CUSTOMER RELATIONSHIP MANAGEMENT AND BRAND IMAGE IN BANKS: AN EMPIRICAL STUDY

S. Mahalingam
Assistant Professor, Department of Management Studies, CK College of Engineering & Technology, Cuddalore.

Abstract
Banks have interactions with customers through Omni-channel delivery comprising integrated marketing communication, online campaigns, direct selling, customer care centers, and relationship officers. Customer Relationship Management(CRM) is an Organisational initiative to develop mutually profitable long-term relations to derive maximum life-time value.

In service industries, the goal is especially emphasized since a repeat customer is believed to cost merely a fraction of what needs to be spent in servicing a new customer. Bank customers of private and nationalized banks were surveyed to assess perception about CRM practices, satisfaction, loyalty and brand image.

Keywords: CRM, Brand Image, Banks, Satisfaction, Loyalty.

1. Introduction
CRM is a strategic approach concerned with creating improved shareholder value through the development of appropriaterelationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies andInformation Technology to create profitable, long-term relationships with customers and other key stakeholders. CRMprovides enhanced opportunities to use data and information to both understand customers and co-create value with them.This requires a cross-functional integration of processes, people, operations and marketing capabilities that is enabledthrough information, technology and applications.

The basic factors of success leading to efficient CRM is presented in Table 1.

Table 1: Success Basics for CRM

Top management vision and Support	• Understanding & communicating the vision of the program clearly. • Driving it as a transformation rather than a technology project. • Ensuring adequate resource allocation in term of time and money. • Delivering quick wins to maintain the enthusiasm
Implementation methodology	• Creating a 3-year roadmap to achieve the full potential of the vision. • Creating an internal CRM excellence team. • Ensuring adequate multi-wave iterations for process unification. • Taking quick decision during departmental conflicts. • Understanding that user adoption is driven by value & not technology.
Respecting technology complexities	• Creating reliable integrations because they must be tested day-on-day. • Ensuring right strategies to work with LOB system that are not open. • Understanding scalability requirements is key to decision making. • Understanding the impact of reports and isolating the work load.
Ownership experience	• Training production teams to own such a high impact CRM. • Ensuring user training are part of the HR induction program. • Ensuring adequate user feedback and improvement cycles. • Using strong production change management practices to deliveralways on availability.
Selecting the right Partners	• Understanding that such transformation need practice specialists. • Selecting a partner who can add value to the vision • Listening to the partner especially when the advice is counterintuitive.

Customer Relationship Management can therefore be taken as a comprehensive approach for creating, maintaining andexpanding customer relationship. It provides flawless synchronization between customer service, marketing, informationtechnology and other customer related functions. It also integrates people, process and technology to maximize relationshipswith all the customers. CRM does not aim to build closer relationship with all customers, but rather recommends thatbusinesses take initiative to identify the most valuable customers by looking for their lifetime value. CRM means building aninterdependent relationship with the customer in whom each relies on the other for business solutions and successes.

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2. Need for the Research

Banking sector has always been the focus of society due to its essential role in the finance world and the wellbeing of world'seconomy. Various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc., force many banksto still follow the traditional ways of marketing and only few banks are making attempts to adapt CRM. In banking sector,the role of CRM is very vital in leading the banks towards higher level and volume of profits. So there is a need to study therole of CRM in development and promotion of banking sector.

3. Review of Literature

Kaur et al. (2015) revealed that internet banking consists of diverse activities conducted from residence business, rather thanat a substantial bank location customer relationship management worked as a tool amplified use of e-commerce createscustomer relationship management. This study also found that online banking offers the flexibility, efficiency of work;present the better protection of net banking than net banking augmented. The future of web-based e-banking in expandedareas emerges bright but consumers and merchants in developing countries face in number of obstacles to victorious ebanking,including less dependable telecommunications infrastructure and authority supplies, less access to online paymentmechanisms and moderately high costs for personal computers and internet use. It was suggested that banks should recognizethe requirements of the customer and inform the services of banking effortlessly.

