Study of management on customer-relationship

Renu Arora

Research Scholar, Singhania University

Rajasthan, India

Introduction:

Customer satisfaction is one of the formidable challenges in marketing of services in banking industry in our country. The thrust on customer service has increased after liberalisation of Indian economy. Customer satisfaction is an urgent need of the hour. This can be achieved by efficient customer service and immediate tactful handling of customer's grievances. Better customer-management relationship leads to customer satisfaction and a good public image is to win over the customers. Hence, public relations should be one of the strategies to achieve customer satisfaction. Banking system has a significant role to play in the rapid growth of the economy. Effectiveness of Banking system depends upon the customers satisfaction and in fact customer is the kingpin of the banking industry. No industry can afford to ignore its customers and banks are required to give top priority in providing satisfactory and efficient service to their

customers. The purpose of this paper was to study the actual level of customer satisfaction in four commercial Banks in Jammu and to make a comparative analysis of the level of customer satisfaction through five point likert scale. Study has revealed that customers are highly satisfied with the employees and the management of the banks. Comparative analysis of level of customer satisfaction in four banks shows that employees in the Central Bank of India are the most satisfied lot. The paper provides an opportunity to the employees of the all the four banks to understand the requirement of providing prompt and quality service to their customers. Effort should be made to raise the level of customers satisfaction amongst all the Banks.

Background

Customer satisfaction is one of the formidable challenges in marketing of services in Banking Industry in our Country. The thrust on customer service has increased after liberalisation of Indian Economy. Thus customer satisfaction is an urgent need of the hour. This can be achieved by efficient customer service and immediate tactful handling of customer's grievances. Better Customer-Management relationship leads to customer satisfaction and a good public image is to win over the customers. Hence, Public relations should be one of the strategies to achieve customer satisfaction (Ambastha 1999).

The new organisation's emphasis is on partnerships between firms; multiple types of ownership and partnership and partnering within the organisation (divisions, wholly owned subsidiaries, licences, franchises, joint ventures etc.); teamwork among members of the organisation, often with team members from two or more cooperating firms; sharing of responsibility for developing, converging and overlapping technologies; and often less emphasis on formal contracting and managerial reporting, evaluation, and control systems. The best visual image of

these organisations may be a "wheel" instead of a pyramid, where the spokes are "knowledge links" between (focal) organisation at the hub and strategic partners around the rim. These forms were pioneered in such industries as heavy construction, fashion, and computers, where markets often span geographic boundaries, technology is complex, products change quickly, and doing everything oneself is impossible. These confederations of specialists are called by many names including "networks", "value-adding partnerships", "alliances", and "shamrocks". All are characterised by flexibility, specialisation, and an emphasis on Relationship Management instead of market transactions. They depend upon administrative processes but they are not hierarchies; they engage in interactions within ongoing relationships and they depend on negotiation, rather than market-based process, as a principal basis for conducting business and determining prices.

Managing Customer Loyalty and Development

Managing customer-development process is one of the critical dimensions of relationship marketing. Basically it involves a twin focus-customer catching, and customer keeping. 'Customer catching' is the process of attracting new customers (inviting new blood), while the customer keeping aims at the process of retaining the existing customers (encouraging old blood).

Customer catching process will have to effectively deal with the suspects, prospects, and disqualified prospects. To start with, suspects include everyone who might possibly buy the organisation's product or service. But the firm is interested in sensing, serving, and satisfying the prospects who possess both the ability and willingness to buy the product or service. Accordingly, the marketer must be available to precisely assess and identify the prospects among

the suspects in the market and at the same time exclude the disqualified prospects who are unprofitable for the organisation to serve.

The relationship centered organisation should undertake proper and adequate efforts to convert many of its qualified prospects into first-time customers, satisfied first-time customers into repeat customers, repeat customers into clients.

Commitment and trust lead directly to cooperative behaviour. This is conducive to relationship marketing success. This is precisely due to the following main reasons:

1. Relationship commitment and trust encourage marketers to work at preserving relationship investments by cooperating with exchange partners;

2. Resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners, and

3. View potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically.

Banking system has a significant role to play in the rapid growth of economy. The banks that do well in 1990s and 2000 A.D. will be those which rediscover the customer through cutting the edge known as relationship banking. Effectiveness of banking system depends upon the customers' satisfaction and infact, customer is the kingpin of the banking industry. Customer satisfaction is dependant on the climate in which contacts between customers and the bank take

place. Healthy climate promotes pleasant transactions for both the parties. No industry in the service sector can afford to ignore its customers and as Banks are required to give top priority in providing satisfactory and efficient service to their customers.

