



Perception on Customer Satisfaction Regarding Innovative Services Among Selected Banks in Madurai City Towards CRM

KEYWORDS

CRM, Innovative Service, mobile & global banking.

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ABSTRACT *Customer satisfaction is the sum total of customer expression of the service quality. Banks should know the perception of customers on innovative service to enable for improvement of quality of services. This paper focuses on customer perception on innovative service satisfaction towards CRM among selected banks in Madurai city. The required primary data were collected through structured questionnaire and the sample size of respondents was taken from eight selected banks at the rate of sixty customers from each bank. The findings reveal that regarding bank wise innovative customer service satisfaction, the highest satisfaction accounted for HDFC bank.*

INTRODUCTION

The competitive climate in the Indian financial market has changed dramatically over the last few years. Even private sector and foreign banks have introduced innovative CRM services. Nowadays Indian banks have started experimenting with new services by offering Automatic Teller Machine that provides 24 hour services. Many consumers expect a variety of services from the banks. Many household consumers now prefer to take consumer durable loans (or) buy on instant credit rather than save for a few years to buy the consumer durable. As a result of this growing level of competition, CRM is emerging as an important element in banking activities. There is a need for the Indian banks to keep pace with their competitors by using CRM technique for business growth.

Over the years, the Reserve Bank has laid special emphasis on technology infusion in the day to day operations of banks. Technology, apart from increasing the efficiency of banking services, is expected to boost the ongoing process of financial inclusion emphasized by the Reserve Bank. In recent years, increase in the number of off-site ATMs in various locations as well as use of mobile phones for delivering banking technology has further facilitated banking outreach in remote areas. The IT Vision Document, 2011-17 of the Reserve Bank sets out the roadmap for implementation of key IT applications in banking with special emphasis on seamless delivery of banking services through effective implementation of Business Continuity management (BCM), Information Security Policy, and Business Process Re-engineering (BPR).

Review of the Related literature

Ramachandran K., (2001) made a study on "How CRM can be strengthened - Beyond the Hype". The study suggested that since customer needs are dynamic, new dimensions have to be added to the set of CRM tools based on information technology. **J. S. Dhillon, Dr. G.S. Batra and Atul Dhyani (2003)** in their study "Paradigm Change; Relationship Marketing and Service Quality of Banking Services", highlighted the changing dimensions of marketing of banking services in public sector banks and private sector banks in India after liberalization in the 1990s.

Arvind Singh (2004) in his article "Customer Relationship Management-New Horizons in Banking" argues that the truly most productive and desirable assets are not buildings and fixtures but a profitable customer base. He sug-

gests that banks globally must consider themselves as innovative solution providers satisfying customers rather than just a product-driven or a profit driven distributor. **John Mylonakis (2009)** "CR Management functions: the main findings of the study reveals that a majority of customers are satisfied with their bank. Most banks customer believes that the use of new technology help their communication with banks. **Mr.Namho Chunga and soon Jae Kwonb (2009)** Korea in their article entitled "Effect of trust level on mobile banking satisfaction: a multi-group analysis of information system success instruments". This study focuses on Perceptions of the system quality, information quality and information presentation of mobile banking.

OBJECTIVE

To analyze the perception on customer satisfaction about innovative services in banks towards CRM.

Hypotheses

H1 : There is no significant difference among banks regarding single window in innovative customer service satisfaction.

H2: There is no significant difference among banks regarding 24 hrs service in innovative customer service satisfaction.

H3: There is no significant difference among banks regarding global banking in innovative customer service satisfaction.

H4: There is no significant difference among banks regarding internet banking service in innovative customer service satisfaction.

H5: There is no significant difference among banks regarding mobile banking service in innovative customer service satisfaction.

H6: There is no significant difference among banks regarding Anywhere banking service in innovative customer service satisfaction.

Reliability statistics

To measure the reliability of questionnaire cronbach alpha value is more than 0.6, it is presumed that the questionnaire is reliable.

RELIABILITY TEST

Factors	Cronbach's Alpha value
Single Window	0.681
24 hrs service	0.747
Global banking	0.682
Internet banking	0.747
Mobile banking	0.744
Any where banking	0.829
OVERALL	0.781

The table indicates that the cronbach's alpha reliability statistics score is above 0.7 which highlights the overall reliability of the scale is reasonably fit.

Sample size

The sample size of the respondents was taken from 8 selected banks at the rate of sixty customers from each bank. Out of 8 banks, four of which are public sector banks and the remaining four are private sector banks. The sample respondents were selected on the basis of stratified random sampling technique.

STATISTICAL TOOL

One way ANOVA.
Simple ranking method

ANALYSIS AND INTERPRETATION

The data after collection has to be processed and analyzed.

Satisfaction Level of The Respondents Regarding Innovative Customer Service

The satisfaction level of the respondents regarding innovative customer services are measured for the various banks through one way ANOVA analysis.

