CHAPTER-VI

SUMMARY OF FINDINGS, CONCLUSIONS AND MANAGERIAL IMPLICATIONS
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The present study is accomplished in three stages. At the first stage, the customer views on the implementation of CRM practices and strategies in the commercial banks are discussed. At the second stage, the various consequences of CRM practices and strategies in the commercial banks are examined. At the final stage, the linkage between the CRM implementation and its consequences are evaluated. The confined objectives of the study are: (i) to reveal the profile of the customers; (ii) to measure the customers’ views on CRM practices and strategies in the commercial banks; (iii) to identify the discriminant CRM practices and strategies among the household and business customers; (iv) to analyse the various consequences of CRM practices and strategies in the commercial banks; (v) to examine the impact of implementation of CRM practices and strategies on the various consequences of CRM; and (vi) to evaluate the mediator role of customer satisfaction in between the implementation of CRM practices, strategies and customer loyalty among the customers.

Since the present study mainly depends on the primary data, a special care was taken to design the questionnaire. The questionnaire consists of three important parts. The first part includes the profile of the customers whereas the second part consists of the implementation of CRM practices and strategies in the banks. The final part of the questionnaire includes the various consequences of CRM. The relevant variables are drawn from the review of literature. The questionnaire was pre-tested among 10 bank customers per taluk. After the pre-test, certain modifications, additions and deletions were carried out in order to enrich the quality of the questionnaire.

In total there are 123 commercial banks in Theni district. From each bank, 4 household and 4 business customers were identified as the sample of the present study with the help of the branch manager of the commercial banks. The total sample size came to 984 which consist of 492 household and 492 business customers. Several attempts have been taken to collect the primary data from the customers. The
response rate between the household and business customers are 45.32 per cent and 48.57 per cent to its total of 492 customers. The final sample size came to 462 customers. Appropriate statistical tools were used to process the data. These are discussed in the previous chapters. In this chapter, the summary of findings, conclusions and managerial implications are presented.

6.1 SUMMARY OF FINDINGS

The important gender among the customers is male. The important age of the customers is between 35.01 to 45 years. The most important age among the household and business customers is 35.01 to 45 years. The important level of education among the customers is under-graduation. The most important level of education among the household and business customers is under-graduation.

The important occupational status among the customers is business. The most important occupational status of the household customers and the business customers are private employment and business respectively. The important monthly income among the customers is above Rs.70,000. The monthly income of the business customers is higher than the monthly income of the household customers.

The important family income per month among the business customers is above Rs.80,000 and Rs.70,001 to Rs.80,000. The family income per month among the business customers is higher than the family income per month among the household customers. The important duration of holding account in the bank by the customers is above 14 years and from 11.01 to 14 years. The duration of holding account in the bank among the business customers is higher than that of the household customers. The important number of accounts held in the bank among the customers is only one. The number of accounts held in the bank among the business customers is higher than the household customers.

The views on the implementation of CRM practices in the commercial banks among the customers have been measured by five important CRM practices namely customer acquisition, customer response, customer knowledge, customer information system and customer value evaluation. The customers’ views on the customer acquisition are measured with the help of ten variables. The highly viewed variables
in customer acquisition by the household and business customers are ‘bank uses different approaches to attract large customers’ and ‘bank staff have sincere interest on customers’. Regarding the views on variables in customer acquisition, the significant difference between the household and business customers has been noticed in all ten variables in customer acquisition. The Confirmatory Factor Analysis accepts only eight variables. The included eight variables in customer acquisition explain it to a reliable extent.

The respondents’ views on customer response among the customers have been measured with the help of eight variables. The highly viewed variables in customer response between the household and business customers are ‘Bank supplies required information’ and ‘bank response on individual attention’. Regarding the view on variables in customer response, the significant difference between the household and business customers has been noticed in all eight variables. The Confirmatory Factor Analysis accepts only six variables in customer response. The included six variables in customer response explain it to a reliable extent.

