CHAPTER 4
Research Methodology
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4.1 - INTRODUCTION

This topic is explores the Problem Statement, Scope, Objective, Need and Research Methodology of the study. The present study on “Review of Customer Relationship Management in Banking Sector”, its further discussed Research Design, Sampling & Sample size, Research Area, Processing and Analysis of Data and Dhule at a Glance.

4.2 - PROBLEM STATEMENT

The modern marketing philosophies described the terminology of customer relationship management. It multiples intro the customers delightfullment. In the banking sector, there is a unique relationship retrieve between the customer and bank. But on account of various reasons only few banks are adapted the customer relationship management practices. The reasons in this regards may be risk of failure, financial burdens, marketing inertia etc. With these background the researcher made a attempt towards the idea of customer relationship management. It has adapted uniformly for betterment of banking services in this industry. Particularly in banking sector, the role of customer relationship management is very important in leading the bank either towards high level or increased volume of profit. Therefore there is a need of the study about customer relationship management developments. The researcher may attempt to get promotion of banking sector through this sideline of practices. Impact and problem of customer relationship management on banking sector may be studied at this crucial time.

4.3 - OBJECTIVE OF THE STUDY

The study is primarily to understand the contribution of CRM in banking sector and how customers satisfy with the banking services. In this context, the present study has been conducted with the following objectives.

- To assess the awareness of CRM in banking sector.
- To evaluate the service quality offered by bank.
- To analyses on decision making activity by banking sector.
- To study the motivational aspect for long-term reliability in the terms of relationship with customer.
- To evaluate the effectiveness of complaint request management of bank.
To study the factors that increase lifetime value of individual customer through CRM.

To enabling instant action to keep hold of the most valuable customers.

4.4 - NEED OF THE STUDY
The necessity for the study arises because banking sector helps in economic development of the country and to fulfill this, customer satisfied first by providing better services with the help of computer and other innovated technologies. Knowing the future perspective of customer and banking sector it become easy and efficacious for the stakeholders to build a medium term or even long term relationship with customer. Hence there is need for customer survey, identifying their requirements and satisfaction.

4.5 - HYPOTHESIS
A hypothesis is a statement which provides the facility to test validity. Therefore it is clear that hypothesis is not theory, it is related to research. Hypothesis is particularly necessary in the search for cause and effect relationship. Following different hypotheses have been tested in relation to the research variables.

H1: There is a large scope for the development of banking sector with the help of customer relationship management and is it required by customer in the current era.

H2: There is a strong association among various demographic factors like Education, Age, and Income with the Awareness Level of the customers towards CRM in Banking Sector

H3: Quality Service does effects the customers to continue with existing bank and motivate for Good Relationship.

H4: Quality Service is highly significant in the development of CRM in Banking Sector
4.6 - RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It can be understood as a science of studying how research is done scientifically. It takes many dimensions and research methods to constitute a part of the research methodology. Thus when we talk of research methodology, we not only talk of the research methods but also consider the logic behind the methods used in context of the research study in such a way that results are capable of being evaluated either by the researcher himself or by others. Research is an academic activity and as such the term should be used in a technical sense. Research is, thus, an original contribution to the existing stock of knowledge making for its advancement. It is the pursuit of truth with the help of study, observation, comparison and experiment. In short, the search for knowledge through objective and systematic method of finding solution to a problem is research. The systematic approach concerning generalisation and the formulation of a theory is also research.

4.6.1 - RESEARCH DESIGN

The researcher plans to present his study in the form of Descriptive research. It is a fact finding investigation which is aimed at describing the characteristics of individual, situation or a group (or) describing the state of affairs as it exists at present. The base will be Quantitative as the researcher will be adopting the Survey method to collect the data. The researcher plans to collect data for his research through primary and secondary sources.

Primary Sources: Primary data is collected through questionnaire posed to customers about application & importance of CRM in banking sector. This will result into understanding the efficiency of CRM where it is being used. On the other hand the researcher will find out what banks are doing to have a long lasting relationship with the customer.

Secondary Sources: For any data to be complete the researcher has to heavily depend upon information from existing sources. The researcher will assimilate the essence from the information taken from various secondary sources.

- The researcher will also make use of data published by the various commercial banks and financial establishments.
- The research will depend upon information collected from the print media: i.e. newspapers, magazines and journals.
- Existing work done on similar topics by others.
- Information gleaned from the internet.
- Other published data like conference proceedings, reference books etc.

4.6.2 - SAMPLING & SAMPLE SIZE

The researcher will collect data through the Simple Random Sampling method, with the help of questionnaires from 1000 customers from selected four banks, state bank of India, bank of maharashtra, ICICI Bank and HDFC Bank 250 customers each. Care will be taken to see that the sample is a true representation of the population. These respondents will be limited to the Geographical region of Dhule District of Maharashtra state.