Thirumoorthi & Manjula (2015) revealed that technical solutions organized by banks today are elastic, user-friendly andmeant to assist specific workflow and prerequisites in functioning processes. In order to abridge lives, banks have begun toexecute end-to-end technologies through all departments with the purpose of removing human mistake from processes. For abank to succeed in adopting a CRM viewpoint of doing business, bank management must first appreciate CRM as a holisticnotion that involves numerous, interlocking regulations, including market information, strategic planning, business processdevelopment, product plan and pricing analysis, technology execution, human resources management, customer preservation,and sales management and training. It was suggested that CRM is an approach that can assist them to construct long-lastingrelationships with their customers and boost their profits through the efficient customer relationship management system andthe relevance of customer-focused stratagems.

Sindwani & Goel (2015) investigated the relationship between key aspects of technology enabled self-service bankingservice quality and customer satisfaction. This study revealed and validated four dimensions of technology based self-servicebanking service quality, such as expediency, reliability and protection, responsiveness, personalization and one dimension ofcustomer satisfaction. The proposed factor arrangement of technology based self-service banking service qualitydemonstrated proof of uni-dimensionality, reliability, face validity, convergent validity and discriminant validity. Thefindings of the study may perform as effort for banks, in order that they focus on those facets of technology based self-servicebanking which may improve customer satisfaction, eventually resulting in customer faithfulness and higher efficiency. Thestudy concluded that creating relationship between service quality and customer satisfaction can too be used for other multimodetechnology based services like share and commodity trading by allowing for their broad self-service technology characteristics.

Al-Hersh et al. (2014) investigated the impact of customer relationship marketing with regard to customer satisfaction inbanking sector. The study findings showed that medium to high degrees of positive characteristics of the two samples towardcustomer relationship marketing aspects such as, trust, promise, contact, empathy, societal bonding and gratifying promiseson customer satisfaction. The findings also pointed out those different results regarding the impact of customer relationshipmarketing on customer's satisfaction because of gender, age and educational level. It was concluded that promise executionimproves bank capability to understand customers, enlarge its market share, and eventually reduce cost and increaseproductivity.

Mahalakshmi et al. (2013) attempted to discover the diverse factors that direct to the satisfaction of customers in the bankingindustry. This study revealed that CRM in the banking sector is a significant plan which assists the bank to construct longlastingassociations with their customer and, which consecutively augments the customer satisfaction. Findings of the studystressed that victorious customer relationship management focuses on understanding the requirements and desires of thecustomers and is realized by placing these wants at the spirit of the business by integrating them with the organization's plan,people, expertise and business processes. In conclusion, it divulged that a great CRM strategy is the formation of mutualvalue for all the parties concerned in the business procedure. It is about building a sustainable competitive advantage bybeing the greatest at accepting, communicating, and delivering, and budding prevailing customer relationships as well ascreating and holding new customers.

Belas et al. (2016) examined the selected characteristics of commercial banks protection proportionate to customer educationand satisfaction. The results substantiated that security concerns presently influencing also customer satisfaction and fidelity have become a central component of bank activities. Commercial banks which base their business mainly on

their ownreliability are forced to continually develop applied technologies and defend themselves against prospective hacking assaults.The fraud avoidance has become one of the priorities of banks, customers and even representatives as bank frauds damageboth banks and customers. The results showed that there is a optimistic relation between reliability of a bank, its skills in thepasture of fraud prevention and customer relationship management superiority. After all, user-friendliness and security areother key areas by investing wherein banks can draw customers to employ e-services. Customers be inclined to have higherbeliefs as for user-friendly interface and internet transactions safety.