The views on customer knowledge among the customers have been measured with the help of eight variables. The highly viewed variables in customer knowledge by the household and business customers are ‘knowledgeable relationship executive’ and ‘well trained staff at banks’. Regarding the views on variables in customers’ knowledge, the significant difference between the household and business customers have been identified in seven out of eight variables. The Confirmatory Factor Analysis accepts only six variables. The included six variables in customer knowledge explain it to a reliable extent.

The views on customer information system among the customers have been measured with the help of eight variables. The highly viewed variables in customer information system by the household and business customers are ‘modern equipments and technologies’ and ‘automation at banks’ respectively. Regarding the view on the variables in customer information system, the significant difference between the household and business customers has been noticed in two out of eight variables. The Confirmatory Factor Analysis accepts only seven variables in
customer information system. The included seven variables in customer information system explain it to a reliable extent.

The customer value evaluation among the customers has been measured with the help of eight variables. The highly viewed variable in customer value evaluation by the household and business customers is ‘delivers only superior services’. Regarding the views on variables in customer value evaluation, the significant difference among the two group of customers have been noticed in the case of all eight variables in it. Only seven variables are accepted by the Confirmatory Factor Analysis in it. The included seven variables in customer value evaluation explain it to a reliable extent.

The highly implemented CRM practices in commercial banks as per the view of household customers and business customers are ‘customer information system’. Regarding the views on the implementation of CRM practices, the significant difference between the household and business customers have been noticed in the case of customer response, customer knowledge and customer value evaluation.

The significantly associating important profile variables regarding the perception on the implementation of CRM practices in commercial banks are age, educational status, occupational status, monthly income, family income and duration of holding account in the bank. The important discriminant CRM practices among the household and business customers are customer response and customer value evaluation which are higher among the business customers than among the household customers.

The implementation of CRM strategies in the banks have been examined by four factors namely customer focus, CRM organization, knowledge management and technology based CRM. The highly viewed variables in customer focus by the household and business customers are ‘provides tailor made products’ and ‘works with individual customers’ respectively. Regarding the views on the implementation of variables in customer focus, the significant difference between the household and business customers has been noticed in the case of all five variables. The
confirmatory factor analysis accepts all the five variables in it. The included five variables in customer focus explain it to a reliable extent.

The implementation of CRM organization in the banks has been measured by six variables. The highly viewed variables in CRM organization by household and business customer are ‘reclaiming lost customers’ and ‘analysing the causes for customer exit’ respectively. Regarding the views on the implementation of CRM organization, the significant difference between the household and business customers has been noticed in the case of four out of six variables in it. The Confirmatory Factor Analysis accepts only five variables in it. The included five variables in the CRM organization explain it to a reliable extent.

The level of implementation of knowledge management has been measured with the help of six variables. The highly viewed variables in knowledge management by household customers and business customers are ‘knowledge learning of the employees’ and ‘two way communication’ respectively. Regarding the views on variables in knowledge management, the significant difference between the household and business customers has been noticed in the case of all six variables. The confirmatory factor analysis accepts all the six variables in it. The included six variables in knowledge management explain it to a reliable extent.

The implementation of technology-based CRM has been measured with the help of seven variables. The highly implemented variable in technology based CRM as per the view of household and business customers are ‘technical knowledge among the employees’ and ‘comprehensive data base’ respectively. Regarding the views on the implementation of technology based CRM, the significant difference between the household and business customers have been noticed in the case of all seven variables. The confirmatory factor analysis accepts all the seven variables in it. The included seven variables in the technology based CRM explain it to a reliable extent.

The highly implemented CRM strategies as per the views of household customers are ‘CRM organization’ and ‘technology based CRM’ whereas among the business customers, these two are also the same. Regarding the views on the
implementation of CRM strategies, the significant difference between the household and business customers has been noticed in the case of customer focus, knowledge management and technology based CRM.

The significantly associating important profile variables with the view on the implementation of CRM strategies among the customers are their age, educational status, occupational status, monthly income, family income and duration of holding accounts in bank. The important discriminant CRM strategies among the household and business customers are ‘customer focus’ and ‘knowledge management’ which are higher among the business customers than among the household customers.