4.6.3 - RESEARCH AREA

The geographical area to be covered in the research will be Dhule District in the State of Maharashtra, India. This area has been selected primarily Due to drought conditions of the district and absence of major industrial growth. Because in the Urban Area of the District 50 to 75% population is Agriculturalists and Agricultural labours, where as in the rural area more than 95% population is Agriculturalists and Agricultural labours. The researcher opinion that the Customer Relationship Management in Banking Sector is necessary for growth of Dhule district.

4.6.4 - PROCESSING AND ANALYSIS OF DATA

The collected data will be edited to avoid unwanted information & will be arranged in proper sequence. Processing and analysis of data involves in answers to the research problem. Processing of data refers to consolidation, recasting or regrouping of data so that the job of analysis is made very easy. While analysis of data refers to seeing the data in the light of hypothesis and the prevailing theories and which help to drawing conclusion. The edited data will be edited & classified for suitable tabulation, graphs, charts, diagrams wherever necessary.
4.6.5 - HYPOTHESIS TESTING

The hypothesis has been tested by using the statistical tools such as Non Parametric Tests in which Chi - Square Test and Kolmogorov Smirnov Test has been taken into consideration. In addition to the above hypothetical tests, the statistical tools like simple percentage method, Pearson Correlation, Factor Analysis and Cluster Analysis are used for analyzing data.

4.7 - DHULE AT A GLANCE

The Dhule district is formerly known as West Khandesh. It is lies in the upper tapi basin in the North-west corner of the State of Maharashtra. The boundary of Dhule district are on the north Madhya Pradesh State, on the west Gujarat State, by the east Jalgaon and by south Nasik district.

It extends between 20°38’ to 21°38’ N latitude and 74°52’ to 75°11’ East longitude. It cover an area of 8063.11 sq.km. It is mainly the 2.62% of the geographical area of the Maharashtra State. It stretches 108 km. from west to east and 112 km. from south to north direction. The area of the district is represented in Survey of India degree sheets No. 46K, 46IL, 46O, 46G and 46H on the scale of 1:2,50,000.

According to the 2001 census, Dhule district has total 678 inhibited villages and total 17, 07,947 people are residing within the district. Population density of the district was 212 persons per sq. km. Percentage of the rural population are 73.89 while 26.11 percent people live in the urban areas. The Following table 4.1 & 4.2 provides the detail information.
### Table 4.1: Development of Dhule District

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2011</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTUAL POPULATION</td>
<td>2,048,781</td>
<td>1,707,947</td>
</tr>
<tr>
<td>MALE</td>
<td>1,055,669</td>
<td>878,372</td>
</tr>
<tr>
<td>FEMALE</td>
<td>993,112</td>
<td>829,575</td>
</tr>
<tr>
<td>POPULATION GROWTH</td>
<td>19.96%</td>
<td>15.94%</td>
</tr>
<tr>
<td>AREA SQ. KM</td>
<td>7,195</td>
<td>7,195</td>
</tr>
<tr>
<td>DENSITY/KM2</td>
<td>285</td>
<td>237</td>
</tr>
<tr>
<td>PROPORTION TO MAHARASHTRA POPULATION</td>
<td>1.82%</td>
<td>1.76%</td>
</tr>
</tbody>
</table>

### Table 4.2: Dhule District at a Glance

<table>
<thead>
<tr>
<th>STATE</th>
<th>Maharashtra, India</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADMINISTRATIVE DIVISION</td>
<td>Nashik Division</td>
</tr>
<tr>
<td>HEADQUARTERS</td>
<td>Dhule</td>
</tr>
<tr>
<td>AREA</td>
<td>8,063 km$^2$ (3,113 sq mi)</td>
</tr>
<tr>
<td>POPULATION</td>
<td>17,07,947 (2001)</td>
</tr>
<tr>
<td>POPULATION DENSITY</td>
<td>211.83 /km$^2$ (548.6 /sq mi)</td>
</tr>
<tr>
<td>LITERACY</td>
<td>71.6%</td>
</tr>
<tr>
<td>SEX RATIO</td>
<td>944</td>
</tr>
<tr>
<td>MAJOR HIGHWAYS</td>
<td>NH-3, NH-6, NH-211</td>
</tr>
<tr>
<td>AVERAGE ANNUAL PRECIPITATION</td>
<td>544 mm</td>
</tr>
</tbody>
</table>

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The district is characterized by warm and dry climate in June to September and later on there is a gradual decline in the temperature from October to February which leads to dry and cool weather. Being a part of Indian Sub-continent, Dhule district experiences Monsoon type of climate. Various means of transport have been
developed within the district to facilitate goods and passenger movement. It is served by roadways, railways and airways.

District income mainly depends upon the sectors categorized in Primary, Secondary and Tertiary. In primary sector major fields that have supported district income includes Agriculture, Forest, Fishery and Mines. In secondary sector, Industries, Construction of various infrastructure, Electricity, Gas and Water Supply facilities have contributed to support district income. In tertiary sector major income is from business and hotel, banking and insurance, communication facilities like telephone, post office, roads, railway and transportation supplemented the district income.