Vikram and Anuradha (2015) studied that customers take pleasure in absolute comfort in terms of adapted technicalexplanations and banks utilize the same to strengthen long-term, mutually-beneficial associations. The study attempted at thisjuncture have been to explain the significance of following CRM practices for acquiring, preserving and rising customers formaintained success for banks and how it could be computerized as an application practice with the aid of banks informationtechnology infrastructure. Results of the study revealed that CRM connects new and superior marketing strategies which notonly remain the existing customers but also get new customers and also analysed their attempts in terms of a tacticalframework and indicates some of the divergences that have happened in the implementations. It has been invented as anexclusive method capable of incredible changes in total productivity of banks. It was concluded that contented customer aretrustworthy, their preservation rate is much superior with overall productivity.

Vinayagamoorthy & Magdaline (2015) carried out this seminal work to discern the customers' outlook towards servicequality of private sector banks. Results of the study disclosed that as the customers' wants and desires are formed and shapedin the light of their economic, societal and civilisation circumstances, there is a close relationship between the banks'capability to carry on and survive and their capacity to create services that fit in with the growing and changing needs of thecustomers. Hence, banks work hard to find effectual ways to counter external changes so as to survive and they improve theirefficiency by means of activating their services and creating and developing new ones. This study stated that banks have toappreciate the changing needs of customers, their objectives and anticipations to generate value. This study also suggestedthat banks should also have sturdy customer relationship management system that would designate the worth of the customerand be capable to understand their wants while interacting with the customers.

Hyas et al. (2013) found that superior quality of service offers abundant benefits to banking sector like improved corporateimage, improvement in customer satisfaction, cross selling opportunities, reduced customer's defection, enhanced chances ofword of mouth suggestion and facilitates the preservation of long-term and good customer relationships. Results of the studyshowed that the banking associations are exceeding customer expectations in three aspects such as tangibility, reliability andresponsiveness and lacking other two dimensions like assurance and empathy. It was concluded that better quality servicespresented by the bank has a constructive manipulate on satisfaction of its customers and it frankly adds to productivity ofbanking industry.

Mengi (2009) conducted this study to evaluate customers' perceptions of service quality with regard to public and privatebanks. Results of the study revealed that service quality scale was utilized to establish different dimensions of service qualityand chi-square analysis was employed to understand the impact of service performance dimensions, that is, tangibility,responsiveness, assurance, reliability and empathy on customer satisfaction. It was found that customers of public sectorbanks are more contented with the service quality, than those of private sector banks. The five dimensions utilized todetermine service quality are tangibility, responsiveness, assurance, reliability and empathy. This study offered valuableinsights to increase customer satisfaction in the direction of the bank. The study concluded that quality of service is a displayof customer satisfaction.

Hassan et al. (2013) determined the level of satisfaction on the basis of prevailing service quality in the retail banking sectorand investigated intervening task of customer satisfaction in determining the customer faithfulness from existing servicequality. It was found that customers observe service quality on account of their anticipations and actual experiences. Resultsof the study exhibited that customer satisfaction completely mediates the relationship between reliability and customerloyalty in addition to assurance and customer fidelity, somewhat mediates empathy and customer loyalty, while nointervention found between tangibility and customer fidelity in addition to between responsiveness and customer loyalty.This study suggested that bank administrators should deliberate not only on maintaining existing services but also developingthe service patterns.

4. Methodology
4.1 Objective of the Research
To propose a conceptual framework and test the causal relations between service quality, service delivery, customer service,CRM practices, satisfaction, loyalty and brand image.

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4.2 Research Design
Causal research design was employed for the research. Causal research design is '*research that focuses on collecting eithersecondary or primary data and using an unstructured format, or informal procedures to interpret them*' (Malhotra and Birks,2006).

4.3 Sampling and Data Collection
Customers of private and nationalised banks in Bengaluru, Karnataka were surveyed with the help of a structuredquestionnaire. Convenience sampling (Malhotra and Birks, 2006) was employed for the study. The actual sample sizes were398 nationalised banks' customers and 296 private banks' customers.