The consequences of CRM in the banks have been examined with the help of customer trust, reciprocity, service quality, customer interaction, customer retention, customer service strategies, customer satisfaction and customer loyalty. The customer trust has been measured by nine variables. The highly viewed variable in customers trust by the household and business customer is ‘value system of the bank’. Regarding the views on customer trust, the significant difference between the household and business customers has been noticed in the case of seven out of nine variables in customer trust. The Confirmatory Factor Analysis accepts only seven variables. The included seven variables in customer trust explain it to a reliable extent. The level of customer trust among the business customers is higher than among the household customers.

The level of reciprocity from CRM has been measured with the help of seven variables. Only five variables are accepted by the Confirmatory Factor Analysis to represent reciprocity. The highly viewed variable in reciprocity by the household and business customers are ‘economical cost of service’ and ‘provision of equal treatment for all’ respectively. Regarding the views on variables in reciprocity the significant difference between the business and household customers have been noticed in all seven variables. The included five variables in reciprocity explain it to a reliable extent. The level of reciprocity among the business customers is higher than among the household customers.
The service quality in commercial banks has been measured by twenty two variables. The important service quality factors narrated by the exploratory factor analysis are ‘reliability’, ‘responsiveness’, ‘empathy’, ‘assurance’ and tangibles. The included variables in service quality factors explain it to a reliable extent. The highly perceived service quality factors by the business customers are ‘empathy’ and ‘reliability’ whereas by the household customers, these are ‘assurance’ and ‘empathy’. The significant difference among the household and business customers has been noticed in the perception on all five service quality factors. The level of perception on service quality of the commercial banks is higher among the business customers than among the household customers.

The customer interaction in commercial banks is measured with the help of eight variables. The highly viewed variable by the household and business customers are ‘listening to customer complaints’ and ‘directing the complaints to suitable persons’ respectively. Regarding the views on variables in customer interaction, the significant difference between the household and business customers is identified in all eight variables. Only six variables are accepted by Confirmatory Factor Analysis in customer interaction. Those six variables in customer interaction explain it to a reliable extent. The level of customer interaction among the business customers is higher than among the household customers.

The customer retention in the commercial banks is measured with the help of fifteen variables. The highly viewed variable by the household and business customers are ‘value added services’ and ‘employee involvement’ respectively. Regarding the views on variables in customer retention, the significant difference between the household and business customers has been noticed in the case of nine out of fifteen variables in customer retention. Only ten variables are accepted by confirmatory factor analysis in customer retention. The level of view on customer retention is higher among the business customers than among the household customers.

The customer service strategies (CSS) in the commercial banks are treated as one of the consequences of CRM in the banks. It has been measured with the help of thirteen variables. The highly viewed variables in CSS by the household and business
customers are ‘cross-selling of products’ and ‘preferential pricing’ respectively. The significant difference among the household and business customers has been noticed in the perception on seven variables out of thirteen variables in customer retention. The confirmatory factor analysis accepts all the thirteen variables in it. The level of views on customer service strategies with that of the business customers is higher than the household customers.

The customer satisfaction on the commercial banks has been measured with the help of five variables. The highly viewed variables by the household and business customers are ‘current bank meets all my purchase expectations’ and ‘satisfied with the overall service package of bank’ respectively. The significant difference between the household and business customers has been noticed in the perception on four out of five variables in customer satisfaction. The included five variables in customer satisfaction explain it to a reliable extent. The level of customer satisfaction among the business customers is higher than among the household customers.

The customer loyalty towards the commercial banks has been measured with the help of six variables. The highly viewed variables by the household and business customers are, ‘I will continue using the services offered by this bank’ and ‘I recommend my bank to others’ respectively. Regarding the view on variables in customer loyalty, the significant difference between the household and business customers has been noticed in five variables. The included six variables in customer loyalty explain it to a reliable extent. The level of customer loyalty is identified by the business customer is higher than among the household customers. The customer loyalty among the customers is relatively lesser than the customer satisfaction on the banks among the customers.

