CHAPTER III

RESEARCH METHODOLOGY
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3.1. INTRODUCTION

Objective of the study is to find out the process for CRM with performance highlights of Banks. Hillway, T.M. stated, “If scholar cannot clearly describe his method, the chances are that it is too vague and general to yield satisfactory results”.

Further focusing on obstacles for successful implementation of CRM.

FIGURE 3.1: RESEARCH

![Diagram showing Organised and Systematic, Way of Finding, and Answers to Questions]

SOURCE: BY RESEARCHER

Research methodology may be understood as a science of studying how research is done scientifically. In short research methodology is the underlying theory of how research should be conducted. The research may be qualitative or quantitative.
3.2. Research Design:

**Definition:** “*A research design is a framework or blueprint for conducting the research project.*”

**FIGURE 3.2: RESEARCH DESIGN**

3.3. Scope of the study

The existing literature suggests that following four factors should be covered:

1. Managing and building customer relationship (Hunt 1994),
2. Relationship evolves with distinct phases (Dwyer, 1987),
3. The distributing value of relationship to the institution is not identical (Narasimhan 2001)
4. Managing relationships and interacting with customers on every stage (Fahey 1998).

The current study focuses exclusively on the CRM of commercial banks. However, within commercial bank, the regional co-operative banks are not been covered.
The study also tries to identify and provide the parameters for selection of banks by the customer and factors leading to affinity and relationship with the bank.

The respondents in this research work are customers and based on their feedback a CRM model has been worked out, which will helpful for the banking sector to implement CRM.

The suggestions and recommendations will help the banks to plug the deficiency in better manner to improve the relationship management services.
3.4. OBJECTIVES OF THE STUDY

The main objective of the study is to identify the importance of CRM in banking sector, and its effect on the customer satisfaction with a special reference to (SBI, ICICI, DENA Bank and BOM) Banks. The other objectives are:

1. To identify the Customer Relationship Management (CRM) practices in banking sector in Thane city.

2. To assess the awareness and use of CRM in banking sector.

3. To analyze the service quality offered by bank.

4. To increase lifetime value of individual customer through CRM.

5. To analyze on decision making activity by banking sector.

6. To study the significance of Customer Relation Management (CRM) practices in SBI Bank, ICICI Bank, Dena Bank, Bank of Maharashtra in Thane city.
3.5. **HYPOTHESIS**

The methodology used in the study is based on the research questions, the problems to be addressed and also based on the theoretical base.

1. **H0**: There is no significant difference between Customer Relationship Management practices in SBI, ICICI, Dena and Maharashtra Bank.
   
   **H1**: There is significant difference between Customer Relationship Management practices in SBI, ICICI, Dena and Maharashtra Bank.

2. **H0**: There is no significant difference between awareness among the Customers of each Bank.
   
   **H1**: There is significant difference between awareness among the Customers of each Bank.

3. **H0**: Quality of services and satisfaction level about CRM are independent of each other.
   
   **H1**: Quality of services and satisfaction level about CRM are dependent of each other.

4. **H0**: Level of CRM in each Bank and relation with customer are independent.
   
   **H1**: Level of CRM in each Bank and relation with customer are dependent.

5. **H0**: Level of technology and Relationship with customers are independent.
   
   **H1**: Level of technology and Relationship with customers are dependent.

6. **H0**: Accurate record of customers and CRM strategy are independent of each other.
   
   **H1**: Accurate record of customers and CRM strategy are dependent of each other.
3.6. RESEARCH METHODOLOGY FOR PRESENT STUDY

“Research methodology is a systematized effort to gain new knowledge” It is a focused identification for search of new facts in any branch of knowledge. It takes many expansion and research methods to be a part of the research methodology.