4.4 Research Framework
The research framework was compiled based on exhaustive review of literature and research gaps. The endogenous variableswere Customer Service, Service Delivery, Service Quality, Customer Satisfaction, Brand Image, and Customer Loyalty. Theexogenous variable was CRM Practices of Bank. All the mentioned antecedents and consequents were measured with help of4-point scale (Table 2). The rating scale options comprised 1 (Poor / Strongly disagree / Not likely), 2 (Satisfactory /Moderately disagree / Somewhat likely), 3 (Good / Moderately agree / Most likely), and 4 (Excellent / Strongly agree /Definitely).

Table 2: Research Instrument

Constructs	No. of items	Sample Item
Perceived Service quality	20	Employees' prompt service.
Perceived Service Delivery (Touch points)	9	Bank Online Presence (Website)
Perceived Customer Service	9	Bank informs about change in regulations.
Perceived Customer Satisfaction	1	Overall I am satisfied with this Bank.
Perceived Loyalty towards Bank	3	Recommend this Bank to others.
Perceived Brand Image	4	This Bank is strong and capable.
Socio-demographics	6	Association with this Bank

Source: Compiled by Researcher

5. Analysis and Results
The output of Structural Equation Modelling (SEM) path analysis is summarised in Table 3 and Figure 1.

Table 3: SEM Analysis and Outcomes

Null Hypothesis	SC	p value	Result
H01: Service quality has no effect on CRM Practices of Bank	0.837	***	Rejected at 0.1%
H02: Service delivery has no effect on CRM Practices of Bank.	0.77	***	Rejected at 0.1%
H03: Customer service has no effect on CRM Practices of Bank.	0.84	***	Rejected at 0.1%
H04: CRM Practices of Bank has no effect on Customer Satisfaction.	0.871	***	Rejected at 0.1%
H05: CRM Practices of Bank has no effect on Brand Image.	0.385	***	Rejected at 0.1%
H06: CRM Practices of Bank has no effect on Customer Loyalty.	0.864	***	Rejected at 0.1%
H07: Customer Satisfaction has no effect on Brand Image.	0.131	**0.05***	Rejected at 0.5%
H08: Customer Loyalty has no effect on Brand Image.	0.246	***	Rejected at 0.1%

SC – Standardised Coefficient; p – Significance

Research Model
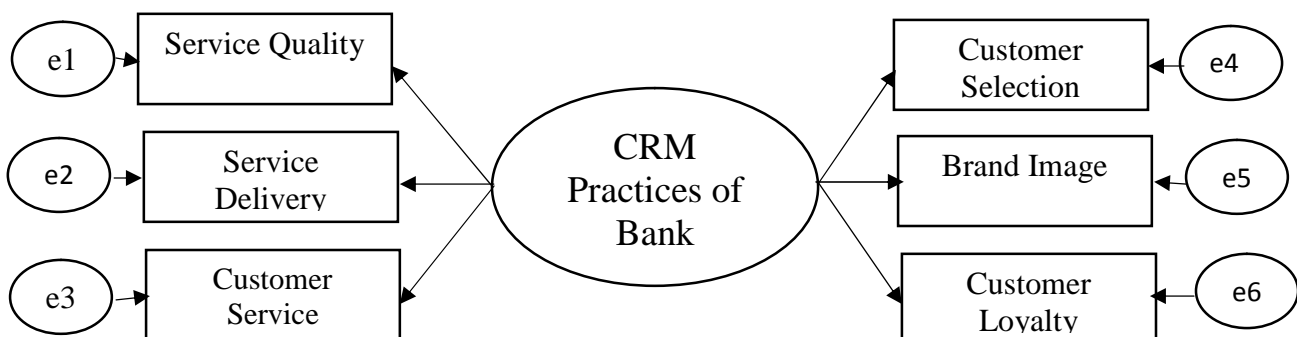
6. Conclusion

Service quality, Service delivery, and Customer service have a positive effect on CRM practices of bank. CRM practices ofbank have a positive effect on Customer satisfaction, Customer loyalty, and Brand image. Customer satisfaction, andCustomer loyalty have a positive effect on Brand image

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