The highly viewed consequences of CRM in the commercial banks among the household customers are ‘service quality’ and ‘customer retention’ whereas among the business customers, these are ‘service quality’ and ‘customer service strategies’. The significant difference between the household and business customers has been noticed in the view on all eight consequences of CRM.
The significantly associating profile variables regarding the views on various consequences of CRM are their age, educational status, monthly income, family income and duration of holding account in the bank. The important discriminant consequences of CRM among the household and business customers are ‘customer trust’ and ‘customer interaction’ which are highly viewed by the business customers than by the household customers.

The significantly and positively influencing CRM practices on the customer trust among the household customers are ‘customer response’ and ‘customer knowledge’ whereas among the business customer, these are ‘customer acquisition’, ‘customer response’, ‘customer information system’ and ‘customer value evaluation’. The changes in the implementation of CRM practices in the commercial banks explain the changes in customers trust on commercial banks to a higher extent among the business customers than among the household customer. The analysis of pooled data reveals the importance of all five CRM practices in the determination of customer trust on commercial banks.

Among the household customers, the significantly influencing CRM practices on the reciprocity are ‘customer information system’ and ‘customer value evaluation’ whereas among the business customers, these are ‘customer response’, ‘customer information system’ and ‘customer value evaluation’. The changes in the implementation of CRM practices explain the changes in reciprocity to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the importance of customer information system and customer value evaluation in the determination of reciprocity among the customers.

Among the household customers, the significantly influencing CRM practices on the service quality of commercial banks are customer acquisition and customer knowledge whereas among the business customers, these are all five CRM practices. The changes in the implementation of CRM practices explain the changes in the view on service quality to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the importance of all five CRM practices in the determination of the perception on service quality of commercial banks among the customers.
The significantly influencing CRM practices on the customer interaction among the household customers are ‘customer response’ and ‘customer information system’ whereas among the business customers, these are ‘customer acquisition’, ‘customer response’, ‘customer information system’ and ‘customer value evaluation’. The changes in the implementation of CRM practices explain the changes in customer interaction to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the importance of customer acquisition, customer response, customer information system and customer value evaluation in the determination of customer interaction in the commercial banks.

The significantly influencing CRM practices on the customer retention in the commercial banks among the household customers are ‘customer information system’ and ‘customer value evaluation’. Among the business customers, these are ‘customer knowledge’, ‘customer information system’ and ‘customer value evaluation’. The changes in the implementation of CRM practices explain the changes in customer retention at commercial banks to a higher extent among the business customers than among the household customers. The quality of pooled data reveals the importance of implementation of customer knowledge, customer information system and customer value evaluation in the determination of customer retention in the commercial banks.

The views on customer service strategies in the commercial banks are significantly influenced by the implementation of customer value evaluation among the household customers whereas among the business customers, these CRM practices are ‘customer acquisition’, ‘customer response’, ‘customer knowledge’ and ‘customer value evaluation’. The changes in the implementation of CRM practices explain the changes in the perception on customer service strategies to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the importance of implementation of customer response, customer knowledge and customer value evaluation in the determination of view on customer service strategies in the commercial banks.
The significantly influencing CRM practices on the customer satisfaction on commercial banks among the household customers are ‘customer response’, ‘customer knowledge’ and ‘customer value evaluation’ whereas among the business customers, these are ‘customer acquisition’, ‘customer response’ and ‘customer knowledge’. The changes in the implementation of CRM practices explain the changes in customer satisfaction to a higher extent among the business customers than among the household customers.

The significantly influencing CRM practice on customer loyalty among the household customers is ‘customer value evaluation’ whereas among the business customers, these are ‘customer response’ and ‘customer value evaluation’. The changes in the implementation of CRM practices explain the changes in customer loyalty to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the importance of implementation of customer value evaluation in the determination of customer loyalty.

Among the household customers, the significantly influencing CRM strategies on the customer trust is ‘customer focus’ whereas among the business customers, these CRM strategies are ‘customer focus’, ‘knowledge management’ and ‘technology based CRM’. The changes in the implementation of CRM strategies explain the changes in customer trust to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the importance of customer focus and knowledge management in the determination of customer trust among the customers.

