Bank Customers and Managers Opinion about Relationship Marketing and Customer Retention in SBI and ICICI Bank

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ABSTRACT
Since the early 1990s, interest in relationship marketing has extended to service sector and it plays an imperative role, especially in banking sector. It is a business strategy to retain the existing customers and acquiring new ones, keeping in mind customer retention as its main objective. Hence, the researcher analyzed the bank customers and managers opinion about relationship marketing and customer retention in SBI and ICICI Bank through this study.

INTRODUCTION
Over the past fifteen years, relationship marketing has become a vital topic in many organisations. Relationship marketing is a philosophy of doing business that focuses on keeping up and improving relationships with current customers rather than acquiring new ones. Proper relationship marketing results in low marketing cost, enhancement in customer satisfaction and customer loyalty which ultimately lead to increase in customer retention rates of banks.

Relationship marketing holds customer retention as its main objective. It is a proven fact that retaining the existing customers is more profitable than trying for new clients. Customer retention refers to retaining the customers via products and services. It can lead to various benefits for banks, including higher sales and profitability, lower cost of acquiring new customers and word-of-mouth recommendations. These benefits can contribute to the survival of banks and ensure greater banking success. In this study, the researcher analyses the bank customers and managers opinion about relationship marketing and customer retention in SBI and ICICI Bank.

REVIEW OF LITERATURE
The following reviews are the various outcomes of relationship marketing and customer retention by the previous research studies.

Christiana Baffoe Ababio and Amy Atiwoto (2011) explained the role of relationship marketing in customer retention. They demonstrated the application and practice of relationship marketing and its role in increasing customer loyalty and customer retention in Ghana banking industry. The result of the study suggested that all the banks had adopted relationship marketing strategy to retain their customers. The study also focused the influence of human behavior on relationship marketing. The researchers concluded that the banks should bring differences in implementing their practices of relationship marketing.

Chantal Rootman (2011) analysed the firm-client relationship and its significance in increasing customer retention rates in South Africa. She made a detailed analysis with the bank managers and the clients in South Africa. Based on the analysis with the bank managers, the dimensions such as communication and fees influenced relationship marketing, and, in turn, relationship marketing influenced customer retention. This relationship implied that, in case a bank successfully maintained
relationship with its clients, customer retention rates would increase. Finally, she suggested that the bank had utilised relationship marketing strategy to increase the customer retention rates.

Frank Kojo Kuranchie (2011) examined the effect of customer relationship marketing on customer retention in Ghanaian banking sector. They identified that the banks had received strong positive word of mouth from their clients. The banks performed well in maintaining authentic relationship with their clients, but it was suggested that they should improve the number of contact time with them. The CRM is a key factor to improve contact time between the bank and the customer that the bank can retain their customer by adopting relationship marketing strategy.

RATIONALE FOR THE STUDY

In the previous studies related to relationship marketing and customer retention, the researchers had made studies in the aspects, such as implementation of relationship marketing, firm-client relationship to increase customer retention rate and the impact of CRM on customer retention. They identified the relationship between relationship marketing and customer retention, but they did not analyse the bank customers and managers opinion about relationship marketing and customer retention.

OBJECTIVES OF THE STUDY

The study has been carried out with the following objective:

- To analyse the bank customers and managers opinion about relationship marketing and customer retention in SBI and ICICI Bank.

RESEARCH METHODOLOGY

This study has been performed with the survey method through the primary date and secondary data also was used. Well-structured questionnaire has been designed to obtain necessary data and details from the bank customers and managers. The primary data have been collected through well-structured questionnaire comprising Likert 5 point scale type questions. The questionnaire for the bank customers and the managers covers the questions related to relationship marketing and customer retention. The secondary data of the study have been sourced from books, journals and web sites.

Proportionate Random Sampling Method has been employed to obtain the necessary information from the customers and the managers of SBI and ICICI Bank branches in Erode district. Primary data have been collected from the respondents and analysed with the help of Statistical Package for Social Sciences (SPSS). Descriptive Statistics have been applied for the present study.

ANALYSIS AND INTERPRETATION

The following table shows that the bank customers’ and managers’ opinion about relationship marketing in SBI and ICICI Bank. SBI bank customers give priority to customer service but manager of the bank attaches more importance to good deposit and loan schemes. So, the opinion between bank customer and manager is divided in SBI.

<table>
<thead>
<tr>
<th>Variables</th>
<th>SBI Mean</th>
<th>SBI SD</th>
<th>ICICI Mean</th>
<th>ICICI SD</th>
<th>Total Mean</th>
<th>Total SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide prompt information</td>
<td>3.86</td>
<td>1.21</td>
<td>.779</td>
<td>.412</td>
<td>4.03</td>
<td>1.13</td>
</tr>
<tr>
<td>Priority to customer service</td>
<td>4.27</td>
<td>1.10</td>
<td>.747</td>
<td>.310</td>
<td>4.32</td>
<td>1.00</td>
</tr>
<tr>
<td>Efficiency in handling queries</td>
<td>4.00</td>
<td>1.48</td>
<td>.746</td>
<td>.688</td>
<td>3.95</td>
<td>1.13</td>
</tr>
</tbody>
</table>
ICICI bank customers also give priority to customer service but managers give importance to good deposit and loan schemes. So, the opinion between bank customers and managers also differ in ICICI Bank.

Therefore, customers of both the selected banks give priority to customer service and their respective bank managers give importance to good deposit and loan schemes.

The following table shows that the bank customers” and managers” opinion about customer retention in SBI and ICICI Bank. SBI bank customers give importance to services provided at low cost, but manager give importance to high satisfaction of the customers. So, the opinion between bank customer and manager differ in SBI.

<table>
<thead>
<tr>
<th>Variables</th>
<th>SBI</th>
<th>ICICI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>BC</td>
<td>BM</td>
<td>BC</td>
</tr>
<tr>
<td>Innovative online services</td>
<td>3.85</td>
<td>1.10</td>
<td>.577</td>
</tr>
<tr>
<td>Follows customer centric approach</td>
<td>4.12</td>
<td>1.17</td>
<td>.784</td>
</tr>
<tr>
<td>Provides services at low charge</td>
<td>4.59</td>
<td>1.17</td>
<td>.598</td>
</tr>
<tr>
<td>Market leader in service</td>
<td>4.17</td>
<td>1.21</td>
<td>.763</td>
</tr>
<tr>
<td>High satisfaction to customer</td>
<td>4.16</td>
<td>1.34</td>
<td>.749</td>
</tr>
</tbody>
</table>

ICICI bank customers give importance to customer centric approach but manager give importance to services provided at low cost. So, the opinion between bank customer and manager differ in ICICI Bank.

Therefore, both the bank customers and managers’ opinion differs between SBI and ICICI Bank.

CONCLUSION

The researcher concluded that both the bank customers give priority to customer service and both the bank managers give importance to good deposit and loan schemes in the aspects of relationship marketing. In the aspect of customer retention, SBI bank customers give importance to services provided at low cost but manager give importance to high satisfaction of the customers. ICICI bank customers give importance to customer centric approach but managers give importance to provide services at low cost.

Therefore, both the bank customers maximum give importance to customer service and both the banks retain their customer through services and high customer satisfaction.
REFERENCES


