CHAPTER-VI

FINDINGS, SUGGESTIONS AND CONCLUSION
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6.1 INTRODUCTION

The present study has been carried out with a view to analyse the relationship between relationship marketing and customer retention in public and private sector banks with a special reference to the view points of the customers and managers in SBI and ICICI Bank. It also focuses on the association between demographic profile of the customers and relationship marketing and customer retention dimensions in these banks. From the analysis and interpretation, the researcher has found out the relationship among relationship marketing, customer satisfaction and customer retention. The study aims at ascertaining the association between demographic profile of the customers and relationship marketing and customer retention dimensions in SBI and ICICI Bank.

The proportionate random sampling technique has been used for the study to collect the primary data. It is collected through well-structured questionnaires which have been distributed and collected from SBI and ICICI bank customers and managers of Salem, Namakkal and Erode districts. The secondary data has been collected through books, journals, theses and websites. The statistical techniques, such as Percentage Analysis, Descriptive Statistics, One Sample ‘t’ test, Factor Analysis, Cluster Analysis, Chi-square test, One-way ANOVA, Karl
Pearson’s Coefficient of Correlation and Discriminant Analysis has been used in the data analysis and the results are presented below.

6.2 FINDINGS

The findings arrived at from the foregoing chapters of the study have been summarized hereunder:

6.2.1 Demographic Profile of the Customers

The researcher has identified the results for customer profile as follows:

- Majority of the customers are male (70.7%).
- Majority (57.2%) of the customers is residing at urban areas.
- 40% of the customers belong to the age group of 31-40.
- Majority of the customers are married (79%).
- Maximum percentage (39%) of the customers has studied up to HSC.
- Maximum 37.5% of the customers are employees.
- Maximum 47.6% of the customer’s family monthly income belongs to the income group of ₹ 10001 - ₹ 20000.
- Majority of the customer’s family has 3-4 family members (57.7%).
- Majority (71.6%) of the customers open their bank account for personal purpose.

- Maximum percentage (39.1%) of the customers prefers their bank for its superior service.

- Maximum percentage (31.9%) of the customers maintains their bank account in a particular bank more than eight years.

**6.2.2 Customer’s Opinion on Banking Services**

The customers have given their opinion about banking services. They are:

- ICICI bank takes more effort to monitor customer investment growth than SBI.

- SBI customers are more satisfied with ATM facility than ICICI bank customers.

- ICICI bank fixes high service charges than SBI and its customers always get prompt services whenever they visit the bank better than SBI customers.

- SBI customers always wait to pay or withdraw amount than the ICICI bank customers and it always offers new schemes and online services with compared to ICICI bank.
6.2.3 Relationship Marketing

- Relationship marketing variables, such as cash deposit machine and green channel (3.73) and token systems to pay amount (3.01) hold a high mean value with compared to the other variables.

- Relationship marketing dimensions, such as trust, commitment, empathy, conflict handling, communication, personalisation, ethics and technology has a positive relationship among them.

- Gender, age and occupation of the customers influence the relationship marketing dimensions, but area, educational qualification, family monthly income and family size of the customers are not influencing the relationship marketing dimensions.

- Out of 936 customers, 255 customers are strongly agree with the relationship marketing dimensions in SBI and 248 customers in ICICI bank and there is no association between the bank and relationship marketing dimensions.

6.2.4 Customer Satisfaction

- Customers are highly satisfied with the convenience of branch location and least satisfied with the bank’s investment guidance to the customers.

- Gender, area, age, occupation and family monthly income of the customers influence the customer satisfaction but educational
qualification and family size of the customers are not influencing the customer satisfaction.

- Out of 936 customers, 168 customers are highly satisfied in ICICI bank and 140 customers in SBI and the bank also influences the customer satisfaction.

### 6.2.5 Customer Retention

- Customer retention variables, such as services provided at low cost (4.52) and the unique position of bank in the society (4.46) has a high mean value with compared to the other variables.

- All the dimensions of customer retention, such as customer trust, customer commitment, corporate image and customer service differ significantly with one another.

- Gender and area of the customers are not influencing the customer retention dimensions but age, educational qualification, occupation, family monthly income and family size of the customers influence the customer retention dimensions.

- Out of 936 customers, 227 customers are strongly agree with the customer retention dimensions in ICICI bank and 203 customers in SBI and the bank also influence the customer retention dimensions.
6.2.6 Inter-Relationship among Relationship Marketing, Customer Satisfaction and Customer Retention

- Relationship marketing is positively correlated with customer satisfaction (0.690) and negatively correlated with customer retention (-0.769) and customer satisfaction is negatively correlated with customer retention (-0.474).

- Relationship marketing, customer satisfaction and customer retention are highly correlated with one another.

6.2.7 Influence of Relationship Marketing and Customer Retention on Customer Satisfaction - A Model

- The first group variables, such as commitment, trust, conflict handling, empathy, communication and customer trust has been influenced customer satisfaction by 40.29%.

- The second group variables, such as personalisation, customer service, technology, ethics, corporate image and customer commitment have been influenced customer satisfaction by 24.74%.

- The first group variables have exerted more influence than the second group in customer satisfaction of SBI and ICICI Bank.

- Customer satisfaction in SBI and ICICI Bank are influenced by other variables such as customer value, switching barriers,
competitive advantage etc. in day to day life and its overall performance by 34.97%.

- The customer satisfaction in SBI and ICICI Bank has been influenced by the factors of relationship marketing and customer retention to the extent of 65.03%.

### 6.2.8 Opinion of Bank Managers on Relationship Marketing

- Majority of the managers (86.3%) agree with honest and politeness as the most important qualities for bank employees.