Objectives

The main objectives of the paper are:

1. To study the actual level of customers' satisfaction in four commercial banks i.e., State Bank of India, Punjab National Bank, Central Bank of India and Jammu & Kashmir Bank Ltd; by analysing their attitude towards:

    a) Bank

    b) Employees

    c) Management

2. To make a comparative analysis of level of customers' satisfaction in four banks.

Methodology

For preparing the present paper 111 customers were selected with stratified random sampling method which formed a sample of more than 20% of the employees, taken up for study. Customers have been split up in three categories viz. businessmen, service-class and practitioners. 33 customers from State Bank of India, 26 from Punjab National Bank, 20 from Central Bank of India and 32 from Jammu & Kashmir Bank Ltd. were selected.

Findings

Customers Satisfaction In State Bank Of India

Table 1 shows that a total of 33 customers of the bank have reported overall highest satisfaction which is evident from the mean score of 3.20, which is above average, out of these, service class is the highest satisfied lot (3.47) while businessmen have put up the lowest mean score (2.86). It falls in the below average range. Practitioners seems to be moderately satisfied as they are showing mean score of 3.27. Table further shows that mean scores of Service class, customers and practitioners are higher than the overall average for the bank.

Comparative analysis of the three variables for the study shows that customers are showing good response towards management of the bank which is clear from the mean score of 3.22, which is higher than those of other two variables i.e. Attitude towards Bank-(3.20) and attitude towards Employees (3.17). Thus table makes it clear that staff of the bank has not been able

Table-1: Customers Satisfaction in Banks

State Bank Of India

Number of Customers	Category-I Attitude towards Bank	Category-II Attitude towards Employees	Category-III Attitude towards Management	Average Mean Score
*B=11	2.91	2.61	3.04	2.86
*S=11	3.43	3.55	3.42	3.47
*P=11	3.26	3.35	3.19	3.27
Average Mean Score	3.20	3.17	3.22	3.20

*B- Businessmen. S- Service Class. P- Practitioners.

to make customers happy with their behaviour. That is why table is showing the lowest mean score (3.17) regarding this particular variable.

A comparative analysis of overall mean score and actual means of different variables shows that regarding customers attitude towards bank, mean score of service class (3.43) and practitioners (3.26) are higher than overall average. Mean score of 2.91 is lower than the overall mean score.

As regards second variable i.e., attitude towards Employees except businessmen (2.62), other two categories of customers have responded well i.e. 3.55 of service class and 3.35 of practitioners.

Customers have reported highest mean score of 3.22 towards management of the bank. It is also higher than actual average of Businessmen (3.04) and practitioners (3.19). To sum up, it may be stated businessmen, though having the frequent dealings with the bank, still is the least satisfied lot especially with the behaviour of employees.

Customers Satisfaction in Punjab National Bank

An overall mean score of 3.06 has been shown in the table 2 comparing the actual responses with the overall response, it may be stated that it is lower than those of service class customers (3.33) and practitioners (3.14). Conversely, it is higher than that of businessmen (2.71).

Table-2: Customers Satisfaction In Punjab National Bank

Number of Customers	Category-I Attitude towards Bank	Category-II Attitude towards Employees	Category-III Attitude towards Management	Average Mean Score
B=8	2.60	2.52	3.01	2.71
S=9	3.32	3.45	3.21	3.33
P=9	3.23	3.04	3.16	3.14
Average Mean Score	3.05	3.00	3.13	3.06

A comparative analysis of overall averages with the actual mean score, table under reference shows that overall mean score (3.05) is lower than averages for service class (3.32) and practitioners (3.23) but higher than that of business class (2.60), so far as attitude towards bank is concerned.

Customers do not seem happy with the staff of the bank which is clear from the mean score of 3.00, which is just average. It is again higher than that of businessmen responses (2.52) while it is lower than those of service class (3.45) and practitioners (3.04). Highest degree of satisfaction has been shown towards management of the bank (3.13) which is lower than those of service class and practitioners i.e. 3.21 and 3.16 respectively, but higher than of businessmen (3.01).

Customers Satisfaction In Central Bank Of India

Table 3 signifies almost similar position as that of two banks discussed above. Though Central Bank is a small bank, still its customers are most satisfied i.e. 3.30. This when

Table-3: Customers Satisfaction In Central Bank of India

Number of Customers	Category-I Attitude towards Bank	Category-II Attitude towards Employees	Category-III Attitude towards Management	Average Mean Score
B=8	3.18	3.01	2.92	3.04
S=6	3.51	3.55	3.96	3.67
P=6	3.25	3.28	3.04	3.19
Average Mean Score	3.31	3.28	3.31	3.30

compared to actual averages shown by different categories of customers, it becomes clear from the table under reference that it is higher than those of businessmen responses (3.04) and practitioners (3.9) but lower than that of service class (3.67).