TABLE : 2 OPINION about Innovative customer service Satisfaction

Name of the Bank	N	Mean Score Value					Rank	
		Single window	24 hrs service	Global banking	Inter net Banking	Mobile Banking		Any where Bankig
SBI	60	4.7667	4.3500	4.7667	4.3500	4.3333	4.8167	7
Ca-nara	60	4.6333	4.5167	4.6333	4.5167	4.3667	4.8833	5
IOB	60	4.6333	4.5333	4.6333	4.5333	4.2667	4.8333	6
IB	60	4.7000	4.2667	4.7000	4.2667	4.4000	4.8167	8
ICICI	60	5.3667	5.0333	5.3667	5.0333	4.7500	4.8333	3
HDFC	60	6.0667	5.7833	6.0667	5.7833	5.3833	4.8833	1
AXIS	60	5.9667	5.4000	5.9667	5.4000	5.000	4.8333	2
KVB	60	4.9667	4.9667	4.9833	4.9667	4.6333	4.8167	4
Total	480	5.1375	4.8563	5.1396	4.8563	4.6417	4.8396	

Source: Primary Data

The mean and the standard score of satisfaction was displayed in table 2 regarding single window service the highest mean score value is accounted for HDFC bank and last IOB (4.63).

Regarding 24 hours service the highest mean score value

is accounted for HDFC bank and last Indian bank (4.2667).

Regarding Global banking services the highest mean score value is accounted for HDFC bank (6.0667) and last IOB (4.63).

Regarding Internet banking services the highest mean score value is accounted for HDFC (5.7833) and last Indian bank (4.2667).

Regarding Mobile banking service the highest mean score value is accounted for HDFC (5.3833) and last Indian Overseas Bank (4.2667).

Regarding any where banking service the highest mean score value is accounted for HDFC (4.8833) and last SBI (4.816).

Regarding overall opinion about innovative customer service satisfaction, the highest satisfaction accounted for global banking service and followed by single window, 24 hrs service, internet banking, any where banking and last mobile banking.

Regarding bank wise innovative customer service satisfaction the highest satisfaction accounted for HDFC bank and followed by Axis Bank, ICICI, KVB, Canara, IOB, SBI and last Indian Bank.

Table 3 : One way Anova test for Innovative customer service satisfaction

variables		Sum of Squares	df	Mean Square	F	Sig
Single window	Between Groups	148.192	7	21.17	11.476	0.000
	Within Groups	870.733	472	1.845		
	Total	1018.925	479			
24 hrs service	Between Groups	121.331	7	17.333	16.049	0.000
	Within Groups	509.750	472	1.080		
	Total	631.081	479			
Global Banking	Between Groups	147.865	7	21.124	11.516	0.000
	Within Groups	865.783	472	1.834		
	Total	1013.648	479			
Internet Banking	Between Groups	121.125	7	17.304	15.869	0.000
	Within Groups	514.667	472	1.09		
	Total	635.792	479			
Mobile Banking	Between Groups	63.600	7	9.086	15.166	0.000
	Within Groups	282.767	472	0.599		
	Total	346.367	479			
Any-where Banking	Between Groups	0.3310	7	0.047	0.098	0.998
	Within Groups	228.317	472	0.484		
	Total	228.648	479			

Source: Primary Data

The one way ANOVA test indicates the P-value is 0.00 (less than 0.05) indicates that the banks were differs in

terms of single window service, 24 hours service, Global banking, Internet banking and Mobile Banking except Anywhere Banking.

FINDINGS

Regarding single window innovative customer service satisfaction, the highest score value was accounted for HDFC and lowest score value was accounted for IOB. Regarding 24 hrs service innovative customer service satisfaction, the highest score value was accounted for HDFC and the lowest score value was accounted for Indian bank. Regarding Global banking innovative customer service satisfaction, the highest score value was accounted for HDFC bank and the lowest score value was accounted for IOB. Regarding internet banking innovative customer service satisfaction, the highest score value was accounted for HDFC bank and the lowest score value was accounted for Indian bank.

Regarding mobile banking innovative customer service satisfaction, the highest score value was accounted for HDFC bank and the lowest score value was accounted for IOB. Regarding anywhere banking innovative customer service satisfaction the highest score value was accounted for HDFC bank and the lowest score value was accounted for SBI. Regarding innovative customer service satisfaction all aspects (Single window, 24 hrs service, global banking, internet banking, and mobile banking) except anywhere banking differ in terms of banks.

Regarding overall opinion about innovative customer service satisfaction, the highest satisfaction accounted for global banking service and followed by single window,

24hrs service, internet banking, anywhere banking and last mobile banking service. Regarding bank wise innovative customer service satisfaction, the highest satisfaction accounted for HDFC bank and followed by Axis bank, ICICI, KVB, Canara, IOB, SBI and last Indian bank.

SUGGESTIONS

From the study it was observed that an overwhelming percentage of the respondents were favored HDFC bank for innovative customer service satisfaction than other banks. Hence it is suggested that other banks should follow steps to improve the innovative customer services among the customers.

Seminars can be organized on how the CRM practices transformed organization into customer focus organizations. The presentation can also show some of the practices that are followed by the organization.

It is also important for the organization to periodically assess the CRM awareness in the organization through feedback or internal survey.

Conclusion

The present study concludes that the CRM development and implementation at private sector banks are better than the public sector banks. Regarding innovative service, the private banks were give better satisfaction than public sector banks. By these findings the banks should understand the need of establishment of the CRM in order to generate the customer satisfaction, regarding innovative custom-

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