- Majority of the managers (60.3%) agree with the needs of implementing relationship marketing strategy only for retaining the customers.

- ICICI bank customers have more awareness on relationship marketing strategy than SBI bank customers.

- Every branch of SBI and ICICI Bank in Salem, Namakkal and Erode districts have 10000 customers approximately.

- Most of the customers stay in their branches permanently.

- Branches have not spent any cost to attract new customers because banks do this on behalf of branches. Branches spend cost only to existing customers for pass book, ATM card, pay-in-slip and account maintenance.
◊ Bank managers patiently hearing the complaints, understand and solve the problems faced by the customers within 2 or 3 working days. Mostly they solve the complaints within the branches itself.

◊ Bank managers attract new customers through their products, schemes and facilities like ATM, Green Channel, Mobile banking and Net banking. They also provide need based services to its customers. They retain the existing customers through good and faster customer service, suitable products and their brand name.

◊ Employees are face of the bank and their commitment level is more than 100%. Their attitude and approach is good and they maintain cordial relationship with the customers and render good services. They work as a team and behave politely and honestly.

◊ In relationship marketing maintenance, the variables such as convenient bank location and fulfillment of customer requirements within the office hours (4.96) have a high mean value with compared to the other variables.

◊ In relationship marketing strategy, the variables such as guidance to new customers given by front line employees and update new services to the customers through e-banking (4.96) have a high mean value with compared to the other variables.
In impact of relationship marketing, increasing customer database variable (4.90) has a high mean value with compared to the other variables.

6.3 SUGGESTIONS

✦ SBI takes less effort to monitor customer investment growth and their customers are not get prompt services. So, it takes more effort for it and tries to provide prompt services to its customers.

✦ SBI customers spend more time to pay or withdraw amount from the bank. So, it gives additional counter for fast services or provide cash deposit machine and also create awareness about it.

✦ ICICI bank fixes high service charges. So, it reduces it to retain and attract the customers and also try to offers new schemes and easy accessible online services to satisfy their customers.

✦ Gender, age and occupation of the customers influence the relationship marketing dimensions. So, the banks have the responsibility to offer schemes and services based on customer’s gender, age and occupation.

✦ Out of 936 customers, 255 customers are strongly agreed with relationship marketing dimensions in SBI and 248 customers in ICICI Bank. Hence, there is no much difference between SBI and ICICI Bank in relationship marketing and both the banks try to
follow better relationship marketing strategy and also maintain a good relationship with their customers.

✦ SBI and ICICI Bank customers are highly satisfied only with the convenience of branch location. So, both the banks more concentrate on their schemes, investment guidance and e-corner facilities.

✦ Gender, area, age, occupation and family monthly income of the customers influence the customer satisfaction. So, the banks satisfy their customers on the basis of gender, area, age, occupation and income level of the customers.

✦ Only minimum number of customers is highly satisfied in SBI (140/936) and ICICI Bank (168/936). So, both the banks are highly concentrated to satisfy all the customers in all the aspects.

✦ SBI and ICICI Bank retain their customers when they provide services at low cost and also its brand image. So, both the banks more concentrate on customer trust, commitment and services.

✦ Age, qualification, occupation, income and family size of the customers influence the customer retention in SBI and ICICI Bank. So, it should take necessary steps to retain the customers on the basis of age, qualification, occupation, income and family size of the customers.
• Out of 936 customers, SBI retain only 203 customers and 227 customers in ICICI Bank. So, ICICI Bank retains more customers than the SBI but there is no much difference between them. Hence, both the banks provide new schemes, innovative services and less procedure for loans and deposits for retain the other customers.

• Based on the study, there is a negative correlation between relationship marketing and customer retention in SBI and ICICI Bank. So, both the banks have to adopt effective relationship marketing strategy in all the aspects and retain their customers.

• There is a negative relationship between customer satisfaction and customer retention. So, both the banks satisfy their customers in all the parameters and retain them.

• Based on the present study, only 65.03% of the factors influence the customer satisfaction in SBI and ICICI Bank. Remaining 34.97% of the factors also influence the customer satisfaction. So, both the banks have to concentrate the remaining factors and 100% increase the customer satisfaction level.

• Sometimes the bank employees have impatience with the customers. So, they should act as a good friend to the customers all the times.
In banks, rest room facilities available only for employees. So, it provides good rest room facilities to customers also because customers wait more time to pay or withdraw amount.

Bank provides and create awareness about e-corner facilities because it reduce employees work load and also customers need not wait lot of time to pay or withdraw amount.

Bank gives proper instruction board to the customers about demand draft counter, account opening counter, loan section, withdrawal counter, deposit counter, enquires and complaints counter and so on.

6.4 CONCLUSION

The research concludes that the relationship marketing strategy influence the customer satisfaction and customer satisfaction influence the customer retention in SBI and ICICI Bank. The demographic profile of the customers also influences the relationship marketing, customer satisfaction and customer retention in both the banks and it is also play an important role in the present study. So, the banks provide schemes and services based on customers’ profile and their requirements. Relationship marketing dimensions highly correlated with one another and customer retention dimensions also significantly differ between them. So, the banks consider all the dimensions and fulfill the needs of their customers. Relationship marketing and customer satisfaction have a negative correlation with customer retention. So, the banks need to
follow good relationship marketing strategy to satisfy and retain their customers. Banks also implement e-corner facilities to reduce the employees’ burden and help to maintain a long term relationship between the employees and the customers.

6.5 SCOPE FOR FURTHER RESEARCH

Research can be conducted in the areas of relationship marketing and customer retention in the following sectors:

- Development Banks
- Insurance Companies
- Cooperative Banks
- Telecommunications
- Hospitality
- Transport
- Other relevant sectors