In this study the researcher compared the views of the customers about CRM awareness, use, level of technology, and quality of service offered by bank. The researcher also found the opinion of the bank managers about application and implementation of Customer Relationship management on their working areas. Thus this study is mixed study.
FIGURE 3.3: MAPPING OF QUESTIONNAIRES TO RESEARCH OBJECTIVES

Questionnaire Section Set I - A, D & Set II

Questionnaire Section D

Questionnaire Section E

Questionnaire Section B

Questionnaire Section C Study of various

CRM- To monitor the working styles, structure, economic

CRM- Customer Account Management, awareness

CRM-To measure customer satisfaction, customer loyalty

CRM -Control criterion for reducing paper work, level of automation, level of computerization

Study of various barriers for effective CRM

OBJECTIVE 1

OBJECTIVE 2

OBJECTIVE 3

OBJECTIVE 4

OBJECTIVE 5

SOURCE: BY RESEARCHER
3.7. DATA COLLECTION

1. Primary data:

This study is empirical in nature. The empirical data will be collected for analyzing the information from bank managers and customers of bank.

To attain the above objectives and for getting firsthand information knowledge of CRM in banking by using a pre-tested and pre-coded schedule by personal interview and questionnaire with the account holders and managers with Thane region of Maharashtra state of India.

2. Secondary Data:

Data collection was done through published and unpublished sources. The secondary data are used to analyze the growth, performance of banking industry with reference of commercial banks.

They were collected from the different published articles, reference books, journals, conference proceedings, business dailies, reports, magazines; newsletters published by banks time to time and published documents & websites.

3.8. SAMPLING TECHNIQUES USED FOR PRESENT STUDY

1. Sampling Techniques:

FIGURE 3.4: SAMPLING TECHNIQUES
2. Sampling technique for the present study

For the present study convenience or volunteer sampling technique was used. In this study researcher got the form filled from the customers which easily available or were willing to fill the form. The researcher also meets various bank employees in various branches of the banks located in Thane City area, Other than city area as well as village Area in Thane district. The researcher asked them to fill up the questionnaire.

3. Sample Size:

The sample was collected from 600 customers of each bank residing in Thane city, other than Thane city and village area of the Thane district. The selected banks for the data collection where:

i. State Bank of India
ii. ICICI Bank
iii. Dena Bank
iv. Bank of Maharashtra

3.9. TOOL USED FOR DATA COLLECTION:

3.9.1. Questionnaire: The researcher used the questionnaire to collect data. The questionnaire was divided into two parts i.e.

1. For the Customers of selected Banks.
2. For the Managers of selected Banks.

For the users of e-CRM questions were further classified into customers views on usefulness of online banking, functioning of web site of the banks, how much bank, bank officials, encouraged for Online Banking, customers’ trust on the banks, security provided by the banks to their OB users and precautions taken by the customers while using OB. The copy of questionnaire is attached in Annexure 3.
In the similar manner the second part of the questionnaire was made for customers of the banks. The copy of questionnaire is attached in Annexure 4.

3.9.2. Preparation of Database

Primary data collection is the basis of study and Secondary data has also been used by going through the Publications of the department and through literature based on the topic.

3.9.3. Questionnaire Design

It was designed based on the basis of the review of literature.

3.9.4. Pilot Questionnaire Formulated

A draft questionnaire on the basis of the four stages listed above was made. It consisted of 68 statements covering all aspects of objectives planned. It contained some questions which were used in the final questionnaire and also some ideas which were converted into statement later. At this stage the decision on what type of scale to use had been narrowed down to the Likert Scale Various factors were identified and framed in the form of different sections in questionnaire.

These factors were identified on the basis of literature and also the brain storming with practitioners and management faculty. These factors were divided into different sections as per there relevance and were kept in set of questionnaire.

3.9.5. Testing of Questionnaires

The questionnaires have been tested on the following criteria:

a) Reliability: Cronbachs Alpha reliability of the scale was used.

b) Content Validity: The questionnaire was given to Officers of banks in the field to check for Content Validity. The basic purpose was to determine whether the define
objectives was being adequately covered and whether it was tapping as many dimensions of CRM in Banks as could be done.

A detail discussion was done with (Branch Managers), guide & key persons from Banks about the following features of the questionnaires

i. Comprehension

ii. Depth Of Study

iii. Relevance to today’s scenario

3.9.6. Observations and Feedback

Questionnaire was found to be comprehensive.