The changes in the reciprocity among the household customers are significantly explained by the changes in the implementation of knowledge management. Among the business customers, the changes in the reciprocity are significantly explained by the changes in the implementation of customer focus, knowledge management and technology based CRM. The changes in the implementation of CRM strategies explain the changes in reciprocity among the business customers to a higher extent than among the household customers.
Among the household customers the significantly influencing CRM strategies on service quality is ‘customer focus’ whereas among the business customers, these are ‘knowledge management’ and ‘technology based CRM’. The changes in the implementation of CRM explain the changes in service quality to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the importance of implementation of customer focus, knowledge management and technology based CRM in the determination of service quality in commercial banks.

The significantly influencing CRM strategies on the customer interaction among the household customers is ‘customer focus’ whereas among the business customers, these are ‘customer focus’, ‘knowledge management’ and ‘technology based CRM’. The analysis of pooled data reveals the importance of customer focus and technology based CRM on the determination of customer interaction among the customers. The changes in the implementation of CRM strategies explain the changes in customer interaction to a higher extent among the business customers than among the household customers.

The significantly influencing CRM strategy on customer retention among the household customers is ‘customer focus’ whereas among the business customers, these are ‘customer focus’ and ‘knowledge management’. The changes in the implementation of CRM strategies explain the changes in customer intention to a higher extent among the business customers than among the household customers. The analysis of pooled data reveals the relative importance of implementation of customer focus on the determination of customer retention among the customers.

Among the household customers, the significantly influencing CRM strategies on the customer service strategies is ‘customer focus’ whereas among the business customers, these are ‘customer focus’ and ‘knowledge management’. The analysis of pooled data reveals the importance of implementation of customer focus and knowledge management in the determination of customer service strategies among the customers. The changes in the implementation of CRM strategies explain the changes in the perception on customer service strategies among the business customers at a higher extent than among the household customers.
The significantly influencing CRM strategies on the customer satisfaction among the household customers are ‘customers focus’ and ‘technology based CRM’ whereas among the business customers, these are customers focus, ‘knowledge management’ and ‘technology based CRM’. The analysis of pooled data reveals the importance of customer focus, knowledge management and technology based CRM in the determination of customer satisfaction. The changes in the implementation of CRM strategies explain the changes in customer satisfaction to a higher extent among the business customers than among the household customers.

The implementation of CRM strategies in the banks has a significant impact on customer loyalty among both household and business customers. The analysis of pooled data also supports those findings. The changes in the implementation of CRM strategies explain the changes in customer loyalty to a higher extent among the business customers than among the household customer. The impact of implementation of CRM strategies on the customer loyalty among the customers is lesser than the impact on customer satisfaction.

The analysis of structural equation model reveals that there is no significant impact of implementation of CRM practices on the customer loyalty among the customers. But, the implementation of CRM practices at banks have a significant indirect impact on customer loyalty i.e., through the customer satisfaction. The higher the total effect on customer loyalty is made by the implementation of customer information system and customer acquisition.

Only the implementation of customer focus has a significant direct impact on customer loyalty among the customers whereas the CRM strategies namely customer focus, knowledge management and technology based CRM have a significant indirect impact on customer loyalty. The higher total effect on customer loyalty is made by technology based CRM and customer focus. It shows the significance of mediator role of customer satisfaction in between the implementation of CRM practices and customer loyalty among the customers.
6.2 CONCLUDING REMARKS

The implementation of CRM practices and strategies as per the views of business customers is higher than the views of household customers. The perception on various consequences of CRM is identified as higher among the business customers than among the household customers. The significantly influencing CRM practices on the various consequences of the CRM are ‘customer information system’ and ‘customer value evaluation’ whereas the CRM strategies are ‘customer focus’ and ‘technology based CRM’. The customers’ views on the implementation of CRM practices, strategies and the consequences of CRM are identified as higher among the business customers than among the household customers. The importance of customer satisfaction as a mediator variable in between the CRM practices, CRM strategies and the customer loyalty is proved by this study. The study concludes that the perception on CRM and its consequences are higher among the business customers than among the household customers. It reveals the urgent need to analyse the reason for poor perception among the household customers and design appropriate CRM as per the need of the household customers in order to enrich the banks services and service quality.

