australia. Available at: http://www.proquest.com.
3.Matzler, K., Wurtele, A., & Renzl, B. (2006). Dimensions of price satisfaction: A study in the retail banking industry. International Journal of Bank Marketing, 24(4), 216-231.
4.Nunnally, J.C (1978). "Psychometric Theory" New York McGraw Hill. 2nd ed.
5.Parvatiyar, A. & Sheth, J. N. (2001). Conceptual Framework of Customer Relationship Management," in CRM-Emerging Concepts, Tools and Applications, Jagdish N. Sheth, Atul Parvatiyar, and G. Shainesh, eds. New Delhi, India: Tata/McGraw-Hill, 3–25.
6.Tse, D. K. & Wilton, P. C. (1988). Models of Consumer Satisfaction Formation: An Extension. Journal of Marketing Research, 25, 204-212.

M. Maruthamuthu
Ph.D. Research Scholar, Periyar Institute of Management Studies Periyar University, Salem.

Publish Research Article
International Level Multidisciplinary Research Journal
For All Subjects

Dear Sir/Mam,

We invite unpublished Research Paper,Summary of Research Project,Theses,Books and Book Review for publication,you will be pleased to know that our journals are

Associated and Indexed,India

* International Scientific Journal Consortium
* OPEN J-GATE

Associated and Indexed,USA

- EBSCO
- Index Copernicus
- Publication Index
- Academic Journal Database
- Contemporary Research Index
- Academic Paper Databse
- Digital Journals Database
- Current Index to Scholarly Journals
- Elite Scientific Journal Archive
- Directory Of Academic Resources
- Scholar Journal Index
- Recent Science Index
- Scientific Resources Database
- Directory Of Research Journal Indexing