Followings points were suggested for incorporation in questionnaire:

1. The respondents were able to respond faster when asked verbally. On an average 25-30 minutes were required per respondent. However, the interactions with individual / functional heads lasted for around 35-40 minutes. The functional heads contacted were for Public Banks and private Banks.

2. Divide question into different sections.

3. Each section should be relevant to particular group of people.

4. Every individual question should be in different sections to understand the specific importance of CRM so Questionnaire should be divided into different sections appropriate changes were made in the questionnaires, wherever applicable

5. Ease of Response -10 respondents were test administered using the questionnaire cum interview method.
3.9.7. DATA COLLECTION

In order to conduct the research an appropriate methodology becomes necessary. In this direction both primary as well as secondary data were attempted to be collected. Primary data is collected through questionnaire prepared for customers about application and importance of CRM in their banks. This will result in to understanding the efficiency if CRM where it is being used. The study will find out, what banks are doing to continue with customer for long business relationship?

This study dealt with the customers feedback about the use of CRM in banking with reference to CRM awareness, use, level of technology, and quality of service offered by bank. The researcher also found the opinion of the bank managers about application and implementation of Customer Relationship management on their working areas. Thus the researcher used the questionnaire to collect data. The data was collected from the 150 customers residing in Thane City as well as those who have account with the same banks. They were easily available to the researcher and they were ready to fill the questionnaire.

1. SCALING TECHNIQUES

FIGURE 3.5: SCALING TECHNIQUES
2. DATA COLLECTION:

i. Sample Design: Sample design is determined before data are collected. It consists of banks and customers in Thane city.

ii. Sample Element: Respondents and Managers.

iii. Sample Unit: Branches.

iv. Duration of Study: Year 2012-2013

v. Sampling Technique: Random sampling

vi. Sample Size: 600 Customers of Bank and 40 Managers

1. Data Analysis: The collected data will be edited to avoid unwanted information and will be arranged in proper sequence and classified for suitable tabulation, graphs, chart and diagrams whenever necessary.

2. Research Area: The present study covers banks and its branches in Thane region of Maharashtra state of India.

3. Period of study: The period of study is between July, 2012 to June 2014.

3. TECHNIQUES OF DATA ANALYSIS

The collected data was arranged in proper sequence and classified for suitable tabulation, graphs, chart and diagrams whenever necessary.
3.10. SCALE EVALUATION

FIGURE 3.6: SCALE EVALUATION

The following statistical techniques were used in the study:

3.10.1. HYPOTHESIS TESTING:

Logically conjectured *relationship* between two or more variables or *difference* between two or more groups expressed in the form of a testable statement

Result will be analyzed through the following Statistical Test:-

i. CHI-SQUARE TEST

ii. ANOVA

For the purpose of various analyses simple data descriptive statistics methods will be used. Charts and diagrams will be used to emphasis and highlight growth of CRM in banking sector. In addition to this, the statistical tools such as tabulation, charts will be used by the researcher.
3.11. TIME AND WORK PLAN:

To set various targets, the researcher has made some time and work plan in due course of time. Data related to banks CRM is not available easily, because banks do not publish any data related to CRM. The researcher has selected year between 2008 to 2013 time frame for the study.

3.12. LIMITATIONS OF THE STUDY

The study covers a rigorous analysis over the concept of CRM and its implementation in Banking Sector in Thane city as a comparative study with reference to select commercial banks (SBI, ICICI, DENA BANK, AND BANK OF MAHARASHTRA). The analysis was made with regard to evaluation, growth and role of CRM in promotion of banking sector in THANE. Though the study is very comprehensive in nature, it is subjected to certain limitations as mentioned below.

The study is mainly based on the data collected from the customer of select banks; therefore, the accuracy of the data provided by them is relied upon the point of time of taking perceptions from the customers.

The study is carried out through the selected banks, so the findings may not represent the entire banking sector.