Table further shows that comparing the variable wise position of the bank regarding Ist variable i.e. attitude towards Bank, overall average (3.31) is higher than that of businessmen and practitioners (3.25) while lower than service class.. It clarifies the fact that businessmen and

practitioners are more satisfied with the bank. Same is the position regarding variable attitude towards management i.e. (3.31).

As regards third category i.e. attitude towards management overall mean is lower than that of service class customers (3.96) and higher than in case of practitioners (3.04) very poor response has been shown by businessmen as clear from the below average mean score of 2.92. second variable i.e. attitude towards employees shows lowest mean score of 3.28 which is lower than that of service class customers (3.55) but higher than that of businessmen (3.01). It is equal to that of practitioners (3.28).

Customers Satisfaction In Jammu & Kashmir Bank Ltd.

The position of Jammu and Kashmir Bank Ltd. is different from other banks so far as mean score of practitioners is concerned. Their mean score has been estimated at 2.90 which is below average range. Lowest overall mean score of 3.01 has been worked out against which mean score of service class customers is the highest (3.41) as compared to businessmen (2.71) and practitioners (2.90) as shown in Table-4.

Table-4: Customers' Satisfaction In Jammu and Kashmir Bank Ltd.

Number of Customers	Category-I Attitude towards Bank	Category-II Attitude towards Employees	Category-III Attitude towards Management	Average Mean Score
B=12	2.93	2.75	2.44	2.71
S=10	3.45	3.01	3.78	3.41
P=10	3.11	2.87	2.71	2.90
Average Mean Score	3.16	2.88	3.03	3.01

Comparative analysis of the actual mean score of customers with the overall mean scores, variable wise, reveals that the highest degree of satisfaction lies in case of their attitude towards Bank (3.16). As against this overall average, mean scores of business class customers (2.93) and practitioners (2.71). Customers responses regarding employees are very poor as is evident from the mean score of 2.88 which is lower than that of majority of service class customers (3.01) employees show dissatisfaction towards bank.

Table-5: Customers' Satisfaction In Four Commercial Banks

A Comparative Analysis Between 3 Categories

Bank	Category-I (Attitude towards Bank)	Category-II (Attitude towards Employees)	Category-III (Attitude towards Management)	Average Mean Score
SBI	3.20	3.17	3.22	3.20
PNB	3.05	3.00	3.13	3.06
CBI	3.31	3.28	3.31	3.30
J&K	3.16	2.88	3.03	3.01
Average Mean Score	3.18	3.08	3.17	3.14

Above table shows the customer's satisfaction in all the four commercial banks through judging their attitude towards three categories viz. attitude towards bank, attitude towards employees, attitude towards customers.

Comparative analyses of the level of customers satisfaction in four banks shows that overall average mean score has been estimated at 3.14 which is little above average. This shows that the customers are not fully satisfied with the services offered by the banks. On comparing it with the actual mean scores of four Banks, table shows that customers of Central Bank of India have shown a highest level of satisfaction i.e. 3.20, whereas, State Bank of India has been ranked second in order of satisfaction amongst customers. Customers of Punjab National Bank and Jammu and Kashmir Bank are showing almost same mean score i.e. 3.06 and 3.0 respectively which is lower than the overall average mean score. It shows the dissatisfaction is prevailing in these two banks. Though Central Bank of India, being a bank with few number of branches is having good relations with its customers. Likewise other three banks should also try to raise the level of customers satisfaction by providing maximum facilities to them.

- Suggestions -

To improve the level of customers satisfaction following suggestions are made:

1.   Bank personnel should be willing and ready to serve the customers.

2.   They should be quick and prompt in offering the services.

3.   Personnel should be knowledgeable and Skillful and the same should be reflected in their behaviour.

4.   Quality Service should be maintained consistently.

5.   All the risks and side-effects, if any, should be conveyed to customers.

6.   Banks should be conveniently located.

7.   All dealings with customers must be kept confidential.

8.   Employees should be properly equipped with communication facilities for easy access.

9.   Physical facilities should be attractive.

10.   Personnel should be polite, respectful, flexible, friendly and accommodating.
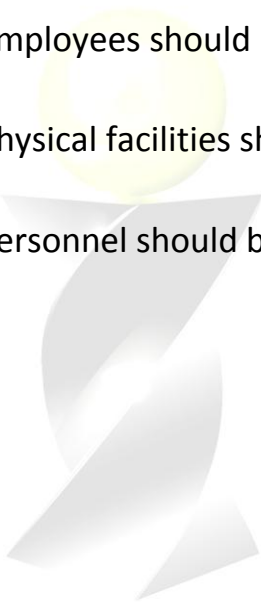
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