6.3 MANAGERIAL IMPLICATIONS OF THE STUDY

Based on the findings of the study, the following suggestions are made:

6.3.1 Differentiated CRM Practices

The study reveals that the level of perception on the CRM practices among the household customers and business customers differ from each other, the bank management should pay attention to design and introduce different CRM practices for household and business customers.

6.3.2 Differentiated CRM Strategies

The study also identified that level of perception on CRM strategies among the household customers and business customers is differ with each other, bank management should pay attention to design and introduce different CRM strategies for business and household customers.
6.3.3 Focus on Demographic Profile

Since the demographic profile of the customers particularly age, educational status, occupational status, family income and duration of holding account have a significant association with their level of perception on CRM practices, CRM strategies and the consequences of CRM, the bank management should consider the demographic profile of the customers before formulating and designing their CRM practices and CRM strategies.

6.3.4 Retaining on Existing Customers and Attract New Customers

Bank in particular, a service organisation in general interested in acquiring and retaining loyal customers. The present study shows that customer loyalty is lesser than the customer satisfaction in the banking sector. It indicates that the majority of the banks are not in a position to convert their satisfied customer into loyal customers. To gain customer loyalty and enhance customer relationship the bank management should satisfy the customers by the way of offering personalized services, communicating new services to the customer in time, flexible and innovative in providing services. The loyal customer can also attract new customer by spreading positive word of mouth communication about the bank and also contribute new ideas to the bank.

6.3.5 Focus on Type of Customers

The household customers’ perception on trust and customer interaction is comparatively lesser than the business customers. To enhance household customers’ perception on trust, reciprocity and customer interaction, the bank management should keep promises, avoiding potential conflicts, openly discussing problems will help the bank to ensure trust. Reciprocity and customer interaction can be enhanced by contacting customers by mail, telephone or in person, customer care, web enabled marketing mechanism etc.

6.3.6 Careful Analysis on Household Customers

The study reveals that the household customer perception on service quality, customer retention and customer service strategies are comparatively lesser than the
business customer. Therefore the bank management should pay attention to enhancing service quality of the banks, introducing several customer retention strategies and designing new service strategies.

6.3.7 Establishment of CRM Information System at Banks

The study identified that a significant difference exists among the customers regarding customer perception on CRM practices, CRM strategies and consequences of CRM. Taking advantage of information technology, bank needs to develop a comprehensive information system which consists of all customers related data and life time value of the customers to facilitate up sell and cross sell their product and services.

6.3.8 Focus on Recruitment, Selection and Training of the Bank Employees

The support of the bank employees is highly essential for better implementation of CRM practices and CRM strategies in the banking sector. Therefore, bank management needs to recruit skillful and efficient employee, and training should be given to all the levels of employee regarding customer relationship management. This training will create a customer oriented climate, so that employees can deliver their service effectively and efficiently.

6.3.9 Establishment of Research and Development Department

The bank should have separate research and development department to identify the changing needs of the customers and monitor the effectiveness of customer relationship management at regular intervals.

6.3.10 Appropriate CRM Dimensions

The CRM dimensions will vary from business customer to household customer. So the banker needs to identify the different CRM dimensions of business customers and household customers. The managers are advised to formulate and evaluate different CRM dimensions of business customers and household customers.
6.3.11 Future Orientation

The banks must foresee the needs of their business customers and household customers and must prepare themselves to face the changing environment in the future. For, customers' needs and requirements are very much volatile and it is always recommended to keep one step ahead of the competitor's bank by introducing innovative services, so that long term bond between customers and the banks could be developed.

6.3.12 Multi-channel Integration Process

The bank should integrate and co-ordinate all the customer interaction channels thereby understanding the customer requirements. This would pave the way for the improvement of service delivery to customers.

6.4 SCOPE FOR FUTURE RESEARCH

The present study has enlightened CRM and its consequences as per the view of the customers only. It may be discussed as per the view of the bank staff as well. The study on CRM at various categories of bank may be conducted in the future research work. The linkage between the CRM implementation and profitability of the banks may be focused in future research. The problems in implementation of CRM at commercial banks may be studied in the near future. The impact of CRM through the mediator variables on the various consequences of CRM may be analysed with the help of structural equation modeling in future research work.