



## EFFECT OF BONDING, TRUST, COMMITMENT, COMMUNICATION, SATISFACTION ON RELATIONSHIP VALUE IN THE BANKS

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### Abstract

The aim this paper is to identified the most influencing factor on relationship marketing in public banking sector. Systematic random sampling technique is adopted for this study. 468 sample respondents are selected based on the simple random sampling techniques. Among the 468 responses, the elimination cases with missing data resulted in 415 completed schedules. The sample 415 is considered this research. Descriptive statistics and regression analysis are used for this study. The result shows that bonding, trust, commitment, communication, customer satisfaction are significantly influenced on relationship value. However, bonding is the most predictor of relationship value among the customers towards the bank.

### Introduction

Recently, value concepts have entered the discussion about sources for competitive advantage. In general, value can be regarded as the trade-off of the salient give and get components relating to products, services or relationships Zeithaml, 1988,. Marketing researchers have discussed customer value as a new perspective in the search for excellence in business (Parasuraman, 1997; Johnson, Flint, Woodruff and Fisher, 1997; Anderson and Narus 1998). Hence, it is stated that understanding business markets implies applying and understanding the value concept.

### Statement of the problem

Customer satisfaction is an affective or emotional state toward a relationship, typically evaluated cumulatively over the history of the exchange. The satisfaction component of relationship quality is about users' evaluation of the relationship with the service provider. The major source of relationship satisfaction is a history of positive interaction with the service provider. The customer's best assurance of future performance is a continuous history of personalized, error-free interaction (Crosby et al. 1990).

### Need for the study

Public sector banks are facing increasingly more competition, where as foreign and private sector banks are trying to win customer loyalty, commitment and trust by providing them better quality services. Service quality has become a competitive strategy in the Indian banking sector. Hence there is a need for the study about determinants of relationship marketing.

### Research Methodology

The main objective of this study is to identify the most important factor on relationship marketing in public banking sector. Systematic random sampling technique is adopted for this study. Samples of 468 customers are approached for this study then sample respondents are selected based on the purposive sampling techniques. Among the 468 responses, the elimination cases with missing data resulted in 415 completed schedules. All are fit for the further analysis. Hence the sample 415 is considered this research based on the review of literature, the researcher developed the research schedule for collecting the primary data. Relationship value is treated as dependent variable. Bonding, trust, commitment, communication and customer satisfaction are considered as the independent variables. The respondents are asked to rate their opinion in the seven point Likert scale, where 7 stands for strongly agree and 1 stands for strongly disagree. Descriptive statistics is used to describe the sample, to show the numbers and percentage of the items falling in categories and regression analysis is applied to measure the degree of relationship between to variables.

### Analysis and discussion

The relationship value is separate and distinct from product value, because it refers to the relational interaction between customers and suppliers and not to product-related issues. Relationship value is the over-all evaluation of the relationship for the customer.

**Table 1 Opinion towards Relationship value**

Statements	Mean	S.D	C.V
Considering all benefits and sacrifices	5.33	1.29	0.24
Value of all performance	4.73	1.37	0.28
Value of the relationship with this bank is in compression with alternatives	4.56	1.46	0.32
Value of this bank	4.64	1.47	0.31

Source: Primary data computed





perception of how well the whole relationship fulfils the expectation, predictions, goals and desires the customer has concerning the whole relationship (Jarvelin and Lehtinen, 1996). Consequently, it forms the overall impression that a customer has concerning the whole relationship including different transactions. Gummesson (1987) identifies two dimensions of relationship quality in the service interface. Professional relation is grounded on the service provider's demonstration of competence. Further one is based on the efficacy of the service provider's social interaction with the customer. Crosby et al. (1990) studied various aspects of relationship quality and perceived it as a buyer's trust in a salesperson and satisfaction in the relationship. Therefore, high relationship quality means that the customer is able to rely on the service provider's future performance because the level of past performance has been consistently satisfactory.

### Conclusion

It is concluded that the customers are having a higher level of relationship value due to benefits enjoyed by them apart from their sacrifices and also bonding, trust, commitment, communication, satisfaction are significantly influenced on relationship value. However, bonding is the most predictor of relationship value among the customers towards the bank.

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